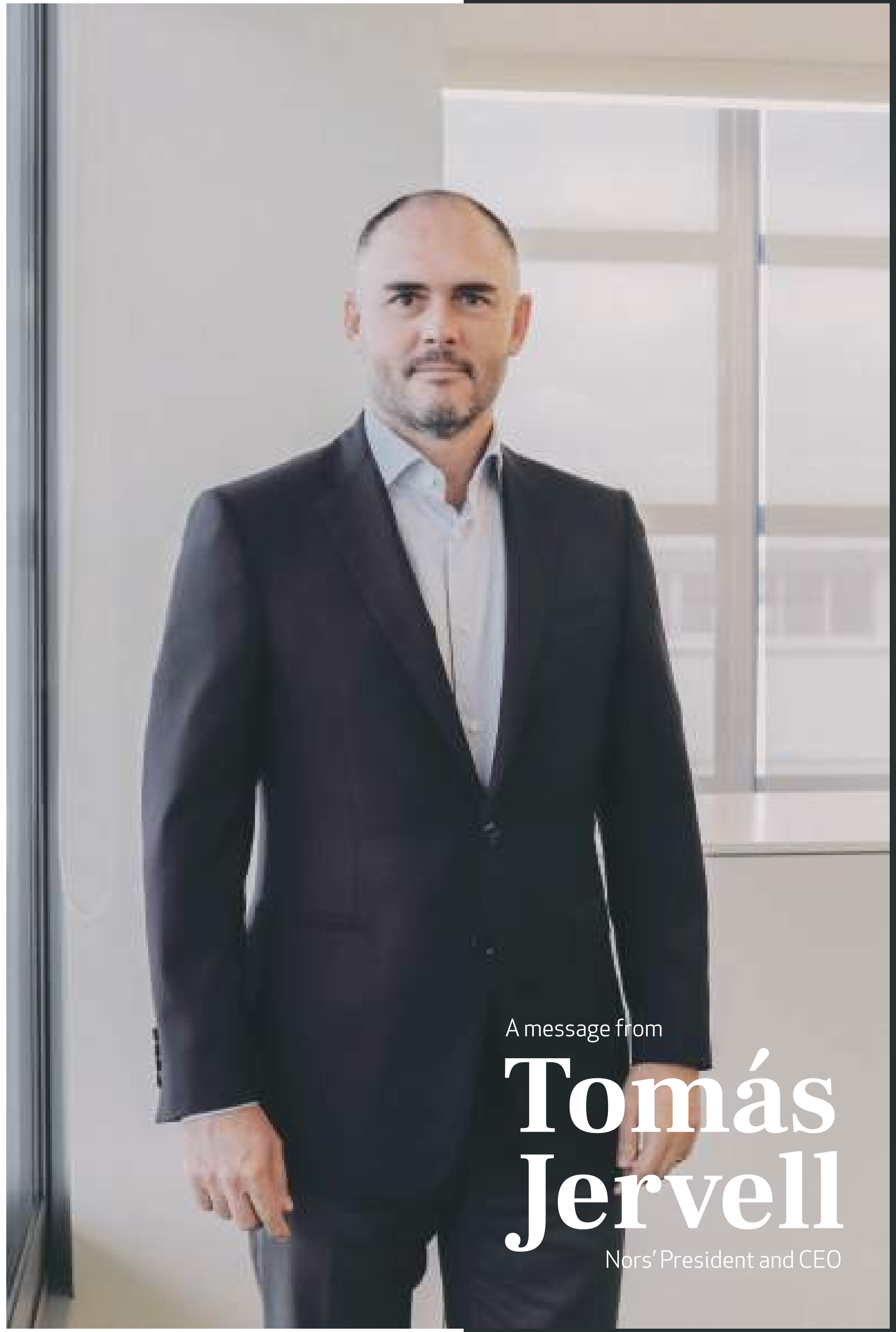
MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

2020

we drive trust.

índice


vision
the strenght to drive the future



A message from

Tomás Jervell

Nors' President and CEO

a vision of courage and confidence

"It is unavoidable to look towards 2020 as a year of exception, challenge and reflection. The global scenario has revealed, in our organisation, a responsiveness that only particularly demanding times know how to enhance. It was through an agile and diligent approach that we were able to manage and react to the reality that imposed itself, looking for tomorrow.

Continuing a growth path, our investment in the Canadian market, with the acquisition of Strongco Corporation, clearly and unequivocally demonstrated our ambition, highlighting the global vision and confidence that we reflect in our future strategy.

It was also through the redesign of our positioning that we found a differentiating strength: we embraced and communicated a new corporate identity, reaffirming our purpose and approach. Strengthened by the motto "we drive trust", we incorporated a true sense of doing, feeling and being Nors, more than ever before.

We look to the future with confidence and determination, facing any adversity. 88 years later, this mirrors our legacy consistency and solidity. We stand and grow firmly, always looking forward to what comes next - always looking forward for the next chapters of Nors' history.

01.

identity

the tenacity of being Nors

1.1. brand and communication

consolidating the narrative

moving mountains and reaching the top

If in 2019 one of the assumptions that took charge of our strategy was the will to restructure the way we communicate and position ourselves in the market, 2020 was the time give a voice to a new identity, a new brand, a new Nors.

With the ambition of communicating our ethos through a common, conciliatory identity, we brought to life a new brand architecture, a new visual language that can connect all the business areas and group companies to new communication channels and tools and, above all, to a single voice that can speak a dialect covering all the countries and people that are part of our universe.

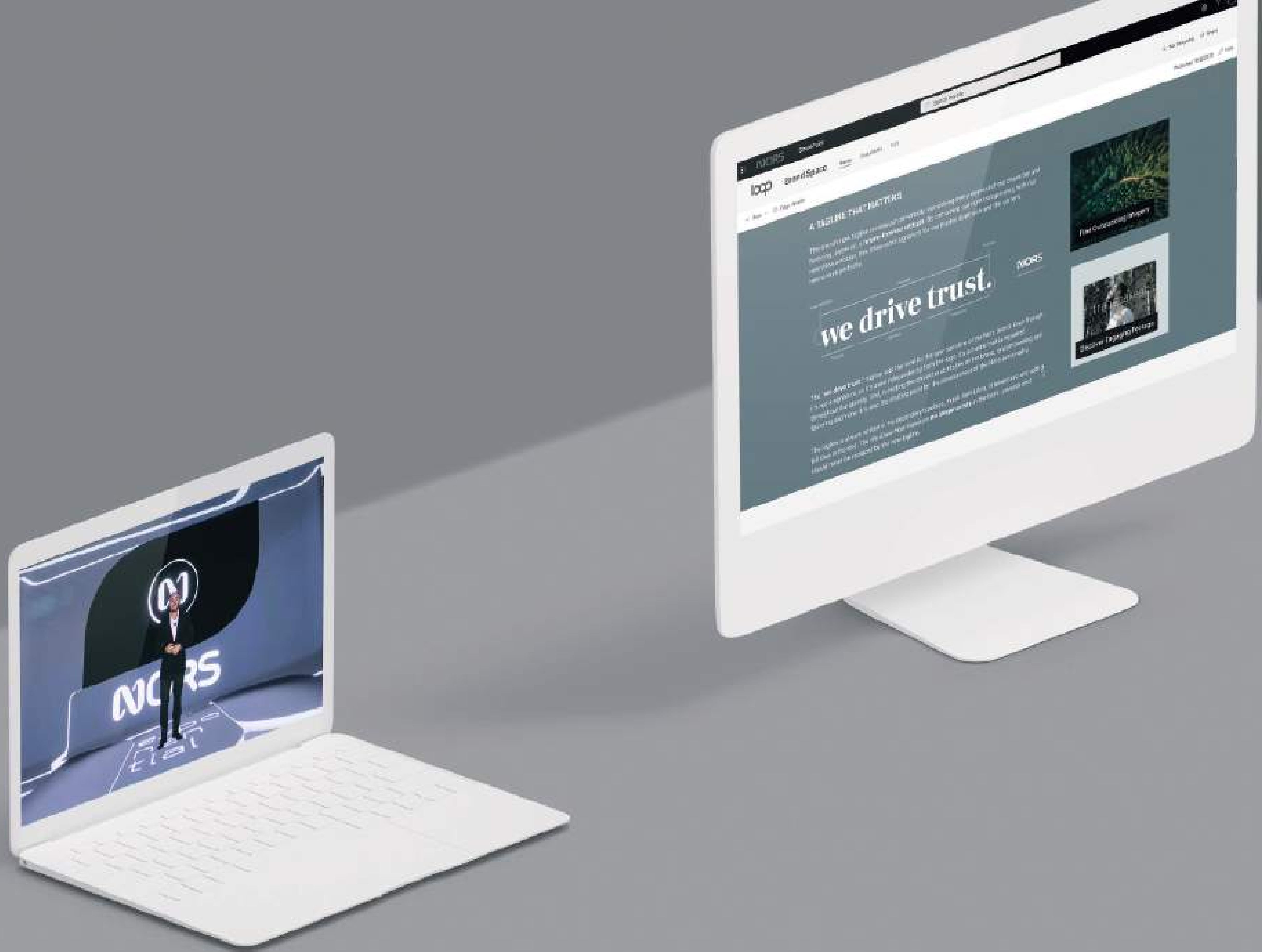
As planned, it was time to act, to make things happen: armed with an undeniable legacy, with a personality where transparency and integrity shine and with an ambition that brings our future even closer to the horizon, in 2020, we've looked to our new identity as a story worth telling - and perpetuating.

evangelizing a new voice

In the presence of a narrative built on trust, we sought to embed our personality features in every challenge we led, through the thorough, hard work of our Communication teams. With the goal of consolidating the new identity's assumptions on all fronts and at every communication opportunity, the first steps were taken towards a single organisational and communicating culture that can raise the brand's personality to greatness. Aware that evangelizing the Nors community must start from within moving outward - firstly impacting our closest stakeholders - we heavily invested in conveying internal communication content, ensuring that the brand's new assumptions and features were soundly and fully understood and, consequently, helping our employees to embrace and take on this change.

an exponential narrative

This investment, involving the work and dedication of a multidisciplinary and varied team, culminated in Exponential Nors: the event to launch our new identity. The event was held remotely, transmitted in a 100% digital format and resulting in an open session for all employees in the group's different countries.
From our purpose to our value proposition, as well as the new visual identity and the business brand repositioning strategy tools, we shared the ambition of a new Nors, ensuring that the message reached all our people, wherever they were.



CAPÍTULO 01.

Brand Space: a uniquely Nors universe

We didn't just communicate the new brand positioning, but sought to fully and openly share it with every employee: to do so, our Intranet opened up to Brand Space, an area dedicated to sharing all the communication guidelines, tools and materials that reflect the new Nors identity. It tells the story behind this challenge, so that today, any employee can access a universe where they will find what they need to find out more about and - above all - communicate better, our organisation's purpose.

in the eyes of the world

However, this story was not only made from an endogenous perspective - throughout 2020, we took the first steps in the way we communicate Nors' repositioning to the world.

We started by launching the new website, choosing a narrative exuding authenticity and charisma in digital format: here, we displayed the sobriety of our brand and the integrity of our news, covering the ambition of our career opportunities and the transparency of our results - all this using an intuitive and user-friendly language, that can translate our ethos on any device.

Social media was the backdrop for a new communication and language: with a clear investment in content that embodies our repositioning, we started out on a path to gain notoriety and heighten our presence in these channels.

Nevertheless, 2020 was only the first take of this feature film: ahead of us we have a challenging and busy path, which we're eager to follow - and, doing justice to our personality, there'll be plenty of ambition to take the next steps in our communication to the top of the mountain.

1.2. business areas

the ethos of our ambition

NORS **MOBILITY**

Nors Mobility amalgamates a series of solutions able to address our customers' mobility and transport needs. From heavy vehicles, such as trucks and buses, to cars, we connect professional relationships and people through a dedicated and global offer. This business area encompasses the brands Auto Sueco, Auto Sueco Automóveis, Galius and, since the beginning of 2020, KinLai.

Always based on the Volvo brand's core values - customer success, trust, passion, change and performance - at Auto Sueco we uphold a customer-centred approach, adapted to their needs. We are present in Portugal, Brazil, Angola, Botswana, Mozambique and Namibia, markets where our offer is adapted to each location. We distribute a varied range of products including Volvo trucks and buses, Volvo Penta marine and industrial engines and Kohler-SDMO gensets.

We are dedicated to car retail, through our presence in Portugal with six dealerships spread across the country. We have a specialised commercial team providing close follow-up and a premium After Sales service. We ensure that we fully address the needs of our customers through a brand portfolio that emanates prestige and trust - Volvo, Mazda, Land Rover, Jaguar and Honda.

We are the exclusive distributors of Renault Trucks in Portugal. With a retail network covering nine points of sale throughout the country, we guarantee a sales and After Sales service that is renowned for its excellence, professionalism and dedicated support.

Kin Lai is the official distributor in Angola of Dongfeng Trucks - the Chinese brand of top-of-the-range trucks. KinLai's offer aims to bring excellent quality trucks, focused on safety, durability and performance, to the Angolan roads and highways, promising to boost different sectors of the Angolan economy - Distribution, Construction, Mining, Forestry, Environment and Special Solutions.

NORS OFF-ROAD

Nors Off-road covers the distribution and supply of industrial, construction, infrastructure and agricultural equipment: efficient and reliable equipment that gives our customers the opportunity of building a stronger business. This is the business area where you'll find Ascendum, Auto Maquinaria, Strongco and AgroNew.

ASCENDUM

We are present in 14 countries as one of the world's biggest distributors of Volvo Construction Equipment. We sell industrial construction equipment, guaranteeing the respective technical assistance, equipment rental and logistics. We offer an extensive and high-quality portfolio of premium products and brands in such varied sectors as construction, public works, extractive and processing, handling and logistics, agriculture, forestry, recycling, demolition and earthmoving, and energy.

AutoMaquinaria

We are focused on quality, safety and performance, offering a highly efficient range of construction equipment in Angola. We are distributors of Volvo Construction Equipment, Groove, Hyster, Epiroc and SDLG products, playing a key role in this market.

STRONGCO

Strongco is the largest dealer of Volvo Construction Equipment construction and infrastructure equipment in Canada. With operations in 26 branches across the provinces of Alberta, Ontario, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador and Prince Edward Island Canada, Strongco Corporation sells, rents and services equipment used in industries as diverse as construction, infrastructure, mining, oil and gas, utilities, municipalities, waste management and forestry.

AGRONEW MÁQUINAS AGRÍCOLAS

We serve the farming sector, distributing Case IH Agriculture - the Case New Holland brand for farming equipment - in the state of São Paulo, Brazil. We supply the municipalities of Catanduva and Votupuranga, which encompasses the distribution of three main products: agricultural tractors and grain harvesters, as well as sugar-cane harvesters, sugar cane being the main product sold in the area where we operate.

NORS AFTERMARKET

Nors Aftermarket is focused on the distribution and retail of multi-brand parts for cars, trucks and buses. Our varied offer and specialised services ensure that our customers can calmly continue on their journey. This is the business area where you'll find the AS Parts, Civiparts and OneDrive brands.

AS Parts

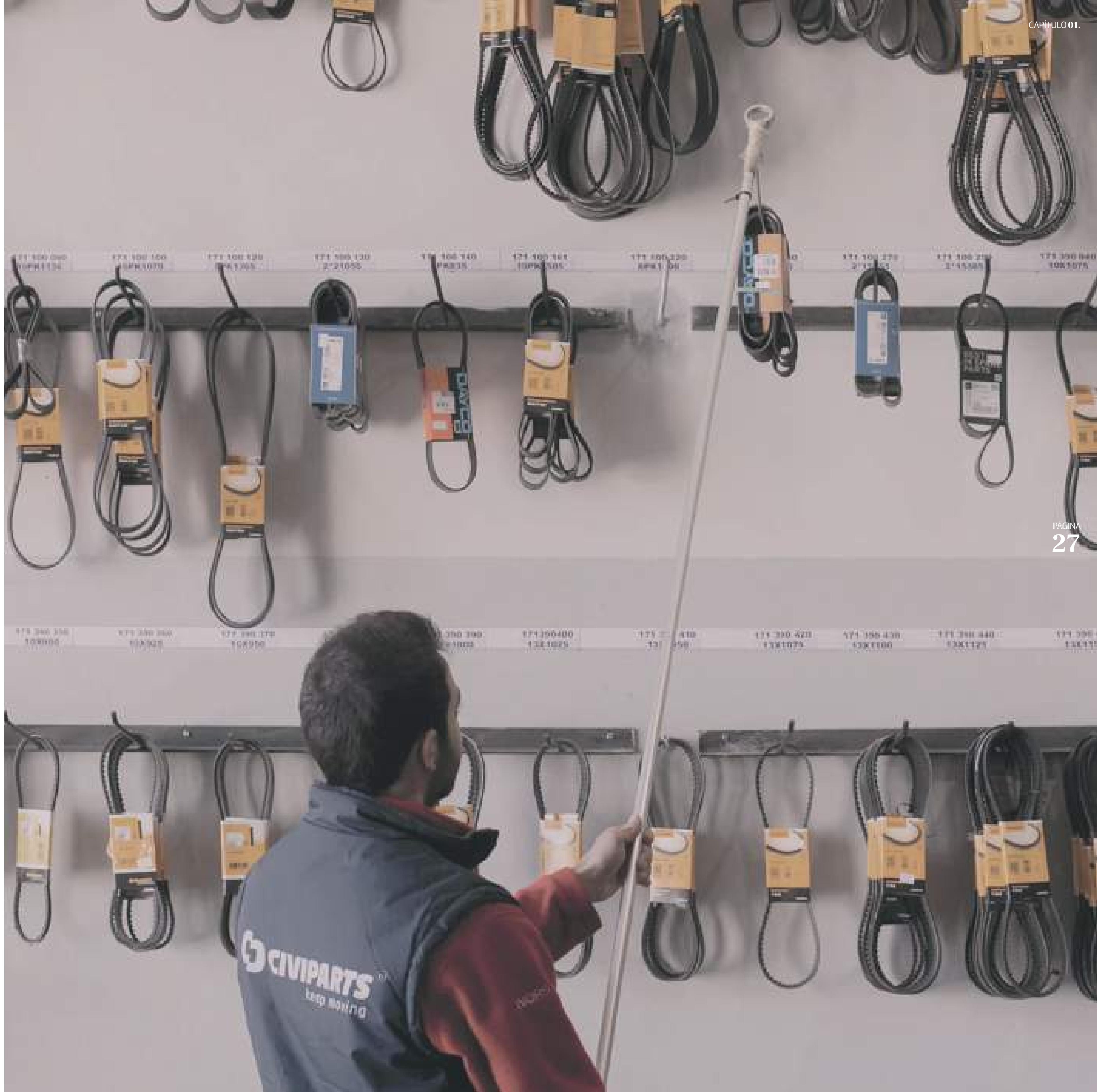
Currently part of OneDrive, we started in business as an independent distributor for mechanical components and bodywork for the car sector in Portugal. We offer a wide variety of high-quality products, with a multi-brand offer based on a network of renowned suppliers, guaranteeing a service focused on the know-how and experience of our team.

CIVIPARTS
keep moving

We are present in Portugal, Spain and Angola. Specialised in the Aftermarket sector and guaranteeing a diversified and professional service, we import and distribute parts and workshop equipment for multi-brand trucks and buses.

ONEDRIVE
leading car parts solutions

We are an aftermarket brand specialised in car parts and accessories. We have dealers spread across Portugal and Angola, offering specialised technical support, a dedicated digital catalogue and an integrated logistics process, ready to meet our customers' expectations.



NORS **VENTURES**

Nors Ventures is the area dedicated to exploring new endeavours. From insurance brokerage to environmental solutions, as well as the sale of construction glass, we are continually looking for the next challenge. Here you'll find the Sotkon, Amplitude Seguros and Vitrum brands.

sotkon waste systems

In 2019, Nors took full ownership of Sotkon. We have various patented products and we specialise in the design, manufacture and sale of modular recycling and solid urban waste collection systems using underground containers. Sotkon is present in Portugal, Spain, France, Angola and Turkey.

AMPLITUDE SEGUROS

We are insurance and risk consultants doing business in various economic segments and sectors. We are specialised in insurance brokerage, offering a full range of Insurance Consultancy and Brokerage services, devised to meet the expectations of our private and corporate customers.

VITRUM

We set up in Angola as the first company specialised in the distribution of construction glass. With a point of sale strategically located in Luanda, we assure a quality customer service, underpinned by a wide product offer.

1.3 big numbers

big numbers, bigger results

1.3.1. sales by country

Portugal
29%

USA
16%

Brazil
15%

Canada
12%

Central Europe
10%

Spain
6%

Turkey
6%

Angola
4%

Botswana, Mozambique and Namibia
1%

Mexico
1%

1.3.2. sales by business area

Nors Off-Road
63,3%

Nors Mobility
31,9%

Nors Aftermarket
3,9%

Nors Ventures
0,9%

In the USA, Turkey, Central Europe, Mexico, Spain, and Portugal, the contribution of Ascendum Group is considered at 100%, although this joint venture is accounted for by the equity method.

1.3.3. evolution of sales
(millions of Euros)

	2018	2019	2020
Canada	0	0	180
USA	300	281	255
Mexico	33	21	19
Brazil	230	344	231
Portugal and Spain	645	661	537
Angola	54	63	64
Central Europe	173	188	162
Turkey	148	76	92
Botswana, Mozambique and Namibia	19	27	21

In the USA, Turkey, Central Europe,Mexico, Spain, and Portugal, the contribution of Ascendum Group is considered at 100%, although this joint venture is accounted for by the equity method.

press to mark

1.3.4. main indicators

aggregated values (thousands of Euros)

	Turnover[1]	Number of employees[2]
2020	1 561 720	4 010
2019	1 661 137	3 705

consolidated values
(thousands of Euros)

	2020	2019
Turnover[3]	781 305	782 726
EBITDA	68 615 8,8% Turnover % -31 269 Depreciations and Amortizations	58 488 7,5% Turnover % -18 459 Depreciations and Amortizations
EBIT	37 347 4,8% Turnover % -504 Net exchange differences -13 751 Income from financial activity	40 029 5,1% Turnover % 1 888 Net exchange differences -10 151 Income from financial activity
EBT	23 092 3,0% Turnover %	31 766 4,1% Turnover %
Net Income	14 885 1,9% Turnover %	24 349 3,1% Turnover %
Total assets	732 748	617 109
Equity, with non-controlling interests	184 594	207 495
Net Debt (excluding leases)[5]	148 059	72 135
Net Debt (including leases)[6]	234 609	126 333
Financial Autonomy[7]	25,2%	33,6%
Net Debt (including leases) / Equity[8]	1,27	0,61
Net Debt (including leases) / EBITDA	3,42	2,16
EBITDA Margin	8,8%	7,5%
WCN in sales days[9]	42	10
ROI[10]	8,9%	12,0%
ROE[11]	9,5%	14,0%

[1] Sales + provision of services + own work capitalised, aggregating 100% of joint ventures.

[2] No. of employees, aggregating 100% of joint ventures.

[3] Sales + services rendered + own work capitalised.

[4] The group's consolidated EBITDA, which allocates the net income from joint ventures according to the share of capital held.

[5] Financing obtained - cash and bank deposits - available for sale investments.

[6] Financing obtained + operating lease liabilities - cash and bank deposits - available-for-sale investments

[7] Equity with non-controlling interests / Net assets.

[8] Net Debt (net debt + operating lease liabilities - available for sale investments) / Equity with non-controlling interests.

[9] (customers, inventories, other accounts receivable, state, shareholders, suppliers and other accounts payable) / Turnover x 365 days.

[10] Ebit / Invested Capital [Total Equity + obtained funds + lease liabilities - cash and cash equivalents - available-for-sale investments].

[11] Net income from continued operations of the parent company / Equity without net income for the year and without non-controlling interests.

1.4. organisational structure

a singular and authentic presence

Nors Iberia
Portugal and Spain
NORS **MOBILITY**
NORS **AFTERMARKET**

Nors Angola
Angola
NORS **MOBILITY**
NORS **OFF-ROAD**
NORS **AFTERMARKET**

Nors Brazil
São Paulo and Centro Oeste
NORS **MOBILITY**
NORS **OFF-ROAD**

Nors Canada
Canada
NORS **OFF-ROAD**

Nors Africa
Botswana, Mozambique e Namibia
NORS **MOBILITY**
NORS **OFF-ROAD**

Nors Ventures
Portugal, Spain, France, Turkey and Angola
NORS **VENTURES**

Ascendum
Portugal, USA, Mexico, Turkey, Spain and Central Europe
NORS **OFF-ROAD**

1.5. governance model

our foundations

1.5.1. governance model

The Governance Model governs the power relations between Nors' different governing and management bodies. Its action is defined and restricted by a set of provisions of a legal, statutory and regulatory nature.

Besides the fundamental sovereign role of the General Assembly, our governance is based on the Board of Directors, the Executive Board, and the Statutory Auditor.

general assembly

The General Assembly is the governing body that brings together all the company's shareholders.

remuneration committee

The Remuneration Committee is elected at the General Assembly; it is responsible for defining the remuneration of the company's governing bodies.

statutory auditor

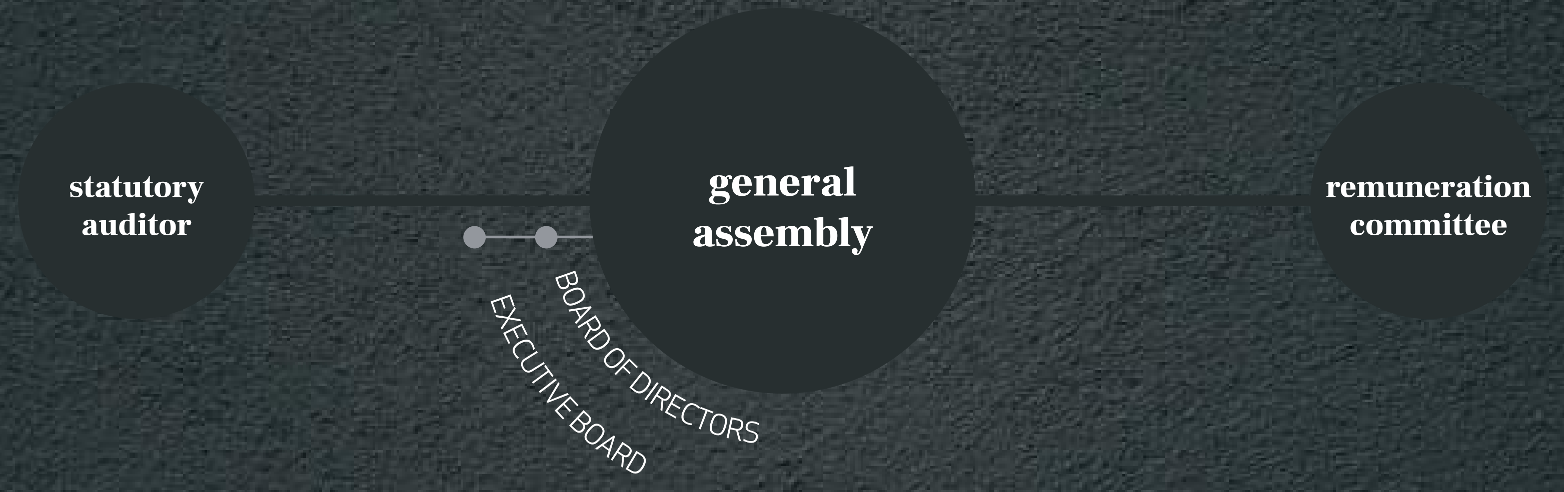
Supervision of the company is carried out by a Statutory Auditor, pursuant to the law.

board of directors

The Board of Directors approves the overall strategy drawn up by the Executive Board, periodically monitoring its implementation and defining targets for growth and profitability.

executive board

The Executive Board is Nors' main executive body, bringing together all the company's shareholders.
It is responsible for defining and implementing cross-cutting policies that embody the strategy approved by the Board of Directors. It also has the responsibility for the day-to-day management of the group's portfolio, monitoring the performance of the business areas and operations.



board of directors

Tomás Jervell

President and CEO

Year of Birth
1971

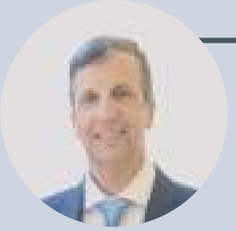
Year of Admission
2000

Álvaro Nascimento

Non-Executive Director

Year of Birth
1966

Year of Admission
2018

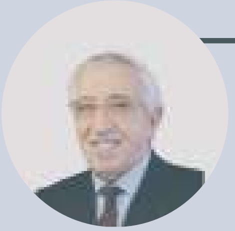


Álvaro Neto

Non-Executive Director

Year of Birth
1966

Year of Admission
2018



Artur Santos Silva

Non-Executive Director

Year of Birth
1941

Year of Admission
2018

Francisco Jervell

Representing
Vellar II, S.A.

Year of Birth
1974

Year of Admission
2020

Francisco Ramos

Nors Executive Board Member

CSO

Executive Director Nors Africa and Angola

Year of Birth
1972

Year of Admission
1996

Jorge Guimarães

Nors Executive Board Member

Executive Director Nors Brazil

Year of Birth
1956

Year of Admission
1978

José Jensen Leite de Faria

Nors Executive Board Member
Executive Director Nors Ventures

Year of Birth
1971

Year of Admission
1998

José Manuel Bessa Leite de Faria

Non-Executive Director

Year of Birth
1942

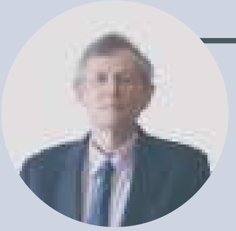
Year of Admission
1970

Júlio Rodrigues

Nors Executive Board Member
Executive Director Nors Iberia

Year of Birth
1972

Year of Admission
2001



Luís Jervell

Non-Executive Director

Year of Birth
1955

Year of Admission
2018

Paulo Jervell

Non-Executive Director

Year of Birth
1946

Year of Admission
1972

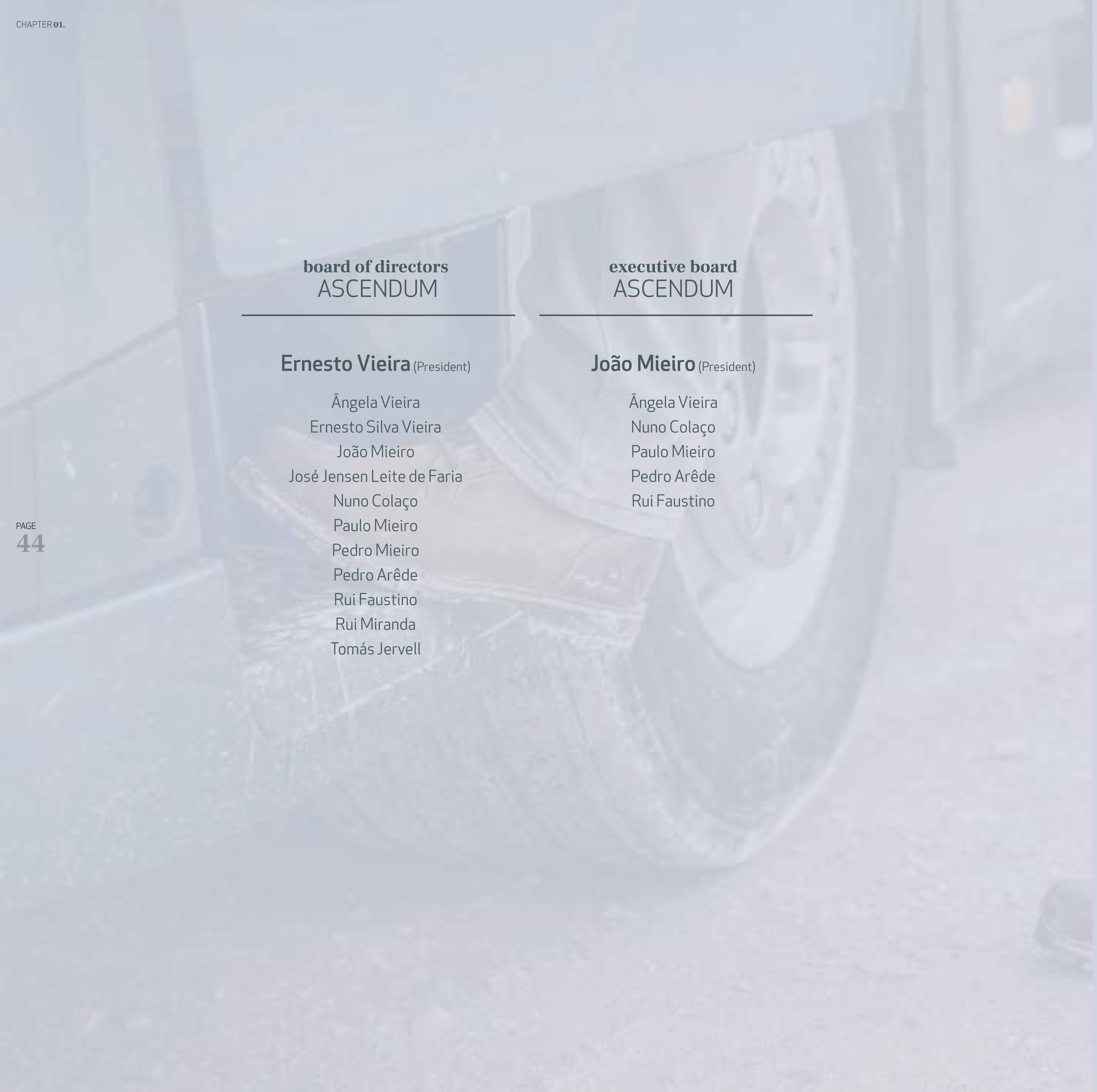
Rui Miranda

Nors Executive Board Member

CFO

Year of Birth
1975

Year of Admission
1999



board of directors
ASCENDUM

Ernesto Vieira (President)

Ângela Vieira
Ernesto Silva Vieira
João Mieiro
José Jensen Leite de Faria
Nuno Colaço
Paulo Mieiro
Pedro Mieiro
Pedro Arêde
Rui Faustino
Rui Miranda
Tomás Jervell

executive board
ASCENDUM

João Mieiro (President)

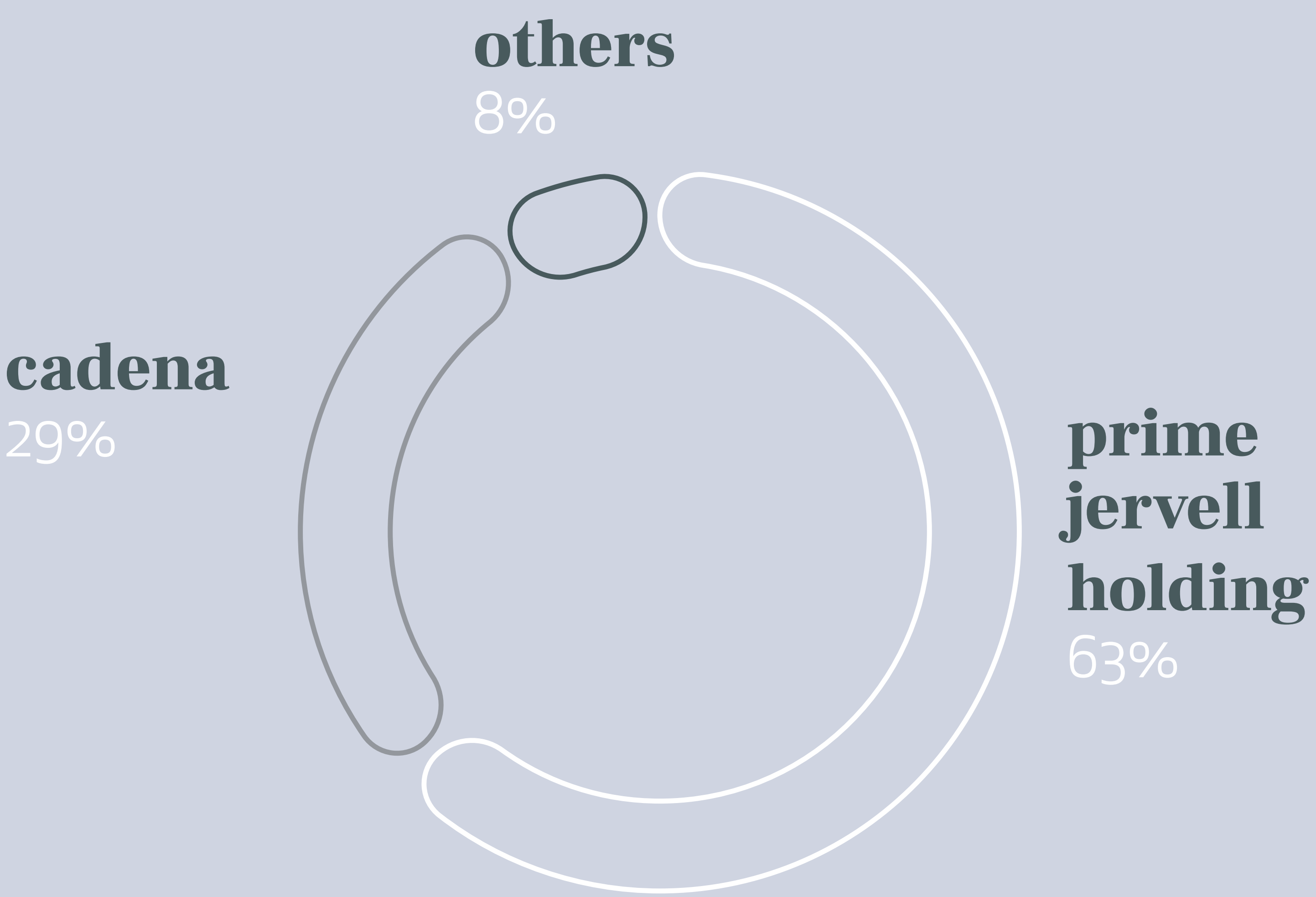
Ângela Vieira
Nuno Colaço
Paulo Mieiro
Pedro Arêde
Rui Faustino

1.5.2. ownership structure

ownership structure

The share capital of Nors, S.A, which is fully subscribed and paid up, is 30 million Euros (30,000,000 shares with a nominal value of 1 (one) Euro).

Nors' capital is still held by the two founding families: the Jervell Family and the Jensen Family. On 31 December 2020, the breakdown of the company's share capital was as follows:



02.

strategy

the audacity to hit the road

2.1. a year of transition

the course of our agility

CAPÍTULO 02.

the course of our agility

2020 marked the end of Nors' last 5-year strategic cycle.

The strategy for the Wanted Position 2020 was carried out in two cycles and based on different pillars: for each one, we defined directives that were based on initiatives and objective goals, helping us to measure the success of the challenge posed to the group.

The first cycle began between 2015 and 2018 and was built on three strategic pillars: profitability, consolidation and leadership. As the goals defined for this first cycle were completely fulfilled, we had every condition to be able start the second stage of this ambitious cycle in March 2018, heading for our Wanted Position 2020: for this, the strategic pillars defined involved the aspects of profitability, development, innovation and leadership.

In a year marked by an unusual and unexpected global pandemic, we reached the principles of the defined strategy in the vast majority of the goals envisaged à priori. Through the substantive involvement of the entire organisation, we built an even stronger, more agile Nors, able to respond to the changes that the sector - and the world - are expecting to face in the coming years.

In March 2020, we completed the acquisition of Strongco, which represents a major achievement in the face of the challenge we had set: this crucial step represented Nors' entry into Canada, meaning we would strengthen our presence in developed markets and consolidate our positioning in the construction equipment and infrastructure business.

With our sights on the future, at the end of 2020, the Executive Board began a new period of reflection, focused on defining the group's strategy for the coming years, which will be disclosed during the second quarter of 2021.

