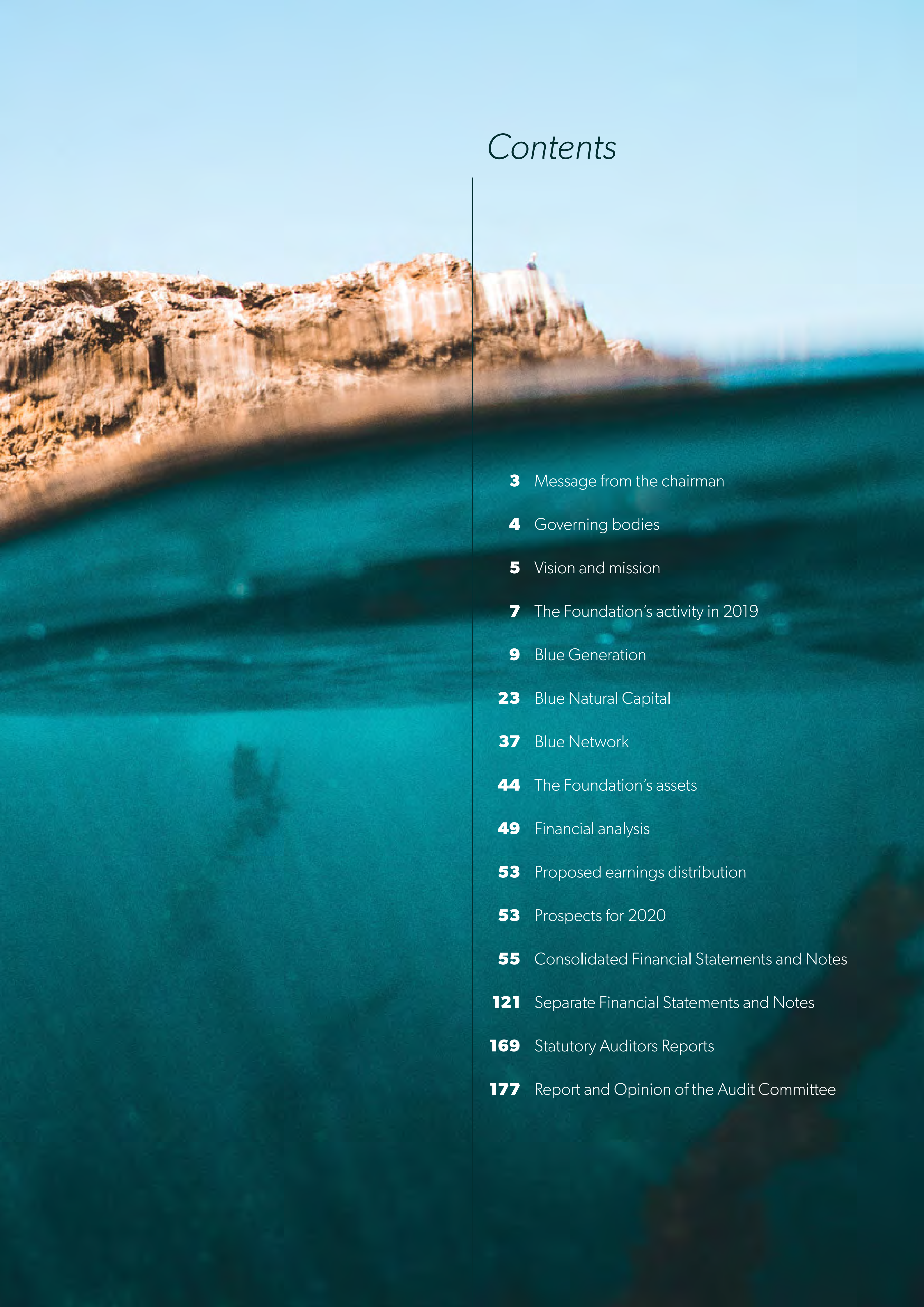
ANNUAL REPORT
OCEANO AZUL FOUNDATION
2019

OCEANO AZUL
foundation

Restoring the ocean is essential to humanity's survival



Contents

Message from the chairman

As I write this message, already in 2020, and in the midst of the pandemic caused by the COVID-19 disease, 2019 seems very distant.

The world had to slow down. Countries were forced to review their priorities. The common action took strength. Never before has it been so clear that the future of human existence depends on the sustainability of the planet. Investing in nature, in the ocean, could seem too large a challenge for many, but today, we know that it is absolutely necessary.

The ocean crisis started to gain concrete and real contours, becoming more visible, already in 2019, with increasing concern from civil society and policy makers. Communities have been gaining awareness of efforts in conservation and ocean restoration and are, therefore, more attentive to this theme.

In 2019, the Foundation's activities gained greater notoriety. It was a year in which the Oceano Azul Foundation continued to work actively to promote ocean sustainability, consolidating its Action Plan and positioning itself internationally.

If, in 2018, the Foundation adopted its first Action Plan, in 2019 there was a natural pursuit of that plan and the development of its programmes, with minor exceptions. The Foundation continued to develop its Programmes around its three main axes of action: Blue Generation, Blue Natural Capital and Blue Network. Little by little, we have solidly built an unparalleled institution in Southern Europe.

Furthermore, the Blue Azores Programme became public with the commitment made by the Regional Government of the Azores in 2019 to dedicate 15% of the maritime area under its jurisdiction to new marine protected areas.

In 2019, the germination of the seeds launched in 2018 was consolidated, while the skills of the Foundation's team were deepened, complementing it with a new framework, responsible for managing Save the Future, a programme that also marks the beginning of the Foundation's work on the issue of ocean cleaning in Portugal.

Regarding the Blue Network, an international coalition was created with some of the main foundations and organizations dedicated to nature conservation which, in 2019, adopted the RISE UP - Blue Call to Action - a wake-up call to the actions that should be taken by policy makers. This was to begin with the United Nations Ocean Conference that was to be held in Lisbon, in June 2020, but which had to be postponed due to COVID-19 contingencies. In any case, this initiative helped the Foundation position itself at an international level and gain credibility, far beyond what could be expected for a Foundation that has not yet been in operation for three years.

Finally, the Foundation has been consolidating its pilot project Educating a Blue Generation, developing a collaboration with school districts across six municipalities in mainland Portugal and the Azores. In 2019, in addition to extending the training of teachers from the first cycle of education - having already reached 15 000 children in the schools of those municipalities - we also started the evaluation of the pilot programme.

2020 is already a crucial year for the international community to adopt measures related to climate change, to safeguarding biodiversity and to ocean sustainability. The Foundation is contributing to make sure these are the measures necessary for our planet and life.

It is absolutely essential to recover the role of science in guiding our initiatives of planet conservation and protection. We are increasing our efforts to mobilise civil society at an international scale and, in tandem, drive Portugal and other countries in the world to act. There is no time to waste. Both the planet and humanity will benefit a lot from what would be achieved.

José Soares dos Santos

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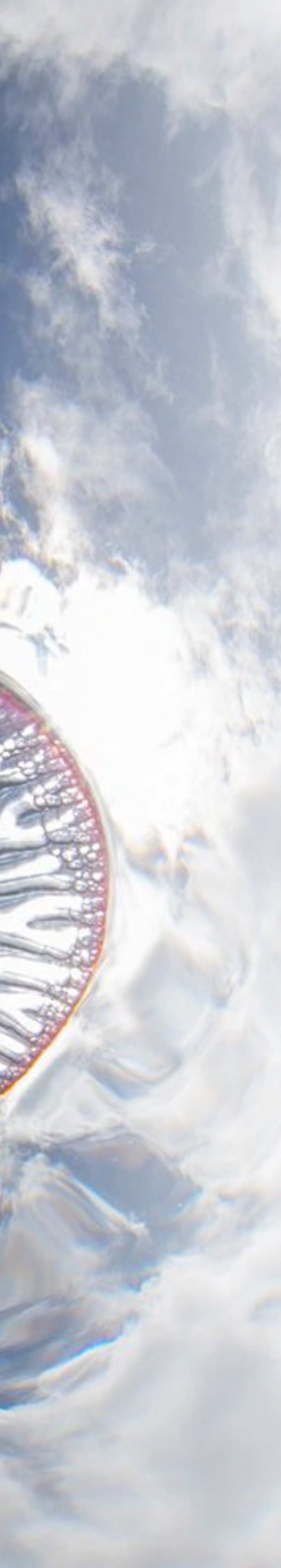
Vision

A healthy ocean is essential to the development of humanity.

Mission

Contribute to a healthy and productive ocean, for the benefit of our planet.



The Foundation's activity in 2019

The ocean's sustainability is now under serious threat.

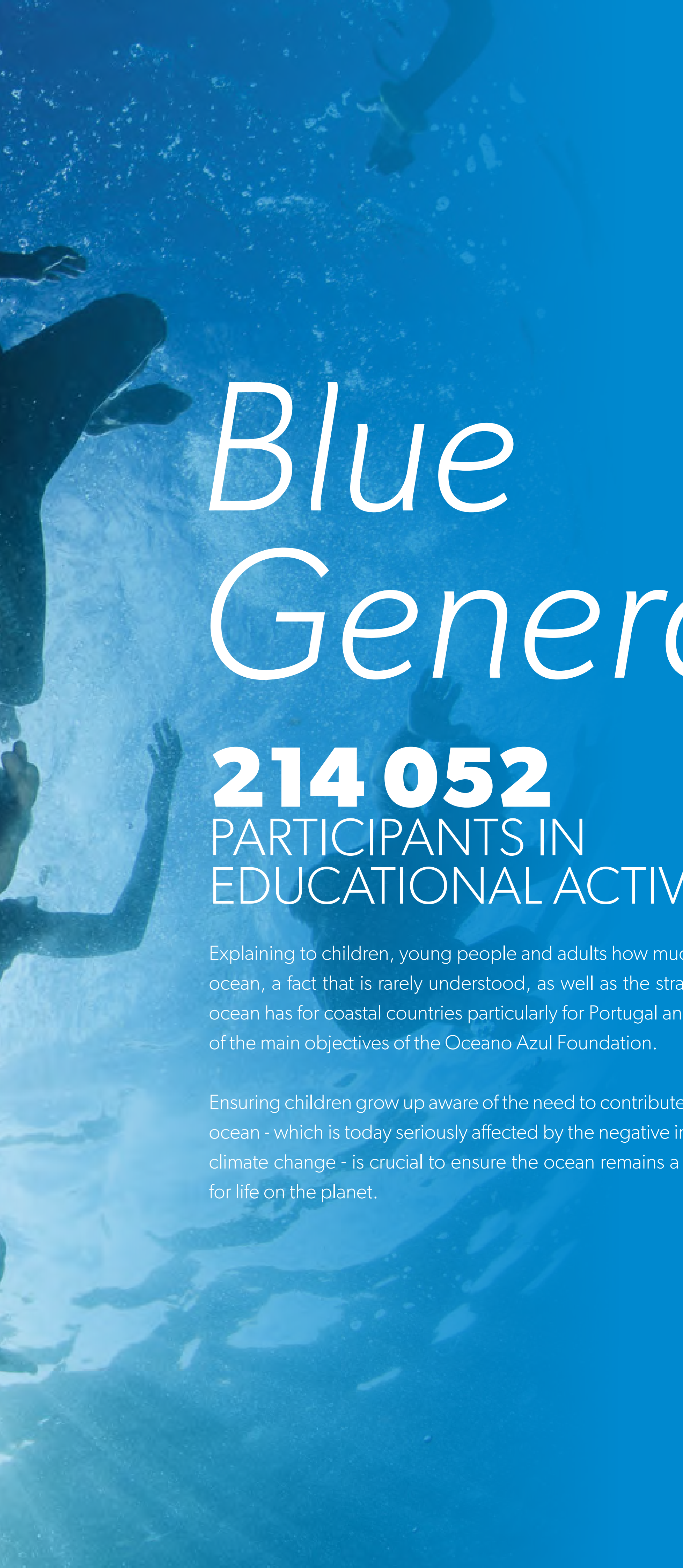
The ocean is being depleted with the disappearance of corals, and through overfishing through overfishing, which reduces the biomass it generates. But chemical changes are also underway, with acidification resulting from increased CO_2 absorbed in the seawater. It even starts to contain less oxygen due to global warming and increase eutrophication caused by excess nutrients originated from agriculture and urban sewage systems.

It is not enough to preserve what is left because what is left will not be enough to maintain the balance of the great oceanic system. It is imperative to restore marine ecosystems and this objective will require bold measures, which everyone have postponed.

Procrastination is making the need for change increasingly drastic. In view of what is at stake, it is crucial to mobilise everyone and demand action.

In view of this situation, in 2019 the Foundation increased the intensity and severity of its public discourse, supported by the latest scientific developments, and strengthened its leadership by example, striving to continue developing marine protected areas. The Foundation also extended the call for attention and awareness to various levels of society, and sought to mobilise society to pressure policy makers to act. With the consolidation of its educational programme in 2019, the Foundation showed its willingness to bring this awareness to the younger generation and thus contribute to a new generation that is more connected to the ocean. In other words, a more blue generation.

Let us look at the programmes executed by the Foundation during 2019.



Blue Generation

214 052
PARTICIPANTS IN EDUCATIONAL ACTIVITIES

Explaining to children, young people and adults how much humans depend on the ocean, a fact that is rarely understood, as well as the strategic importance that the ocean has for coastal countries particularly for Portugal and for its inhabitants, is one of the main objectives of the Oceano Azul Foundation.

Ensuring children grow up aware of the need to contribute to the conservation of the ocean - which is today seriously affected by the negative impacts of exploitation and climate change - is crucial to ensure the ocean remains a functional support system for life on the planet.

Blue Generation

EDUCATING A BLUE GENERATION

"Educating a Blue Generation" is a long-term pilot programme developed by the Oceano Azul Foundation and Oceanário de Lisboa, in partnership with the Directorate-General for Education, which aims to transform the next generations of Portuguese citizens into the most committed European citizens regarding ocean sustainability and conservation.

This unprecedented programme is based on certified training and regular follow-up for teachers in the 1st cycle of primary education, the main agents of change, so that they can make children between the ages of 6 and 10 aware of the ocean. It also includes the first textbook on the ocean, as well as educational activities for students. Aimed at teachers, the "Educating a Blue Generation" manual prepared by the Oceano Azul Foundation and Oceanário de Lisboa, with the support and validation of the Directorate-General for Education, addresses the subject in more depth within an education setting, through an interdisciplinary approach covering subjects such as literature, ecology, law, strategy, geography, economics, history, physics and chemistry, and addresses student's questions, such as: "What is the ocean like?", "Why is the ocean important?", "How much is the ocean worth?", "How did the ocean influenced humanity?", "Who owns the ocean?", "Why is Portugal's ocean special?", "How is the ocean protected?" and "What is there to discover in the ocean?".

In 2019 the project was extended with the training of 699 new teachers from 155 schools, reaching more 12 781 students. Additionally, follow-up initiatives were held for teachers who received training in 2018.

This pilot project, started in 2018, is thus being implemented at almost all basic education schools in the municipalities of Mafra, Nazaré, Peniche, Moura and Silves, at 44 schools in Cascais and 64 in the Azores, having already reached a total of 16 781 students, the first of the Blue Generation.

oceano
educating a **blue generation**

173
SCHOOLS

880
TEACHERS TRAINED IN OCEAN LITERACY

16 781
STUDENTS INVOLVED

Partners Directorate-General for Education, the Municipalities of Mafra, Cascais, Peniche, Nazaré, Moura and Silves, the corresponding school districts, the Training Centres of: Rómulo de Carvalho School Association, the Municipality of Cascais, Centro-Oeste, the municipalities of Alcobaça and Nazaré, Margens do Guadiana, Albufeira, Lagoa and Silves, and the Regional Government of the Azores.

Blue Generation

SUPPORT FOR THE PRACTICE OF SCHOOL WATERSPORTS

With the objective of making the new generation closer to the sea and inspiring them to become more active citizens in the conservation and sustainability of the ocean, new water sports equipment was delivered to the National School Sport Network to encourage the practice and learning of water sports at the Sports Training Centres associated with national public schools. In addition to previously donated Laser Bahia boats, 21 new equipments were delivered, including boats for the practice of adapted sailing and Stand Up Paddle boards, at the official protocol signing ceremony attended by the ministers of Education and the Sea, the Secretary of State for Youth and Sport and the Director General of Education, along with young students from Sports Training Centres in various municipalities. These equipments, aimed at encouraging increased practice of water sports and raising the awareness of young people regarding responsible attitudes towards the ocean, were assigned to 19 Sports Training Centres, attended by over 20 000 students in basic and secondary education, and located in 17 municipalities, from the north to the south of Portugal.

21 NEW EQUIPMENTS DELIVERED TO SPORTS TRAINING CENTRES

Partners Directorate-General for Education, National School Sport Network, Sports Training Centres of the School Districts of Monserrate (Viana do Castelo), Frei João (Vila do Conde), Professor Óscar Lopes (Matosinhos), Beira Douro (Gondomar), Gafanha da Nazaré (Ílhavo), Coimbra Oeste, Nazaré, D. Luís de Ataíde (Peniche), Peniche Secondary School, School Associations of Mafra, Portela e Moscavide, Caparica, Michel Giacometti (Sesimbra), Sebastião da Gama (Setúbal), Sines, Gil Eanes Júlio Dantas (Lagos), D. Manuel I (Tavira) and Vila Real de Santo António

Oceanário de Lisboa

Blue Generation

EDUCATIONAL ACTIVITIES AT OCEANÁRIO DE LISBOA

73 246 PARTICIPANTS

SCHOOL PROGRAMMES

PRESCHOOL

1ST CYCLE

2ND CYCLE

3RD CYCLE

SECONDARY

Short-term initiatives aimed at raising awareness and increasing knowledge about the ocean are developed under the Educational Programme of Oceanário de Lisboa. Based on a vast plan of very dynamic educational activities, the programme has over 40 initiatives in different approaches and formats, adapted to the target audience, level of education and content.

UNDERWATER HOLIDAYS

BABY CONCERT

BIRTHDAY PARTIES

SLEEPING WITH SHARKS

Blue Generation

FREE EDUCATIONAL ACTIVITIES BY OCEANÁRIO DE LISBOA

140 806 PARTICIPANTS

LEADERS FOR OCEAN SUSTAINABILITY INSPIRE YOUNG PEOPLE TO BE PROACTIVE TOWARDS THE SEA

12 670 3RD CYCLE AND SECONDARY SCHOOL STUDENTS

The "Lufinha School Tour" and the "Schenker School Tour" initiatives seek to inspire young students in 3rd cycle and secondary school to follow their dreams, while appealing to a proactive attitude towards the conservation of the surrounding ocean. In 2019, world kitesurf record holder or champion Francisco Lufinha and world and five-time national bodyboard champion Joana Schenker visited 48 schools throughout the country, to share their exciting adventures and the challenges they overcome at sea, bringing the important message of the need for ocean conservation to every student.

Partners Public and Private Schools across the country.

MARINE PLASTICOLOGY ALERTS CHILDREN ABOUT PLASTIC POLLUTION

52 391 PRIMARY SCHOOL STUDENTS

This is an educational activity directed at 1st and 2nd cycle students, based on workshops in schools, and aims to raise awareness of the pollution generated by the accumulation of plastic in the ocean, provide tools to minimize our impact and promote behavioural changes concerning plastic - one of the greatest threats facing the ocean today.

Partners Public and Private Schools across the country.

Blue Generation

PLANET OCEAN PROVIDES ANSWERS TO ESSENTIAL QUESTIONS ABOUT THE MARINE WORLD

27 791 PARTICIPANTS

The Planet Ocean initiative engages participants of all ages in the protection of the ocean and in the discovery of our planet's most important resource. Knowing and understanding the relationship between man and the ocean is essential in a responsible society capable of acting and mobilising others for a sustainable future.

Partners Public and Private Schools across the country. Municipalities of Mafra, Moura, Faro, Nazaré, Silves, Setúbal, Lisbon.

OCEANÁRIO SHUTTLE BRINGS THE OCEAN ACROSS THE COUNTRY

22 846 PARTICIPANTS

With a programme aimed at audiences of all ages, the Oceanário shuttle visits several municipalities across Portugal to raise the awareness of citizens to ocean conservation. In 2019, this initiative went back on the road visiting 13 municipalities. Since it was created, this environmental education project has visited 223 municipalities.

Partners Municipal Councils.

PARTICIPATORY OCEAN ALERTS STUDENTS TO THE IMPORTANCE OF MARINE PROTECTED AREAS

458 STUDENTS FROM SCHOOLS IN THE ALGARVE

Launched in 2019, in the Algarve region, this environmental education initiative aims to make young people in 3rd cycle and secondary school sensitive to the importance of creating marine protected areas, as a crucial tool for the conservation and sustainable use of natural resources. This educational initiative was developed within the scope of the conservation project to create a Marine Protected Area of Community Interest in the Algarve, thus providing a concrete example to these young people about the importance of preserving the natural capital that exists in the region. In 2019, this initiative visited five schools in three municipalities in the Algarve.

Partners City Councils of Albufeira, Portimão and Silves.

Blue Generation

OCEAN CONSERVATION REACHES VISITORS AT THE SÃO MATEUS FAIR

7 793 PARTICIPANTS

Through an exclusive display and the organization of recreational and educational activities dedicated to ocean conservation, the message about the need for ocean conservation was taken to one of the largest and oldest fairs in Portugal. Visitors to the S. Mateus Fair in Viseu were invited to think about topics such as pollution, climate change, overfishing and water scarcity.

Partners Viseu Marca and Viseu City Council

SCOUTS LEARN TO CONTRIBUTE TO OCEAN CONSERVATION

1 298 SCOUTS

In collaboration with the National Body of Scouts, a community increasingly sensitive to the theme of ocean conservation, "Marine plasticology" activities involving scouts between the ages of 6 and 22 were promoted at regional scout camps, through Oceanário de Lisboa, to raise awareness of the need to redesign the ways in which they use plastic, and thus contribute more effectively to the conservation of the ocean.

Partners National Body of Scouts – Regional Aveiro Camp, Lisbon Core Camp, Centre/North Camp – Coimbra Region, Portuguese Scouts – Group 254 Amora

BLUE FLAG PROGRAMME

332 BEACHES

In partnership with the Blue Flag Programme, the message of conservation was brought to 332 beaches and 17 marinas throughout Portugal, raising awareness among beach goers of the importance of the ocean in oxygen production.

Partners European Blue Flag Association

TEMPORARY EXHIBITION IN CASCAIS "OCEANÁRIO IS NOT ONLY IN LISBON"

29 PANELS ON CONSERVATION PROJECTS

Featured along the Cascais promenade, the exhibition was brought to life through interactions with beach goers and the school community, through educational sessions on the current threats to marine biodiversity, motivating reflection on the role of each person in the protection of marine biodiversity, and promoting behavioural change.

Partners Cascais City Council.

Blue Generation

NATIONWIDE INTEGRATED INITIATIVE TO CLEAN MARINE LITTER

The objective of the “Save the Future” movement is to promote an integrated initiative and concerted action that allow a larger number of partners and resources to be mobilised, achieving even more ambitious results in raising awareness and citizen intervention in ocean conservation. To this end, in 2019 the Foundation started a programme that intends to aggregate and train all entities and organisations that develop marine litter cleaning actions in Portugal, and launched a national marine litter cleaning movement, which is expected to become more comprehensive and consolidated in the future.

INTERNATIONAL COASTAL CLEANUP DAY

108 ORGANIZATIONS
2 291 VOLUNTEERS
12,9 TONS OF GARBAGE COLLECTED

On International Coastal Cleanup Day, the proactive and comprehensive coordination of the Oceano Azul Foundation brought together 108 entities and organisations that develop actions to clean up marine litter on beaches and coastline across Portugal.

With the support of the Foundation, in the form of personal accident insurance for all participants, and the delivery of gloves, scales and waste bags, the entities operating in this area were able to engage a larger number of volunteers, as well as monitor and report on the collected litter.

This level of organised intervention helped make local communities aware of the problem of marine litter, and the importance of changing behaviours towards ocean conservation.
This was the first time a nationwide integrated initiative to clean marine litter took place in Portugal.

PARTICIPATING ORGANISATIONS/GROUPS A ROCHA PORTUGAL | A ROCHA ALCOBAÇA | ADRIP CACELA VELHA | ALGARVE ADVENTURE | AMBIALISTAS | AMIGOS DO OCEANO | APA-ARH ALGARVE | AQUAMUSEU DO RIO MINHO | ASSOC. ALMA NATURISTA | ASSOC. BAÍA DE SETÚBAL | ASSOC. BIOLIVING | ASSOC. DE BODYBOARD DE SAGRES | ASSOC. DOS AMIGOS DA PRAIA DA BARRA | ASSOC. DOS AMIGOS DO MINDELO PARA A DEFESA DO AMBIENTE | ASSOC. OFICINA CIÊNCIA VIVA DE TAVIRA | ASSOC. PATO | ASSOC. PORTUGUESA DE EDUCAÇÃO AMBIENTAL | ASSOC. PORTUGUESA DO LIXO MARINHO | ASSOC. SEALAND SANTA CRUZ | ASSOC. TRANSFRONTEIRIÇA DE EDUCAÇÃO AMBIENTAL | AVEIRO CLIMATE SAVE | BLUE OCEAN WATCH | BRIGADA DO MAR | CABANA DIVERS | CM DE ALCOBAÇA | CM DE LEIRIA | CM DE OVAR | CM DE SINES | CM DE VIANA DO CASTELO - CENTRO DE MONITORIZAÇÃO E INTERPRETAÇÃO AMBIENTAL | CM DE VILA DO BISPO | CAPITÃES DA AREIA | CENTRO CIÊNCIA VIVA DO ALGARVE | CERES INTERNATIONAL | CLUBE DA ARRÁBIDA | COREMA - ASSOCIAÇÃO DE DEFESA DO PATRIMÓNIO | ENRAIZAR - ASSOCIAÇÃO DE APRENDIZAGEM COMUNITÁRIA | FEEL4PLANET | FOCA - FOCUS ON CRITICAL ACTIONS | FUTURIX | FUTURO SUSTENTÁVEL | GEOTA - PROJETO COASTWATCH | GRUPO ACÇÃO CATÓLICA RURAL DE MAFRA | GRUPO DESPORTIVO ODECEIXENSE | GUARDIÃO DO OCEANO | INSTITUTO POLITÉCNICO DE SETÚBAL | JF DE VILA REAL DE SANTO ANTÓNIO | LINDOMAR | LISBOALIMPA | LITTERHERO LAGOS | LITTERHERO PORTUGAL | LITTERHERO SINTRA | MAR À DERIVA - ADRIFT SEA | MAREFOZ - SER MARE | MIGUEL LACERDA | MINT BEACH | MORTO.VIVO | MOVIMENTO ALP | MOVIMENTO CLARO CASCAIS | MOVIMENTO CLARO SINTRA | MOVIMENTO NÃO LIXES | MOVIMENTO SEM PALHINHAS | NAS FCT - NÚCLEO AMBIENTE E SUSTENTABILIDADE | OCEAN ALIVE | OCEAN HOPE | OCEANS BLUE HEART | OLD SCHOOL SURF SCHOOL | ONE PIECE AFTER ANOTHER - LITTERHERO MARINHA GRANDE | PLASTIC FREE LISBON | PLATAFORMA INTERCOMUNITÁRIA DE LISBOA | PLATAFORMA SEIXAL AMBIENTAL | PROJETO ECOLOGICAMENTE | PROJETO PLÁSTICO À VISTA – EDA | QUANDO + 1 É = - 1 | RIAS – ALDEIA | ROUTE PORTUGAL | SAILORS FOR THE SEA PORTUGAL | SCIAENA - ASSOCIAÇÃO DE CIÊNCIAS MARINHAS E COOPERAÇÃO | SHARKS EDUCATIONAL INSTITUTE | SKELETON SEA | SOCIEDADE SANTANENSE DE INSTRUÇÃO E RECREIO | WASTE4COFFEE

SUPPORT CM DE ALJEZUR | CM DE ALMADA | CM DE CASCAIS | CM DA FIGUEIRA DA FOZ | CM DE GRÂNDOLA | CM DE LAGOS | CM DE LEIRIA | CM DE LISBOA | CM DA LOURINHÃ | CM DE MAFRA | CM DA MARINHA GRANDE | CM DO MONTIJO | CM DE OLHÃO | CM DO SEIXAL | CM DE SETÚBAL | CM DE SINTRA | CM DE TAVIRA | CM DE TORRES VEDRAS - CENTRO DE EDUCAÇÃO AMBIENTAL DE TORRES VEDRAS | CM DE VILA REAL DE SANTO ANTÓNIO | CM DA GAFANHA DA NAZARÉ | CM DE CARVOEIRA | JF DO CASTELO | JF DO COIMBRÃO | JF DE FERREL | JF DE FOZ DO ARELHO | JF DE ODECEIXE | JF DE PENICHE

Blue Generation

MONTH OF THE SEA - SCOUTS COME TOGETHER TO CLEAN BEACHES AND COASTLINE AREAS ACROSS PORTUGAL

108 KM OF CLEAN BEACHES
16,5 TONS OF WASTE COLLECTED
3 600 SCOUTS AND GUIDES

With the support of the Oceano Azul Foundation and Oceanário de Lisboa, the National Body of Scouts and the Portugal's Association of Guides celebrated the "Month of the Sea" in November, promoting a nationwide integrated initiative to clean beaches and coastline areas.

Partners National Body of Scouts and Portugal Association of Guides

COOL 2019 CONVENTION OF ORGANISATIONS FOR A CLEAN OCEAN

58 PARTICIPATING ORGANISATIONS

Once the partners operating in this area were identified and contacted, the first Convention of Organisations for a Clean Ocean (COOL) was held to promote knowledge of the work each of them develop. The prompt and receptive collaboration of organisations from the north to the south of mainland Portugal and islands allowed experts and ordinary citizens to come together, driven by common objectives, and similar activities in the area of marine litter collection.

The meeting highlighted t the spirit and dynamics surrounding this type of voluntary work, as well as the opportunity for enhanced collaboration between these speakers, at local and national level. The contacts that were established also planted the seed for synergies between the various organisations.

The first edition of COOL was attended by international speakers, such as Alan Friedlander and Paul Rose, from National Geographic Pristine Seas.

Blue Generation

"BLUE MEDIA" SUPPORTS DISSEMINATION OF OCEAN-RELATED ISSUES

Promoting knowledge about the ocean and inspiring citizens to change their behaviour and act responsibly for its conservation is one of the main objectives of the Oceano Azul Foundation.
To achieve these goals quickly and comprehensively, collaboration with the media is considered strategic.

In cross-cutting manner and whenever possible, the Foundation supports the Media with technical means, clarifications, contacts, documentation or any other type of support within its reach, to increase press coverage – reports, interviews, debates, documentaries – that provides citizens with the best possible information, and makes them aware of the relevant issues.

THE "IPCC'S SPECIAL REPORT ON THE OCEAN AND CRYOSPHERE IN A CHANGING CLIMATE"

The Oceano Azul Foundation supported the travel of a group of journalists to Monaco, with the aim of increasing press coverage of the latest scientific report on the state of the ocean, raising awareness of its global importance.

LAUNCH OF THE BLUE AZORES PROGRAMME

In order to provide more comprehensive media coverage of the Blue Azores programme, the Foundation supported journalists who travelled to the Azores.

Blue Generation

RAISING THE GENERAL PUBLIC'S AWARENESS TO THE DUTY OF OCEAN CONSERVATION

Greater awareness of the threats posed to the ocean drives the society's will and need to act. It also increases collective accountability, which calls for action. Coverage and media discussion of these threats to ocean sustainability, as well as possible actions to combat them have been fundamental to raising awareness among society.

The Press

Actively increased the visibility of Oceano Azul Foundation and Oceanário de Lisboa projects and initiatives.

811 NEWS STORIES PUBLISHED (DIGITAL)

233 NEWS STORIES PUBLISHED (PRINTED)

166 TV PIECES (21,792,919 VIEWERS)

11 RADIO PIECES (186,030 TOTAL LISTENERS)

Social Media

The Oceano Azul Foundation redoubled its efforts to promote greater knowledge of the ocean, as well as to make citizens in general aware of the duty of ocean conservation.

1.221 NEWS (+66%)

28.223 FANS (+80%)

10.700 INSTAGRAM FOLLOWERS (+424%)

54.022 WEBSITE VISITS (SESSIONS) (+93%)

1.272.373 VIEWS OF FOUNDATION FILMS (+11%)

MAR
A ÚLTIMA FRONTEIRA

TV SERIES "SEA – THE LAST FRONTIER"

The Oceanário de Lisboa and the Oceano Azul Foundation sponsored the first Portuguese documentary series completely dedicated to the biodiversity of the Portuguese sea and the most pristine marine areas along the Portuguese coast, including the Archipelagos of Madeira and the Azores. The series was produced and realized by Nuno Sá, an internationally awarded underwater photographer and filmmaker, and premiered in November 2019, on RTP1. Through unique and exclusive underwater images, this documentary series showed viewers the Portuguese sea.

