



## Earnings Announcement

1<sup>st</sup> Quarter 2020

(unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards as adopted in European Union (IFRS-EU), some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

## INTRODUCTION

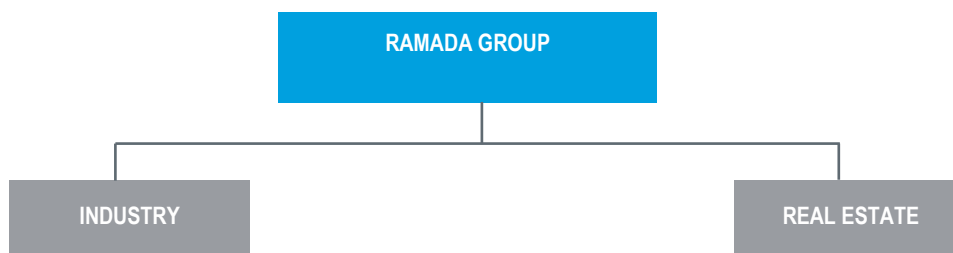
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the Group is a minority shareholder; and ii) Real Estate segment, aimed at the management of real estate assets.

The special steels activity, which develops, especially at the level of the sub-segment of moulds, with a leading position in the domestic market, is developed by three companies: Ramada Aços, Universal Afir and Planfuro Global.

Socitrel's main business is the manufacture and commercialization of steel wires, capable of being used in a wide variety of activities, including industry, agriculture and construction.

In the financial investments management activity, among other portfolio investments held by the Group, it should be highlighted the participations held in CEV, S.A. and Fisio Share – Gestão de Clínicas, S.A..

The Real Estate Segment includes the real estate asset management activity (composed by the forest assets and the Real Estate of the Group) and is developed by F. Ramada II - Imobiliária, S.A..



### HIGHLIGHTS - COVID-19

The first quarter of 2020 was marked by the emergence of a global epidemic called Covid-19, and on 11 March 2020 the World Health Organization declared it a pandemic. In Portugal, a state of emergency was declared, which was in force from the 19<sup>th</sup> of March to the 2<sup>nd</sup> of May 2020.

Ramada Group has been assessing and monitoring the pandemic's developments, in terms of the risk factors that in its understanding are relevant, and which may affect the business areas, whether in operational, investment or financial terms. From all the actions implemented within the scope of the monitoring and evaluation of pandemic developments, we highlight the following:

- Ramada Group, implemented a set of measures for the prevention, control and surveillance of this infection. As a result of the various measures implemented by the Ramada Group, on March 31, 2020, a negative impact on the income statement is estimated in the amount of approximately 100 thousand Euro (including donations, protective equipment, among others).
- Ramada Group proceeded cautiously with an internal review and evaluation process on the investments it had planned for the 2020 financial year, reassessing the cost-benefit of these portfolio projects, as well as their feasibility, taking into account the current reality. From this review it was decided to reschedule to the second semester the investments that were planned for the months of March and April 2020. The Ramada Group expects to comply with the investments initially stipulated for 2020 until the end of the fiscal year.
- During the first quarter, and following the declaration of Calamity in the Municipality of Ovar, its subsidiary Ramada Aços, S.A., a production unit located in Ovar responsible for around 40% of the Group's turnover, had its registered office closed from March 18, 2020 to April 6, 2020. The Ramada Group has made every effort to reinforce the inventories and resources of its branches across the country, in order to respond to its Customers requests. Regarding the subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A., part of the Employees of the factory have been in simplified lay-off since April 14.
- With regard to liquidity risk management, the Group maintained a liquidity reserve in the form of credit lines with its relationship banks, in order to ensure the ability to meet its commitments, without having to refinance in unfavorable conditions. As of March 31, 2020, the amount of consolidated loans<sup>1</sup> maturing in the next 12 months is approximately 19 million Euro. On the same date, the Group has consolidated credit lines available (namely bank overdrafts, pledged current accounts and not used commercial paper programs) in the amount of approximately 40 million Euro. As a result of the performance of previous years, and the capacity to manage credit and liquidity risk, the Group presents a robust financial position statement, presenting Cash and cash equivalents amounting to 38.5 million Euro, representing approximately 80% of its current liabilities.
- Ensuring the permanent well-being of all Employees, their families and community, has always been and will continue to be a priority of the Ramada Group. To deal with the pandemic, Ramada Group put in place a set of additional preventive measures to protect the health and safety of its Employees, based on the recommendations of the Portuguese Health Authority. The human resources department, based on the recommendations of the Portuguese Health Authority, proceeded with the elaboration of the Group's Covid-19 Contingency Plan. This plan has been continuously adjusted considering the evolution of the pandemic, being essential for the purposes of containing the impacts of the pandemic between our employees and the local community. Ramada Group hereby informs that, up to this date, it is unaware of any of its employees testing positive for COVID-19. Nevertheless, the Group is prepared for this possibility.