2.2. innovation and development

reinventing our path

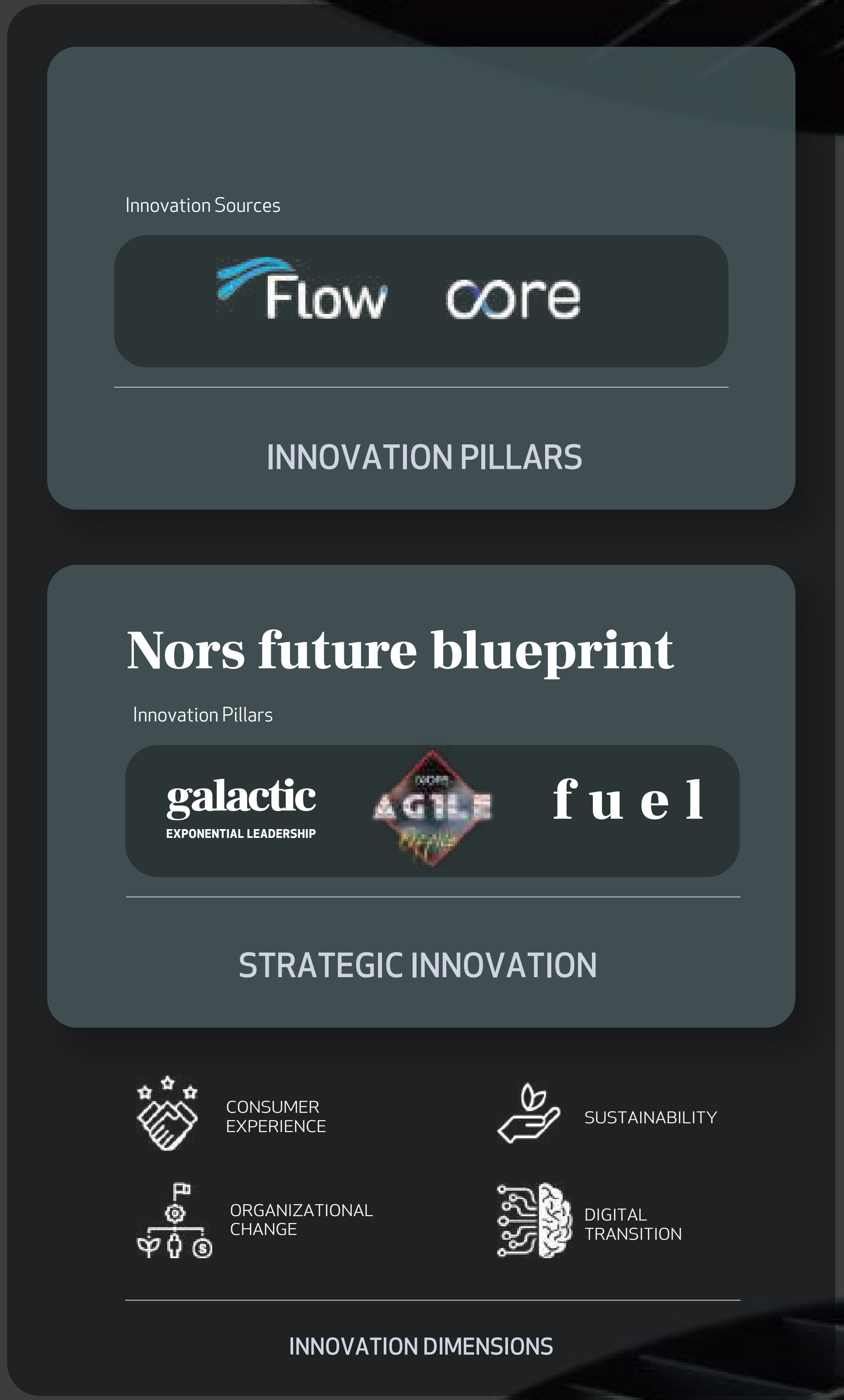
transformation architecture

massive transformation purpose

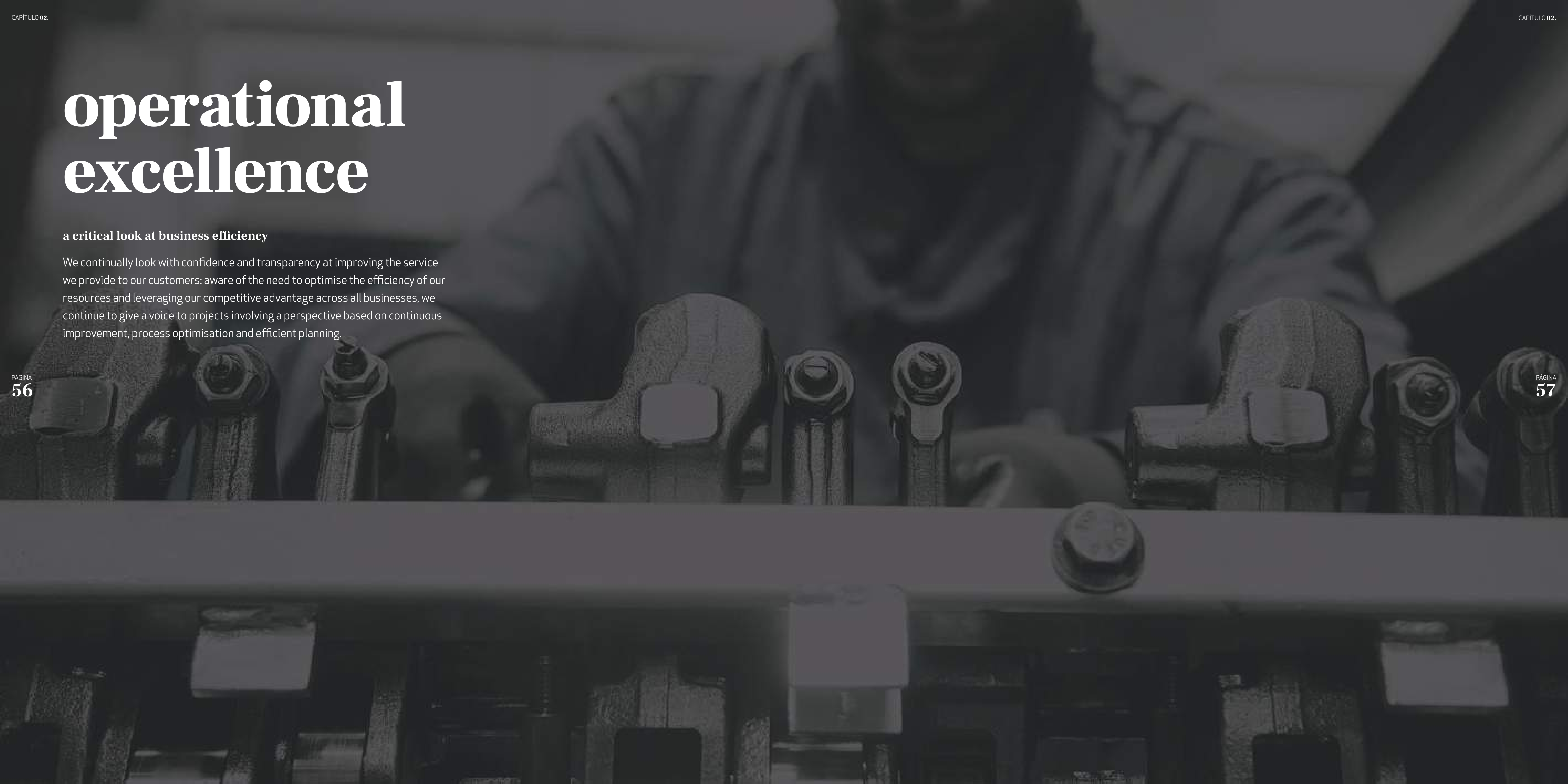
From a world of trucks to an intelligent mobility ecosystem

Our thirst for transformation is increasingly taking us towards a scenario marked by resilience: we are constantly looking for the most challenging opportunities that can drive our businesses, our people and our purpose further.

2020 did not deter us from making our transformation process a priority - quite the contrary. Our projects are what continue to fuel an agile and systematic vision of innovation, catapulting us towards a transformation strategy that can guide us on our path to the future with no reservations.



CAPÍTULO 02.



operational excellence

a critical look at business efficiency

We continually look with confidence and transparency at improving the service we provide to our customers: aware of the need to optimise the efficiency of our resources and leveraging our competitive advantage across all businesses, we continue to give a voice to projects involving a perspective based on continuous improvement, process optimisation and efficient planning.

Flow

2020 was a year of deep reflection on the need to adapt and improve work processes, flows and planning. As such, agility became the backdrop of various projects and initiatives organised within the organisation on a global level: the Flow project, implemented in the commercial, administrative and operational areas of Auto Sueco Portugal's After Sales Units, in its second year, was no exception.

Targeted at the prospect of continuous improvement and, to date, of constantly adapting the strategic model to the current environment, we started out on a path towards change, where various aspects were prioritised:

In the workshop paradigm, dedicated teams were created for carrying out standard services and maintenance, and staggered hours for reception and warehouse were implemented, ensuring prior preparation of the service to be carried out by the workshop.

With regard to customer contacts, a one-stop-service concept enabled us to consolidate information and centralise the service process.

On the operational side, internal logistics flows were defined by creating a logistics train concept, and a review was made of the layout, optimising the location for parts in the warehouse with effective management of special tools.

In the field of process digitalisation and automation, dashboards were created to view the status and workshop capacity, enabling us to make greater headway towards optimising the management of various resources.

Consolidating an iterative and consistent perspective within the project, we believe we are on a path that is both assertive and bold, bringing value, differentiation and an innovative approach to our customers.

core

Never before has it been so important to look, reflect and act on the premises of agility and transparency. Building on that paradigm, we firmly believe in the relevance of prioritising an endogenous perspective of these topics, starting with our ethos, our processes, our people.

During the course of 2020, implementation of the new ERP SAP S/4Hana was concluded in Heavy Vehicle Aftermarket in Portugal and in the back-office structure supporting this business, thereby wrapping up the first wave inherent to the CORE project. In the field of People and Talent management, a journey supported by SAP cloud products - Success Factors - Nors' new performance assessment system was implemented, undertaken by the SF module Performance & Goals.

Now that the initial strategy has been renewed, we are getting ready for the start of the 2nd wave of the project, called Originals, aiming to take the digital transformation concept to the companies that represent the group's core activity in Portugal. The cornerstone of this wave will be the implementation of rapid development tools and methodologies, leading to greater agility in delivering new skills and services to various Nors stakeholders (customers, suppliers, partners and employees).

The group's major investment in its People and Talent management will be reinforced and the employee's different journeys will also be developed in the context of the recruitment, onboarding and training stages.

Furthermore, underpinned by a global and geographically broad vision, the second wave of CORE will take its first steps outside Portugal, with the implementation of the Aftermarket template in the Nors Angola countries.

CAPÍTULO 02.

strategic innovation

a systematic approach to innovation

2020 was a critical year for developing a systematic approach to innovation within Nors: while we began this journey very much through ideas, initiatives and projects arising from the efforts and determination of our people, now it is time to consolidate a systematic, proprietary vision of a Nors innovation model.

As such, in the short term, we plan to start carving out a path based on an agile infrastructure, that can lead to a constant flow of new ideas and multidisciplinary projects, furnishing the organisation with competences that constantly and repeatedly fuel our thirst for transformation.

It is now therefore time to look at innovation as an inexhaustible source of opportunities - of which Nors is eager to take advantage.

Nors future blueprint

In 2020, after completing the stages of our innovation project, the Nors Future Blueprint, we were already able to establish a proprietary vision of what innovation is, which we build on three major pillars:

galactic
EXPONENTIAL LEADERSHIP

Galactic serves as a decision, follow-up, monitoring and investment forum for all the stages that are part of the underlying innovation pillars - FUEL and Agile Office. It aims to perpetuate and extend the innovation initiatives to the entire Nors universe, globally, as a space for sponsoring the inherent projects. It encompasses the members of the Executive Board and other invited members, advocating the relevance of involving senior executives in making the innovation processes tangible.

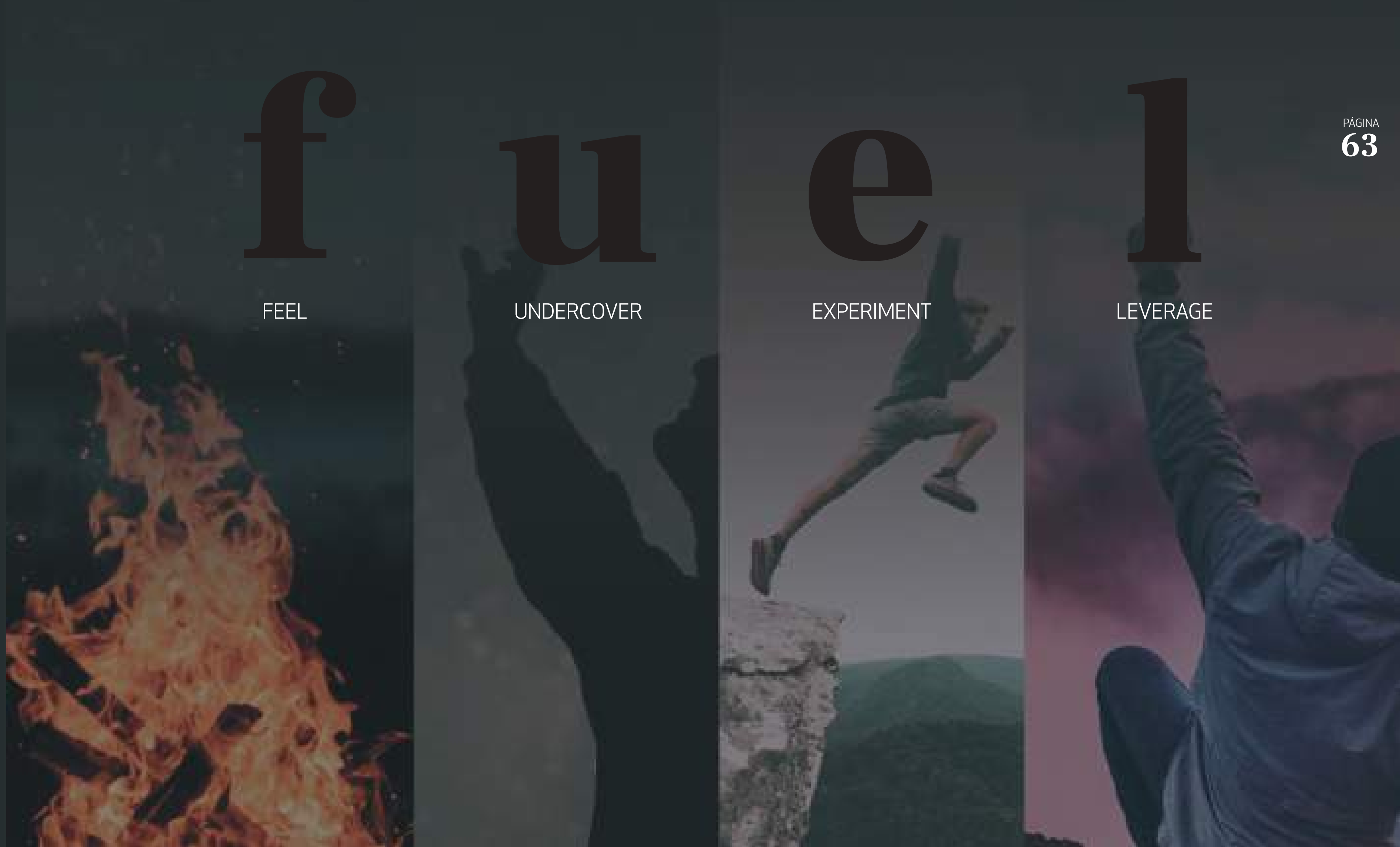
Following its implementation in 2019, we continued to give impetus to Agile Office, an experimentation hub and disruptive project incubator within the organisation. This is where we translate ideas into new business models, new positioning strategies and new lenses to view the horizon looking into the future, always in line with Nors' transformation purpose.

The multidisciplinary nature and pool of competencies that we have seen in each of the initiatives also give us an enterprising view of our people, enabling us to capitalise on their talent, boost their development and passion and, above all, value the ambition they use to charter unexplored waters.

The situation of the pandemic also brought to light our ability to adapt the methodology to remote working conditions imposed by the new reality: after redefining perspectives and priorities, we adapted the objectives and action pillars for the different initiatives in the light of the needs and context of the market. We were also able to transform the work dynamics into a 100% digital model, ensuring exactly the same committed interaction and involvement of the teams and project sponsors.

fuel

O FUEL (Feel, Undercover, Experiment, Leverage) acts as a gear, a methodology that is able to enable the continuous and enduring systematisation of innovation topics within the organisation. FUEL will become Nors' proprietary innovation methodology.



our initiatives agility

The initiatives developed within this context cannot be separated from the four key dimensions that structure our innovation strategy:

consumer experience

An attentive approach to changes in consumer behaviour, which in a post-Covid world, will be faster and more emotion driven.

sustainability

Endeavouring to drive the world, the planet and the people towards a sustainable, collaborative and transparent future.

organisational change

A critical and reflective perspective of our positioning, adopting strength and clarity in the way we communicate and devise.

digital transition

Furthering our investment in a comprehensive digital presence, whose potential is proportional to the business ambition.

CAPÍTULO 02.

Agile Office: who's who

galactic

Members of the Executive Board and guests who sponsor the initiatives and decide on whether they go ahead or not.

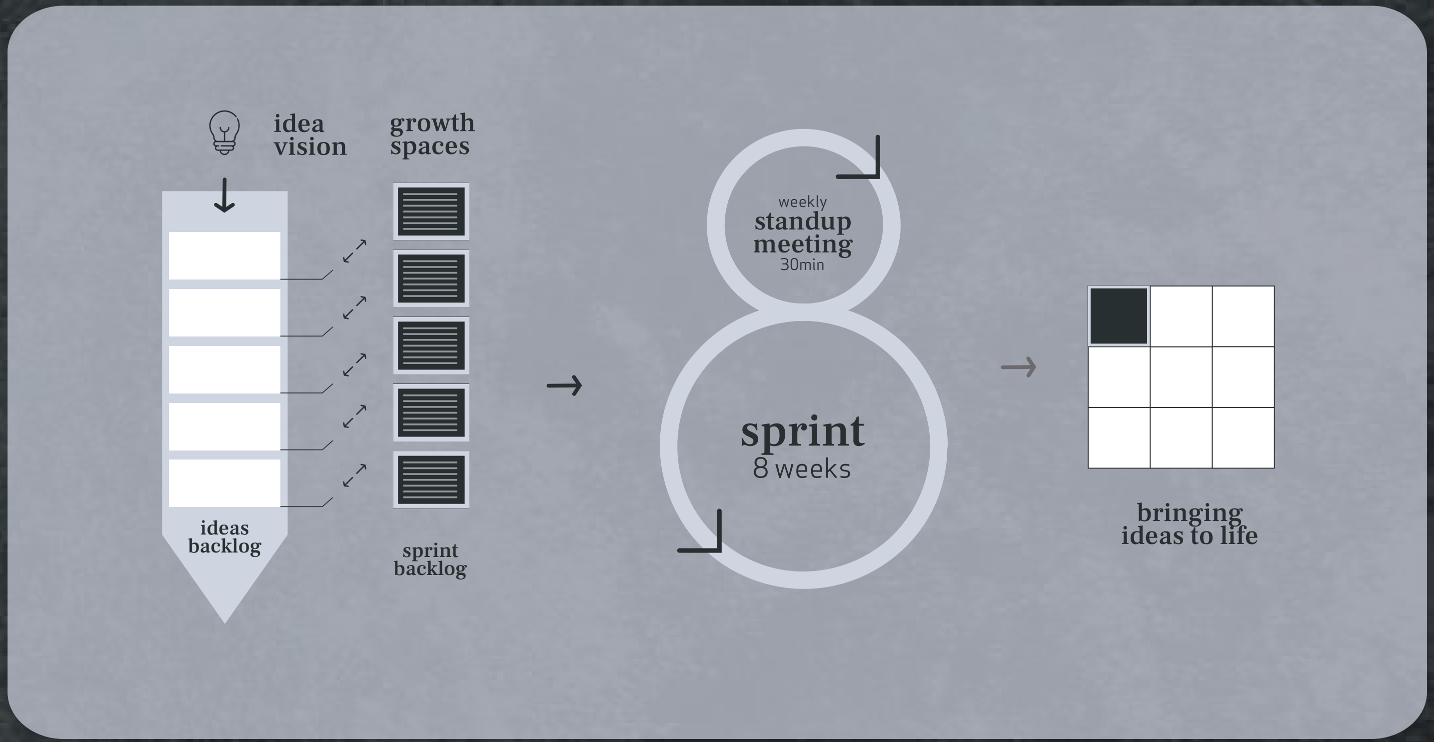
sputnik

Work team conducting the Agile Office PMO (Project Management Office) and the innovation programme, applying and embedding the project's methodology and strategic vision.

explorers

Group of product owners and the rest of the team, responsible for defining the purpose and developing the specific initiatives.

how agile office works:



2.3. Nors sustainability programme

sustainable motions: our sustainable narrative

a sustainable narrative

We vehemently incorporate a vision that merges the concept of sustainability with the group's corporate and transformation strategy. 2020 was a time for continuing with our sustainable narrative, arm in arm with the Sustainable Motions project: in a year that was in every way as challenging as it was reflective, we built proximity with the local communities and embedded the human aspect of our presence. Mindful of the inexhaustible potential that the path we have been building still has for us to explore, we heightened our awareness of the global impact the business's activity has on society, pledging the priority of this strategic pillar.

responsibility

in our services: a proactive attitude regarding the business impact on the environment

in the supply chain: a crystal-clear approach with all partners

to our people: a holistic management, fostering talent development

to the community: a diligent, close approach to social action

and integrity: a transparent, impartial and human personality

03.

Covid 19

the courage to react

3.1. Covid-19

a swift, firm and diligent response

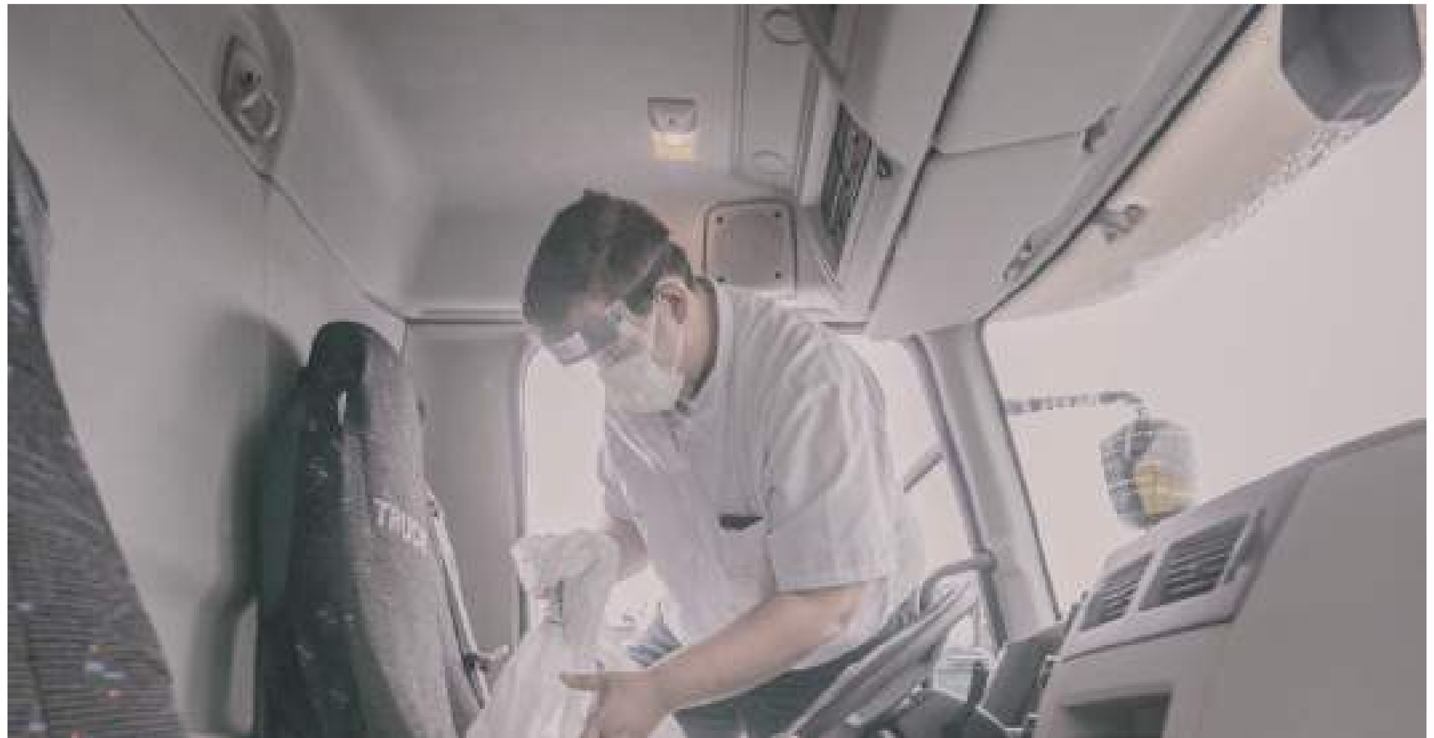
(re)acting ambitiously

2020 dictated an unquestionably exceptional time: the Covid-19 pandemic forced us to focus on closely managing, supporting and being fully dedicated to the health, safety and well-being of all those who are part of our universe - from our employees and their families to our customers, partners and the community as a whole. We found agility and resilience to be the right mechanisms for the attentive, prompt and holistic approach we sought to materialise on all fronts.

We acted with confidence and courage: at the first signs of crisis, we endeavoured to invest all our efforts in developing strict contingency plans, based on the recommendations of the health authorities, and to restrict exposure and personal contacts to the utmost minimum, aiming to curb the spread of the virus and keep everyone safe.

We implemented a series of unprecedented prevention measures in all our regions and facilities, in accordance with the various internal realities, with the aim of minimising the risks of contagion, and protecting our employees, partners and public health.

The pandemic was the topic that marked our year and our lives, worldwide. In the various aspects that spearhead our organisation's activity, it is indispensable to talk of its impact, its repercussions and the challenges that it (still) poses, every day. Throughout this report, we do so, in a restricted manner and inherent to the various verticals that our business encompasses: nevertheless, it is equally indispensable to highlight some of the challenges and premises that Covid-19 imposed on our organisation.



our results

With a pragmatic perspective of the business performance, our ability to foresee and react to the scenarios that were inflicted on us was, without doubt, the main reason for the success of our approach. The strength of the operational and financial results that we describe throughout this report are a testimonial of the resilience of our business and the solidity of our operational model.

The global impacts were measured and then updated forecasts were considered and analysed on a weekly basis, as our management teams permanently and closely monitored the global scenario and the constant variations that took place.

Displaying our diversity and geographical breadth, the impacts felt by our operations proved to be asymmetrical, due to the level of impact and the asynchronous way the pandemic affected the various markets where we do business.

We therefore sought to monitor the evolution of the situation in each country and each affiliate, ensuring that our affiliates complied with the obligations and that business continuity was upheld.

Our proven capacity to maintain and uphold business continuity in the various geographical environments, with imperceptible levels of disruption, brought us closer to our stakeholders, further reinforcing a sense of community, belonging and achievement. As our workshops and parts warehouses cannot work remotely, a true spirit of courage and perseverance was embodied, commending their indispensable role in the logistics value chain and in maintaining supplies to the countries where we do business.

our people

Safeguarding and protecting our employees, along with implementing operational processes that can simultaneously guarantee clear communication and progressive adaptation to new work models were two major focal points in the response to the pandemic.

Using various tools and lines of operation, we sought to support our employees in adapting to the new work model that marked 2020, helping to mitigate the negative impact that this scenario might replicate. Underpinned by the constant drive for achievement, we maintained the rhythm and focus on recruitment and internal talent development, reinforcing the competence of our organisation to be able to face any future challenge.

04.

people

our source of transformation

a culture of trust and achievement

4.1. Nors employees

The relevance of our people's contribution towards the path we have been building is now more evident than ever. Transversal and cohesive, the bond, the commitment and the passion of our employees result in a performance that can exceed expectations and relentlessly challenge the future.

We grow together: and we are proud and insistent in doing so. As the organisation's main ambassadors, we join our efforts and ambition to achieve a common goal, with the right traction so that nothing is left to chance. We believe that in a particularly demanding year, marked by uncertainty, our employees showed the necessary agility to overcome the most unexpected challenge. We are sure that charisma and audacity define a singular organisation's culture: and we, Nors, are a living example of that premise.

WOMEN
743

MEN
3 267

MANAGERIAL POSITIONS
467

TRAINING HOURS
90 219

performance, development and passion, hand in hand

4.2. strategic people management

Attraction, value and retention of our employees are at the epicentre of our people management strategy. In 2020, redefining the Nors employee's journey was one of the major landmarks in our talent management cycle: right from the first contact at the different stages of the recruitment and selection process, we seek to address the personality, vision and value proposition of the organisation, conveying the Nors culture and clearly communicating our positioning. We centre the planning of the induction stages on the sharing of a crystal-clear knowledge base, with a view to simplifying the new employees' understanding of the various activity pillars, through close, readily-available accompaniment. The performance management and compensation and benefits model is structured to respond to the demands and diversity of the organisational profiles, bringing together productivity and transparency and aligning expectations and individual objectives with the vision and needs of the business. The areas of training, development and career progression increasingly commend a paradigm of competencies, autonomy, responsibility and involvement. In brief, all these communicating and connected steps in the journey drive the experience of our people in the face of a truly authentic and differentiating path.

we're driven by talent

4.3. recruitment and selection

Besides reinforcing existing skills, we focus on attracting talent that enhances our vision and engagement, making the group's knowledge base richer and more versatile, and consequently more robust. The features and ambitions of the young generations also overshadow our own setting in the various recruitment and networking forums, where we seek to solidify an innovative and agile approach, favouring the digital ecosystem for attracting future employees: from communication to interaction and management of the processes themselves.

we empower our thirst for the future

4.4. training and development

Consolidating and capitalising on our employees' skills is our top priority, emphasising the ambition that shapes our character. Constantly adapting to global market and business concerns, we seek to build a relevant, comprehensive and multidisciplinary training offer, that can enhance the role of our people and their contribution to the success of the organisation. From clearly focusing on enriching training experiences, which build on behavioural concepts and soft skills, to consolidating knowledge within and between teams, we favour an approach involving consistent and harmonious sharing, able to respond to the challenges that the global scenario of 2020 posed to us.

Nors business academy

Our major assumption was to promote agility in the digital training dynamics. Within the scope of the Nors Business Academy (NBA), we trained 270 employees, encompassing behavioural and technical areas, within a wide range of areas of activity. There are two key moments that we would highlight within this context: the course "Boas Práticas no Após Venda" (After Sales Best Practices), solely organised using internal know-how, as well as the e-learning course "Teletrabalho - Boas Práticas" (Telework - Best Practices), where we sought to support our employees in adapting to the new work model that defined 2020, helping to mitigate the negative impact that this scenario might cause, whether on their work-life balance, or on the different teams' productivity. The latter was complemented by a tailored development programme, where the employees had the opportunity of answering an individual online questionnaire, so that their strengths and areas of risk from working remotely could be identified. This information led to self knowledge and individual reflection of each participant on the one hand, and on the other, it prepared our line managers to support their teams in this process, helping them to adopt the right behaviour to achieve a good performance while working remotely.

road

At the same time, we continued with the ROAD potential assessment and development programme, based on a culture of continuous improvement and career management, whose main purpose entails investing in progression and individual and organisational performance as key drivers of the business. Clearly looking to align individual objectives with the group's business strategy, by focusing on empowerment and enhancing performance through close, individual and constructive follow-up, we will be able to identify a pool of talent that can drive the organisation forward in its widest range of action fronts, fostering their development in a transparent and holistic manner.

the agility of our path

4.5. mobility

The opportunities for functional and geographical mobility, inherent to the expansion and diversification of the group's business portfolio and countries, enable us to integrate and plan the Nors employee's development in the light of both the real needs of the business and the individual objectives of our people and management teams. In a year of increased challenges, we did not fail to leverage this perspective throughout the organisation, continuing on a global integration path.

a journey marked by success

4.6. management and performance system

In 2020, the Nors Performance Management System was one of the topics that underpinned the people management area, clearly aiming to respond to all the needs for stimulus, follow-up and recognition of our employees' performance. Fostering a culture of merit and accountability, the model aims to value the teams' skills profile and give a fair reward that is consistent with the organisation's objectives. Combining the qualitative and quantitative dimensions of the work carried out, the model is supported by the SAP SuccessFactors Performance & Goals module, which, due to the need to re-adapt the processes under way, went live at the end of the year.

4.7. communication

expanding our purpose

If 2020 left its mark on the world, it also left an imprint on the channels, topics and tone we use to communicate with our people. The challenges were undeniable, as were the unpredictability and uncertainty: we armed ourselves with agility, resilience and audacity in every moment, communicating clearly, closely and in a personal manner with our employees, customers, suppliers and partners. We never stopped: we continued on our journey of consistence and transformation, highlighting our ambition at every instance - with the strength and vision of transparency that Nors embodies.

Covid-19: communicating amidst a pandemic

Supporting the management strategies that the organisation has adopted, Nors' communication was substantially marked by the need to inform various teams and structures based on the main directives and recommendations regarding the Covid-19 pandemic, with a view to constantly keeping up with the latest news on the situation, both nationally and globally.

We guaranteed cohesive information between the group's various business areas and countries through common, internal and external communication tools, by publishing relevant content on the different digital channels where we are present and through a consolidated approach including leadership presence.

In the context of crisis communication, so unexpected and constantly varying, we achieved a balance of an assertive voice with a human tone, exalting the personal hallmark of our organisation.

rebranding Nors: repositioning our identity

While the situation of the pandemic was unavoidable, 2020 also marked the official launch of Nors' repositioning and rebranding strategy. The planning, development and implementation of the strategy defined in the third quarter of the year was inherent to the communication of the new identity, whose purpose is underpinned by the consistency of Nors' personality that is common to all the group's brands and companies. From the launch event, open to all employees in all the markets where we operate, to the gradual renewed change of the numerous tools and channels that reflect that transformation, it involved the hard, dedicated and global work of asserting the new brand: the confidence of being Nors was, undoubtedly, the star of this script.

Nors 1933

Nors 1933, launched at the beginning of the year, is a column for all storytellers (and listeners), *par excellence*. The concept involves informally interviewing employees or guests who share with us their career path, their link to the organisation and the most striking stories from Nors' 87 years of history. We praise the beauty of the diversity of our roots with guests from all the countries.

patronage and partnerships

The importance of cultivating an active and constant presence along side our community gained extraordinary relevance in 2020. We endeavoured to be even closer, attentive to the social needs around us and filled with a pragmatic and relentless approach to our current environment.

On the cultural side, we would highlight our presence as patrons of the 29th edition of "Jazz no Parque" (Jazz in the Park), an initiative by the Serralves Foundation which, with all the necessary safety measures, enabled us to come out of lockdown in the company of so much music, light and nature. Regarding social action, we gave our support to various entities with different purposes and areas of intervention: from Banco Alimentar Contra a Fome do Porto (Porto Food Bank) to Fundação Cupertino Miranda, as well as Associação Terra dos Sonhos, the Stand4Good project and the Porto Solidário initiative, we put into practice the aim of creating a positive impact on our local communities.

strategy and digital presence

2020 was also the stage for a growing investment in our digital presence: from the launch of the new corporate website, devised in the light of the group's new identity, to the development of a structured and consistent strategy on social media, focused on the concept of storytelling, increased notoriety and interaction with the various countries that are part of our business, we continued on the path we believe to be essential for embedding the Nors culture and communicating it to the world.

05.

performance

an eagerness for performance

an overview of the markets

5.1. main macroeconomic indicators

portugal

According to the most recent projections for the close of 2020, Portugal's GDP dropped 8.3%, a decrease resulting from the impact of the Covid-19 pandemic, which restricted economic activity for a significant part of the year.

Part of the slowdown in economic growth in 2020 was due to a 6.8% decrease in private consumption, which grew by 2.4% the previous year.

With regard to public consumption, a real growth of 0.4% is predicted for 2020, which once again means a slowdown compared to last year, which recorded a growth of 0.7%. In turn, the increase in health expenditure and the increase in public employment were decisive factors for the increase in consumption in 2020: nevertheless, these effects are softened by the decrease in Public Administration activity during the lockdown periods, which included a significant reduction in the number of hours worked.

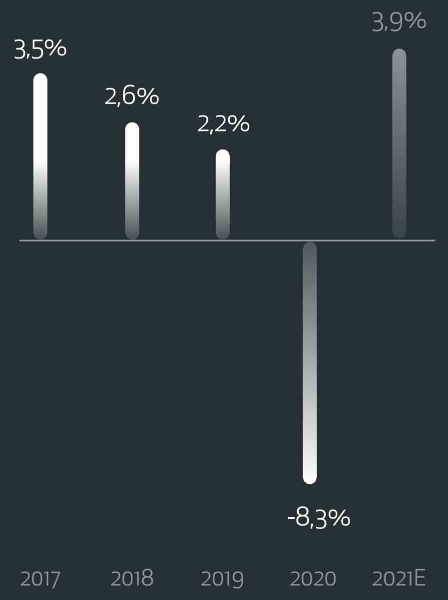
As far as the trade balance is concerned, in Portugal there was a 14.4% decrease in imports and a 20.1% decrease in exports, explained by the sharp drop in the exports of services - in particular in the Tourism sector, with -56.6% - reflecting half the reduction in total exports.

The weight of exports in GDP also decreased by 7 percentage points, standing at a weight of 36.8%: thus, there is a clear relationship between the total decrease in imports and exports and the decrease in private consumption, linked to high imported content.

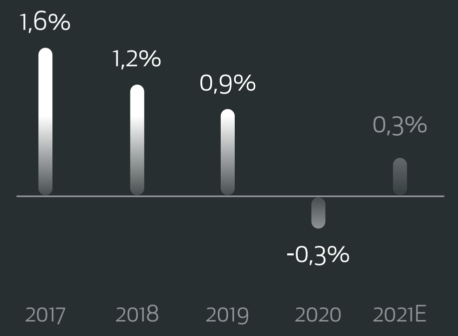
The Bank of Portugal predicts that the unemployment rate in Portugal increased to 7.2% in 2020, after 2019 had recorded the lowest figure since 2003 (6.5%). For 2021, the Bank of Portugal is projecting an unemployment rate of 8.8%, falling in the following years - namely 8.1% in 2022 and 7.4% in 2023.

Due to the crisis from the Covid-19 pandemic, 2020 revealed a shock in supply and demand, changing the course of the inflation rate seen until 2019. As such, the inflation rate was -0.3%, a direct consequence of the substantial drop in demand, although, in the coming years, the Bank of Portugal predicts an increase in inflation rate of 0.3% for 2021, 0.9% in 2022 and 1.1% in 2023. The rise in prices is swifter in Portugal compared to the rest of the Euro Zone, which indicates ainflation rate of 1.0% in 2021, after 0.1% in 2020.

We can anticipate a recovery of the Portuguese economy for the period 2021 to 2023, triggered by the gradual control of the pandemic, by less uncertainty and by the implementation of new economic support measures. In 2021, GDP is predicted to grow 3.9%, followed by a growth of 4.5% in 2022 and 2.4% in 2023.



GDP growth rate in Portugal



Inflation rate in Portugal

Source
Fundo Monetário Internacional
Banco de Portugal – Boletim Económico dezembro 2020

angola

For 2020, the IMF is predicting a contraction in the Angolan economy for the fifth consecutive year, as a result of the global crisis caused by the Covid-19 pandemic, in contrast to the economic recovery trajectory that had been seen up until 2019. A 4.6% decrease in GDP is also forecast and a negative outlook for the budgetary balance, with a deficit of -2.8% for 2020 and 0.1% for 2021.

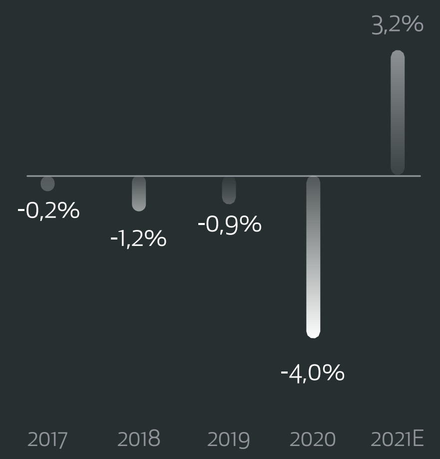
As the country is bound to the IMF's financial assistance programme, which guarantees a funding of 3.7 billion dollars for a period of four years, there is tight control regarding net international currency reserves, which should be in excess of 8.1 billion dollars during the period of this intervention. In 2020, due to the pandemic, exports in the oil sector fell by 42.1% compared to the same period the previous year, at the same time as the export of services shrank by 86.5% and of goods by 41.9%. Depreciation of the Kwanza gave way to a huge decline in the import of goods, which fell by 37.3% compared to the previous year, while imports of services saw a drop of 34%. Even so, it is estimated that the current trade balance, in 2020, was practically even. Net international reserves closed the year at 8.7 billion dollars, a drop of 3.0 billion dollars compared to the start of the year, but still above the limit set by the IMF.

In 2020, public debt represented around 120.3% of GDP, and it is estimated that in the coming years, it will gradually have less weight, with an expectation of reaching 107.5% in 2021 and 93.8% in 2022.

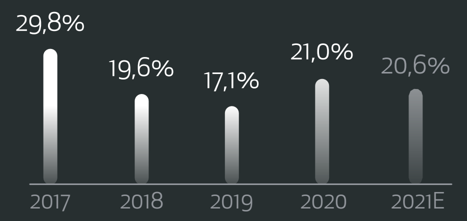
The Covid-19 pandemic worsened the outlook for an economy that was already struggling to grow in a pre-pandemic era, substantially weakening the domestic currency in the international financial markets.

In view of this scenario, the government introduced a broad set of fiscal and monetary measures aiming to support the economy.

Despite the increase in public debt, in response to the global pandemic crisis, the Angolan government is still in negotiations to secure financial support from the IMF, with proposals to suspend the debt service from the G20 and other relevant creditors.



GDP growth rate in Angola



Inflation rate in Angola

Source
Fundo Monetário Internacional
Banco BPI – Informação Semanal Angola janeiro 2021

spain

The growth in Spain's economy has been slowing down over the last five years and after recording an estimated positive 2.0% variation in GDP in 2019, a contraction of 11.0% is predicted for 2020, as a consequence of the Covid-19 pandemic.

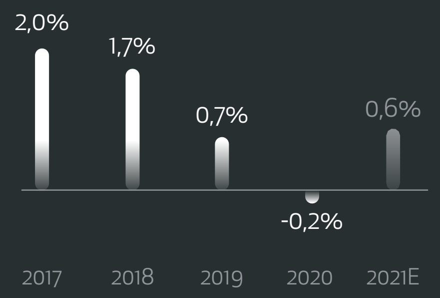
Spain is one of the economies that has been hardest hit since the beginning of the pandemic. As such, whilst the level of GDP contracted 11.0% in Spain, the economy in the Euro Zone registered a decrease of 6.6%. Business evolution showed a heterogeneous behaviour by sector, the resilience of manufacturing contrasted with the fragility of services, mostly affected by the mobility restrictions. Regarding the components of demand, private consumption reflects the high degree of uncertainty and decline in the prospects of household and business incomes.

Inflation fell sharply compared to 2019, standing at -0.2% for 2020. This scenario is due to both the contraction in business and household consumption, as a result of the pandemic, and to the decrease in global demand for oil and its derivatives, which in April, reached the lowest price in the last thirty years.

As the recent recovery in the prices of oil is still very residual, this factor has been one of the main contributing factors to the sharp decline in the energy component of inflation.

Employment indicators for 2020 show a sharp reduction in job creation, with unemployment rising to 17.8%, against 14.1% in 2019.

GDP growth rate in Spain



Inflation rate in Spain

Source
Fundo Monetário Internacional
Banco BPI – Informação Mensal janeiro 2021
Banco de España – Boletín Económico dezembro 2020

brazil

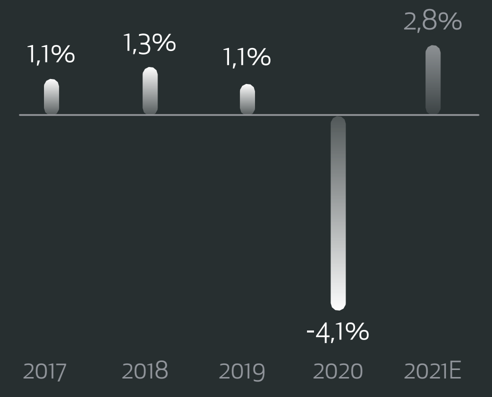
GDP in Brazil contracted 4.1% in 2020, although the IMF is projecting a recovery from the Covid-19 crisis with a growth of 2.8% in 2021, 2.3% in 2022 and 2.2% in 2023. Contributing to this increase are greater confidence after approval of the social security reform, as well as the reduction in interest rates within the context of low inflation.

With residual domestic demand, it is predicted that 2020 will end with an inflation substantially below the target of 3.25%. Public debt will probably increase to over 100% of GDP, due to a 10.6 p.p. deterioration in primary deficit, with a growth trend for the next five years, a trend that has been at the bottom of the significant exchange devaluation.

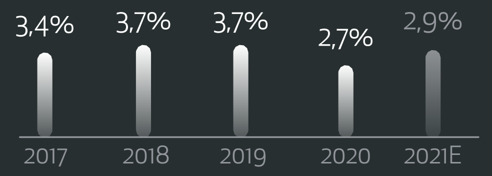
The decrease in internal demand and the devaluation of the Real led to a drop in imports, inverting the current trade balance, from -2,8% in 2019, to +3.0% in 2020.
The outlook for 2021-2023 is that the balance will be zero.

Despite the generalised drop in prices, seen in the first months of the pandemic (March, April and May), a rise in prices can be seen as from June, driven mostly by an increase in the price of fuel, durable goods and processed food, standing at 2.7%. The Brazil Central Bank cut the interest rate by 225 base points, setting the Selic rate at 2% and reducing banks' reserve requirements for term deposits, announcing extensive measures for liquidity and capital relief.

As such, the outlook for 2021 is that the Brazilian economy will regain growth in its economic activity: expectations regarding the evolution in prices in the economy show a slight increase compared to that seen in 2020, to 2.9% in 2021.