Partners RTP, Nuno Sá

O FUTURO DO PLANETA

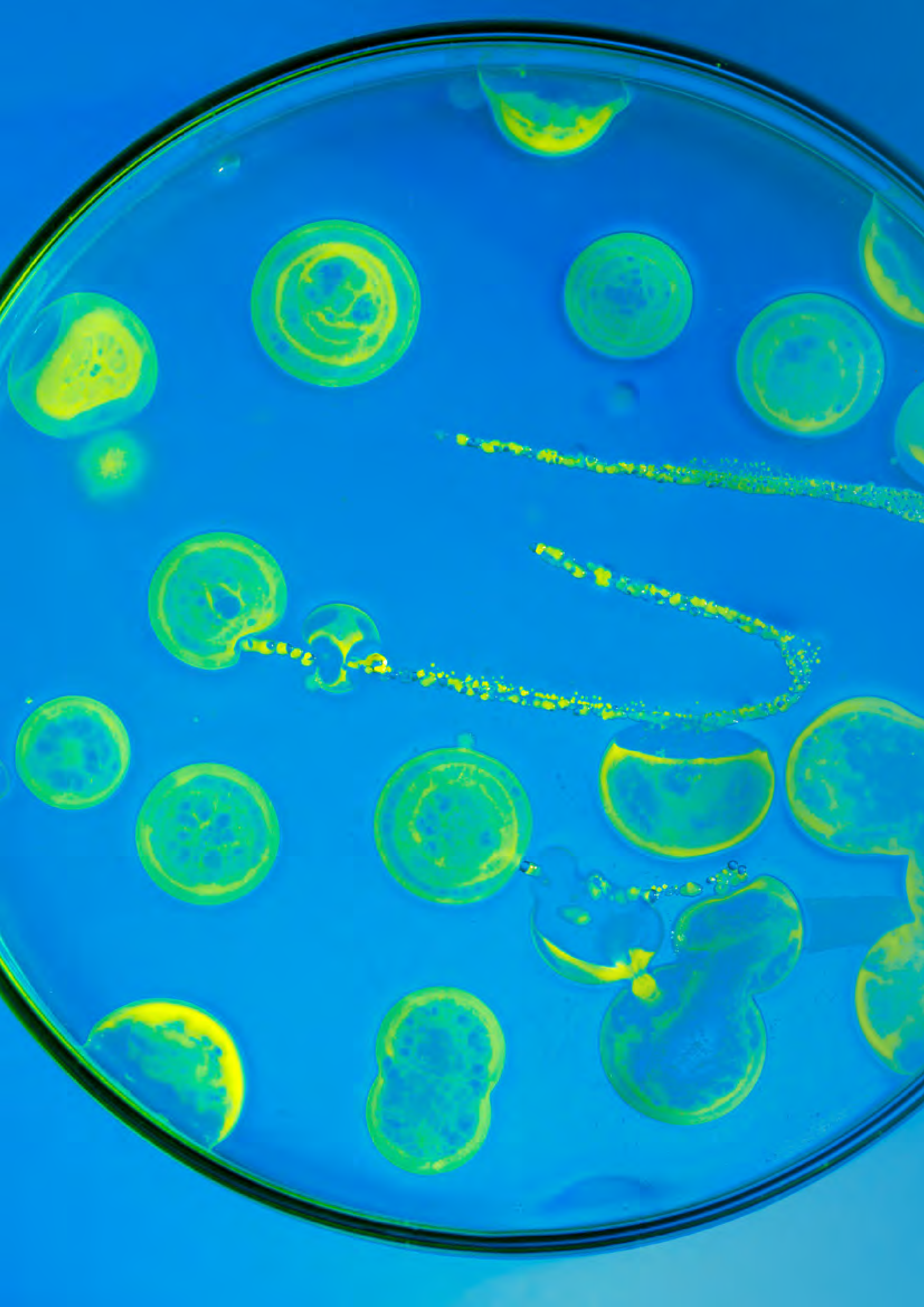
Blue Generation

RAISING THE GENERAL PUBLIC'S AWARENESS TO THE DUTY OF **OCEAN CONSERVATION**

"THE FUTURE OF THE PLANET" CONFERENCE

Organized by Francisco Manuel dos Santos Foundation, in partnership with the Oceano Azul Foundation, "The Future of the Planet" conference that took place in September, at Teatro Camões and at the Oceanário, in Lisbon, brought together approximately 50 speakers, including John Kerry, Sylvia Earle, Paul Theraux, Carl Safina and the President of the Regional Government of the Azores, Vasco Cordeiro, with the objective of discussing the most urgent issues on the planet and society in general, with particular emphasis on the ocean, and promoting the dissemination of important actions developed in Portugal.

Partners Fundação Francisco Manuel dos Santos



Blue Natural Capital

Blue Natural Capital

MARINE PROTECTED AREAS

A healthy and productive ocean provides oxygen, food, coastal protection and climate control, among other benefits. These ecosystem services, provided by a healthy ocean, support livelihoods, food and financial security.

Marine Protected Areas (MPAs) are a key tool for marine conservation and the implementation of management strategies. Designed for conservation purposes, when effectively implemented, they have been scientifically recognised as the most effective measure to reverse the loss of biodiversity, ecosystem services and biomass.

According to the IUCN, MPAs are "geographically delimited areas, managed through legal means, intended for the management and conservation of biodiversity, habitats and marine ecosystems, as well as ecosystem services and associated cultural values", and may be of different types according to their level of protection.

Industrial activities and infrastructure development (e.g. mining, industrial fishing, oil and gas extraction) are excluded from these areas, as they are incompatible with the objectives of MPAs. Similarly, rotation areas, temporary closures and areas that only cover part of the ocean (e.g. only the seabed) are not considered MPAs.

Acceptance and compliance of rules by local communities, as well as effective management and enforcement, are essential to the success of MPAs. The performance of these areas also depends on a clear and inclusive community governance process throughout the various stages of design and implementation.

MARINE PROTECTED AREA OF COMMUNITY INTEREST IN THE ALGARVE

ONGOING **PARTICIPATORY PROCESS**
ZONING AND REGULATIONS UNDER DISCUSSION
52 ENTITIES INVOLVED

United by the common interest and will to protect the largest coastal rocky reef in mainland Portugal, and one of the areas with the greatest biodiversity of the Portuguese coast, regional municipal entities, fishermen associations, the University of the Algarve, and the Oceano Azul Foundation, among others, intend to create and promote the implementation of a Marine Protected Area of Community Interest in this marine territory, with effective measures to protect the marine ecosystem, as well as allowing for and promoting the sustainability of resources and the economic development of the region. The aim is to bring together all interested entities in the preparation of a proposal for the creation and implementation of this Marine Protected Area of Community Interest, and its submission to the Portuguese Government, through a participatory process.

Partners Regional Municipalities, the University of Algarve, Portuguese Catholic University, Fishermen Associations, Marine Tourism Operators, Public Institutes, NGOs.

Blue Natural Capital

MARINE PROTECTED AREAS

BLUE AZORES

Strategic programme for sustainable use of the Azores sea includes new marine protected areas which are fully protected covering 15 % of the territorial sea and EEZ

SIGNED **MEMORANDUM OF UNDERSTANDING**

SCIENTIFIC REPORT OF THE EXPEDITIONS AND NATIONAL GEOGRAPHIC FILM RELEASED TO THE PUBLIC

SCIENTIFIC STUDIES ON NATURAL AND SOCIO-ECONOMIC VALUES UNDERGOING COMPLETION

EGA WITH **273 TEACHERS** TRAINED AND INVOLVING **4 641 STUDENTS**

BLUE BIO VALUE IDEATION IN PROGRESS

PRESENCE AT REGIONAL, NATIONAL AND INTERNATIONAL **EVENTS**

Focusing on the conservation and sustainable use of natural resources, the Blue Azores programme is a partnership between the Regional Government of the Azores, the Oceano Azul Foundation and the Waitt Foundation to help make the Azores a European sustainable ocean region. This programme is established in close collaboration with various partners and entities, and will create and implement new marine protected areas which are fully protected, develop management plans for existing marine protected areas, develop studies and innovative approaches to sustainable fisheries management, implement a literacy programme for schools and the community in the Azores, and identify new areas of conservation interest, supported by scientific processes.

Partners Regional Government of the Azores, Waitt Foundation, University of the Azores - IMAR, University of California Santa Barbara

Co-funding

WAITT FOUNDATION

Other funding

ESTĒE LAUDER

SELVAGENS ISLANDS NATURE RESERVE, MADEIRA ARCHIPELAGO

ONGOING EXPANSION REQUEST

The expansion of the Selvagens Islands Nature Reserve as a marine protected area which is fully protected up to 12 miles was proposed to the Regional Government of Madeira by the Oceano Azul Foundation, in partnership with National Geographic. Here, we find one of the last intact ecosystems of the North Atlantic, which deserves to be preserved, as shown by the scientific expedition that was carried out. To this end, the expansion of this protected area is key to value the natural capital of the reserve.

The 12 miles around the Selvagens Islands Nature Reserve correspond to a small fraction of the fishing activity (approx. 1.1 % of the total fishing days in a year) of the Portuguese fleet, which is essentially pole and line, so that the expansion will have a small impact on the fishing economy, especially when compared with the increase in the value of marine resources. In fact, the protection of this important area can benefit fishing stocks, as an increase in biomass is expected within the reserve and in the surrounding region.

In this context, the Foundation has continued to develop contacts with the Regional Government in order to make this expansion project feasible.

Partners Regional Government of Madeira, National Geographic Pristine Seas, Portuguese Catholic University.

Blue Natural Capital

MARINE BIODIVERSITY

The planet's natural resources are essential for humanity's survival, and for our economic and social development. The ocean's biological diversity is recognised worldwide as an asset of great value for current and future generations. However, the threats to marine species and ecosystems have never been as severe as they are today. Given that the decline of species caused by human activity continues to increase at an alarming rate, it is essential to "save what is left" and recover what has been degraded, promoting all possible efforts to maintain marine biodiversity.

According to the report by the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), an estimated 1 million species are under threat of extinction in the coming decades. The risk of further mass extinction is looming, but this time it is not due to natural causes. Along with the climate emergency, we also face a species extinction crisis.

The Oceano Azul Foundation and Oceanário de Lisboa support several programmes to address critical challenges in the conservation of marine species and ecosystems.

OCEAN CONSERVATION FUND

Created in 2017, the private Ocean Conservation Fund has been supporting unprecedented scientific projects on a yearly basis which make a decisive contribution to the conservation of endangered marine species and biodiversity in general.

Covering diverse themes and locations in Portugal, it is considered essential that these projects include initiatives in the field, ensure the scientific quality of information, are sustainable, enhance education and present a strong dissemination component, not only for specialists but also for the general public. Since its creation, this fund has already made an overall commitment to finance a total of EUR 400 000.

FUNDO
PARA A CONSERVAÇÃO DOS OCEANOS

Oceanário de Lisboa

OCEANO AZUL
fundação

3rd | edition

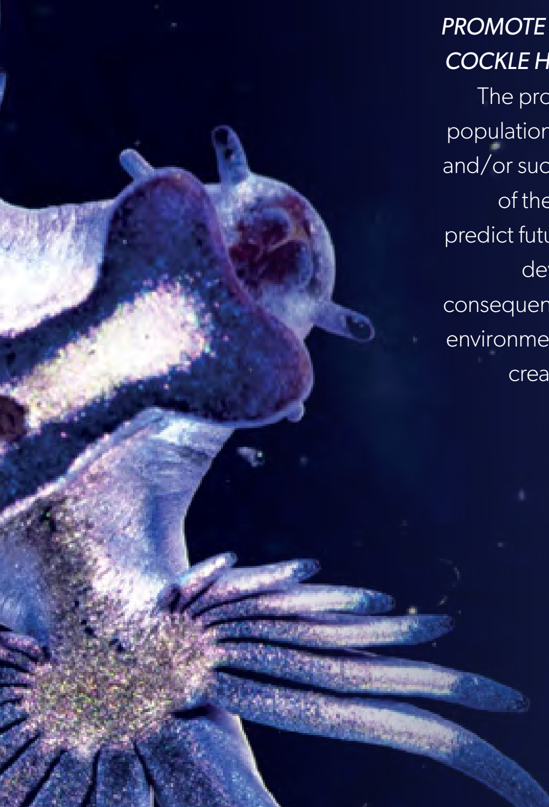
"MARINE INVERTEBRATES. PROTECT THE OCEAN, THE FUTURE OF THE PLANET"

3 CONSERVATION PROJECTS AWARDED
EUR 150 000 OF CONSERVATION SUPPORT

THE SELVAGENS' LIMPET PROJECT
GENETIC CLARIFICATION OF THE LIMPETS FOUND IN THE SELVAGENS ISLANDS (PATELLA CANDEI)
Considered as one the North-East Atlantic's most threatened marine invertebrate, this genetic clarification will be useful in the definition of the conservation status of the species on the Selvagens islands and in identifying effective conservation measures to be taken.
Partners Universidade Lusófona (coordination); Funchal Natural History Museum; Centre of Marine Sciences of University of Algarve and the Portuguese Institute of Malacology

COACH
PROMOTE THE SUSTAINABLE DEVELOPMENT OF COCKLE HARVESTING (CERASTODERMA EDULE)
The project aims to assess the status the cockle population; identify the main causes for its decline and/or success; estimate the potential distribution of the cockle population in Ria de Aveiro and predict future trends; and promote the sustainable development of cockle harvesting and the consequent improvement of economic, social and environmental services for the region, through the creation of a cockle harvesting cooperative.
Partners University of Aveiro/CESAM

DEEPBASELINE
CO-CREATION OF A KNOWLEDGE BASE ON THE DIVERSITY OF SPONGES AND CORALS
To develop a co-creation mechanism for a knowledge base on the diversity of sponges and corals, and the vulnerable ecosystems they form, in areas at depths ranging from 20 to 750 meters below sea level. It will bring together the scientific community, local fishing communities, associations and fisheries managers in the sharing off knowledge that promotes sustainable conservation and management initiatives for these species and habitats.
Partners CIIMAR (coordination); IPMA; University of the Azores



FUNDO
PARA A CONSERVAÇÃO DOS OCEANOS

Oceanário de Lisboa

OCEANO AZUL
fundação

1ST EDITION | RAYS AND SHARKS. FROM DARKNESS TO THE LIGHT OF SCIENCE

ISLAND SHARK

STUDY THE IMPORTANCE OF OCEANIC ISLANDS FOR MIGRATORY SHARKS

In 2019 126 genetic samples have already been collected, 40 interviews with fishermen and other local maritime professionals have been held, two working meetings have been held with the Azores government within the scope of the working group on Marine Protected Areas, and a number of educational activities have been held at schools on the islands of Faial, Terceira and Santa Maria.

Partners OMA – Azores Sea Observatory, University of the Azores

FINDRAYSHARK

ASSESSING RAY AND SHARK POPULATIONS

In 2019 Data collection, testing and analysis campaign on the island of Faial. Through the various identification methods, 70 fish were tagged. Awareness-raising initiatives targeting over 20 000 people at fairs and events, 1 000 students through school activities, and the organization of 2 workshops and 2 scientific conferences.

Partners MARE – Centro de Ciências do Mar e do Ambiente

SHARK ATTRACT

CREATE ECOLOGICAL AWARENESS ABOUT SHARKS AND RAYS

In 2019 Several communication and fishers' engagement initiatives, activities for the general public and lectures at 8 schools, reaching 225 students. Launch of an app that allows all citizens to help identify the eggs of sharks and rays along the Portuguese coast, with 611 eggs recorded to date.

Partners MARE – Centro de Ciências do Mar e do Ambiente

2ND EDITION | THREATENED MARINE SPECIES. FROM SCIENCE TO CONSCIOUSNESS

EEL TREK

TRACK THE MOVEMENTS OF EELS IN THE AZORES

In 2019 A tagging campaign targeting 23 eels was carried out on the Flores islands, glass eels were sampled in several watercourses in São Miguel, data were collected from 2 satellite transmitters and a contribution was presented to the "Evaluation of the Eel Regulation" conducted by the European Commission.

Partners Gaspar Frutuoso Foundation

WHALE TALES

INCREASE THE SCIENTIFIC KNOWLEDGE ABOUT SPERM WHALES IN MADEIRA

In 2019 There were 23 sea trips, 18 biopsies were collected and over 5 000 photos were taken for photo-identification. The catalogue of sperm whales in Madeira was updated and 220 individuals were identified, of which 15 were also identified in the Azores and the Canary Islands, showing connectivity between the Macaronesian archipelagos. Communication supports were also created for the project, namely a video, social media presence and lectures held at 7 schools, covering about 700 students.

Partners ARDITI – Regional Agency for the Development of Research Technology and Innovation

Blue Natural Capital

MARINE **BIODIVERSITY**

"SAVE THE RIA FORMOSA SEAHORSES" CAMPAIGN
COMMUNITY AWARENESS AND INVOLVEMENT

Through a strong awareness campaign at local, regional and national levels, which started in 2017, together with Oceanário de Lisboa, the Oceano Azul Foundation has been alerting populations and institutions to the importance of saving the Ria Formosa seahorse population, which is at risk of disappearing if concrete conservation measures are not taken urgently.

Objectives are to ensure nationwide involvement to fight this threat, defend the national heritage and natural capital of Ria Formosa, understand the current state of seahorse populations, and contribute to eliminate the threats posed to the seahorses, ensuring future continuity through behavioural changes and joint work between various stakeholders.

In 2019
Several educational and awareness-raising initiatives were carried out, among which the communication campaign "Riding to Extinction", developed together with the Institute for Nature and Conservation and Forests and Ria Formosa Natural Park, and disseminated during the beach season by the accesses to the Ria Formosa beaches, raising public awareness of the steps that must be taken to protect the seahorses.

Partners Institute for Nature Conservation and Forests, Ria Formosa Natural Park, several local partners

Blue Natural Capital

MARINE **BIODIVERSITY**

CONSERVATION PROJECTS SUPPORTED BY OCEANÁRIO DE LISBOA

Within the scope of its contribution to the conservation of biodiversity, through Oceanário de Lisboa, the Oceano Azul Foundation continued to fund ocean conservation projects developed by various national and foreign institutions throughout 2019.

ENSURE THE NECESSARY CONDITIONS FOR THE SURVIVAL OF SEA TURTLES

SEA TURTLES CONSERVATION PROGRAMME IN SÃO TOMÉ AND PRÍNCIPE

In 2019 33 beaches were monitored daily, spanning an approximate combined total of 25 km, with 1 953 registered sightings, 526 females were marked, 1 154 nests recorded and 55 112 baby turtles released.

Partners Programa Tatô Association

DEVELOP A NEW MARKING METHOD TO INCREASE SCIENTIFIC KNOWLEDGE ABOUT ANGEL SHARKS

ANGEL SHARK

In 2019 The project team was visited during on their trip to La Graciosa marine area, where an additional 32 angelsharks were marked, 7 acoustic receivers were collected, along with several samples for genetic studies, and 30 BRUV (Baited Remote Underwater Video) systems were dropped to record images of these animals.

Partners Zoological Society of London, Universidad de Las Palmas de Grand Canaria, Zoological Research Museum Alexander Koenig

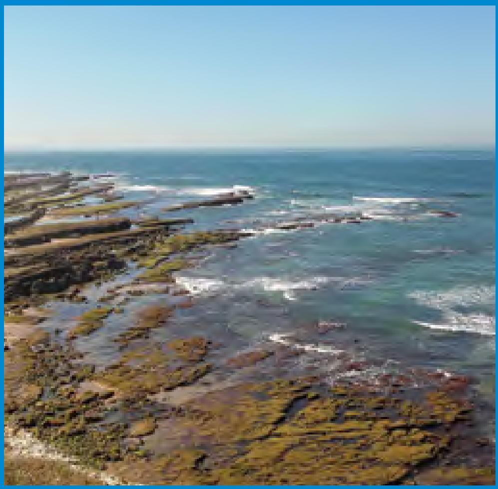
Oceanário de Lisboa

MONITOR THE EFFECT OF CLIMATE CHANGE ON COASTAL FISH COMMUNITIES

REBREATH

In 2019 Collection for a 10th consecutive year of biological data and development of a data collection platform to support the work of researchers. The project produced: 1 master thesis, 1 scientific publication, 1 app for data collection in the field, 4 papers at international conferences and 2 articles in the press.

Partners MARE/ISPA-IU



Blue Natural Capital

MARINE **BIODIVERSITY**

INCREASE KNOWLEDGE ABOUT THE PRESENCE OF MOBULAS IN THE AZORES AND IN THE EASTERN ATLANTIC

MANTA CATALOG AZORES

In 2019 during the project's second year, 1 429 sightings have already been recorded, 193 rays have been identified, 82 genetic samples have been collected, the first samples have been sequenced and the mitochondrial DNA has been analysed, and data on the occurrence and abundance of manta rays has been collected through visual censuses by diving centres and whale watching companies.

Partners Okeanos R&D Centre of the University of the Azores

IDENTIFY THE DISTRIBUTION, ABUNDANCE, BEHAVIOURS AND LIFE HISTORY OF BULL RAYS

FLY WITH BULL RAYS

In 2019 over the two years of the project, an official website has been created, which incorporates a database that allows photographs of individuals to be uploaded, diving equipment has been purchased for observations at each study site, and 13 traineeship programmes have been conducted.

Partners IMAR - Sea Institute of the Azores

INCREASE KNOWLEDGE OF THE TWO SPECIES OF SEAHORSE IN PORTUGAL

THE UNKNOWN SEAHORSES

In 2019 This project aims at identifying the presence of these species all over the country, in order to develop conservation recommendations, contributing to the conservation status of these species and at the same time, raising awareness among entities and individuals that directly deal with these animals, as well as the general public, regarding the importance of these species and the ecosystems they inhabit.

Partners Associação Natureza Portugal |WWF Portugal

CHARACTERISE THE USE OF TUNA SPECIES IN THE PORTUGUESE CANNING INDUSTRY

TUNAPRINT - THE TUNA BEHIND THE CAN

In 2019 This project aims to assess and provide advice and information on tuna species that are used and consumed canned; and alert the Portuguese canning industry, regulatory authorities and the general public of the need to conserve endangered species.

Partners MARE – Centro de Ciências do Mar e do Ambiente

Blue Natural Capital

SUSTAINABLE FISHERIES

PILOT PROJECT FOR SUSTAINABLE FISHERIES

STUDY ON SMALL-SCALE FISHING IN PORTUGAL COMPLETED
APPLICATION TO MAR2020 OPERATIONAL PROGRAMME SUBMITTED
11 FISHERMEN ASSOCIATIONS INVOLVED

Driven by the belief in the need to develop policies that allow human development to coexist with ocean protection, the initiative intends to conceive and implement a pilot project to co-manage small-scale fisheries in Portugal, focusing on a specific type of fishery. The project will be designed and developed in partnership with local NGOs, fishermen, government and scientists, to ensure the resilience and prosperity of the ocean, and, among other things, to protect natural capital and more fishing resources, ensuring greater returns for fishing communities.

Partners ANP | WWF Portugal, EDF - Environmental Defense Fund

Co-funding

OAK FOUNDATION

Blue Natural Capital

ENABLING A NEW BLUE BIOECONOMY

The economic invisibility of the goods and services provided to humanity by nature and the failure to quantify their value as raw materials leads to their flawed management.

The motto of a "more environmentally friendly" economy is no longer enough to overcome the colossal challenges we face. At the same time, important risks and business opportunities are excluded of economic decision-making, which compromises the environmental stability.

It is therefore urgent to look at the bioeconomy as the new economy that serves the present and the future.

Blue Natural Capital

ENABLING A NEW
BLUE BIOECONOMY

BLUE BIO VALUE ACELARATION

15 STARTUPS SUPPORTED

9 NATIONALITIES

OVER **110** APPLICATIONS

8 BOOTCAMPS

43 MENTORS

21 TALKS

Blue Bio Value is the first company acceleration programme focused on scaling marine origin bio solutions for market applications in various industries which extensively incorporates scientific knowledge and innovation.

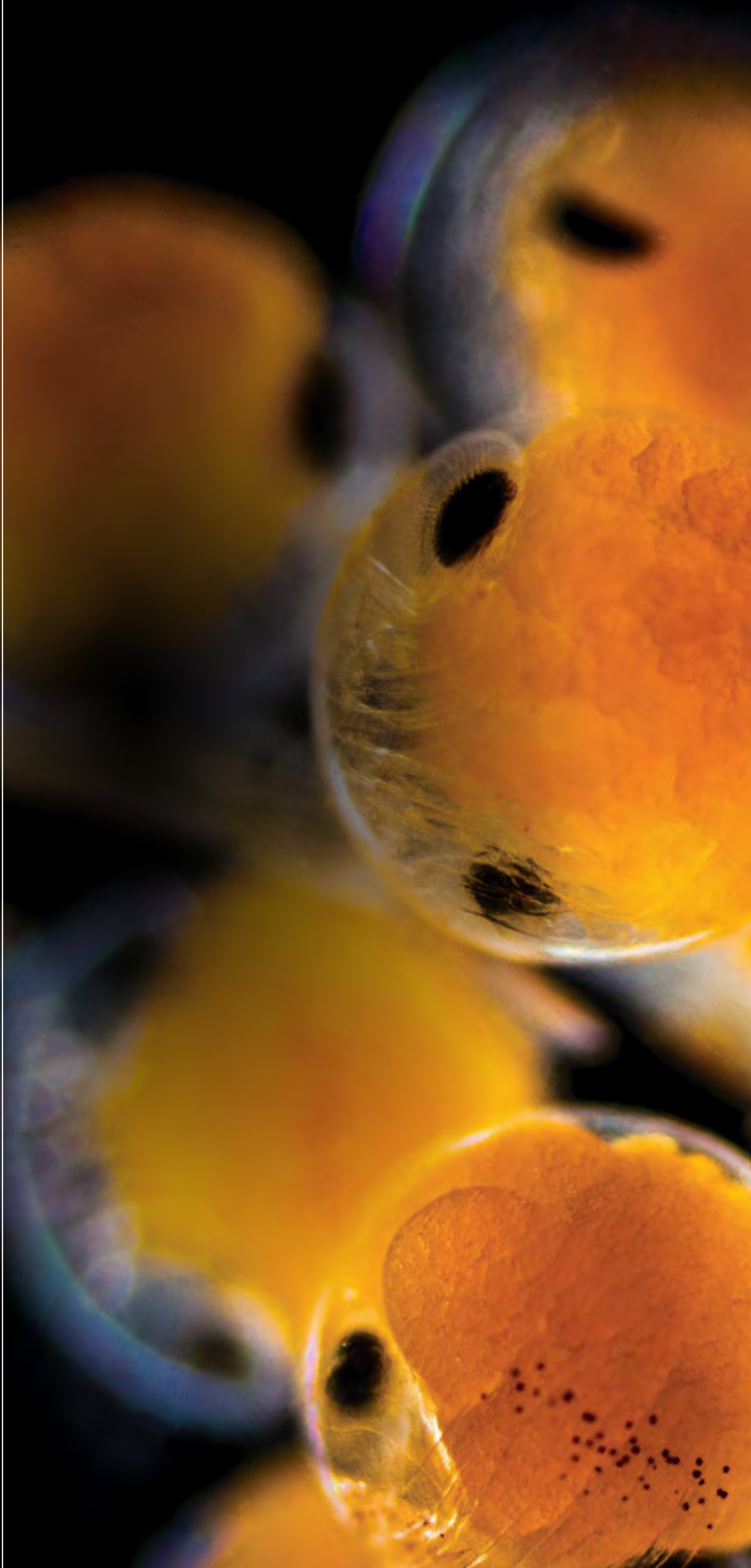
First launched in 2018, this accelerator aims to attract projects and ideas and turn them into business opportunities in the marine bio-resource value chain, including biotechnology, developing sustainable products or services as part of viable businesses. The promoters of this programme join efforts to make Portugal a leading international centre in the development of the most innovative marine bioeconomy, helping startups strengthen their business models, and challenge and improve their market strategies, as well as promoting a more sustainable use of the ocean.

In 2019 the second edition of this Programme was held and the number of candidates increased significantly, as well as the number of foreign candidates. The number of selected companies rose to 15 in the 2019 edition. The considerable increase in the number of candidates for acceleration also increased the quality of the companies selected for 2019, and was a good indicator of the value and competence of this Programme, which is now extended to the ideation phase.

Partners Calouste Gulbenkian Foundation; Bluebio Alliance; Startups Factory; Faber Ventures.

Co-funding

CALOUSTE GULBENKIAN FOUNDATION



Blue Natural Capital

ENABLING A NEW
BLUE BIOECONOMY

BLUE BIO VALUE IDEATION

The Ideation Programme planned in 2019 complements the Acceleration Programme, shares the same vision, and aims to generate new business ideas related to the ocean during 2020.

Aimed at the academic community, it launches new challenges for students and researchers to better ensure technology transfer from Universities / Marine Research Centres to the market, thus seeking to promote a sustainable use of marine resources.

The aim is to include the best ideas in the acceleration phase of Blue Bio Value.

This Programme is still in its embryonic phase, and will be implemented in close cooperation with partner universities, although it will be open to applicants who do not attend these educational institutions.

Partners Calouste Gulbenkian Foundation; Startups Factory; University of the Azores; University of Lisbon; University of Aveiro

Co-funding

CALOUSTE GULBENKIAN FOUNDATION

Other funding

ESTĒE LAUDER

BlueBioValue

Blue Network

Greater cooperation between different key actors on the national and international scene, the strengthening of the topic on the international ocean agenda, and increasingly stronger awareness among institutions and governments are relevant factors for raising awareness of the threats to the sustainability of the ocean and the urgency of the actions to be taken.

In this context, Oceano Azul Foundation has led various efforts, asserting itself in a more prominent role, which allows it to achieve effective results on these fronts.

RISE UP
a blue call to action

Blue Network

BLUE CALL TO ACTION

26 INFLUENTIAL NON-GOVERNMENTAL ORGANISATIONS AND FOUNDATIONS RELATED TO OCEAN CONSERVATION

1 COMMON AGENDA SUBSCRIBED

The creation of "RISE UP - A Blue Call to Action" was an initiative launched in May 2019, by Oceano Azul Foundation, with the direct support of Ocean Unite and OAK Foundation.

For the first time, this international initiative gives a single voice to nature conservation organisations, representatives of indigenous fishing communities, and fishworkers' organisations, and challenges governments and businesses to commit to a list of effective actions to protect and restore the ocean.

Among the priorities set out in this common agenda are the abolishment of new offshore oil and gas exploration, a moratorium on seabed mining, the allocation of the territorial sea to artisanal fisheries, the transition to a circular and decarbonised blue economy, an international treaty on coastal pollution and the protection of at least 30 % of the global ocean by 2030. The recovery of marine life, and ensuring decision-making power and support for coastal communities are also listed as priorities in the challenge that is to be formally presented at the 2020 UN Ocean Conference.

Twenty-six institutions were initially part of this coalition, and the Blue Call to Action is now open for signing at **riseupfortheocean.org**, to other organisations that identify with the agenda of initiatives set out therein.

Partners

Oceano Azul Foundation
Oak Foundation
Ocean Unite
David and Lucile Packard Foundation
Marine Conservation Institute
High Seas Alliance
Oceana
Natural Resources Defense Council
Waitt Institute
The Nature Conservancy
Prince Albert II of Monaco Foundation
Conservation International
Sasakawa Peace Foundation
Waitt Foundation
Rare
Seas At Risk
Wildlife Conservation Society
Oceanário de Lisboa
Monterey Bay Aquarium
World Forum for Fish Harvesters and Fishworkers
WWF Oceans Practice
Ocean Conservancy
Monaco Blue Initiative
Oceanographic Institute, Prince Albert I of Monaco Foundation
International Collective in Support of Fishworkers
The ICCA Consortium

Co-financing

OAK FOUNDATION

Blue Network

TRAINING AN ORGANISATION DEDICATED TO THE OCEAN

ANP| WWF PORTUGAL

This programme was conceived and negotiated in 2019, as a 3-year project that includes financial support to the ANP | WWF Portugal aimed at enabling this NGO to increasingly focus and act on ocean conservation, and become an active voice and agent in the protection of the ocean before stakeholders, including political decision-makers, authorities, sector professionals, other NGOs, and more broadly, public opinion.

Partner ANP | WWF Portugal

Co-financing

OAK FOUNDATION

Blue Network

INTERNATIONAL PRESENTATIONS

During 2019, the Oceano Azul Foundation received representatives of governments and institutions at its facilities for working meetings to promote its work on behalf of the ocean.

February | Meeting with Kenya's Secretary of State for Foreign Affairs
April | Meeting with the Canadian Parliamentary Delegation, meeting with Prince Pedro of Bourbon and Orleans, Duke of Calabria
May | Meeting with the Portuguese Minister of Defence, meeting with Chinese Minister of Natural Resources
June | Meeting with the President of the UN General Assembly
October | Meeting with His Highness Prince Albert II of Monaco, Meeting with the Australian Ambassador

The Foundation's international recognition for its work on ocean conservation has gained greater prominence with the invitations received by its members to participate in strategic organisations involved in the current ocean agenda: e.g. Peter Heffernan and Tiago Pitta e Cunha - the European Union's Mission Board for Healthy Oceans, Seas, Coastal & Inland Waters; Jane Lubchenco and Tiago Pitta e Cunha - the High Level Panel for a Sustainable Ocean Economy.

Blue Network

PARTICIPATION IN AND SUPPORT FOR PLATFORMS, ORGANIZATIONS AND MEETINGS ON THE OCEAN

THE LUSO HYDROTHERMAL VENT FIELD NEAR THE MID-ATLANTIC RIDGE
4-5 FEBRUARY, LISBON

IUCN WCPA - MARINE WORKSHOP TO DISCUSS POST 2020 TARGETS AND WCC RESOLUTIONS & MPA GUIDE
4-6 FEBRUARY, WASHINGTON DC, USA

WORLD OCEAN INITIATIVE THE ECONOMIST / WWF LONDRES
14 FEBRUARY, LONDON, ENGLAND

XIV BMB DAY - MARINE BIOLOGY AND BIOTECHNOLOGY STUDENT ASSOCIATION AT ESCOLA SUPERIOR DE TURISMO E TECNOLOGIA DO MAR (IP LEIRIA)
26 FEBRUARY, LEIRIA

INNOVATION FORUM, AT CASA MANUEL DE ARRIAGA
27 FEBRUARY, HORTA, AZORESS

HIGH SEAS ALLIANCE SEMINAR
5-6 MARCH, NYC, USA

THE ECONOMIST'S WORLD OCEAN SUMMIT
5-7 MARCH, ABU DHABI, UNITED ARAB EMIRATES

CONFERENCE "NATIONAL INTEREST IN THE SEA", SIRP (INFORMATION SYSTEM OF THE PORTUGUESE REPUBLIC)
8 MARCH, LISBON

CONFERENCE "PORTUGAL AND THE SEA", EMGFA
5 APRIL, LISBON

CONFERENCE "THE OCEANS, CLIMATE CHANGE AND ITS IMPACT", FIGUEIRA DA FOZ BUSINESS INCUBATOR
6 APRIL, FIGUEIRA DA FOZ

KATAPULT OCEAN DEMO DAY
8 DE ABRIL, OSLO, NORUEGA

2ND CAPE VERDE DEVELOPMENT FORUM
2ND CAPE VERDE DEVELOPMENT FORUM,
10 APRIL, CASCAIS CULTURAL CENTRE

BLUE BIOTECHNOLOGY ROUND TABLE - CIIMAR
12 APRIL, PORTO

CHIADO CONFERENCES - 3RD CYCLE - THE OCEAN, THE PLANET AND THE CENTURY – HOW PORTUGAL SHOULD POSITION ITSELF IN THIS FUNDAMENTAL EQUATION
9 MAY, LISBON

THE OCEAN OPEN LAB EXHIBITION
16 MAY, LISBON

EUROPEAN MARITIME DAY: SESSIONS "OCEAN LITERACY "AND "CONSTRUCTING THE EUROPEAN OCEAN ALLIANCE: BOOSTING OCEAN LITERACY IN EUROPE"
17 MAY, LISBON

BLUE BIOECONOMY: INVESTMENTS AND INNOVATIONS
17 MAY, LISBON

MPA GUIDE MEETING
20-21 MAY, OCEANOGRAPHIC INSTITUTE, PRINCE ALBERT I OF MONACO FOUNDATION, PARIS

EDUCATION AND CHALLENGES FOR THE FUTURE: THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT
22 MAY, NATIONAL EDUCATION COUNCIL, LISBON

STM 20TH YEAR - ESTM'S FARMS - SUSTAINABILITY AS THE BASIS OF THE SEA ECONOMY | ESCOLA SUPERIOR DE TURISMO E TECNOLOGIA DO MAR
30 MAY, LEIRIA

DIPLOMACY FOR SUSTAINABILITY - EUROPEAN SUSTAINABLE DEVELOPMENT WEEK | CO-ORGANIZED BY EMBASSY OF CANADA AND EMBASSY OF PORTUGAL
30 MAY - 5 JUNE, BERLIN

THE ASSOCIATION OF GERMAN FOUNDATIONS ANNUAL CONGRESS
5 – 7 JUNE, MANNHEIM, GERMANY

GLEX – GLOBAL EXPLORATION SUMMIT
3-6 JULY, LISBON

2020 UN OCEAN CONFERENCE – UNITED NATIONS MISSION PLANNING MEETING
31 JULY, LISBON

1ST OCEAN PARTNERSHIP FORUM UNDER THE EU-CHINA BLUE PARTNERSHIP FOR THE OCEANS
05 SEPTEMBER, BRUSSELS, BELGIUM

7TH ANNUAL EUROPEAN MARINE SCIENCE EDUCATORS ASSOCIATION CONFERENCE
16-20 SEPTEMBER, SÃO MIGUEL, AZORES

UN 2019 CLIMATE SUMMIT AND SDG SUMMIT
23-25 SEPTEMBER, NEW YORK, USA

2020 UN OCEAN CONFERENCE EVENT
26 SEPTEMBER, NEW YORK, USA

42ND CIESM CONGRESS
7-11 OCTOBER, CASCAIS AND LISBON

OCEANS GOVERNANCE IN ARCHIPELAGIC REGIONS INTERNATIONAL CONFERENCE
7-10 OCTOBER, HORTA, AZORES

MEETING OF THE NATIONAL SPORTS TRAINING CENTRES FOR NAUTICAL ACTIVITIES
11-12 OCTOBER, MIRA, FIGUEIRA DA FOZ

AANCHOR PROJECT MEETINGS
25 – 28 OCTOBER, LISBON

BIOMARINE,
4 NOVEMBER, CASCAIS

IUCN WCPA WORKSHOP BEYOND AICHI TARGETS
7 – 9 NOVEMBER, BRUSSELS

WWF OCEAN WEEK
25- 27 NOVEMBER, LISBON

CABO VERDE OCEAN WEEK
26-29 NOVEMBER, MIDELO, CAPE VERDE

COP 25 - CONFERENCE OF THE PARTIES TO THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE
6-11 DECEMBER, MADRID, SPAIN

OCEAN LITERACY FOR THE UNITED NATIONS DECADE OF OCEAN SCIENCE FOR SUSTAINABLE DEVELOPMENT
11-12 DECEMBER, VENICE, ITALY

OCEAN ROUND TABLE
13 DECEMBER, MARRAKESH, MOROCCO

The Foundation's assets

Oceanário de Lisboa is one of the key assets owned by the Oceano Azul Foundation, and plays a crucial role in its ocean conservation and educational initiatives. An exemplary public aquarium, and a privileged means of communication, it enables the promotion of an emotional connection to the ocean, making the general public aware of the beauty of the marine world, and ensuring a broad and coherent scope for conservation awareness.