<sup>1</sup> Consolidated loans: Bank loans + Other loans + Lease liabilities.

## CONSOLIDATED INCOME STATEMENT

The consolidated financial information of Ramada Investimentos was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union (IFRS – EU).

The key information and indicators of Ramada Group's consolidated activity can be presented as follows:

	1Q 2020	1Q 2019	Var. %
Sales and services rendered	26,362	30,410	-13.3%
Other income	126	136	-7.4%
<b>Total revenues</b>	<b>26,488</b>	<b>30,546</b>	<b>-13.3%</b>
Cost of sales and production variation	(16,601)	(19,094)	-13.1%
External supplies and services	(3,509)	(3,840)	-8.6%
Payroll expenses	(3,275)	(3,583)	-8.6%
Other operating costs (a)	(298)	(138)	115.9%
<b>Total costs</b>	<b>(23,683)</b>	<b>(26,655)</b>	<b>-11.1%</b>
<b>EBITDA (b)</b>	<b>2,805</b>	<b>3,891</b>	<b>-27.9%</b>
<b>EBITDA margin (c)</b>	<b>10.6%</b>	<b>12.7%</b>	<b>-2.1 pp</b>
Amortization and depreciation	(839)	(1,101)	-23.8%
<b>EBIT (d)</b>	<b>1,966</b>	<b>2,790</b>	<b>-29.6%</b>
<b>EBIT margin (e)</b>	<b>7.4%</b>	<b>9.1%</b>	<b>-1.7 pp</b>
Results related to investments	46	0	-
Financial expenses	(297)	(381)	-22.1%
Financial income	10	38	-74.5%
<b>Profit before income tax</b>	<b>1,724</b>	<b>2,447</b>	<b>-29.5%</b>
Income tax	(390)	(538)	-27.5%
<b>Consolidated net profit</b>	<b>1,334</b>	<b>1,909</b>	<b>-30.1%</b>
Net profit attributable to shareholders of the parent company	1,334	1,909	-30.1%

*Amounts in thousands of Euro*

- (a) Other operating costs = Other costs + Provisions and impairment losses  
(b) EBITDA= Profit before income tax + Financial expenses – Financial income + Amortization and depreciation  
(c) EBITDA margin = EBITDA / Total revenues  
(d) EBIT = EBITDA + Amortization and depreciation  
(e) EBIT margin = EBIT / Total revenues

Total revenues of Ramada Group during the first quarter of 2020 amounted to 26,488 thousand Euro, representing a 13.3% decrease over the total revenues recorded in the same period of 2019.

Total costs amounted to 23,683 thousand Euro, recording a 11.1% decrease over the same period the previous year.

EBITDA amounted to 2,805 thousand Euro, representing a decrease of 27.9% compared to the first quarter of 2019. EBITDA margin achieved 10.6%, a decrease of 2.1 percentage points compared to the same period of the previous year.

EBIT, in the amount of 1,966 thousand Euro, recorded a decrease of 29.6% when compared to 2,790 thousand Euro in 2019.

The financial results (financial expenses – financial income), in the amount of 287 thousand Euro, recorded a 16.3% decrease over the first quarter of 2019.

During the first quarter of 2020, consolidated net profit amounted to 1,334 thousand Euro, decreasing 30.1% compared to the first quarter of the previous year.

## INDUSTRY

	1Q 2020	1Q 2019	Var. %
Total revenues (a)	24,675	28,768	-14.2%
Total costs (b)	23,296	26,241	-11.2%
EBITDA (c)	1,379	2,527	-45.4%
EBITDA margin (d)	5.6%	8.8%	-3.2 pp
EBIT (e)	592	1,498	-60.5%
EBIT margin (f)	2.4%	5.2%	-2.8 pp
Financial results (g)	(146)	(132)	10.3%
Results related to investments	46	0	-
<b>Profit before income tax</b>	<b>492</b>	<b>1,366</b>	<b>-64.0%</b>
Income tax	119	300	-60.4%
<b>Net profit</b>	<b>373</b>	<b>1,065</b>	<b>-65.0%</b>

*Amounts in thousands of Euro*

(a) Total revenues = Sales and services rendered + Other income

(b) Total costs = Cost of sales and production variation + External supplies and services + Payroll expenses + Other costs + Provisions and impairment losses

(c) EBITDA = Profit before income tax + Financial expenses – Financial income + Amortization and depreciation

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortization and depreciation

(f) EBIT margin = EBIT / Total revenues

(g) Financial results = Financial expenses – Financial income

In the first quarter of 2020, total revenues from the Industry segment amounted to 24,675 thousand Euro, registering a decrease of 14.2% compared to the same period in 2019. The steel activity is mainly developed in the national market, which, in the first quarter of 2020, represented 93% of the revenues.