GDP growth rate in Brazil



Inflation rate in Brazil

Source
Fundo Monetário Internacional
Banco Mundial

canada

In Canada, 2020 brought a 7.1% decline in real GDP: economic recovery continues to be constrained by the regional restrictions to combat outbreaks of Covid-19, as well as by interruptions in activity in the hotel, tourism and other related business sectors.

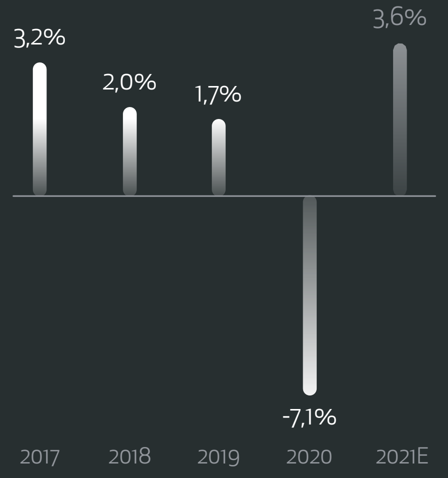
The decline in the global economy led to a decrease in supply and demand in the domestic market, leading to repercussions for private consumption, which decreased by 6.1% and for public consumption, which decreased by 0.1%, partly mitigated by the increase in health spending and assistance to the labour market. With regard to gross fixed capital formation (GFCF), a negative trend (-0.4%) had already been seen in 2019, but due to the Covid-19 pandemic and the decrease in economic activity, this worsened in 2020, standing at -6.4%. Nevertheless, the OECD is predicting a recovery in 2021 and 2022, with a growth of 2.1% and 2.2% respectively.

The growth in real GDP is predicted to stand at 3.6% in 2021 and at 4.1% in 2022, only returning to pre-Covid-19 values in mid-2023.

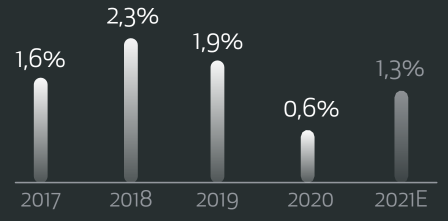
With domestic demand shrinking, inflation decreased to 0.6%, with a forecast recovery to 1.3% in 2021 and 1.6% in 2022. The current account broke the recovery trend, stagnating at a deficit balance of 2%: in view of this scenario, public debt will stand at 114.6% of GDP in 2020.

With the vaccination plan under way and agility in the inherent measures, it is predicted that the reduction in the restrictions in the second half of 2021 will favour a substantial recovery in the hardest hit sectors, which will be reflected in the period 2021-2022.

According to the IMF's projections, the growth in public debt in the post-pandemic period will decrease to levels of around 112.8% of GDP in 2023.
The federal, provincial and territorial governments, together with the central bank, have reacted to the evolving economic conditions by lowering the policy interest rate to 0.25% in March 2020 and various expansionist Quantitative Easing plans announced.



GDP growth rate in Canada



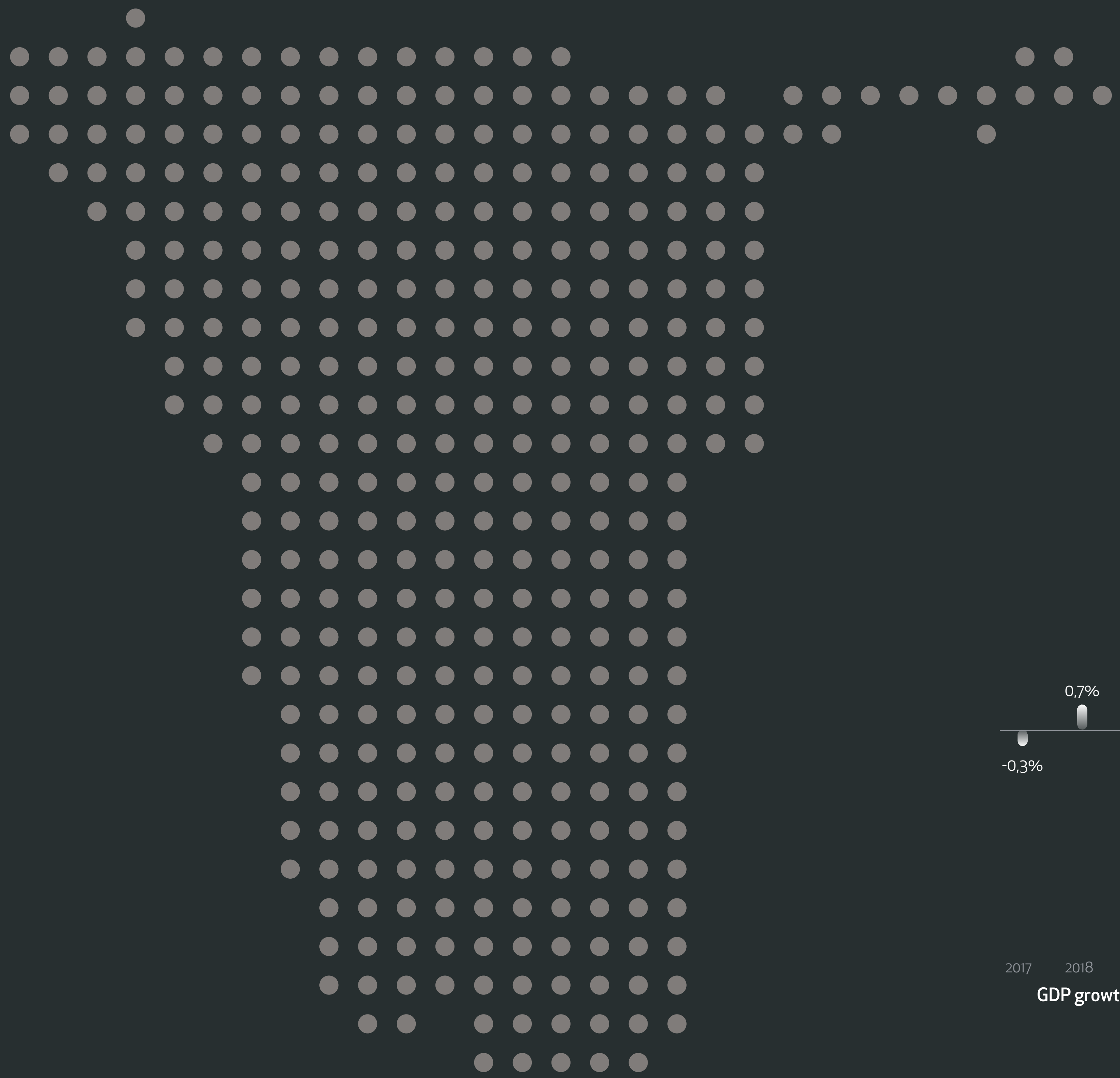
Inflation rate in Canada

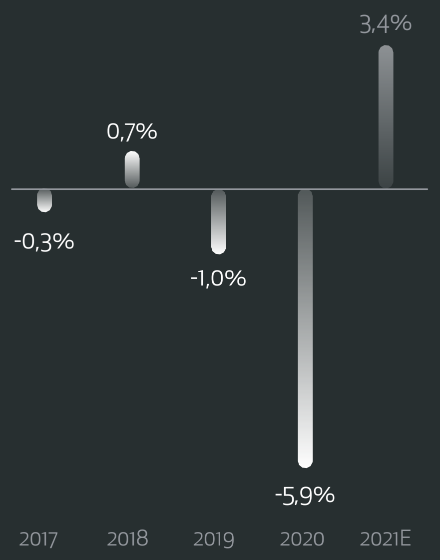
Source
IMF – World Economic Outlook October 2020
Canada Economic Snapshot - OECD, 2020

namibia

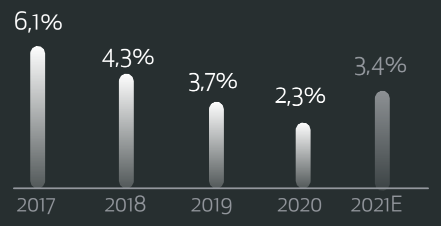
It is predicted that the Covid-19 pandemic will exacerbate the precarious economic conditions for Namibia, strongly impacted in recent years by the decline in raw materials prices, lower income from tourism and the reduction in direct foreign investment. The IMF is predicting that GDP will contract 5.9% in 2020, while expecting a modest recovery in 2021, with a growth of 3.4%, supported essentially by the prospect of resolving the pandemic crisis.

Public debt went from 54.7% to 67.6% of GDP, and estimated inflation for 2020 is +2.3%, with a forecast increase to 3.4% in 2021. It is also estimated that the weight of the current account deficit on GDP in 2020 stood at 4.4%.





GDP growth rate in Namibia



Inflation rate in Namibia

Source
IMF – Global Economic Outlook October 2020
African Development Bank Group – African Economic Outlook 2020

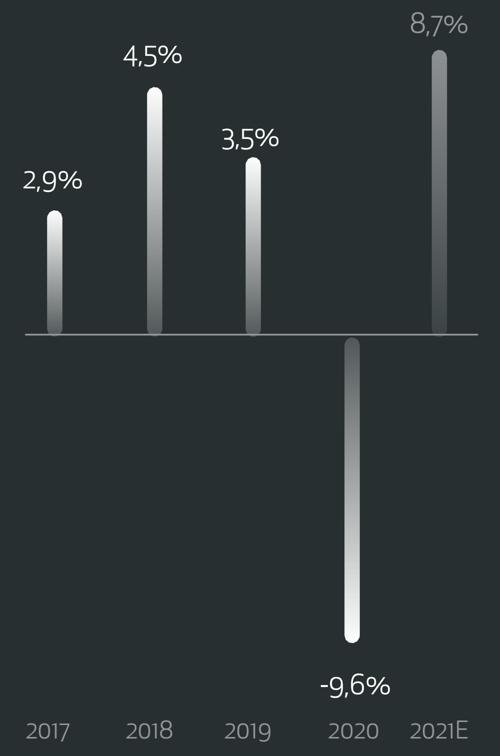
botswana

In Botswana, real GDP contracted 9.6% in 2020, after an average growth in the order of 4% between 2016 and 2019, driven by the recovery in the mining sector (diamond extraction) and the generalised expansion of economic activity. However, in 2020, the pandemic crisis gave rise to a contraction in supply and demand in the main sectors of the economy - diamond mining and tourism - triggering a significant decrease in GDP.

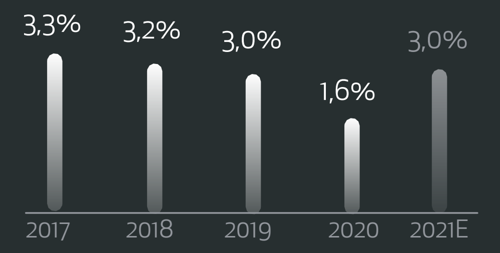
With regard to inflation, it is estimated that it stood at +1.6% in 2020, with a predicted recovery of around 3% in 2021 and 4% the following years.

Public debt increased by 5.5 percentage points, having gone from 15.1% GDP in 2019 to 20.6% in 2020. The current account reached a deficit of 2.5% of GDP, as a consequence of the deterioration in global export conditions. A modest improvement is predicted for 2021, with a gradual recovery of the diamond extraction industry and tourism, Botswana's main growth drivers.

Medium-term prospects remain positive, with a projected growth of 8.7% for 2021 and 4.3% for 2022. Nevertheless, the country's dependence on diamond exports, the high unemployment - mainly among the younger population - as well as the severe social inequalities, are factors that compromise a better performance of the market's economy in the near future.



GDP growth rate in Botswana



Inflation rate in Botswana

Source
IMF – Global Economic Outlook October 2020
African Development Bank Group – African Economic Outlook 2020

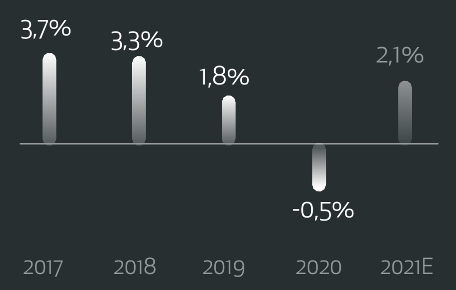
mozambique

In 2020, Mozambique faced a new economic slowdown, with a 0.5% contraction in GDP, largely explained by the impact of the Covid-19 pandemic, the slowdown in the construction, tourism and transport sectors, as well as the departure of direct foreign investment.

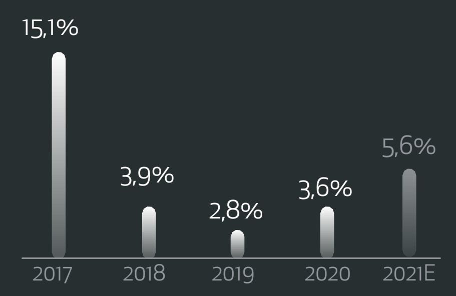
With regard to inflation, as a result of the tightened monetary policy, the rate fell from 3.9% in 2018 to 2.8% in 2019, standing at 3.6% in 2020.

For 2021, the IMF is estimating a growth in GDP of around 2.1%, boosted by the discovery of gas reserves at the end of 2019 and the recovery of the post-Covid-19 global panorama. Mozambique now has the opportunity to diversify its economy and, simultaneously, improve its competitiveness, modernising agriculture, electrifying the country through different energy solutions and promoting other industries, such as fertilizers, fuel and metalworking. In addition, the need to create infrastructures to explore resources should trigger a cycle of private and public-private investments.

The current account deficit increased to 60% of GDP in 2020, and is predicted to reach a level of 68.9% of GDP in 2021 and 83.7% in 2022, as the projects related to gas exploration will lead to a substantial increase in the volume of imports. Furthermore, the public finance deficit should reach 4.5% of GDP in 2020 and 4.3% of GDP in 2021, which raises concerns regarding the sustainability of the public debt.



GDP growth rate in Mozambique



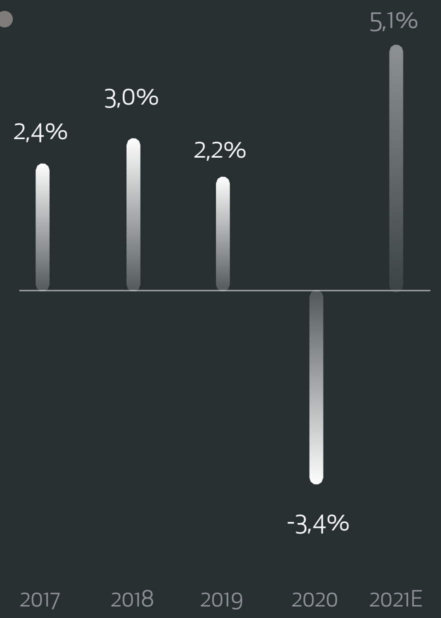
Inflation rate in Mozambique

Source
IMF – Global Economic Outlook October 2020
African Development Bank Group – African Economic Outlook 2020

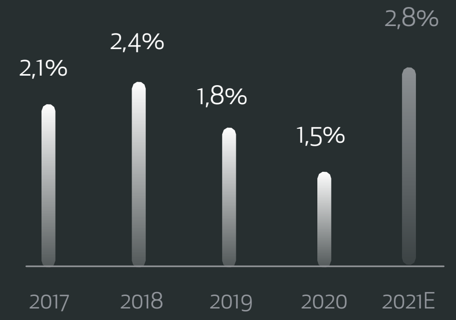
usa

Following the sharp fall in GDP and the dramatic increase in the unemployment rate seen in the first half of 2020, we are now seeing a recovery in the US economy: according to the IMF, real GDP should contract 3.4% in 2020, before increasing by 5.1% in 2021 and 2.5% in 2022. The unemployment rate will gradually drop from 8.9% in 2020 to 7.3% in 2021, remaining high compared to pre-pandemic levels. This scenario reflects both the slow activity in sectors such as tourism and transport, which continue to be strongly impacted by the pandemic, and the barriers to inter-sector reallocation of the workforce. An effective vaccination plan during the second half of 2021 will enable the contention measures to be eased which, linked to a financial stimulus package being approved by the new presidency, will heighten confidence in the US economy in 2021.

Monetary and financial policies are also providing substantial support to the economy: at the beginning of the crisis, a series of new credit lines were introduced and supervisory regulations were relaxed, facilitating access to financing. The Federal Reserve kept its reference rate unchanged within 0.0 -0.25%, announcing the return to large-scale, unlimited asset purchases and significantly expanding the reach of its current account. In September, the Federal Open Market Committee (FOMC) issued future guidelines for adopting a new inflation targets strategy, having seen that the base interest rate will not increase until inflation rises by 2%. The inflation rate stood at 1.5%, and is predicted to increase by 2.8% in 2021 and 2.1% in 2022.



GDP growth rate in USA



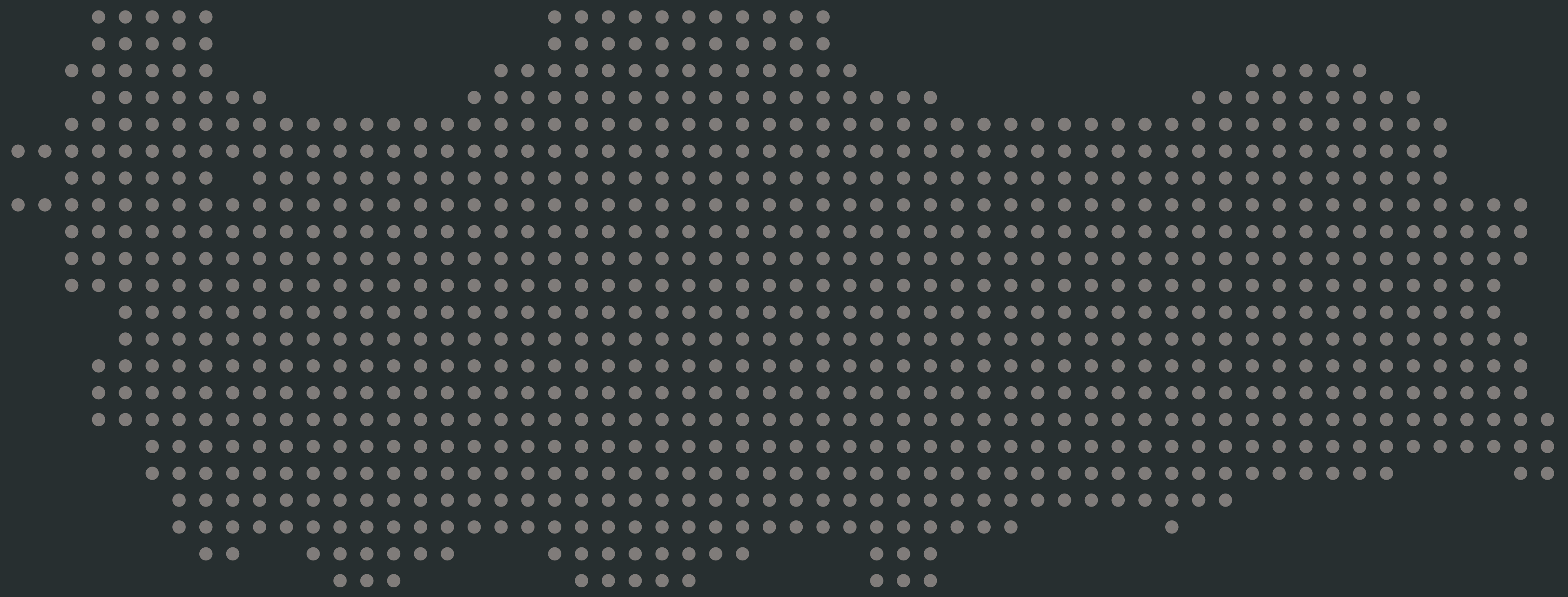
Inflation rate in USA

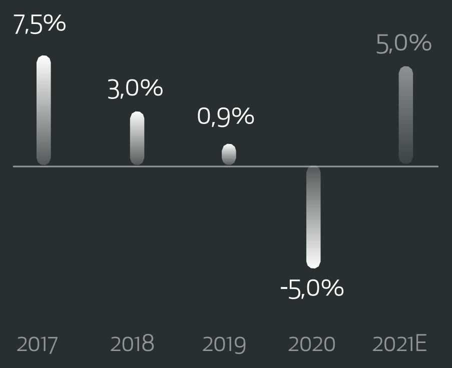
Source
IMF – Global Economic Outlook October 2020
Banco BPI - Country Outlook United States 2020
United States Economic Snapshot - OECD 2020

turkey

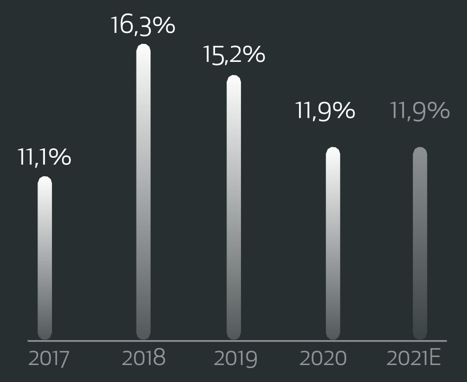
The Turkish economy shrank by 5% in 2020, due to the Covid-19 pandemic. After a period of serious macroeconomic imbalances, Turkey was faced with a process for adapting the economy, 2020 having brought setbacks to this progression. As far as the evolution of prices is concerned, inflation is said to have reached 11.9% and the Turkish Lira devalued 29.7% against the US Dollar in 2020.

2021 is predicted to be a year of recovery, supported by relative institutional stability which has not existed in recent years, as well as by the confidence in resolving the Covid-19 pandemic and inherent improvement to the international economic panorama. As such, the outlook for 2021 is one of GDP growth in the order of 5% and a price growth in the economy of around 11.9%.





GDP growth rate in Turkey



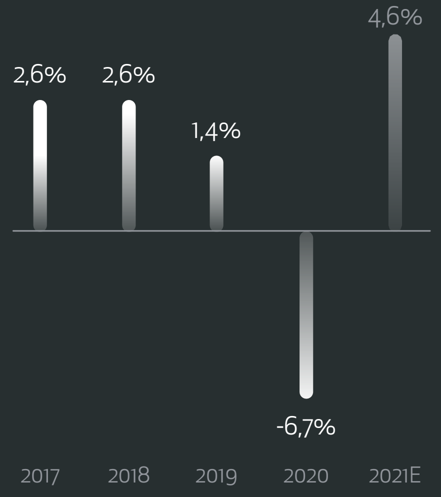
Inflation rate in Turkey

Source
IMF – Global Economic Outlook October 2020
Yahoo Finance-2020

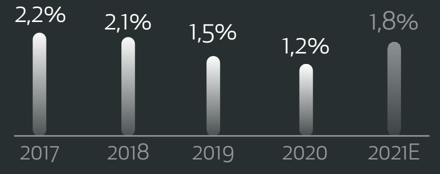
austria

As for the Austrian economy is concerned, a contraction is predicted in the short term, as a result of the contention measures and voluntary restrictions related to the Covid-19 pandemic. These restrictions weigh heavily on consumption, which led to a contraction of 6.7% of GDP in 2020. The disruptions in the global value chains and the moderate growth in the main trading partners substantially affected exports and investment. With an effective vaccination plan, a recovery in activity is expected throughout 2021 and 2022: nevertheless, still quite below its pre-crisis level at the end of this period, with an estimated growth of 4.6% in 2021 and 2.1% in 2022.

The average inflation rate was 1.2% in 2020, and is estimated to be close to 1.8% in 2021.



GDP growth rate in Austria



Inflation rate in Austria

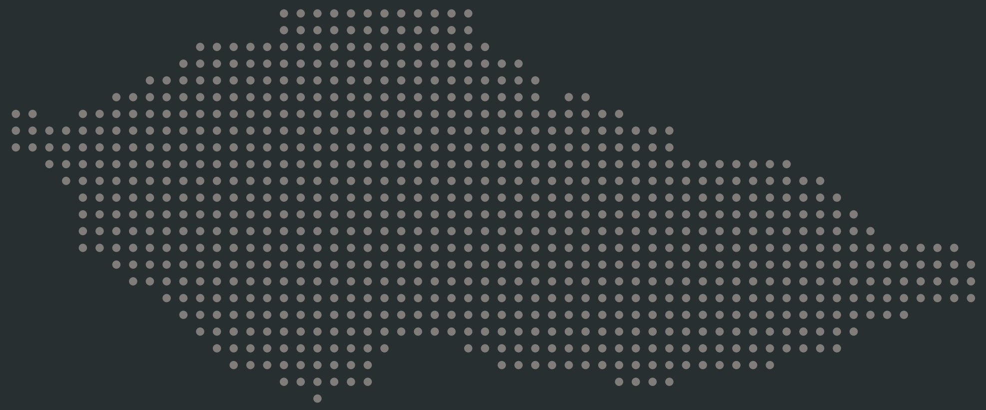
Source
IMF – World Economic Outlook October 2020
Austria Economic Snapshot - OECD,2020

czech republic

GDP in the Czech Republic contracted 6.5% in 2020, as a consequence of the fall in supply and demand inherent to the pandemic crisis. For the coming years, the IMF projects a growth of 5.1% in 2021 and 4.3% in 2022, as a result of the prospects of improvement in view of the global economic panorama.

In 2020, the growth in consumer prices increased by 3.3%, with a 2.4% decrease projected for 2021 and 2% in 2022.

Source
IMF – World Economic Outlook October 2020

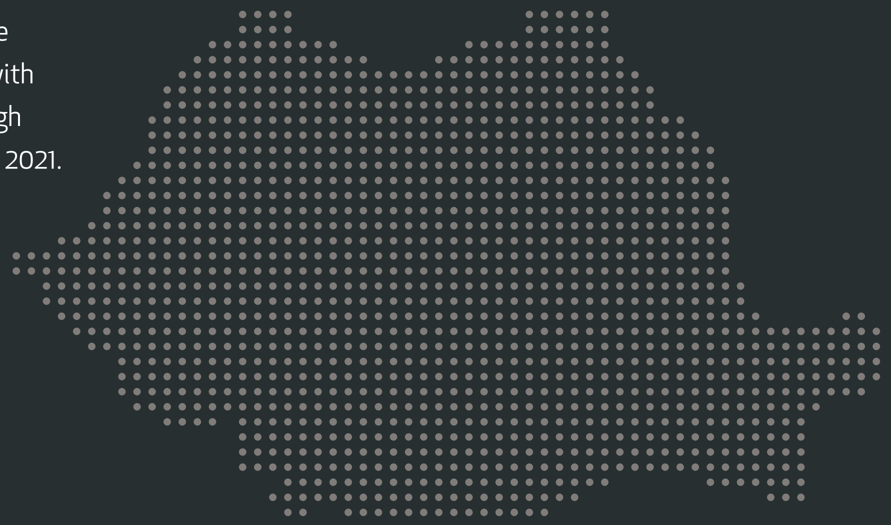


romania

In 2020, Romania's GDP contracted, standing at -4.8%, influenced by the drop in internal and external demand and by the decrease in direct foreign investment.

It is forecast that 2021 will enable the Romanian economy to bounce back with an estimated growth of 4.6%, although inflation will be lower, around 2.5% in 2021.

Source
IMF – World Economic Outlook October 2020



hungary

As far as GDP is concerned, in 2020 Hungary saw a 6.1% contraction in its economy, following a period in which it had recorded decidedly positive results. In 2021, a strong economic recovery is predicted, with a growth of 3.9%, and it may bounce back to pre-Covid-19 growth levels already in 2022, reaching 4.0%.

It is likely that private consumption will see a 2.6% recovery in 2021, and that public consumption will increase by 2.2%, as a consequence of new incentive packages from the European Union. In 2020, inflation was 3.6% and is expected to stabilize at around 3% in the coming years.

Source
IMF – World Economic Outlook October 2020
Hungary Economic Snapshot - OECD," 2020

croatia

In 2020, Croatia halted the economic expansion course it had been following up until 2019. It therefore saw a 9% contraction in its economy, with a drop in domestic and foreign demand, particularly felt in the tourism sector due to the Covid-19 pandemic. A recovery in the Croatian economy is expected to reach pre-Covid-19 figures already in 2022, with a growth of 6% in 2021 and 4.4% in 2022. In parallel, greater intake of funds from the European Union, together with a new package of measures to fight the pandemic crisis should enable public investment to increase in the next few years. In 2020, inflation was almost nil, standing at around 0.3%.

Source
IMF – World Economic Outlook October 2020

mexico

In Mexico, there was a 9% contraction in GDP in 2020, explained by the feeling of political uncertainty and the decline in global industrial activity and the American economy itself as a consequence of the Covid-19 pandemic. A growth of 3.5% is expected in 2021, along with normalisation of the global economic conditions in view of the Covid-19 pandemic. An inflation rate of 3.4% is predicted for 2020 and more normal inflation in the following years, with 3.3% in 2021 and 3.0% in 2022.

Source
IMF - Outlook for Latin America and the Caribbean 2020
IMF- Economic Outlook 2020

slovakia

Following a 7.1% contraction in 2020, the Slovakian economy is projected to grow by around 6.9% in 2021 and 4.8% in 2022. There will be a gradual recovery of consumption, arising from the increase in disposable income, the improvement in the labour market conditions and increased household confidence. Investment growth however will be restricted due to a generalised uncertainty, weakened corporate balance sheets and low capacity utilization. Unemployment is predicted to gradually fall, while remaining above pre-Covid-19 levels until the end of 2022. In 2021, inflation will remain moderate at 1.5%, as the fiscal stimulus plan has helped to prevent a more pronounced contraction. The fiscal policy should remain favourable in the short term and the recovery package should stimulate demand, driven by the long-term growth potential.

Source
IMF – World Economic Outlook October 2020
Slovak Republic Economic Snapshot - OECD 2020

5.2. economic performance

a look at the results

5.2.1. global economic performance

a holistic view of the results

CAPÍTULO 05.

turnover

In 2020, the group's activity was inevitably marked by the Covid-19 pandemic.

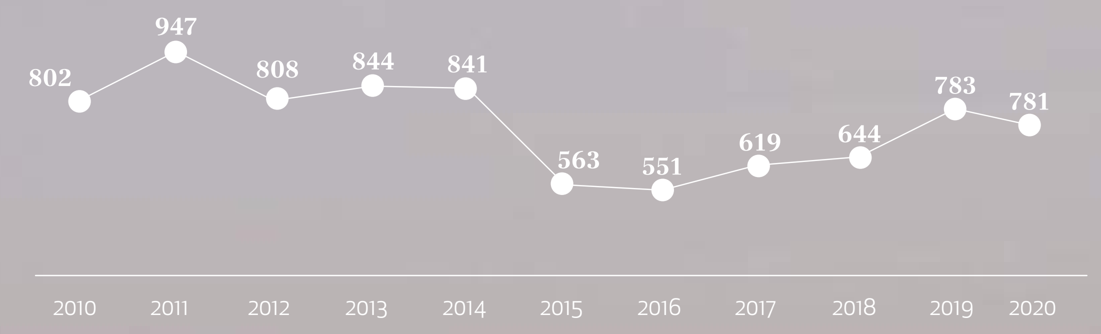
As such, the contribution in turnover from the markets in Portugal, Brazil - still impaired by the devaluation of the real - Botswana, Namibia and Mozambique, saw a decline compared to 2019.

This was not the case in Angola, due to a large supply of buses that materialised during the year.

Even so, the group's consolidated turnover remained practically unchanged, going from 783 to 781 million Euros. This global performance was possible through the contribution from Strongco, a company acquired in 2020 and which was integrated into our accounts as from March.

It should be noted that despite the extremely unfavourable economic environment, the group's operations showed great resilience to the crisis and the group also benefited from the effect of the market and sector diversification its portfolio offers.

consolidated turnover (millions of Euros)



In 2012, joint ventures stopped being consolidated using the proportional method and began using the equity method. However, for the purpose of this analysis, all values were adjusted to the equity method.

The distribution of turnover by business area and by country is as follows:

thousands of Euros	sales 2020	% total sales	sales 2019	% total sales
NORS **MOBILITY**	498 367	63,8%	648 435	82,8%
AS Portugal	91 691		106 709	
AS Automóveis	84 115		102 359	
Galius	42 029		59 723	
AS São Paulo	136 309		209 256	
AS Centro Oeste	82 915		120 770	
AS Angola	40 053		22 759	
AS Botswana	6 143		9 198	
AS Namibia	11 389		13 240	
AS Moçambique	3 280		4 421	
KinLai	443		0	
NORS **OFF-ROAD**	207 436	26,5%	41 829	5,3%
Strongco	180 484		0	
Auto Maquinaria	15 335		27 348	
Agro New	11 617		14 481	
NORS **AFTERMARKET**	60 642	7,8%	75 209	9,6%
Civiparts Portugal	17 442		21 966	
Civiparts Espanha	8 835		11 202	
Civiparts Angola	4 057		5 528	
OneDrive Portugal	26 961		30 752	
OneDrive Angola	3 346		5 761	
NORS **VENTURES**	14 243	1,8%	17 060	2,2%
Sotkon	12 068		12 654	
Amplitude	1 090		925	
Vitrum	1 085		1 465	
Biosafe	0		2 015	
others	618	0,1%	193	0,0%
total	781 305		782 726	

thousands of Euros	sales 2020	% total sales	sales 2019	% total sales
Portugal	277 100	35%	338 762	43%
Angola	63 234	8%	61 396	8%
Brazil	230 841	30%	344 507	44%
Canada	180 484	23%	-	0%
Spain	8 835	1%	11 202	1%
other countries	20 811	3%	26 859	3%
total	781 305		782 726	

gross margin

With the stabilization of our turnover, the gross margin generated remained practically unchanged. In fact, gross margin recorded a slight fall, going from 131.4 million Euros in 2019 to 129.9 million Euros in 2020 (-2%), mostly supported by the entry of Strongco into the consolidation perimeter.

The profitability that this margin represents went from 17.0% in 2019 to 16.8% in 2020.

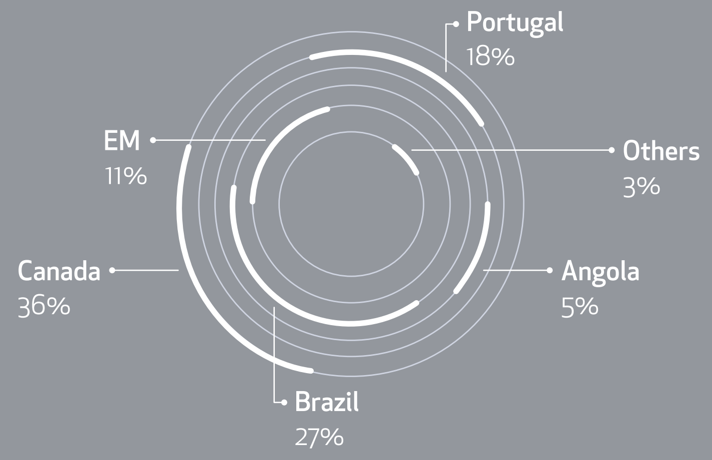
This slight drop is linked to the market and business mix, particularly the very significant erosion of the activity in Angola, a market that strongly contributes towards the consolidated margin.

ebitda

The group posted an EBITDA of 68.6 million Euros in 2020, which represents an increase of 10.1 million Euros (+17.3%) against that achieved in 2019. This growth was secured through the acquisition of Strongco (+25.2 million Euros), and through a rapid reaction to the effects arising from the Covid-19 pandemic. In fact, it was due to having a lean and dynamic organisation, highly capable of reacting to adversity, that we were able to obtain the results presented in 2020.

Along with EBITDA's evolution, it is also important to highlight its breakdown by origin.

breakdown of ebitda by main contributors



net income

Despite the growth in EBITDA posted in 2020, net profit saw a decrease from 24.3 million Euros in 2019 to 14.9 million in 2020.

This evolution can be explained by the change in the forex contribution, as well as by the increase in depreciation and the cost of financing, both closely linked to the acquisition of Strongco.

assets

Our consolidated assets rose to 732.7 million Euros, which compared to the amount recorded at the end of 2019 (617.1 million Euros), corresponds to an increase of 115.6 million Euros (+19%), of which 173.0 million Euros stem from the acquisition of Strongco. If we exclude that effect, Nors would have presented a decrease in assets in the value of 57.3 million Euros.

capital employed

Following the strategy that began in 2015, during 2020 we continued to carefully monitor the allocation of resources to the existing businesses in the various countries. Naturally, the acquisition of Strongco had a negative impact on this indicator through an increase of 96.6 million Euros in capital employed, the equivalent of 51.8% of Nors' total capital employed in 2020. If we exclude that effect, Nors would have presented a reduction of 32.5% in this indicator.

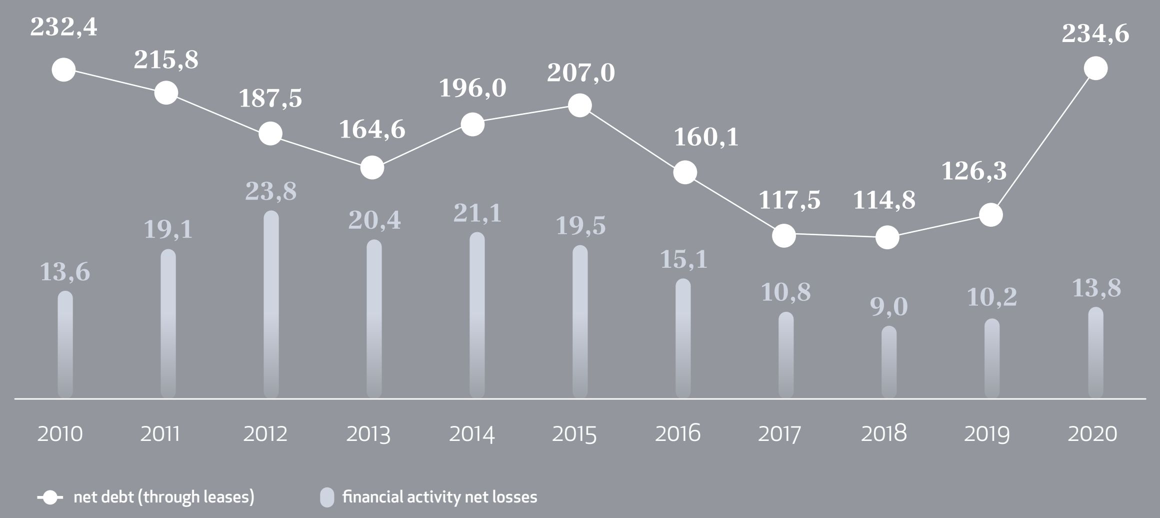
net debt and financial activity

We closed 2020 with a Net Debt with Lease Liabilities of 234.6 million Euros, while this amount was directly impacted by the acquisition and respective consolidation of Strongco's debt (130.2 million Euros), without which it would have amounted to 104.4 million Euros and represented a reduction of 21.9 million Euros compared to 2019.

As far as Net Bank Debt is concerned (Loans - cash in hand and at banks - available for sale investments - debt instruments at amortised cost), Nors closed 2020 with 148.1 million Euros, compared to the 72.1 million Euros in 2019. Without the effect of the acquisition of Strongco, Net Bank Debt would have ended 2020 at 49,9 million Euros, posting a reduction of 22.2 million Euros against 2019.

This decrease is part of a downward trend since 2015, which enabled the Group to strengthen its financial position and create the right conditions to acquire Strongco in 2020.

net debt through leases and financial activity net losses



In 2012, joint ventures stopped being consolidated using the proportional method and began using the equity method. However, for the purpose of this analysis, all values were adjusted to the equity method.

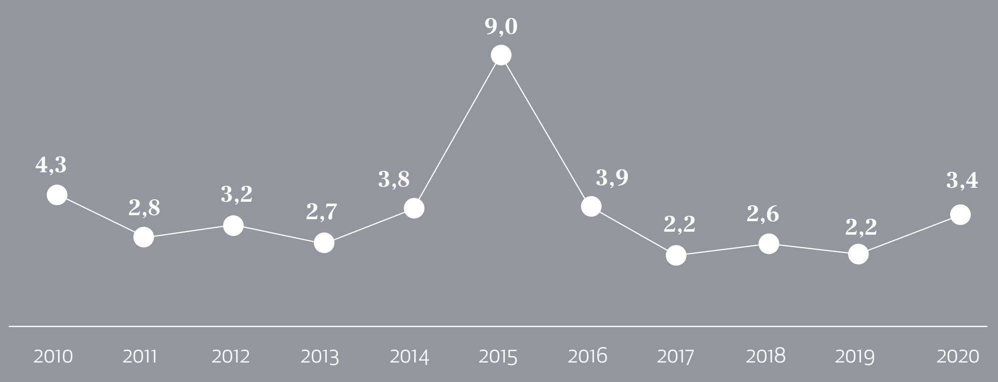
The cost of interest, as a reflection of the financial commitment with the acquisition of Strongco and the consolidation of the debt of the company itself, saw an effective increase of 3.6 million Euros. Dismissing the impact of the acquisition of Strongco, the cost of interest would have shown a reduction of 1.2 million Euros when compared to 2019.

It should be highlighted that the increase seen in 2019 was exclusively due to IFRS 16 coming into force, whose impacts extended into 2020.

As shown in the graph above, the combination of the effects on EBITDA and on net debt through lease payments generated an increase in the respective ratio.

We managed to effectively manage the foreign exchange impacts from Angola, caused by the exposure to the risk of devaluation of the Kwanza and the US Dollar. The first was eliminated by using Angolan state treasury bonds, whose valuation is indexed to the US Dollar. The second was managed using a natural hedging strategy, achieved by creating US Dollar-denominated financial liabilities in Portugal.

net debt (through leasing)/ebitda



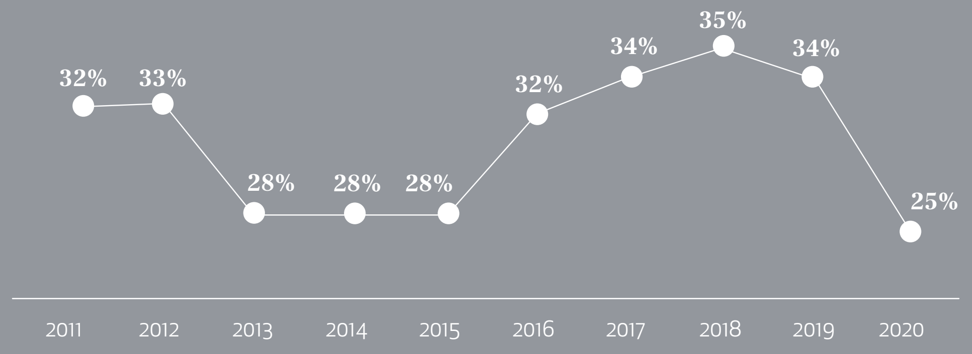
In 2012, joint ventures stopped being consolidated using the proportional method and began using the equity method. However, for the purpose of this analysis, all values were adjusted to the equity method.

financial autonomy

Equity was extremely hard hit by foreign exchange devaluation, falling from 207.5 million Euros to 184.6 million Euros. Combining this effect with the 19% increase in Total Assets (617.1 million Euros in 2019 to 732.7 million Euros in 2020), justified by the incorporation of Strongco in Nors' consolidated statements, financial autonomy posted a year-on-year reduction, standing at 25.2%. When excluding the effect of the acquisition of Strongco, financial autonomy amounts to 32.0%.