The Foundation's assets

OCEANÁRIO DE LISBOA

To encourage people to learn more about the oceans and make all citizens aware of their duty to conserve their natural heritage, by changing their behaviour.

OVER 25 MILLION VISITORS

In 2019, Oceanário de Lisboa recorded a total of 1 407 183 visitors, exceeding 25 million visitors since it first opened its doors.

TEMPORARY EXHIBITION "HOOKED ON LIFE"

Between June and October 2019, the exhibition by Dutch artist Vincent Mock "Hooked on life" was "a tribute to the last giants of the ocean". The 7 life-size marine animal sculptures on display were created from 22 000 fish hooks, a stark reminder of the alarming rate at which marine resources are exploited, and how this can that lead their exhaustion.

PROJECT FOR A NEW TEMPORARY EXHIBITION

Throughout 2019, design, development and adaptation works for the creation and installation of the new temporary exhibition took place at Oceanário de Lisboa: "ONE - The ocean as you never felt it." will be launched in 2020.

1 407 183 VISITORS

4.55 TRIPADVISOR RATING

90 % VISITOR SATISFACTION INDEX

€3 M INVESTED IN EQUIPMENT

€2 M NET RESULTS

NEW AQUARIUM "FISH IN ARMOUR"

Opening of a new aquarium, with species from southern Australia which are not often seen in aquariums.

4 NEW SPECIES IN THE COLLECTION

The introduction of new species helps increase knowledge of existing biodiversity and promotes awareness of the threats faced by such species

Leafy seadragon (*Phycodurus eques*)
Striped boxfish (*Aracana aurita*)
White-barred boxwfish (*Anoplocapros lenticularis*)
Pineapple fish (*Cleidopus gloriamaris*)

REPRODUCTION OF MARINE SPECIES

Oceanário de Lisboa continuously develops and engages in the reproduction of marine species. In 2019, the birth of new animals of 4 different species was recorded

Sailfin sculpin (*Nautichthys oculofasciatus*),
Shiner perch (*Cymatogaster aggregata*),
Southern stingray (*Hypanus americanus*)
Blue perch (*Badis badis*)

ASSESSMENT OF THE EXTINCTION RISK OF MARINE SPECIES

In partnership with the Species Survival Commission, the International Union for Conservation of Nature, the "IUCN Marine RED LIST Officer" at Oceanário de Lisboa aims to assess the extinction risk of an increasing number of marine species, and thus contribute to raise awareness of their protection and conservation status. In 2019, Oceanário de Lisboa was involved in the assessment process for 332 marine species (of which 20 are found in European public aquariums) and that had never been pre-assessed before.

PARTICIPATION IN INTERNATIONAL REPRODUCTION PROGRAMMES FOR **16** SPECIES

10 PAPERS PRESENTED AT SPECIALIST CONGRESSES

3 NEW SCIENTIFIC PUBLICATIONS

6 PROFESSIONAL AND CURRICULAR INTERNSHIPS

5 TRAINING INITIATIVES OFFERED TO OTHER INSTITUTIONS

Participation in committees and associations

EAZA · European Union of Aquarium Curators · EAZWV · Fórum Oceano

#SEATHEFUTURE COMMITMENT TO SUSTAINABILITY

Launched in 2018, the #SeaTheFuture product line aims to protect natural marine capital by promoting sustainable consumption. After assuming the commitment to make 95 % of the products available in the gift shop sustainable within three years, 64 % of the products offered by Oceanário de Lisboa in 2019 were already sustainable.

PERCEPTION OF OCEANÁRIO DE LISBOA AS A CONSERVATION INSTITUTION

Given its activities and investments in ocean conservation, 35% of visitors consider Oceanário de Lisboa as a conservation institution (+ 6% than in 2018).

Certifications and Accreditations

EMAS Gestão ambiental verificada PT-000029 · ISO 9001 SGS · ISO 14001 SGS

Financial Analysis

Financial Analysis

The Oceano Azul Foundation is a Portuguese non-profit private-law foundation, created by Sociedade Francisco Manuel dos Santos, SGPS, SE (Founder) on 15 December 2016, with headquarters at Oceanário de Lisboa.

The Foundation was recognised by Order No. 1811/2017 of 10 February 2017 issued by the Office of the Assistant Secretary of State and Administrative Modernisation, and began its activity on 1 March 2017.

The Oceano Azul Foundation Group, the subject of these consolidated financial statements comprises the Oceano Azul Foundation and its subsidiary company, Oceanário de Lisboa, S.A.

It is important to note that Oceanário de Lisboa, S.A. operates in the context of a public service concession agreement for the operation and management of Oceanário de Lisboa, which began on 9 June 2015 for a period of 30 years.

FINANCIAL SITUATION	2019	2018
Assets		
Oceanário concession	33.807	35.133
Oceanário goodwill	19.025	19.773
Cash and Bank Deposits	3.580	4.133
Other	12.657	9.990
Total assets	**69.068**	**69.030**
Endowment Funds		
Funds	7.172	7.172
Net profit for the year	2.032	2.095
Other	9.096	7.040
Total Endowment Funds	**18.300**	**16.306**
Liabilities		
Contractual obligation to pay rent for the Oceanário concession (30 years)	28.667	29.012
Financing Obtained	16.011	18.290
Other	6.090	5.422
Total Liabilities	**50.768**	**52.724**

thousands of euros

The **Asset** includes the concession right to Oceanário de Lisboa – the amount recorded under this item refers to the current value of the acquisition price, which the Foundation undertook to pay the Portuguese Government following the conclusion of the concession agreement in 2015 (EUR 35.6 million).

Equity Funds, amounting to EUR 18.3 million, include EUR 7.2 million corresponding to the appropriations of the Founder Sociedade Francisco Manuel dos Santos: EUR 6.9 million of initial allocation in-kind related to the transfer of the financial holdings in Waterventures, and of EUR 250 thousand of allocation in cash.

Liabilities record the financial liabilities associated with the contractual obligation to pay a fixed rent during the 30 year period of the concession agreement for Oceanário de Lisboa (EUR 28.7 million).

The total amount under the **Financing Obtained** item includes the following bank loans:

	Loan Date	Initial value	Repayments already made	Amount outstanding as 31.12.2018
Oceanário de Lisboa	28-09-2015	10.000	3.361	6.639
Oceano Azul Foundation	28-09-2015	15.000	5.627	9.373
Total		**25.000**	**8.989**	**16.011**

thousands of euros

The Oceano Azul Foundation Group took out two bank loans with Santander Totta on 28 September 2015:

1. bank loan amounting to EUR 15 million, over a 10 year period.

2. a loan in the initial amount of EUR 10 million, over a 12-year period, for the initial down payment provided for in the concession agreement concluded with the Portuguese Government.

RESULTS	2019	2018
Operating Income	23.030	22.171
Operating Costs	-18.793	-17.777
EBIT	**4.237**	**4.394**
Profit before taxes	**2.695**	**2.693**
Net Profit/Loss	**2.032**	**2.095**

thousands of euros

The **Net Profit** for the period reached the amount of EUR 2.032 million. The decrease of EUR 63 thousand compared to the previous year's net result is related to an increase in operating expenses.

GASTOS OPERACIONAIS	2019	2018
Programmes	**2.306**	**2.219**
Operating Costs	**8.523**	**8.662**
Oceanário de Lisboa	8.066	8.100
Oceano Azul Foundation	458	561
Staff Costs	**3.956**	**3.312**
Depreciation and amortisation expenses of Oceanário	**2.420**	**2.175**
Others	**1.588**	**1.411**
Total Operating Costs	**18.793**	**17.777**

thousands of euros

The following presents detailed information on the main components of expenses associated with the programmes and activities developed by the Oceano Azul Foundation and by Oceanário de Lisboa over the course of 2019.

BLUE GENERATION	2019	2018
Oceanário Educational Programme	277	262
Vaivém Oceanário	64	86
Marine Plasticology	206	74
Pilot project for primary education	72	59
Educational Program for MPACI Algarve	10	0
School Sea Sports	60	68
Ocean Leaders (Lufinha e Schenker Shcool Tour)	44	37
Support WWFs "Ocean Witness" campaign	10	24
Campaign "If it doesn't go in the bin it goes in the sea"	0	189
National Action for Ocean Conservation	79	0
Blue Media	60	0
Others	0	8
Total	**881**	**807**

thousands of euros

BLUE NATURAL CAPITAL	2019	2018
Marine Protected Areas		
Blue Azores	357	340
Algarve MPA	75	53
Selvagens MPA	1	20
Ecological and Biological significant areas	0	15
Sustainable Fisheries		
Pilot Project for sustainable fisheries	10	108
Marine biodiversity		
Campaign "Save the seahorses in Ria Formosa"	5	75
Rehabilitation Centre ECOMARE	0	100
Ocean Conservation Fund	150	125
"FindRayShark"	0	25
"Shark Attract"	0	14
"Island Shark"	0	12
"Eel Trek"	50	50
"Whale Tales"	25	25
"COACH"	28	0
"DEEPbaseline"	30	0
"SLIP"	17	0
Support for conservation projects by Oceanário de Lisboa	51	36
Conservation of sea turtles in São Tomé	20	20
Conservação de cavalos marinhos desconhecidos	10	0
"Tunaprint"	10	0
"Angel Shark"	0	8
"Rebreath"	0	7
"Manta Catalog Azores"	0	0
"Fly with Bull rays"	10	0
Enabling a new blue bioeconomy	1	0
Blue Bio Value	300	336
Total	**948**	**1.208**

thousands of euros

Financial Analysis

BLUE NETWORK	2019	2018
Support other Ocean Meetings and Platforms	63	160
Blue Call to Action	165	0
Capacity Building for a New Ocean Champion	100	0
Total	**328**	**160**

thousands of euros

OTHER	2019	2018
Various small value actions	149	43
Total	**149**	**43**

thousands of euros

TOTAL	2019	2018
Oceano Azul Foundation and Oceanário de Lisboa Programs	2.306	2.219
Total	**2.306**	**2.219**

thousands of euros

From the total amount of EUR 23 million under **Operating Income**, 83 % relates to income generated by Oceanário de Lisboa.

OPERATING INCOME	2019	2018
Revenue generated by Oceanário de Lisboa	**19.034**	**18.344**
Tickets	16.249	15.928
Shop Sales	2.285	1.929
Other provisions of services	501	487
Donations	**3.680**	**3.508**
Gains from stake in Telecabine	**230**	**265**
Other Income and Gains	**85**	**53**
Total Operating Income	**23.030**	**22.171**

thousands of euros

Operating income includes the following received donations:

Donations	2019	2018
Endowments from the Founder (SFMS)	3.000	3.000
Estée Lauder Foundation Donation	199	186
Calouste Gulbenkian Foundation Donation	128	150
Waitt Foundation Donation	222	172
Oak Foundation Donation	132	0
Total Donations	**3.680**	**3.508**

thousands of euros

Some of the indicators of the economic and financial situation are summarised as follows:

FINANCIAL STRUCTURE	2019	2018
Equity to Assets Ratio (Endowment Funds/Assets)	26%	24%
Equity to Debt Ratio (Endowment Funds/Liabilities)	36%	31%
Non-current asset coverage (Endowment Funds + Non-current liabilities)/Non-current assets	95%	96%

DEBT	2019	2018
Borrowing Capacity (Endowment Funds/Endowment Funds + Non-current liabilities)	0,30	0,27
Cost of Borrowing (Interest paid/Borrowings)	3%	3%
Interest Effect (Profit Before Tax/Operating Results)	64%	61%

LIQUIDITY	2019	2018
Current ratio (Current assets/Current liabilities)	63%	67%

PROFITABILITY	2019	2018
Economic Profitability (Operating Results/Assets)	6%	6%
Return on Equity (Net Profit/Endowment Funds)	11%	13%

Proposed Earnings Distribution

The Board of Directors proposes that the Net Earnings in individual Oceano Azul Foundation accounts for 2019, amounting to EUR 2 031 957.43, be fully transferred to Results Carried Forward.

Prospects for 2020

2020 will be a defining year for the Oceano Azul Foundation.

By 2020, the Foundation shall end the cycle of its first years of life. This cycle began in mid-2017 and saw the launch of this international civil society Foundation that works towards the sustainability of the ocean in Portugal and worldwide.

The launch cycle comes to a close as the consolidation cycle begins.

Thus, 2020 will be a very symbolic year, not only for the change in how human societies value and preserve the planet, nature, climate and the ocean, but also for the Oceano Azul Foundation itself, at the start of a new cycle.

In the last three and a half years we developed a dialogue with the Foundation's board members and Board of Trustees which led to the creation of a culture and identity for the Foundation.

We have aligned opinions and purposes and began an Action Plan in 2018, which has since been strengthened and consolidated around the three major initiatives: Blue Generation; Blue Natural Capital, and Blue Network.

Next year, we are on target to complete our initiative and efforts in the programmes for the marine protected areas of the Algarve and the Selvagens islands. We intend to reinforce our efforts in early-stage programmes such as Blue Azores and Participesca, which represent a paradigm shift.

Also in 2020, we intend to maximise the visibility of the international agenda for ocean sustainability and the concrete actions that are required, as listed in the RISE UP - A Blue Call to Action document, consolidating our position as leaders in the international ocean agenda.

However, in 2020, the Foundation should also continue cementing its internal growth and strengthening its team in order to continue to drive its model of change. It will be necessary to strengthen the team specially in the area of conservation.

Finally, in 2020 the Foundation should begin to reflect on its positioning for a new stage: its consolidation and expansion cycle. Consolidation, meaning a new stage of development, with new programmes and initiatives not only for 2021, but for the next four years. Expansion, meaning a funding model to match ambition and effort, as the funding model itself has increased and become increasingly diversified.

Let us therefore welcome the Foundation's new cycle and let us use 2020 to prepare for the future, for the 2021/2025 period!

The Board of Directors

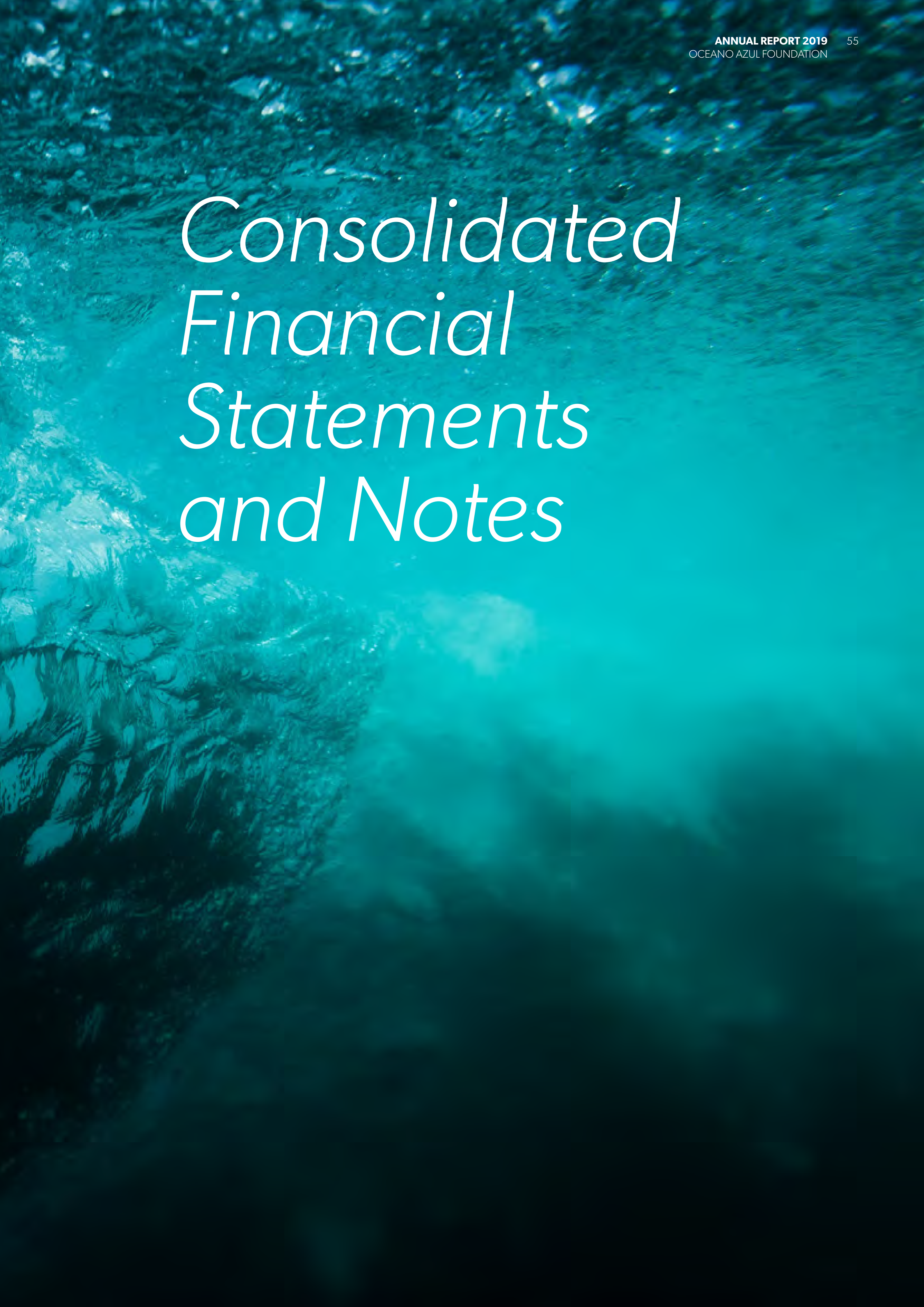
José Soares dos Santos

Emanuel Gonçalves

João Falcato Pereira

Tiago Pitta e Cunha

R. Andreas Kraemer



Consolidated Financial Statements and Notes

Consolidated Financial Statements and Notes

Consolidated statement of financial position

	Note	31-12-2019	31-12-2018
Assets			
Non-current			
Tangible assets	8	9.626.181,90	7.876.600,28
Intangible assets	9	34.036.607,23	35.249.679,19
Rights of Use	9	62.630,25	-
Investments in associates	10	900.345,84	897.218,38
Goodwill	11	19.024.745,42	19.773.257,42
Other accounts receivable	14	28.889,33	28.889,33
Deferred tax assets	15	11.629,14	-
		63.691.029,11	**63.825.644,60**
Current			
Inventories	16	415.798,81	250.673,72
Financial assets at fair value through profit and loss	17	12.938,19	6.937,59
Customers	18	398.362,09	299.910,61
Other accounts receivable	14	605.610,41	513.385,31
Income tax receivable	19	364.740,81	-
Cash and cash equivalents	20	3.579.773,01	4.133.431,83
		5.377.223,32	**5.204.339,06**
Total Assets		**69.068.252,43**	**69.029.983,66**
Equity Funds			
Funds	21	7.171.829,00	7.171.829,00
Other reserves	22	585.598,53	585.598,53
Other changes in equity funds	23	(315.328,51)	(277.348,58)
Results carried forward	22	8.826.187,90	6.731.462,00
Net income for the period		2.031.957,43	2.094.725,90
Total Equity		**18.300.244,35**	**16.306.266,85**
Liabilities			
Non-current			
Financing obtained	24	13.698.144,25	16.011.415,06
Derivative financial instruments	25	315.328,51	277.348,58
Responsibilities with leases	26	25.785,90	-
Other accounts payable	26	28.218.771,73	28.647.681,83
		42.258.030,39	**44.936.445,47**
Current			
Financing obtained	24	2.313.270,81	2.278.774,36
Suppliers	27	656.785,75	1.959.560,54
Income tax payable	19	-	196.435,02
Responsibilities with leases	26	40.990,71	-
Other accounts payable	26	5.498.930,42	3.352.501,42
		8.509.977,69	**7.787.271,34**
Total liabilities		**50.768.008,08**	**52.723.716,81**
Total Equity Funds and Liabilities		**69.068.252,43**	**69.029.983,66**

The notes on pages 62 to 119 are an integral part of these financial statements.

Consolidated statement of profit and loss and other comprehensive income

	Note	31-12-2019	31-12-2018
Operating donations and bequests	29	3.680.458,11	3.508.175,09
Sales and Provision of Services	28	19.034.210,69	18.344.468,93
Profit/Loss allocated to subsidiaries, associates and joint ventures	10	229.584,78	265.065,82
Cost of goods sold and raw materials consumed	30	(839.002,98)	(662.140,86)
External supplies and services	31	(10.143.946,61)	(10.329.676,80)
Staff expenses	32	(3.955.579,98)	(3.311.677,42)
Depreciation and amortisation expenses/reversals	8 e 9	(2.420.197,65)	(2.174.526,92)
Impairment of non-depreciable/amortisable investments (losses/reversals)	11	(748.512,00)	(748.512,00)
Changes in fair value	17	64,25	180,03
Other income	33	85.288,84	53.136,31
Other expenses	34	(685.842,44)	(550.549,70)
Operating income		**4.236.525,01**	**4.393.942,48**
Financial expenses	35	(1.541.146,18)	(1.700.924,08)
Income before taxes		**2.695.378,83**	**2.693.018,40**
Income tax	36	(663.421,40)	(598.292,50)
Net income for the year		**2.031.957,43**	**2.094.725,90**
Other comprehensive income:			
Items that do not reclassify by profit and loss			
Change in fair value of cash flow hedging instruments		(37.979,93)	(16.845,57)
Other comprehensive income - total		**(37.979,93)**	**(16.845,57)**
Total comprehensive income for the fiscal year		**1.993.977,50**	**2.077.880,33**

The notes on pages 62 to 119 are an integral part of these financial statements.

Consolidated statement of changes in Equity Funds

	Note	Funds	Other reserves	Results carried forward	Other changes in equity funds	Net income for the year	Total
As at 1 January 2018		7.171.829,00	585.598,53	(721.909,37)	(260.503,01)	7.453.371,37	14.228.386,52
Net income for the year		-	-	-	-	**2.094.725,90**	**2.094.725,90**
Investment of net income for the year	22	-	-	7.453.371,37	-	(7.453.371,37)	-
Changes in fair value of derivative financial instruments	23	-	-	-	(16.845,57)	-	(16.845,57)
		-	-	**7.453.371,37**	**(16.845,57)**	**(7.453.371,37)**	**(16.845,57)**
As at 31 December 2018		**7.171.829,00**	**585.598,53**	**6.731.462,00**	**(277.348,58)**	**2.094.725,90**	**16.306.266,85**
Net income for the year						**2.031.957,43**	**2.031.957,43**
Investment of net income for the year	22	-	-	2.094.725,90	-	(2.094.725,90)	-
Changes in fair value of derivative financial instruments	23	-	-	-	(37.979,93)	-	(37.979,93)
		-	-	**2.094.725,90**	**(37.979,93)**	**(2.094.725,90)**	**(37.979,93)**
As at 31 December 2019		**7.171.829,00**	**585.598,53**	**8.826.187,90**	**(315.328,51)**	**2.031.957,43**	**18.300.244,35**

The notes on pages 62 to 119 are an integral part of these financial statements.

Consolidated cash flow statement

	Note	31-12-2019	31-12-2018
Cash flows from operating activities			
Receipts from customers and users		24.193.727,58	23.101.523,45
Payments to suppliers		(14.928.702,34)	(14.244.089,51)
Payments to staff		(2.104.053,82)	(1.802.016,41)
Cash generated from operations		**7.160.971,42**	**7.055.417,53**
Income tax payments/receipts		(692.765,90)	(303.569,02)
Other receipts/payments		(4.147.799,73)	(4.103.588,49)
Net cash flows from operating activities		**2.320.405,79**	**2.648.260,02**
Cash flows from investment activities			
Payments regarding:			
Tangible assets		(3.169.497,12)	(5.246.957,50)
Intangible assets		(140.891,13)	(60.148,92)
Receipts from:			
Dividends		226.457,32	261.226,09
Net cash flows from investment activities		**(3.083.930,93)**	**(5.045.880,33)**
Cash flows from financing activities			
Receipts from:			
Donations		3.000.000,00	3.000.000,00
Payments regarding:			
Financing obtained		(2.285.734,00)	(2.254.534,00)
Interest and similar expenses		(504.399,68)	(559.564,24)
Net cash flows from financing activities		**209.866,32**	**185.901,76**
Change in cash and cash equivalents		**(553.658,82)**	**(2.211.718,55)**
Cash and cash equivalents at the beginning of the period	20	4.133.431,83	6.345.150,38
Cash and cash equivalents at the end of the period	20	**3.579.773,01**	**4.133.431,83**

The notes on pages 62 to 119 are an integral part of these financial statements.

Annex to the consolidated financial statements

1. Introduction

The Oceano Azul Foundation (hereinafter also referred to as 'Foundation' or 'Group') is a non-profit private-law body, established by Sociedade Francisco Manuel dos Santos, SGPS, SE (Founder) on 15 December 2016, with headquarters at the Oceanário de Lisboa, located in Esplanada D. Carlos I – Doca dos Olivais, civil parish of Parque das Nações, in Lisbon.

The Foundation was recognised by Order No. 1811/2017 of 10 February 2017 issued by the Bureau of the Assistant Secretary of State and of Administrative Modernisation and began its activity on 1 March 2017.

The Foundation works to contribute to the conversation and sustainable use of the ocean, namely seeking: (a) to develop blue literacy and to raise society's awareness on the challenges of ocean sustainability; (b) to defend ocean conversation, promoting the enhancement of marine biodiversity and the development of sustainable use; (c) to contribute to a new governance of the ocean, guided by ethical values and based on scientific knowledge, and to encourage, through empowerment actions, an innovative and environmentally sustainable blue economy.

The Foundation received, as an initial endowment in kind from its Founder, shares from the company Waterventures – Consultoria, Projectos e Investimentos, S.A. (hereinafter referred to as 'Waterventures'). This entity was set up by Sociedade Francisco Manuel dos Santos (SFMS) to acquire the shares of Oceanário de Lisboa, S.A. (hereinafter referred to as 'Oceanário'), as the Foundation could not be set up and recognised in useful time. In 2017, in order to achieve the initial aim of the Foundation holding the shares of Oceanário, the Foundation and the Sociedade Francisco Manuel dos Santos (SFMS) decided to liquidate Waterventures company. Consequently, the Foundation incorporated Waterventures' assets (assets and liabilities), including Oceanário's shares.

The Group subject to these consolidated financial statements ('Group') comprises the Oceano Azul Foundation and its corresponding subsidiaries and associates (Note 4).
The Group is active in promoting the knowledge, conservation and sustainable use of the ocean, as well as in the creation, maintenance and operation of a complex of oceanic aquariums.

It is important to refer that the activity of the Oceanário subsidiary company is conducted in the context of a public service concession agreement for the operation and administration of 'Oceanário de Lisboa' (see conditions in Note 3.4) which began on 9 June 2015 for a period of 30 years.

These consolidated financial statements were approved by the Board of Directors, at the meeting held on 24th March 2020. The Board of Directors believes that these consolidated financial statements are a true and accurate representation of the Group's operations, as well as of its financial position, financial performance and cash flows.

The Group's financial statements and corresponding notes to this annex are presented in euros.

2. Accounting standard used in the preparation of the financial statements

2.1 Basis of Preparation

These consolidated financial statements were prepared by the Group in accordance with International financial reporting standards as adopted by the European Union ('IFRS'), issued and in force, or issued and adopted in advance on 1 January 2019.

The accompanying consolidated financial statements were prepared on the going concern basis, from the Group's ledgers and accounting records, having the Group followed the historical cost convention, modified where applicable, by measuring at fair value financial assets at fair value through profit and loss.

The preparation of the consolidated financial statements in compliance with IFRS requires the use of estimates, assumptions and critical judgements in the process of determining the accounting policies to be adopted by the Group, with a significant impact on the book value of assets and liabilities, as well as on the income and expenses of the reporting period.

Although these estimates are based on the experience of the Board of Directors and on their best expectations in relation to current and future events and actions, current and future results may differ from these estimates. The areas involving a higher degree of decision or complexity, or areas in which assumptions and estimates are significant, are presented in Note 7.

Published standards (new and amendments) whose application is mandatory for annual periods beginning on or after 1 January 2019:

a. IFRS 16 (new), 'Leases'. This new standard replaces IAS 17 - 'Leases', with a significant impact on accounting by lessees who are now required to recognise a liability reflecting future lease payments and lease 'right of use' for all lease contracts, except certain short-term and low-value assets. The definition of a lease contract was also changed and is based on the 'right to control the use of an identified asset'. As regards the transitional regime, the new standard can be applied retrospectively or a modified retrospective approach can be followed. The standard was adopted by the Group following the modified retrospective approach, without significant impacts as at 1 January 2019.

b. IFRS 9 (amendment), 'Prepayment features with negative compensation'. These amendments enable entities to measure at amortised cost some prepayable financial assets with negative compensation, provided that specific conditions have been met, instead of being classified at fair value through profit and loss. There was no impact regarding amendment to this standard. There was no impact regarding amendment to this standard.

c. IAS 19 (amendment), 'Amendment, curtailment or settlement of defined benefit plans'. This amendment to IAS 19 requires an entity to: (i) use updated assumptions to determine the current service cost and net interest for the remaining period after the amendment, curtailment or settlement of the plan; and (ii) recognise in the income statement as part of the cost with past services, or as profit or loss with settlement of any reduction of surplus hedging, even if the surplus hedge has not been previously recognised due to the impact on the asset ceiling. Impact on the asset ceiling is always recorded under the 'Other Comprehensive Income' item and may not be recycled in the income statement. There was no impact regarding amendment to this standard

d. IAS 28 (amendment), 'Long-term investments in associates and joint ventures'. This amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investment in associates and joint ventures), which are not being measured through equity method, are accounted for under IFRS 9 - 'Financial instruments'. When there are indicators of impairment, long-term investments in associates and joint ventures are subject to the expected loss impairment model, prior to any impairment testing to the investment as a whole. The Group has a shareholding measured by the Equity Method, thus this change had no impact on the Group.

e. Improvements to 2015-2017 standards. This cycle of improvement affects the following standards: IAS 23, IAS 12, IFRS 3 and IFRS 11.

IAS 23, 'Costs with loans obtained'. This improvement clarifies that specific loans obtained which remain open, after the assets within the investment universe to which they relate are can be used or sold, must be added to the generic loans in order to calculate the average interest rate of capitalisation in other qualifying assets.

IAS 12, 'Income taxes'. This improvement clarifies that the tax impacts of dividends are recognised on the date the entity records the liability for the payment of dividends. These are recognised in the income statement, in the other comprehensive income or in the capital, depending on the transaction or event that gave rise to said dividends.

IFRS 3,'Business combinations' and IFRS 11, 'Joint arrangements'. These improvements clarify that: i) when obtaining control over a business that is a joint operation, interests previously held by the investor are remeasured at fair value; and ii) when an investor in a joint transaction (without joint control) acquires joint control in a business that is a joint operation, previously held interest is not remeasured at fair value.

Interpretations

a. IFRIC 23 (new), 'Uncertainty over income tax treatments'. This is an interpretation of IAS 12 – 'Income Taxes', referring to the measurement and recognition requirements to be applied when there are uncertainties as to the acceptance by a specific tax treatment by Tax Authorities concerning Income tax. When there is uncertainty over the position of Tax authorities regarding a specific transaction, said entity must make its best estimate and record income tax assets and liabilities according to IAS 12 and not IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets', based on the expected or most probable value. The application of IFRIC 23 can be done retrospectively or retrospectively with amendments. The modified retrospective approach is not expected to impact the Group given its cautious stance towards fiscal uncertainty.

Published standards (new and amendments) and interpretations whose application is mandatory for annual periods beginning on or after 1 January 2020, already endorsed by the European Union:

a. IAS 1 e IAS 8 (amendment), 'Definition of material' (applicable to fiscal years started on or after 1 January 2020). This amendment introduces a change to the concept of material and clarifies that the reference to unclear information concerns situations in which the effect is similar to omitting or distorting such information, where the entity should evaluate materiality by regarding the financial statements as a whole. Clarifications regarding the term 'main users of financial statements' are also made, where these are defined as 'current and future investors, funders and creditors' that depend on the financial statements to obtain a significant part of the information they need. The Group is still assessing the potential impacts of this standard. Nonetheless, no significant impacts are expected.

b. Conceptual framework, 'Amendments in reference to other IFRS' (applicable for fiscal years starting on or after 1 January 2020). As a result of the publication of the new Conceptual Framework, the IASB introduced changes in the wording of several 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 for assets/liabilities and of expense/income, in addition to some of the characteristics of financial disclosure. These changes apply retrospectively, unless this is impractical. The Group is still assessing the potential impacts of this standard. Nonetheless, no significant impacts are expected.

c. IFRS 9, IAS 39 e IFRS 7 (amendment), 'Reforming major interest rate benchmarks' (in force for annual periods beginning on or after 1 January 2020). These amendments are still subject to the endorsement process by the European Union. These amendments are part of the first phase of IASB's 'IBOR reform' project and provide for exemptions related to the reform of benchmarks into reference interest rates. The exemptions refer to hedge accounting, in terms of: i) risk components; ii) 'highly likely' criterion; iii) prospective assessment; iv) retrospective effectiveness test (for IAS 39 adopters); and v) recycling of the cash flow hedge reserve, which have the objective of not allowing the reform of interest rate benchmarks to determine the cessation of hedge accounting. However, any hedge ineffectiveness found must continue to be recognised in the income statement. The Group is still assessing the potential impacts of this standard. Nonetheless, no significant impacts are expected.