EBITDA in the Industry segment amounted to 1,379 thousand Euro, representing a negative variation of 45.4% compared to the 2,527 thousand de Euro recorded in the first quarter of 2019. The EBITDA margin reached 5.6%, which compares to 8.8% recorded in the same period of the previous year.

EBIT, in the amount of 592 thousand Euro, recorded a decrease of 60.5% compared to 1,498 thousand Euro in 2019.

The net profit of the Industry segment recorded in the first quarter of 2020, in the amount of 373 thousand Euro, represented a decrease of 65.0% compared to the net profit of the same period of 2019.

At the end of 2019, there was some optimism and confidence that 2020 would be the year of the recovery of the automotive industry. However, that did not happen. In the first quarter of 2020, steel activity recorded a decrease in turnover compared to the same period in 2019. In fact, the month of January turned out to be an unstable month, with the moulds sector registering low levels of activity and a drop in metal-mechanics, as a result of the decrease verified in the automotive sector.

The declines in car sales were accentuated and the stoppages in China and the consequent break in the supply chains of the sector, created difficulties for the European industry.

The impact on the Group's results of a three-week closure was partially compensated by the relocation of production and the satisfaction of Customers' requests through the Group's branches.

The Group is currently, despite market instability, in the process of gradually resuming operations temporarily closed. The speed of recovery of the Group's operational activity will depend on the evolution of national and international markets, especially in the automotive sector.

In the first quarter of 2020, the wire drawing activity also recorded a drop in turnover compared to the previous year, as a result of a decrease in prices for the main manufactured products and the impacts of the Covid-19 pandemic, with the cancellation of a significant volume of orders.

The wire drawing activity essentially operates in the foreign market which, in the first quarter of 2020, represented 60% of the turnover, with Europe being the destination market with the biggest preponderance.

## REAL ESTATE

	1Q 2020	1Q 2019	Var. %
Total revenues (a)	1,813	1,778	2.0%
Total costs (b)	388	414	-6.3%
EBITDA (c)	1,425	1,365	4.5%
EBIT (d)	1,374	1,292	6.3%
Financial results (e)	(141)	(211)	-32.9%
<b>Profit before income tax</b>	<b>1,232</b>	<b>1,081</b>	<b>14.0%</b>
Income tax	271	238	13.8%
<b>Net profit</b>	<b>961</b>	<b>843</b>	<b>14.0%</b>

(Amounts in thousands of Euro)

(a) Total revenues = Sales and services rendered + Other income

(b) Total costs = Cost of sales and production variation + External supplies and services + Payroll expenses + Other costs + Provisions and impairment losses

(c) EBITDA = Profit before income tax + Financial expenses – Financial income + Amortization and depreciation

(d) EBIT = EBITDA + Amortization and depreciation

(e) Financial results = Financial expenses – Financial income

In the first quarter of 2020, total revenues from the Real Estate segment amounted 1,813 thousand Euro, an increase of 2.0% compared to the same period of 2019.

The rents obtained from the long-term leases of forest land represent about 90% of the total real estate revenues.

EBITDA in the Real Estate segment in the first three months of 2020 amounted to 1,425 thousand Euro, 4.5% higher than the amount recorded in the same period of 2019.

EBIT amounted to 1,374 thousand Euro, representing a growth of 6.3% compared to 2019.

In the first quarter of 2020, the financial results of the Real Estate segment were negative by 141 thousand Euro, having improved 32.9% compared to the negative 211 thousand Euro in 2019.

The net profit of the Real Estate segment amounted to 961 thousand Euro, an increase of 14.0% compared to the first quarter of 2019.

## INVESTMENTS AND INDEBTEDNESS

In the first quarter of 2020, investments<sup>2</sup> made by the Ramada Group amounted to approximately 180 thousand Euro.

Ramada Group's net nominal indebtedness<sup>3</sup> on March 31, 2020 amounted to approximately 19 million Euro. As of December 31, 2019, the net nominal indebtedness was approximately 31 million Euro.

## FUTURE PERSPECTIVES

Despite the measure already mentioned, and at this stage, characterized by a generalized uncertainty in the social and economic context, the Ramada Group will remain alert and careful in the management of its business, and in the evaluation and monitoring of the actions already implemented and/or to be implemented in order to manage and anticipate, as far as possible, the impacts of this pandemic on its operational and financial performance.