It should also be highlighted here that the slight drop already seen in 2019 was exclusively due the adoption of the IFRS 16 standard.

financial autonomy

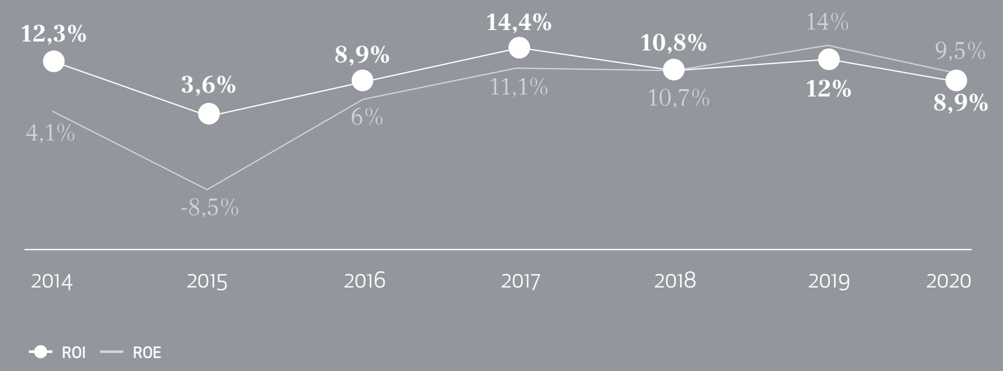


In 2012, joint ventures stopped being consolidated using the proportional method and began using the equity method. However, for the purpose of this analysis, all values were adjusted to the equity method.

roi e roe

As far as the profitability ratios are concerned, ROE suffered a decrease from 14.0% to 9.5% - explained by the impacts of the Covid-19 Pandemic on Net Profit - and ROI also posted a drop from 12.0% to 8.9%, explained by the increase in capital invested through the acquisition of Strongco.

roi e roe



consolidated performance

thousands of Euros	2020	2019
turnover[1]	**781 305**	**782 726**
ebitda[2]	**68 615**	**58 488**
%turnover	8,8%	7,5%
Amortisation and Depreciation	-31 269	-18 459
ebit	**37 347**	**40 029**
%turnover	4,8%	5,1%
Net foreign exchange differences	-504	1 888
Financial activity result[3]	-13 751	-10 151
income before taxes	**23 092**	**31 766**
%turnover	3,0%	4,1%
net income	**14 885**	**24 349**
%turnover	1,9%	3,1%

[1] Sales + services provided + own work

[2] Result before depreciation, financial expenses and taxes

[3] Costs and gains linked to financing

CAPÍTULO 05.

property performance

thousands of Euros	2020	2019
assets	**732 748**	**617 109**
Non-current assets	352 915	365 569
Inventories	230 443	125 935
Customers	63 300	57 847
Other current assets	35 985	28 629
Cash and cash equivalents	50 105	39 129
liabilities	**548 154**	**409 614**
Loans obtained	208 200	159 958
Provisions	10 507	4 951
Suppliers	154 164	121 174
Other liabilities	175 282	123 531
equity with non-controlled interests	**184 594**	**207 495**
Capital	30 000	30 000
Global reserves	124 778	137 509
Net income	14 745	23 408
Non-controlled interests	15 071	16 578
financial autonomy	**25,2%**	**33,6%**

5.2.2. economic performance by business unit

the results, business by business

5.2.2.1. NORS **MOBILITY**

In Portugal, despite the negative impact that the Covid-19 pandemic had on the market and on all the companies, we managed to increase our combined market share in the mid-range and heavy-duty markets. From a strategic point of view, and with the main objective of defining the future of the various companies' business model, we continued to invest in various internal projects adapted to the specific needs of each company.

In Brazil, the Covid-19 Pandemic also had a direct impact on the 2020 results, the business activity shrunk by 11.3%, in domestic currency. However, the extent of this contribution to the consolidated statement saw a reduction of 33.6%, due to the fact that the Brazilian Real posted an average devaluation of 25%.

Even so, we would like to underline that 2020 was marked by resilient results, secured both through an increase in demand, which was only not satisfied due to a shortage of supply, and a stable market share. Auto Sueco São Paulo and Auto Sueco Centro Oeste saw a contraction in EBITDA, the first from 12.4 million Euros to 8.5 million Euros and the second from 9.7 million Euros to 8.8 million Euros. Once again, we would like to highlight the erosive effect of the foreign exchange evolution.

Finally, on a positive note, the year closed without bank indebtedness, representing a positive evolution in our financial robustness.

In Angola, we faced a particularly adverse macro-economic and financial scenario, due to the Covid-19 Pandemic.

The strong devaluation of the Kwanza and subsequent drop in domestic demand led to significant market contraction. In 2019, we made some changes with the objective of maximising profitability (we adjusted the structure of the different companies to meet market needs) and these changes led to greater agility in tackling the negative economic consequences of the pandemic. Even so, a major deal was achieved for the sale of buses, resulting in a 2.3% increase in turnover.

In Namibia and Mozambique, 2020 put a stop to the growth trend that the operations had been enjoying, Auto Sueco Namibia and Auto Sueco Moçambique having reduced their EBITDA in Euros by 76% and 89% respectively. Auto Sueco Botswana on the other hand increased its contribution to EBITDA by 22% in Euros.

	units				amount in thousands EUR			
NORS **MOBILITY**	2017	2018	2019	2020	2017	2018	2019	2020
Trucks	3 160	4 139	5 050	4 193	244 161	302 132	400 442	270 082
Buses	140	215	215	229	10 802	15 006	14 454	40 902
Cars	1 985	2 293	2 295	1 761	48 587	63 806	70 998	60 256

in thousands EUR

sales	2020	2019	var.
AS Portugal	91 691	106 709	-14,1%
AS Automóveis	84 115	102 359	-17,8%
Galius	42 029	59 723	-29,6%
AS São Paulo	136 309	209 256	-34,9%
AS Centro Oeste	82 915	120 770	-31,3%
AS Angola	40 053	22 759	76,0%
AS Botswana	6 143	9 198	-33,2%
AS Namibia	11 389	13 240	-14,0%
AS Moçambique	3 280	4 421	-25,8%
KinLai	443	0	100,0%
total	**498 367**	**648 435**	

ebitda	2020	2019	var.
AS Portugal	8 053	7 393	8,9%
AS Automóveis	1 331	1 915	-30,5%
Galius	-32	984	-103,2%
AS São Paulo	8 455	12 449	-32,1%
AS Centro Oeste	8 764	9 737	-10,0%
AS Angola	1 584	2 894	-45,3%
AS Botswana	304	249	22,1%
AS Namibia	124	510	-75,7%
AS Moçambique	71	669	-89,3%
KinLai	-119	-62	92,2%
total	**28 537**	**36 738**	

Auto Sueco Portugal

Auto Sueco Portugal is the exclusive distributor of Volvo trucks and buses, as well as Volvo Penta marine and industrial engines for Portugal. Auto Sueco is also the exclusive distributor of Kohler-SDMO gensets sets for Portugal.

Overall, Auto Sueco Portugal recorded a very positive year, posting an improvement in profitability on the sale of new trucks, and an increase in market share in the heavy-duty truck range (>16 tonnes) from 14.2% in 2019 to 23.5% in 2020, despite the reduction in the size of the market.

A positive mention also for the mid-range market share, which went from 5.8% (2019) to 9.5% (2020). Auto Sueco Portugal's turnover decreased by 14.1% in 2020, although EBITDA managed to grow by 8.9%, thanks to the efforts already started in previous years, to consolidate and rationalise costs. In the After Sales service, 2020 brought a generalised contraction in retail and imports. In this second year in business, the Multi-brand Collision Centre for heavy vehicles, in Gaia, consolidated its performance.

Alongside the commercial activity, we continued with the two strategic projects that are in progress, whose objective is to define the company's future business model - Customer Journey, focused on redefining the commercial model based on the customer's journey, and Flow, aimed at workshop efficiency.

Auto Sueco Portugal
Volvo Trucks

medium-duty trucks			heavy-duty trucks		
year	mshare	market	year	mshare	market
2016	5,3%	190	2016	13,9%	4 222
2017	7,3%	220	2017	13,6%	4 534
2018	4,6%	302	2018	14,3%	4 307
2019	5,8%	225	2019	14,2%	4 410
2020	9,5%	148	2020	23,5%	3 533

Auto Sueco Angola

Auto Sueco Angola distributes Volvo trucks, buses and cars throughout Angola and is also the representative of the Kohler-SDMO gensets units in this country. Taking into account the aforementioned context of the Angolan market and as demonstrated when analysing the indicators, the general results were positive.

The heavy commercial vehicles market (>16 tonnes) declined once again, having fallen by 35%, from 123 vehicles in 2019 to 80 vehicles in 2020, which also corresponded to a drop in market share from 31.7% to 27.5% in 2020.

In addition, it is worth pointing out that this company had a positive performance in the Volvo light vehicle segment. It increased its market share from 3% in 2019 to 4%, despite the 35.1% market contraction (from 2 057 to 1 334).

heavy-duty trucks			cars		
year	mshare	market	year	mshare	market
2016	32,2%	231	2016	0,1%	5 756
2017	47,1%	110	2017	0,1%	2 879
2018	36,3%	168	2018	0,8%	1 698
2019	31,7%	123	2019	3,2%	2 057
2020	27,5%	80	2020	4,7%	1 334

Auto Sueco Centro Oeste and Auto Sueco São Paulo

Auto Sueco São Paulo and Auto Sueco Centro Oeste are Volvo truck and bus dealers in Brazil. The first, in the state of São Paulo and the second in the states of Mato Grosso, Rondônia and Acre.

Brazil's combined market - mid-range and heavy-duty trucks - contracted 10.1%, reaching 67 412 units. Also of note is that the market downturn was not only due to a drop in demand linked to the Covid-19 Pandemic, but essentially due to the closure of the truck factories in Brazil (which anticipated a higher decline in demand than what was actually the case), thereby also leading to restrictions in supply. From 2019 to 2020, Auto Sueco São Paulo increased its state market share from 22.4% to 24.2% in the heavy-duty range and from 6.3% to 7.8% in the mid-range. In turn, Auto Sueco Centro Oeste managed to increase its market share in the heavy-duty range by 3.8 p.p., going from 25.5% to 29.3%.

AS São Paulo

medium-duty trucks

year	mshare	market
2016	7,6%	2 743
2017	3,0%	2 300
2018	6,5%	3 164
2019	6,3%	4 526
2020	7,8%	4 177

heavy-duty trucks

year	mshare	market
2016	24,9%	1 925
2017	25,0%	3 003
2018	22,3%	5 415
2019	22,4%	7 189
2020	24,2%	5 817

AS Centro Oeste

medium-duty trucks

year	mshare	market
2016	8,2%	545
2017	7,2%	414
2018	10,2%	713
2019	11,2%	687
2020	10,0%	683

heavy-duty trucks

year	mshare	market
2016	25,6%	675
2017	24,7%	1 199
2018	25,6%	2 195
2019	25,5%	3 810
2020	29,3%	2 843

Auto Sueco Botswana, Auto Sueco Moçambique and Auto Sueco Namibia

Auto Sueco Botswana is the exclusive representative of Volvo trucks and buses and of the Renault Trucks brand of trucks for that country. Auto Sueco Namibia has the exclusive representation of Volvo trucks and buses and the Renault Trucks and UD Trucks brands of trucks in the Namibian market. Auto Sueco Moçambique is engaged in distributing Volvo trucks and buses and SDLG construction equipment.

As shown by the indicators, these companies performed differently. In Botswana, the increase seen in market share the previous years was interrupted, having declined from 28.2% in 2019 to 25.1% in 2020 (in the heavy-duty >16 tonne trucks).

Similarly, in Mozambique we lost our dominant market position, ending up consolidating second place. 2020 was the second year of import and distribution of SDLG Construction Equipment, a brand and market segment we believe will play an important role in the company's performance. It is important to add that in 2020, Auto Sueco Moçambique delivered 51 new Volvo trucks and 10 SDLG construction equipments (which represents a year-on-year increase of 42%).

In Namibia, the Volvo brand's position was substantially strengthened, having reached a dominant market position. Auto Sueco Namibia's performance in the truck range saw a 32.2% increase in market share in the heavy-duty range, increasing its performance by 10 p.p compared to 2019. This point is especially positive within a market that contracted by 22%, from 347 in 2019 to 270 in 2020.

AS Botswana

heavy-duty trucks

year	mshare	market
2016	7,7%	220
2017	13,4%	276
2018	16,2%	222
2019	28,2%	301
2020	25,1%	171

AS Namibia

heavy-duty trucks

year	mshare	market
2016	17,5%	349
2017	22,0%	259
2018	16,8%	286
2019	21,9%	347
2020	32,2%	270

Auto Sueco Automóveis

Auto Sueco Automóveis is a car retail company with multi-brand dealerships in Porto (Volvo, Mazda and Honda), Lisbon (Volvo, Jaguar, Land Rover and Mazda), Braga (Volvo) and Guimarães (Volvo).

Due to the pandemic environment experienced in 2020, sales fell by 17.8% against 2019 and EBITDA dropped in value by 30.5% compared to 2019, although it was above 2018 figures.

We believe that this performance was nevertheless very positive, considering the environment, and that it was possible thanks to the reorganisation that took place in Auto Sueco Automóveis' commercial area in 2019, as well as the investment made, which enabled the company to focus exponentially on the channels where opportunities were more apparent.

Share of the light vehicles market increased from 1.0% in 2019 to 1.2% in 2020, a particularly positive point in view of the 35% contraction in the car market.

In 2020, we continued with the project that we had been implementing since 2019, whose objective is to prepare the company for a new 5-year cycle, structurally investing in 3 distinct areas: After sales, Customer Contact and Digitalisation. In the first, we reinforced the management capacity of the after sales team. For Customer Contact, we launched a project to implement a Global Call Centre - professionalising the telephone service, facilitating contact and ensuring that our customers feel even closer to the company.

With regard to digitalisation, we launched a business "Digital Transformation" project. We started by creating a new website, which is better adapted to the company and current customer needs. In 2019, a new approach to Social Media was defined, whereby we can capitalise on promoting our products, services and user engagement with our brand, which produced positive results in 2020. Finally, we focused on being able to manage projects more professionally and quicker.

cars

yeat	mshare	market
2016	1,0%	207 345
2017	0,9%	222 134
2018	1,0%	228 290
2019	1,0%	223 799
2020	1,2%	145 417

Volvo brand share

year	mshare Volvo
2016	28,0%
2017	27,7%
2018	28,2%
2019	27,7%
2020	28,0%

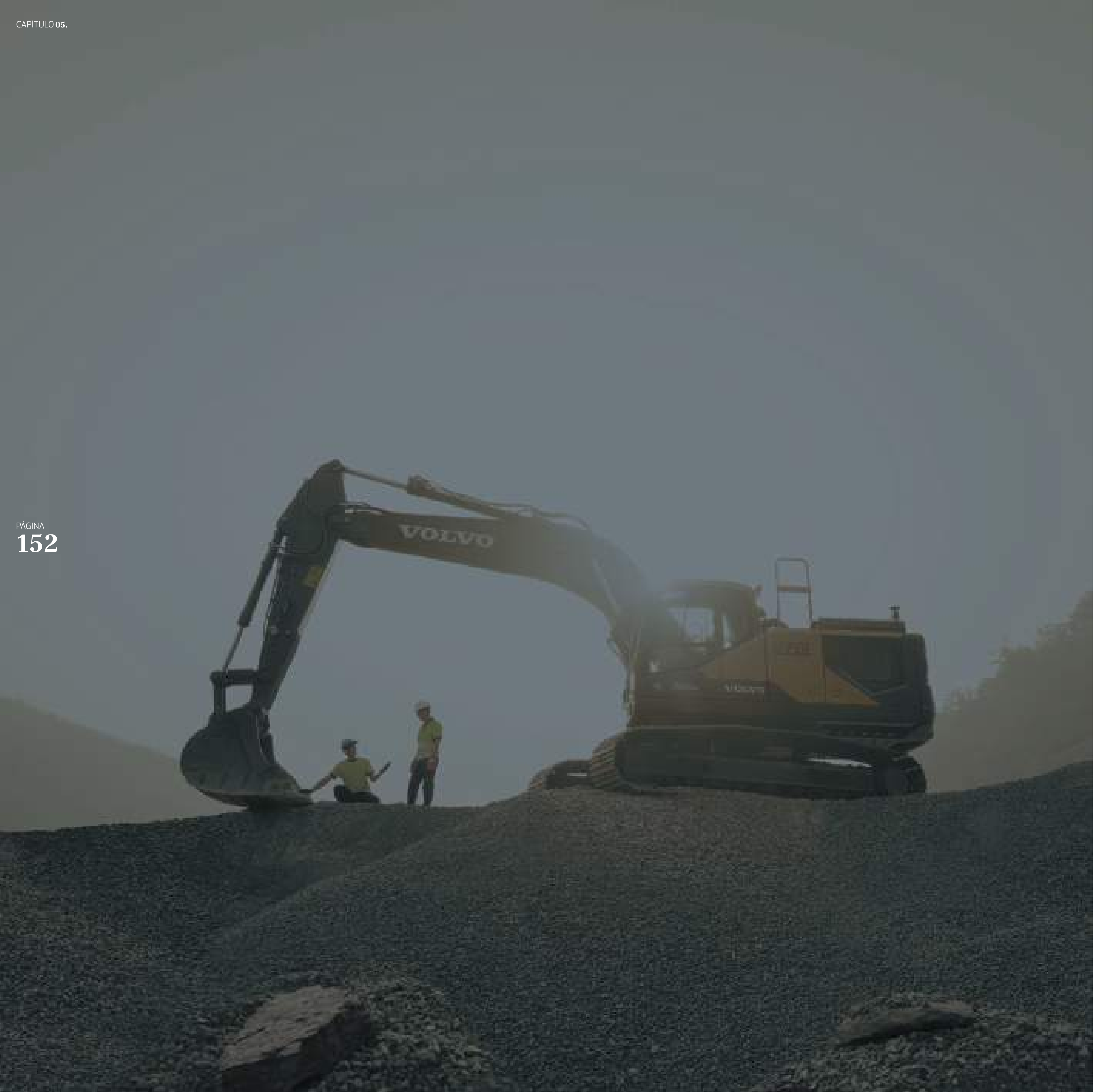
Galius

Galius is the exclusive distributor of Renault Trucks for Portugal. For Galius, 2020 was a year that brought a significant reduction in the sale of new trucks, due to the company's commercial approach to the market and also the effects of the Covid-19 Pandemic. With regard to market share, we recorded a drop from 11.9% (2019) to 9.3% (2020) in the heavy-duty truck market (>16 tonnes) and an increase from 6.2% (2019) to 8.1% (2020) in the medium-duty truck market (10 to 16 tonnes).

However, it is expected that the medium-range market will decrease due to a natural market trend, given that the heavy-duty offer currently covers most of customer needs through solutions that previously only existed in the medium-range. In After Sales service, we obtained positive results once again, with an 8% growth compared to 2019.

Galius

medium-duty trucks			heavy-duty trucks		
year	mshare	market	year	mshare	market
2016	5,8%	190	2016	14,6%	4 222
2017	14,1%	220	2017	15,3%	4 534
2018	11,6%	302	2018	14,9%	4 307
2019	6,2%	225	2019	11,9%	4 410
2020	8,1%	148	2020	9,3%	3 533



5.2.2.2. NORS **OFF-ROAD**

Nors directly operates the Off-road business in Angola, Brazil and Canada. In addition, it is indirectly present through its affiliate, Ascendum, in the markets in Portugal, Spain, USA, Turkey, Mexico, and with the expansion of its activities to Central Europe at the end of 2013, in Austria, Hungary, Czech Republic, Slovakia, Romania, Croatia, Slovenia, Bosnia and Moldavia too.

In Angola, the macroeconomic environment was considerably unfavourable (as a consequence of the Covid-19 Pandemic) with a negative impact on Auto Maquinaria's sales.

In Brazil, 2020 was a positive year for the agricultural machinery business, very much linked to another record agricultural year, where the impacts of the Covid-19 pandemic were mitigated.

It should be noted that in 2020 AgroNew's market share increased.

2020 was the year in which Nors concluded the acquisition of the Strongco Corporation, based in Canada. Strongco sells, leases and provides assistance for heavy equipment for various sectors, such as construction, infrastructures, mining, public utility services, municipalities, waste management and forestry, with 26 branches in Canada (in the provinces of Alberta Ontario, Quebec and the Atlantic provinces).

It should be pointed out that Strongco represents the main manufacturers of equipment with world-renowned brands, including Volvo Construction Equipment, Case Construction, Manitowoc Crane, National and Grove, Terex Cedarapids, Terex Trucks, Fassi, Sennebogen, Konecranes and SDLG.

Although Strongco represents various brands, Volvo Construction Equipment, namely the GPE (General Purpose Equipment) is of particularly material importance.

Strongco also felt the impact of the pandemic although in a market that had a slight slowdown, it was able to reinforce its market position.

The Ascendum Group, 50% owned by Nors, is one of the biggest global suppliers of Volvo Construction Equipment (VCE) - industrial equipment for construction and infrastructures.

	units				amount in thousands EUR			
NORS **OFF-ROAD**	2017	2018	2019	2020	2017	2018	2019	2020
Construction Equip.	2 489	2 584	2 186	2 669	869 265	884 562	829 389	911 349
Agricultural Equip.	89	89	98	164	14 454	9 128	9 365	9 966

in thousands of Euros

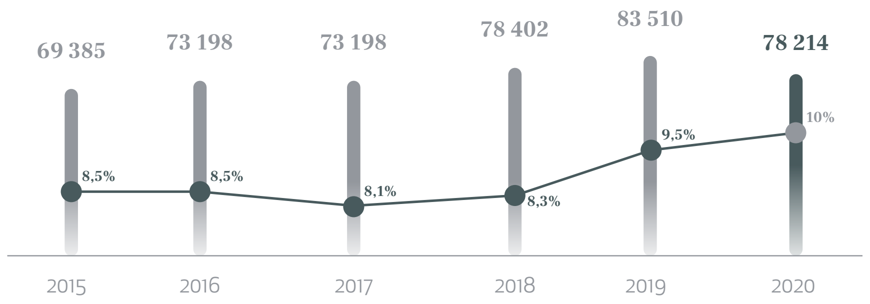
sales	2020	2019	var.
Strongco	180 484	0	100,0%
Ascendum	780 415	878 411	-11,2%
Auto-Maquinaria	15 335	27 348	-43,9%
AgroNew	11 617	14 481	-19,8%
total	**987 851**	**920 240**	

ebitda	2020	2019	var.
Strongco	24 975	0	100,0%
Ascendum	78 214	83 510	-6,3%
Auto-Maquinaria	1 780	4 947	-64,0%
AgroNew	887	253	250,3%
total	**105 856**	**88 711**	

Ascendum turnover by country

in thousands of Euros

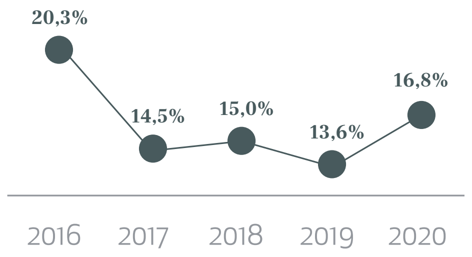
	2015	2016	2017	2018	2019	2020
Portugal	116 311	121 259	135 845	161 520	182 668	169 530
Spain	75 738	76 096	97 091	126 141	130 100	83 029
USA	270 380	310 882	289 051	299 687	280 910	255 065
Turkey	185 105	188 604	203 438	147 846	75 831	91 512
Mexico	24 912	31 809	37 149	33 265	21 178	19 040
CEG	148 056	133 753	144 649	173 115	187 724	162 239
total	**820 501**	**862 402**	**907 223**	**941 575**	**878 411**	**780 415**



Group Ascendum Ebitda in thousands of Euros and in sales %

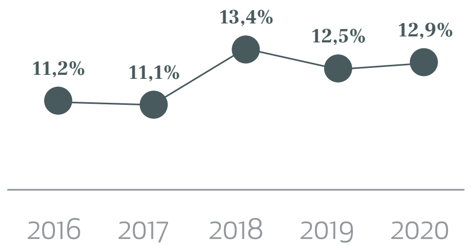
Ascendum

The Ascendum Group's turnover in the Portuguese market fell by 7% compared to 2019, reaching approximately 170 million Euros.



Market Share Evolution Construction Equip. Portugal

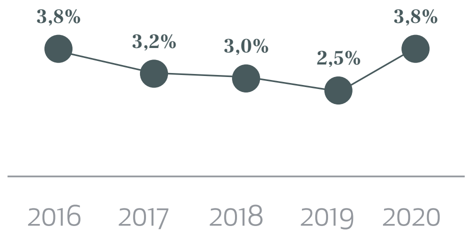
The variation in Spain's turnover is justified by: 1) Change in Air-Rail's consolidation method (no longer being consolidated using the full consolidation method but now using the equity method) and; 2) the slowdown in the construction sector as a consequence of the impacts of the pandemic.



Market Share Evolution Construction equip. Spain

In the USA, the Group reached a turnover of 255 million Euros, representing a decrease of 9% compared to the 281 million Euros posted in 2019. This decrease is justified by the risk reduction strategy adopted by the Group in 2019, as well as by the competitors' aggressive strategies in the market, and the market contraction as a consequence of the pandemic, which represented a decline in the sale of new equipment of around 19%.

It should be mentioned that in 2020, the Ascendum Group began importing the Bergmann brand of equipment to America, complementing its product portfolio through the new company set up for that purpose - Bergmann Americas, Inc.

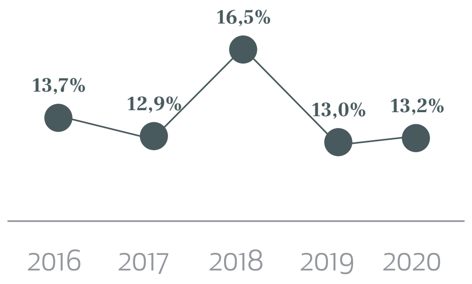


Market Share Evolution Construction equip. USA

In Turkey, as opposed to the other countries where the Ascendum Group operates, there was a positive variation in turnover.

Notwithstanding the negative impacts due to the pandemic, the Turkish economy is now in a period of recovery after its negative performance in recent years, so that it was able, even so, to perform better in 2020 than in 2019.

In 2020, there was a 21% year-on-year increase in turnover.



Market Share Evolution Construction equip. Turkey

In Mexico, Ascendum continued with its strategy to consolidate its operation in the Mexican market during 2020, focusing on improving the processes, optimising the operational structure and strengthening the skills of its employees.

As such, considering the macroeconomic and operational context which is still not favourable for Ascendum Maquinaria Mexico's business, 2020 recorded a 10% decrease in turnover compared to 2019, standing at 19 million Euros.

In 2020, the operation in Central Europe achieved a turnover of around 162 million Euros (14% lower than the turnover in 2019), the main contributors being Austria (56% of Central Europe's total turnover), followed by the Czech Republic (18% of Central Europe's total turnover) and Hungary (7% of Central Europe's total turnover).

In consolidated terms, the Ascendum Group's turnover decreased by 11% compared to 2019, amounting to 780 million Euros and EBITDA reached 78 million Euros.

Auto Maquinaria

Auto Maquinaria is the distributor for Angola of Volvo Construction Equipment and SDLG construction equipment and is also the exclusive representative of Groove, Hyster and Epiroc products. Despite increasing its market share to 36.8%, even though the market contracted, the company's sales fell by 43.9%, due to the drop in demand as a consequence of the Covid-19 Pandemic.

GPPE construction equipment

year	mshare	market
2016	15,9%	320
2017	15,1%	325
2018	12,2%	288
2019	31,1%	180
2020	36,8%	125

AgroNew

AgroNew represents Case IH Agriculture in the municipalities of Catanduva and Votupuranga, in the interior of the State of São Paulo, with three major products: agricultural tractors, grain harvesters and sugar cane harvesters, the latter being the main product in AgroNew's product portfolio.

In 2020, sales fell by 19.8% compared to 2019. However, AgroNew secured an additional 0.2 p.p. share of the harvester market compared to 2019, closing 2020 with a share of 4.4%. In the future, we expect the market to stabilise, supported by the growth of the tractor and harvester commercial performance, and by maintaining the growth rate in After Sales, as well as based on the Covid-19 Pandemic being resolved.

harvesters

year	mshare	market
2016	4,6%	910
2017	6,8%	721
2018	3,9%	643
2019	4,2%	649
2020	4,4%	770

Strongco

Strongco Corporation sells, leases and provides assistance for heavy equipment for various sectors, such as construction, infrastructures, mining, utilities, municipalities, waste management and forestry, through its 26 branches in Canada, in the provinces of Alberta Ontario, Quebec and the Atlantic provinces.

As far as the GPE market is concerned, there was an 11% decline compared to 2019, largely due to the impact of the pandemic. With regard to market share, Strongco consolidated its presence in this type of equipment, recording an increase from 6.7% (2019) to 7.7% (2020), leading to a 2.6% decline in units sold (substantially less severe than the drop in the market). In terms of equipment, the share of the Wheel loaders market increased from 8.3% (2019) to 9.8% (2020) and of the crawler excavators from 3.8% (2019) to 4.9% (2020). On the other hand, articulated trucks saw a drop in their market share from 19.4% (2019) to 19.0% (2020) and wheel excavators from 7.2% (2019) to 5.5% (2020).

With regard to the Road market, there was a 13.7% year-on-year drop and Strongco's market share decreased from 8.8% (2019) to 6.2% (2020), having sold 25 units.

On the other hand, the Compact market proved to be resilient, showing a growth of around 9.2% compared to 2019. Nevertheless, Strongco maintained its market share at residual levels in this product range, going from 1.0% (2019) to 0.6% (2020).

As far as the rental business is concerned, Strongco continued to consolidate its position, which was the equivalent of 5.8% of the company's turnover in 2020.

In turn, although the After Sales service was less impacted by the pandemic, it recorded a decline of around 16% compared to 2019.

GPE – general purpose equipment

year	mshare	market
2019	7,0%	5 240
2020	7,7%	4 661

road

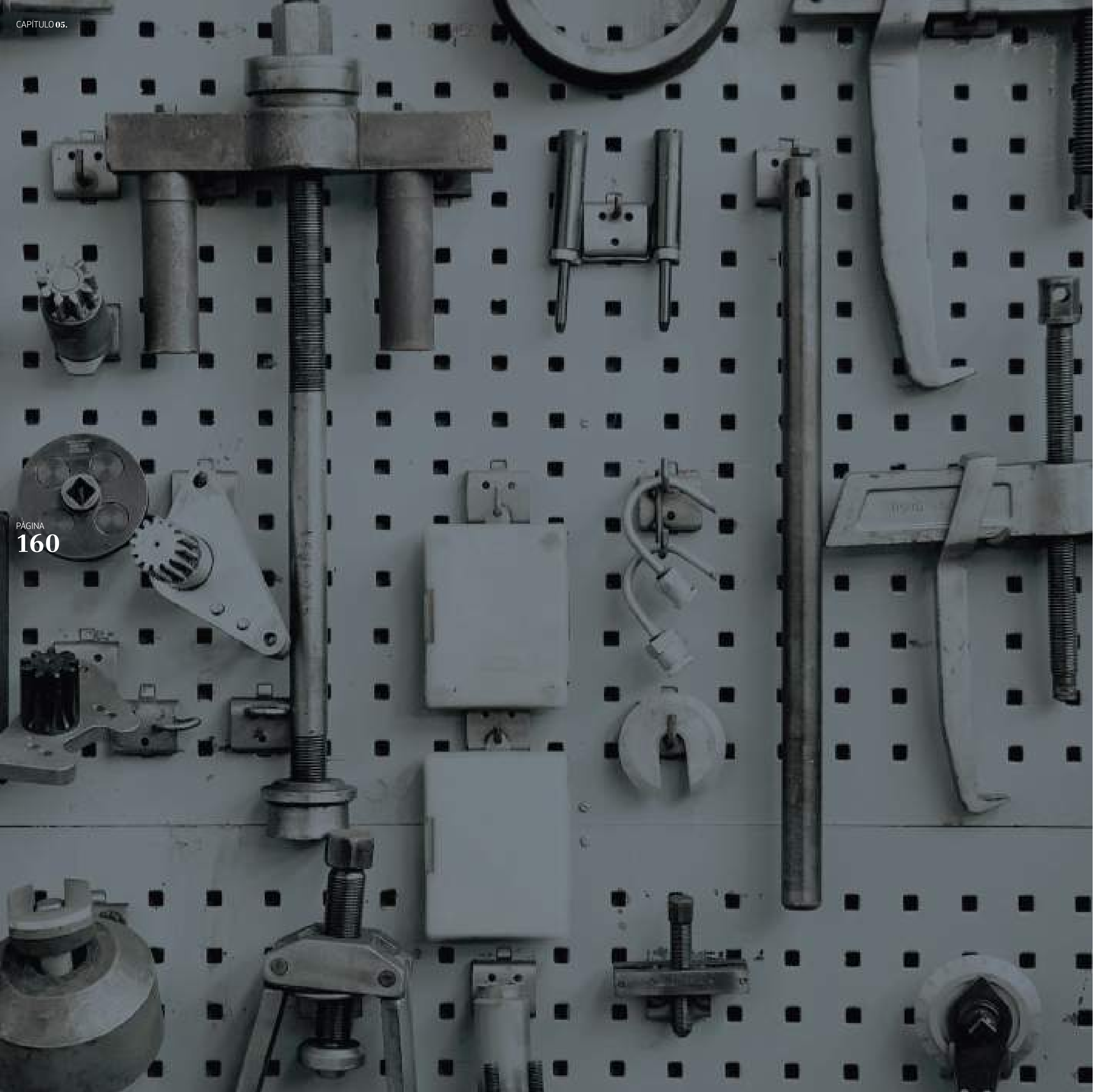
year	mshare	market
2019	6,5%	404
2020	9,0%	408

compact

year	mshare	market
2019	1,0%	5 399
2020	0,6%	5 897

units sold in 2020

	units
GPE - Wheel loaders	195
GPE - Crawler excavators	115
GPE - Articulated haulers	43
GPE - Wheel excavators	6
Road	25
Compact	35



5.2.2.3. NORS **AFTERMARKET**

In 2020, the measures to combat the pandemic that imposed restrictions on circulation, led to a decline in travel and vehicles on the road, which led to a drop in aftermarket demand.
Even so, we continued to implement the CORE project, focused on efficiency, integration and connection to the outside world, thereby boosting our future growth and profitability.

Angola, like the rest of the world, had a negative performance, for the reasons described above. In 2019, measures had already been taken to maximise profitability, by adjusting the infrastructures of the different companies to market needs, which helped to overcome the adverse economic environment in 2020.

in thousands EUR

sales	2020	2019	var.
Civiparts Portugal	17 442	21 966	-20,6%
Civiparts España	8 835	11 202	-21,1%
Civiparts Angola	4 057	5 528	-26,6%
OneDrive Portugal	26 961	30 752	-12,3%
OneDrive Angola	3 346	5 761	-41,9%
total	**60 642**	**75 209**	

ebitda	2020	2019	var.
Civiparts Portugal	644	2 193	-70,6%
Civiparts España	-1 886	-1 140	-65,4%
Civiparts Angola	405	1 088	-62,8%
OneDrive Portugal	1 416	1 649	-14,1%
OneDrive Angola	-123	-26	-373,1%
total	**456**	**3 764**	

Civiparts Portugal and Civiparts España

Civiparts Portugal and Civiparts España distribute parts and workshop equipment for multi-brand trucks and buses.

At Civiparts Portugal, the commercial performance in the year was far below expectations, as a consequence of the decrease in national and international activity, which led to a decrease in buses and trucks on the road, which in turn led to a drop in demand for Civiparts Portugal's services. Civiparts Portugal therefore recorded a drop in turnover (-20.6% compared to 2019), especially due to the loss in EBITDA (-70.6% compared to 2019). However, it is expected that in 2021 the business will see a recovery, as will the domestic economic environment.

Civiparts España posted a loss in turnover compared to the previous year (-21%), as well as a decrease in EBITDA (-65% against 2019). 2020 ended with Civiparts España being sold to a Spanish group, including members of the company's management.

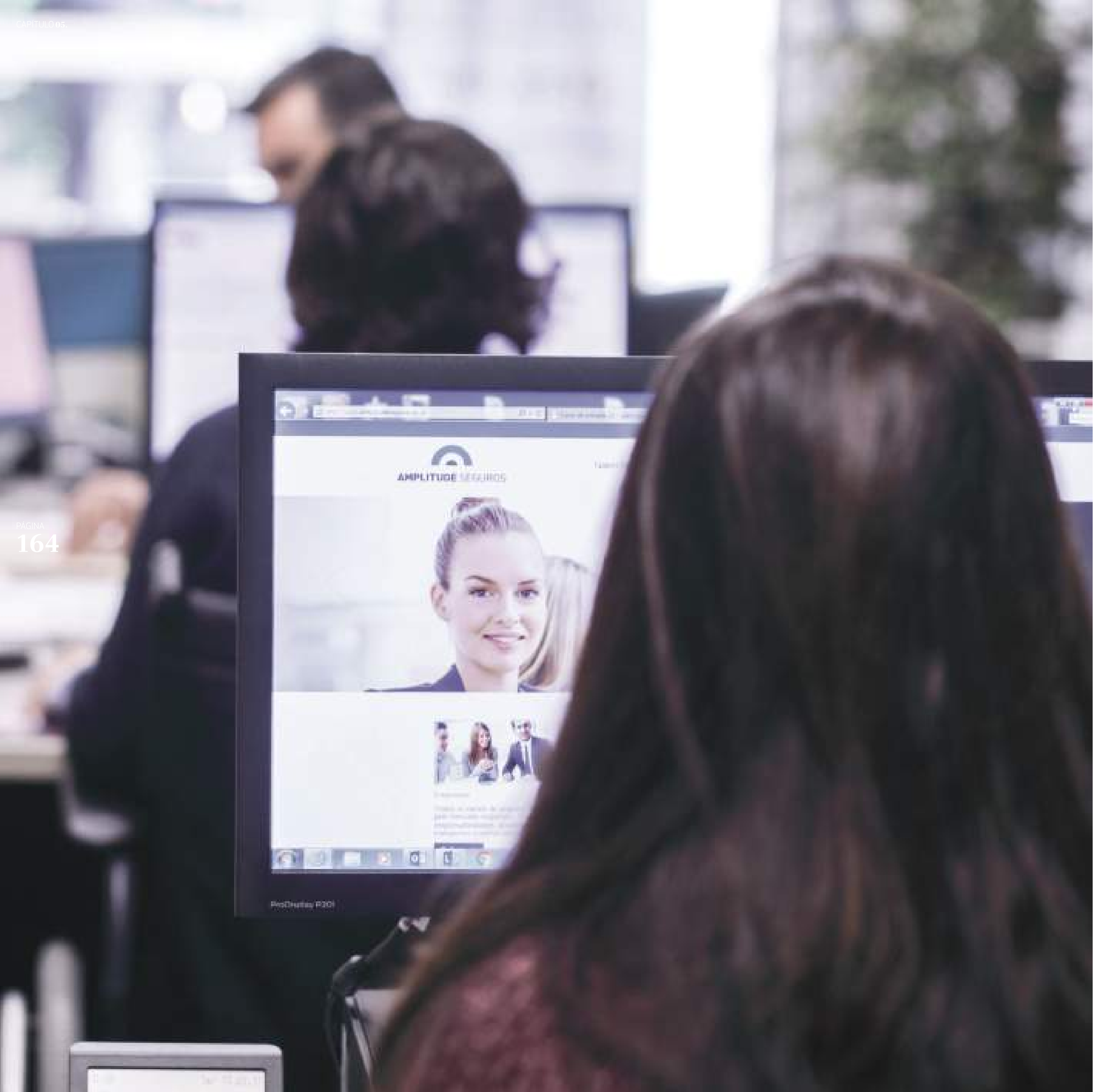
OneDrive

OneDrive is responsible for car parts retail in Portugal and Angola. Following the merger of the AS Parts and OneDrive legal entities in 2019, a new ERP was also introduced. 2020 was marked by a 12.3% decrease in sales and a 14.1% reduction in EBITDA, these losses being caused by the restrictions imposed on the number of cars on the road due to the fight against the pandemic, resulting in a drop in demand for OneDrive products.

Civiparts Angola e OneDrive Angola

Civiparts Angola distributes parts and workshop equipment for multi-brand trucks and buses. OneDrive Angola is responsible for car parts retail in that market.

OneDrive Angola and Civiparts Angola were severely affected by the sharp drop in domestic and international demand due to the Covid-19 pandemic, leading to a further reduction in the fleet of light and heavy vehicles on the road and the consequential decline in the demand for parts and After Sales services.



5.2.2.4. NORS **VENTURES**

2020 was a notable year for Nors Ventures, despite the decrease in turnover (due to the ongoing pandemic), it managed to increase its EBITDA with general growth in all the companies. Of particular note is that this increase was achieved without the contribution of Biosafe, which had been sold in 2019, in line with our strategy for focusing on our core activity and the subsequent disposal of non-core assets.

in thousands EUR

sales	2020	2019	var.
Sotkon	12 068	12 654	-4,6%
Amplitude	1 090	925	17,8%
Vitrum	1 085	1 465	-26,0%
Biosafe	0	2 015	n.a.
total	**14 243**	**17 060**	

ebitda	2020	2019	var.
Sotkon	2 988	2 215	34,9%
Amplitude	357	275	29,8%
Vitrum	240	143	67,8%
Biosafe	0	428	n.a.
total	**3 585**	**3 060**	

Sotkon

Sotkon has been fully owned by Nors since 2019. Sotkon is a company which has various patented products and specialises in the design, manufacture and sale of modular recycling and solid urban waste collection systems using underground containers. Sotkon is present in Portugal, Spain, France, Angola and Turkey.

The slight decrease in sales of 4.6%, posted by Sotkon, is the consequence of the decline in domestic demand in each of the countries in which Sotkon operates. It was able to increase the weight of its operational EBITDA in sales by negotiating more lucrative contracts and maintaining a fixed cost structure. In turn, gross margin also had a positive evolution, as a result of sales in the Portuguese market having higher sales margins than in other markets. The growth in the profitability of capital employed also derives from EBITDA's extraordinary evolution (+34.9%).

Amplitude Seguros

Amplitude Seguros is a full-service insurance and risk consultant, operating in various segments and sectors of the economy.

In 2020, we maintained an organic and sustained growth of the business, despite the economy's contraction. This success is further confirmed by the strengthening of the weight of the market portfolio in total turnover, which increased by 17.8% in 2020, while EBITDA saw a 29.8% increase. Despite such a positive result in a very negative macroeconomic environment, we predict some challenges for Amplitude Seguros in the future. On the one hand, the insurance market is increasingly concentrated, placing additional difficulties on offering insurance. On the other hand, we need to adapt to more demanding administrative processes stemming from the increase in GDPR and compliance requirements.

Vitrum

Vitrum is positioned in the Angolan market as the first company specialised in construction glass.