Published standards (new and amendments) and interpretations whose application is mandatory for annual periods beginning on or after 1 January 2020, not yet endorsed by the European Union:

Standards

a. IFRS 3 (amendment), 'Definition of a Business' (applicable to fiscal years starting on or after 1 January 2020). This amendment is still subject to the endorsement process by the European Union. This change constitutes a revision to the definition of a business for the purposes of accounting for the concentrations of business activities. The new definition requires that an acquisition includes an input and a substantial process that, together, generate outputs. Outputs are defined as goods and services that are provided to customers, who generate income from equity holdings and securities and other income, excluding the returns in the form of cost reductions and other benefits for shareholders. 'Concentration tests' to determine whether a transaction regarding the acquisition of an asset or of a business are now allowed. The Group is still assessing the potential impacts of this standard. Nonetheless, no significant impacts are expected.

b. IFRS 17 (new), 'Insurance Contracts' (applicable to fiscal years starting on or after 1 January 2021). This standard is still subject to the endorsement process by the European Union. This new standard replaces IFRS 4 and applies to all entities that issue insurance, reinsurance and investment contracts with discretionary participation characteristics. IFRS 17 relies on the current measurement of the technical responsibilities, at each reporting date. Current measurements can be based on a complete model (building block approach) or on a simplified model (premium allocation approach). Recognition of the technical margin differs depending on whether this is positive or negative. IFRS 17 is applied retrospectively. No impact is expected regarding this standard.

3. Main accounting policies

The main accounting policies applied in the preparation of the consolidated financial statements are those described below.

3.1 Basis of Consolidation

The consolidated financial statements presented herein reflect the assets, liabilities and profit and loss of the Foundation and its subsidiary and the equity and results attributable through the shareholding in its associate as at 31 December 2019.

1. Concentration of business activities

Changes in the Group's shareholding in companies already controlled, which does not result in loss of control, are recorded under equity. Consequently, the Group's interests and the uncontrolled interests regarding those companies are adjusted to reflect the changes in the control of subsidiaries. Differences between the amount of uncontrolled interests acquired or disposed of and the fair value of the acquisition or disposal, respectively, are recognised under equity.

2. Equity holdings in subsidiaries

Shareholdings in subsidiaries in which the Group has control are consolidated by the full consolidation method from the date on which the Group takes control over their financial and operating activities until such control ceases. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect such returns through the exercise of power over the entity.

The Group applies the purchase method when accounting for its business acquisitions. The amount transferred upon acquisition of the subsidiary is the fair value of the delivered assets, liabilities assumed with the previous owners and the equity issued by the Group. The amount transferred includes the fair value of any assets and liabilities resulting from any contingent agreements. The acquired identifiable assets and liabilities and contingent liabilities assumed in a business acquisition are measured initially at fair value on the date of acquisition. Costs directly attributable to the acquisition are recognised in profit and loss when incurred.

In cases where the Group does not hold 100 % of the subsidiaries' share capital, an uncontrolled interest is recognised regarding the portion of profit and loss and net value of the assets attributable to third parties.

When the Group loses control over a subsidiary, the subsidiary's assets and liabilities, as well as any non-controlled interests and other equity components, are derecognised. Any resulting profit or loss is recognised in the income statement. Any interest retained in the entity is measured at fair value when control is lost.

3. Equity holdings in associates

Associates are all entities over which the Group has significant influence. The Group has significant influence when it has the power to participate in the financial and operating policy decisions of the investee without, however, exercising a control or joint control over such policy.

The excess acquisition costs in relation to the fair value share of the identifiable assets and liabilities acquired (goodwill) is recognised as part of the financial investment in the associates. If the acquisition cost is less than the fair value of the acquired assets and liabilities of the acquired entities, the difference is recognised as profit directly in the statement of profit and loss and other comprehensive income.

In the consolidated financial statements, investments in associates are measured by the value resulting from the application of the equity method. Investments in these entities are initially measured at cost in the consolidated financial statements, its book value being subsequently increased or reduced, through recognition of the Group's share in the total profit and loss and comprehensive income from the date on which the significant influence begins until such time as it effectively ends.

Dividends allocated by associates are reduced to the value of the investments in the consolidated statement of financial position. When the share in the losses of these entities exceeds the value of the investment in the Associates, the Group recognises additional losses if it has assumed obligations or if it has made payments on behalf of these entities.

4. Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of identifiable assets and liabilities attributable to the Group at the date of acquisition or first consolidation. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is directly recorded in the income statement in the statement of profit and loss and other comprehensive income.

Goodwill is recorded as an asset and is not subject to depreciation. It is presented separately in the consolidated statement of financial position. Goodwill values are subject to impairment tests conducted every year or whenever there are indications of a possible loss in value. The recognised Goodwill value is compared with the recoverable amount, which is the higher value between the value in use and the fair value less costs of sale. Any impairment loss is recorded immediately as expense in the consolidated statement of profit and loss and other comprehensive income for the period, and is not susceptible to subsequent reversal (Note 11).

Upon disposal of a subsidiary, the corresponding goodwill is included in gains or losses, except when the business to which this Goodwill is associated continues to generate benefits for the Group.

5. Loss of control or significant influence

When the Group ceases to hold significant control or influence, any residual holding in equity is remeasured to its market value, with the changes being recognised in the income statement. The fair value is the initial book value for the purposes of subsequent accounting processing of such participation as a financial asset.

6. Elimination of balances

Balances and transactions between companies controlled by the Foundation, including any unrealised profits or losses resulting from operations conducted within the group, are eliminated in the consolidation process, except when unrealised losses indicate the existence of impairments that should be recognised in the consolidated accounts.

3.2 Currency conversion

I. Functional and reporting currency

The items included in the consolidated financial statements are measured using the currency of the economic environment in which the Group operates (functional currency), the euro. The Group's financial statements and corresponding notes to this annex are presented in euros, unless otherwise expressly stated, corresponding to the Group's functional and reporting currency.

II. Transactions and balances

Transactions in currencies other than in euros are converted to the functional currency using the exchange rates on the transaction dates. Currency profit or loss resulting from payments/receipts from transactions as well as from conversions at the exchange rate on the balance sheet date and monetary assets and liabilities in foreign currency are recognised in the statement of profit and loss and other comprehensive income under the 'financing costs' item, when related to loans or other operating profits or losses, for all other balances/transactions.

III. Exchange rates

Foreign currency rates used to convert the balances presented in foreign currency were as follows:

Foreign Currency Rates	Average Exchange Rate		Closing Exchange Rate	
Currency	**2019**	**2018**	**31-12-2019**	**31-12-2018**
USD	1,1195	1,1810	1,1234	1,1450
GBP	0,8778	0,8847	0,8508	0,8945
JPY	122,0100	130,4000	121,9400	125,8500
ZAR	16,1757	-	15,7773	-
HUF	325,3000	-	330,5300	-

3.3 Tangible assets

Tangible assets are recognised at cost net of accrued depreciation and impairment losses.

The acquisition cost includes the purchase price of the asset, the expenses directly attributable to its acquisition and the charges incurred with the preparation of the asset in order to make it usable. The financial expenses incurred with financing obtained for the construction of tangible assets are recognised as part of the construction cost of the asset.

Subsequent costs incurred with renovations and major repairs, which increase the assets' useful life or the ability to generate economic benefits, are recognised under cost of the asset.

Charges with current repairs and maintenance are recognised as an expense for the period in which they are incurred.

Expenses incurred with dismantling or removing assets in third-party property are considered as part of the initial cost of the corresponding assets, when they constitute significant amounts.

The estimated useful lives for the most significant tangible assets are as follows:

	Years
Buildings and other structures	From 2.5 to 50 years
Basic equipment	From 2.5 to 10 years
Transportation equipment	From 4 to 5 years
Office equipment	From 3 to 10 years
Other tangible fixed assets	From 3 to 10 years

Given that by the end of the concession, the Group is entitled to a 'compensation at book value, net of subsidies, of the goods (...) designed, built, acquired or installed in the fulfilment of the contract', the useful lives assigned by the Board of Directors are not conditioned to the 30 year-period of the concession contract.

Whenever there is evidence of loss in value of tangible assets, impairment tests are conducted in such a way as to estimate the recoverable amount of the asset and, when necessary, record an impairment loss. The recoverable amount is determined by the higher amount between the asset's fair value less costs of sale, and the value in use, the latter being calculated based on the current amount of estimate future cash flows, arising from the continued use and disposal of the asset at the end of its defined useful life.

Profit or loss on the disposal of assets is determined by the difference between the realisable value and the book value of the assets. This is recognised in the statement of profit and loss and other comprehensive income.

3.4 Intangible assets

Intangible assets are only recognized when: i) they are identifiable; ii) it is probable that future economic benefits will arise from them; and iii) its cost can be measured reliably.

When purchased separately, intangible assets are recognised at cost, which includes: i) the purchase price, including costs with intellectual rights and fees after the deduction of any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

After the initial accounting, the Group measures its intangible assets according to the cost model.

Assets generated internally, including internal development costs, are recorded as expense when incurred, whenever it is not possible to distinguish the research phase from the development phase, or it is not possible to reliably determine the costs incurred in each phase or the probable economic benefits to the Group.

Expenditures with studies and assessments carried out in the course of operating activities are recognised in the income statement in which they are incurred.

The Group has recorded the following intangible assets:

I. Computer programs – amounts spent on the acquisition of computer application rights and parameterisation costs incurred to support the activity developed. Upgrades made to the applications or the introduction of new features are also capitalised as intangible assets.

Use and maintenance licences are recognised as expense in the statement of profit and loss and other comprehensive income, pro-rata of the period to which they refer to.

II. Concession rights – acquisition cost of the right to operate the Oceanário de Lisboa, pursuant to the concession agreement concluded with the Portuguese Government.

The main contractual conditions of the concession agreement are as follows:

/ The public concession agreement is in force for a period of 30 years and defines that the concession is comprised of movable, immovable, intangible and 'biological assets';

/ The concessionaire must 'carry out all repair and conservation works resulting from the normal use of the assets assigned in the Concession and ensure these goods remain in good operating conditions';

/ All investments to replace the assets assigned to the concession that are necessary or convenient according to their useful life, good practices and compliance with performance, quality, and security standards required under the terms of the concession agreement;

/ The concession revenues are those resulting from ticket sales, commercial activities related to the operation of the Oceanário and capital interest rates and financial investments;

/ Ticket prices 'are freely set by the Concessionaire, and are subject to the public service obligations and the implementation of the social responsibility policy';

/ Upon award of the concession, the concessionaire agrees to pay a financial contribution in accordance with clause No. 26, consisting of: i) 'a down payment component in the amount of 10 million'; II) an annual component consisting of a fixed amount of EUR 1.3 million, updated according to the Consumer Price Index ('CPI') payable in 12 equal instalments; and iii) a 'variable component of 5 % of the Concession revenues'.

The Group determines the useful life and the intangible asset depreciation method based on the estimate of economic benefits associated with the asset, having defined on this date the following useful lives:

	Years
Computer programs	From 3 to 10 years
Concession rights	30 years
Other Intangible assets	From 2 to 3 years
Right of Use	From 1 to 5 years

3.5 Impairment of non-financial assets

Non-financial assets such as tangible and intangible assets with a defined useful life are subject to impairment tests, when and only when the occurrence of certain events or circumstances indicate that the book value of the assets may not be recoverable.

When the recoverable amount is below the book value of the asset, the corresponding impairment is recorded.

An impairment loss is recognised by the excess of the asset's accounting amount compared to its recoverable amount, and the recoverable amount is the higher of the asset's fair value less costs of sale and value in use. To determine the existence of impairment, assets are allocated at the lowest level for which there are identifiable separate cash flows (cash-generating units).

The calculation of the fair value less costs of sale may be based on: i) sale price contractually agreed in a transaction between unrelated third parties, net of costs of sale; ii) market price if the asset is traded in an active market; or iii) fair value calculated as an estimate of future cash flows that any market agent would expect to obtain from the asset.

In the calculation of the value in use, the methodology of discounted cash flows is used, including the following elements:

a. an estimate of incoming cash flows that the Group expects to obtain from the asset;
b. expected fluctuations of the values and timeliness of these cash flows;
c. the time effect of money, measured by applying the discount rate before taxes, derived from the WACC; and
d. other factors that should be considered in this analysis, such as the lack of liquidity that market participants may reflect on the incoming cash flows that the Group expects from the asset.

Non-financial assets, other than goodwill, which have been subject to impairment losses, are evaluated on each reporting date, as to possible reversal of impairment losses. Impairment losses recognised for goodwill are not reversible.

When there is place for an impairment loss or its reversal, depreciation/amortisation of the corresponding assets is recalculated prospectively in accordance with the adjusted recoverable amount of the recognised impairment.

3.6 Inventories

Inventories include goods for sale at the Oceanário gift shop and are initially measured at the purchase price plus expenditure directly related to the acquisition.

Inventory values must be reduced to their net realisable value, through the recognition of impairment losses, whenever the difference between the net realisable value and the cost is negative. Impairment on inventories should be reviewed at each reporting date.

The cost is determined using the weighted average cost method, and is recognised when the inventory is consumed, as 'Cost offset of goods sold and raw materials consumed'. Inventory is also derecognised when considered obsolete by the Group. In this case, its book value is unknown by 'Other expenses' offset.

3.7 Financial assets

The Board of Directors determines the classification of financial assets, on the initial recognition date, according to the purpose of their acquisition.

The financial assets can be classified as:

I. Financial assets at amortized cost: includes nominal value and interest payments for financial assets for which the business model adopted by management is the receipt of contractual cash flows;

II. Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

> **I.** In the case of debt instruments, this category includes nominal value and interest payments for financial assets for which the adopted business model is the receipt of contractual cash flows or, occasionally, sale;
>
> **II.** In the case of equity instruments, this category includes the percentage of interest held in entities over which control, joint control or significant influence is not exercised, and which the Entity irrevocably chooses to designate at fair value under other comprehensive income on the date of initial recognition;

III. Financial assets at fair value under results: includes assets that do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income, whether they are debt instruments or instruments.

Purchases and sales of investments in financial assets are recorded on the transaction date, in other words, on the date on which the Group undertakes to buy or sell the asset.

Financial assets that are not measured at fair value under profit or loss are initially measured at fair value, added of the transaction costs directly attributable to acquisition. Transaction costs for financial assets at fair value under profit and loss are recorded under profit and loss for the fiscal year when incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method deducted of impairment losses. Interest income for these financial assets is included in the income statement, under Interest income.

Financial assets at fair value under other comprehensive income that constitute debt instruments are subsequently measured at fair value, and the changes in fair value recognised against other comprehensive income, with the exception of changes regarding the recognition of impairments, interest income and gains/(losses) due to exchange differences, which are recognised in the income statement. Financial assets at fair value under comprehensive income are subject to impairment.

Financial assets at fair value under other comprehensive income that constitute equity instruments are measured at fair value starting on the date of initial recognition, and the changes in fair value recognised against other comprehensive income, under Equity, without future reclassification, even after the investment is derecognised. The dividends obtained from these investments are recognised as gains in the income statement on the date they are attributed.
The Entity assesses prospective credit losses associated with financial assets that constitute debt instruments, classified at amortised cost and fair value under other comprehensive income. The applied impairment methodology takes into account the credit risk profile of debtors, and different approaches are applied depending on the nature of debtors.

With regard to balances receivable under 'Customers' (Note 18) and 'Other accounts receivables' (Note 14) and assets in contracts with customers, the Entity applies the simplified approach allowed by IFRS 9, according to which the estimated credit losses are recognised from the initial recognition of the balances receivable until maturity, where the maturity of the balances receivable considers a table of historical non-compliance, and is adjusted by forward-looking estimates whenever suitable.

Regarding the balances receivable from related entities that are not considered part of the financial investment in those entities, credit impairment is assessed in accordance with the following criteria: i) whether the balance receivable is immediately chargeable; ii) whether the balance receivable has low risk; or iii) if the deadline is less than 12 months.
In cases where the amount receivable is due immediately and the related entity is able to pay, the probability of default is close to 0 % and the impairment is therefore considered zero. In cases where the balance receivable is not immediately chargeable, an assessment of the credit risk posed by the corresponding entity is made, whenever it is 'low' or when there is a deadline under 12 months.

For all other situations and natures of balances receivable, the general approach of the impairment model is applied at each reporting date to assess whether there has been a significant increase in credit risk since the date when the asset was initially recognised If there has been no increase in credit risk, the calculated impairment is the expected losses over the 12 month period preceding the deadline. If there has been an increase in credit risk, the calculated impairment is the expected losses for all contractual flows until the maturity of the asset.

The financial assets are not recognised when the right to cash income receipts from cash flows generated by these investments expire or are transferred, as well as all risks and benefits associated with their possession.
Regarding financial assets at fair value under other comprehensive income that are debt instruments, on the derecognition date, the gains/(losses) previously recognised under equity/other comprehensive income
are reclassified from the corresponding items under equity to results for fiscal year.

3.8 Fair value of assets and liabilities

When determining the fair value of an asset or liability, the approach must be based on a hypothetical transaction carried out in the most active market of the asset or liability or, in its absence, the most advantageous market (in other words, the market that maximises the value that the Group would receive by selling the asset or minimises the amount that would be paid to transfer the liability within that market, after considering transaction and transport costs, if applicable). This corresponds to a Level 1 in the fair value hierarchy, provided the market prices used are not adjusted.

Assets and liabilities classified at a Level 2 of the fair value hierarchy do not have active markets - these items are measured using an input-based method, different from the observable Level 1 quoted prices (e.g. interest rates, exchange rates, etc.), commonly used in the market.

The Group can also have assets and/or liabilities that are classified at Level 3 of the fair value hierarchy. This fair value level is characterised by an absence of observable market data - as such, the Entity applies methods based on the best available information, given the particular circumstances of each asset and liability, which may include internal data such as assumptions and estimates.

3.9 Customers and Other accounts receivable

These items mainly include customer balances resulting from services rendered under the Group's activities. Balances are classified as current assets when the estimated collection occurs within a 12-month period. Balances are classified as non-current assets when the estimated collection occurs 12 months after the reporting date. The 'Customers' and 'Other accounts receivable' items are initially recognised at fair value, subsequently measured at amortized value, deducted of impairment. Impairment losses under Customers and Other accounts receivable are recorded in accordance with the principles described in Financial Assets Note. Identified impairment losses are recorded in the statement of profit and loss and other comprehensive income under 'Impairment of accounts receivable', and subsequently reversed to profit and loss. Loans to shareholders and related parties through shareholders are valued at cost or depreciated cost less impairment.

3.10 Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid investments with initial maturities of up to 3 months, which can be immediately converted into cash, and subject to an insignificant risk of changes in value.

Bank overdrafts are presented in the statement of financial position under 'Current liabilities', under the 'Financing obtained' item and are considered as cash and cash equivalents in the preparation of the cash flow statement.

3.11 Equity Funds

The Founder's initial endowments, as defined in the Foundation statutes, are recorded in Capital Fund and recorded on the date of confirmation of their allocation.

3.12 Financial liabilities

Financial liabilities are classified under two categories:

I. Financial liabilities at fair value through profit and loss;
II. Other financial liabilities

Other financial liabilities include the items 'Financing obtained' (Note 24), 'Derivative financial instruments' (Note 25) 'Suppliers' (Note 27) and 'Other accounts payable' (Note 26). Liabilities classified as 'Suppliers' and 'Other accounts payable' are initially measured at fair value and subsequently measured at depreciated cost according to the effective interest rate.

Financial liabilities are derecognised when the related obligations are settled, cancelled or expire.

When a financial hedging instrument expires or is sold, or when a hedging no longer meets the criteria required for the hedge accounting, changes in the fair value of the derivative accumulated in other comprehensive income are recognised in profit and loss when the transaction covered also affects the results.

3.13 Offsetting of financial instruments

Financial assets and liabilities are offset, and their net amounts reported in the statement of financial position only when there is a legally exercisable right to offset these amounts and when there is an intention to settle on a net basis, or when the asset is realised, and the liability settled simultaneously. There is a legal right to offset when it is exercisable at any time during the normal course of the activity and is not contingent on the occurrence of future events or cases of default, insolvency or bankruptcy of the Entity.

3.14 Financing obtained

Financing obtained is initially recognised at fair value, net of transaction and assembly expenditure incurred. Financing are subsequently measured at amortised cost with the difference between the nominal value and the initial fair value recognised in the statement of profit and loss and other comprehensive income throughout the period of the loan, using the effective interest rate method.

Financing obtained is classified as current liabilities, unless the Group has an unconditional right to defer the payment of liabilities for at least 12 months after the balance sheet date, in which case they are classified as non-current liabilities.

3.15 Suppliers and Other accounts payable

This item generally includes balances from suppliers of goods and services that the Group has acquired during the normal course of its activity. Its items will be classified as current liabilities if the payment is due within 12 months or less, otherwise the 'Suppliers' and 'Other accounts payable' items will be classified as non-current liabilities.

These financial liabilities are initially recognised at fair value. Subsequent to their initial recognition, the 'Suppliers' and 'Other accounts payable' items are measured at amortised cost, using the effective interest method.

3.16 Costs with loans obtained

Interest and other costs incurred by the Group in connection with loans to support the Group's activities, whether general or specific, directly attributable to the construction of qualifying assets (assets which normally need a substantial period of time to be ready for its intended use or sale) are added to the cost of these assets until they are ready for its use or sale.

Interests incomes from the temporary investments of specific loans that have not yet been applied to pay suppliers of qualifying assets are deducted from the costs of loans eligible for capitalisation.

With the exception of capitalisation in qualifying assets, all other costs with loans are recognised in profit and loss, in the periods in which they are incurred.

3.17 Derivative financial instruments

The Foundation uses cash flow derivative hedging instruments to manage the financial risks to which it is exposed, not using derivatives with the objective of speculation.

Derivative financial instruments used for hedging may be classified as hedges for accounting purposes as long as they meet all the following cumulative conditions:

a. on the start date of the transaction, the hedging relationship is identified and formally documented, including identification of the hedged item, the hedging instrument and the evaluation of the hedge effectiveness;
b. the hedge relationship is expected to be highly effective, on the transaction start date (prospectively) and throughout the operation (retrospectively);
c. The hedge's effectiveness can be measured reliably at the date of the transaction and over the life of the operation;
d. For cash flow hedges, there must be a strong likelihood that the cash flows will occur.

To measure derivatives, the Foundation uses the assessments provided by counter parties as a basis for recognition of their fair value on the accounting date.

Operations that qualify as cash flow hedging instruments are recorded on the balance sheet by fair value and, to the extent that they are considered effective hedges, changes in the fair value of the instruments are recorded in other comprehensive income. Amounts accumulated in equity are reclassified to profit and loss in the periods in which the items covered also affect profit and loss (for example, when a planned transaction or event that was hedged takes place). Profit and loss related to the ineffective portion are recognised immediately in profit and loss. In this way and in net terms, costs associated with hedge financing are recognised at the rate associated with the hedging operation entered into.

3.18 Income tax

Income tax for the period comprises current taxes and deferred taxes. Income taxes are recorded in the statement of profit and loss and other comprehensive income, except when they relate to items that are recognised directly in Equity Fund.

Current tax - Foundation
The Foundation is a non-profit entity and for the purposes of tax law it is an entity that does not primarily engage in commercial, industrial or agricultural activity. This means that the current tax payable is determined based on its overall income adjusted according to tax regulations in force. Under current tax legislation, tax returns are subject to review and correction by the Tax Authorities for a period of 4 years.

The Foundation is subject to a Corporate income tax at the rate of 21 %.

Current tax – Subsidiaries
The current taxes are those that are expected to be paid based on the taxable income determined in accordance with the tax rules in force and using the tax rate approved or substantially approved in each jurisdiction and any adjustments to the taxes for previous periods. The tax is recognised in each financial reporting period based on management estimates of the average annual effective tax rate expected for the entire fiscal year. Current taxation is calculated based on taxable net income for the year, which may differ from accounting net income due to adjustments to expenses and income which are not relevant for tax purposes or that will only be considered in later fiscal years.

Companies are subject to Corporate Income Tax at the rate of 21 % plus Municipal Surtax at the maximum rate of 1.5 % on Taxable Income. In addition, the Entity is subject to State Surtax, when taxable income exceed EUR 1.5 million, with the following incidence:

3 % for taxable income between EUR 1.5 million and EUR 7.5 million;

5 % for taxable income between EUR 7.5 million and EUR 35 million;

9 % for taxable income over EUR 35 million.

Deferred taxes

Deferred taxes are recognised using the liability method based on the statement of financial position, considering temporary differences resulting from the difference between the tax base of assets and liabilities and their amounts in the financial statements.

Deferred taxes are calculated based on the tax rate in force or already officially announced on the balance sheet date and estimated to be applicable on the date of realisation of the deferred tax assets or on the date of payment of the deferred tax liabilities.

Deferred tax assets are recognised to the extent that it is probable there will be future taxable profits available for use of difference temporary. Deferred tax liabilities are recognised on all taxable temporary differences, except those relating to: i) initial recognition of goodwill; or ii) initial recognition of assets and liabilities that do not derive from a business combination and which at the transaction date do not affect accounting balance or the fiscal balance.

There are no uncertainties as to the acceptance by a specific tax treatment by Tax Authorities concerning the Group's income.

3.19 Provisions and contingent liabilities

Provisions are recognised when the Group has: i) a present legal or constructive obligation as a result of past events; ii) for which it is probable that an outflow of internal resources will be required to settle the obligation; and iii) the amount can be reliably estimated.

Whenever one of the criteria is not complied with or the existence of the obligation is dependent on the occurrence (or not) of a particular future event, the Group discloses this as contingent liabilities, in accordance with Note 37, unless the probability of an outflow of resources to settle the event it is considered remote.

Provisions are measured at the present value of the estimated costs to pay the obligation using a pre-tax interest rate that reflects the market assessment of the discount rate and the risks specific to the provision.

Legal proceedings

Provisions related to judicial proceedings, opposing the Group to third parties, are set up in accordance with internal risk assessments by the Board, with the support and advice of its legal advisers.

Onerous contracts

The group records a provision for onerous contracts when it has a contractual obligation to supply a product or service, for which the cost of meeting the obligation assumed exceeds the estimated economic benefits to be received. The provision is measured at the lower of the costs of performance of the contract and any penalties or compensation that the Foundation may have to pay for non-performance of the contract.

3.20 Contingent assets

Contingent assets are 'possible' assets generated by past events, whose existence derives from confirmation of the future occurrence of one or more uncertain events over which the Group does not have control.

These assets are not recognised in the Group's financial statements, but are disclosed in the accompanying notes, according to note 37, when their occurrence is probable.

3.21 Leases

The new IFRS 16 standard eliminated the classification of leases between operating or finance leases for lessee entities, as provided for in IAS 17. Instead, it introduced a unique accounting model, very similar to the treatment given to finance leases in tenant accounts. This unique model establishes, for the lessee, the separate recognition of:

I. assets and liabilities for all leases with a term greater than 12 months (low-value assets are excluded, regardless of the lease term) in the Statement; and

II. depreciation of leased assets and interest in the Income Statement.

The Foundation adopted this new standard from 1 January 2019, having applied the modified retrospective method, wherefore it did not restate the comparative statements from 2018, with no noticeable impact on equity capital at the time of the transition. Leases relate mainly to vehicle lease contracts. Regarding prior commitments with operating leases, during the transition the Foundation recognised in its Statement, on 1 January 2019, the rights of use and liabilities for each lease. When measuring the liabilities per lease, the Foundation deducted lease payments using the average charge of 4,22% associated with the respective lease contracts.

3.22 Expenses and income

Income and expenses are recorded in the period to which they refer regardless of their payment or receipt, in accordance with the accrual principle. Any differences between the amounts received and paid and the corresponding income and expenses are recognised as assets or liabilities, when they qualify as such.

3.23 Revenue

Revenue corresponds to the fair value of the amount received or receivable relating to the sale of entry tickets to the Group's exhibitions, merchandise from the Oceanário gift shop and other provision of services during the normal course of the Group's business, such as space leases, leases/concessions and donations received, among others. Revenue is recorded net of any taxes, commercial discounts and financial discounts.

Revenue from the sale of products is recorded when: i) a substantial part of the risks and benefits of the goods has been transferred to the buyer; the value of the revenue can be reliably estimated; and iii) it is probable that economic benefits flow to the Group.

Revenue from the provision of services is recognised on the date of provision of single, specific service or according to the percentage of completion or based on the contract period when said provision of services is not associated with specific activities, but with the ongoing provision of the service.

The Group's Revenue corresponds mainly to the tickets office obtained from visitors' entrance to the Oceanário and theme exhibitions, leases obtained for the concession of the gift shop and restaurant spaces in the Oceanário support building, as well as donations received. Revenue from ticket sales is recognised at the date on which the visit occurs; revenue from space leases is recognised over the period of the contract and donations received, to finance statutory purposes, are fully accounted for under period income.

3.24 Subsequent events

Subsequent events refer to the accounting treatment to be given to events occurring after the balance sheet date and before the issue date of the consolidated financial statements.

Events occurring after the reporting date and before the issuance of the consolidated financial statements that provide additional information or confirm situations pending on the reporting date are adjusted in this set of financial statements.

Events occurring after the balance sheet date and before the issuance of these consolidated financial statements that are not related to situations existing on the reporting date do not give rise to adjustments in the consolidated financial statements and are disclosed if considered material.

4. Consolidation perimeter

4.1 Companies included

The Group is controlled by the parent entity, Oceano Azul Foundation.

Companies included in the consolidation by the full consolidation method, their headquarters and proportion of capital held on 31 December 2019 and 2018 are as follows:

Company name	Activity	Headquarters	% Control
Oceanário de Lisboa S.A.	91041	Esplanada Dom Carlos I, 1990-005 Lisboa	100,00%

4.2 Changes to the consolidation perimeter

There are no changes to the consolidation perimeter to report.

5. Associates

Equity holdings and securities in associates are measured by the equity method. Their headquarters and proportion of capital held on 31 December 2019 and 2018 by the Group are as follows:

Company name	Activity	Headquarters	2019 % retained capital	2018 % retained capital
Telecabine Lisboa Limitada	49310	Passeio das Tágides, Estação Norte 1990-280 Lisboa	25%	30%

This shareholding in Telecabine is owned by Oceanário. There was a change in the % holding during the 2019 fiscal year as mentioned in note 10 to this Annex.

6. Financial risk management policies

6.1 Financial risk factors

The Group's activities are exposed to a variety of financial risk factors, including the effects of changes in market prices: credit risk, liquidity risk and cash flow risks associated with interest rate, among others.

The Group's risk management is controlled by the financial department in accordance with policies approved by the Board of Directors. Given this, the Board of Directors has set in writing the main principles of overall risk management, as well as specific policies for some areas, such as the coverage of interest rate risk, liquidity risk and credit risk.

The Board of Directors sets principles for risk management as a whole and policies that cover specific areas, such as currency risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, as well as investment of surplus liquidity.

I. Foreign exchange rate risk

The Group's operating activities are mainly developed in Portugal and consequently the vast majority of its transactions are carried out in the country's currency, the euro, which substantially reduces foreign exchange risk.

II. Credit risk

The Group's credit risk results essentially from i) the risk of recovery of the monetary assets in the custody of third parties and ii) the risk of recovery of claims from third parties.
The credit risk is monitored through the risk assessment carried out before the application and during its evolution.

The credit quality of financial institutions, in relation to the Group's bank deposits, classified as 'Cash and cash equivalents' withdrawn, is as follows:

	31.12.2019	31.12.2018
Bank deposits		
AA+	-	-
AA-	-	-
A	3.551.983,27	4.090.901,03
A-	-	-
Other without rating	27.789,74	42.530,80
Bank deposits (cash and cash equivalents)	**3.579.773,01**	**4.133.431,83**
Other financial assets		
AA	-	-
AA-	-	-
A+	-	-
A	-	-
Other without rating	1.032.861,83	842.185,25
Other financial assets	**1.032.861,83**	**842.185,25**

(Source: Standard & Poor's)

As a general rule, the Group's customers and other accounts receivable do not have a credit rating.

III. Liquidity risk

Cash requirements are managed by the Group's finance department.

Liquidity risk may occur if sources of finance, for example operating cash flows, disinvestment, credit lines and cash flows obtained from financing operations, do not meet the financing needs, such as cash outflows for operating and financing activities and investments.

The following table analyses the Group's financial liabilities by relevant maturity group, based on the remaining period to contractual maturity, on the balance sheet date. The amounts presented in the table are non-discounted contractual cash flows including interest due:

	Less than 1 year	Between 1 to 5 years	More than 5 years
31 December 2019			
Financing obtained:			
Bank loans	2.786.616,35	10.675.264,39	4.315.880,02
Bank overdrafts	-	-	-
Other financing	-	-	-
Suppliers and other accounts payable	6.400.149,08	5.632.694,44	36.291.525,18
	9.186.765,44	**16.307.958,82**	**40.607.405,20**

	Less than 1 year	Between 1 to 5 years	More than 5 years
31 December 2018			
Financing obtained:			
Bank loans	2.811.524,23	10.287.378,30	6.762.274,11
Bank overdrafts	-	-	-
Other financing	-	-	-
Suppliers and other accounts payable	6.145.335,41	5.687.520,60	39.075.123,65
	8.956.859,64	**15.974.898,90**	**45.837.397,76**

IV. Interest rate risk

The risk associated with interest rate fluctuation has an impact on the servicing of the debt taken out. Interest rate risks are essentially related to the interest incurred on the contracting of various loans with variable interest rates.

However, for some financing obtained, part of these risks are managed using fixed interest rates, which exposes the Group to fair value risk.

Sensitivity analysis of the financial expenses towards interest rate variations:

A sensitive analysis was carried out based on the financing obtained by the Group at variable rates, with reference to 31 December 2019 and 2018.

31 December 2019:
Considering the debt regarding financing obtained by the Group as at 31 December 2019 as reference, an additional 1 % on the interest rate would result in an increase of the annual net financial expenses of approximately EUR 293 703.29.

31 December 2018:
Considering the debt regarding financing obtained by the Group as at 31 December 2018 as reference, an additional 1 % on the interest rate would result in an increase of the annual net financial expenses of approximately EUR 370 030.11.

6.2 Capital risk management

The Group's objective in relation to capital management, which is a broader concept than the capital shown in the first page of the statement of financial position, is to maintain an optimised capital structure through the prudent use of debt.

Contracted debt is analysed periodically by weighing factors such as the cost of financing and investment needs in subsidiaries.