Due to the decidedly unfavourable macroeconomic and financial scenario in Angola and due to a sharp contraction in the construction business, Vitrum's sales in the construction glass market were particularly affected, having shrunk by 26%, although we recorded an improvement in EBITDA of 67.8%.

5.3. risks and uncertainties

an unquestionable ability to overcome adversity

Our extensive international presence means there is an inherent set of risks that we swiftly endeavour to identify and investigate in order to mitigate their impact on the organisation. These can be categorised as endogenous, when related to quality, human resources or financing policies, or as exogenous, when encompassing factors such as foreign exchange fluctuation, regulatory affairs, political instability or economic evolution. We praise the way we boldly tackled some of the adversities we came up against in 2020, with our characteristic transparency.

credit risk

Exposure to the risk of default is correlated with the sales and operational activity of the group's companies. With the aim of ensuring that it is properly managed, Nors has a specific department, governed by established procedures and mechanisms for collecting qualitative financial information. It is within this framework that an assessment is made of debtors, as to their fulfilment of their obligations, as well as the management of the trade accounts and respective collection.

foreign exchange rate risk

The global nature of our operation exposes us to the possibility of recording gains or losses arising from variations in the exchange rates between the different currencies with which we do business.

This risk, with an impact on equity, on the results for the financial year and on cash flows, affects the operational vision and measurement of capital invested in foreign subsidiaries with a currency other than the Euro. Occasionally, with the aim of ensuring that this impact is mitigated, we contract forwards exchange rates, namely in commercial operations where the purchase and sale currencies are not the same. In the sphere of managing foreign exchange risk on equity, whenever possible, we try to opt for natural hedging strategies.

interest rate risk

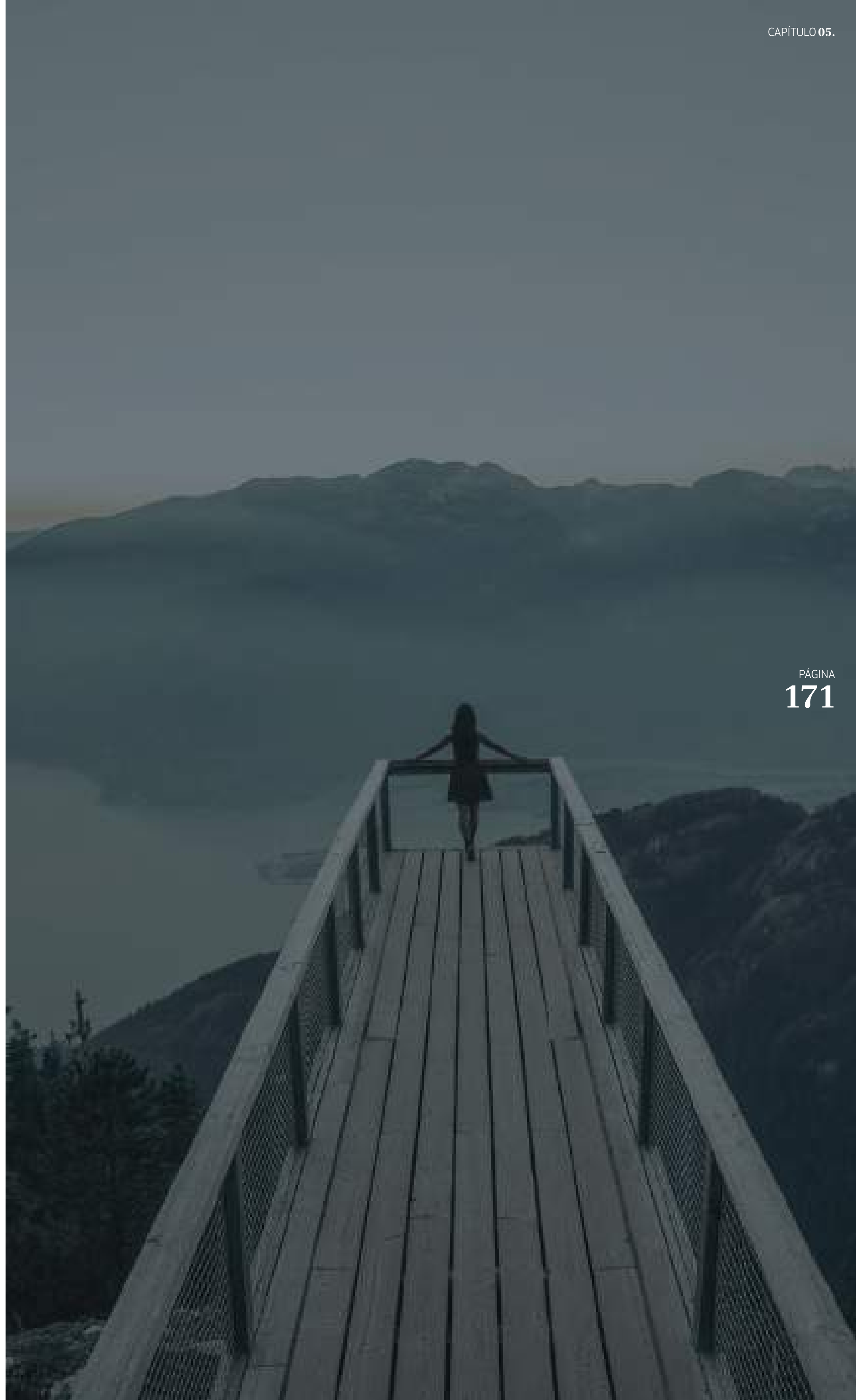
Despite part of our structured indebtedness being contracted at a fixed rate, interest rate risk means there may be fluctuations in the value of the financial charges borne by Nors, within the scope of the loans contracted in the countries where we operate. Nevertheless, with an extensive presence covering various markets and different inherent economic environments, we obtain a portfolio of loans and investments that is less sensitive to any deterioration in the interest rate specific to certain countries.

oil price risk

The variation in the price of oil affects the economy of some markets where we do business, making it a risk indicator, namely in the Angolan market and, to a lesser extent, in the province of Alberta in Canada.

The impact of the oil sector on the Angolan economy has a comprehensive influence on the country's economic performance, directly affecting the various economic agents - from the State to the business strata, as well as the individual consumer and households. As such, as seen in the recent past, in the light of significant drops in the price of oil that have occurred in the international markets, the impact on the Angolan economy is felt directly and profoundly - tax revenue and currency stocks diminish, triggering a contraction in imports and local trade.

In other markets, such as in the province of Alberta in Canada, exposure to oil exploration correlates the levels of investment with the price of oil, investment declining when oil prices drop and increasing when they rise, giving way to a series of fluctuations in the activity of the group's operations in those markets.



liquidity risk

Another of the challenges identified lies in the inability to settle or comply with obligations within the defined time frames and at a reasonable price - the so-called liquidity risk. In this context, it is imperative to reach three objectives: liquidity, security and financial efficiency. Liquidity guarantees permanent, efficient access to sufficient funds in order to meet current payments on the respective due dates, as well as any requests for funds within the defined deadlines. Security, on the other hand, guarantees that the probability of default on the reimbursement of any investment of funds is minimised. Finally, financial efficiency guarantees that Nors and our business units/management structures maximise the value created and minimise the cost of the opportunity of holding short-term surplus liquidity.

Responsibility for managing liquidity risk is allocated to Nors' Finance Department: however, to ensure there is liquidity within the group, and in the various business units, there are working capital management parameters that safely and efficiently enable the return obtained to be maximised while minimising the costs of the associated opportunities.

At Nors, all existing surplus liquidity must be used to amortise short-term debt: to do so, the most pessimistic scenario is taken into account to analyse the maturity of each of the financial instruments classified as a liability, minimising the risk of liquidity linked to such obligations.

In a context of high uncertainty, regarding the evolution of the pandemic, in order to mitigate the expected drop in income, resulting from the reduction of its turnover, Nors implemented various cost reduction measures and a significant revision of its investment plan for 2020 and 2021.

The Board of Directors believes that, given its financial and liquidity situation, Nors will overcome the negative impacts of this crisis, without calling into question the going concern principle applied in the preparation of these financial statements.

At 31 December 2020 and 2019, respectively, we posted a net debt of 148.1 million Euros and 72.1 million Euros. These amounts are divided between Current and non-current loans, Cash in hand and at banks contracted with various institutions, as well as Debt securities with liquidity (Treasury bonds).

capital risk

Our core ambition is to have the ability to ensure operational continuity, providing the right remuneration to our shareholders and corresponding benefits to the company's other stakeholders. As such, it is essential to carefully manage the capital employed in the business, securing its ideal structure, ensuring the necessary reduction in its cost. Aiming to maintain or adjust what is considered to be the right capital structure, the Board may propose measures it deems necessary to the General Assembly of shareholders.

Simultaneously, we seek to maintain the right level of equity for the characteristics of the main business, preserving a vision of continuity and expansion.

5.4. 2021 in prespective

a prognosis built on ambition

the echo of the Covid-19 pandemic

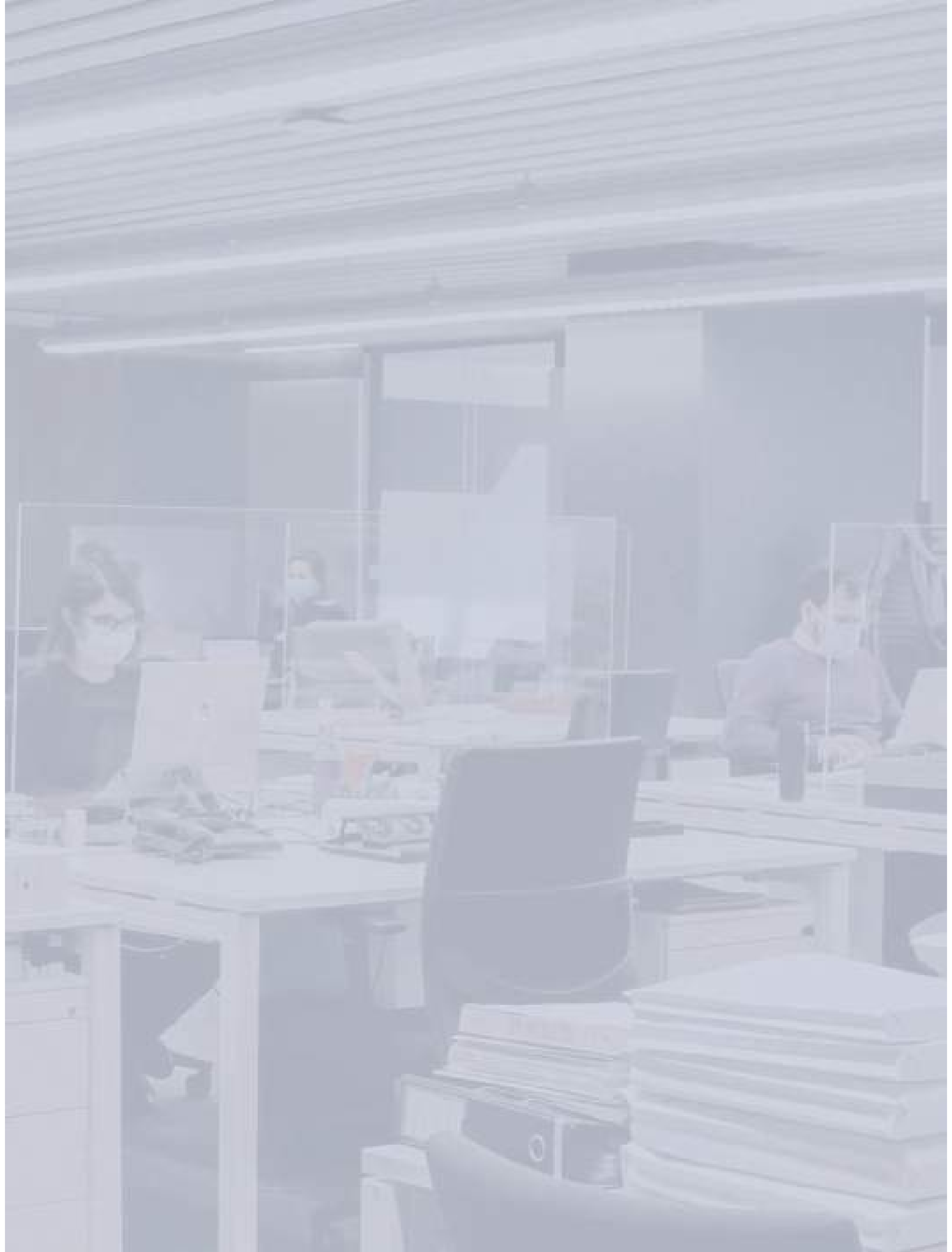
In the light of the current scenario, the effects of the crisis caused by the Covid-19 pandemic are as unquestionable as they are tangible. In 2020, the impacts felt by our operations were asymmetrical, as they were intimately linked to the directives defined by each market to tackle the worldwide health and economic crisis.

As of the time of writing this document, there is a high degree of uncertainty linked to resolving the health crisis, inherent to the execution of the vaccination plans predicted for each country, and the economic crisis, intrinsic to an upturn in economic activity and public stimulus to boost it. As such, it is still challenging to predict the total extent of the potential impact and speed of recovery: nevertheless, the Board of Nors is taking an attentive approach and one of anticipation regarding the evolution of the situation in each country and for each affiliate, just as it did throughout 2020.

The speed in developing vaccines with a satisfactory level of effectiveness that have been approved by the main international regulatory bodies brighten our outlook for 2021: by the end of the year, there is expected to be a gradual control of the pandemic and mitigation of its economic impacts in the main countries. Even so, at the beginning of 2021, Portugal went through the darkest period in the fight against the Covid-19 pandemic (the so-called 3rd wave), after having been at the top of the table worldwide, in terms of people infected and deaths per million inhabitants. In view of this scenario, more restrictive lockdown measures were once again imposed, which helped stabilise the situation and control the pandemic more quickly.

In April, an easing of the restrictive measures is expected, linked to the evolution of the vaccination campaign, which plans to immunise 70% of the adult population by the end of the summer 2021: these forecasts let us believe that Portugal will see a rapid and substantive recovery, already this year.

In Brazil, the prospects for immunising the population and a subsequent economic recovery are rather gloomier: the delay in the vaccination campaign, due to institutional misunderstandings, as well as a lack of official data for the majority of the indicators that accompany the evolution of the health crisis, make it difficult to make a clear estimate of the economic outlook, perpetuating a conservative view of the future.



In Angola, the objective established is to vaccinate 52% of the population, in two stages, by the end of 2021, whilst in Canada, the vaccination campaign is going ahead with some delays, following the imposition of new restrictive measures at the beginning of the year: however, herd immunity is expected to be achieved in the country in the middle of the last quarter of 2021.

Currently, the dispersion of debt by maturity and geography is balanced and the group does not show any need for additional funding. In fact, at this moment the group has an excess of available firm lines and, for this reason, the group decided, after the firm offer in late 2020 to refinance about 22.5 million Euros in commercial paper, not to refinance it.

By and large, the outlook for 2021 is one of growth for most countries, supported by the expectation of the pandemic crisis being resolved and the arrival of state stimuli, among which we would highlight the European Union's aid package for Portugal (45 billion Euros) and the implementation of stimuli to the economy in Canada. We have ended 2020 on a positive course, navigating all the uncertainties and economic impacts brought to us by the pandemic crisis, looking to 2021 with optimism and perseverance, although with prudence.

The Board of Nors also firmly states that the going-concern basis assumed for the preparation of the consolidated financial statements remains applicable.

statement on internal control over financial information

The Board of Nors is responsible for maintaining an appropriate internal control system. The company's internal control over financial reporting is designed to provide reasonable assurance of the reliability of the information and the preparation of the financial statements for internal and external purposes, in accordance with prudent criteria determined by top management and in compliance with the international accounting standards and principles issued by the IASB.

The company's internal control includes policies and processes that:

- **i.** relate to maintaining records that provide reasonable detail in order to accurately and appropriately reflect the transactions and changes in the company's assets, minimising its equity risk;
- **ii.** provide a reasonable guarantee that the transactions are recorded as necessary to enable the financial statements to be prepared in compliance with IFRS, enabling uniform accounting of the financial information obtained from the different Nors companies in different countries;
- **iii.** ensure, with a high degree of confidence, that the company's receivables and expenditure are solely realised upon authorisation from the management and the board;
- **iv.** provide reasonable security with regard to the timely prevention and detection of the inappropriate use of Nors' assets.

Due to the inherent limitations, all and any internal control over the financial reports may not prevent errors from being detected. In addition, projections of any assessment of efficacy in the future are subject to the risk that the controls may become inadequate due to changes in the conditions or that the degree of compliance with the policies and procedures may deteriorate.

Porto, 23rd March 2021
the board of directors

Tomás Jervell

Álvaro Nascimento

Álvaro Neto

Artur Santos Silva

Francisco Jervell

Francisco Ramos

Jorge Nieto Guimarães

José Jensen Leite de Faria

José Manuel Bessa Leite de Faria

Júlio Rodrigues

Luís Jervell

Paulo Jervell

Rui Miranda

06.

financial information

the transparency of our results

6.1. financial statements

the transparency of our results

6.1.1. consolidated statement of financial position

consolidated statement of the financial position of Nors, S.A.

(in thousands of Euros)

assets	note	31.12.2020	31.12.2019
non-current assets			
Intangible assets	6.	3 441	3 490
Tangible fixed assets	7.	97 656	105 648
Investment properties	8.	11 710	11 867
Assets through lease	9.	79 898	51 662
Goodwill	10.	59 475	50 870
Investments in associates and joint ventures	11.1.	80 750	85 911
Equity instruments at fair value through equity	11.2.	516	562
Debt instruments at amortized cost	11.3.	10 037	48 694
Other accounts receivable	16.	333	0
Deferred tax assets	12.	9 100	6 865
		352 915	**365 569**
current Assets			
Inventories	13.	230 443	125 935
Assets per lease	9.	3 255	2 110
Customers	14.	63 300	57 847
Income tax recoverable	15.	4 755	1 495
Other accounts receivable	16.	23 476	20 846
Deferrals	17.	4 499	4 178
Cash and Bank Deposits	18.	50 105	39 129
		379 833	**251 540**
Total assets		**732 748**	**617 109**

equity and liabilities	note	31.12.2020	31.12.2019
equity			
Share capital	19.	30 000	30 000
Legal reserves	20.	6 000	6 000
Adjustments in financial assets	20.	65 502	69 062
Results carried over and other reserves	20.	40 798	49 970
Revaluation surpluses	20.	12 478	12 478
		154 778	167 510
net income for the year		14 745	23 408
		169 523	**190 918**
non-controlling interests	21.	15 071	16 577
total equity		**184 594**	**207 495**
non-current liabilities			
Provisions	22.	10 507	4 951
Financing Obtained	23.	125 764	116 264
Liabilities through leasing	9.	67 182	44 373
Deferred tax liabilities	12.	3 656	3 151
		207 110	**168 739**
current liabilities			
Suppliers	24.	154 164	121 174
Income tax payable	15.	3 852	1 203
Financing Obtained	23.	82 436	43 694
Liabilities through leasing	9.	19 367	9 825
Other accounts payable	25.	74 586	61 429
Deferrals	17.	6 621	3 550
Financial assets held for trading	26.	17	0
		341 044	240 875
total liabilities		**548 154**	**409 614**
total equity and liabilities		**732 748**	**617 109**

the certified accountant

Lúcia Mendonça

board of directors

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Júlio Rodrigues
Luís Jervell
Paulo Jervell
Rui Miranda

6.1.2. consolidated statement of income

consolidated statement of income of Nors, S.A.
(in thousands of Euros)

income and expenses	note	2020	2019
Turnover	27.	781 305	782 726
Operating subsidies		611	28
Gains/Losses allocated to subsidiaries, associated companies and joint ventures	11.1.	10 447	12 319
Variations in production inventories		57	359
Cost of goods sold andmaterials consumed	13.	-596 235	-621 624
External supplies and services	28.	-48 888	-46 850
Staff costs	29.	-74 758	-67 088
Inventory impairments (losses/reversals)	22.	-3 756	-535
Impairments of receivables (losses/ reversals)	22.	-135	581
Provisions and impairment losses (increases/decreases)	22.	247	-3 356
Impairment of non-depreciable/amortizable investments (losses/reversals)			
Other income and gains	30.	11 491	10 605
Other expenses and losses	30.	-11 770	-8 678
earnings before depreciation, interest and taxes		**68 615**	**58 488**
Depreciation and amortization costs/reversals	6. a 9.	-31 269	-18 459
Impairment of depreciable/amortizable investments (losses/reversals)			
operating income (before interest and taxes)		**37 347**	**40 029**
Net foreign exchange differences	33.	-504	1 888
Income from financial activity	31.	-13 751	-10 151
income before tax		**23 092**	**31 766**
Income tax for the year	32.	-8 208	-7 416
net income for the year		**14 885**	**24 349**
net income for the period attributable to:			
Shareholders of the parent company		14 745	23 408
Non-controlling interests		139	942
net income for the financial year		**14 885**	**24 349**
Basic earnings per share	19.	**0,50**	**0,81**

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Rui Miranda

6.1.3. consolidated statement of comprehensive income

consolidated statement of comprehensive income of Nors, S.A.
(in thousands of Euros)

	2020	2019
consolidated net income for the financial year, including non-controlling interests	**14 885**	**24 349**
components of other comprehensive income for the year		
Variation in currency translation reserves	-24 874	1 111
Other comprehensive income allocated to subsidiaries, associates and joint ventures	-5 257	-4 689
Late entries regarding previous financial year	-63	-492
Impact of actuarial variation with obligations for post-employment benefits	-955	0
Impact of accounting for the fair value of interest rate risk hedging instruments	0	147
Impact of accounting for exchange rate risk hedging instruments	-1 109	0
comprehensive consolidated income for the period	**-17 372**	**20 426**
attributable to:		
Shareholders of the parent company	-15 918	19 180
Non-controlling interests	-1 454	1 246

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6.1.4. consolidated statement of cash flows

consolidated statement of cash flows of Nors, S.A.

(in thousands of Euros)

cash flows from operational activities	note	2020	2019
Receivables from Customers		795 599	789 648
Payments to Suppliers		-628 674	-669 530
Payments to Staff		-78 517	-67 079
cash flow generated by operations		**88 407**	**53 039**
Income tax payments/receivables		-6 772	-6 398
Other receivables/payments	18.	-575	-17 979
cash flow from operating activities (1)		**81 060**	**28 662**
cash flows from investment activities			
payments concerning:			
Acquisition of Tangible Fixed Assets		-3 384	-3 963
Acquisition of Intangible Assets		-1 090	-2 130
Acquisition of Financial Investments	11.3. e 18.	-32 818	-4 652
payments from investment activities		**-37 292**	**-10 745**
receivables from:			
Divestments of Tangible Fixed Assets		2 171	13 035
Financial divestments	11.3. e 18.	40 830	10 793
Interest and similar income		4 325	3 542
Dividends and additional/supplementary payments	18.	4 000	5 285
receivables from investment activities		**51 325**	**32 655**
cash flow from investment activities (2)		**14 033**	**21 910**
cash flow from funding activities			
receivables from:			
Financing Obtained	23.	193 188	116 289
receivables from funding activities		**193 188**	**116 289**
payments concerning:			
Financing Obtained	23.	-239 539	-133 242
Operating Leases		-13 606	-8 239
Interests similar expenses		-12 118	-10 211
Dividends		-6 000	-7 000
payments from funding activities		**-271 263**	**-158 691**
cash flow from funding activities (3)		**-78 075**	**-42 403**
net change in cash and cash equivalents (4)=(1)+(2)+(3)		**17 018**	**8 169**
Perimeter variation		0	1 036
Financial assets impairments		0	0
Net foreign exchange effect		-6 042	125
net cash and cash equivalents - beginning of period		**39 129**	**29 799**
net cash and cash equivalents - end of period	18.	**50 105**	**39 129**

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6.1.5. consolidated statement of changes in equity

consolidated statement of changes in equity of Nors, S.A.

(in thousands of Euros)

	capital attributable to parent company										
		reserves									
	share capital	legal reserves	revaluation surpluses	adjustments in financial assets	fair value reserves	res. carried over and other reserves	total reserves	Net Profit	subtotal	non controlling interests	total
balance at 1 January 2019	**30 000**	**6 000**	**12 478**	**66 499**	**-147**	**46 612**	**131 441**	**17 287**	**178 728**	**16 237**	**194 965**
changes in the period:											
Appropriation of the consolidated 2018				12 537		4 749	17 287	-17 287			
Change in fair value of interest hedging instruments					147		147		147		147
Variation in currency translation reserves						807	807		807	304	1 111
Other comprehensive income allocated to subsidiaries, associates and joint ventures				-4 689			-4 689		-4 689		-4 689
Other				-5 285		4 803	-483		-483	-9	-492
				2 563	**147**	**10 359**	**13 069**	**-17 287**	**-4 218**	**295**	**-3 924**
net profit for the period								**23 408**	**23 408**	**942**	**24 349**
consolidated comprehensive income for the year								**19 180**	**19 180**	**1 246**	**20 426**
transactions with equity holders in the period:											
Distributions						-7 000	-7 000		-7 000	-896	-7 896
						-7 000	**-7 000**		**-7 000**	**-896**	**-7 896**
balance at 31 December 2019	**30 000**	**6 000**	**12 478**	**69 062**		**49 970**	**137 510**	**23 408**	**190 918**	**16 577**	**207 495**

balance at 1 January 2020	**30 000**	**6 000**	**12 478**	**69 062**	**-**	**49 970**	**137 510**	**23 408**	**190 918**	**16 577**	**207 495**
changes in the period:											
Appropriation of the consolidated income for 2019				9 211		14 197	23 408	-23 408			
Variation in currency translation reserves						-23 396	-23 396		-23 396	-1 478	-24 874
Impact of actuarial variation with obligations for post-employment benefits						-955	-955		-955		-955
Impact of accounting for currency hedging instruments						-1 013	-1 013		-1 013	-96	-1 013
Other comprehensive income allocated to subsidiaries, associates and joint ventures				-5 257			-5 257		-5 257		-5 257
Reclassifications due to the sale of associated companies				-3 303		3 303					
Other				-4 211		4 692	481		481	-73	408
				-3 560		**-3 172**	**-6 732**	**-23 408**	**-30 140**	**-1 646**	**-31 785**
net profit for the period								**14 745**	**14 745**	**139**	**14 885**
consolidated comprehensive income for the year								**-15 918**	**-15 918**	**-1 454**	**-17 372**
transactions with equity holders in the period:											
Distributions						-6 000	-6 000		-6 000		-6 000
						-6 000	**-6 000**		**-6 000**		**-6 000**
balance at 31 December 2020	**30 000**	**6 000**	**12 478**	**65 502**	**-**	**40 798**	**124 778**	**14 745**	**169 523**	**15 071**	**184 594**

the certified accountant

Lúcia Mendonça

board of directors

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6.2. annex to the financial statements

notes to the consolidated financial statements

1. introductory note

Nors, S.A. is a public limited company, dating back to 1949, which has its registered offices are in Porto, Portugal. The company and its affiliates mainly carry out economic activities within the motor vehicle trade, namely cars, trucks, machinery and other industrial equipment, their components and workshop services.

Nors is the corporate and institutional name for a set of companies, while there are specific individual trade names depending on each company's business.

The group is especially directly active in Portugal, Angola, Brazil and Canada, as well as in Turkey, the United States of America and Central Europe through joint ventures.

At 31 December 2020, Nors' subsidiaries, their respective registered offices and main line of business are as follows:

companies with registered offices based in Portugal	business activity
Amplitude Seguros - Corretores de Seguros S.A. Registered offices: Rua Brito Capelo, 97 4º A 4450-072 Matosinhos	Insurance Mediation
ASFC S.G.P.S., S.A. Registered offices: Rua Conde da Covilhã, 1637 4100-189 Porto	Management of shareholdings
Asinter - Comércio Internacional, Lda. Registered offices: Via Marechal Carmona,1637 4100 - 189 Porto	International Trade
ASMOVE - Consultoria e Projetos Internacionais, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 711 - 2 4100-321 Porto	Import and export Provision of consultancy services
Auto-Sueco II Automóveis, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 711 - 2 4100-301 Porto	Trade and Repair of vehicles
Nors, S.A. Registered offices: Rua Manuel Pinto de Azevedo, nº 711, 1º 4100 - 189 Porto	Shareholdings management in other companies
Civiparts - Comércio de Peças e Equipamentos, S.A. Registered offices: Rua D. Nuno Álvares Pereira, Armaz 13/14/15 Parque Oriente, Bobadela, 1990-502 Sacavém	Trade, import and export of autoparts and provision of services
Galius - Veiculos, S.A. Registered offices: Rua Conde Covilhã, 1637 4100 - 189 Porto	Import, sale and After Sale of trucks and components
Grow - Formação Profissional, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 711 - 2 4140 - 010 Porto	Vocacional Training Services
Imosócia – Sociedade Imobiliária, S.A. Registered offices: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale,management and Administration of real estate
NewOneDrive, S.A. Registered offices: Parque Industrial do Seixal, 2ª Fase-Lote1, Quinta Nova, 2840-068 Paio Pires	Trade in Parts and Accessories for vehicles
Auto Sueco Portugal, S.A. Registered offices: Rua Conde Covilhã, 1637 4149-010 Porto	Import, sale and After Sale of Volvo Trucks, Buses, Gensets,marine engines and components
Plurirent – Serviços de Aluguer, S.A. Registered offices: Rua Conde da Covihã, 1637 4100-189 Porto	Purchase, sale and rental of passenger and goods vehicles without driver
Promotejo - Compra e Venda de Propriedades, S.A. Registered offices: Estrada Nacional 10, n.ºs 2-A e 2-B 2810-801 Almada	Purchase, sale and rental of land and buildings
SARI Serviços Aftermarket Região Ibéria, S.A. Registered offices: Rua Manuel Pinto de Azevedo, 4 4100-320 Porto	Provision ofmanagement support services
SGNT, SGPS S.A. Registered offices: Rua da Restauração, 348 Miragaia - Porto	Management of shareholdings in other companies
Sotkon Portugal - Sistemas de Resíduos, S.A. Registered offices: Zona Industrial, Lote I - 27 2330-210 Entroncamento	Production and Marketing of underground containers for MSW

companies with registered offices in other countries	business activity
AgroNew Máquinas Agrícolas, Ltda Registered offices: Rua Martinópolis nº720, Jardim Del Rey 15802-040 Catanduva, São Paulo (Brazil)	Trade, Import and Export of aogfreiqcuulitpumraelnt, parts, lubricating oils and After Sales services
AS-Glass Angola, Lda. Registered offices: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5, Município do Sambizanga, Luanda (Angola)	Trade in glass for construction
AS Parts Angola, Lda. Registered offices: Estrada do Cacuaco, Bairro Petrangol, Km 3,4, Ed. 2, Município do Sambizanga, Luanda (Angola)	Trade in parts and accessories for vehicles
AS Parts Cabo Verde, S.A. Registered offices: Achada Grande Frente, Edi. Oásis Motors Cidade da Praia (Cabo Verde)	Trade in parts and accessories for vehicles
Auto-Maquinária, Lda. Registered offices: Rua da Volvo, Bairro Candua, Município do Cacuaco, Luanda (Angola)	Trade, import and distribution of industrial and construction equipment, parts, tires, fuel and After Sales services
Nors International B.V. Registered offices: Amsteldijk 166 - 6HG 1079LH Amsterdam (Holanda)	Management of shareholdings in other companies
Auto Sueco (Lobito), Ltd. Registered offices: Estrada Nacional Lobito-Benguela Lobito (Angola)	Sale and After Sale of trucks and buses
Auto Sueco Centro Oeste Concessionária de Veículos Ltda. Registered offices: RDV BR 364, Km 16,3, Distrito industrial, Cuiabá (Brazil)	Sale and After Sale of new and used trucks
Auto Sueco São Paulo Concessionária de Veículos Ltda. Registered offices: Av. Otaviano Alves de Lima, Nº4694 029.0001-000 São Paulo (Brazil)	Sale and After Sale of new and used trucks and buses
Auto-Sueco (Angola), S.A.R.L. Registered offices: Av. 4 de Fevereiro, 95-3º, Apartado 34 Luanda (Angola)	Import, trade, and distribution of Volvo products
Auto-Sueco Kenya, Ltd. Registered offices: Plot 12080 - Units 6 &7 Apex Business Centre, Mombasa Rd, Industrial Area, Nairobi (Quénia)	Import, export, sale ofmotor vehicles, industrial equipment, engines, and components
Auto-Sueco (Tanzania) - Trucks, Busses and Const. Eq., Ltd. Registered offices: Kipawa Industrial Area Plot Nr. 92 Nyerere (Pugo) Road, P.O.Box 9303 Dar es Salaam (Tanzânia)	Import, export, sale ofmotor vehicles, industrial equipment, engines, and components
Auto Sueco Moçambique, S.A. Registered offices: Av. Da Namaacha nº 8274 Maputo (Moçambique)	Sale and After Sale of new and used trucks and buses
Auto-Sueco Vehicles, Spare Parts & Services (Botswana)(Pty) Ltd. Registered offices: Plot 47 - Gaborone International Commerce Park Gaborone (Botswana)	Sale and After Sale of new and used trucks and trailers
Auto Sueco Automóveis, Spare Parts & Services (Namibia) (Pty), Ltd. Registered offices: 344 Independence Avenue 3º Windhoek (Namíbia)	Sale and After Sale of trucks and buses
Civiparts Angola SA Registered offices: Estrada do Cacuaco, Km 3,4 Luanda (Angola)	Trade in parts and equipment
Civiparts Maroc SA Registered offices: Chemin Tertiaire 1015 Sidi Moumen 20400 Casablanca (Marrocos)	Trade in parts and equipment
Civiparts España Registered offices: Av. Castilla nº 32 Nave 58 28850 Madrid San Fernando Henr (Espanha)	Trade in parts and equipment of parts and accessories for vehicles
Expressglass Angola Registered offices: Estrada do Cacuaco, Bairro Petrangol, Km 4,3, Ed.5, Município do Sambizanga, Luanda (Angola)	Sale and After Sale of Trucks

Nors Brazil Participações, Ltda. Registered offices: Rua Pamplona 818, 9º, Conj. 92 01405-001 São Paulo (Brazil)	Purchase and sale of properties
Nors Canada, Inc Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Shareholdings management in other companies
Socibil - Imobiliária, SARL. Registered offices: Avª 4 de Fevereiro nº.95, 3º., Apº.34. Luanda (Angola)	Acquisition and sale of properties and land, and land development
Sogestim, Lda. Registered offices: Estrada do Cacuaco, Km 3,4 Luanda (Angola)	Production and Marketing of underground containers for MSW
Sotkon Anadolu Turquia	Production and Marketing of underground containers for MSW
Sotkon Angola, Lda. Registered offices: Rua Kwamme Nkrumah, nr. 260/262 Luanda (Angola)	Production and Marketing of underground containers for MSW
Sotkon Espanha Registered offices:: C/ Orla Etorbidea 8-10 - Oficina 409 nivel 4º 20160 Lasarte, Oria (Espanha)	Production and Marketing of underground containers for MSW
Sotkon France, S.A. Registered offices: 93, Rue de la Villette 69003 Lyon (França)	Production and Marketing of underground containers for MSW
Sotkon Marocco, SARLAU Registered offices: Twin Center, Angle Bds Zerktouni - Al Massira Tour Ouest, 16e étage 20100 Casablanca (Marrocos)	Production and Marketing of underground containers for MSW
Sotkon Tr Atik Sistemleri Sanayi Ve Ticaret Anonim Sirketi Registered offices: Dikilitas Mah. Ayazmadere Cad. Tellioglu Plaza No:6 Kat:4 D:5 , 34349 Besiktas, Istambul (Turquia)	Production and Marketing of underground containers for MSW

Strongco Corporation Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Shareholdings management in other companies and provision of management support services
Strongco General Partner, Inc Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Provision of management support services
Strongco Limited Partnership Registered offices: 1640 Enterprise Road Mississauga, Ontário (Canadá) L4W 4L4	Heavy equipment and components import, sale, rental and After Sales
Tecnauto Vehiculos, S.L. Registered offices: Polígono Ind. El Montavo c/Nobel 37008 Salamanca (Espanha)	Real Estate Management

At 31 December 2020, Nors' joint ventures and affiliates, their respective registered offices and main line of business are as follows:

companies with registered offices based in Portugal	business activity
Air Rail Portugal, Sociedade Unipessoal, Lda Registered offices: Estrada Nacional 10, Apartado 2094 2696-801 São João da Talha - Loures	Trade and distribution of industrial equipment
Ascendum, S.A. Registered offices: Praça Marquês de Pombal nº3 A-5º 1250 - 161 Lisboa	Management of shareholdings Provision of technical administration, and management services
Ascendum Automóveis, unipessoal, Lda. Registered offices: R. Vasco da Gama nº 15 2685-244 Portela	Motor vehicles Sales and After Sales
Ascendum Camiões, unipessoal, Lda. Registered offices: Rua Manuel Madeira, Marcos da Pedrulha 3021-901 Coimbra	Truck Sales and After Sales
Ascendum Máquinas, Unipessoal, Lda Registered offices: Rua do Brazil, nº 27 – Apartado 2094 2696-801 São João da Talha	Import, Sale and After Sale of construction equipment

Ascendum Portugal - Serviços de Gestão, SA Registered offices: Rua do Brazil, nº 27 – Apartado 2094 2696-801 São João da Talha	Management of shareholdings Provision of technical administration, andmanagement services
Centrocar, S.A. Registered offices: Rua Vilar do Senhor, 461 - 1º Andar 4455-213 Lavra - Matosinhos	Sale and After Sale of construction equipment
Glomak SGPS, S.A. Registered offices: Rua Vilar do Senhor, 461 4455-213 Lavra - Matosinhos	Management of shareholdings in other companies
Groupauto Portugal & Palop - GPLP, Lda Registered offices: Rua José Afonso, Edificio A. Santos, Quinta de Santa Rosa, 2680-593 Camarate - Loures	Rendering of consultancy and support services, management of partnerships in the area of automotive and parts management and distribution

companies with registered offices in other countries	business activity
Air-Rail, S.L. Registered offices: Calle Alsasua, 16 28023 Madrid (Espanha)	Trade and distribution of industrial equipment
Air-Rail Marrocos Marrocos	Trade and distribution of industrial equipment
Air-Rail Polska, Sp. z.o.o Registered offices: Szpitalna 8/9, 00-031 Warszawa Polónia	Trade and distribution of industrial equipment
Ascendum Makina Yatirim Holding, A.S Registered offices: Fatih Mahallesi Katip Çelebi Caddesi nº43 Tuzla - 34940 - Istambul (Turquia)	Management of shareholdings in other companies
Ascendum Construction Equipment, INC. Registered offices: 9115 Harris Corner Parkway, suite 450 Charlotte, NC 28269 (Estados Unidos da América)	Sale, After Sale and rental of construction equipment
Ascendum Maquinaria México, S.A de C.V Carretera Mexico Queretaro KM 32.5	Sale, After Sale and rental of construction equipment
Ascendum Turk Makina, Limited Sirketi Registered offices:Fatih Mahallesi Katip Çelebi Caddesi, nº43 Tuzla - 34940 - Istambul (Turquia)	Sale, After Sale and rental of construction equipment
Ascendum España, S.L. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID (Espanha)	Management of shareholdings in other companies
Ascendum, GmbH Registered offices: Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Management of shareholdings Provision of technical administration, and management services
Ascendum Baumaschinen Österreich GmbH Registered offices: Grafenholzweg 1 5101 Bergheim / Salzburg (Áustria)	Importer of Machinery Sale and After Sale: Construction equipment
Ascendum Építögépek Hungária Registered offices: KAPCSOLAT 1141 Budapest Nótárius u. 13-15 (Hungria)	Importer of Machinery Sale and After Sale: Construction equipment
Ascendum Gradevinski Strojevi Registered offices: Karlovacka 94 10250 Zagreb - Lucko (Croácia)	Importer of Machinery Sale and After Sale: Construction equipment
Ascendum Machinery SRL Registered offices:Sos. Odaii, nr. 439, Sector 1 013606 Bucuresti (Roménia)	Importer of Machinery Sale and After Sale: Construction equipment

Ascendum Stavebeni Stroje Czech Registered offices: Plzenská 430 CZ - 267 12 Lodenice (República Checa)	Importer of Machinery Sale and After Sale: Construction equipment
Ascendum Stavebné Stroje Slovensko Registered offices: Pestovatelská 4316/10, 821 04 Bratislava - Ružinov-Ružinov (Eslováquia)	Importer of Machinery Sale and After Sale: Construction equipment
Centrocar España Registered offices: Pol. Ind. La Sendilla, Avda. de las Palmeras, esq. C/ del Castaño 28350 Ciempozuelos - Madrid (Espanha)	Sale and After Sale Construction equipment
Centrocar Moçambique Registered offices: Avenida da namaancha, nº 730 Maputo (Moçambique)	Sale and After Sale Construction equipment
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L. Registered offices: Calle Alsasua, 16 28023 Madrid (Espanha)	Import and trade of industrial equipment
Tea Aloya, Inmobiliaria, S.A.U. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Acquisition and sale of properties, and land, construction of buildings, and land development
Volmaquinaria de Construcciòn España, S.A.U. Registered offices: Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 Madrid (Espanha)	Importer of Machinery Sale and After Sale: Construction equipment
Volrental Atlântico, S.A.U Registered offices: Carretera de Castilla nº167 Betanzos - La Coruña (Espanha)	Rental of construction equipment
Bergmann Americas, INC. Registered offices: 160 Conway Black Road Spartanburg, SC 29307 (USA)	Construction equipment sales, After Sales and rental

2. main accounting policies

The main accounting policies adopted in the preparation of the attached consolidated financial statements are the following:

2.1. basis for presentation

The Nors group's consolidated Financial Statements were prepared using the financial and accounting information of the companies included in the consolidation. To do so, the historic cost principles were followed, as well as the principles of fair value for some financial instruments, on a going concern basis. (note 4)

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the previous Standing Interpretations Committee (SIC), in force on 1 January 2019 and approved by the European Union.

For the companies considered to be joint ventures, where Nors' interests are consolidated using the Equity Method, their registered offices and the share of capital held are described in notes 1 and 4.