The gearing ratios as at 31 December 2019 and 2018 were as follows:

	31.12.2019	31-12-2018
Financing obtained (Note 24)	16.011.415,06	18.290.189,42
Less: Cash and cash equivalents (Note 20)	3.579.773,01	4.133.431,83
Net Debt	12.431.642,05	14.156.757,59
Equity	18.300.244,35	16.306.266,85
Total Capital	**30.731.886,40**	**30.463.024,44**
Gearing	**40%**	**46%**

7. Main estimates and assessments presented

Estimates and assessments impacting the Group's financial statements are continually assessed, representing the best estimate of the Board of Directors at each reporting date, taking into account the historical performance, accumulated experience and expectations of future events that, under the circumstances, are believed to be reasonable.

Estimates' intrinsic nature means that, for balance sheet purposes, actual outcomes of the estimated situations may differ from the estimated amounts. Estimates and assessments that present a significant risk of causing a material adjustment to the book value of assets and liabilities within the next fiscal year are as follows:

Assessments

7.1 Classification of the concession contract

As mentioned in Note 1 and Note 3.4, the Group has assigned a Public concession agreement for the operation and administration of the Oceanário de Lisboa. Under the application of IFRS, there is an interpretation in IFRIC 12 - 'Service Concession Arrangements', which determines the accounting of investments made and liabilities assumed under the concession when certain conditions are cumulatively met:

a. the purpose of the agreement is to provide a public service;
b. the grantor controls or regulates what services to render, to whom they are rendered and at what price; and
c. the grantor controls any significant residual interest in the infrastructure.

The assessment carried out by the management concluded that: i) despite the agreement being designated as public service, the operation of the Oceanário de Lisboa is a leisure activity, thus not corresponding to the provision of an essential service to the livelihood of citizens under the existing social conditions, as provided for in IFRIC 12. It was also verified that the Portuguese Government does not exercise any direct or indirect control over the prices charged by the Group.

Therefore, management has concludes that the principles underlying the application of IFRIC 12 do not apply to the concession agreement concluded with the Portuguese Government.

7.2 Contractual obligations assumed

Within the scope of the public concession agreement for the operation and administration of Oceanário de Lisboa, the Group is responsible for 'all investments to replace the assets assigned to the concession that are necessary or convenient according to their useful life, good practices and compliance with performance, quality and safety standards required under the concession agreement.'

Management assessed whether these contractual conditions constitute a contractual obligation to be recorded at the start of the concession agreement as a provision against the intangible asset and concluded that the concession agreement for the operation and administration does not meet the conditions to be classified as a service concession agreement under IFRIC 12 - Service Concession Arrangements, and consequently the underlying accounting treatment, namely for the following reasons:

I. Oceanário de Lisboa is free to set the prices of the service it provides, and the said price includes the recovery of the investment made in replacement goods;
II. the responsibility for replacing concession assets does not only occur at the end of the contract but throughout the concession and whenever it is necessary to maintain/restore the quality and safety of the service; and
III. Oceanário de Lisboa is entitled to receive the Accounting Net Value these assets have at the end of the concession

7.3 Classification of Assets - Fish/animals

Under the concession agreement, the Group was granted access, for the purposes of the public service provision, to certain animals pursuant to Chapter IV of the concession agreement, which constitute assets of the Grantor.

As regards animals acquired by the Group after the granting date, if the Groups does not intend to use them for animal and algae production for subsequent sale but instead intends to use them for exhibition in aquariums and permanent exhibitions, the management believes that these should not be classified as biological assets, but rather as tangible fixed assets, in cases in which their respective lifetime is greater than 12 months.

In view of the materiality of the amounts involved, the physical size of the animals, the type of species and their average longevity, determined by the Group's biologists, based on the conditions of the aquariums, the average lifespan of the species, and the existing history on log since 1998, the management decided to record the amounts spent as expenses in the period.

7.4 Exercise of significant influence

The Group holds an interest in Telecabine de Lisboa, Lda. The Group exercises significant influence over this entity, as its 25 % shareholding allows them to appoint a manager.

Estimates

7.5 Tangible and intangible assets

Determination of the useful lives of assets and the depreciation/amortisation method to be applied are essential to determine the amount of depreciation/amortisation to be recognised in the statement of profit and loss and other comprehensive income for each fiscal year.

These two parameters are defined according to the best judgement of the Board of Directors for the assets and business in question, also considering practices adopted by international entities in the area.

7.6 Fair value of financial instruments

The fair value of financial instruments not quoted in an active market is determined on the basis of valuation methods. The use of valuation methodologies requires the use of assumptions, some of which require the use of estimates. Thus, changes in these assumptions may result in a change in the fair value reported.

7.7 Impairment of investments in subsidiaries

As a general rule, impairment is recorded in an investment in accordance with IFRS when the balance sheet value of the investment exceeds the current value of future cash flows. The calculation of the estimated current value of cash flows and the decision to consider impairment involve assessments and are substantially based on management analysis of the future development of the subsidiaries. Since the concession of the right to operate the facilities that comprise Oceanário began on 9 June 2015 and has a limited duration of thirty years, the group chose to consider an impairment corresponding to the proportion of the concession period elapsed. Given this, a total annual loss of EUR 748 512 was considered.

7.8 Income tax

Reviews of tax statements by the Tax Authority may lead to the recognition of liabilities relating to additional tax payments, including interest and other penalties. These reviews may impact income tax and provisions for taxes in the accounting periods in which they occur.

Deferred tax assets are recognised for all recoverable losses when it is probable that taxable income will be available against which the losses can be used.

Given the current context of crisis and the impact this may have on future profits, the following factors must be taken into account by Directors to determine the amount of deferred tax assets that can be recognised:

/ The probable date and amount of future taxable profits; and
/ Future tax planning strategies set by the Board of Directors

8. Tangible assets

In the fiscal years ended on 31 December 2019 and 2018, the 'Tangible assets' item had the following breakdown:

	Buildings and other structures	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Ongoing assets	Total
1 January 2019							
Acquisition cost	7.127.303,32	3.694.438,43	157.515,22	1.214.910,74	538.768,23	1.136.595,21	13.869.531,15
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	(2.251.039,43)	(2.642.148,77)	(95.614,49)	(675.243,35)	(328.884,84)	-	(5.992.930,88)
Net value	**4.876.263,89**	**1.052.289,66**	**61.900,73**	**539.667,39**	**209.883,39**	**1.136.595,21**	**7.876.600,28**
2019 Breakdown							
Additions	482.525,43	165.828,05	22.014,06	260.330,63	90.792,52	1.762.354,79	2.783.845,48
Transfers and write-offs	162.750,79	45.102,00	-	-	-	(207.852,79)	-
Depreciation - fiscal year	(637.315,58)	(198.709,29)	(17.652,28)	(130.288,47)	(50.298,24)	-	(1.034.263,86)
Net value	**4.884.224,53**	**1.064.510,42**	**66.262,51**	**669.709,55**	**250.377,67**	**2.691.097,21**	**9.626.181,90**
31 December 2019							
Acquisition cost	7.772.579,54	3.905.368,48	179.529,28	1.475.241,37	629.560,77	2.691.097,21	16.653.376,65
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	(2.888.355,01)	(2.840.858,06)	(113.266,77)	(805.531,82)	(379.183,08)	-	(7.027.194,74)
Net value	**4.884.224,53**	**1.064.510,42**	**66.262,51**	**669.709,55**	**250.377,69**	**2.691.097,21**	**9.626.181,90**

	Buildings and other structures	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Ongoing assets	Total
1 January 2018							
Acquisition cost	3.773.305,35	3.338.665,11	105.985,62	763.564,42	469.413,32	508.137,89	8.959.071,71
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	(1.775.719,93)	(2.455.949,37)	(81.828,79)	(584.266,92)	(355.016,18)	-	(5.252.781,19)
Net value	**1.997.585,42**	**882.715,74**	**24.156,83**	**179.297,50**	**114.397,14**	**508.137,89**	**3.706.290,52**
2018 Breakdown							
Additions	1.700.119,73	141.924,32	51.529,60	464.039,91	133.588,78	2.509.482,81	5.000.685,15
Disposals	-	-	-	(6.348,60)	-	-	(6.348,60)
Transfers and write-offs	1.653.878,24	213.849,00	-	(6.344,98)	(64.233,87)	(1.881.025,49)	(83.877,10)
Impairment - fiscal year	-	-	-	-	-	-	-
Depreciation - fiscal year	(475.319,50)	(186.627,30)	(13.785,70)	(98.252,28)	(38.117,12)	-	(812.101,90)
Depreciation - disposals	-	-	-	952,29	-	-	952,29
Depreciation - transfers and write-offs	-	427,90	-	6.323,56	64.248,46	-	70.999,92
Net value	**4.876.263,89**	**1.052.289,66**	**61.900,73**	**539.667,40**	**209.883,39**	**1.136.595,21**	**7.876.600,28**
31 December 2018							
Acquisition cost	7.127.303,32	3.694.438,43	157.515,22	1.214.910,75	538.768,23	1.136.595,21	13.869.531,16
Accumulated impairment	-	-	-	-	-	-	-
Accumulated depreciation	(2.251.039,43)	(2.642.148,77)	(95.614,49)	(675.243,35)	(328.884,84)	-	(5.992.930,88)
Net value	**4.876.263,89**	**1.052.289,66**	**61.900,73**	**539.667,40**	**209.883,39**	**1.136.595,21**	**7.876.600,28**

Tangible assets essentially comprise works on buildings, basic equipment necessary for the operation of the Oceanário and the sea building, office equipment and transportation equipment.

The most significant amounts included in ‘Ongoing assets’ item relate to the following:

2019

/ Infrastructure for the temporary exhibition “ONE - The ocean as you never felt it.” to open in 2020.

2018

/ Infrastructure for the temporary exhibition “ONE - The ocean as you never felt it.” to open in 2020.

Depreciation of tangible fixed assets are recognised in the ‘Expenses/(reversals) of depreciation and amortisation’ item of the statement of profit and loss and other comprehensive income in its entirety.

In the fiscal year of 2018, fixed asset write-offs amounted to EUR 83 877.10 regarding several assets that were in poor condition and without possibility of use. As a result of these write-offs, a loss in the amount of EUR 12 877.18 was recorded for the assets that were not fully depreciated.

9. Intangible assets

In the periods ended on 31 December 2019 and 2018, the 'Intangible assets' item had the following breakdown:

	Development projects	Computer programs	Concession rights	Other Intangible Assets	Rights of Use	Ongoing intangible assets	Total
As at 1 January 2019							
Acquisition cost	145.964,08	219.036,77	39.803.619,41	199.115,09	-	20.000,00	40.387.735,35
Accumulated impairment	-	-	-	-	-	-	-
Accrued amortization	(145.964,08)	(169.525,71)	(4.670.338,90)	(152.227,47)	-	-	(5.138.056,16)
Net value	-	**49.511,06**	**35.133.280,51**	**46.887,62**	-	**20.000,00**	**35.249.679,19**
					-		
Changes to accounting policies	-	-	-	-	41.868,16	-	41.868,16
Additions	2.100,00	-	-	10.219,65	40.068,52	141.235,75	193.623,92
Amortization for the fiscal year	(583,28)	(17.352,14)	(1.326.453,97)	(22.237,97)	(19.306,43)	-	(1.385.933,79)
Net value	**1.516,72**	**32.158,92**	**33.806.826,54**	**34.869,30**	**62.630,25**	**161.235,75**	**34.099.237,48**
31 December 2019							
Acquisition cost	148.064,08	219.036,77	39.803.619,41	209.334,74	81.936,68	161.235,75	40.623.227,43
Accumulated impairment	-	-	-	-	-	-	-
Accrued amortization	(146.547,36)	(186.877,85)	(5.996.792,87)	(174.465,44)	(19.306,43)	-	(6.523.989,95)
Net value	**1.516,72**	**32.158,92**	**33.806.826,54**	**34.869,30**	**62.630,25**	**161.235,75**	**34.099.237,48**

	Development projects	Computer programs	Concession rights	Other Intangible Assets	Ongoing intangible assets	Total
As at 1 January 2018						
Acquisition cost	145.964,08	158.631,93	39.803.619,41	151.379,76	40.038,61	40.299.633,79
Accumulated impairment	-	-	-	-	-	-
Accrued amortization	(145.964,08)	(148.701,44)	(3.343.884,93)	(137.080,69)	-	(3.775.631,14)
Net value	-	**9.930,49**	**36.459.734,48**	**14.299,07**	**40.038,61**	**36.524.002,65**
Additions	-	24.684,13	-	24.217,43	39.200,00	88.101,56
Transfers and write-offs	-	35.720,71	-	23.517,90	(59.238,61)	-
Amortization for the fiscal year	-	(20.824,27)	(1.326.453,97)	(15.146,78)	-	(1.362.425,02)
Net value	-	**49.511,06**	**35.133.280,51**	**46.887,62**	**20.000,00**	**35.249.679,19**
31 December 2018						
Acquisition cost	145.964,08	219.036,77	39.803.619,41	199.115,09	20.000,00	40.387.735,35
Accumulated impairment	-	-	-	-	-	-
Accrued amortization	(145.964,08)	(169.525,71)	(4.670.338,90)	(152.227,47)	-	(5.138.056,16)
Net value	-	**49.511,06**	**35.133.280,51**	**46.887,62**	**20.000,00**	**35.249.679,19**

Intangible assets refer to:

I. Concession right - the amount recorded in this item refers to the present acquisition price payable by the Company to the Portuguese Government, following the conclusion of the concession agreement. This amount was restated with reference to June 2015, to account for the responsibility assumed over the payment of a fixed income to the grantor over a period of 30 year, adjusted to the CPI.

II. Rights of Use – the amount recorded in this item refers to leases under IFRS 16 recognised by the Group. Leases relate mainly to vehicle lease contracts.

III. Ongoing intangible assets – refer essentially to the EUR 150 000 architectural project for the expansion of Oceanário de Lisboa.

10. Investments in associates

Investments in associates in 2019 and 2018 had the following breakdown:

	2019	2018
1 January	**897.218,38**	**893.378,65**
Gains/(losses) for % changes in equity	(19.062,69)	-
Profit / (Loss) using the equity method	248.647,47	265.065,82
Distribution of Dividends	(226.457,32)	(261.226,09)
31 December	**900.345,84**	**897.218,38**

As at 31 December 2019 and 2018, investments in associates refer to investments in Telecabine de Lisboa, Lda. as follows:

31.12.2019

Company name	Activity	Country of domicile and main place of business	% held	Shareholding	Impairment losses	Supplementary/ accessory payments	Total investment	Goodwill included
Telecabine	49310	Passeio das Tágides, Estação Norte 1990-280 Lisboa	25%	900.345,84	-		900.345,84	291.698,38
				900.345,84	-		**900.345,84**	**291.698,38**

31.12.2018

Company name	Activity	Country of domicile and main place of business	% held	Shareholding	Impairment losses	Supplementary/ accessory payments	Total investment	Goodwill included
Telecabine	49310	Passeio das Tágides, Estação Norte 1990-280 Lisboa	30%	897.218,38	-		897.218,38	291.698,38
				897.218,38	-		**897.218,38**	**291.698,38**

During the 2019 fiscal year there was a change in the % holdings in Telecabine, from 30 % in 2018 to 25 % in 2019, following an increase in equity by Telecabine's other partners, which was not proportionally matched by Oceanário de Lisboa.

The assets and liabilities, income and expenses generated in the fiscal year, as recognised in the financial statements of Telecabine, are as follows:

	31-Dec-19	31-Mar-19	31-Dec-18	31-Mar-18
	Telecabine	Telecabine	Telecabine	Telecabine
Assets				
Non-current	136.806,54	173.140,12	194.519,22	195.328,21
Current	2.833.652,90	2.422.889,02	2.222.164,83	2.098.574,33
	2.970.459,44	**2.596.029,14**	**2.416.684,05**	**2.293.902,54**
Liabilities				
Non-current	-	-	-	-
Current	535.869,58	250.199,85	171.046,23	223.148,92
	535.869,58	**250.199,85**	**171.046,23**	**223.148,92**
Equity	2.434.589,86	2.345.829,29	2.245.637,82	2.070.753,62
	2.434.589,86	**2.345.829,29**	**2.245.637,82**	**2.070.753,62**

	2019	2018
	Telecabine	Telecabine
Activity for the fiscal year	**Apr-Dec**	**Apr-Nov**
Income	2.257.673,32	2.040.838,69
Expenses	(976.259,27)	(995.200,87)
Income tax	(286.824,19)	(235.268,51)
Net income	**994.589,86**	**810.369,31**
Other comprehensive income	-	-
Total comprehensive income	**994.589,86**	**810.369,31**

Operations for the year are for the period from April to December, for Telecabine, but the income recorded for the Entity refers to the period from January to December.

The reconciliation of the financial disclosure selected with the book value of investments in associates is as follows:

	2019	2018
	Telecabine	**Telecabine**
Net assets as at 1 January	1.200.000,00	1.200.000,00
Net income	994.589,86	810.369,31
Other movements in equity	240.000,00	-
Differences in exchange rates	-	-
Net assets as at 31 December	**2.434.589,86**	**2.010.369,31**
% shareholding	25,00%	30,00%
Financial holdings in associates	608.647,47	603.110,79
Goodwill	291.698,38	291.698,38
Other adjustments	-	2.409,21
Net amount calculated	**900.345,84**	**897.218,38**
Net carrying amount	**900.345,84**	**897.218,38**
Reconciliation differences	-	-

The aforementioned net assets relate to the periods from 1 April to 31 December 2019 and 2018, respectively.

11. Goodwill

Over the fiscal years of 2019 and 2018, the movements occurred in the item goodwill are detailed as follows:

	Oceanário de Lisboa
As at 1 January 2019	
Gross value	22.205.926,51
Accumulated impairment	(2.432.669,09)
Net value	**19.773.257,42**
Additions	
Impairment - fiscal year	(748.512,00)
Net value	**19.024.745,42**
31 December 2019	
Gross value	22.205.926,51
Accumulated impairment	(3.181.181,09)
Net value	**19.024.745,42**

	Oceanário de Lisboa
As at 1 January 2018	
Gross value	22.205.926,51
Accumulated impairment	(1.684.157,09)
Net value	**20.521.769,42**
Additions	
Impairment - fiscal year	(748.512,00)
Net value	**19.773.257,42**
31 December 2018	
Gross value	22.205.926,51
Accumulated impairment	(2.432.669,09)
Net value	**19.773.257,42**

12. Financial assets and liabilities by category

The categories of financial assets and liabilities defined according to the categories of IFRS 9 were allocated as follows:

31.12.2019	**Amortised cost**	**Fair value – derivative financial hedging instruments**	**Assets/ Liabilities at fair value through profit and loss**	**Other financial liabilities**	**Non-financial assets / liabilities**	**Total**
Assets						
Cash and cash equivalents	3.579.773,01	-	-	-	-	3.579.773,01
Customers	398.362,09	-	-	-	-	398.362,09
Other accounts receivable	634.499,74	-	-	-	-	634.499,74
Financial assets at fair value through profit and loss		-	12.938,19	-	-	12.938,19
Financial assets available for sale	-	-	-	-	-	
Total financial assets	**4.612.634,84**	-	**12.938,19**	-	**-**	**4.625.573,03**
Other non-financial assets	-	-	-	-	64.498.348,04	64.498.348,04
Total assets	**4.612.634,84**	-	**-**	-	**64.498.348,04**	**69.123.921,07**
Liabilities	-	-	-		-	
Financing obtained	-	-	-	16.011.415,06	-	16.011.415,06
Derivative financial instruments	-	315.328,51	-	-	-	315.328,51
Suppliers	-	-	-	656.785,75	-	656.785,75
Other accounts payable	-	-	-	33.784.478,76	-	33.784.478,76
Total financial liabilities	**-**	**315.328,51**	**-**	**50.452.679,57**	**-**	**50.768.008,08**
Other non-financial liabilities	-	-	-	-	118.298,89	118.298,89
Total liabilities	**-**	**315.328,51**	**-**	**50.452.679,57**	**118.298,89**	**50.886.306,97**

31.12.2018	Amortised cost	Fair value – derivative financial hedging instruments	Assets/ Liabilities at fair value through profit and loss	Other financial liabilities	Non-financial assets / liabilities	Total
Assets						
Cash and cash equivalents	4.133.431,83	-	-	-	-	4.133.431,83
Customers	299.910,61	-	-	-	-	299.910,61
Other accounts receivable	542.274,64	-	-	-	-	542.274,64
Financial assets at fair value through profit and loss	–	-	6.937,59	-	-	6.937,59
Financial assets available for sale	-	-	-	-	-	-
Total financial assets	**4.975.617,08**	-	**6.937,59**	-	**-**	**4.982.554,67**
Other non-financial assets	-	-	-	-	64.047.428,99	64.047.428,99
Total assets	**4.975.617,08**	-	**-**	-	**64.047.428,99**	**69.029.983,66**
Liabilities						
Financing obtained	-	-	-	18.290.189,42	-	18.290.189,42
Derivative financial instruments	-	277.348,58	-	-	-	277.348,58
Suppliers	-	-	-	1.959.560,54	-	1.959.560,54
Other accounts payable	-	-	-	32.000.183,25	-	32.000.183,25
Total financial liabilities	**-**	**277.348,58**	**-**	**52.249.933,21**	**-**	**52.527.281,79**
Other non-financial liabilities	-	-	-	-	196.435,02	196.435,02
Total liabilities	**-**	**277.348,58**	**-**	**52.249.933,21**	**196.435,02**	**52.723.716,81**

13. Fair value of assets and liabilities

Financial assets and liabilities

31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit and loss	12.938,19	-	-	12.938,19
	12.938,19	**-**	**-**	**12.938,19**
Financial Liabilities				
Derivative financial instruments	-	315.328,51	-	315.328,51
	-	**315.328,51**	**-**	**315.328,51**

31 December 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit and loss	6.937,59	-	-	6.937,59
	6.937,59	**-**	**-**	**6.937,59**
Financial Liabilities				
Derivative financial instruments	-	277.348,58	-	277.348,58
	-	**277.348,58**	**-**	**277.348,58**

Measurement of the fair value of derivative financial instruments (Swap) is based on the valuations provided by Banco Santander Totta.

14. Other accounts receivable

In the fiscal years ended on 31 December 2019 and 2018, the 'Other accounts receivable' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Accrued income i)	68.475,10	-	68.475,10	57.226,19	-	57.226,19
State and other public entities ii)	120.634,50	-	120.634,50	114.342,66	-	114.342,66
Deferred assets iii)	44.828,45	28.889,33	73.717,78	75.381,97	28.889,33	104.271,30
Other debtors iv)	31.262,85	-	31.262,85	38.779,41	-	38.779,41
Advance payment to suppliers	338.412,71	-	338.412,71	227.655,08	-	227.655,08
Personnel	1.996,80	-	1.996,80	-	-	-
	605.610,41	**28.889,33**	**634.499,74**	**513.385,31**	**28.889,33**	**542.274,64**
Impairment	-	-	-	-	-	-
Other accounts receivable	**605.610,41**	**28.889,33**	**634.499,74**	**513.385,31**	**28.889,33**	**542.274,64**

I. Accrued income – this sub-item has the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Interest Receivables	-	-	-	-	-	-
Other Income	68.475,10	-	68.475,10	57.226,19	-	57.226,19
Accrued income	**68.475,10**	**-**	**68.475,10**	**57.226,19**	**-**	**57.226,19**

II. State and other public entities - this item records the balances of taxes receivable / recoverable from the State. This sub-item has the following breakdown:

		31.12.2019		31.12.2018
	Current	Non-current	Current	Non-current
VAT	120.634,50	-	114.342,66	-
	120.634,50	**-**	**114.342,66**	**-**

III. Deferred assets - as at 31 December 2018 and 2019, the 'Deferred assets' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Expenses with external supplies and services	37.151,14	28.889,33	66.040,47	25.363,54	28.889,33	54.252,87
Staff expenses	3.002,57	-	3.002,57	1.854,05	-	1.854,05
Other expenses	4.674,74	-	4.674,74	48.164,38	-	48.164,38
Deferred assets	**44.828,45**	**28.889,33**	**73.717,78**	**75.381,97**	**28.889,33**	**104.271,30**

IV. Deferred assets - as at 31 December 2018 and 2019, the 'Deferred assets' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Other debtors - group	-	-	-	-	-	-
Other debtors - non-group	31.262,85	-	31.262,85	38.779,41	-	38.779,41
Other debtors	**31.262,85**	**-**	**31.262,85**	**38.779,41**	**-**	**38.779,41**

As at 31 December 2019 and 2018, no impairment losses were recorded over balances receivable from third parties.

For the period presented, there are no significant differences between the book values and their fair value. Non-current balances receivable earn interests at market rates.

15. Assets and liabilities through deferred taxes

As at 31 December 2019 and 2018, the recognised deferred tax balances are reported on the balance sheet at gross value.

The current income tax balance was broken down as follows as at 31 December 2019 and 2018:

	2019	2018
Income Statement		
Deferred tax	11.629,14	-
Current tax	(675.050,54)	(598.292,50)
	(663.421,40)	**(598.292,50)**

The impact of transactions in deferred tax items that occurred for the reported fiscal years was as follows:

	2019	2018
Impact on income statement		
Deferred tax assets	11.629,14	-
Net impact of deferred taxes	**11.629,14**	**-**

The transactions that occurred under the deferred tax assets and liabilities items for the report fiscal years are as follows:

	Temporary deductible differences - Donations	Total
As at 1 January 2019		
Period ending on 31 December		
Creation through income	11.629,14	11.629,14
Transactions during the period	**11.629,14**	**11.629,14**
As at 31 December 2019	**11.629,14**	**11.629,14**

16. Inventories

In the fiscal years ended on 31 December 2019 and 2018, the 'Inventories' item had the following breakdown:

	31-12-2019	31-12-2018
Goods	415.798,81	250.673,72
Total inventories	**415.798,81**	**250.673,72**

Merchandise means items for sale in the Oceanário de Lisboa gift shop.

The cost of inventories recognised in the income statement for 2019 and 2018 included under the 'Cost of goods sold and raw materials consumed' item amounted to EUR 839 002.98 and EUR 662 140.86, respectively.

17. Financial assets at fair value through profit and loss

The financial assets at fair value through the Group's profit and loss correspond to the contributions made to the Workmen's Compensation Fund ('FCT').

Financial assets at fair value through profit and loss are recorded at fair value, and the subsequent changes in fair value are recorded in the income statement.

The 'Financial assets at fair value' item through profit and loss had the following breakdown:

	2019	2018
As at 1 January	**6.937,59**	**3.188,86**
Endowments	5.936,35	3.568,70
Changes in fair value	64,25	180,03
Uses	-	-
As at 31 December	**12.938,19**	**6.937,59**

18. Customers

In the fiscal years ended on 31 December 2019 and 2018, the 'Customers' item had the following breakdown:

			31-12-2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Customers - Non-group	398.362,09	-	398.362,09	299.910,61	-	299.910,61
Doubtful debtors	31.864,25	-	31.864,25	31.864,25	-	31.864,25
	430.226,34	**-**	**430.226,34**	**331.774,86**	**-**	**331.774,86**
Customers impairment	(31.864,25)	-	(31.864,25)	(31.864,25)	-	(31.864,25)
Total Customers	**398.362,09**	**-**	**398.362,09**	**299.910,61**	**-**	**299.910,61**

In the 2019 and 2018 periods, the 'Impairment losses' item had the following breakdown:

	2019	2018
As at 1 January	**(31.864,25)**	**(31.864,25)**
Increases	-	-
Uses	-	-
Reductions	-	-
As at 31 December	**(31.864,25)**	**(31.864,25)**

The ageing of the overdue balances with impairment for the periods presented is as follows:

	2019	2018
not due	-	-
between 6 and 12 months	-	-
between 12 and 18 months	-	-
between 18 and 24 months	-	-
more than 24 months	31.864,25	31.864,25
Total	**31.864,25**	**31.864,25**

The ageing of the overdue balances without impairment for the periods presented is as follows:

	2019	2018
not due	392.018,72	299.497,11
between 6 and 12 months	3.680,78	413,50
between 12 and 18 months	2.662,59	-
between 18 and 24 months	-	-
more than 24 months	-	-
Total	**398.362,09**	**299.910,61**

For the periods reported, there are no significant differences between the book values and their fair value. Non-current balances receivable earn interests at market rates.

19. Income tax receivable / payable

In the fiscal years ended on 31 December 2019 and 2018, the current income tax had the following balance breakdown:

	31-12-2019		31-12-2018	
	Debtor	Creditor	Debtor	Creditor
Income tax - IRC [Corporate Income Tax]	364.740,81	-	-	196.435,02
	364.740,81	**-**	**-**	**196.435,02**

For the periods reported, the IRC balance had the following breakdown:

	2019	2018
Current Tax		
Payments on account	477.219,00	361.902,00
Taxes withheld at source	543.460,47	43.212,51
IRC estimate	(655.938,66)	(601.549,53)
Total	**364.740,81**	**(196.435,02)**

The amount of "Taxes withheld at source" in 2019 is influenced by the application of the 25% rate on dividends distributed by Oceanário de Lisboa to Fundação Oceano Azul (the net amount of dividends distributed was 2,005,293 Euros).

20. Cash and cash equivalents

As at 31 December 2019 and 2018, the 'Cash and cash equivalents' item had the following breakdown:

	31.12.2019	31.12.2018
Cash	27.789,74	42.530,80
Bank deposits	3.551.983,27	4.090.901,03
Cash and cash equivalents	**3.579.773,01**	**4.133.431,83**

The closing balance of the 'Cash and cash equivalents' item for the purposes of drawing up the cash flow statement for the fiscal years ended on 31 December 2019 and 2018 had the following breakdown:

	31.12.2019	31.12.2018
Cash	27.789,74	42.530,80
Bank deposits	3.551.983,27	4.090.901,03
Cash and cash equivalents (Assets)	**3.579.773,01**	**4.133.431,83**
Bank overdrafts	-	-
Cash and cash equivalents (Liabilities)	-	-
	3.579.773,01	**4.133.431,83**

21. Equity Funds

As at 31 December 2019, Oceano Azul Foundation's funds amounting to EUR 7 171 829, referring to endowments from Founder Sociedade Francisco Manuel dos Santos, SGPS, SE, were fully subscribed and paid up, and broken down as follows:

Endowment in kind: EUR 6 921 829
Endowment in cash: EUR 250 000

The Founder's initial endowment in kind refers to the transfer of a financial share in the entity Waterventures.

22. Other reserves and results carried forward

22.1 Other reserves

In the fiscal years ended on 31 December 2019 and 2018, the 'Other reserves' item had the following breakdown:

	Other reserves	Total
As at 1 January 2018	**585.598,53**	**585.598,53**
Earnings distribution	-	-
Adjustments from equity method	-	-
As at 31 December 2018	**585.598,53**	**585.598,53**
Earnings distribution	-	-
Adjustments from equity method	-	-
As at 31 December 2019	**585.598,53**	**585.598,53**

In 2018, the 'Other reserves' item amounting to EUR 585 598.53 refers to the amount recorded in Equity Funds resulting from the incorporation of Waterventures in 2017.

These amounts will only be available for distribution when the originating elements or rights are sold, exercised, eliminated or settled (Art. 32(2) of the CCC).

22.2 Results carried forward

In the fiscal years ended on 31 December 2019 and 2018, the 'Results carried forward' item had the following breakdown:

	Results carried forward
As at 1 January 2018	**(721.909,37)**
Investment of net income 2017	7.453.371,37
As at 31 December 2018	**6.731.462,00**
Investment of net income 2018	2.094.725,90
As at 31 December 2019	**8.826.187,90**

23. Other changes in equity funds

In the fiscal years ended on 31 December 2019 and 2018, the 'Other changes in equity funds' item had the following breakdown:

	Other changes in equity funds	Total
As at 1 January 2018	**(260.503,01)**	**(260.503,01)**
Fair value swap variation	(16.845,57)	(16.845,57)
As at 31 December 2018	**(277.348,58)**	**(277.348,58)**

	Other changes in equity funds	Total
As at 1 January 2019	**(277.348,58)**	**(277.348,58)**
Fair value swap variation	(37.979,93)	(37.979,93)
As at 31 December 2019	**(315.328,51)**	**(315.328,51)**

The fair value of the derivative hedging instrument (swap) for the fiscal years ending on 31 December 2019 and 2018 decreased by EUR 37 979.93 and EUR 16 845.57, respectively.

24. Financing obtained

The classification of financing obtained according to their term (current and non-current) and by nature of the loan, at the end of the 2019 and 2018 fiscal years, is as follows:

	31.12.2019			31.12.2018		
	Current	Non-current	Total	Current	Non-current	Total
Bank loans i)						
Santander Totta	2.313.270,81	13.698.144,25	16.011.415,06	2.278.774,36	16.011.415,06	18.290.189,42
	2.313.270,81	**13.698.144,25**	**16.011.415,06**	**2.278.774,36**	**16.011.415,06**	**18.290.189,42**

I. The Group took out two bank loans with Santander Totta on 28 September 2015.

a. a bank loan in the initial amount of EUR 15 million, over a 10-year term. For this bank financing, a hedging derivative was entered into with Banco Santander Totta in order to hedge the risk of change in the interest rate of the contracted financing and its cash flows.

This financing was originally entered into by Waterventures with the aim of acquiring the shares of Oceanário de Lisboa, S.A. With the liquidation of Waterventures and the incorporation of its assets and liabilities into the Oceano Azul Foundation, the latter assumed the obligation in respect of this funding.

b. a loan in the initial amount of EUR 10 million, over a 12-year term, necessary for the initial down payment, the financial offset provided for in the concession agreement concluded with the Portuguese Government.

An additional short-term funding line to the amount of EUR 3 million was set up, which has yet to be used.

The Group's financing maturities are as follows:

	2019	2018
Up to 1 year	2.313.270,81	2.278.774,36
Between 2 and 5 years	9.536.119,50	9.392.836,82
More than 5 years	4.162.024,76	6.618.578,24
	16.011.415,06	**18.290.189,42**

The Group's financing present the following changes:

	SantanderTotta
1 January 2019	
Opening balance	18.290.189,42
2019 Breakdown	
Decreases:	
Financing cash flows	(2.285.734,00)
Amortised cost IS	6.959,64
31 December 2019	-
Closing balance	**16.011.415,06**

	SantanderTotta
1 January 2018	
Opening balance	20.537.069,58
2018 Breakdown	
Decreases:	
Financing cash flows	(2.254.534,00)
Amortised cost IS	7.653,84
31 December 2018	-
Closing balance	**18.290.189,42**

25. Derivative financial instruments

As at the 31st of December of 2019 and 2018, the 'Derivative financial instruments' item had the following breakdown:

	31.12.2019				31.12.2018			
		Liabilities				Liabilities		
	Notional	Current	Non-current	Total	Notional	Current	Non-current	Total
Derivatives designated as cash flow hedges								
Swap interest rate	9.372.800,00	-	315.328,51	315.328,51	10.825.200,00	-	277.348,58	277.348,58
Total derivatives designated as hedging		**-**	**315.328,51**	**315.328,51**		**-**	**277.348,58**	**277.348,58**
Total derivatives		**-**	**315.328,51**	**315.328,51**			**277.348,58**	**277.348,58**

Cash flow hedges - Interest rate swaps

The Group ensures a fixed rate for a portion of some future loan interest payments, by contracting interest rate swaps. The risk hedged is the variable reference rate associated with the loans. The purpose of this hedge is to transform the variable interest rate loans in fixed interest rate loans. The credit risk of the loan is not hedged.