During the 2020 financial year, the following standards and interpretations became applicable for this year or the following years:

1. Impact of adopting new standards, amendments to standards that became effective for annual periods beginning on 1 January 2020:

a. **IFRS 3** (amendment), 'Definition of a business'. This amendment is a review of the definition of a business for the purpose of accounting for business combinations. The new definition requires that an acquisition includes an input and a substantive process that in conjunction generate outputs. The outputs are now defined as being goods and services that are provided to customers, which generate income from financial investments and other income, excluding returns in the form of cost reductions and other economic benefits for shareholders. 'Concentration tests' are now allowed to determine if a transaction refers to the acquisition of an asset or of a business.
The application of these amendments led to no material changes in the financial statements.

b. IFRS 9, IAS 39 and IFRS 7 (amendment), 'Interest rate benchmark reform - phase 1'. These amendments are part of the first phase of the IASB's 'IBOR reform' project and allow exemptions related to the benchmark reform for the reference interest rates. Exemptions refer to hedge accounting, in terms of: i) risk components; ii) ' highly probable' requirement; iii) prospective assessment; iv) retrospective efficacy test (for entities adopting IAS 39); and v) recycling the cash flow hedge reserve and aim to prevent the benchmark interest rate reform from determining the end of hedge accounting. However, any inefficacy of the ascertained hedge must continue to be recognised in the income statement. The application of these amendments led to no material changes in the financial statements.

c. IAS 1 and IAS 8 (amendment), 'Definition of material'. This amendment introduces a modification to the concept of "material" and clarifies that the mention of vague information refers to situations whose effect is similar to omitting or distorting such information, and so the entity should assess the materiality considering the financial statements as a whole. Clarifications are also made as to the meaning of "primary users of the financial statements", these being defined as "current and future investors, financiers and creditors", who depend on the financial statements to obtain a significant part of the information they need. The application of these amendments led to no material changes in the financial statements..

d. Conceptual framework, 'Amendments to the reference to other IFRS standards'. As a result of the publication of the new Conceptual Framework, the IASB has introduced amendments to the text of various standards and interpretations, such as: IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, SIC 32, in order to clarify the application of the new definitions of asset/liability and expense/income, as well as some of the characteristics of the financial information. These amendments are effective retrospectively, except if impracticable.
The application of these amendments led to no material changes in the financial statements.

2. Published standards (new and amendments), whose application is mandatory for annual periods beginning on or after 1 January 2021, which have been endorsed by the European Union:

a. IFRS 16 (amendment), 'Leases - Covid-19-related rent concessions" (effective for annual periods beginning on or after 1 June 2020). This amendment introduces a practical expedient for lessees (but not lessors), exempting them from assessing whether the concessions allocated by lessors within the scope of Covid-19 qualify as "modifications", when three criteria are cumulatively met: i) change to the rent payments resulting in revised retribution for the lease which is substantially equal to or lower than the retribution immediately prior to the change; ii) any reduction in the rent payments only affects payment due on or up until 30 June 2021; and iii) there are no significant changes to other terms and conditions of the lease. Lessees that choose to apply this exemption, account for the change to rental payments as variable lease payments in the period(s) in which the event or condition that causes the reduction in payment occurs. This change is applied retrospectively with the impacts being reflected as an adjustment to retained earnings (or another component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee applies the change for the first time. Adoption of these amendments will not have any material impacts on the financial statements.

b. IFRS 4 (amendment), 'Insurance contracts' - deferred application of IFRS 9' (effective for annual reporting periods beginning on or after 1 June 2021). This amendment refers to the temporary accounting consequences resulting from the difference between the date of IFRS 9 - Financial Instruments coming into force and the future IFRS 17 - Insurance Contracts. In particular, the amendment made to IFRS 4 delays the expiry date for the temporary exemption from implementing IFRS 9 until 2023, in order to align the effective date of the latter with the new IFRS 17. Adoption of these amendments will not have any impacts on the financial statements.

3. Published standards (new and amendments), whose application is mandatory for annual periods beginning on or after 1 January 2021, but which the European Union has not yet endorsed:

a. **IAS 1** (amendment), 'Presentation of financial statements - classification of liabilities' (effective for annual reporting periods beginning on or after 1 January 2023). This amendment is still subject to endorsement by the European Union. This amendment aims to clarify the classification of liabilities at the end of each reporting period, as current or non-current balances depending on the rights that an entity has to defer their payment. Classification of liabilities is not affected by the entity's expectations (the evaluation should determine if a right exists, but should not consider if the entity will exercise that right or not), or by events that occurred after the reporting date, such as the breach of a covenant. This amendment also includes a new definition of "settlement" of a liability. This amendment has retrospective application. Adoption of these amendments will not have any material impacts on the financial statements.

b. **IAS 16** (amendment), 'Proceeds before intended use' (effective for annual reporting periods beginning on or after 1 January 2022). This amendment is still subject to endorsement by the European Union. Amendment to the accounting given to amounts received from the sale of products that result from production in the testing phase of the tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. This amendment is applied retrospectively, without the restatement of comparatives. Adoption of these amendments will not have any impacts on the financial statements.

c. **IAS 37** (amendment) 'Onerous contracts - cost of fulfilling a contract' (effective for annual periods beginning on or after 1 January 2022). This amendment is still subject to endorsement by the European Union. This amendment specifies that when assessing if a contract is onerous or not, only expenses directly related to fulfilling the contract may be considered, such as incremental costs related to direct labour and materials or the allocation of other expenses directly related to the allocation of the costs of depreciation of the tangible assets used to perform the contract. This amendment should be applied to contracts which, at the beginning of the annual reporting period to which the amendment is applied, include contractual obligations still to be met, without the possibility of restating comparatives. Adoption of these amendments will not have any material impacts on the financial statements.

d. **Improvements to the 2018 - 2020 standards** (effective for annual periods beginning on or after 1 January 2022). These improvements are still subject to endorsement by the European Union. This cycle of improvements amends the following standards: IFRS 1, IFRS 9, IFRS 16, and IAS 41. Adoption of these amendments will not have any material impacts on the financial statements.

e. **IFRS 3** (amendment), 'Reference to the Conceptual Framework ' (effective for annual reporting periods beginning on or after 1 June 2022). This amendment is still subject to endorsement by the European Union. This amendment updates the reference to the Conceptual Framework in the text of IFRS 3, while no amendments to the accounting requirements for business combinations are introduced. This amendment also clarifies the accounting to be adopted regarding the liabilities and contingent liabilities, within the scope of IAS 37 and IFRIC 21, incurred separately versus those incurred in a business combination. This amendment is applied prospectively. Adoption of these amendments will not have any impacts on the financial statements.

f. **IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** (amendments), 'Interest rate benchmark reform - phase 2' (effective for annual periods beginning on or after 1 January 2021). This amendment is still subject to endorsement by the European Union. These amendments deal with issues that arise during the benchmark interest rate reform, including the replacement of a benchmark interest rate with an alternative, enabling exemptions to be adopted, such as: i) changes to hedging designation and documentation; ii) accrued amounts in the cash flow hedging reserve; iii) retrospective assessment of the effectiveness of a hedging relationship within the scope of IAS 39; iv) changes in the hedging relationships for groups of items; v) presumption that an alternative benchmark rate, designated as a non-contractually specified risk component, can be identified separately and qualify as a hedged risk; and vi) updating the effective interest rate, without recognising a gain or loss, for financial instruments measured at amortised cost with variations in the contractual cash flows as a consequence of the IBOR reform, including leases that are indexed to an IBOR. Adoption of these amendments will not have any material impacts on the financial statements.

g. **IFRS 17** (new), 'Insurance contracts' (effective for annual reporting periods beginning on or after 1 January 2023). This standard is still subject to endorsement by the European Union. This new standard replaces IFRS 4 and is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. IFRS 17 is based on the current measurement of technical liabilities, which are re-evaluated at each reporting date. Current measurement may be carried out using the full building blocks approach or simplified premium allocation approach. The building blocks approach is based on discounted cash flow scenarios weighted by the probability of occurrence and adjusted according to the risk, and a contractual service margin, which represents the estimated future profit from the contract. Subsequent changes to estimated cash flows are adjusted against the contractual service margin, unless that becomes negative. IFRS 17 is applied retrospectively with some exemptions on the date of transition. Adoption of this standard will not have any impacts on the financial statements.

h. **IFRS 17** (amendment), 'Insurance contracts' (effective for annual reporting periods beginning on or after 1 January 2023). This amendment is still subject to endorsement by the European Union. This amendment encompasses specific amendments in eight areas of IFRS 17, such as: i) scope; ii) level of insurance contract clustering; iii) recognition; iv) measurement; v) modification and de-recognition; vi) presentation of the Statement of financial position; vii) recognition and measurement of the Statement of income; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and speed up its implementation. Adoption of these amendments will not have any impacts on the financial statements.

summary table of the new standards:

description	changes	effective date
1. standards (new and amendments) and interpretations effective as of 1 January 2020		
•IFRS 3 – Business combinations	Revision of the definition of business	1 January 2020
•IFRS 9, IAS 39 e IFRS 7 – Interest rate benchmark reform – fase 1	Provide certain reliefs in connection with hedge accounting with the objective that interest rate benchmark reform does not cause hedge accounting to terminate	1 January 2020
•IAS 1 – Presentation of financial statements; IAS 8 – Accounting policies, changes in accounting estimates and errors	Revision of the definition of "material", and the implication on the preparation of financial statements as a whole	1 January 2020
•Conceptual framework - Amendments to references to other IFRS	Amendments to some IFRS regarding cross reference and clarification about the application of the new definitions of asset / liability and expense / income	1 January 2020
2. standards (new and amendments) that will become effective, on or after 1 January 2021, already endorsed by the EU		
•IFRS 16 – Leases – COVID-19 related rent concessions	Application of exemption in the recognition of rent concessions granted by lessors related to COVID-19, as modifications	1 June 2020
•IFRS 4 – Deferral of IFRS 9	The end of the exemption of applying IFRS 9 by the entities with insurance activity was deferred to 1 January 2023	1 January 2021
3. standards (new and amendments) that will become effective, on or after 1 January 2021, not yet endorsed by the EU		
•IAS 1 – Presentation of financial statements classification of liabilities	Classification of a liability as current or non-current, depending on an entity's right to defer its payment. New definition of "settlement" of a liability	1 January 2023
•IAS 16 – Proceeds before intended use	Prohibition of deducting the proceeds obtained from the sale of items produced during the testing phase, to the acquisition cost of property, plant and equipment	1 January 2022
•IAS 37 – Onerous contract – cost of fulfilling a contract	Clarification about the nature of the expenses to be considered in determining whether a particular contract has become onerous	1 January 2022
•Annual improvement 2018 - 2020	Specific amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1 January 2022
•IFRS 3 – Reference to the Conceptual framework	Update to references to the Conceptual Framework and clarification on the registration of provisions and contingent liabilities within the scope of a business combination	1 January 2022
•IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark (IBOR) reform – phase 2	Provide practical expedients to address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one	1 January 2021
•IFRS 17 – Insurance contracts	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features	1 January 2023
•IFRS 17 – Insurance contracts (amendments)	The amendments to IFRS 17 relate to changes in areas such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures	1 January 2023

2.2. consolidation principles

Nors adopts the following consolidation principles:

a. Financial investments in Nors' companies

Financial holdings in companies in which Nors has a controlling interest were included in the attached consolidated financial statements, using the full consolidation method. Nors is understood to have controlling interest when the company has power over the affiliate or is exposed or has rights over the variable returns of the company in question. This power arises directly (for example, voting right at the general assembly and/or board of directors) or in a complex manner (for example, through contractual agreements with third parties). The ability to allocate returns is determined by the effective power the Nors holds in the affiliate without the need to join forces with third parties.

The net income and other items of other comprehensive income and equity of the controlled companies corresponding to a third-party holding in them (non-controlling interests) are presented in the consolidated statement of financial position and the consolidated statement of other comprehensive income in specific items of "Non-controlling interests". The Nors companies included in the consolidated financial statements are detailed in note 4.

Accrued losses of a subsidiary are attributed to non-controlling interests, in the proportions held, which may imply recognising negative non-controlling interests.

In business combinations prior to 2010, the acquisition method is followed. The assets and liabilities of each subsidiary are identified at fair value on the date of acquisition. Any surplus from the acquisition cost compared to the fair value of net assets and liabilities acquired is recognised as Goodwill (note 2.2 c)). If the difference between the acquisition cost and the fair value of the acquired net assets and liabilities is negative, this is recognised as a gain in the income statement for the year, after reconfirming the attributed fair value. Interests of the holders of non-controlling interests are shown in proportion to the fair value of the identified assets and liabilities.

For business combinations that took place after 1 January 2010, Nors applied the revised IFRS 3 standard. According to this revised standard, the acquisition method continues to be applied to business combinations, with some significant changes:

- **i.** all amounts that make up the purchase price are valued at fair value, with the transaction-to-transaction option of measuring "non-controlling interests" by the proportion of the value of the net assets of the entity acquired, or at the fair value of the assets and liabilities acquired.
- **ii.** all costs associated with the acquisition are recorded as expenses.

Since 1 January 2010, the revised IAS 27 has also been implemented. This requires that all transactions with "non-controlling interests" be recorded in Equity, when there is no change in the control over the Entity, without the possibility of recording goodwill or gains or losses. When there is loss of control over an entity, any remaining interest in the entity is remeasured at fair value, and a gain or loss is recognised in profit or loss for the year.

The income of subsidiaries that are acquired or sold during the period is included in the income statement as from the date of taking or losing control.

Whenever necessary, adjustments to the financial statements of the subsidiaries are made to align their accounting policies with those used by Nors. Transactions, margins generated between group companies, balances and dividends distributed among Nors companies are eliminated during the consolidation process.

In situations where Nors has, in substance, control over other entities created with a specific purpose, even if it does not have a direct shareholding in those entities, these are consolidated using the full consolidation method.

b. Financial investments in associates and joint ventures

Financial investments in associates and joint ventures (companies where Nors has a significant influence but does not hold control over them by participating in the financial and operational decisions - generally investments representing between 20% and 50% of the capital of a company and/or for which there are shareholder agreements) are recorded using the equity method.

According to the equity method, financial investments are initially recorded at their acquisition cost and annually adjusted by the amount corresponding to the group's share in the variations in equity (including net income) of the associates against gains or losses for the year, plus the dividends received and possible gains or losses generated in operations with other group companies, which affect the value of the group's assets.

The differences between the acquisition cost and the fair value of the associate's identifiable assets and liabilities at the date of acquisition, if positive, are recognised as Goodwill. If those differences are negative, they are recorded as a gain for the period in the item "Other Income and Gains" in the income statement, after reconfirming the attributed fair value.

An evaluation is made of the investments in associates when there are signs that the asset might be impaired, and the impairment losses that are confirmed are recorded as an expense. When impairment losses recognised in previous periods no longer exist, they are reversed.

When Nors' share in the accrued loses of the associate company exceeds the book value of the financial investment, the investment is reported at nil whilst the equity of the affiliate is not positive. An exception to this is when Nors has taken on commitments with the associate, in which case a provision is recorded to meet those obligations.

Unrealised gains in transactions with these associates are eliminated in proportion to Nors' interest in them, to offset the financial investment in it. Unrealised losses are eliminated in a similar manner, but only up to the point where the asset transferred has no sign of impairment.

Whenever necessary, adjustments to the financial statements of the associates are made to align their accounting policies with those adopted by Nors.

c. Goodwill

Following the transition to the IFRS and as permitted by IFRS 1 - "First time Adoption of IFRS", Nors chose to maintain the Goodwill resulting from business combinations that took place prior to the transaction date, recorded according to the previous accounting rules used by Nors. The value of Goodwill is not amortised but is tested annually to check if there are any impairment losses. The recoverable amount is determined based on the highest out of the present value of estimated future cash flows expected to arise from continued use of the asset, and the value of the disposal less its sale costs. Goodwill impairment losses recorded in the financial year are recorded in the income statement for the year in the item "Impairment of non-depreciable assets". Impairment losses related to Goodwill cannot be reversed.

Up to 31 January 2009, the contingent acquisition prices were determined based on the best estimate of probable payments, while subsequent changes were recorded in Goodwill. Since 1 January 2010, Goodwill is no longer corrected according to the final calculation of the value of the contingent price paid, that impact being recognised in profit or loss.

d. Conversion of financial statements of foreign entities

Assets and liabilities expressed in the financial statements of foreign companies (companies that do not use the Euro as their working currency) are converted into Euros using the exchange rates in force on the reference date of the consolidated statement of financial position. Income and expenses, as well as cash flows, are converted into Euros using the average foreign exchange rates ascertained during the financial year. The foreign exchange difference generated after 1 January is recorded in equity in the item "Other Reserves". Accrued foreign exchange differences generated up to 1 January 2009 (date of transition to IFRS) were cancelled in the equity item "Other reserves".

Whenever a foreign entity is sold, the accrued foreign exchange difference is recognised in the income statement as a gain or a loss on the disposal.

In the 2020 and 2019 financial years, the rates used for converting Euros in the accounts of consolidated foreign entities were as follows:

currency	closing exchange rate 2020	average historical exchange rate 2020	closing exchange rate 2019	average historical exchange rate 2019
BRL	6,3735	5,8943	4,5157	4,4134
USD	1,2271	1,1422	1,1234	1,1195
CAD	1,5633	1,5300	-	-
BWP	13,2626	13,0699	11,9197	12,0402
NAD	18,0219	18,7655	15,7773	16,1757
MZN	92,7767	79,4089	69,9113	70,0212
AOA	809,4581	661,6631	540,8476	407,7120
MAD	11,0446	10,8328	10,7428	10,8773
CVE	110,2650	110,2650	110,2650	110,2650
TZS	2 764,4883	2 630,7201	2 583,7863	2 574,3662
KES	133,8950	121,6465	113,3679	114,2096
TRY	9,1131	8,0547	6,6843	6,3578

2.3. main valuation criteria

The group uses the following main valuation criteria to prepare its consolidated financial statements:

a. Tangible fixed assets

Tangible fixed assets acquired up to 1 January 2009 (date of transition to IFRS), are recorded at their deemed cost, which corresponds to their acquisition cost, or re-evaluated acquisition cost according to the generally accepted accounting principles in Portugal (and in the countries of Nors' respective subsidiaries) up until that date, less any accrued depreciation and impairment losses.

Tangible fixed assets acquired after that date are recorded at acquisition cost, less the accrued depreciation and accrued impairment losses.

Impairment losses detected in the realisable value of the tangible fixed assets are recorded in the income statement for the year in which they are estimated, in the item "Impairment of depreciable investments".

Depreciation is calculated as from the time when the assets are ready for use, using the straight-line method, according to the following estimated useful lives:

	years
Buildings and other structures	20–50
Basic equipment	7–16
Transport equipment	4–5
Tools and utensils	4–14
Office equipment	3–14
Other tangible fixed assets	4–8

The expenses with repairs and maintenance of the tangible fixed asset are considered to be an expense during the financial year in which they occur. Improvements of a significant amount which increase the estimated period of use of the respective assets are capitalised and amortised according to the remaining useful life of the corresponding assets.

Tangible fixed assets in progress represent a tangible asset that is still in the construction/development stage, and are recorded at acquisition cost, less accrued impairment losses. These assets are transferred to tangible fixed assets and amortised as soon as the underlying assets are available for use and in the right condition to operate as intended by management.

Gains or losses resulting from the sale or write off of tangible fixed assets are determined as the difference between the selling price and the net book value on the date of disposal/write off, and are recorded in the income statement as "Other income and gains" or "Other expenses and losses". Depreciation of the tangible fixed assets for the year is recorded in the consolidated income statement under the item "Depreciation and amortisation expenses/reversals".

b. Intangible assets

Intangible assets are recorded at acquisition cost, less the accrued amortisations and accrued impairment losses. They are only recognised if it is probable that they will generate future economic benefits for Nors, if it is possible to reasonably measure their cost and if Nors has control over them.

Research expenses incurred with new technical knowledge are recognised as an expense in the income statement when incurred.

Development expenses, for which Nors demonstrates its ability to complete the development and begin marketing and/or using them, are capitalised if it is probable that the asset created will generate future economic benefits. Development expenses that do not meet these criteria are recorded as an expense in the income statement for the year in which they are incurred.

Internal costs linked to the maintenance and development of software are recorded as expenses in the income statement when incurred, except when such costs are directly linked to projects which will probably generate future economic benefits for Nors. In such situations, these costs are capitalised as intangible assets.

Intangible assets are amortised using the straight-line method, for a period of three to five years, except those related to concession rights, which are considered to have an indefinite useful life, and as such, are not amortised, but subject to an annual impairment test.

Amortisation of intangible assets in the year is recorded in the income statement under "Depreciation and amortisation expenses/reversals".

c. Investment properties

Investment properties, which are the equivalent of real estate assets held for obtaining income through their rental, or for their increased capital value, and not for use in production or supply of goods and services or for administrative purposes, are recorded at acquisition cost, their respective fair value being subject to disclosure.

Whenever the fair value of these assets is lower than their respective acquisition cost, an impairment loss is recorded in the income statement for the year in which it is estimated, under "Impairment of depreciable investments". Once the recorded accrued impairment losses no longer exist, they are immediately reversed in impairments in the same item in the income statement up to a maximum of the amount that was ascertained, net of amortisation or depreciation, if no impairment loss has been recognised in previous years.

The fair value of investment properties that is subject to disclosure is determined based on real estate evaluations carried out by an independent specialised entity.

Depreciation is calculated as from the time the assets are ready for use, using the straight-line method, according to their estimated useful life, for a period of 20 to 50 years.

d. Leases

Lease contracts are classified as (i) finance leases, if practically all the inherent risks and advantages of owning the asset being leased are transferred; and as (ii) operating leases, if practically all the inherent risks and advantages of owning the asset being leased are not transferred. Classification of leases as finance or operating leases is carried out depending on the substance and not the type of contract. Tangible fixed assets acquired through finance lease contracts, as well as the corresponding liabilities, are recorded using the financial method. According to this method, the cost of the asset is recorded in tangible fixed assets and the corresponding liabilities are recorded as accounts payable to investment suppliers. Rentals are composed of the financial charge and the financial amortisation of the capital, while the financial charges are allocated to the financial years during the period of the lease, taking into consideration a constant periodic interest rate on the remaining balance of the liability, while the tangible fixed asset is amortised as described in note 2.3.a).

For leases considered to be operating leases, up until the year ended 31 December 2018, IAS 17 - "Leases" was applied, the rentals due being recognised as an expense in the income statement for the respective year.

Starting on 1 January 2019, operating leases where Nors is a lessee are recognised within the scope of IFRS 16 - Leases. During the transition, Nors opted for the modified partial retrospective approach.

As such, a lease contract is based on "the right to control the use of an identified asset". For all lease contracts, Nors recognises operating lease liabilities that reflect future lease payments, and "right of use" assets under "Operating lease assets". Exceptions to this recognition are only permitted in certain short-term leases, in contracts under 12 months whose renewal is not foreseen, and with low-value assets.

At the beginning of each contract, in order to determine its "rights of use" and its lease liability, future rentals are updated to the present time, for which fixed discount interest rates are used, taking into account the risk profile of each Nors subsidiary, its country of origin and the asset leased. These are defined for each contract following the practical procedures provided for in the standard. The main interest rate ranges in use at Nors are:

	discount interest rate
Portugal	1,4% – 4,5%
Spain	3,4% – 3,8%
Angola	34,9% – 36,0%
Brazil	8,6% – 13,4%
Canada	7% - 8%
Namibia	11,9% – 12,1%
Botswana	9,0%
Mozambique	21,8% – 23,4%

e. Inventories

Goods and raw materials, by-products and consumables are valued at the lower out of the acquisition cost and the respective net realisable value (estimate of its selling price less the costs incurred with the disposal).

Equipment that was, or is, under short-term rental contracts (less than 1 year) during the year are considered to be available for immediate sale, and are included in the balance sheet under "Inventories" at the net book value. Such equipment is depreciated based on the production units method, as this best reflects its specific wear and tear. The expenses of this depreciation are shown in the income statement under "Depreciation and amortisation expenses/reversals".

Finished and semi-finished goods, as well as products and works in progress are valued at production cost, which is lower than the market value. Production costs include the cost of the incorporated raw materials, direct labour, general manufacturing expenses and services carried out externally.

Accrued impairment losses for depreciation of inventories reflect the difference between the acquisition or production cost and the market net realisable value of the inventories.

In the case of Inventories, impairment losses are calculated based on market values and on various inventory turnover indicators, which are subsequently reviewed and adjusted by the departments responsible, so as to ensure that the value of the inventories does not exceed their net realisable value.

f. Subsidies from Government or other public bodies

Government subsidies are recognised according to their fair value when there is reasonable assurance that they will be received and that the group will fulfil the conditions required for their being granted.

Non-refundable subsidies and co-payments received to finance tangible fixed assets are recorded under "Deferrals" only when there is a reasonable guarantee of receipt, and are recognised as an expense in the income statement in proportion to the amortisation of the subsidised tangible fixed assets.

Subsidies related to expenses incurred are recorded as an expense as long as there is a reasonable guarantee that they will be received, that the company has already incurred the subsidised expenses and that they fulfil the conditions required for their being granted. Whenever there is unequivocal allocation to an expense, the gain is recognised as a deduction from the respective expense.

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g. Impairment of assets, other than Goodwill and concession rights

Pursuant to IAS 36 - Impairment of Assets, an impairment test is performed on Nors' assets at the date of each statement of financial position and whenever an event or change in circumstances is identified that indicate that the asset's book value might not be recoverable.

Whenever the asset's book value is higher than its recoverable amount (defined as the highest out of the net sale price and the value in use, or as the net sale price for held-for-sale assets) an impairment loss is recognised. The net sale price is the amount that would be obtained with the disposal of the asset, less the costs directly attributable to the disposal, in a transaction between independent and knowledgeable entities. Value in use is the present value of the estimated future cash flows which are expected to arise from the continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually, or if that is not possible, for a cash flow-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous periods is recorded when it is concluded that the recognised impairment losses no longer exist or that they have decreased. This analysis is performed whenever there are signs that the previously recognised impairment loss has reversed. The reversal of impairment losses is recognised in the income statement. However, the reversal of an impairment loss is carried out up to the maximum amount that is recognised (net of amortisation or depreciation) should the impairment loss not have been recognised in previous reporting periods.

h. Financial charges

Financial charges related to loans obtained (interest, premiums, ancillary costs and interest on finance leases) are recognised as an expense in the income statement for the period in which they are incurred, according to the principle of accrual accounting.

Should they relate to qualifying assets, the financial charges will be duly capitalised as defined in the applicable IFRS standards.

i. Provisions

Provisions are recognised when, and only when, Nors has a current obligation (legal or constructive) as the result of a past event, whenever it is probable that in order to resolve that obligation, there will be an outflow of resources and the amount of the obligation may be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and are adjusted so as to reflect the best estimate of the fair value at that date.

i.i. Restructuring provisions

Nors recognises provisions for restructuring costs whenever there is a formal, detailed restructuring plan and the latter has been communicated to stakeholders.

i.ii. Provisions for future employee benefit obligations

a. Pension obligations

In the countries where it is mandatory, employees have rights under the group's pension plans, which are defined contribution or defined benefit plans.

The liability recognised in the consolidated statements of financial position related to the defined benefit pension plans is the present value of the defined benefit obligation at the end of the period covered by the report less the fair value of the plan's assets. The defined benefits obligation is updated every year by the Board of

Directors using key assumptions supplied by independent actuaries, using the projected credit unit method. Actuarial evaluations of the defined benefit plans are carried out every three years. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using high quality corporate bond interest rates which are quoted in the currency in which the benefits are paid and which have maturity dates close to the terms of the respective pension obligation.

Net interest is determined by multiplying the defined benefits obligation or net asset by the discount rated used to determine the defined benefits obligation (at the beginning of the year) and is included in the employee's future benefits.

Changes to actuarial gains and losses that arise when calculating the present value of the defined benefits obligation and of the fair value of the plan's assets are recognised in OCI in the period in which they arise and are debited or credited in retained earnings. On a provisional basis, management estimates the changes in actuarial gains and losses. These estimates are adjusted when the annual evaluation or estimate is concluded by the independent actuaries.

The cost of past services are immediately recognised in operating expenses in the consolidated income statements.

For defined contribution plans, the contributions are recognised as post-employment benefit expenses when they are due. Contributions paid in advance are recognised as an asset, in as far as a monetary reimbursement or a reduction in future payments is available.

b. Other future employee benefit obligations

The group also has other future obligations to its employees, including a pension plan without an associated fund and a non-contributory dental and healthcare plan. The expected costs with these benefits are accrued throughout the employment period, using the same accounting method used for the defined benefit pension plans. These obligations are evaluated annually by independent, qualified actuaries.

j. Financial instruments

j.i. Financial assets

Nors classifies its financial assets in the following categories:
- Debt instruments; and
- Equity instruments.

Debt instruments

a. Debt instruments at amortised cost

Debt instruments are measured at amortised cost if both the following criteria are met:

- The asset is held to receive contractual cash flows; and
- The contractual cash flows of the asset represent solely principal and interest payments.

Financial assets included in this category are initially recognised at fair value and subsequently measured according to the amortised cost.

At 31 December 2020 and 2019, Nors held investments classified in this category, corresponding to Angola State Treasury Bonds accepted for trading on the Angola Securities Exchange (BODIVA), which have been acquired since 2016.

b. Debt instruments at fair value through equity

Debt instruments are measured at fair value through equity if both the following criteria are met:

- The objective of the business model is reached both through receipt of contractual cash flows and through the sale of financial assets; and
- The contractual cash flows of the asset represent solely principal and interest payments.

The financial assets included in the category of fair value through equity are initially recognised and subsequently measured at fair value. Movements in the carrying amount are entered through other comprehensive income, except to recognise gains or impairment losses, income from interest and foreign exchange gains or losses, which are recognised in profit or loss. When the financial asset is derecognised, the accrued gain or loss previously recognised in other comprehensive income is reclassified as equity for the result.

c. Debt instruments at fair value through profit or loss

Financial assets are classified at fair value through profit or loss if they do not meet the criteria of fair value through other comprehensive income or amortised cost. This occurs when the initial objective is to recover the investment by selling the financial asset.

Financial assets included in the category of fair value through profit or loss are measured at fair value with all the variations recorded in profit or loss.

Reclassifications

Reclassifications within the categories are only permitted when there are changes in the business model for financial asset management. Reclassifications are accounted for prospectively as from the date of reclassification.

Equity instruments

Investments in equity instruments (shareholdings under 20%) are measured at fair value. Equity instruments held for trading are measured through fair value, with changes in fair value accounted for in profit or loss. All other shareholdings are measured through fair value, with changes in fair value (except dividends) being accounted for in other comprehensive income.

The values are not recycled from other comprehensive income to income (even when an equity instrument is sold). Accrued gains or losses are reclassified within equity through retained earnings.

Equity instruments measured at fair value through equity are not reclassified to equity instruments at fair value through profit or loss.

Equity instruments at fair value through profit or loss are not subject to impairment tests.

Equity instruments at fair value through equity are subject to impairment tests, and the impairment is accounted for in other comprehensive income.

At 31 December 2020 and 2019, Nors holds shareholdings in equity instruments through equity. Their variations in fair value are not materially relevant.

j.ii. Accounts receivable

Non-interest-bearing accounts receivable are recorded according to their nominal value, less any impairment losses so that they reflect their present net realisable value. These amounts are not discounted, as the effect of being financially updated is not considered to be material.

Nors follows a simplified approach to calculate impairment related to customers and other debtors. In the simplified approach, an entity measures the impairment losses in an amount equal to the expected credit losses for the life of the asset for accounts receivable resulting from transactions within the scope of IFRS 15, and which do not contain a significant financing component. For amounts receivable which have a significant financing component, Nors also chooses to apply the simplified approach.

Expected credit losses are an estimate of credit losses weighted by probability. A credit loss is the difference between the cash flows that are owed to an entity according to a contract and the cash flows that an entity expects to receive discounted at the original effective interest rate. As the expected credit loss considers the value and the time of the payments, a credit loss arises even if the entity expects to receive in full, but after the contractually defined time.

Nors considers payment default to be balances unpaid 180 days after the agreed due date and uses two levels to recognise impairments:

1. Specific impairment

A specific impairment is recognised in relation to cases in litigation, namely cases where collection relies on the intervention of third parties external to Nors (lawyers and similar agents), including in these cases those which are already in court, due to dispute or insolvency.

The specific impairment is recognised on the total balance due by the third party, only excluding the amounts covered by credit insurance and/or real guarantees.

2. Generic impairment

When calculating generic impairments, the following third-party balances are excluded:

- Nors Companies (parent company; subsidiaries; associates; other related parties)
- Financial Entities (Lessors, Banks)
- Nors employees
- Third parties with an overall creditor balance (for example, advances)
- Values covered by credit insurance and/or real guarantees

To estimate credit losses to customers, contractual assets, and amounts receivable from leases, not included in the specific impairment, Nors uses the following intervals:

- not overdue
- 30 days overdue
- 31-60 days overdue
- 61-90 days overdue
- 91-180 days overdue
- More than 180 days overdue

For the "not overdue", to "91 - 180 days overdue" periods, the values ascertained for 2020 for Nors led to an impairment percentage of 0% being applied on the book value.

j.iii. Loans

Loans are recorded in liabilities according to their nominal value less the transaction costs that are directly attributable to the issue of those liabilities. Financial charges are calculated according to the effective interest rate and accounted for in the income statement for the period in accordance with the principle of accrual accounting.

j.iv. Accounts payable

Non-interest-bearing accounts payable are recorded according to their nominal value, as the effect of the financial activity is not considered to be material.

j.v. Derivative financial instruments

Nors uses derivative financial instruments when managing its financial risks, as a means of reducing its exposure to those risks. The derivative financial instruments normally used are "Foreign exchange forwards" (Cash flow hedges) and they aim to hedge the risk of foreign exchange rate variation in intra-group operations, as well as variable to fixed interest rate swaps, to hedge interest rate risk (Cash flow hedges).

The derivatives are initially recognised at their fair value at the date of entering into their contractual provisions and subsequently measured at their fair value. The method for recognising variations in fair value depends on whether or not that derivative is designated as a hedging instrument and, if designated, the nature of the hedged item.

For each transaction, and at the time of their origin, Nors prepares documentation that justifies the relation between the hedging instrument and the item hedged, as well as the risk management objective and the strategy for the hedge transaction. Both at the date of negotiating the hedge and on an ongoing basis, Nors also documents its analysis of the efficacy with which the hedging instrument offsets the variations in fair value, or of the cash flows from the hedged instruments. According to IAS 39, the fair value of option type derivatives is separated into their intrinsic value and their temporary value, given that only the intrinsic value of these instruments may be designated as a hedging instrument. As such, the efficacy tests of the option type derivative only include the intrinsic value of these instruments.

The fair value of the contracted derivatives for the purpose of hedging is presented in a specific note. Movements in the hedging reserve are presented in the consolidated statement of changes in equity. The total fair value of a hedging derivative is classified as a non-current asset or liability when the residual maturity of the hedging instrument is more than 12 months, and as a current asset or liability when it is less than 12 months. Negotiation derivatives are classified as current assets or liabilities.

Derivative instruments for which the company used hedge accounting are initially recorded according to their cost, which is the equivalent of their fair value, and are subsequently re-evaluated at fair value; the variations in the latter are recorded in "Fair Value Reserves", in the case of cash flow hedges, in "Other reserves" in the case of foreign exchange risk hedges, in "net investment in a foreign operation " and in the income statement for the year in the case of fair value hedges.

Derivative instruments for which the company has not used hedge accounting, although they were contracted with economic hedging objectives, are initially recorded according to their cost, which is the equivalent of their fair value, if any, and are subsequently re-evaluated at their fair value, whose variations calculated through evaluations made by banks with whom Nors enters into the respective contracts, have a direct effect on the items of Financial income in the consolidated income statement.

j.vi. Cash and bank deposits

The amounts included in the heading "Cash at bank and in hand" correspond to the values in cash, bank deposits, term deposits and other treasury investments with a maturity of less than three months, and which may be immediately mobilizable with an insignificant risk of a change in value.

k. Contingent assets and liabilities

Nors defines contingent liabilities as being (i) possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or otherwise of one or more future uncertain events, which are not fully under Nors' control or (ii) current obligations that arise from past events, but which have not been recognised because it is not probable that an outflow of resources incorporating economic benefits will be necessary to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in Nors' financial statements, but are disclosed in the Notes to the Consolidated Financial Statements, unless there is only a remote chance of an outflow of funds affecting future economic benefits, in which case they are not even disclosed.

Contingent assets are assets that might arise from past events and whose existence will only be confirmed by the occurrence or otherwise of one or more uncertain future events that are not fully under Nors' control.

Contingent assets are not recognised in Nors' financial statements but are disclosed in the Notes to the Consolidated Financial Statements when it is probable that there will be a future economic benefit.

l. Income tax

Income tax for the year is calculated based on the taxable results of the companies included in the consolidation, according to the tax rules in force in the location of the registered office of each Nors company, and considers deferred taxation.

Current income tax is calculated based on the taxable results of the companies included in the consolidation.

Deferred taxes are calculated based on the statement of financial position liability method and reflect the temporary differences between the amount of assets and liabilities for the purpose of accounts reporting and the respective amounts for the purpose of taxation. Deferred tax assets and liabilities are not recognised when the temporary differences arise from Goodwill or from the initial recognition of assets and liabilities other than through business combination operations. Deferred tax assets and liabilities are calculated and evaluated annually using the taxation rates in force, or announced as being in force, at the expected date of reversal of the temporary differences.

Deferred tax assets are only recorded when there are reasonable expectations of enough future tax profits for their use, or where there are taxable temporary differences that offset the temporary differences that are deductible in the period of their reversal. At the end of each financial year, a review of those deferred taxes is made, and these are reduced whenever their future use is no longer probable.

Deferred taxes are recorded as an expense or income for the year, except if they are the result of items recorded directly in equity, in which case the deferred tax is also recorded against the same item.

m. Tax consolidation

Whenever available, income tax for the year is calculated based on the taxation regimes for groups of companies. Nors has a Special Taxation Regime for Groups of Companies ("RETGS") with their registered offices in Portugal. This includes the companies with a registered office in this country and in which Nors, S.A. directly or indirectly owns more than 75%.

The remaining Nors companies with their registered offices abroad or which do not fulfil the rules for taking part in similar regimes are taxed on an individual basis and in accordance with the applicable legislation.

n. Accrual accounting

Income and expenses are recorded according to the principle of accrual accounting, and so they are recorded as they are generated, regardless of the time when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded in the items "Other accounts receivable", "Other accounts payable" and "Deferrals".

Expenses and income whose real value is not known are estimated based on the best evaluation of the Boards of Directors of Nors and of its affiliates.

o. Revenue from contracts with customers

According to IFRS 15, revenue from sales and services is recognised according to the 5-step model:

I. Identify the contract with a customer

II. Identify the distinct performance obligations in the contract

III. Determine the transaction price

IV. Allocate the transaction price to each performance obligation

V. Recognise revenue when the entity fulfils a performance obligation

Step 1

There is a contract covered by IFRS 15 when:
- It has been approved
- It establishes rights and obligations of the parties
- It establishes payment terms
- There is commercial substance
- Receipt is probable

There is a contract combination when the contracts are entered into on the same date or on dates close to each other with the same customer, as long as the following criteria are met:

- Contracts are negotiated as a pack with a sole commercial objective;
- The value of the consideration to be paid in a contract depends on the price or performance of another contract;
- The goods or services promised in the contracts are a sole performance obligation.

Contract modifications are treated as separate contracts when there are new products/services at market price. Contract modifications are treated as part of the original contract when there are new products/services at prices different from the market or when there are new products/services that are not different from the original contract. In the first case the adjustment is prospective and in the second case it is cumulative (the adjustment to the values already realised affects the profit or loss for the year).

Step 2

Performance obligations may be:

- A distinct product or service that may be used/sold separately
- Different products or services only sold jointly
- A set of different services provided over time (uniform pattern for transferring services within a period of time)

When a contract has an option to buy additional goods/services at no cost or with a discount, it is considered to have an additional performance obligation.

Step 3

The variable price component is only considered if it is highly probable that there will be no reversal of income to be recognised in the future. When there is no such risk, the entity determines the most probable result or the expected result.

When there is a significant financial component, not charged to the customer at a market interest rate, the price is adjusted, except if:

- The period between the performance obligation and the payment is less than one year
- The payment time depends on the customer
- The payment deferral is not related to the customer's financial needs
- The payment time varies according to factors not controlled by the customer or the seller.

The discount rate used is:

- The customer's discount rate: if the payment occurs after the performance obligations have been fulfilled
- The seller's discount rate: if the payment occurs before the performance obligations have been fulfilled.

The discounted value is recognised as revenue. Interest is recognised against receivables applying a discount rate on the amount owed.

When there is no cash consideration, the non-monetary consideration received is measured according to the fair value of the non-monetary consideration received. If this is not possible to determine, the fair value of the products/services delivered is used.

Values payable to customers are recorded as follows:

- As a price reduction, if the sum paid is not related to any service to be incurred by the seller as a means of meeting the performance obligation.

- As an expense, if the sum paid is similar to other purchases of goods/services made by the entity.

Step 4

The price is allocated to each identified performance obligation based on their relative prices.

The relative price (separate sale price) is estimated, if not directly observed, considering:
- Increased cost method
- Market price of similar goods/services
- Residual approach

Discounts are allocated proportionally to all performance obligations. Specific performance obligations are attributed only if:

- The goods or services are sold separately
- The goods or services are sold as a pack with a discount on a regular basis.
- The discount attributed to goods/services sold as a pack is similar to the discount in the contract under analysis.

The variable component is allocated proportionally to all performance obligations. It is attributed to specific performance obligations only if:

- The variable price component refers to specific goods/service

Allocation of the variable component is consistent with the principle of allocating the contract price to the performance obligations.

Step 5

Revenue is recognised:

- On a specific date; or
- Over time.

Revenue is recognised when there is a transfer of control, which may occur when there is:
- Legal property ownership

- Physical property
- Acceptance by the customer
- Right to receipt

When revenue is recognised over time, the following are used:

- Output methods (units produced or delivered); or
- Input methods (costs incurred, time spent).

Revenue is measured according to the fair value of the consideration received. Revenue is recorded net of returns, write offs and similar situations.

Revenue from service provision is recognised in accordance with the percentage of finishing or based on the contract period when the provision of services is not linked to the execution of specific activities, but to providing a continuous service.

The cost of these repairs includes the incorporated materials and labour, the final cost and concomitantly the price to be paid by the customers known only on the date of concluding the repairs, with the issue of the respective invoice and delivery of the repaired item to the customer; it is also at that time that the respective revenue is recognised. During the repair period, the cost is considered in "Inventories - Works in Progress".

Incremental costs

Incremental costs from contracts are capitalised if the contract period is more than one year and a return is expected. Incremental costs are costs that would not be incurred if the contract were not obtained (such as commissions). Marketing costs and salaries of the commercial department are not incremental costs.

Agent/Principal

An entity is acting as a principal if:

- It is responsible for the services provided or the products delivered
- It retains the inventory risk
- It has the liberty to establish prices and offer additional prices/services.

Revenue is recognised by the principal when the merchandise is sold by the agent to third parties. The agent accounts for the commission received as revenue.

Sales with repurchase agreements

A repurchase agreement is a contract where an entity sells an asset and has the obligation or the option to repurchase the asset at a later date.

Repurchase agreements generally take three forms:

(i) obligation of an entity to repurchase the asset (forward);

(ii) right of an entity to repurchase the asset (call option); and

(iii) obligation of an entity to repurchase the asset at the customer's request (put option).

If an entity sells products and has the right (call option) or the obligation to repurchase (forward) at a lower price than the original price and:

(a) the transaction is a sale and leaseback operation, the contract is accounted for as a financing contract

- the sale is not recognised
- the sum received is accounted for through financial liabilities
- the asset is reclassified from Inventories to Tangible Fixed Assets
- the difference between the book value of the inventory and the repurchase price is depreciated over the period of the contract
- the rentals paid during the lease period are recorded against financial debt and interest.