26. Other accounts payable

As at 31 December 2019 and 2018, the 'Other accounts payable' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-Current	Total	Current	Non-Current	Total
Investment suppliers i)	1.203.225,26	28.218.771,73	29.421.996,99	706.395,70	28.647.681,83	29.354.077,53
Accrued expenses ii)	3.486.111,05	-	3.486.111,05	2.413.311,89	-	2.413.311,89
State and other public entities iii)	704.034,14	-	704.034,14	165.335,04	-	165.335,04
Advance payment from Customers	9.462,62	-	9.462,62	8.157,96	-	8.157,96
Deferred liabilities iv)	43.554,97	-	43.554,97	7.116,43	-	7.116,43
Other staff expenses	24,82	-	24,82	12,48	-	12,48
Responsibilities with leases	40.990,71	25.785,90	66.776,61	-	-	-
Other creditors	52.517,56	-	52.517,56	52.171,92	-	52.171,92
Other debts payable	**5.539.921,13**	**28.244.557,63**	**33.784.478,76**	**3.352.501,42**	**28.647.681,83**	**32.000.183,25**

I. Investment suppliers – the balance of this item includes the financial liabilities associated with the contractual obligation to pay a fixed lease amount updated by inflation during the 30 years period of the concession agreement. The recorded value corresponds to the discounted value of the leases payable considering an incremental interest rate that the Group would obtain in a financing for the same term, value and collateral.

The movements recorded for the 2019 and 2018 periods regarding the measurement of the concession right recorded as intangible assets are as follows:

	Amount
Balance on 01.01.2018	**29 242 595.61**
Interest for the period	1 104 619.03
Repayment	(1 353 998.57)
Update due to inflation	18 713.29
Balance on 31.12.2018	**29 011 929.36**
Interest for the period	998 608.49
Repayment	(1 362 855.98)
Update due to inflation	19 088.17
Balance on 31.12.2019	**28 666 770.04**

II. Accrued expenses – as at 31 December 2019 and 2018, this sub-item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-Current	Total	Current	Non-Current	Total
Staff expenses	1.004.357,27	-	1.004.357,27	873.058,58	-	873.058,58
Expenses external supplies and services	2.202.787,74	-	2.202.787,74	1.492.071,29	-	1.492.071,29
Financing expenses	25.403,04	-	25.403,04	16.183,48	-	16.183,48
Other expenses	253.563,00	-	253.563,00	31.998,54	-	31.998,54
Accrued expenses	**3.486.111,05**	**-**	**3.486.111,05**	**2.413.311,89**	**-**	**2.413.311,89**

III. State and other public entities – as at 31 December 2019 and 2018, the 'State and other public entities' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-Current	Total	Current	Non-Current	Total
Income tax withheld	564.741,07	-	564.741,07	56.346,47	-	56.346,47
VAT	71.175,81	-	71.175,81	45.797,67	-	45.797,67
Social security contributions	68.117,26	-	68.117,26	63.190,90	-	63.190,90
	704.034,14	**-**	**704.034,14**	**165.335,04**	**-**	**165.335,04**

IV. Deferred assets - as at 31 December 2018 and 2019, the 'Deferred assets' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-Current	Total	Current	Non-Current	Total
Other income to be recognised	43.554,97	-	43.554,97	7.116,43	-	7.116,43
	43.554,97	**-**	**43.554,97**	**7.116,43**	**-**	**7.116,43**

27. Suppliers

As at 31 December 2019 and 2018, the 'Suppliers' item had the following breakdown:

Description	2019	2018
Suppliers - Non-group	656.785,75	1.959.560,54
Suppliers - Group	-	-
Suppliers total balance	**656.785,75**	**1.959.560,54**

28. Sales and Provision of Services

The amount of sales and provision of services recognised in the statement of profit and loss and other comprehensive income in 2019 and 2018 has the following breakdown:

	2019	2018
Products Sales		
Goods	2.283.693,57	1.928.886,98
Subtotal	**2.283.693,57**	**1.928.886,98**
Provision of Services		
Ticket office	16.248.948,65	15.928.512,39
Sponsorships	100.000,00	115.000,00
Leases / Concessions	301.222,35	257.381,54
Space leases	62.527,62	85.218,02
ACE / Sieocean	36.960,00	29.400,00
Other provision of services	858,50	70,00
Subtotal	**16.750.517,12**	**16.415.581,95**
Sales and provision of services	**19.034.210,69**	**18.344.468,93**

29. Operating donations and bequests

During the periods ended on 31 December 2019 and 2018, the following donations were allocated to income:

	2019	2018
Founders' Donations	3.000.000,00	3.000.000,00
Donations - third parties	680.458,11	508.175,09
	3.680.458,11	**3.508.175,09**

The 'Donations' item made by Founder Sociedade Francisco Manuel dos Santos, SGPS, SE, in the amount of EUR 3 million, in the 2019 and 2018 fiscal years, refers to the commitment mentioned in the terms of the Contribution of Funds contract concluded with the parent entity, which has the following breakdown:

2019

/ EUR 3 million received from Sociedade Francisco Manuel dos Santos, SGPS, SE, in 2019.

2018

/ EUR 3 million received from Sociedade Francisco Manuel dos Santos, SGPS, SE, in 2018.

In 2019 the Foundation received donations in the amount of EUR 680 458.11 from third parties, namely: Tides, Calouste Gulbenkian Foundation, Waitt Foundation and OAK Foundation. In 2018 the Foundation received donations in the amount of EUR 508 175.09 from third parties, namely: Tides, the Calouste Gulbenkian Foundation and the Waitt Foundation.

30. Cost of goods sold and raw materials consumed

The cost of goods sold and raw materials consumed recognised in the statement of profit and loss and other comprehensive income for 2019 and 2018 is detailed as follows:

	2019	2018
Opening stock	250.673,72	185.428,74
Purchases	1.028.210,94	755.986,34
Inventory settlement	(24.082,87)	(28.600,50)
Closing stock	(415.798,81)	(250.673,72)
	839.002,98	**662.140,86**

31. External supplies and services

In the fiscal years of 2019 and 2018, the 'External supplies and services' item had the following breakdown:

	31.12.2019	31.12.2018
Specialised services	3.194.449,18	3.371.060,21
Advertising and promotion	403.125,28	556.627,57
Surveillance and security	398.417,48	392.040,90
Fees	487.601,32	469.004,68
Commissions	142.823,50	131.853,87
Maintenance and repairs	1.198.485,31	1.097.839,41
Materials	88.195,36	74.639,29
Energy and fluids	1.548.675,93	1.341.522,24
Travel, accommodation and transport	301.966,65	409.421,64
Rents and leases	1.083.667,06	1.377.442,32
Communication	48.020,04	47.014,74
Insurances	68.391,63	75.655,52
Litigation and notaries	1.393,82	1.227,23
Representation expenses	206.573,19	173.700,62
Cleaning, hygiene and comfort	407.268,32	351.062,07
Other services	564.892,54	459.564,49
External supplies and services	**10.143.946,61**	**10.329.676,80**

As at 31 December 2019 and 2018, the rents and leases item included EUR 953 082.62 euros and EUR 917 182.06, respectively, for the 5 % variable financial consideration over concession revenues, under the terms of the contract.

32. Staff expenses

Personnel expenses incurred during the 2019 and 2018 fiscal years were as follows:

	31.12.2019	31.12.2018
Remunerations		
Governing bodies	670.365,91	545.442,15
Personnel	2.386.433,67	2.022.773,55
Sub-total	**3.056.799,58**	**2.568.215,70**
Other charges		
Compensations	61.710,54	83.778,01
Charges on remunerations	545.104,38	492.124,60
Occupational accident insurance	25.939,42	27.696,45
Welfare expenses	9.115,00	12.830,00
Other	256.911,06	127.032,66
Sub-total	**898.780,40**	**743.461,72**
Staff expenses	**3.955.579,98**	**3.311.677,42**

The average number of employees of the Group in 2019 was 87 (2018: 77).

The 'Welfare expenses' item refers to day-care checks given to employees during this fiscal year.

33. Other income

As of 2019 and 2018, the 'Other income' item had the following breakdown:

	31.12.2019	31.12.2018
Favourable exchange rate differences	400,93	4.633,36
Prompt payment discounts obtained	6,39	253,82
Corrections from previous periods	70.981,39	28.804,57
Other not specified	13.900,13	19.444,56
	85.288,84	**53.136,31**

34. Other expenses

As of 2019 and 2018, the 'Other expenses' item had the following breakdown:

	31.12.2019	31.12.2018
Taxes	8.214,71	28.487,41
Write-offs from non-financial investments	-	12.877,18
Donations	504.940,18	396.325,95
Assessments	29.747,08	26.631,45
Unfavourable exchange rate differences	9.304,64	13.065,94
Inventory losses	18.185,25	19.246,28
Other not specified	115.450,58	52.669,18
Losses from disposal of intangible assets	-	1.246,31
	685.842,44	**550.549,70**

35. Financial expenses

As of 2019 and 2018, the 'Financial expenses' item had the following breakdown:

	31.12.2019	31.12.2018
Financial expenses		
Interests paid		
Bank loans	540.798,21	596.305,00
Other financial expenses	1.000.347,97	1.104.619,08
	1.541.146,18	**1.700.924,08**

The 'Other financial expenses' item refers to the financial effect of the financial liability update regarding the fixed component of the public concession agreement for the operation and administration of Oceanário de Lisboa (see conditions in Note 3.4) which was concluded with the Portuguese Government, and began on 9 June 2015 for a period of 30 years, in the amount of EUR 998 608.44, as well as to the financial effect of updating financial liabilities referring to lease contracts in the amount of EUR 1 739.53.

36. Income tax

The amount of income tax recognised in profit and loss for the fiscal years of 2019 and 2018 has the following breakdown:

	31.12.2019	31.12.2018
Current income tax	675.050,54	598.292,50
Deferred income tax	(11.629,14)	-
Income tax	**663.421,40**	**598.292,50**

Reconciliation of the tax amount for the fiscal year is as follows:

	31.12.2019	31.12.2018
Income before taxes	2.695.378,83	2.693.018,40
Tax Rate	21,0%	21,0%
	566.029,56	**565.533,86**
Non-deductible expenses	244.639,56	233.095,41
Cancellation effects using the equity method	(48.212,80)	(55.663,82)
Non-taxable income	(772.903,16)	(736.716,77)
Differences without deferred tax	595.251,24	529.614,11
Temporary deductible differences w/ deferred tax	(775,27)	-
Tax benefits	(14.732,11)	(16.419,81)
Adjustments from the application of the fair value	(6,54)	(37,81)
Autonomous taxation	32.815,03	31.085,84
Surcharge	72.920,34	63.568,26
Income tax insufficiency / excess estimate	19.020,24	(3.258,37)
Other	(30.624,68)	(12.508,40)
	663.421,40	**598.292,50**
Current income tax	675.050,54	598.292,50
Deferred income tax	(11.629,14)	-
Income tax	**663.421,40**	**598.292,50**

The tax rate used to determine the amount of tax on current income is as follows:

	31.12.2019	31.12.2018
Tax rate	21,00%	21,00%
Surcharge	1,50%	1,50%
State surtax	3,00%	3,00%
	25,50%	**25,50%**

As the parent entity is a Foundation (non-profit entity), and as mentioned in note 3.18, the Surtax and State Surtax do not apply. However, they apply to its subsidiary Oceanário.

37. Commitments

The commitments undertaken by the Group at the balance sheet date for the fiscal years ended on 31 December 2019 and 2018 are as follows:

37.1 Group's obligations arising from the variable commitment concerning the Concession Agreement on the Operation and Management of Oceanário de Lisboa

Following the conclusion of the concession agreement, in addition to the intangible asset payment (see Notes 9 and 3.4), Oceanário de Lisboa, S.A. assumed a contractual obligation to pay a variable financial compensation calculated on 5 % of the concession revenues, including revenues from the ticket office and other commercial activities, co-payments and other taxes to which the Group is entitled by law, and interest or capital payments and financial investments made by the same.

Given that its calculation is variable, this obligation is not recorded in the Group's financial statements.

37.2 Lease commitments

Summary of rentals due related to lease contracts in force as at 31 December 2019 and 2018:

2018	< 1 year	1 - 5 years	> 5 years
Vehicles	27.545,47	31.185,23	-
	27.545,47	**31.185,23**	**-**

2019	< 1 year	1 - 5 years	> 5 years
Vehicles	7.423,41	-	-
	7.423,41	**-**	**-**

38. Contingencies

38.1 Contingent liabilities

The Group has the following contingent liabilities deriving from the bank guarantees provided, as follows:

Bank guarantee, beginning on 28 September 2015, in the amount of EUR 2 million to the Portuguese Government, to ensure the exact and timely fulfilment of its legal and contractual obligations, including those relating to contractual penalties, under the concession agreement concluded with the Portuguese government.

To guarantee the long-term bank loan obtained, the Foundation established a financial pledge over the right to receive financial endowments from Sociedade Francisco Manuel dos Santos, SGPS, SE and the balance of the parent entity's bank account and income from the balance of that account.

To guarantee the long-term bank loan obtained by the Group in order to pay the Portuguese Government the initial component of the concession agreement for the right to operate the Oceanário infrastructure, the Foundation established a financial pledge in favour of Banco Santander Totta on the Oceanário shares and on any amounts it may be due from the Oceanário. With the same objective, the subsidiary Oceanário established a financial pledge of its bank accounts and the income from their balances.

38.2 Guarantees issued by third parties

The Group has the following bank guarantees provided by third parties, as follows:

Beneficiary	Scope	Beginning	2019	2018
Cerger	**Contractual Obligations**	08-02-2011	24.000,00	24.000,00
Engitetra	**Contractual Obligations**	31-01-2011	16.930,44	16.930,44
FCM	**Contractual Obligations**	12-02-2015	-	5.127,80
2GM	**Contractual Obligations**	23-09-2014	-	6.599,30
Prestibel	**Contractual Obligations**	09-11-2016	46.425,60	46.425,60
Saniambiente	**Contractual Obligations**	07-08-2012	29.773,58	29.773,58
Siemens	**Contractual Obligations**	16-01-2016	15.763,13	15.763,13
Sogefran	**Contractual Obligations**	17-12-2013	-	20.000,00
Solidecrew	**Contractual Obligations**	01-07-2012	-	64.750,95
			132.892,75	**229,370.80**

38.3 Contingent assets

The parent entity, under the terms of the agreement for Contribution of Funds entered into with Sociedade Francisco Manuel dos Santos, SGPS, S.E. has the right to receive as Foundation Endowment a total of EUR 30 million. Of this amount, EUR 13.5 million have already been paid and the remaining EUR 16.5 million are to be paid by 2025.

39. Related parties

The Foundation was created by its Founder Sociedade Francisco Manuel dos Santos, SGPS, SE.

Remuneration of the Board of Directors

Remunerations earned by the Board of Directors amounted to EUR 551 417.23 during the fiscal year ending on 31 December 2019 (31 December 2018: EUR 481 107.68).

Remuneration of the Audit Committee

The remuneration received by the Statutory Auditor amounted to EUR 22 415.00 during the fiscal year ended on 31 December 2019 (31 December 2018: EUR 21 425.03).

Transactions between related parties

a. Nature of the relationship with the related parties:

Founding members

Sociedade Francisco Manuel dos Santos, SGPS, SE.

Related parties through founding members

Pingo Doce;

Sociedade Francisco Manuel dos Santos II, SA;

Fundação Francisco Manuel dos Santos;

Unilever Fima;

Waterventures;

Gallo Worldwide.

Associates

Telecabine de Lisboa, Lda.

Other entities - Shareholding

Sieocean

b. Pending balances and transactions

I. Founding Members:

Sales and purchase of services:

During the fiscal year, the Group carried out the following transactions with the founding member:

	2019	2018
Income		
Provision of services/Other income/Donations		
Sociedade Francisco Manuel dos Santos	3.000.000,00	3.013.815,00
	3.000.000,00	**3.013.815,00**

	2019	2018
Expenses		
Purchase of services/Other expenses		
Sociedade Francisco Manuel dos Santos, SGPS, SE	-	20.600,00
	-	**20.600,00**

II. Related parties via founding members:

Sales and purchase of services:

During the fiscal year, the Group carried out the following transactions with related parties through founding members:

	2019	2018
Income		
Provision of services/Other income		
Pingo Doce	100.000,00	115.000,00
Sociedade Francisco Manuel dos Santos II, S.A.	61.876,80	-
Fundação Francisco Manuel dos Santos	1.645,00	3.515,53
Unilever Fima	77.834,20	116.197,35
Waterventures	5.689,46	-
Gallo Worldwide	420,00	420,00
	247.465,46	**235.132,88**

	2019	2018
Expenses		
Purchase of services/Other expenses		
Unilever Fima	135.835,35	60.817,30
Gallo Worldwide	105.680,03	97.770,17
	241.515,38	**158.587,47**
Purchases of goods		
Gallo Worldwide	-	328,00
	-	**328,00**

Debit and credit balances

For the fiscal years ended on 2019 and 2018, balances from transactions with related parties are as follows:

	2019	2018
Debit balances		
Customers		
Unilever Fima	19.645,92	28.754,19
Fundação Francisco Manuel dos Santos	-	1.506,75
	19.645,92	**30.260,94**
Other accounts receivable		
Unilever Fima	-	-
Sociedade Francisco Manuel dos Santos II, S.A.	15.000,00	31.276,46
	15.000,00	**31.276,46**

	2019	2018
Credit balances		
Suppliers		
Gallo Worldwide	-	12.133,61
	-	**12.133,61**
Other debts payable		
Unilever Fima	72.000,00	498,93
Gallo Worldwide	16.424,94	-
	88.424,94	**498,93**

III. Associated companies:

Sales and purchase of services:

During the fiscal year, the Group carried out the following transactions with associates:

	2019	1018
Income		
Provision of services/Other income		
Telecabine	23.346,58	-
	23.346,58	**-**

	2019	1018
Expenses		
Purchase of services/Other expenses		
Telecabine	1.091,04	1.050,03
	1.091,04	**1.050,03**

Debit and credit balances

For the fiscal years ended on 2019 and 2018, balances from transactions with related parties are as follows:

	2019	1018
Debit balances		
Customers		
Telecabine	23.923,78	-
	23.923,78	**-**

	2019	1018
Credit balances		
Other debts payable		
Telecabine	2.400,01	-
	2.400,01	**-**

IV. Other entities - ACE Shareholding:

Sales and purchase of services:

During the fiscal year, the Group carried out the following transactions with the ACE:

	2019	2018
Income		
Provision of services/Other income		
Sieocean	54.844,39	33.999,44
	54.844,39	**33.999,44**

	2019	2018
Expenses		
Purchase of services/Other expenses		
Sieocean	1.041.745,90	929.051,56
	1.041.745,90	**929.051,56**

Debit and credit balances

For the fiscal years ended on 2019 and 2018, balances from transactions with related parties are as follows:

	2019	2018
Debit balances		
Customers		
Sieocean	3.849,76	248,31
Other accounts receivable		
Sieocean	16.500,00	-
	20.349,76	**248,31**

	2019	2018
Credit balances		
Suppliers		
Sieocean	-	65.230,79
	-	**65.230,79**

40. Subsequent events

Following COVID-19, the Oceanário de Lisboa is taking the necessary measures to minimize possible impacts on the operation. However, the impact is not expected to jeopardize the sustainability of the Oceanário de Lisboa's operation.

The Chartered Accountant	**The Board of Directors**
João Pedro Eloi Lopes Banza, number 37215	José Soares dos Santos
	Tiago Pitta e Cunha
	Emanuel Gonçalves
	R. Andreas Kraemer
	João Falcato Pereira

Separate Financial Statements and Notes

Separate Financial Statements and Notes

Statement of financial position

	Note	31.12.2019	31.12.2018
Assets			
Non-current			
Tangible assets	6	3.953,87	6.654,61
Intangible assets	7	2.373,05	908,39
Use rights	7	21.848,06	-
Investments in subsidiaries	8	28.111.780,05	28.832.782,20
		28.139.955,03	**28.840.345,20**
Current			
Financial assets at fair value through profit and loss	11	2.485,36	943,36
Customers	12	1.014,39	3.243,56
Other accounts receivable	13	248.648,57	79.072,12
Income tax receivable	21	483.039,70	-
Cash and cash equivalents	14	2.137.210,55	1.250.533,70
		2.872.398,57	**1.333.792,74**
Total Assets		**31.012.353,60**	**30.174.137,94**
Equity Funds			
Funds	15	7.171.829,00	7.171.829,00
Other reserves	16	(264.330,23)	(264.330,23)
Other changes in equity funds	17	(315.328,51)	(277.348,58)
Results carried forward		9.676.116,66	7.581.390,76
Net income for the period		2.031.957,43	2.094.725,90
Total Capital Fund		**18.300.244,35**	**16.306.266,85**
Liabilities			
Non-current			
Financing obtained	18	7.886.600,00	11.472.800,00
Derivative financial instruments	19	315.328,51	277.348,58
Leasing responsibilities	22	10.403,30	-
		8.212.331,81	**11.750.148,58**
Current			
Financing obtained	18	3.586.200,00	1.452.400,00
Suppliers	20	59.208,38	177.489,46
Income tax payable	21	-	12.991,92
Leasing responsibilities	22	11.845,46	-
Other accounts payable	22	854.369,06	474.841,13
		4.499.777,44	**2.117.722,51**
Total liabilities		**12.712.109,25**	**13.867.871,09**
Total Equity Funds and Liabilities		**31.012.353,60**	**30.174.137,94**

The notes on pages 128 to 167 are an integral part of these financial statements.

Statement of profit and loss and other comprehensive income

	Note	2018	2018
Operating donations and bequests	23	3.680.458,11	3.508.175,09
Profit/Loss allocated to subsidiaries, associates and joint ventures	8	2.032.802,43	1.878.889,82
External supplies and services	24	(1.469.150,30)	(1.386.566,52)
Staff expenses	25	(769.598,13)	(597.424,52)
Depreciation and amortisation expenses/reversals	6 and 7	(12.341,18)	(6.403,23)
Impairment of non-depreciable/amortisable investments (losses/reversals)	8	(748.512,00)	(748.512,00)
Changes in fair value	26	33,13	-
Other income	27	28,31	1.166,02
Other expenses	28	(291.293,94)	(128.290,14)
Operating income		**2.422.426,43**	**2.521.034,52**
Financial expenses	29	(372.093,92)	(413.315,36)
Income before taxes		**2.050.332,51**	**2.107.719,16**
Income tax	30	(18.375,08)	(12.993,26)
Net income for the fiscal year		**2.031.957,43**	**2.094.725,90**
Other comprehensive income:			
Items that may be reclassified by income			
Change in fair value of cash flow hedging instruments	17	(37.979,93)	(16.845,57)
Other comprehensive income - total		**(37.979,93)**	**(16.845,57)**
Total comprehensive income for the fiscal year		**1.993.977,50**	**2.077.880,33**

The notes on pages 128 to 167 are an integral part of these financial statements.

Statement of Changes in Equity Funds

	Note	Funds	Other reserves	Results carried forward	Other changes inequity funds	Netin come for the fiscal year	Total
As at 1 January 2018		**7,171,829.00**	**(264,330.23)**	**128.019,39**	**(260.503,01)**	**7.453.371,37**	**14.228.386,52**
Net income for the fiscal year		-	-	-	-	2.094.725,90	2.094.725,90
Investment of net income for the fiscal year		-	-	7.453.371,37	-	(7.453.371,37)	-
Changes in fair value of derivative financial instruments	17	-	-	-	(16.845,57)	-	(16.845,57)
		-	**-**	**7.453.371,37**	**(16.845,57)**	**(7.453.371,37)**	**(16.845,57)**
As at 31 December 2018		**7,171,829.00**	**(264,330.23)**	**7.581.390,76**	**(277.348,58)**	**2.094.725,90**	**16.306.266,85**
Net income for the fiscal year						**2.031.957,43**	**2.031.957,43**
Investment of net income for the fiscal year		-	-	2.094.725,90	-	(2.094.725,90)	-
Changes in fair value of derivative financial instruments	17	-	-	-	(37.979,93)	-	(37.979,93)
		-	**-**	**7.453.371,37**	**(37.979,93)**	**(2.094.725,90)**	**(37.979,93)**
As at 31 December 2019		**7,171,829.00**	**(264,330.23)**	**9.676.116,66**	**(315.328,51)**	**2.031.957,43**	**18.300.244,35**

The notes on pages 128 to 167 are an integral part of these financial statements.

Cash flow statements

	Note	2019	2018
Cash flows from operating activities			
Receipts from customers and users		680.458,11	508.175,09
Payments to suppliers		(1.690.094,31)	(1.282.985,39)
Payments to staff		(403.152,10)	(321.959,69)
Cash generated from operations		**(1.412.788,30)**	**(1.096.769,99)**
Income tax payments/receipts		(13.083,56)	(1.632,52)
Other receipts/payments		(401.723,76)	(333.419,51)
Net cash flows from operating activities		**(1.827.595,62)**	**(1.431.822,02)**
Cash flows from investment activities			
Payments regarding:			
Tangible assets		-	(8.371,95)
Intangible assets		(1.905,75)	-
Receipts from:			
Dividends		1.503.969,44	-
Net cash flows from investment activities		**1.502.063,69**	**(8.371,95)**
Cash flows from financing activities			
Receipts from:			
Donations		3.000.000,00	3.000.000,00
Payments regarding:			
Financing obtained		(1.452.400,00)	(1.421.200,00)
Interest and similar expenses		(335.391,22)	(382.157,17)
Net cash flows from financing activities		**1.212.208,78**	**1.196.642,83**
Change in cash and cash equivalents		886.676,85	(243.551,14)
Cash and cash equivalents at the beginning of the period	14	1.250.533,70	1,494,084.84
Cash and cash equivalents at the end of the period	**14**	**2.137.210,55**	**1.250.533,70**

The notes on pages 128 to 167 are an integral part of these financial statements.

Notes to the financial statements

1. Introduction

The Oceano Azul Foundation (hereinafter also referred to as 'Foundation' or 'Entity') is a non-profit private-law body, established by Sociedade Francisco Manuel dos Santos, SGPS, SE (Founder) on 15 December 2016, with headquarters at the Oceanário de Lisboa, located in Esplanada D. Carlos I – Doca dos Olivais, civil parish of Parque das Nações, in Lisbon.

The Foundation was recognised by Order No. 1811/2017 of 10 February 2017 issued by the Bureau of the Assistant Secretary of State and of Administrative Modernisation and began its activity on 1 March 2017.

The Foundation works to contribute to the conversation and sustainable use of the ocean, namely seeking: (a) to develop blue literacy and to raise society's awareness on the challenges of ocean sustainability; (b) to defend ocean conversation, promoting the enhancement of marine biodiversity and the development of sustainable use; (c) to contribute to a new governance of the ocean, guided by ethical values and based on scientific knowledge, and to encourage, through empowerment actions, an innovative and environmentally sustainable blue economy.

The Foundation received, as an initial endowment in kind from its Founder, shares from the company Waterventures – Consultoria, Projectos e Investimentos, S.A. (hereinafter referred to as 'Waterventures'). This entity was set up by Sociedade Francisco Manuel dos Santos, SGPS, SE in order to buy the shares of Oceanário de Lisboa, S.A. (hereinafter referred to as 'Oceanário'), given that it would not be possible to complete the process of setting up and recognising the Foundation in good time. In 2017, in order to achieve the initial aim of the Foundation holding the shares in the Oceanário, the Sociedade Francisco Manuel dos Santos, SGPS, SE and the Foundation decided to liquidate the Waterventures company and, consequently, the Foundation incorporated the assets (assets and liabilities) of Waterventures, including the Oceanário shares.

These financial statements were approved by the Board of Directors, at the meeting held on 24th March 2020. The Board of Directors believes that these financial statements are a true and accurate representation of the Foundation's operations, as well as of its financial position, financial performance and cash flows.

The Foundation's financial statements and corresponding notes to this annex are presented in euros.

2. Accounting standard used in the preparation of the financial statements

2.1 Basis of Preparation

These financial statements were prepared by the Entity in accordance with the International Financial Reporting Standards adopted by the European Union ('IFRS'), as of 31 December 2019, adjusted in terms of terminology, given the legal nature of the Entity (Foundation).

The accompanying financial statements were prepared on the going concern basis, from the Foundation's ledgers and accounting records, having the Entity followed the historical cost convention, modified where applicable, by measuring at fair value 'financial assets at fair value through profit and loss'.

The preparation of the financial statements in compliance with IFRS requires the use of estimates, assumptions and critical judgements in the process of determining the accounting policies to be adopted by the Entity, with a significant impact on the book value of assets and liabilities, as well as on the income and expenses of the reporting period.

Although these estimates are based on the experience of the Board of Directors and on their best expectations in relation to current and future events and actions, current and future results may differ from these estimates. The areas involving a higher degree of decision or complexity, or areas where assumptions and estimates are significant, are presented in Note 5.

Published standards (new and amendments) whose application is mandatory for annual periods beginning on or after 1 January 2019:

a. IFRS 16 (new), 'Leases'. This new standard replaces IAS 17 - 'Leases', with a significant impact on accounting by lessees who are now required to recognise a liability reflecting future lease payments and lease 'right-of-use' for all lease contracts, except certain short-term and low-value assets. The definition of a lease contract was also changed and is based on the 'right to control the use of an identified asset'. As regards the transitional regime, the new standard can be applied retrospectively or a modified retrospective approach can be followed. The standard was adopted by the Entity following the modified retrospective approach, showing no significant impacts.

b. IFRS 9 (amendment), 'Prepayment features with negative compensation'. These amendments enable entities to measure at amortised cost some prepayable financial assets with negative compensation, provided that specific conditions have been met, instead of being classified at fair value through profit and loss. There was no impact regarding amendment to this standard.

c. IAS 19 (amendment), 'Amendment, curtailment or settlement of defined benefit plans'. This amendment to IAS 19 requires an entity to: (i) use updated assumptions to determine the current service cost and net interest for the remaining period after the amendment, curtailment or settlement of the plan; and (ii) recognise in the income statement as part of the cost with past services, or as profit or loss with settlement of any reduction of surplus hedging, even if the surplus hedge has not been previously recognised due to the impact on the asset ceiling. Impact on the asset ceiling is always recorded under the 'Other Comprehensive Income' item and may not be recycled in the income statement. There was no impact regarding amendment to this standard.

d. IAS 28 (amendment), 'Long-term investments in associates and joint ventures'. This amendment clarifies that long-term investments in associates and joint ventures (components of an entity's investment in associates and joint ventures), which are not being measured through equity method, are accounted for under IFRS 9 - 'Financial instruments'. When there are indicators of impairment, long-term investments in associates and joint ventures are subject to the expected loss impairment model, prior to any impairment testing to the investment as a whole. The Foundation has a shareholding in a Subsidiary measured by the equity method, thus this change has no impact on the Entity.

e. Improvements to 2015 – 2017 standards. This cycle of improvement affects the following standards: IAS 23, IAS 12, IFRS 3 and IFRS 11.

IAS 23, 'Costs with loans obtained'. This improvement clarifies that specific loans obtained which remain open, after the assets within the investment universe to which they relate are can be used or sold, must be added to the generic loans in order to calculate the average interest rate of capitalisation in other qualifying assets.
IAS 12, 'Income taxes'. This improvement clarifies that the tax impacts of dividends are recognised on the date the entity records the liability for the payment of dividends. These are recognised in the income statement, in the other comprehensive income or in the capital, depending on the transaction or event that gave rise to said dividends.
IFRS 3, 'Business combinations' and IFRS 11, 'Joint arrangements'. These improvements clarify that: i) when obtaining control over a business that is a joint operation, interests previously held by the investor are remeasured at fair value; and ii) when an investor in a joint transaction (without joint control) acquires joint control in a business that is a joint operation, previously held interest is not remeasured at fair value.

Interpretations

a.IFRIC 23 (new), 'Uncertainty over income tax treatments'. This is an interpretation of IAS 12 – 'Income Taxes', referring to the measurement and recognition requirements to be applied when there are uncertainties as to the acceptance by a specific tax treatment by Tax Authorities concerning Income tax. When there is uncertainty over the position of Tax authorities regarding a specific transaction, said entity must make its best estimate and record income tax assets and liabilities according to IAS 12 and not IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets', based on the expected or most probable value. The application of IFRIC 23 can be done retrospectively or retrospectively with amendments. The modified retrospective adoption of this standard is not expected to have an impact on the entity since the Entity has a cautious stance towards uncertain fiscal situations.

Published standards (new and amendments) and interpretations whose application is mandatory for annual periods beginning on or after 1 January 2020, already endorsed by the European Union:

a.IAS 1 and **IAS 8** (amendment), 'Definition of material' (applicable to fiscal years started on or after 1 January 2020). This amendment introduces a change to the concept of material and clarifies that the reference to unclear information concerns situations in which the effect is similar to omitting or distorting such information, where the entity should evaluate materiality by regarding the financial statements as a whole. Clarifications regarding the term 'main users of financial statements' are also made, where these are defined as 'current and future investors, funders and creditors' that depend on the financial statements to obtain a significant part of the information they need. The Entity is yet to determine the impact this standard may have. However, no significant impacts are expected.

b. Conceptual framework, 'Amendments in reference to other IFRS' (applicable for fiscal years starting on or after 1 January 2020). As a result of the publication of the new Conceptual Framework, the IASB introduced changes in the wording of several 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 for assets/liabilities and of expense/income, in addition to some of the characteristics of financial disclosure. These changes apply retrospectively, unless this is impractical. The Entity is yet to determine the impact this standard may have. However, no significant impacts are expected.

c. IFRS 9, IAS 39 e IFRS 7 (amendment), 'Reforming major interest rate benchmarks' (in force for annual periods beginning on or after 1 January 2020). These amendments are still subject to the endorsement process by the European Union. These amendments are part of the first phase of IASB's 'IBOR reform' project and provide for exemptions related to the reform of benchmarks into reference interest rates. The exemptions refer to hedge accounting, in terms of: i) risk components; ii) 'highly likely' criterion; iii) prospective assessment; iv) retrospective effectiveness test (for IAS 39 adopters); and v) recycling of the cash flow hedge reserve, which have the objective of not allowing the reform of interest rate benchmarks to determine the cessation of hedge accounting. However, any hedge ineffectiveness found must continue to be recognised in the income statement. The Entity is yet to determine the impact this standard may have. However, no significant impacts are expected.