(b) the transaction is not a sale and leaseback operation, the contract is accounted for as an operating lease

- the sale is not recognised
- the part of the sum received corresponding to the book value of the inventory is recorded against lease liabilities
- the difference between the sale price and book value of the inventory is deferred and recognised in profit or loss for the period of the lease
- the asset is reclassified from Inventories to "Operating lease assets"

- the difference between the book value of the inventory and the repurchase price is depreciated over the period of the contract
- the difference between the initial lease debt and the updated repurchase price at the present time is recognised as rentals in profit or loss during the lease period.

If the entity has the obligation to repurchase at the customer's request (put option) and the repurchase price is lower than the original price and the fair value at the date of repurchase and:

(a) the customer has no economic incentive to exercise the option: the contract is accounted for as a sale with the right of return

- on the sale date: the sale and corresponding sale cost are recognised according to the amounts that are not expected to be returned and a contractual asset (for the sale cost pending recognition) and a contractual liability (for the sale pending recognition) are accounted for in the amounts expected to be returned
- on the date of repurchase:
- if the customer does not exercise the option and keeps the asset, the value of the sale and the cost of the sale that had been pending recognition are recognised and the contractual asset and contractual liability are derecognised.
- if the customer exercises the option to return the asset, the repurchase price must be paid to the customer, the asset must be recognised in inventories and the contractual asset and contractual liability are de-recognised.

(b) the customer has an economic incentive to exercise the option: the contract is recognised as a lease in accordance with operating leasing.

Sales with the right of return

The following procedures are followed:

- Recognition of revenue in the value of the expected consideration.
- Non-recognition of revenue for products that are expected to be returned.
- Recognition of a contractual liability for the sum expected to be reimbursed to the customer.
- Capitalisation of an asset according to the right to recover products from customers (adjustment to the sales cost).

The customer's right to exchange a product for a product of the same type, quality, price and condition is not a sale with the right of return. If the customer only has the right of return when the product sold is not working properly, IAS 37 is applied.

Sale of equipment to financial intermediaries with a repurchase commitment

This type of transaction generally involves 3 entities:

- Nors (supplier)
- The customer (lessee)
- The finance entity (lessor)

The normal process is:

- Nors issues an invoice to the lessor, in accordance with the sale price agreed with the Customer (lessee), and the Finance Entity (lessor) pays Nors the value of the invoice.
- At the same time, a rental contract is signed by the 3 parties, with the schedule of the instalments that must be paid by the lessee to the lessor, and the supplier undertakes, in favour of the financial institution, to repurchase the asset at the end of the rental period at a certain fixed price, should the lessee not exercise the option to buy the asset.
- Upon delivery of the asset, the supplier no longer has any control over the asset or management of it.

In cases where the repurchase value is less than half the initial value and where the contract period is more than half the useful life of the asset, and historically, it is found that the customer exercises the option to keep the asset, sales are accounted for as sales with the right of return. In any other cases, sales are accounted for as sales with repurchase agreements.

Licenses

Revenue from licenses to grant use of software is accounted for on a specific date.

Revenue from licenses to grant access to software is accounted for over time. .

Bill and hold operations

Bill and hold operations are sales where the delivery is delayed at the request of the customer, but the buyer receives ownership and accepts invoicing.

The revenue is recognised when the buyer receives ownership as long as:

- It is probable that the delivery will be made
- The items are available, identified and ready to deliver to the buyer at the time at which the sale is recognised
- The buyer specifically recognises the deferred delivery instructions; and
- Usual payment terms are applied.

Goods sold subject to installation and inspection

The revenue is immediately recognised when the customer accepts the goods, the installation is a simple process and the inspection is only made to check the contract values.

If the installation is a complex process, the revenue is recognised when the customer accepts the goods and the installation has been concluded.

Guarantees

If the customer can buy the guarantee separately, the latter is recognised as a separate obligation. Otherwise, the guarantee is accounted for in accordance with IAS 37.

There is no separate obligation when the guarantee is required by law, when the duration of the guarantee period is less than one year or when the guarantee pledge only includes services to guarantee the promised specifications of the product.

When the equipment is sold, the provision for costs arising from a repair obligation is made when the obligation is probable and the costs can be reliably measured.

The guarantees linked to the goods sold by Nors are the responsibility of their manufacturers.

As standard guarantees cannot be sold separately from the equipment, a provision for estimated future costs that are not reimbursable by the factories is considered in accordance with IAS 37.

Guarantee extensions and Assistance Contracts

Events occurring after the date of the statement of financial position, which provide additional information on the condition that existed at the date of the statement of financial position (adjusting events) are reflected in the consolidated financial statements. Events after the date of the statement of financial position, which provide information on conditions that occur after the date of the statement of financial position (non-adjusting events) are disclosed in the Notes to the Consolidated Financial Statements, if they are material.

p. Subsequent events

Events occurring after the date of the statement of financial position, which provide additional information on the condition that existed at the date of the statement of financial position (adjusting events) are reflected in the consolidated financial statements. Events after the date of the statement of financial position, which provide information on conditions that occur after the date of the statement of financial position (non-adjusting events) are disclosed in the Notes to the Consolidated Financial Statements, if they are material.

q. Classification of statement of financial position

Realisable assets and liabilities due more than one year after the date of the statement of financial position are classified, respectively, as non-current assets and liabilities, with deferred tax assets and liabilities also being included in these items.

r. Balances and transactions expressed in foreign currency

Assets and liabilities expressed in foreign currency were converted into Euros using the exchange rates in force on the date of the statements of financial position. Favourable and unfavourable differences in foreign exchange, arising from the differences between the exchange rates in force on the date of the transactions and those in force on the date of collection, payment or on the date of the statement of financial position, are recorded as gains and losses in the consolidated income statement for the period.

s. Non-current assets held for sale

Non-current assets (and their related set of assets and liabilities to be disposed of) are classified as held for sale if their book value is expected to be recovered through their sale and not through their continuous use. This condition is only considered to be met at the time in which the sale is highly probable and the asset (and their related set of assets and liabilities related to be disposed of) is available for immediate sale in its current conditions. In addition, actions should be in progress that lead to the conclusion that the sale will take place within a period of 12 months after the date of being classified in this item.

Non-current assets (and their related set of assets and liabilities to be disposed of) classified as held for sale are measured according to the lower of their book value or fair value, less the costs of their sale.

t. Judgements and estimates

When preparing the consolidated financial statements, the Board of Directors of Nors used as a basis its best knowledge and experience of past and/or current events, considering certain assumptions regarding future events.

The most significant accounting estimates reflected in the consolidated financial statements for the years ended 31 December 2020 and 2019 include:

a) Useful lives of tangible fixed assets and intangible assets

The main sources of uncertainty arise from the period in which the assets will be ready for use, the predictions of their cash flows, estimates of the recoverable amounts, obtaining market comparisons, growth rates, discount rates and sensitivity assumptions (see notes 6 and 7)

b) Record of adjustments to the asset's values (accounts receivable and inventories) and provisions

Relevant estimates given the complexity and degree of judgement inherent to the contingencies, as well as the level of uncertainty associated with the outcome of the processes in progress (see note 22)

c) Impairment tests carried out on Goodwill

The complexity and level of judgement inherent to the model adopted to calculate impairment and to identify and aggregate cash-generating units (CGUs) mean that this topic is considered a significant accounting estimate (see note 10)

d) Interest rates to be used on the discount of operating lease assets and liabilities

Important judgements are made to determine the incremental interest rate as well as the period to be considered for determining the lease liability and right of use

e) Tax treatment of lease contracts

In 2019, the exemption provided for in sub-paragraph a) of paragraph 15 of IAS 12 was considered, in view of the absence of certainty on the tax and accounting treatment to be given to the topic in question. Due to the fact that Circular no. 7/2020 is under review and considering that the group disagrees with the content of the letter and of its consistence with the fundamentals of the law and the tax law, and as the draft amendment to IAS 12 of the IASB has not yet been concluded, the group maintained its judgement regarding the uncertainty as to the tax treatment to be adopted, thereby maintaining the accounting policy defined in 2019. Consideration is given to the fact that when the position of the Tax Administration of each country becomes public and/or the IASB publishes the amendment to IAS 12, there may be changes to the accounting treatment adopted when first applying IFRS 16

The estimates and underlying assumptions were determined based on the best existing knowledge of events and transactions in progress, as well as on the experience of past and/or current events, at the date of approving the financial statements. Nevertheless, there may be situations in subsequent periods that were not foreseeable at the date of approving the financial statements and were therefore not considered in those estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For that reason, and given the associated degree of uncertainty, the actual results of the transactions in question might differ from the corresponding estimates. Changes to those estimates, which occur after the date of the consolidated financial statements, will be corrected in profit or loss prospectively, in accordance with the provisions of IAS 8.

The main estimates and assumptions related to future events included in the preparation of the consolidated financial statements are described in the corresponding attached notes.

The Covid-19 pandemic brought additional unpredictability regarding the assumptions to be considered when evaluating assets:

- The group analysed whether there were signs of impairment arising from the impacts of Covid-19, in accordance with current forecasts, based on the projections for GDP growth and inflation in the relevant markets, according to the IMF and the Bank of Portugal, which could indicate the existence of impairment of goodwill. No signs were identified of impairment of goodwill and there is a substantial buffer compared to the book value of the cash generating units (see note 10)
- With regard to recoverability, useful life and depreciation of tangible fixed assets and inventory recoverability, the group was obliged to temporarily close points of sale during the lockdown, and therefore immediately adapted the level of orders of goods, avoiding the accumulation of stocks in the value chain and preserving its working capital. Despite the impact verified, arising from the mandatory lockdown, there is no indication of impairments of tangible fixed assets. On the other hand, the group believes that compared to the margins practised during the pandemic, the net realisable value of its inventories is higher overall than their book value, impairments having been created on inventories following the group's accounting policies, without the need to significantly reinforce them during 2020
- As far as the recoverability of trade balances and other amounts receivable are concerned, impairment losses are recorded based on the simplified model provided for in IFRS 9, recording the expected losses until maturity. As such, the group periodically evaluates losses on expected credit and the impacts on all financial assets measured at amortised cost. To this end, the group assessed the current exposure to credit risk and the possible impact on future economic forecasts, having concluded that the impact of this component is limited
- In the actuarial assumptions, the group evaluated the discount rate applicable to the employee defined benefit plan and other post-employment benefits. As a result of that evaluation, the group updated the discount rate according to the indicative reference market rates to calculate the liability from post-employment benefits and other long-term benefits (see note 22)..

2.4. risk management policy

The main objective of financial risk management is to support Nors in pursuing a long-term strategy, seeking to reduce unwanted financial risks, the associated volatility and trying to mitigate any negative impact on the group's results that might arise from such risks. To this end, the group has developed a risk management methodology based on best practices, in order to ensure that there is independent and objective analysis of the organisational risks, so that they can be monitored, managed, consolidated and benchmarked between Nors' various organisational levels.

Identification of Nors' corporate risks is incumbent upon the Board of Directors, with the advice of the Internal Audit Department, establishing the main risks to which the group as a whole is exposed, and defining the appropriate level of exposure of each of them. This combination is used to ascertain the organisational Risk Profile, which should guide the actions and initiatives to be adopted and implemented throughout Nors. Within this context, the main initiative carried out was the design and permanent update of Nors' Corporate Policies. For each topic, these Corporate Policies define the main responsibilities, decisions and approvals among the Management Bodies, the Corporate Structures and the Business Units/Nors Companies.

a. Environment Risk

Environment risk arises from factors external to the company, which might affect the feasibility of its business model, jeopardising the fulfilment of the strategy and objectives.

The more critical risks in this category were worked on by the Board of Directors and the action plan will be monitored and developed over time.

b. Process and Decision-making Information Risk

Process Risk is the risk of Nors not acquiring, managing, renewing and using the business's assets in an efficient and effective manner. Decision-making information risk is the risk of the information used to support the execution of the business model, for internal or external reporting on performance and for continuous assessment of the business model.

Process risk and information for decision-making risk will be mitigated both through actions by the Directors in each Business Unit and Company, and through the standards set out in the Corporate Policies.

c. Exchange rate risk

Nors has international operations, with companies operating in different jurisdictions, and is, therefore, exposed to exchange rate risk.

As Nors' presence is geographically spread across various Regions and international markets, its activity is based on different currencies, and so the risk must be duly managed from a global perspective and at a central level. As such, it the exclusive responsibility of the CFO to define the preferential measures and initiatives that Nors and the Business Units and Management Structure must carry out in order to mitigate foreign exchange risk.

Currencies with more significant exposure are the US dollar, the Brazilian real and the Canadian dollar.

This balance sheet foreign exchange exposure is managed through natural hedging operations, namely by contracting financial debt in the currency of the place where the risk has been acknowledged.

Nors' Finance Department manages the foreign exchange variations of the companies, using greater or lesser structured financial instruments: forwards and financial debt.

The amount of Nors' assets and liabilities (thousands of Euros) recorded in a currency other than the Euro, can be summarised as follows:

in thousands of Euros		assets		liabilities	
currency		Dec 2020	Dec 2019	Dec 2020	Dec 2019
Brazilian Real	BRL	74 074	105 552	36 552	58 292
US Dollar	USD	123 439	165 743	40 268	62 543
Canadian Dollar	CAD	215 400		167 496	
Botswana Pula	BWP	2 699	2 620	1 917	1 643
Namibian Dollar	NAD	5 779	8 149	3 334	7 893
Mozambique Metical	MZN	4 214	3 906	3 825	2 875
Angolan kwanza	AOA	928	0	401	0
Moroccan Dinar	MAD	89	91	0	0
Cape Verde Escudo	CVE	1	1	0	0
Tanzanian Shilling	TZS	42	45	0	1 395
Kenyan Shilling	KES	0	27	0	0
Turkish Lira	TRY	158	0		

Assuming a foreign exchange scenario with a devaluation of 2% against the 2020 foreign exchanges of each currency, applying this to the direct contribution to Nors' financial position and Net Income in 2020, the main impacts can be summarised as follows:

currency		assets	liabilities	equity	net income
Brazilian Real	BRL	-1 452	-717	-736	-184
US Dollar	USD	-2 420	-790	-1 631	20
Canadian Dollar	CAD	-4 224	-3 284	-939	-146
Botswana Pula	BWP	-53	-38	-15	2
Namibian Dollar	NAD	-113	-65	-48	6
Mozambique Metical	MZN	-83	-75	-8	10
Angolan kwanza	AOA	-18	-8	-10	0
Moroccan Dinar	MAV	-2	0	-2	0
Cape Verde Escudo	CVE	0	0	0	0
Tanzanian Shilling	TZS	-1	0	-1	0
Kenyan Shilling	KES	0	0	0	0
Turkish Lira	TRY	-3	0	-3	0

d. Price risk

Price risk is related to other assets and financial instruments and has additional exposure, and so the mechanisms to control or minimise it may involve using more sophisticated hedging instruments. Thus, Nors' sensitivity and activity vis-à-vis variations in the prices of the said "held-for-sale investments" must be monitored by the Planning and Performance Management Department and managed by the CFO, in accordance with the guidelines defined by the Board of Directors, whenever necessary.

e. Interest rate risk

Nors' indebtedness is indexed to variable interest rates, exposing the cost of debt to volatility in the financial market. The impact of this volatility on Nors' income and equity is not significant due to the effect of the following factors: possible correlation between the level of market interest rates and economic growth (natural hedge) and the existence of liquidity or consolidated liquid assets at variable rates.

		Dec 2020	Dec 2019
	change	income	income
obtained funding	+1p.p.	2 082	1 600
obtained funding	-1p.p.	-2 082	-1 600

f. Liquidity risk

Liquidity risk is defined as the risk of being unable to settle or fulfil obligations within the defined deadlines and at a reasonable price. There are three principal objectives of managing this risk at Nors:

-Liquidity: ensuring permanent, efficient access to sufficient funds to meet current payments on the respective due dates, as well as any requests for funds within the deadlines defined for that purpose, even if unforeseen;

- Security: minimising the probability of default in reimbursing any investment of funds;

- Financial efficiency: ensuring that Nors and the Business Units/Management Structure maximise the value created and minimise the cost of the opportunity of holding short-term surplus liquidity.

Generally speaking, responsibility for the management of liquidity risk is incumbent upon Nors' Finance Department. However, to ensure that Nors and the Business Units/Management Structures have liquidity, working capital management parameters have been defined, enabling the maximum return to be obtained, while minimising the associated opportunity costs in a secure and efficient manner. It is important to mention that at Nors, all existing surplus liquidity must be invested in amortising short-term debt, and the most pessimistic scenario must be used as a basis for analysing the maturity of each of the liability financial instruments, so as to minimise the liquidity risk linked to these obligations.

At 31 December 2020 and 2019, Nors has a net bank indebtedness of 158 096 thousand Euros and 120 829 thousand Euros, respectively, split between current and non-current loans and cash and bank deposits, taken out with various institutions.

As at 31 December 2020, there are unused credit lines in the value of 300 374 thousand Euros (see note 23).

At 31 December 2020, Nors has Current assets of 379 833 thousand Euros, which is higher than the Current liabilities of 341 044 thousand Euros.

Given the high degree of uncertainty as to the evolution of the pandemic, with the objective of mitigating the potential reduction in its turnover, the group implemented several cost-reduction measures in 2020, with an impact in 2021. This also implied making a significant review of its investment plan for 2020. The Board of Directors firmly believes that in view of its financial situation and liquidity, the group will overcome the negative impact of this crisis, without jeopardising the going concern basis used for preparing these financial statements.

g. Credit risk

Credit risk refers to the risk of the counterparty defaulting on its obligations, resulting in possible losses for Nors, and so its exposure is mostly linked to trade receivables arising from operations. To cover credit risk, credit insurance or other hedging instruments can be contracted. When contracting credit insurance, the Accounts Receivable Areas of Norshare in the Regions must make an assessment of the need and the cost/benefit of contracting it, their conclusions being submitted to the Finance Department. Contracting any other hedging instruments is exclusively incumbent upon the CFO.

The Board of Directors has approved a Customer and Credit Management Policy that mitigates this risk, namely in the following points:

- For all deals regarding products on credit from the commercial area, it is mandatory for the financial area of Accounts Receivable of Shared Services to analyse the credit and issue a technical opinion;
- Perform monthly impairment analyses on receivables;
- Monitor the evolution of credit at regular meetings.

3. changes to accounting policies and correction of fundamental errors

During the year ended 31 December 2020, there were no changes to accounting policies.

4. Nors companies included in the consolidation

The Nors companies included in the consolidation using the full consolidation method and their respective share in the equity held at 31 December 2020 and 2019 are as follows:

company Nors, S.A.	% of capital held 2019(1) parent company	% of capital held 2020(1) parent company	consolidation method -
AgroNew Máquinas Agrícolas, Ltda	99,99%	99,99%	Full
Amplitude Seguros - Corretores de Seguros S.A.	82,50%	82,50%	Full
AS - Glass Angola, Lda.	73,50%	73,50%	Full
ASParts Angola, Lda.	98,01%	98,01%	Full
ASParts Cabo Verde, S.A.	82,50%	82,50%	Full
Asinter - Comércio Internacional, Lda.	70,00%	70,00%	Full
ASMOVE - Consultoria e Projectos Internacionais, S.A.	100,00%	100,00%	Full
Auto Sueco (Lobito), Ltd.	79,90%	79,90%	Full
Auto Sueco Centro-Oeste Concessionária de Veículos Ltda.	99,99%	99,99%	Full
Auto Sueco Moçambique, S.A.	100,00%	100,00%	Full
Auto Sueco São Paulo, Ltda.	99,99%	99,99%	Full
Auto Sueco Vehicles, Spare Parts & Services (Namibia) (Pty), Ltd.	100,00%	100,00%	Full
Auto-Maquinária, Lda.	99,00%	99,00%	Full
Auto-Sueco (Angola), S.A.R.L.	79,90%	79,90%	Full
Auto-Sueco (Tanzania) - Trucks, Bussesand Const.Eq., Ltd.	99,99%	99,99%	Full
Auto-Sueco II Automóveis, S.A.	100,00%	100,00%	Full
Auto-Sueco Kenya, Ltd.	99,99%	99,99%	Full
Auto-Sueco Vehicles ,Spare Parts & Services (Botswana) (Pty) Ltd.	99,19%	99,19%	Full
Civiparts - Comércio de Peças e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Angola - Comércio de Componentes e Equipamentos, S.A.	100,00%	100,00%	Full
Civiparts Espanha	100,00%	100,00%	Full
Civiparts Marrocos	100,00%	100,00%	Full
ExpressGlass Angola	98,01%	98,01%	Full
Galius - Veículos, S.A.	100,00%	100,00%	Full

Grow - Formação Profissional, S.A.	100,00%	100,00%	Full
Holding Expressglass, BV	100,00%	100,00%	Full
Imosócia – Sociedade Imobiliária, S.A.	100,00%	100,00%	Full
NewOnedrive, S.A.	100,00%	100,00%	Full
Nors Brasil Participações, Ltda.	99,99%	99,99%	Full
Nors Canada, Inc	-	100,00%	Full
Nors International B.V.	100,00%	100,00%	Full
Auto Sueco Portugal, S.A.	100,00%	100,00%	Full
Plurirent – Serviços de Aluguer, S.A.	100,00%	100,00%	Full
Promotejo - Compra e Venda de Propriedades, S.A.	100,00%	100,00%	Full
SARI Serviços Aftermarket Região Ibéria	100,00%	100,00%	Full
SGNT, S.G.P.S.	100,00%	100,00%	Full
Socibil - Imobiliária, SARL.	100,00%	100,00%	Full
Sogestim, Lda.	55,00%	55,00%	Full
ASFC S.G.P.S., S.A.	100,00%	100,00%	Full
Sotkon Angola, Lda.	50,00%	50,00%	Full
Sotkon Espanha	100,00%	100,00%	Full
Sotkon France, S.A.	100,00%	100,00%	Full
Sotkon Marocco, SARLAU	100,00%	100,00%	Full
Sotkon Portugal - Sistemas de Resíduos, S.A.	100,00%	100,00%	Full
Sotkon TRAtik Sustemleri Sanayi Ve Ticaret Anonim Sirketi	83,00%	83,00%	Full
Strongco Corporation	-	100,00%	Full
Strongco General Partner, Inc	-	100,00%	Full
Strongco Limited Partnership	-	100,00%	Full
Tecnauto Vehiculos, S.L.	100,00%	100,00%	Full

(1) - Directly and indirectly

These companies were included in the consolidation using the full consolidation method, as established in IFRS 10 - "Consolidated financial statements" (control of the subsidiary through majority voting rights, or another mechanism, as holder of the company's equity - note 2.2 a)).

Nors' companies included in the consolidation through the full consolidation method and the respective proportion of equity held at 31 December 2020 and 2019 are as follows:

company	% capital held 2019(1)	% capital held 2020(1)	consolidation method
Air Rail Portugal, Sociedade Unipessoal, Lda	25,00%	25,00%	E.M.
Air-Rail Marrocos	25,00%	25,00%	E.M.
Air-Rail Polska, Sp. z.o.o	12,50%	12,50%	E.M.
Air-Rail, S.L.	25,00%	25,00%	E.M.
Art Hava VE RAY EKIPMANLARI LTD. STI	22,50%	-	E.M.
Ascendum Construction Equipment, INC.	50,00%	50,00%	E.M.
Ascendum Turk Makina, Limited Sirketi	50,00%	50,00%	E.M.
Ascendum Baumaschinen Österreich GmbH	50,00%	50,00%	E.M.
Ascendum Építögépek Hungária	50,00%	50,00%	E.M.
Ascendum España, S.L.	50,00%	50,00%	E.M.
Ascendum Gradevinski Strojevi	50,00%	50,00%	E.M.
Ascendum Automóveis, unipessoal, Lda.	50,00%	50,00%	E.M.
Ascendum Camiões, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum Máquinas, Unipessoal, LDA	50,00%	50,00%	E.M.
Ascendum Machinery SRL	50,00%	50,00%	E.M.
Ascendum Makina Yatirim Holding, A.S	50,00%	50,00%	E.M.
Ascendum Maquinaria México, S.A de C.V	50,00%	50,00%	E.M.
Ascendum Portugal - Serviços de Gestão, SA	50,00%	50,00%	E.M.
Ascendum Stavebeni Stroje Czech	50,00%	50,00%	E.M.
Ascendum Stavebné Stroje Slovensko	50,00%	50,00%	E.M.
Ascendum, GmbH	50,00%	50,00%	E.M.
Ascendum, S.A.	50,00%	50,00%	E.M.
Centrocar Moçambique	32,00%	32,00%	E.M.
Centrocar, S.A.	40,00%	40,00%	E.M.
Centrocar España, S.L.	40,00%	40,00%	E.M.
Dalia - Gestão e Serviços, S.A.	28,54%	-	E.M.
Glomak SGPS, S.A.	50,00%	50,00%	E.M.
Groupauto Portugal & Palop - GPLP, Lda	-	50,00%	E.M.
Hardparts Moçambique, Lda.	50,00%	-	E.M.
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	25,00%	25,00%	E.M.
Sotkon Anadolu	50,00%	50,00%	E.M.
TeaAloya, Inmobiliaria, S.A.U.	50,00%	50,00%	E.M.
Tractorrastos - Soc. Vendedora de Acessórios, Lda.	50,00%	-	E.M.
Volmaquinaria de Construcciòn España, S.A.U.	50,00%	50,00%	E.M.
Volrental Atlântico, S.A.U	34,50%	34,50%	E.M.
Bergmann Americas, INC.	50,00%	50,00%	E.M.

(1) - Directly and Indirectly E.M. - Equity Method

These companies were included in the consolidation using the equity method through shareholder agreements whose conditions determine the existence of joint control, as established in IFRS 11 - "Joint Ventures".

5. changes to the consolidation perimeter

During the year ended 31 December 2020, there were the following changes in the composition of the consolidation perimeter:

- Acquisition of Strongco Corporation on 17 March 2020, through the legal amalgamation model in Canada, with the following accounting impacts:

contribution	31.12.2020	17.03.2020
Tangible fixed assets	3 306	3 519
Assets through lease	30 706	31 515
Goodwill	12 378	0
Deferred tax assets	5 143	5 154
Inventories	126 853	128 036
Customers	22 487	19 903
Cash and cash equivalents	9 573	0
Others	4 893	6 773
total assets	**215 338**	**194 899**
Provisions	8 757	7 733
Suppliers	46 625	25 164
Financing obtained	67 251	95 678
Liabilities through lease	33 085	33 708
Others	11 711	15 383
total liabilities	**167 429**	**177 667**
Turnover	180 484	
Cost of goods sold	-123 730	
ESF's and Personnel Expenses	-36 654	
Others	4 879	
ebitda	**24 979**	
Depreciations	-13 032	
Interest and exchange rate diferences	-4 590	
Income for the period	87	
net income	**7 444**	

Goodwill accounted for at the date of acquisition amounted to 12 611 thousand Euros (19 350 thousand CAD), stemming from the acquisition of assets with a net book value of 27 583 thousand Euros (42 323 thousand CA) after a purchase price allocation of 14 972 thousand Euros (22 973 thousand CAD).

When accounting for a business combination, the acquiring entity has a period of time deemed reasonable to identify and determine the value of the acquired identifiable assets, liabilities undertaken and non-controlling interests in the acquired entity, the consideration transferred to the acquired entity or the sum used to measure the Goodwill and the recognised Goodwill. The group therefore has a measurement time of up to one year after the date of acquisition to re-evaluate the sums calculated and disclosed herein.

- Formation of the joint venture Groupauto Portugal & Palop - GPLP, Lda in Portugal

- Sale of Dalia - Gestão e Serviços, S.A, with effect as of 31 December 2020. The deal entailed the sale of 100% of the company's share capital for an overall sum of 6 900 thousand Euros, which generated gains of 2 668 thousand Euros recognised in "Gains/ Losses allocated to subsidiaries, associates and joint ventures". It was carried out with a related party, but following market prices.

During the year ended 31 December 2019, there were the following changes in the composition of the consolidation perimeter:

- Dissolution of Auto Power Angola, Lda, without any impact on the consolidated financial statements.

- Incorporation of KinLai, S.A. in Angola

- Sale of Biosafe - Indústria de Reciclagens, S.A, effective as of 1 July 2019. The deal entailed the sale of 100% of the company's share capital for an overall sum of 6 300 thousand Euros, which generated a gain of 3 108 thousand Euros recognised in "Gains/Losses allocated to subsidiaries, associates and joint ventures". The deal has subsequent conditions in line with market practice, an escrow account having been set up for 1 260 thousand Euros to meet the potential obligations that the Board of Directors considered to be of slight risk and the gain was therefore fully recognised in 2019 for the sum already received from the deal.

- Merger of AS Parts - Centro de Peças e Acessórios, S.A. with NewOneDrive, S.A., without any impact on the consolidated financial statement.

- Acquisition of control over the Sotkon group through the acquisition of 26.66% of the share capital of ASFC, SGPS, SA not held by Nors S.A., the latter thereby now owning 100% of that company and, as such, of the Sotkon group. The acquisition value amounted to 800 thousand Euros, which generated Goodwill of 1 665 thousand Euros, as the acquired net assets were negative and no assets or liabilities were identified in the purchase price allocation. This acquisition means that the Sotkon group's contribution to the consolidated financial statements changes to the following values:

contribution	31.12.2019	31.12.2018
Tangible fixed assets	745	0
Investments in associates and joint ventures	216	0
Inventories	1 256	0
Customers	2 500	0
Cash and cash equivalents	604	0
Others	3 075	0
total assets	**8 396**	**0**
Suppliers	5 488	0
Financing Obtained	3	0
Provisions	0	2 454
Others	1 462	0
total liabilities	**6 952**	**2 454**
Turnover	12 497	0
Costs of goods sold	-6 527	0
Gains/Losses attributed to subsidiaries, associates and joint ventures	76	603
ESF's and Personnel Expenses	-3 981	0
Others	150	0
ebitda	**2 215**	**603**
Depreciations	-196	0
Interest and exchange rate differences	143	0
Income tax for the period	-572	0
tax	**1 590**	**603**

6. intangible assets

In the years ended 31 December 2020 and 2019, the movements that took place in intangible assets, as well as in the respective accrued amortisation and impairment losses were as follows:

1 January 2019	development projects	computer software	industrial property	other intangible assets	investments in progress	total
Acquisition value net of impairment	157	3 357	591	675	1 414	6 194
Accumulated depreciation	-157	-2 968	-424	-674	0	-4 223
Initial net value	**0**	**389**	**167**	**1**	**1 414**	**1 971**
movements in 2019						
Initial net value	0	389	167	1	1 414	1 971
Changes in perimeter — Accumulated value	1 545	0	3 399	0	144	5 088
Changes in perimeter — Accumulated depreciations	-1 431	0	-3 071	0	0	-4 503
Translation differences — Accumulated value	0	-5	9	13	0	16
Translation differences — Accumulated depreciation	0	3	-7	-13	0	-17
Additions	843	180	13	0	1 094	2 130
Transfer, sales and Write-offs/ Acquisition cost	9	665	-30	0	-1 448	-804
Transfer, sales and Write-offs/Accumulated amortization	-16	244	26	0	0	254
Depreciation for the financial year	-233	-298	-114	0	0	-645
closing net value	**716**	**1 177**	**391**	**1**	**1 205**	**3 490**
31 December 2019						
Acquisition or revalued cost	2 554	4 196	3 981	688	1 205	12 624
Accumulated depreciation	-1 838	-3 019	-3 590	-687	0	-9 133
closing net value	**716**	**1 177**	**391**	**1**	**1 205**	**3 490**
movements in 2020						
Initial net value	716	1 177	391	1	1 205	3 490
Changes in perimeter — acquisition value	0	-255	-42	-58	0	-354
Changes in perimeter — Accumulated depreciations	4	150	38	58	0	250
Additions	37	208	8	19	818	1 090
Transfer, sales and Write-offs/Acquisition cost	405	-125	33	- 19	-616	-321
Transfer, sales and Write-offs/Accumulated amortization	157	116	7	0	0	281
Depreciation for the financial year	-466	-414	-115	0	0	-995
closing net value	**854**	**858**	**321**	**1**	**1 407**	**3 441**
31 December 2020						
Acquisition or revalued cost	2 997	4 025	3 981	629	1 407	13 038
Accumulated depreciation	-2 143	-3 166	-3 660	- 628	0	-9 597
closing net value	**854**	**858**	**321**	**1**	**1 407**	**3 441**

7. Tangible fixed assets

In the years ended 31 December 2020 and 2019, the movements that took place in tangible fixed assets, as well as in the respective accrued depreciation and impairment losses were as follows:

1 January 2019	land and natural resources	buildings and other constructions	basic and transport equipment	office equipment	other tangible fixed assets	investments in progress	total
Acquisition or revalued cost net of impairment	26 095	150 785	35 041	12 203	5 679	938	230 741
Accumulated depreciation	0	-71 119	-27 782	-10 216	-4 462	0	-113 579
closing net value	**26 095**	**79 666**	**7 259**	**1 987**	**1 217**	**938**	**117 162**
movements in 2019							
Initial net value	26 095	79 666	7 259	1 987	1 217	938	117 162
Changes in perimeter — Acquisition cost	228	612	921	184	143	26	2 113
Changes in perimeter — Acquisition depreciation	0	-358	-832	-177	-98	0	-1 466
Translation differences — Acquisition cost	86	1 288	171	117	83	0	1 744
Translation differences — Accumulated depreciation	0	-205	-131	-98	-64	0	-499
Acquisition	68	1 065	1 306	244	127	1 123	3 932
Transfer, sales and Writeoffs Acquisition cost	-2 844	-9 351	-11 820	-519	-178	-415	-25 126
Transfer, sales and Writeoffs Accumulated depreciation	0	4 750	10 863	427	139	0	16 179
Depreciation for the financial year	0	-5 674	-1 739	-524	-458	0	-8 394
closing net value	**23 632**	**71 792**	**5 998**	**1 641**	**911**	**1672**	**105 648**
31 December 2019							
Acquisition or revalued cost net of impairment	23 632	144 399	25 619	12 229	5 853	1672	213 405
Accumulated depreciation	0	-72 607	-19 621	-10 588	-4 942	0	-107 757
closing net value	**23 632**	**71 792**	**5 998**	**1 641**	**911**	**1 672**	**105 648**

movements in 2020	land and natural resources	buildings and other constructions	basic and transport equipment	office equipment	other tangible fixed assets	investments in progress	total
Initial net value	23 632	71 792	5 998	1 641	911	1 672	105 648
Changes in perimeter — Acquisition cost	66	4 165	5 663	18 211	0	0	28 105
Changes in perimeter — Accumulated depreciations	0	-3 178	-4 316	-17 100	0	0	-24 594
Translation differences — Acquisition cost	-874	-8 665	-2 498	-1 459	-378	0	-13 875
Translation differences — Accumulated depreciation	0	3 048	1 899	1 284	333	0	6 563
Acquisition	0	438	2 166	288	57	177	3 125
Transfer, sales and WriteOffs Acquisition cost	0	244	791	-1 682	16	-1 109	-1 739
Transfer, sales and WriteOffs Accumulated depreciation	0	83	-846	1 147	114	0	499
Depreciation for the financial year	0	-3 818	-1 386	-467	-405	0	-6 075
closing net value	**22 824**	**64 109**	**7 472**	**1 865**	**648**	**739**	**97 656**
31 December 2020							
Acquisition or revalued cost net of impairment	22 824	140 581	31 741	27 587	5 548	739	229 021
Accumulated depreciation	0	- 76 472	-24 270	-25 723	-4 900	0	-131 364
closing net value	**22 824**	**64 109**	**7 472**	**1 865**	**648**	**739**	**97 656**

In 2020, the amounts disclosed in the lines "Transfers, disposals and write-offs" also include accounting reclassifications in accordance with Nors' policies, namely for Investment Property, due to the change in use of the assets.

8. investment properties

At 31 December 2020 and 2019, the item "Investment properties" refers to real estate assets held by Nors, which are generating revenue through their respective rental or appreciation in value. These assets are recorded at acquisition cost or revalued cost on the date of first applying the IFRS (01 January 2009).

The breakdown of the real estate assets recorded in the item "Investment properties" at 31 December 2020 and 2019 can be shown as follows:

		Dec 2020		Dec 2019	
real estate	location	net book value	appraisal value	net book value	appraisal value
Algarve house and land	Algarve	312	612	313	612
Porto building and land	Porto	400	1 228	472	1 006
S. João da Talha building	S.João da Talha	2 053	4 795	2 092	5 121
Barreiro building and land	Barreiro	468	477	478	477
Matosinhos land	Matosinhos	2 925	2 926	2 925	2 926
Figueira da Foz apartment	Figueira da Foz	117	142	120	142
Francos building	Porto	124	148	127	148
Gonçalo Cristóvão building	Porto	150	167	153	167
Tecnauto building	Galiza	542	1 333	559	1 333
Moreira da Maia building and land	Maia	1 141	4 090	1 208	4 090
Brito Capelo offices	Matosinhos	943	967	932	967
Ovar building and land	Ovar	2 524	5 880	2 474	5 880
Monte dos Burgos building and land	Porto	11	12	11	12
		11 710	**22 778**	**11 867**	**22 881**

The Board of Directors believes that a possible change (within a normal scenario) in the main assumptions used to calculate fair value will not give rise to impairment losses, beyond the loss already recorded. For properties whose evaluation is not presented, the Board of Directors believes that their book value is close to their respective fair value.

The fair value of investment properties that are subject to disclosure at 31 December 2020 and 2019 was determined through a real estate evaluation carried out by the expert evaluator José Carlos Santos, who used the arithmetic average of the results of the market comparison method and the costs method. Despite the changes to the book value that took place, the fair value of the real estate did not undergo any change based on the evaluations made.

During the financial years ended 31 December 2020 and 2019, income and operating expenses directly linked to these investment properties were as follows:

	Dec 2020	Dec 2019
Rents and other income	826	937
Depreciation	-312	-296
Maintenance and repair	-87	-94

Movement in the item "Investment properties" at 31 December 2020 and 2019 was as follows:

In 2020, the amounts disclosed in the lines "Transfers, disposals and write-offs" also include accounting reclassifications in accordance with Nors' policies, namely for Tangible Fixed Assets, due to the change in use of the assets.

1 January 2019	land and natural resources	buildings and other constructions	investments in progress	total
Acquisition or revalued cost net impairment	8 081	9 723	0	17 804
Accumulated depreciation	0	- 4 340	0	- 4 340
initial net value	**8 081**	**5 383**	**0**	**13 464**
movements in 2019				
initial net value	8 081	5 383	0	13 464
Acquisitions	0	130	0	130
Transfer, sales and Write-offs/Acquisition cost	- 27	- 765	128	- 664
Transfer, sales and Write-offs Accumulated depreciation	0	- 767	0	- 767
Depreciation for the financial year	0	- 296	0	- 296
closing net value	**8 054**	**3 684**	**128**	**11 867**
31 December 2019				
Acquisition or revalued cost net of impairment	8 054	9 088	128	17 270
Accumulated depreciation	0	- 5 403	0	- 5 403
closing net value	**8 054**	**3 684**	**128**	**11 867**
movements in 2020				
Initial net value	8 054	3 684	128	11 867
Acquisitions	0	32	0	32
Transfer, sales and Write-offs/Acquisition cost	0	177	- 53	124
Transfer, sales and Write-offs/Accumulated depreciation	0	0	0	0
Depreciation for the financial year	0	- 312	0	- 312
closing net value	**8 054**	**3 581**	**75**	**11 710**
31 December 2020				
Acquisition or revalued cost net of impairment	8 054	9 297	75	17 426
Accumulated depreciation	0	- 5 716	0	- 5 716
closing net value	**8 054**	**3 581**	**75**	**11 710**

9. leases

At 31 December 2020 and 2019, the following operations were carried out, which are recorded in the accounts of the investee in accordance with the rules provided for in IFRS 15 - Revenue from contracts with customers and in IFRS 16 - Leases:

1 January 2019	contracts with a repurchase agreement	operating lease of buildings	operating lease of basic equipment	operating lease of vehicles	operating lease of office equipment	total
Acquisition or revalued cost net impairment	17 256					17 256
Accumulated depreciation	- 1 151					- 1 151
initial net value	**16 105**	**0**	**0**	**0**	**0**	**16 105**
movements in 2019						
Initial net value	16 105	0	0	0	0	16 105
Initial application IFRS 16 — partial simplified retrospective	0	30 395	5	1 402	1 576	33 378
Translation differences — Acquisition cost	0	-302	0	-11	-22	-334
Translation differences — Accumulated depreciation	0	39	0	6	5	50
Increases	6 382	5 730	0	1 076	856	14 044
Repurchases Acquisition cost	- 443	-55	0	- 182	-42	- 721
Repurchases Accumulated depreciation	97	55	0	182	42	375
Depreciation for the financial year	-2 414	-5 039	-2	-1 113	-556	- 9 124
closing net value	**19 727**	**30 823**	**2**	**1 361**	**1 859**	**53 772**
31 December 2019						
Acquisition or revalued cost net impairment	23 195	35 768	5	2 286	2 369	63 622
Accumulated depreciation	- 3 468	- 4 945	-2	- 924	- 510	- 9 850
closing net value	**19 727**	**30 823**	**2**	**1 361**	**1 859**	**53 772**
closing net value — non-current	**17 616**	**30 823**	**2**	**1 361**	**1 859**	**51 662**
closing net value — current	**2 110**					**2 110**

movements in 2020	contracts with a repurchase agreement	operating lease of buildings	operating lease of basic equipment	operating lease of vehicles	operating lease of office equipment	total
Initial net value	19 727	30 823	2	1 361	1 859	53 772
Perimeter variation - Acquisition value	0	30 374	152	8 996	0	39 522
Perimeter variation - Accumulated depreciation	0	-4 777	-34	-3 196	0	-8 007
Translation differences — Acquisition cost	- 23	-5 368	-92	-365	-219	-6 066
Translation differences — Accumulated depreciation	0	1 050	35	154	45	1 284
Increases	10 961	2 871	0	3 282	567	17 681
Decreases and other regularizations/Acquisition cost	- 766	-1 205	1 228	-1 210	-607	-2 560
Decreases and other regularizations/Accumulated depreciation	351	1 777	-434	1 589	173	3 456
Depreciation for the financial year	- 3 365	-9 286	-40	-2 773	-466	-15 929
closing net value	**26 885**	**46 259**	**817**	**7 839**	**1 353**	**83 153**

31 December 2020						
Acquisition or revalued cost net impairment	33 368	62 440	1 292	12 988	2 110	112 199
Accumulated depreciation	- 6 482	- 16 181	-476	-5 149	-757	-29 045
closing net value	**26 885**	**46 259**	**817**	**7 839**	**1 353**	**83 153**
closing net value — non-current	**23 630**	**46 259**	**817**	**7 839**	**1 353**	**79 898**
closing net value — current	**3 255**					**3 255**

At 31 December 2020 and 2019, there are the following obligations related to contracts with a repurchase agreement and to operating leases of assets with rights of use arising from the application of IFRS 15 and IFRS 16:

	Dec 2020	Dec 2019
Contracts with repurchase agreement	26 876	19 720
Operating leases	59 673	34 478
liabilities through leasing	**86 549**	**54 198**
current liabilities	**19 367**	**9 825**
non-current liabilities	**67 182**	**44 373**

Recognition obligations for future years at 31 December 2020 and 2019 respectively are:

IFRS 15 -Contract with a repurchase agreement:

Dec 2020

year	deferred rent	deferred interest	repurchase price	total
2021	3 914	-294	3 086	6 706
2022	3 061	-220	6 013	8 854
2023	1 946	-139	3 295	5 101
2024	875	-64	3 868	4 678
2025	179	-12	1 371	1 537
total	**9 974**	**-730**	**17 632**	**26 876**

Dec 2019

year	deferred rent	deferred interest	repurchase price	total
2020	2 911	-235	1 980	4 656
2021	2 475	-186	2 437	4 726
2022	1 633	-111	4 874	6 397
2023	660	-40	2 705	3 324
2024	82	-5	541	617
total	**7 761**	**-578**	**12 537**	**19 720**

IFRS 16 – Leases:

Dec 2020 year	deferred rent	deferred interest	total
2020	15 046	-3 867	11 179
2022-2025	42 445	-9 382	33 064
2026+	16 530	-1 099	15 431
total	**74 022**	**-14 348**	**59 673**

Dec 2019 year	deferred rent	deferred interest	total
2020	8 033	-2 233	5 800
2021-2024	40 114	-8 481	18 532
2025 +	12 096	-1 950	10 146
total	**60 243**	**-12 664**	**34 478**

10. goodwill

During the year ended 31 December 2019, the acquisition of a controlling position in ASFC, SGPS, SA took place. During the course of 2020, the acquisition of Strongco Corporation took place.

Both operations led to the creation of Goodwill in accordance with the provisions of IFRS 3 - Business Combinations. For further information, see note 5.

Goodwill is not amortised. Impairment tests are performed annually.

For the purpose of analysing impairments, the recoverable amount was determined based on the value in use, according to the discounted cash flow method, based on business plans developed by the heads of the respective companies and duly approved by the Board of Directors of Nors, and using discount rates that reflect the risks inherent to the business, or in the case of real estate firms, the disposal value less sale costs, as provided for in the regulations.

At 31 December 2020, the method and assumptions used to gauge whether any impairment exists, were as follows:

Dec 2020 company	goodwill	growth rate	discount rate (after tax)
Auto Sueco Centro Oeste	1 176	3,25%	7,99%
NewOneDrive	2 258	2,00%	5,46%
Arrábida Peças	913	2,00%	5,46%
Auto Sueco São Paulo	6 410	3,25%	7,99%
ASFC	11 442	2,00%	6,21%
Civiparts S.A.	15 696	2,00%	5,46%
Amplitude	1 614	2,00%	8,42%
Promotejo	812		
AgroNew	2 301	3,25%	7,99%
Galius	4 474	2,00%	5,46%
Strongco	12 378	2,00%	
	59 475		

Movement in the item "Goodwill" at 31 December 2020 and 2019 was as follows:

1 January 2019	**49 430**
Additions/reviews	1 665
Impact of exchange rate variations	-225
31 December 2019	**50 870**
Additions/reviews	12 899
Impact of exchange rate variations	-4 295
31 December 2020	**59 475**

Supported by the value of the 5-year forecast for cash flows, discounted at the rate considered to be applicable, the Board of Directors concluded that at 31 December 2020, the book value of the cash-generating units is not higher than their recoverable value. Cash flow projections were based on historic performance and on the expectations of improved efficiency and organic growth. Management believes that a possible change (within a normal context) in the main assumptions used to calculate the recoverable value will not cause impairment losses, making the WACC and the business growth rate vary by 1 p.p., while Goodwill remains without impairment.

In the companies engaged in real estate, the recoverable value was determined using the fair value of the property less costs of disposal, the latter being higher than the book value of the net assets, including Goodwill, and so an asset impairment is not considered necessary.

11. financial investments

11.1. investments in associates and joint ventures

The balance and composition of the item "Investments in Associates and Companies excluded from the Consolidation" at 31 December 2020 and 2019 is as follows:

	% shareholding	Dec 2020	Dec 2019
Dália - Gestão e Serviços, S.A.	28,54%	0	3 957
Grupo Ascendum	50,00%	80 387	81 738
Sotkon Anadolu	50,00%	158	216
Groupauto Portugal & Palop	50,00%	205	0
		80 750	**85 911**

Movements recorded between the two periods are as follows:

	Dec 2020	Dec 2019
balance at 1 January	**85 911**	**86 516**
Perimeter variation	0	158
Share of the profit (loss)	8 123	9 211
Distributed Profits	-4 000	-5 285
Reclassification for Provisions	205	
Divestments	-4 232	0
Other movements in own capitals	-5 257	-4 689
balance at 31 December	**80 750**	**85 911**

The main indicators of the companies that are included using the equity method are:

	share capital (local currency)	currency	assets	equity	sales	net income	% grup
Grupo Ascendum	15 000	EUR	562 134	160 574	780 415	15 234	50,00%
Sotkon Anadolu	50	TRY	346	317	139	0	50,00%

Groupauto is a company that only has share capital and cash equivalents at the end of 2020.

11.2. equity instruments at fair value through equity

The balance and composition of the item "Equity instruments at fair value through equity" at 31 December 2020 and 2019 is as follows:

	% shareholding	Dec 2020	Dec 2019
Grupo Auto Union Espanha GAUESL	3,44%		
Aliance Automotive Espanha, S.L.	15,75%	516	562
Other equity instruments	-		
		516	**562**

11.3. debt instruments at amortised cost

The balance of the item "Debt instruments at amortised cost" corresponds to Treasury Bonds from the Angola Popular Republic, with the intention of holding them until maturity.

Movements recorded between the two periods are as follows:

	Dec 2020	Dec 2019
balance at 1 January	**48 694**	**48 226**
Perimeter Variation	0	885
Acquisitions in the fiscal year	5 235	3 852
Exchange variation	-3 063	224
Divestments	-40 830	-4 493
balance at 31 December	**10 037**	**48 694**

The maturity of the lines currently held is as follows:

	2021	2022	2023
Treasury Bonds	1 575	6 780	1 682
total	**1 575**	**6 780**	**1 682**

12. deferred taxes

The breakdown of the amounts and type of deferred tax assets and liabilities recorded in the consolidated financial statements at 31 December 2020 and 2019, can be summarised as follows:

Deferred tax assets

	reporting tax losses	provisions and adjustments not accepted as tax costs	other	total
1 January 2019	**2 995**	**1 516**	**456**	**4 968**
Exchange rate variation	- 490	453	0	-37
Perimeter Variation	1 650	23	0	1 673
Impact on Income statement	1 345	-469	-142	734
Other Adjustments	6	-438	-41	-472
31 December 2019	**5 506**	**1 085**	**273**	**6 865**
Exchange rate variation	- 256	-1 068	0	-1 324
Perimeter Variation	0	5 154	0	5 154
Impact on Income statement	- 689	-1 070	46	-1 714
Other Adjustments	32	87	0	119
31 December 2020	**4 593**	**4 187**	**320**	**9 100**

Deferred tax liabilities

	deferral of capital gains tax	effect of fair value valuation on land	others	total
1 January 2019	**133**	**2 322**	**617**	**3 052**
Exchange rate variation	0	0	-15	-15
Impact on Income statement	0	-128	222	94
Impact on Equity				0
Other Adjustments	283	-287	4	0
31 December 2019	**416**	**1 907**	**828**	**3 151**
Exchange rate variation			- 274	-274
Impact on Income statement	0	2	742	744
Other Adjustments	0	0	35	35
31 December 2020	**416**	**1 909**	**1 332**	**3 656**

"Other settlements/uses" refers essentially to the use/reclassification of adjustments not accepted as a tax expense.

The tax reporting that gave rise to Deferred Tax Assets as at 31 December 2020 is broken down as follows:

	Portugal		Brazil		Spain		France		total	
	base	dta	base	dta	base	dta	base	dta	base	dta
2009					1 311	262	171	48	1 482	310
2010							300	84	300	84
2011							181	51	181	51
2012					882	176	262	73	1 144	250
2013			640	218	833	167			1 472	384
2014	1 551	326			398	80	68	19	2 017	424
2015			1 191	405	171	34	31	9	1 393	448
2016			2 500	0	180	36			2 679	36
2017			1 685	0	15	3			1 700	3
2018									0	0
2019	11 777	2 473							11 777	2 473
2020	620	130							620	130
	13 948	**2 929**	**6 016**	**623**	**3 789**	**758**	**1 013**	**284**	**24 765**	**4 593**

Pursuant to the legislation in force in Portugal, losses from 2014 to 2016 can be reported for 12 years. Losses generated in 2017 and the following years can be reported for 5 years. Under the Covid-19 measures, the Portuguese government increased all these periods by 2 years.

In light of the State Budget for 2013, as from that year, deduction of tax losses is limited to 70% of the value of the taxable profit ascertained in the period in question, regardless of the period in which the tax loss was ascertained.

Pursuant to the legislation in force in Spain (Basque Country), tax losses generated between 2008 and 2017 can be reported for a period of fifteen years. Deduction of tax losses is limited to 50% of the value of the taxable profit ascertained in the period in question, regardless of the period in which the tax loss was ascertained.

In France, tax losses have no limited period of use.

In Brazil, tax losses have no limited period of use, although there is a yearly deduction limit of 30% of the taxable profit ascertained in the period in question.

In Angola, tax losses can be reported for a period of 3 years.

Nors' companies based in Portugal, in which Nors S.A. directly or indirectly owns more than 75%, are taxed for Corporation Tax in accordance with the "RETGS" (Special Tax Regime for Groups of Companies), provided for in articles 69 and the following articles of the IRC (Portuguese Corporation Tax) Code. For taxation periods starting on or after 1 January 2017, local state tax is applied to the part of taxable profit subject to and not exempt from IRC that is in excess of 1 500 thousand Euros, with a rate of 3% up to 7 500 thousand Euros, a rate of 5% up to 35 000 thousand Euros and of 7% if it is higher than the latter amount.

According to the legislation in force, the tax declarations of Nors' companies based in Portugal are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, when tax benefits have been granted, or inspections, claims or other challenges are in progress, in which case, depending on the circumstances, the deadlines are extended or suspended. As such, the tax declarations of Nors' companies since 2016 could still be subject to review. The Board of Directors of Nors believes that any possible corrections resulting from reviews/inspections by the tax authorities on those tax declarations for the years open to inspection should not have a significant effect on the attached consolidated financial statements.

Pursuant to article 88 of the Portuguese Corporation Tax Code, companies based in Portugal are also subject to autonomous taxation on a series of charges at the rates envisaged in the above-mentioned article.

13. inventories

At 31 December 2020 and 2019, this item had the following composition:

inventories	Dec 2020	Dec 2019
Raw materials and consumables	1	20
Products and work in progress	3 490	1 144
Finished and intermediate products	0	0
Goods	240 758	129 045
	244 249	**130 209**
Accumulated impairment losses on Inventories (note 22)	-13 806	-4 274
total	**230 443**	**125 935**

The increase in the item "Inventories", both in gross and net values, is directly linked to the acquisition of Strongco in 2020 (see note 5).

The Cost of goods sold and materials consumed in the years ended 31 December 2020 and 2019 was ascertained as follows:

cogs	Dec 2020	Dec 2019
Initial Inventories	129 065	114 426
Perimeter Variation	128 036	1 342
Rental fleet depreciations	-7 958	
Net Purchases	587 852	634 921
Closing Inventories	240 759	129 065
total	**596 235**	**621 624**

14. customers

At 31 December 2020 and 2019, this item had the following composition:

customers	Dec 2020	Dec 2019
Customers, current account	62 266	55 419
Customers, bills of exchange receivable	1 034	2 429
Customers, doubtful debts	4 117	4 458
	67 416	**62 305**
Accumulated impairment losses on customers (nota 22)	-4 117	-4 458
total	**63 300**	**57 847**

The amounts shown in the statement of financial position are net of accrued impairment losses that were estimated by Nors in accordance with the accounting policy adopted and disclosed, as well as on the assessment of the climate and economic environment at the date of the statement of financial position. Credit risk concentration is limited as the customer base is wide and not inter-related. The Board of Directors believes that the book values of trade accounts receivable is close to their fair value.

To determine the recoverability of the values of trade receivables, the group analyses all changes in the quality of counterparty credit from the date of granting the credit up until the reporting date of the consolidated financial statements. As already mentioned, the group does not have a significant concentration of customer credit risks, given that the risk is diluted over a vast number of customers. We therefore believe that the credit risk does not exceed the recorded impairment losses.

The group uses the simplified approach to calculate and record the estimated credit losses required by IFRS 9, which allows the impairments to be used for estimated losses on all trade balances. In order to measure estimated credit losses, the balances were aggregated based on the shared credit risk characteristics, as well as on the number of overdue days. Impairment losses at 31 December 2020 can be allocated to customers with doubtful debts, corresponding to customers for whom the group has turned to legal support (internal or external) for their recovery.

The amounts of trade balances recorded in assets are not influenced by advances made for acquiring services/goods, which are presented in liabilities in the item "Other accounts payable (customer advances)" and which at 31 December 2020 and 2019, amount to 19 590 thousand Euros and 18 953 thousand Euros, respectively (note 22).

15. current tax assets and liabilities

At 31 December 2020 and 2019, this item can be broken down as follows:

	Dec 2020	Dec 2019
Income tax recoverable	4 755	1 495
Income tax payable	3 852	1 203

16. other accounts receivable

At 31 December 2020 and 2019, this item had the following composition:

	Dec 2020	Dec 2019
Advances to suppliers	2 369	4 925
Value Added Tax	4 716	1 485
Other balances with State and other public entities	2 600	4 042
Bonus receivable	3 170	4 478
Accrued Income	3 942	1 842
Other debtors	7 131	4 277
	23 929	**21 049**
Impairment losses (note 25)	-120	-203
	23 809	**20 846**
current asset	**23 476**	**20 846**
non-current asset	**333**	**-**

The group uses the simplified approach to calculate and record the estimated credit losses required by IFRS 9, which allows the impairments to be used for estimated losses on all trade balances. In order to measure estimated credit losses, the balances were aggregated based on the shared credit risk characteristics, as well as on the number of overdue days. Impairment losses at 31 December 2020 can be allocated to customers with doubtful debts, corresponding to customers for whom the group has turned to legal support (internal or external) for their recovery.

"Other balances with the State and other public bodies" corresponds to tax balances receivable/deductible by Nors entities in the various countries where they operate, other than value added tax and income tax for the year.

17. deferrals

At 31 December 2020 and 2019, this item in Assets had the following composition:

	Dec 2020	Dec 2019
Insurances to be recognized	282	443
Interest to be recognized	13	52
Other expenses to be recognized	4 204	3 683
total	**4 499**	**4 178**

Nors recognises expenses according to their economic specialisation, regardless of their payment. At the end of each period, expenses already paid, but which should only economically affect the following period(s), are deferred in this item.

The balance of other expenses to be recognised relates to deferred invoices awaiting credit notes, sickness allowance and rentals to be recognised.

At 31 December 2020 and 2019, this item can be broken down as follows:

	Dec 2020	Dec 2019
Sales to be recognized	92	19
Other income to be recognized	5 882	2 909
Margin to be recognised - contracts with repurchase agreement	647	621
total	**6 621**	**3 550**

18. cash in hand and at banks

At 31 December 2020 and 2019 the breakdown of cash and cash equivalents was as follows:

	Dec 2020	Dec 2019
Cash	366	280
Bank deposits	49 739	38 849
total	**50 105**	**39 129**

Explanations on the items in the Statement of Cash Flows is summarised in the table below:

item	source of flows
Other receipts/payments	Payments of Withholding Tax
	Payments of Social Security Contributions Withheld
	Valued Added Tax Payments and Receipts
	Receivables from Real estate Rents
	Compensation Claims

Payments in Financial Investments refers to the acquisition of Treasury Bonds in both years. In addition, in 2020 a payment of 27 583 thousand Euros was made related to the acquisition of Strongco Corporation and in 2019 a payment of 800 thousand Euros was made for the acquisition of the shareholding in ASFC, SGPS, SA (see note 5).

Receipts in Financial Divestments refer to Treasury Bonds which matured during the period and to the receipt of 6 900 thousand Euros from the disposal of Dália (see note 5).

In addition, dividends were received from the affiliate Ascendum, SA in the sum of 4 000 thousand Euros.

19. breakdown of share capital and earnings per share

At 31 December 2020, the capital of Nors, S.A, which is fully subscribed and paid up, is 30 million Euros (30,000,000 shares with a nominal value of 1 (one) Euro).

Identification of the corporate entities with more than 20% of the subscribed capital is as follows:

company and registered office	holding	nominal value	percentage of capital
PrimeJervell Holding - consultoria e gestão, S.A. Registered offices: Largo do Terreiro, nº4 4050-603 Porto	18 801 000	1,00€	62,80%
CADENA - S.G.P.S., S.A. Registered offices: Rua Alberto Oliveira, 83	8 700 000	1,00€	29,00%

Earnings per share may be expressed from a "basic earnings" or "diluted earnings" point of view.

Basic earnings per share is calculated by dividing the profits or losses for the year by the weighted average number of ordinary shares in circulation during the period.

Diluted earnings per share is calculated by dividing the profits or losses for the year by the weighted average number of ordinary outstanding shares during the period, adding the number of ordinary shares that can be issued, as a result of converting other instruments issued by the entity.

During the 2020 and 2019 financial years, there was no issue/reduction or amortisation of shares, and so the average number of ordinary outstanding shares during the year was 30,000,000.

There was also no issue or amortisation of any instruments that could be converted into ordinary shares.

There are no shares with special and/or limited rights.

Earnings per share is disclosed below:

	Dec 2020	Dec 2019
Net income for the period	14 884 658	24 349 376
Average number of ordinary shares	30 000 000	30 000 000
basic earnings per share	**0,50**	**0,81**

20. equity

Dividends

In accordance with the decision at the General Partners Assembly, this year dividends were paid through the distribution of free reserves in the total amount of 6 000 thousand Euros.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net income of each company, ascertained in their individual accounts, must be used to reinforce the legal reserve until the latter represents at least 20% of the share capital. This reserve is not distributable unless the company is liquidated, but it may be used to absorb losses after other reserves are depleted or incorporated into capital.
The sum shown in the Financial Position corresponds to the Legal Reserve of Nors, S.A.

Revaluation surpluses

Revaluation surpluses refer to the amount in the tangible fixed asset revaluation reserve, net of deferred tax, effective as of the date of transitioning to IFRS.

Fair value reserves

Fair value reserves reflect the hedge accounting of the variation in market value of the hedging instrument.

Adjustments to financial assets

Adjustment to financial assets covers variations from applying the equity method to the company's affiliates. This reserve cannot be distributed to the partners.

Retained earnings and other reserves

This items includes conversion reserves that reflect the foreign exchange variations that occurred when transposing the subsidiaries' financial statements in a currency other than the Euro. Reserves available for distribution to the partners are ascertained based on the Individual Financial Statements of Nors, S.A..

21. non-controlling interests

Movement in the item in the years ended 31 December 2020 and 2019 was as follows:

non-controlling interests	Dec 2020	Dec 2019
opening balance at 1 January	**16 577**	**16 237**
Income for the year attributable to non-controlling interests	139	942
Dividends distributed	0	-896
Impact of exchange rate variations	-1 478	304
Other changes in equity in associated companies	-168	-9
closing balance at 31 December	**15 071**	**16 577**

Information on the affiliates that contribute to Non-Controlling Interests can be found in note 4.

22. provisions and accrued impairment losses

22.1 accrued impairment losses

Movements that took place in "Accrued impairment losses" during the years ended 31 December 2020 and 2019 were as follows:

	Dec 2020			Dec 2019		
	customers	other debtors	inventories	customers	other debtors	inventories
opening balance	**4 458**	**203**	**4 274**	**6 604**	**93**	**5 397**
Translation differences	-271	-16	-478	73	18	61
Changes in perimeter	2 562	0	7 341			
Increases	1 260	53	4 973	964	9	2 119
Reversals	-1 105	-74	-1 217	-1 554	0	-1 541
Uses/adjustments	-2 788	-47	-1 086	-1 629	83	-1 762
end balance	**4 117**	**120**	**13 806**	**4 458**	**203**	**4 274**

22.2 provisions

At 31 December 2020 and 2019, the item "Provisions" can be broken down as follows:

	Dec 2020	Dec 2019
Taxes	9	14
Guarantees to customers	254	957
Ongoing legal proceedings	1 355	3 779
Post-employment benefits	686	0
Pension plans with defined benefits	8 071	0
Other provisions	133	201
total	**10 507**	**4 951**

The movement that took place in "Provisions" during the years ended 31 December 2020 and 2019 was the following:

	Dec 2020	Dec 2019
opening balance	**4 951**	**4 399**
Translation differences	-1 190	-77
Changes in perimeter	7 733	
Increases	-206	3 886
Reversals	-42	-530
Equity change	955	
Uses/adjustments	-1 694	-272
Equity method		-2 454
end balance	**10 507**	**4 951**

Given the unpredictability at the time of reversing provisions and given their intended nature, Nors has not financially updated them.

Each type of provision takes into consideration:

a) Provisions for Taxes

Provisions for Taxes refers to provisions set up to cover additional tax settlements arising from tax contingencies.

b) Provisions for Customer Guarantees

In the item "Provisions for Customer Guarantees", Nors discloses the best estimates of the current obligations with uncertain timing, related to guarantees provided to customers, arising from the normal course of business.

c) Lawsuits in Progress

The item "Lawsuits in Progress", also discloses the best estimates of the overall amount of outflows that might take place in the future, arising from proceedings initiated in court by third parties.

d) Post-employment benefits and Defined benefit pension funds

The item "Employee retirement benefits" includes post-employment benefits acquired by former employees of Strongco, where such benefits are unfunded liabilities.

The item “Defined benefit pension funds” includes post-employment benefits acquired by current and former employees of Strongco, where such benefits are funded liabilities, but whose value is insufficient to meet the projected future liabilities.

These provisions are exclusively associated with the entities of the group in Canada and the following information should be read taking that into consideration.

It is broken down as follows:

	Dec 2020
Retiring Allowance	10
Post-retirement Benefits	675
post-employment benefits	**686**
Employee plan	7 911
Executive plan	161
pension plans with defined benefits	**8 071**
total	**8 757**

Employee retirement benefits correspond to 3 retired beneficiaries, and these are linked to benefits with healthcare and dental plans which are unfunded liabilities.

The employee pension fund has benefits attributable to current and former employees, among whom only 30 employees are still adding benefit. Prior to its acquisition by the Nors group, Strongco transferred the majority of its employees participating in the defined benefit pension plan to a closed defined contribution plan with effect as of 1 January 2019. The employees maintained their rights to the pension benefits they had earned up until 31 December 2018.

The executive pension fund currently has 6 beneficiaries already in retirement.

The movements that took place were:

	Dec 2020
opening balance	**0**
Translation differences	-143
Variação de perímetro	7 733
Reinforcements net of payments	212
Equity change	955
end balance	**8 757**

The current position of each defined benefit pension fund is as follows:

	Dec 2020	
	employee plan	**executive plan**
Fair value of plan assets	31 397	695
Present value of funded obligations	39 308	856
funded status of plan	**-7 911**	**-161**
accrued benefit liability	**7 911**	**161**

The risks associated with these plans are similar to those typical of benefit plans, including market risk, interest rate risk, liquidity risk, credit risk, longevity risk, etc. There are no significant risks associated with these plans that might be considered unusual or require special disclosure.

The investment structure of the assets of the plan at 31 December 2020 is the following:

	Dec 2020	
	employee plan	executive plan
Canadian equity	7,7%	6,6%
Non-domestic equity	33,4%	28,8%
Bonds	47,8%	52,4%
REITs/infrasturture/utilities	10,3%	8,8%
Mortgages	0,0%	0,0%
Cash and Money market	0,8%	3,4%
total	**100,0%**	**100,0%**

The group measures its accumulated benefit liabilities and the fair value of the assets of the plan for accounting purposes at 31 December of each year. For the employee pension plan, the most recent actuarial evaluation for regulatory reporting purposes was carried out on 31 December 2017 and the next evaluation must be carried out based on the position at 31 December 2020, to be submitted during 2021. For the executive pension plan, the most recent actuarial evaluation for financing purposes purposes was carried out on 31 December 2017 and the next evaluation must be carried out based on the position at 31 December 2020, to be submitted during 2021.

The main actuarial assumptions used are the following:

	Dec 2020	
	employee plan	executive plan
discount rate	**2,6%**	**2,0%**
average life expectancy:		
Male aged 45	40,5	
Female aged 45	43,8	
Male aged 65	21,8	21,8
Female aged 65	24,2	24,2
duration of plan in years	**16,5**	**6,7**

The sensitivity of the main assumption of the current value of future liabilities is the following:

employee plan	Valuation assumption	1p.p. change	impact on provisions
Discount rate increase	2,6%	3,6%	-5 843
Discount rate decrease	2,6%	1,6%	7 590
Salary growth rate	2,6%	3,9%	38

executive plan	Valuation assumption	1p.p. change	impact on provisions
Discount rate increase	2,0%	3,0%	-53
Discount rate decrease	2,0%	1,0%	60

e) Other Provisions

In Other Provisions, a full set of estimates of other present obligations with uncertain timing are disclosed, which are not included in the two other categories indicated above.

23. loans obtained

At 31 December 2020 and 2019, the item "Loans Obtained" is broken down as follows:

	Dec 2020			Dec 2019		
funding obtained	**current**	**non-current**	**total**	**current**	**non-current**	**total**
Commercial Paper	0	62 500	62 500	0	85 000	85 000
Secured current accounts	3 198	0	3 198	13 705	0	13 705
Bank Loan	5 904	38 030	43 933	15 077	30 921	45 998
Bank Overdrafts	0	25 000	25 000	0	0	0
Commercial Credit Lines	86	0	86	4 890	0	4 890
Financial Leases	73 136	0	73 136	9 836	0	9 836
Floor Plan	112	235	346	187	343	530
Investment subsidies	0	0	0	0	0	0
total	**82 436**	**125 764**	**208 200**	**43 694**	**116 264**	**159 958**

The movements that took place in the item "Loans obtained" are explained as follows:

	2020	2019
opening balance at 1 January	**159 958**	**176 722**
Perimeter variation	95 678	0
Exchange effect	-1 085	189
Receipts for financing obtained	193 188	116 289
Payment for financing obtained	-239 539	-133 242
closing balance at 31 December	**208 200**	**159 958**

The debenture loan has the following conditions:
- Amount: 25 million Euros
- Date of the contract and subscription: 12 March 2020
- Coupon: Euribor 6 months + spread
- Date of Maturity: 12 April 2024

At 31 December 2020, the maturity of non-current loans obtained is the following:

	2022	2023	2024+
Commercial Paper	10 000	0	52 500
Bank Loan	6 798	28 708	2 523
Bond Loan	12 500	12 500	0
Financial Leases	210	13	12
total	**29 508**	**41 221**	**55 035**

At 31 December 2020, Nors had 508 574 thousand Euros available in credit lines allocated as follows:

	hired credit limit	available credit limit
Commercial Paper	189 500	127 000
Secured Current Accounts	33 012	29 813
Bank Loan	43 933	0
Bond Loan	25 000	0
Bank Overdrafts	10 476	10 390
Commercial Credit Lines	206 307	133 171
Financial Leases	346	0
total	**508 574**	**300 374**

24. suppliers

At 31 December 2020 and 2019, this item was composed of current supplier balances payable, which are all due in the short term.

On these dates, the aggregate balance of the item suppliers was not affected by payment plans that incorporated interest payment and so the financial risk related to changes in interest rates here is residual.

Advances to suppliers are presented in Assets, in the item "Other accounts receivable" (see note 16).

25. other accounts payable

At 31 December 2020 and 2019 this item had the following composition:

current	Dec 2020	Dec 2019
Advances from Customers	19 590	18 953
Withholding of Income Taxes	712	719
Value Added Tax	10 966	7 498
Contributions to Social Security	1 174	1 213
Other balances with State and other public entities	1 567	1 099
Investment Providers	259	486
Remunerations and Expenses	9 425	10 332
Accrued Interest Expenses	658	533
Accrued Bonus Expenses	1 165	1 691
Operating Costs Payable	374	1 197
Other Creditors due to Additional Expenses	12 165	5 676
Other Creditors	16 529	12 032
total	**74 586**	**61 429**

The increase in this item is directly related to the entry of Strongco into the Nors group's consolidation perimeter (see note 5)

26. derivative financial instruments

The Board of Directors regularly assesses Nors' degree of exposure to various risks inherent to the activity of the different companies, namely price risk, interest rate risk and exchange rate risk.

As at 31 December 2020 and 2019, the degree of exposure to the risk of variation in interest rate was considered low, taking into account that a significant part of the bank liabilities is represented by medium/long-term credit lines, with previously agreed financing terms.

In view of the historically low reference interest rates, during 2014 a decision was made to take out a "Plain Vanilla" type "Floating to fixed rate swap" which swaps the Euribor 1m floating rate for a fixed rate. During the course of 2019, the contract matured, the conditions of which were:

type	operation date	start	maturity date	nominal value
Swap Fixed Rate - Plain Vanilla	13/06/2014	17/06/2014	17/06/2019	30 000

This instrument was accounted for using hedge accounting, the necessary efficacy tests having been performed, which proved that the hedge was effective.

On the other hand, and although an increasingly large part of the Consolidated Financial Position is now subject to the impacts of variable exchange rates (Euro/US Dollar, Euro/Real and Euro/Canadian Dollar), the degree of exposure was considered to be controlled by the natural hedging policy followed using bank loans taken out in these currencies, especially the US Dollar. Consequently, as at 31 December 2020 and 2019, Nors had not negotiated any kind of foreign exchange derivative for these currencies.

Nevertheless, with the objective of hedging the Kwanza/US Dollar risk in its operations in Angola, the group took out a "Non-Deliverable Forward" type contract, with the following characteristics:

type	start	maturity date	nominal value	market value Dec 2020
NDF - AKZ/USD	13/07/2020	19/01/21	5,000 thousands USD	17

This instrument was accounted for as hedging, having generated the recognition of 564 thousand Euros in financial expenses in 2020, recognised in the item "Income from financial activity", enabling gains to be recognised (hedging equivalent losses) of 547 thousand Euros in the item "Net foreign exchange differences".

Nevertheless, the most recent changes in the capital market and the higher degree of exposure of Nors' Consolidated Financial Position to foreign exchange variations in the above-mentioned currencies or others, may lead the Board of Directors of Nors to introduce, in the short term, in its risk management, further derivative financial instruments that are duly adjusted to the type of respective risks.

27. sales and services provided

In the years ended 31 December 2020 and 2019, the breakdown of sales and services provided by business area was as follows:

sales by business area	2020	2019
NORS **MOBILITY**	498 367	648 435
NORS **OFF-ROAD**	207 436	41 829
NORS **AFTERMARKET**	60 642	75 209
NORS **VENTURES**	14 861	17 253
total	**781 305**	**782 726**

In addition, the distribution of sales and services provided by geographical market is as follows:

sales by region	2020	2019
Portugal	276 012	337 314
Angola	64 322	62 861
Brazil	230 841	344 490
Canada	180 484	0
Spain	8 835	11 202
Others	20 811	26 859
total	**781 305**	**782 726**

28. external supplies and services

At 31 December 2020 and 2019, the item "External supplies and services" has the following composition:

	2020	2019
Subcontracts/Specialized Work	17 729	14 808
Fast wearing tools and utensils	1 155	463
Advertising and Promotion	662	1 040
Surveillance and Security	1 437	1 757
Maintenance and Repairs	3 619	2 284
Cleanliness, hygiene and comfort	1 632	1 492
Electricity and Fuel	2 443	2 838
Travel and Accommodation	2 496	2 557
Leases and Rents	936	2 224
Insurance	1 668	1 178
Guarantees	4 890	5 014
Contracts	1 294	836
Transport	4 085	4 242
Communications	1 543	1 105
Other External Supplies and Services	3 300	5 011
total	**48 888**	**46 850**

The main variations seen correspond to the increase in business and to adjusting Nors' available resources for the predicted growth cycle.

The amounts in "Rentals and leases" correspond to the expenses with short-term rental contracts (less than 12 months) and/or whose underlying asset value is considered to below.

29. staff costs

Staff costs in the years ended 31 December 2020 and 2019 are broken down as follows:

	2020	2019
Remuneration of Corporate Bodies	1 853	2 118
Staff Remuneration	55 378	47 234
Compensation	1 323	1 370
Charges on Remuneration	10 314	10 959
Other Staff Costs	5 891	5 407
total	**74 758**	**67 088**

At 31 December 2020 and 2019, the number of staff in Nors' service was the following:

	Dec 2020	Dec 2019
Number of Employees	2 586	2 213
total	**2 586**	**2 213**

Remuneration of the members of Nors' governing bodies in the years 2020 and 2019 was as follows:

	2020	2019
Nors, S.A.	1 844	2 112
Auto Sueco (Angola)	9	6
total	**1 853**	**2 118**

30. other income and gains/other expenses and losses

At 31 December 2020 and 2019, the items "Other income and gains" and "Other expenses and losses" has the following composition:

other income and gains	2020	2019
Cash Discounts	49	26
Capital Gains on Disposal of property, plant and equipment and Investment properties	1 077	2 866
Surplus tax estimate	855	0
Interest received from operating activities	135	35
Recoveries of costs and concessions	3 024	1 371
Rents and other income on investment properties	826	937
Income under Guarantees	1 172	1 485
Other supplementary income	138	139
Remainder and other regularization of inventories	955	1 730
Others	3 258	2 017
total	**11 491**	**10 605**

other costs and losses	2020	2019
Cash discounts granted	-264	-259
Tax	-3 608	-2 624
Inventory Losses	-2 069	-1 889
Corrections in relation to previous financial years	-124	-124
Gifts and inventory samples	-156	-187
Interested paid on operating activities	-89	-35
Losses on sales of tangible fixed assets	-3	-156
Other expenses on funding activities	-2 225	-1 040
Donations	-178	-91
Other	-3 055	-2 274
total	**-11 770**	**-8 678**

The increase in these items is directly related to the entry of Strongco in the Nors group's consolidation perimeter (see note 5)

31. income from financing

At 31 December 2020 and 2019, this item had the following composition:

	2020	2019
Interest and similar income obtained	3 473	3 868
Interest in bank loans - Commercial Paper	-1 481	-1 532
Loan interests on bonds	-256	0
Interest on bank loans - Other	-6 085	-5 748
Interest on Financial Leases	-30	-43
Interest on operating leases - Repurchase agreements	-291	-217
Interest on operating lease - Leases under IFRS 16	-4 650	-2 543
Investment income tax	-496	-757
Other interest and similar expenses	-3 935	-3 179
total	**-13 751**	**-10 151**

The increase in these items is directly related to the entry of Strongco in the Nors group's consolidation perimeter (see note 5)

32. income tax

Income tax recognised in the years ended 31 December 2020 and 2019 is broken down as follows:

	Dec 2020	Dec 2019
Current Tax	-7 238	-8 244
Deferred Tax	-970	828
	-8 208	**-7 416**

The breakdown of Deferred Taxes can be found in note 12.

At 31 December 2020 and 2019, the tax rates used to ascertain current and deferred taxes were the following:

country of origin of branch	Dec 2020	Dec 2019
Portugal	21%-24,5%	21%-24,5%
Angola	25%	30%
Brazil	34%	34%
Spain	25%-30%	25%-30%
Canada	25%-30%	25%-30%
France	33,3%	33,3%
Namibia	34%	34%
Botswana	22%	22%
Mozambique	32%	32%

The effective tax rate by country is:

country	Portugal	Spain	Angola	Brazil	Canada	Africa	total
Positive Income before Tax	19 405	3	93	14 511	7 357	0	41 369
Tax for financial year	-4 874	0	-306	-4 891	87	0	-9 984
Effective tax rate	25%	0%	329%	34%	-1%	0%	24%
Negative Income before Tax	-12 781	-2 506	-1 961	0	-6	-1 023	-18 277
Tax for financial year	618	-1	1 101	0	0	57	1 776
Effective tax rate	5%	0%	56%	0%	0%	6%	10%
Income before Tax	**6 624**	**-2 504**	**-1 868**	**14 511**	**7 351**	**-1 023**	**23 092**
Tax for financial year	**-4 256**	**-1**	**795**	**-4 891**	**87**	**57**	**-8 208**
Effective tax rate	**64%**	**0%**	**43%**	**34%**	**-1%**	**6%**	**36%**

33. . financial assets and liabilities

At 31 December 2020, the financial assets and liabilities are broken down as follows:

financial assets	valuation method	book value
Debt Instruments	Amortized cost	10 037
Other Accounts Receivable	Amortized cost	19 867
Customers	Amortized cost	63 300
Cash and Bank Deposits	Amortized cost	50 105
		143 308

financial liabilities	valuation method	book value
Financing Obtained	Amortized cost	208 200
Liabilities by Operating Lease	Amortized cost	86 549
Others Accounts Payable	Amortized cost	50 797
Suppliers	Amortized cost	154 164
		499 711

Only Financial Assets - Customers and Other accounts receivable - show impairment losses, as set out in Notes 14, 16 and 22.

Gains and losses in financial assets and liabilities in 2020 and 2019 were the following:

	gains/(losses)	
gains and losses	2020	2019
Accounts Receivable	-135	581
Assets available for sale	0	0
Other assets at amortized cost	0	0
Cash and bank deposits	0	0
	-135	581

Interest and similar expenses from financial assets in 2020 and 2019 were the following:

	gains/(losses)	
gains and losses	2020	2019
Accounts Receivable	3 608	3 903
Liabilities at amortized cost	-17 312	-14 054
	-13 704	-10 151

Foreign exchange differences on financial assets and liabilities in 2020 and 2019 were the following:

	gains/(losses)	
exchange differences	2020	2019
Foreign exchange rate gains	14 623	21 894
Foreign exchange rate losses	-15 127	-20 006
	-504	1 888

34. related entities

The balances and transactions between Nors and its subsidiaries, which are related entities of Nors, were eliminated from the consolidation process, and will therefore not be disclosed in this Note.

a) Transactions

The breakdown of transactions between Nors and related entities, can be summarised as follows:

sales of products and services	2020	2019
Ascendum Group	17 425	18 725
	17 425	18 725

purchases of products and services	2020	2019
Ascendum Group	0	-2 564
	0	-2 564

other income and gains	2020	2019
Ascendum Group	322	1 802
Bonusavailable	98	0
Nortesaga Investimentos SGPS Lda	12	12
	432	1 814

interest and similar income obtained	2020	2019
Nortesaga Investimentos SGPS Lda	2	1
	2	1

In addition, as mentioned in note 5, the sale of Dalia - Gestão e Serviços, S.A for 6,900 thousand Euros, was made to an entity 100% owned by Nortesaga Investimentos SGPS, Lda.

The purchase and sale of goods and services provided to related entities were carried out at market prices.

b) Balances

The breakdown of transactions between Nors and related entities can be summarised as follows:

customers	Dec 2020	Dec 2019
Ascendum Group	1 616	1 649
Bonusavailable	8	0
Nortesaga Investimentos SGPS Lda	4	5
	1 627	**1 654**

suppliers	Dec 2020	Dec 2019
Ascendum Group	629	457
	629	**457**

other accounts receivable	Dec 2020	Dec. 2019
Ascendum Group	5	2
Bonusavailable	87	0
	92	**2**

other accounts receivable	Dec 2020	Dec 2019
Nortesaga Investimentos SGPS Lda	251	0
	251	**0**

other accounts payable	Dec 2020	Dec 2019
Ascendum Group	6	6
	6	**6**

35. contingent assets and liabilities

The company has contingent liabilities regarding bank guarantees and another kind, and other contingencies related to its business. This is the summary of the guarantees:

	2020				
company	guarantees provided to banking entities	guarantees provided to importers of represented brands	guarantees provided in public tenders	other guarantees	total
Nors, S.A.	4 430	1 100	1 809		7 338
Auto Sueco Portugal, S.A.			912		912
Auto Sueco II Automóveis, S.A.		8 430			8 430
Galius, S.A.			165		165
Sotkon Portugal			838		838
Sotkon Espanha			61		61
total	**4 430**	**9 530**	**3 785**	**0**	**17 744**

company	2019 guarantees provided to banking entities	guarantees provided to importers of represented brands	guarantees provided in public tenders	other guarantees	total
Nors, S.A.	4 430	2 000	1 247		7 677
Auto Sueco Portugal, S.A.			1 290	73	1 363
Auto Sueco II Automóveis, S.A.		7 700			7 700
Civiparts España				250	250
Galius, S.A.			30		30
Newonedrive			15		15
total	**4 430**	**9 700**	**2 582**	**323**	**17 035**

Bank Guarantees refer essentially to guarantees provided to public bodies within the scope of tenders and also guarantees to customers and suppliers within the scope of Nors' operations.

36. financial commitments undertaken and not included in the consolidated statement of financial position

At 31 December 2020 and 2019, Nors had not undertaken any significant financial commitments that are not included in the consolidated statement of financial position.

37. remuneration of the statutory auditor

In the 2020 and 2019 financial years, the fees paid to the firms of statutory auditors in the various countries in which Nors is present is related to the companies included in the consolidation using the full method, and is as follows:

fees	2020	2019
total	**606**	**465**

38. information on the environment

Nors adopts the necessary measures regarding the environment, with the aim of complying with the legislation in force. The Board of Directors of Nors does not estimate that there are any risks related to environmental protection and improvement, and received no administrative infractions related to this subject during the 2020 financial year.

39. subsequent events

There were no relevant facts after the closure of the accounts.

40. approval of the financial statements

These financial statements were approved by the Board of Directors on 23 March 2021. In addition, the attached financial statements at 31 December 2020 are pending approval by the General Shareholders Assembly. However, the Board of Directors of Nors believes they will be approved without any amendments.

Porto, 23rd March 2021

Tomás Jervell
Álvaro Nascimento
Álvaro Neto
Artur Santos Silva
Francisco Jervell
Francisco Ramos
Jorge Nieto Guimarães
José Jensen Leite Faria
José Manuel Bessa Leite de Faria
Júlio Rodrigues
Luís Jervell
Paulo Jervell
Rui Miranda

6.3. statutory auditor's report

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Statutory Audit Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of NORS, S.A. (the Group), which comprise the consolidated statement of financial position as at December 31, 2020 (which shows total assets of Euros 723.748 thousands and total shareholders' equity of Euros 184.594 thousands including a net profit of Euros 14.745 thousands), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of NORS, S.A. as at December 31, 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the consolidated Directors' report in accordance with the applicable law and regulations;

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Matriculada na CRC sob o NUPC 506 628 752, Capital Social Euros 314.000
Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion; and

g) communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes verifying that the information included in the [consolidated] Directors' report is consistent with the consolidated financial statements.

Report on other legal and regulatory requirements

Consolidated Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

March 31, 2021

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, R.O.C.

driving trust throught long-lasting relationships

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