Published standards (new and amendments) and interpretations whose application is mandatory for annual periods beginning on or after 1 January 2020, not yet endorsed by the European Union:

Standars

a. IFRS 3 (amendment), 'Definition of a Business' (applicable to fiscal years starting on or after 1 January 2020). This amendment is still subject to the endorsement process by the European Union. This change constitutes a revision to the definition of a business for the purposes of accounting for the concentrations of business activities. The new definition requires that an acquisition includes an input and a substantial process that, together, generate outputs. Outputs are defined as goods and services that are provided to customers, who generate income from equity holdings and securities and other income, excluding the returns in the form of cost reductions and other benefits for shareholders. 'Concentration tests' to determine whether a transaction regarding the acquisition of an asset or of a business are now allowed. The Entity is yet to determine the impact this standard may have. However, no significant impacts are expected.

b. IFRS 17 (new), 'Insurance Contracts' (applicable to fiscal years starting on or after 1 January 2021). This standard is still subject to the endorsement process by the European Union. This new standard replaces IFRS 4 and applies to all entities that issue insurance, reinsurance and investment contracts with discretionary participation characteristics. IFRS 17 relies on the current measurement of the technical responsibilities, at each reporting date. Current measurements can be based on a complete model (building block approach) or on a simplified model (premium allocation approach). Recognition of the technical margin differs depending on whether this is positive or negative. IFRS 17 is applied retrospectively. No impact is expected regarding this standard.

3. Main accounting policies

The main accounting policies applied in the preparation of the financial statements are described below. These policies were consistently applied to all financial years reported, unless otherwise indicated.

3.1 Equity holdings in subsidiaries

Subsidiaries are all entities over which the Foundation has control. The Foundation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the exercise of power over the entity.

The excess of acquisition costs in relation to the asset fair value share and identifiable assets and liabilities, is recognised as part of the financial investment in subsidiaries. If the acquisition cost is less than the fair value of the acquired assets and liabilities of the acquired entities, the difference is recognised as profit directly in the statement of profit and loss and other comprehensive income.

In financial statements, investments in subsidiaries are measured by the value resulting from the application of the equity method. Investments in these entities are initially measured at cost in the financial statements, its book value being subsequently increased or reduced, through recognition of the Entity's share in the total profit and loss recognised in comprehensive income, from the date on which the significant influence begins until such time as it effectively ends.

Dividends allocated by associates are reduced to the value of the investments in the consolidated statement of financial position. When the share in the losses of these Entities exceeds the value of the investment in the Subsidiaries, the Foundation recognises additional losses if it has assumed obligations or if it has made payments on behalf of these entities.

3.2 Currency conversion

I. Functional and reporting currency

The items included in the financial statements are measured using euros, the currency of the economic environment in which the Foundation operates (functional currency). The Entity's financial statements and corresponding notes to this annex are presented in euros, unless otherwise expressly stated, corresponding to the Foundation's functional and reporting currency.

II. Transactions and balances

Transactions in currencies other than in euros are converted to the functional currency using the exchange rates on the transaction dates. Currency profit or loss resulting from payments/receipts from transactions as well as from conversions at the exchange rate on the balance sheet date and monetary assets and liabilities in foreign currency are recognised in the statement of profit and loss and other comprehensive income under the 'financing costs' item, when related to loans or other operating profits or losses, for all other balances/transactions.

III) Exchange rates

Foreign currency rates used to convert the balances presented in foreign currency were as follows:

Foreign Currency Rates	Average Exchange Rate		Closing Exchange Rate	
Currency	**2019**	**2018**	**31.12.2019**	**31.12.2018**
USD	1,11950	1,18100	1,12340	1,14500
GBP	-	0,88471	-	0,89453

3.3 Tangible assets

Tangible assets are recognised at cost net of accrued depreciation and impairment losses.

The acquisition cost includes the purchase price of the asset, the expenses directly attributable to its acquisition and the charges incurred with the preparation of the asset in order to make it usable. The financial expenses incurred with financing obtained for the construction of tangible assets are recognised as part of the construction cost of the asset.

Subsequent costs incurred with renovations and major repairs, which increase the assets' useful life or the ability to generate economic benefits, are recognised under cost of the asset.

Charges with current repairs and maintenance are recognised as an expense for the period in which they are incurred.

Expenses incurred with dismantling or removing assets in third-party property are considered as part of the initial cost of the corresponding assets, when they constitute significant amounts.

The estimated useful lives for the most significant tangible assets are as follows:

	Years
Office equipment	3 years

Whenever there is evidence of loss in value of tangible assets, impairment tests are conducted in such a way as to estimate the recoverable amount of the asset and, when necessary, record an impairment loss. The recoverable amount is determined by the higher amount between the asset's fair value less costs of sale, and the value in use, the latter being calculated based on the current amount of estimate future cash flows, arising from the continued use and disposal of the asset at the end of its defined useful life.

Profit or loss on the disposal of assets is determined by the difference between the realisable value and the book value of the assets. This is recognised in the statement of profit and loss and other comprehensive income.

3.4 Intangible assets

Intangible assets are only recognized when: i) they are identifiable; ii) it is probable that future economic benefits will arise from them; and iii) its cost can be measured reliably.

When purchased separately, intangible assets are recognised at cost, which includes: i) the purchase price, including costs with intellectual rights and fees after the deduction of any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

After the initial calculation, the Foundation measures its intangible assets using the cost model.

Assets generated internally, including internal development costs, are recorded as expense when incurred, whenever it is not possible to distinguish the research phase from the development phase, or it is not possible to reliably determine the costs incurred in each phase or the probable economic benefits to the Foundation.

Expenditures with studies and assessments carried out in the course of operating activities are recognised in the income statement in which they are incurred.

The Entity has recorded the following as intangible assets:

I. Computer programs – amounts spent on the acquisition of computer application rights and parameterisation costs incurred to support the activity developed. Upgrades made to the applications or the introduction of new features are also capitalised as intangible assets.

Use and maintenance licences are recognised as expense in the statement of profit and loss and other comprehensive income, pro-rata of the period to which they refer to.

The Foundation determines the useful life and the intangible asset depreciation method based on the estimate of economic benefits associated with the asset, having defined on this date the following useful lives:

	Years
Computer programs	3 years
Other Intangible assets	From 2 to 3 years

3.5 Impairment of non-financial assets

Non-financial assets such as tangible and intangible assets with a defined useful life are subject to impairment tests, when and only when the occurrence of certain events or circumstances indicate that the book value of the assets may not be recoverable.

When the recoverable amount is below the book value of the asset, the corresponding impairment is recorded.

An impairment loss is recognised by the excess of the asset's accounting amount compared to its recoverable amount, and the recoverable amount is the higher of the asset's fair value less costs of sale and value in use. To determine the existence of impairment, assets are allocated at the lowest level for which there are identifiable separate cash flows (cash-generating units).

The calculation of the fair value less costs of sale may be based on: i) sale price contractually agreed in a transaction between unrelated third parties, net of costs of sale; ii) market price if the asset is traded in an active market; or iii) fair value calculated as an estimate of future cash flows that any market agent would expect to obtain from the asset.

In the calculation of the value in use, the methodology of discounted cash flows is used, including the following elements:

- **a.** an estimate of future cash flows that the entity expects to obtain from the asset;
- **b.** expected fluctuations of the values and timeliness of these cash flows;
- **c.** the time effect of money, measured by applying the discount rate before taxes, derived from the WACC; and
- **d.** other factors that should be considered in this analysis, such as the lack of liquidity that market participants may reflect on the future cash flows that the entity expects from the asset.

The participation in Oceanário was subject to an Impairment Test conducted on 30 June 2016, using a WACC base rate of 7.66 %. The study was based on the estimates of the 5-Year Budget and Activities Plan, and the estimated cash flow after the first 5, showing an expected growth of 1 % by 2024 and 2 % by 2025.

It is considered that there are no significant changes in the assumptions used in this analysis.

Non-financial assets, other than goodwill, which have been subject to impairment losses, are evaluated on each reporting date, as to possible reversal of impairment losses. Impairment losses recognised for goodwill are not reversible, except on their disposal.

When there is place for an impairment loss or its reversal, depreciation/amortisation of the corresponding assets is recalculated prospectively in accordance with the adjusted recoverable amount of the recognised impairment.

3.6 Financial Assets

The Board of Directors determines the classification of financial assets, on the initial recognition date, according to the purpose of their acquisition.

The financial assets can be classified as:

I. Financial assets at amortized cost: includes nominal value and interest payments for financial assets for which the business model adopted by management is the receipt of contractual cash flows;

II. Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

> **I.** In the case of debt instruments, this category includes nominal value and interest payments for financial assets for which the adopted business model is the receipt of contractual cash flows or, occasionally, sale;
>
> **II.** In the case of equity instruments, this category includes the percentage of interest held in entities over which control, joint control or significant influence is not exercised, and which the Entity irrevocably chooses to designate at fair value under other comprehensive income on the date of initial recognition;

III. Financial assets at fair value under results: includes assets that do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income, whether they are debt instruments or instruments.

Purchases and sales of investments in financial assets are recorded on the transaction date, in other words, on the date on which the Entity undertakes to buy or sell the asset.

Financial assets that are not measured at fair value under profit or loss are initially measured at fair value, added of the transaction costs directly attributable to acquisition. Transaction costs for financial assets at fair value under profit and loss are recorded under profit and loss for the fiscal year when incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method deducted of impairment losses. Interest income for these financial assets is included in the income statement, under Interest income.

Financial assets at fair value under other comprehensive income that constitute debt instruments are subsequently measured at fair value, and the changes in fair value recognised against other comprehensive income, with the exception of changes regarding the recognition of impairments, interest income and gains/(losses) due to exchange differences, which are recognised in the income statement. Financial assets at fair value under comprehensive income are subject to impairment.

Financial assets at fair value under other comprehensive income that constitute equity instruments are measured at fair value starting on the date of initial recognition, and the changes in fair value recognised against other comprehensive income, under Equity, without future reclassification, even after the investment is derecognised. The dividends obtained from these investments are recognised as gains in the income statement on the date they are attributed.

The Entity assesses prospective credit losses associated with financial assets that constitute debt instruments, classified at amortised cost and fair value under other comprehensive income. The applied impairment methodology takes into account the credit risk profile of debtors, and different approaches are applied depending on the nature of debtors.

With regard to balances receivable under 'Customers' (Note 12) and 'Other accounts receivables' (Note 13) and assets in contracts with customers, the Entity applies the simplified approach allowed by IFRS 9, according to which the estimated credit losses are recognised from the initial recognition of the balances receivable until maturity, where the maturity of the balances receivable considers a table of historical non-compliance, and is adjusted by forward-looking estimates whenever suitable.

Regarding the balances receivable from related entities that are not considered part of the financial investment in those entities, credit impairment is assessed in accordance with the following criteria: i) whether the balance receivable is immediately chargeable; ii) whether the balance receivable has low risk; or iii) if the deadline is less than 12 months.

In cases where the amount receivable is due immediately and the related entity is able to pay, the probability of default is close to 0 % and the impairment is therefore considered zero. In cases where the balance receivable is not immediately chargeable, an assessment of the credit risk posed by the corresponding entity is made, whenever it is 'low' or when there is a deadline under 12 months.

For all other situations and natures of balances receivable, the general approach of the impairment model is applied at each reporting date to assess whether there has been a significant increase in credit risk since the date when the asset was initially recognised If there has been no increase in credit risk, the calculated impairment is the expected losses over the 12 month period preceding the deadline. If there has been an increase in credit risk, the calculated impairment is the expected losses for all contractual flows until the maturity of the asset.

The financial assets are not recognised when the right to cash income receipts from cash flows generated by these investments expire or are transferred, as well as all risks and benefits associated with their possession.

Regarding financial assets at fair value under other comprehensive income that are debt instruments, on the derecognition date, the gains/(losses) previously recognised under equity/other comprehensive income are reclassified from the corresponding items under equity to results for fiscal year.

3.7 Fair value of assets and liabilities

When determining the fair value of an asset or liability, the approach must be based on a hypothetical transaction carried out in the most active market of the asset or liability or, in its absence, the most advantageous market (in other words, the market that maximises the value that the Foundation would receive by selling the asset or minimises the amount that would be paid to transfer the liability within that market, after considering transaction and transport costs, if applicable). This corresponds to a Level 1 in the fair value hierarchy, provided the market prices used are not adjusted.

Assets and liabilities classified at a Level 2 of the fair value hierarchy do not have active markets - these items are measured using an input-based method, different from the observable Level 1 quoted prices (e.g. interest rates, exchange rates, etc.), commonly used in the market.

The Group can also have assets and/or liabilities that are classified at a Level 3 of the fair value hierarchy. This fair value level is characterised by an absence of observable market data - as such, the Entity applies methods based on the best available information, given the particular circumstances of each asset and liability, which may include internal data such as assumptions and estimates.

3.8 Customers and Other accounts receivable

These items mainly include customer balances resulting from services provided/donated under the Foundation's activities. Balances are classified as current assets when the estimated collection occurs within a 12-month period. Balances are classified as non-current assets when the estimated collection occurs 12 months after the reporting date. The 'Customers' and 'Other accounts receivable' items are initially recognised at fair value, subsequently measured at amortized value, deducted of impairment. Impairment losses under Customers and Other accounts receivable are recorded in accordance with the principles described in Financial Assets Note. Identified impairment losses are recorded in the statement of profit and loss and other comprehensive income under 'Impairment of accounts receivable', and subsequently reversed to profit and loss. Loans to shareholders and related parties through shareholders are valued at cost or depreciated cost less impairment.

3.9 Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits and other short-term highly liquid investments with initial maturities of up to 3 months, which can be immediately converted into cash, and subject to an insignificant risk of changes in value.

Bank overdrafts are presented in the statement of financial position under 'Current liabilities', under the 'Loans obtained' item and are considered as cash and cash equivalents in the preparation of the cash flow statement.

3.10 Equity Funds

The Founder's initial endowments, as defined in the Foundation statutes, are recorded in Capital Fund and recorded on the date of confirmation of their allocation.

3.11 Financial liabilities

Financial liabilities are classified under two categories:

I. Financial liabilities at fair value through profit and loss;
II. Other financial liabilities

Other financial liabilities include the items 'Financing obtained' (Note 18), 'Derivative financial instruments' (Note 19) 'Suppliers' (Note 20) and 'Other accounts payable' (Note 22). Liabilities classified as 'Suppliers' and 'Other accounts payable' are initially measured at fair value and subsequently measured at depreciated cost according to the effective interest rate.

Financial liabilities are derecognised when the related obligations are settled, cancelled or expire.

When a financial hedging instrument expires or is sold, or when a hedging no longer meets the criteria required for the hedge accounting, changes in the fair value of the derivative accumulated in other comprehensive income are recognised in profit and loss when the transaction covered also affects the results.

3.12 Offsetting of financial instruments

Financial assets and liabilities are offset, and their net amounts reported in the statement of financial position only when there is a legally exercisable right to offset these amounts and when there is an intention to settle on a net basis, or when the asset is realised, and the liability settled simultaneously. There is a legal right to offset when it is exercisable at any time during the normal course of the activity and is not contingent on the occurrence of future events or cases of default, insolvency or bankruptcy of the Entity.

3.13 Financing obtained

Financing obtained is initially recognised at fair value, net of transaction and assembly expenditure incurred. Financing are subsequently measured at amortised cost with the difference between the nominal value and the initial fair value recognised in the statement of profit and loss and other comprehensive income throughout the period of the loan, using the effective interest rate method.

Financing obtained is classified as current liabilities, unless the Entity has an unconditional right to defer the payment of liabilities for at least 12 months after the reporting date, in which case they are classified as non-current liabilities.

3.14 Suppliers and Other accounts payable

This item generally includes balances from suppliers of goods and services that the Foundation has acquired during the normal course of its activity. Its items will be classified as current liabilities if the payment is due within 12 months or less, otherwise the 'Suppliers' and 'Other accounts payable' items will be classified as non-current liabilities.

These financial liabilities are initially recognised at fair value. Subsequent to their initial recognition, the 'Suppliers' and 'Other accounts payable' items are measured at amortised cost, using the effective interest method.

3.15 Costs with loans obtained

Interest and other costs incurred by the Foundation in connection with loans to support the Foundation's activities, whether general or specific, directly attributable to the construction of qualifying assets (assets which normally need a substantial period of time to be ready for its intended use or sale) are added to the cost of these assets until they are ready for its use or sale.

Interests incomes from the temporary investments of specific loans that have not yet been applied to pay suppliers of qualifying assets are deducted from the costs of loans eligible for capitalisation.

With the exception of capitalisation in qualifying assets, all other costs with loans are recognised in profit and loss, in the periods in which they are incurred.

3.16 Derivative financial instruments

The Foundation uses cash flow derivative hedging instruments to manage the financial risks to which it is exposed, not using derivatives with the objective of speculation.

Derivative financial instruments used for hedging may be classified as hedges for accounting purposes as long as they meet all the following cumulative conditions:

a. only the foreseen hedging instruments and hedged items are permitted;
b. The hedging relationship and its documentation must be formally designated;
c. The requirements for the effectiveness of the hedging must be met;

To measure derivatives, the Foundation uses the assessments provided by counter parties as a basis for recognition of their fair value on the accounting date.

Operations that qualify as cash flow hedging instruments are recorded on the balance sheet by fair value and, to the extent that they are considered effective hedges, changes in the fair value of the instruments are recorded in other comprehensive income. Amounts accumulated in equity are reclassified to profit and loss in the periods in which the items covered also affect profit and loss (for example, when a planned transaction or event that was hedged takes place). Profit and loss related to the ineffective portion are recognised immediately in profit and loss. In this way and in net terms, costs associated with hedge financing are recognised at the rate associated with the hedging operation entered into.

3.17 Income tax

Income taxes are recognised in the income statement, except when related to items that are recognised directly in equity, in which case they must be recognised in equity. Deferred taxes recognised in equity arising from the measurement of assets at fair value under other comprehensive income and cash flow hedges are subsequently recognised in the income statement when the corresponding gains and losses are recognised in the income statement.

Current tax

The current taxes are those that are expected to be paid based on the taxable income determined in accordance with the tax rules in force and using the tax rate approved or substantially approved in each jurisdiction and any adjustments to the taxes for previous periods. The tax is recognised in each financial reporting period based on management estimates of the average annual effective tax rate expected for the entire fiscal year. Current taxation is calculated based on taxable net income for the year, which may differ from accounting net income due to adjustments to expenses and income which are not relevant for tax purposes or that will only be considered in later fiscal years.

There are no uncertainties as to the acceptance by a specific tax treatment by Tax Authorities concerning Income tax.

The Foundation is a non-profit entity and for the purposes of tax law it is an entity that does not primarily engage in commercial, industrial or agricultural activity. This means that the current tax payable is determined based on its overall income adjusted according to tax regulations in force.

The Foundation is subject to a Corporate income tax at the rate of 21 %.

3.18 Provisions and contingent liabilities

Provisions are recognised when the Entity has: i) a present legal or constructive obligation as a result of past events; ii) for which it is probable that an outflow of internal resources will be required to settle the obligation; and iii) the amount can be reliably estimated.

Whenever one of the criteria is not complied with or the existence of the obligation is dependent on the occurrence (or not) of a particular future event, the Group discloses this as contingent liabilities, in accordance with Note 32, unless the probability of an outflow of resources to settle the event it is considered remote.

Provisions are measured at the present value of the estimated costs to pay the obligation using a pre-tax interest rate that reflects the market assessment of the discount rate and the risks specific to the provision.

Legal proceedings

Provisions related to judicial proceedings, opposing the Foundation to third parties, are set up in accordance with internal risk assessments by the Board, with the support and advice of its legal advisers.

Onerous contracts

The Foundation records a provision for onerous contracts when it has a contractual obligation to supply a product or service, for which the cost of meeting the obligation assumed exceeds the estimated economic benefits to be received. The provision is measured at the lower of the costs of performance of the contract and any penalties or compensation that the Foundation may have to pay for non-performance of the contract.

3.19 Contingent assets

Contingent assets are ‘possible’ assets generated by past events, whose existence derives from confirmation of the future occurrence of one or more uncertain events over which the Foundation does not have control.

These assets are not recognised in the Foundation's financial statements, but are disclosed in the accompanying notes, when their occurrence is probable.

3.20 Leases

The new IFRS 16 standard eliminated the classification of leases between operating or finance leases for lessee entities, as provided for in IAS 17. Instead, it introduced a unique accounting model, very similar to the treatment given to finance leases in tenant accounts. This unique model establishes, for the lessee, the separate recognition of:

I. assets and liabilities for all leases with a term greater than 12 months (low-value assets are excluded, regardless of the lease term) in the Statement; and

II. depreciation of leased assets and interest in the Income Statement.

The Foundation adopted this new standard from 1 January 2019, having applied the modified retrospective method, wherefore it did not restate the comparative statements from 2018, with no noticeable impact on equity capital at the time of the transition. Leases relate mainly to vehicle lease contracts. Regarding prior commitments with operating leases, during the transition the Foundation recognised in its Statement, on 1 January 2019, the rights of use and liabilities for each lease. When measuring the liabilities per lease, the Foundation deducted lease payments using the charge associated with the respective lease contracts.

3.21 Expenses and income

Income and expenses are recorded in the period to which they refer to regardless of their payment or receipt, in accordance with the accrual accounting principles. Any differences between the amounts received and paid and the corresponding income and expenses are recognised as assets or liabilities, when they qualify as such.

3.22 Revenue

Revenue corresponds to the fair value of the amount received or receivable related to the sale and provision of services during the normal course of the Entity's activity.

Revenue from the sale of products is recorded when: i) a substantial part of the risks and benefits of the goods has been transferred to the buyer; the value of the revenue can be reliably estimated; and iii) it is probable that economic benefits flow to the Entity.

Revenue from the provision of services is recognised on the date of provision of single, specific service or according to the percentage of completion or based on the contract period when said provision of services is not associated with specific activities, but with the ongoing provision of the service.

Donations from the Founder and/or other entities, aimed at achieving the statutory purposes, are fully accounted for as revenue for the period.

The Foundation's income corresponds mainly to donations from the Founder to finance the achievement of the statutory purposes of the Foundation.

3.23 Subsequent events

Subsequent events refer to the accounting treatment to be given to events occurring after the reporting date and before the issue date of the financial statements.

Events occurring after the reporting date and before the issuance of the financial statements that provide additional information or confirm situations pending on the reporting date are adjusted in this set of financial statements.

Events occurring after the balance sheet date and before the issuance of these financial statements that are not related to situations existing on the reporting date do not give rise to adjustments in the financial statements and are disclosed if considered material.

4. Financial risk management policies

4.1 Financial risk factors

The Foundation's activities are exposed to a variety of financial risk factors, including the effects of changes in market prices: credit risk, liquidity risk and cash flow risks associated with interest rate, among others.

The Foundation's risk management is controlled by the financial department in accordance with policies approved by the Board of Directors. Given this, the Board of Directors has set in writing the main principles of overall risk management, as well as specific policies for some areas, such as the coverage of interest rate risk, liquidity risk and credit risk.

The Board of Directors sets principles for risk management as a whole and policies that cover specific areas, such as currency risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, as well as investment of surplus liquidity.

I. Foreign exchange rate risk
The Foundation's operating activities are mainly developed in Portugal and consequently the vast majority of its transactions are carried out in euros, the country's currency, which substantially reduces foreign exchange risk.

II. Credit risk
The Entity's credit risk results essentially from i) the risk of recovery of the monetary assets in the custody of third parties and ii) the risk of recovery of claims from third parties.
The credit risk is monitored through the risk assessment carried out before the application and during its evolution.

The credit quality of financial institutions, in relation to the Foundation's bank deposits, classified as 'Cash and cash equivalents' withdrawn, is as follows:

	31.12.2019	31.12.2018
Bank deposits		
AA+	-	-
AA-	-	-
A	2.135.398,58	1.249.533,70
A-	-	-
Other without rating	1.811,97	1.000,00
Bank deposits (cash and cash equivalents)	**2.137.210,55**	**1.250.533,70**
Other financial assets		
AA	-	-
AA-	-	-
A+	-	-
A	-	-
Other without rating	249.662,96	82.315,68
Other financial assets	**249.662,96**	**82.315,68**

(Source: Standard & Poor's)

As a general rule, the Foundation's customers and other accounts receivable do not have a credit rating.

III. Liquidity risk

Cash requirements are managed by the Foundation's finance department.

Liquidity risk may occur if sources of finance, for example operating cash flows, disinvestment, credit lines and cash flows obtained from financing operations, do not meet the financing needs, such as cash outflows for operating and financing activities and investments.

The following table analyses the Foundation's financial liabilities by relevant maturity group, based on the remaining period to contractual maturity, on the reporting date. The amounts presented in the table are non-discounted contractual cash flows including interest due:

	Less than 1 year	Between 1 to 5 years	More than 5 years
31 December 2019			
Financing obtained:			
bank loans	3.889.444,91	6.899.506,76	1.707.545,92
bank overdrafts			
other financing			
Suppliers and other accounts payable	**870.751,30**	**10.403,30**	**-**
	4.760.196,21	**6.909.910,06**	**1.707.545,92**

	Less than 1 year	Between 1 to 5 years	More than 5 years
31 December 2018			
Financing obtained:			
bank loans	1.815.926,48	9.067.551,49	3.428.946,11
bank overdrafts			
other financing			
Suppliers and other accounts payable	**607.874,37**	**-**	**-**
	2.423.800,85	**9.067.551,49**	**3.428.946,11**

IV. Interest rate risk

The risk associated with interest rate fluctuation has an impact on the servicing of the debt taken out. Interest rate risks are essentially related to the interest incurred on the contracting of various loans with reference interest rates, which exposes the Foundation to cash flow risk. Part of these risks are managed using fixed interest rates, which exposes the Foundation to fair value risk.

4.2 Capital risk management

The Entity's objective in relation to capital management, which is a broader concept than the capital shown in the first page of the statement of financial position, is to maintain an optimised capital structure through the prudent use of debt.

Contracted debt is analysed periodically by weighing factors such as the cost of financing and investment needs in subsidiaries.

The gearing ratios as at 31 December 2019 and 2018 were as follows:

	31.12.2019	31.12.2018
Financing Obtained (Note 18)	**11.472.800,00**	**12.925.200,00**
Cash and cash equivalents (Note 14)	2.137.210,55	1.250.533,70
Net Debt	**9.335.589,45**	**11.674.666,30**
Equity Funds	18.300.244,35	16.306.266,85
Total Assets	**27.635.833,80**	**27.980.933,15**
Gearing	**34%**	**42%**

5. Main estimates and assessments presented

As estimativas e julgamentos com impacto nas demonstrações financeiras da Entidade são continuamente Estimates and assessments impacting the Entity's financial statements are continually assessed, representing the best estimate of the Board of Directors at each reporting date, taking into account the historical performance, accumulated experience and expectations of future events that, under the circumstances, are believed to be reasonable.

Estimates' intrinsic nature means that, for balance sheet purposes, actual outcomes of the estimated situations may differ from the estimated amounts. Estimates and assessments that present a significant risk of causing a material adjustment to the book value of assets and liabilities within the next fiscal year are as follows:

5.1 Tangible and intangible assets

Determination of the useful lives of assets and the depreciation/amortisation method to be applied are essential to determine the amount of depreciation/amortisation to be recognised in the statement of profit and loss and other comprehensive income for each fiscal year.

These two parameters are defined according to the best judgement of the Board of Directors for the assets and business in question, also considering practices adopted by international entities in the area.

5.2 Fair value of financial instruments

The fair value of financial instruments not quoted in an active market is determined on the basis of valuation methods. The use of valuation methodologies requires the use of assumptions, some of which require the use of estimates. Thus, changes in these assumptions may result in a change in the fair value reported.

5.3 Impairment of investments in subsidiaries

As a general rule, impairment is recorded in an investment in accordance with IFRS when the balance sheet value of the investment exceeds the current value of future cash flows. The calculation of the estimated current value of cash flows and the decision to consider impairment involve assessments and are substantially based on management analysis of the future development of the subsidiaries. Since the concession of the right to operate the facilities that comprise Oceanário began on 9 June 2015 and has a limited duration of thirty years, the entity chose to consider an impairment corresponding to the proportion of the concession period elapsed. Given this, a total annual loss of EUR 748 512 will be considered.

5.4 Income tax

Reviews of tax statements by the Tax Authority may lead to the recognition of liabilities relating to additional tax payments, including interest and other penalties. These reviews may impact income tax and provisions for taxes in the accounting periods in which they occur.

According to IAS12, deferred tax assets are recognised for all recoverable losses when it is probable that taxable income will be available against which the losses can be used.

Given the current context of crisis and the impact this may have on future profits, the following factors must be taken into account by Directors to determine the amount of deferred tax assets that can be recognised:

- The probable date and amount of future taxable profits; and
- Future tax planning strategies set by the Board of Directors

6. Tangible assets

In the fiscal years ended on 31 December 2019 and 2018, the 'Tangible assets' item had the following breakdown:

	Office equipment	Total
1 January 2019		
Acquisition cost	11.605,51	11.605,51
Accumulated impairment	-	-
Accumulated depreciation	(4.950,90)	(4.950,90)
Net value	**6.654,61**	**6.654,61**
2019 Breakdown		
Additions	-	-
Depreciation - financial year	(2.700,74)	(2.700,74)
Valor líquido	**3.953,87**	**3.953,87**
31 December 2019		
Acquisition cost	11.605,51	11.605,51
Accumulated impairment	-	-
Accumulated depreciation	(7.651,64)	(7.651,64)
Net value	**3.953,87**	**3.953,87**

Office equipment comprises computers and other computer equipment.

Depreciation of tangible fixed assets are recognised in the 'Expenses/(reversals) of depreciation and amortisation' item of the statement of profit and loss and other comprehensive income in its entirety.

7. Intangible assets

Changes recorded in the 'Intangible assets' item for the periods presented are as follows:

	Programmes computer	Use rights	Ongoing intangible assets	Total
As at 1 January 2019				
Acquisition cost	11.094,63	-	-	11.094,63
Accumulated impairment	-	-	-	-
Accrued amortization	(10.186,24)	-	-	(10.186,24)
Net value	**908,39**	**-**	**-**	**908,39**
Accounting policy change	-	25.721,93	-	25.721,93
Additions	-	5.325,48	1.905,75	7.231,23
Amortization for the fiscal year	(441,09)	(9.199,35)	-	(9.640,44)
Net value	**467,30**	**21.848,06**	**1.905,75**	**24.221,11**
31 December 2019				
Acquisition cost	11.094,63	31.047,41	1.905,75	44.047,79
Accumulated impairment	-	-	-	-
Accrued amortization	(10.627,33)	(9.199,35)	-	(19.826,68)
Net value	**467,30**	**21.848,06**	**1.905,75**	**24.221,11**

The intangible assets refer to the acquisition of computer programs and to the rights for use and liabilities for each lease recognized by the Foundation. Leases relate mainly to vehicle lease contracts

Ongoing intangible assets relate mainly to changes being made in the Primavera ERP.

8. Investments in subsidiaries

Investments in subsidiaries in 2019 and 2018 had the following breakdown:

	2019	2018
1 January	**28.832.782,20**	**27.702.404,38**
Profit / (Loss) using the equity method	2.032.802,43	1.878.889,82
Impairment losses	(748.512,00)	(748.512,00)
Dividends received	(2.005.292,58)	-
31 December	**28.111.780,05**	**28.832.782,20**

As at 31 December 2019 and 2018, investments in subsidiaries refer to investments in the Oceanário de Lisboa, S.A. as follows:

31.12.2019

Company name	Activity	Country of domicile and main place of business	% held	Shareholding	Impairment losses	Total investment	Goodwill included
Oceanário de Lisboa	91041	Esplanada Dom Carlos I, 1990-005 Lisboa	100.00%	31.292.961,14	(3.181.181,09)	28.111.780,05	19.024.745,42
				31.292.961,14	**(3.181.181,09)**	**28.111.780,05**	**19.024.745,42**

31.12.2018

Company name	Activity	Country of domicile and main place of business	% held	Shareholding	Impairment losses	Total investment	Goodwill included
Oceanário de Lisboa	91041	Esplanada Dom Carlos I, 1990-005 Lisboa	100.00%	31.265.451,29	(2.432.669,09)	28.832.782,20	19.773.257,42
				31.265.451,29	**(2.432.669,09)**	**28.832.782,20**	**19.773.257,42**

The 100 % shareholding in the subsidiary Oceanário de Lisboa was received by the Foundation through the incorporation of its subsidiary Waterventures which was liquidated on 29 September 2017.

As at 31 December 2019, the holding, in the amount of EUR 31 292 961.14, includes a gross amount of EUR 22 205 926.51 regarding goodwill, for which an accumulated impairment loss of EUR 3 181 181.09 was recorded, resulting in a net goodwill of EUR 19 024 745.42.

The assets and liabilities, income and expenses generated in the fiscal year, as recognised in the financial statements of the subsidiaries, are as follows:

	2019	2018
	Oceanário de Lisboa	Oceanário de Lisboa
Assets		
Non-current	44.638.108,71	46.144.824,18
Current	4.739.252,49	3.924.502,82
	49.377.361,20	**50.069.327,00**
Liabilities		
Non-current	34.045.698,58	35.286.296,89
Current	6.244.627,99	5.723.505,33
	40.290.326,57	**41.009.802,22**
Equity	9.087.034,63	9.059.524,78
	9.087.034,63	**9.059.524,78**

	2019	2018
	Oceanário de Lisboa	Oceanário de Lisboa
Activity for the fiscal year		
Income	19.376.528,74	18.687.734,54
Expenses	(16.698.679,99)	(16.223.545,48)
Income tax	(645.046,32)	(585.299,24)
Net income	**2.032.802,43**	**1.878.889,82**
Other comprehensive income	-	-
Total comprehensive income	**2.032.802,43**	**1.878.889,82**

The reconciliation of the financial information selected with the book value of investments in associates is as follows:

	2019	2018
	Oceanário de Lisboa	Oceanário de Lisboa
Opening net assets	**9.059.524,78**	**7.180.634,96**
Net income	2.032.802,43	1.878.889,82
Other movements in equity		
Distribution of dividends	(2.005.292,58)	-
Differences in exchange rates	-	-
Net assets as at 31 December	**9.087.034,63**	**9.059.524,78**
% shareholding	100%	100%
Shareholding in subsidiaries	9.087.034,63	9.059.524,78
Goodwill	19.024.745,42	19.773.257,42
Net amount calculated	**28.111.780,05**	**28.832.782,20**
Net carrying amount*	**28.111.780,05**	**28.832.782,20**
Reconciliation differences	-	-

The Profit/Loss attributed to subsidiaries, associates and joint ventures and presented in the statement of profit and loss and other comprehensive income for the 2019 and 2018 period is presented as follows:

	2019	2018
	Oceanário de Lisboa	Oceanário de Lisboa
Net income	2.032.802,43	1.878.889,82
Profit/Loss allocated to subsidiaries, associates and joint ventures	**2.032.802,43**	**1.878.889,82**

9. Financial assets and liabilities by category

The categories of financial assets and liabilities defined according to the categories of IFRS 9 were allocated as follows:

31.12.2019	Fair value – Derivative financial hedging instruments	Amortised cost	Asset/ Liabilities at fair value through profit and loss	Other financial liabilities	Non-financial assets /liabilities	Total
Assets						
Cash and cash equivalents	-	2.137.210,55	-	-	-	2.137.210,55
Customers	-	1.014,39	-	-	-	1.014,39
Other accounts receivable	-	248.648,57	-	-	-	248.648,57
Financial assets at fair value through profit and loss	-	-	2.485,36	-	-	2.485,36
Total financial assets	**-**	**2.386.873,51**	**2.485,36**	**-**	**-**	**2.389.358,87**
Other non-financial assets	-	-	-	-	28.622.994,73	28.622.994,73
Total assets	**-**	**2.386.873,51**	**2.485,36**	**-**	**28.622.994,73**	**31.012.353,60**
Liabilities						
Financing obtained	-	-	-	11.472.800,00	-	11.472.800,00
Derivative financial instruments	315.328,51	-	-	-	-	315.328,51
Suppliers	-	-	-	59.208,38	-	59.208,38
Other accounts payable	-	-	-	864.772,36	-	864.772,36
Total financial liabilities	**315.328,51**	-	-	**12.396.780,74**	**-**	**12.712.109,25**
Other non-financial liabilities	-	-	-	-	-	-
Total liabilities	**315.328,51**	**-**	**-**	**12.396.780,74**	**-**	**12.712.109,25**

31.12.2018	Fair value – Derivative financial hedging instruments	Amortised cost	Asset/ Liabilities at fair value through profit and loss	Other financial liabilities	Non-financial assets / liabilities	Total
Assets						
Cash and cash equivalents	-	1.250.533,70	-	-	-	1.250.533,70
Customers	-	3.243,56	-	-	-	3.243,56
Other accounts receivable	-	79.072,12	-	-	-	79.072,12
Financial assets at fair value through profit and loss	-	943,36	943,36	-	-	1.886,72
Total financial assets	**-**	**1.333.792,74**	**943,36**	**-**	**-**	**1.334.736,10**
Other non-financial assets	-	-	-	-	28.840.345,20	28.840.345,20
Total assets	**-**	**1.333.792,74**	**943,36**	**-**	**28.840.345,20**	**30.175.081,30**
Liabilities						
Financing obtained	-	-	-	12.925.200,00	-	12.925.200,00
Derivative financial instruments	277.348,58	-	-	-	-	277.348,58
Suppliers	-	-	-	12.991,92	-	12.991,92
Other accounts payable	-	-	-	474.841,13	-	474.841,13
Total financial liabilities	**277.348,58**	-	-	**13.577.530,59**	**-**	**13.690.381,63**
Other non-financial liabilities	-	-	-	-	12.991,92	12.991,92
Total liabilities	**277.348,58**	**-**	**-**	**13.577.530,59**	**12.991,92**	**13.703.373,55**

10. Fair value of assets and liabilities

Financial assets and liabilities

31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit and loss	2.485,36	-	-	2.485,36
	2.485,36	**-**	**-**	**2.485,36**
Financial Liabilities				
Derivative financial instruments	-	315.328,51	-	315.328,51
	-	**315.328,51**	**-**	**315.328,51**

31 December 2018	Nível 1	Nível 2	Nível 3	Total
Financial assets				
Financial assets at fair value through profit and loss	943,36	-	-	943,36
	943,36	**-**	**-**	**943,36**
Financial Liabilities				
Derivative financial instruments	-	277.348,58	-	277.348,58
	-	**277.348,58**	**-**	**277.348,58**

The value of the financial assets as at 31 December 2019 and 2018 refers to amounts paid towards the Workers' Compensation Fund (FCT) under Law 70/2013 of 30 August.

Measurement of the fair value of Derivative Financial Instruments (Swap) is based on the valuations provided by Banco Santander Totta.

11. Financial assets at fair value through profit and loss

The financial assets at fair value through the Foundation's profit and loss correspond to the contributions made to the Workmen's Compensation Fund ('FCT').

Financial assets at fair value through profit and loss are recorded at fair value, and the subsequent changes in fair value are recorded in the income statement.

The 'Financial assets at fair value' item through profit and loss had the following breakdown:

	2019	2018
As at 1 January	**943,36**	**-**
Endowments	1.508,87	943,36
Changes in fair value	33,13	-
Uses	-	-
As at 31 December	**2.485,36**	**943,36**

12. Customers

In the fiscal years ended on 31 December 2019 and 2018, the 'Customers' item had the following breakdown:

	31.12.2019			31.12.2018		
	Current	Non-current	Total	Current	Non-current	Total
Customers - Group	-	-	-	-	-	-
Customers - Non-group	1.014,39	-	1.014,39	3.243,56	-	3.243,56
Doubtful debtors	-	-	-	-	-	-
	1.014,39	**-**	**1.014,39**	**3.243,56**	**-**	**3.243,56**
Customers impairment	-	-	-	-	-	-
Customers	**1.014,39**	**-**	**1.014,39**	**3.243,56**	**-**	**3.243,56**

The ageing of the overdue balances without impairment for the periods presented is as follows:

	2019	2018
not due	-	3.243,56
between 6 and 12 months	-	-
between 12 and 18 months	1.014,39	-
between 18 and 24 months	-	-
more than 24 months	-	-
Total	**1.014,39**	**3.243,56**

For the periods reported, there are no significant differences between the book values and their fair value. Non-current balances receivable earn interests at market rates.

13. Other accounts receivable

In the fiscal year ended on 31 December 2019 and 2018, the 'Other accounts receivable' item had the following breakdown:

	31.12.2019			31.12.2018		
	Current	Non-current	Total	Current	Non-current	Total
Deferred assets i)	2.730,90	-	2.730,90	29.649,75	-	29.649,75
Other debtors	5.668,78	-	5.668,78	4.626,82	-	4.626,82
Advance payment to suppliers	240.248,89	-	240.248,89	44.795,55	-	44.795,55
	248.648,57	**-**	**248.648,57**	**79.072,12**	**-**	**79.072,12**
Impairment	-	-	-	-	-	-
Other accounts receivable	**248.648,57**	**-**	**248.648,57**	**79.072,12**	**-**	**79.072,12**

i) Deferred assets - as at 31 December 2018 and 2019, the 'Deferred assets' item had the following breakdown:

	31.12.2019			31.12.2018		
	Current	Non-current	Total	Current	Non-current	Total
Expenses with external supplies and services	2.297,75	-	2.297,75	29.135,14	-	29.135,14
Staff expenses	433,15	-	433,15	514,61	-	514,61
Deferred assets	**2.730,90**	**-**	**2.730,90**	**29.649,75**	**-**	**29.649,75**

As at 31 December 2019 and 2018, no impairment losses were recorded over balances receivable from third parties.

For the periods reported, there are no significant differences between the book values and their fair value.

14. Cash and cash equivalents

As at 31 December 2019 and 2018, the 'Cash and cash equivalents' item had the following breakdown:

	31.12.2019	31.12.2018
Cash	1.811,97	1.000,00
Bank deposits	2.135.398,58	1.249.533,70
Cash and cash equivalents	**2.137.210,55**	**1.250.533,70**

The closing balance of the 'Cash and cash equivalents' item for the purposes of drawing up the cash flow statement for the fiscal years ended on 31 December 2019 and 2018 had the following breakdown:

	31.12.2019	31.12.2018
Cash	1.811,97	1.000,00
Bank deposits	2.135.398,58	1.249.533,70
Cash and cash equivalents (Assets)	**2.137.210,55**	**1.250.533,70**
Bank overdrafts	-	-
Cash and cash equivalents (Liabilities)	-	-
	2.137.210,55	**1.250.533,70**

15. Equity Funds

As at 31 December 2019, Oceano Azul Foundation's funds amounting to EUR 7 171 829, referring to endowments from Founder Sociedade Francisco Manual dos Santos, SGPS, SE, were fully subscribed and paid up, and broken down as follows:

Endowment in kind: EUR 6 921 829
Endowment in cash: EUR 250 000

The Founder's initial Endowment in kind refers to the transfer of a financial share in the entity Waterventures.

16. Other reserves

As at 31 December 2019, the 'Other reserves' item had the following breakdown:

	Adjustments to financial assets	Other	Total
As at 1 January 2018	**(849.928,76)**	**585.598,53**	**(264.330,23)**
Earnings distribution	-	-	-
Adjustments from equity method	-	-	-
As at 31 December 2018	**(849.928,76)**	**585.598,53**	**(264.330,23)**
Earnings distribution	-	-	-
Adjustments from equity method	-	-	-
As at 31 December 2019	**(849.928,76)**	**585.598,53**	**(264.330,23)**

The 'Adjustments to financial assets' item reflects the differences resulting from the application of the equity method, namely those related to the equity capital of subsidiaries.

The 'Other' item, in the amount of EUR 585 598.53, refers to the amount recorded in Equity Funds resulting from the incorporation of Waterventures in 2017.

These amounts will only be available for distribution when the originating elements or rights are sold, exercised, eliminated or settled (Art. 32(2) of the CCC).

17. Other changes in equity funds

In the fiscal years ended on 31 December 2019 and 2018, the 'Other changes in equity funds' items had the following breakdown:

	Other changes in equity funds	Total
As at 1 January 2018	**(260.503,01)**	**(260.503,01)**
Fair value swap variation	(16.845,57)	(16.845,57)
As at 31 December 2018	**(277.348,58)**	**(277.348,58)**

	Other changes in equity funds	Total
As at 1 January 2019	**(277.348,58)**	**(277.348,58)**
Fair value swap variation	(37.979,93)	(37.979,93)
As at 31 December 2019	**(315.328,51)**	**(315.328,51)**

The fair value of the derivative hedging instrument (swap) for the fiscal years ending on 31 December 2019 and 2018 decreased by EUR 37 979.93 and EUR 16 845.57, respectively.

18. Financing obtained

The classification of financing obtained according to their term (current and non-current) and by nature of the loan, at the end of the fiscal year, is as follows:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Bank loans i)						
Santander Totta	1.486.200,00	7.886.600,00	9.372.800,00	1.452.400,00	9.372.800,00	10.825.200,00
Financing between group entities ii)						
Oceanário de Lisboa	2.100.000,00	-	2.100.000,00	-	2.100.000,00	2.100.000,00
	3.586.200,00	**7.886.600,00**	**11.472.800,00**	**1.452.400,00**	**11.472.800,00**	**12.925.200,00**

i) The bank loan was obtained from Santander Totta on 28 September 2015 for an initial amount of EUR 15 million, over a 10-year term.

For this bank financing, a hedging derivative was entered into with Banco Santander Totta in order to hedge the risk of change in the interest rate of the contracted financing and its cash flows.

This loan was originally contracted by Waterventures with the objective of acquiring shares in Oceanário de Lisboa, S.A. With the liquidation of Waterventures and the incorporation of its assets and liabilities into the Oceano Azul Foundation, the latter assumed the obligation in respect of this funding.

ii) The amount of EUR 2,1 million of funding between entities of the Group, as at 31 December 2019 and 2018 refers to a loan obtained from Oceanário de Lisboa. The loan bears interest at Euribor 12M + 1.25% and has a maturity of 2 years.

The loan initially obtained had a 2-year maturity ending in January 2018, having on this date been extended for another 2 years. However, in December 2019, it was decided to renew it for another year, the term of which expires in January 2021.

Loans

The Foundation's financing have the following maturities:

	2019	2018
Up to 1 year	3.586.200,00	1.452.400,00
Between 2 and 5 years	6.220.200,00	8.180.000,00
More than 5 years	1.666.400,00	3.292.800,00
	11.472.800,00	**12.925.200,00**

The Foundation's financing present the following changes:

	SantanderTotta	Oceanário
1 January 2019		
Opening balance	10.825.200,00	2.100.000,00
2019 Breakdown		
Increases:		
Renovação empréstimo	-	-
Decreases:		
Financing cash flows	(1.452.400,00)	-
31 December 2019	-	-
Closing balance	**9.372.800,00**	**2.100.000,00**

19. Derivative financial instruments

As at the 31st of December of 2019 and 2018, the 'Derivative financial instruments' item had the following breakdown:

	31.12.2019				31.12.2018			
		Passivo				Passivo		
	Notional	Current	Non-current	Total	Notional	Current	Non-current	Total
Derivatives designated as cash flow hedges								
Swap interest rate	9.372.800,00	-	315.328,51	315.328,51	10.825.200,00	-	277.348,58	277.348,58
Total derivatives designated as hedging		**-**	**315.328,51**	**315.328,51**		**-**	**277.348,58**	**277.348,58**
Total derivatives		**-**	**315.328,51**	**315.328,51**		**-**	**277.348,58**	**277.348,58**

Cash flow hedges - Interest rate swaps

The Foundation ensures a fixed rate for a portion of future loan interest payments, by contracting interest rate swaps. The risk hedged is the variable reference rate associated with the loans. The purpose of this hedge is to transform the variable interest rate loans in fixed interest rate loans. The credit risk of the loan is not hedged.

20. Suppliers

As at 31 December 2019 and 2018, the 'Suppliers' item had the following breakdown:

	2019	2018
Suppliers - Non-group	59.208,38	153.283,91
Suppliers - Group	-	24.205,55
Suppliers total balance	**59.208,38**	**177.489,46**

21. Income tax receivable / payable

In the fiscal years ended on 31 December 2019 and 2018, the current income tax had the following balance breakdown:

	31.12.2019		31.12.2018	
	Debtor	Creditor	Debtor	Creditor
Income tax - IRC [Corporate Income Tax]	483.039,70	-	-	12.991,92
	483.039,70	**-**	**-**	**12.991,92**

For the periods reported, the IRC balance had the following breakdown:

	2019	2018
Current Tax		
Payments on account	-	-
Taxes withheld at source	501.323,14	-
IRC estimate	(18.283,44)	(12.991,92)
Total	**483.039,70**	**(12.991,92)**

The amount of "Taxes withheld at source" in 2019 relates to the application of the 25% rate on dividends distributed by Oceanário de Lisboa to Fundação Oceano Azul (the net amount of dividends distributed was 2,005,293 Euros).

22. Other accounts payable

As at 31 December 2019 and 2018, the 'Other accounts payable' item had the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Accrued expenses i)	796.536,50	-	796.536,50	411.081,35	-	411.081,35
State and other public entities ii)	42.826,14	-	42.826,14	44.456,22	-	44.456,22
Leasing liability	11.845,46	10.403,30	22.248,76	-	-	-
Other creditors	3.160,96	-	3.160,96	19.303,56	-	19.303,56
Other debts payable	**854.369,06**	**10.403,30**	**864.772,36**	**474.841,13**	**-**	**474.841,13**

i) Accrued expenses – this sub-item has the following breakdown:

			31.12.2019			31.12.2018
	Current	Non-current	Total	Current	Non-current	Total
Staff expenses	178.111,28	-	178.111,28	158.205,16	-	158.205,16
Expenses external supplies and services	580.990,92	-	580.990,92	224.588,53	-	224.588,53
Financing expenses	37.434,30	-	37.434,30	28.287,66	-	28.287,66
Accrued expenses	**796.536,50**	**-**	**796.536,50**	**411.081,35**	**-**	**411.081,35**

ii) State and other public entities – as at 31 December 2019 and 2018, the 'State and other public entities' item had the following breakdown:

	31.12.2019		31.12.2018	
	Current	Non-current	Current	Non-current
Income tax withheld	25.304,20	-	21.025,67	-
VAT	22,31	-	8.035,44	-
Social security contributions	17.499,63	-	15.395,11	-
	42.826,14	**-**	**44.456,22**	**-**

23. Operating donations and bequests

During the period ended on 31 December 2019 and 2018, the following donations were allocated to income:

	2019	2018
Founders' Donations	3.000.000,00	3.000.000,00
Donations - third parties	680.458,11	508.175,09
	3.680.458,11	**3.508.175,09**

The 'Donations' item made by Founder Sociedade Francisco Manuel dos Santos, SGPS, SE, in the amount of EUR 3 million, in the 2019 and 2018 fiscal years, refers to the commitment mentioned in the terms of the Contribution of Funds contract concluded with the parent entity, which has the following breakdown:

2019

/ EUR 3 million received from Sociedade Francisco Manuel dos Santos, SGPS, SE, in 2019.

2018

/ EUR 3 million received from Sociedade Francisco Manuel dos Santos, SGPS, SE, in 2018.

In 2019 the Foundation received donations in the amount of EUR 680 458.11 from third parties, namely: Tides, Calouste Gulbenkian Foundation, Waitt Foundation and OAK Foundation. In 2018 the Foundation received donations in the amount of EUR 508 175.09 from third parties, namely: Tides, the Calouste Gulbenkian Foundation and the Waitt Foundation.

24. External supplies and services

In the fiscal years of 2019 and 2018, the 'External supplies and services' item had the following breakdown:

	2019	2018
Specialised services	901.134,30	765.474,98
Advertising and promotion	41.151,64	28.387,89
Surveillance and security	-	269,06
Fees	104.151,57	40.735,35
Maintenance and Repairs	812,98	-
Quick-wear tools and utensils	3.476,90	13.414,25
Office supplies	514,18	2.153,20
Gift items	-	6.864,96
Energy and fluids	1.293,25	8.902,83
Travel, accommodation and transport	170.451,99	130.330,17
Rents and leases	49.868,10	240.590,98
Communication	4.071,39	7.978,86
Insurances	3.362,58	11.267,77
Litigation and notaries	-	434,73
Representation expenses	179.218,88	127.450,44
Other services	9.642,54	2.311,05
External supplies and services	**1.469.150,30**	**1.386.566,52**

25. Staff expenses

Staff expenses incurred in 2019 and 2018 were as follows:

	2019	2018
Remunerations		
Governing bodies	375.286,40	311.572,60
Personnel	258.085,20	174.374,59
Sub-total	**633.371,60**	**485.947,19**
Other charges		
Charges on remunerations	122.177,37	104.379,06
Occupational accident insurance	3.439,80	2.817,80
Other	10.609,36	4.280,47
Sub-total	**136.226,53**	**111.477,33**
Staff expenses	**769.598,13**	**597.424,52**

The average number of Foundation employees in 2019 was 11 (2018: 9).

As of 31 December 2019 and 2018, the Foundation has 12 and 9 employees, respectively, 8 (2018: 5) of which are paid monthly, 1 (2018: 1) on a quarterly basis and 3 (2018: 3) on a six-monthly basis.

26. Changes in fair value

In the 2019 fiscal year, the 'Changes in fair value' item in the amount of EUR 33.13 refers to the valuation update of the Workers' Compensation Fund ('FCT') (note 11).

27. Other income

As of 2019 and 2018, the 'Other income' item had the following breakdown:

	2019	2018
Favourable exchange rate differences	28,31	99,52
Other not specified	-	1.066,50
	28,31	**1.166,02**

28. Other expenses

As of 2019 and 2018, the 'Other expenses' item had the following breakdown:

	2019	2018
Taxes	762,16	10.526,79
Corrections relating to previous periods	3.120,26	742,60
Donations	208.419,50	114.369,47
Assessments	600,00	600,03
Unfavourable exchange rate differences	472,88	655,32
Other not specified	77.919,14	1.395,93
	291.293,94	**128.290,14**

29. Financial expenses

As of 2019 and 2018, the 'Financial expenses' item had the following breakdown:

	2019	2018
Financial expenses		
Interests paid		
Bank loans	344.610,77	386.438,26
Loans group entities	26.541,67	26.877,10
Other financial expenses	941,48	-
	372.093,92	**413.315,36**

30. Income tax

The amount of income tax recognised in profit and loss for the fiscal years of 2019 and 2018 has the following breakdown:

	2019	2018
Current income tax	18.375,08	12.993,26
Deferred income tax	-	-
Income Tax	**18.375,08**	**12.993,26**

Reconciliation of the tax amount for the financial year is as follows:

	2019	2018
Income before taxes	**2.050.332,51**	**2.107.719,16**
Adjustment for tax purposes		
Non-deductible expenses	828.431,46	750.650,53
Cancellation effects using the equity method	(2.032.802,43)	(1.878.889,82)
Non-taxable income	(3.680.491,24)	(3.508.175,09)
	(2.834.529,70)	**(2.528.695,22)**
Non-taxable income	1.002.646,29	1.166,02
Expenses deductible up to conjunction of income	(1.002.646,29)	-
Tax rate	21,0%	21,0%
	-	**244,86**
Autonomous taxation	**18.375,08**	**12.748,40**
Current income tax	18.375,08	12.993,26
Deferred income tax	-	-
Income tax	**18.375,08**	**12.993,26**
Effective tax rate	**0,90%**	**0,62%**

The tax rate used to determine the amount of tax on current income is as follows:

	2019	2018
Tax rate	21,00%	21,00%
	21,00%	**21,00%**

31. Contingencies

31.1 Contingent liabilities

As security for the long-term bank loan obtained, the Foundation established the following as financial collateral on the right to receive: the financial endowments defined by Sociedade Francisco Manuel dos Santos, SGPS, SE, and the balance of its bank account and the income resulting from said balance.

To guarantee the long-term bank loan obtained by its subsidiary Oceanário de Lisboa S.A. in order to pay the Portuguese government the initial component of the concession agreement for the right to operate the Oceanário infrastructure, the Foundation established a financial pledge in favour of Banco Santander Totta on the Oceanário shares and on any amounts it may be due from the Oceanário. With the same objective, the Oceanário established a financial pledge of its bank accounts and the income resulting from their balances.

31.2 Guarantees issued by third parties

As at 31 December 2019 and 2018, the Foundation did not have any guarantees issued by third parties.

31.3 Contingent assets

Under the terms of the Contribution of Funds contract entered into with Sociedade Francisco Manuel dos Santos, SGPS, S.E., the Foundation has the right to receive as Foundation Endowment a total of EUR 30 million, EUR 13.5 million of which have already been paid, and the remaining EUR 16.5 million are to be paid by 2025.

32. Related parties

The Foundation was created by its Founder Sociedade Francisco Manuel dos Santos, SGPS, SE

Remuneration of the Board of Directors
Remunerations earned by the Foundation's Board of Directors amounted to EUR 270 000.22 during the fiscal year ending on 31 December 2019 (31 December 2018: EUR 260 000.16).

Remuneration of the Audit Committee
Remuneration received by the Audit Committee amounted to EUR 9 225.00, during the fiscal year ended on 31 December 2019 (31 December 2018: EUR 9 225.00).

Transactions between related parties

a. Nature of the relationship with the related parties:

Founding Members
Sociedade Francisco Manuel dos Santos, SGPS, SE.

Subsidiaries

Oceanário de Lisboa, S.A.

Other Group entities

Unilver Fima

b. pending balances and transactions

I.Founding Members:

Sales and purchase of services:

During the 2019 and 2018 fiscal years, the Group carried out the following transactions with the founding partner:

	2019	2018
Income		
Provision of services/Other income/Donations		
Sociedade Francisco Manuel dos Santos, SGPS, SE	3.000.000,00	3.000.000,00
	3.000.000,00	**3.000.000,00**

II. Subsidiaries:

Sales and purchase of services:

During the 2019 and 2018 fiscal years, the entity carried out the following transactions with the Oceanário de Lisboa, S.A.:

	2019	2018
Income		
Provision of services/Other income		
Oceanário de Lisboa, S.A.	3.688,65	-
	3.688,65	**-**

	2019	2018
Expenses		
Financial expenses		
Oceanário de Lisboa, S.A.	26.541,67	26.877,10
Services/Other expenses		
Oceanário de Lisboa, S.A.	2.387,85	27.137,61
	28.929,52	**54.014,71**

Debit and credit balances

For the 2019 and 2018 fiscal years, balances from transactions with related parties are as follows:

	2019	2018
Credit balances		
Other debts payable		
Oceanário de Lisboa, S.A.	4.097,59	17.646,77
	4.097,59	**17.646,77**
Suppliers		
Oceanário de Lisboa, S.A.	-	24.205,55
	-	**24.205,55**
Financing obtained		
Group entities		
Oceanário de Lisboa, S.A.	2.100.000,00	2.100.000,00
	2.100.000,00	**2.100.000,00**
Interest payable		
Oceanário de Lisboa, S.A.	12.031,26	12.104,18
	12.031,26	**12.104,18**

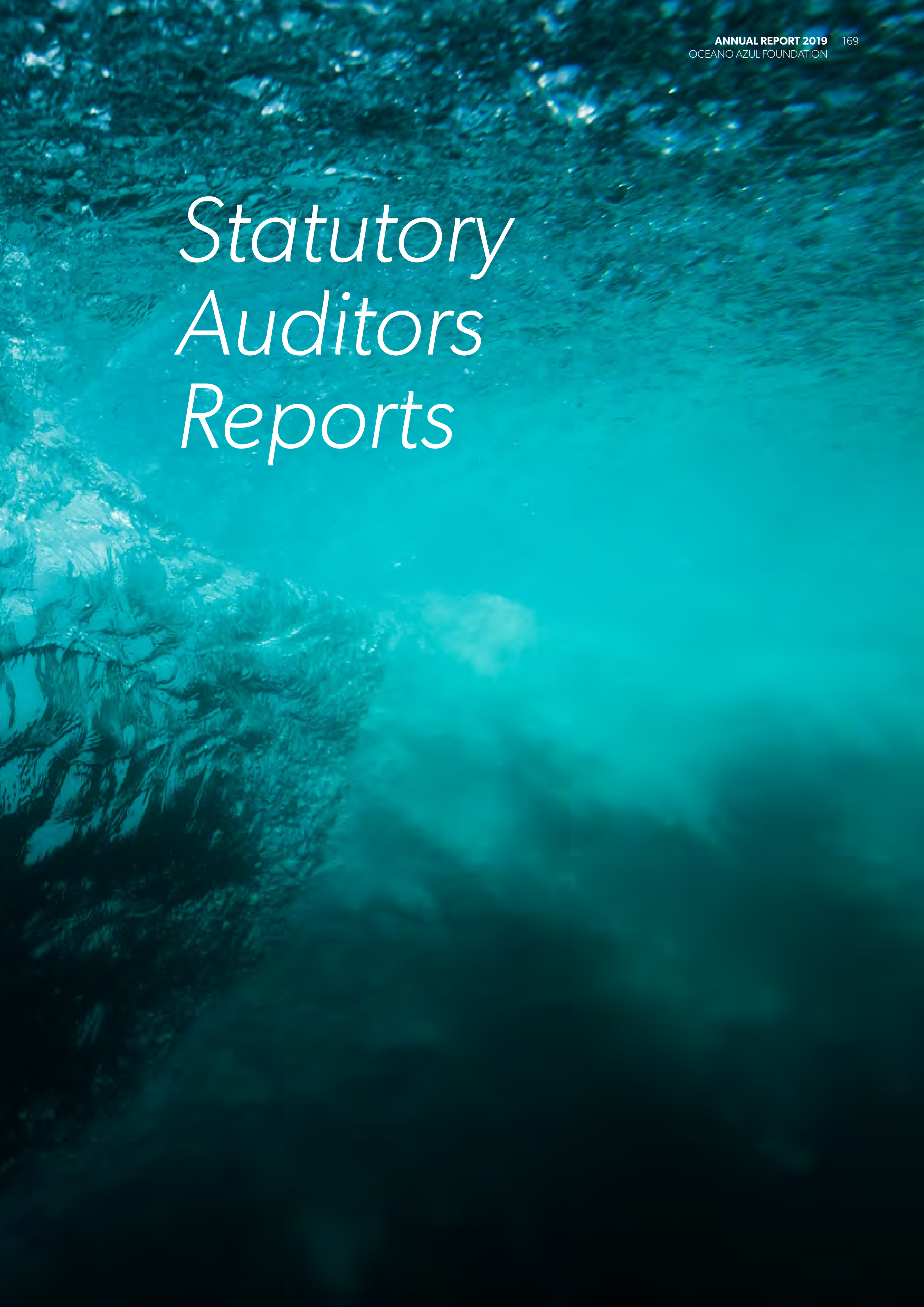
III. Other Group entities:

	2019	2018
Expenses		
Purchase of services/Other expenses		
Oceanário de Lisboa, S.A.	2.132,16	-
	2.132,16	**-**

33. Subsequent events

Following COVID-19, the Oceanário de Lisboa is taking the necessary measures to minimize possible impacts on the operation. However, the impact is not expected to jeopardize the sustainability of the Oceanário de Lisboa's operation.

The Chartered Accountant	**The Board of Directors**
João Pedro Eloi Lopes Banza, number 37215	José Soares dos Santos
	Tiago Pitta e Cunha
	Emanuel Gonçalves
	R. Andreas Kraemer
	João Falcato Pereira



Statutory Auditors Reports

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(Translation from the original document in Portuguese language. In event of doubt, the Portuguese version prevails.)

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Fundação Oceano Azul (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2019 (showing a total of 69.068.252,43 euros and a total capital fund of 18.300.244,35 euros, including a net profit for the year of 2.031.957,43 euros), the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Endowment Funds 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 give a true and fair view, in all material respects, of the consolidated financial position of Fundação Oceano Azul as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed 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 guidelines as issues by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the Annual Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are 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. Misstatement 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 judgement and maintain professional skepticism throughout the audit. We also:

- 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;
- obtain an understanding of the 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made my management;
- evaluate 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 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;
- 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;
- obtain sufficient and 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
- communicate with those charged with governance, including the supervisory board, 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 the verification that the information contained in the Annual Report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Annual Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Annual Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

Lisbon, 24 March 2020

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(signed)

João Carlos Miguel Alves (ROC nr. 896)
Registered with the Portuguese Securities Market Commission under license nr. 20160515

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Statutory Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Fundação Oceano Azul (the Entity), which comprise the Statement of Financial Position as at 31 December 2019 (showing a total of 31.012.353,60 euros and a total capital fund of 18.300.244,35 euros, including a net profit for the year of 2.031.957,43 euros), the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Endowment Funds and the Statement of Cash Flows for the year then ended, and the Notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Fundação Oceano Azul as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed 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 guidelines as issues by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the Annual Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. Misstatement 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 judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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;
- obtain an understanding of the 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made my management;
- evaluate 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 Entity'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 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 Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- communicate with those charged with governance, including the supervisory board, 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 the verification that the information contained in the Annual Report is consistent with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Annual Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Annual Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatement.

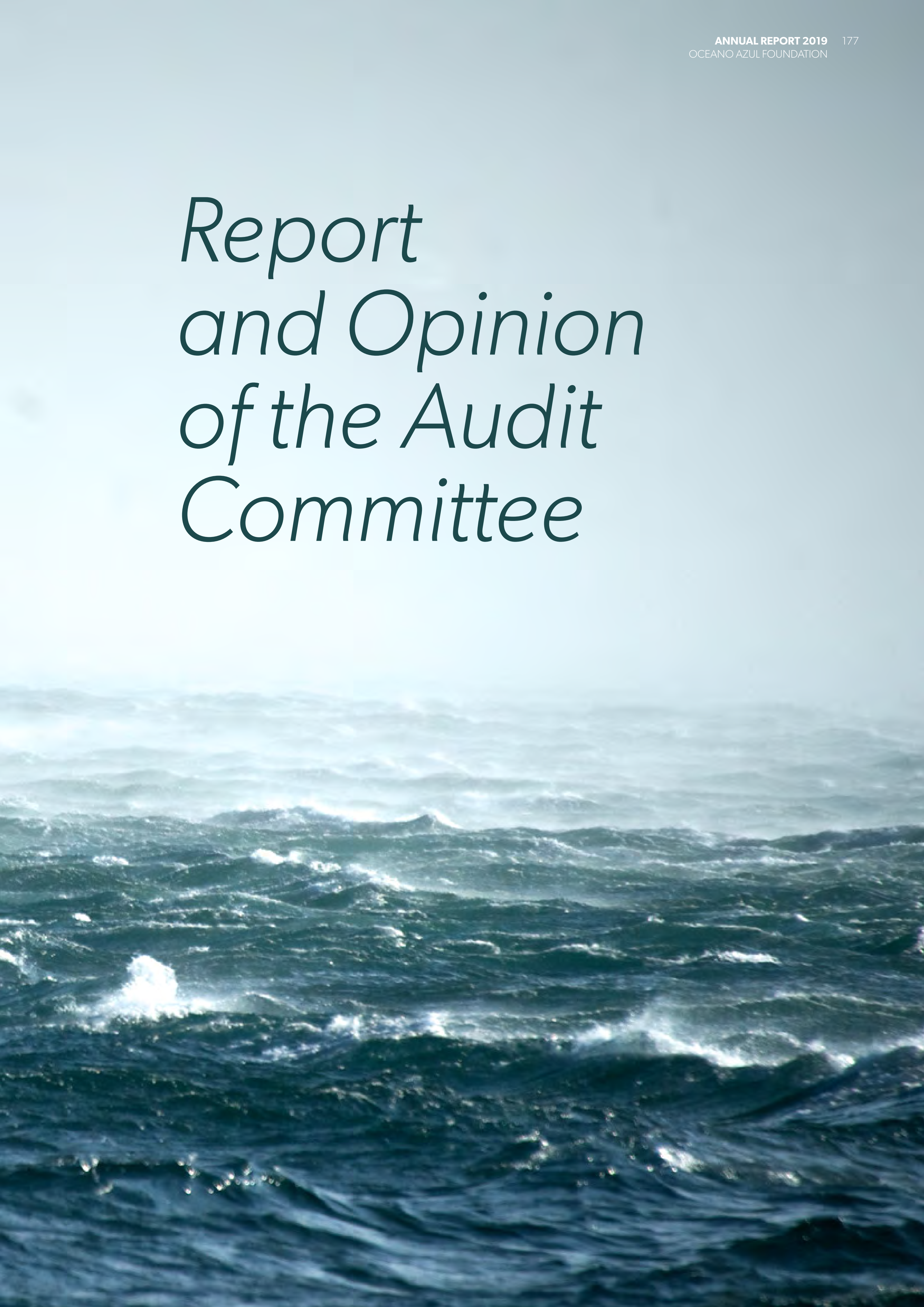
Lisbon, 24 March 2020

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

João Carlos Miguel Alves (ROC nr. 896)
Registered with the Portuguese Securities Market Commission under license nr. 20160515

Report and Opinion of the Audit Committee



REPORT AND OPINION OF THE AUDIT COMMITTEE

To the Board of Trustees,

Under the terms of the legal and statutory provisions and in the course of our duties, we hereby present the report on our supervisory activities and present our opinion on the accounting documents submitted by the Board of Directors of the **Oceano Azul Foundation** (hereinafter Foundation), for the period ended 31 December 2019.

We supervised the development of the Foundation's activities, checking their accounting records and supporting documents, having always obtained any explanations, information and documents that we requested from the Board of Directors.

We verified that the financial statements, included among the accounting documents, were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") thus accurately reflecting the net worth of the Foundation.

We also analysed the Management Report which describes the most significant aspects of the activities and actions that were and will be carried out by the Foundation.

We emphasise that our opinion is supported by the opinion issued (appended) on the financial statements referred to above by the auditor, Ernst & Young Audit & Associados - SROC, S.A., in accordance with the responsibilities attributed considering the required technical expertise.

In view of the above, it is our opinion that the Annual Report issued by the Board of Directors and the financial statements for the period ended 31 December 2019 should be approved.

Lisbon, 24 March 2020

THE AUDIT COMMITTEE,

Ernst & Young Audit & Associados - SROC, S.A.
Represented by João Carlos Miguel Alves
Chairman

Henrique Soares dos Santos
Member

Paula Prado Rosa
Member


from the ocean's
point of view
OCEANO AZUL
foundation