Considering the degree of uncertainty that characterizes the current context, we have not been able to quantify the real impact of this pandemic, nor how the markets or companies will adapt. The uncertainty is big, the impact on the markets where we operate is expected to be quite negative.

Ramada Group is preparing for the future, restructuring teams and processes in order to increase the productivity and profitability of the Group's subsidiaries.

Ramada Group is convinced that with prevention, serenity and joint efforts with our partners, such as Customers, Suppliers, Employees and local Communities, it is prepared to face this challenge.

Ramada's Board of Directors expresses its appreciation and thanks to all Employees of the Ramada Group, for their dedication and commitment to overcome this phase that we are going through.

Oporto, 28 May 2020

The Board of Directors

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<sup>2</sup> Investments – Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments.

<sup>3</sup> Net nominal indebtedness = Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents



**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT 31 MARCH 2020 AND 31 DECEMBER 2019**

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euros)

ASSETS	Notes	31.03.2020	31.12.2019
<b>NON-CURRENT ASSETS:</b>			
Investment properties	6	88,686,840	88,686,840
Property, plant and equipment		19,532,747	19,978,897
Intangible assets		31,350	38,091
Right-of-use assets		427,359	510,588
Goodwill		1,245,520	1,245,520
Investments in associated companies	5.2	4,546,159	4,500,000
Other investments	5.3	-	-
Other financial assets		-	15,563
Other non-current assets		1,337,826	1,320,964
Deferred tax assets	7	3,724,730	3,724,730
<b>Total non-current assets</b>		<b>119,532,531</b>	<b>120,021,193</b>
<b>CURRENT ASSETS:</b>			
Inventories		21,544,428	20,644,076
Trade receivables		32,067,688	38,573,010
Other debts from third parties		1,804,811	1,562,472
Income tax		-	132,136
Other current assets		105,565	15,369
Cash and cash equivalents	8	38,450,698	53,640,754
<b>Total current assets</b>		<b>93,973,190</b>	<b>114,567,817</b>
<b>Total assets</b>		<b>213,505,721</b>	<b>234,589,010</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	9	25,641,459	25,641,459
Legal reserve		7,193,058	7,193,058
Advance payment on profit		-	-
Other reserves		89,930,915	81,800,669
Consolidated net profit/(loss) for the period		1,334,275	8,130,246
Total equity attributable to shareholders of the Parent Company		124,099,707	122,765,432
Non-controlling interests		-	-
<b>Total equity</b>		<b>124,099,707</b>	<b>122,765,432</b>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Bank loans	10	36,987,401	49,487,401
Other loans	10	2,671,916	2,330,007
Lease Liabilities		241,979	210,189
Provisions	12	660,000	660,000
Deferred tax liabilities	7	922,826	922,826
<b>Total non-current liabilities</b>		<b>41,484,122</b>	<b>53,610,423</b>
<b>CURRENT LIABILITIES:</b>			
Bank loans	10	4,000,000	4,000,000
Other loans	10	14,149,305	28,674,994
Lease liabilities		317,876	363,944
Trade payables		19,796,085	15,993,278
Other debts to third parties		3,297,697	3,390,544
Income tax		390,149	751,407
Other current liabilities	11	5,970,780	5,038,988
<b>Total current liabilities</b>		<b>47,921,892</b>	<b>58,213,155</b>
<b>Total liabilities</b>		<b>89,406,014</b>	<b>111,823,578</b>
<b>Total liabilities and equity</b>		<b>213,505,721</b>	<b>234,589,010</b>

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE  
THREE MONTHS PERIODS ENDED 31 MARCH 2020 AND 2019**

(Translation of financial statements originally issued in Portuguese - Note 17)  
(Amounts expressed in Euros)

	Notes	31.03.2020	31.03.2019
Sales and services rendered		26,361,742	30,409,799
Other income		126,239	136,257
Cost of sales and variation in production		(16,600,921)	(19,093,816)
External supplies and services		(3,509,235)	(3,840,423)
Payroll expenses		(3,275,058)	(3,583,174)
Amortisation and depreciation		(839,118)	(1,101,104)
Provisions and impairment losses	12	(108,338)	70,218
Other expenses		(189,744)	(207,722)
Results related to investments	5.2	46,159	-
Financial expenses		(297,084)	(381,410)
Financial income		9,782	38,391
<b>Profit/(Loss) before income tax</b>		<b>1,724,424</b>	<b>2,447,016</b>
Income tax		(390,149)	(538,419)
<b>Consolidated net profit/(loss) for the period</b>		<b>1,334,275</b>	<b>1,908,597</b>
<b>Attributable to:</b>			
Holders of equity in the parent company		1,334,275	1,908,597
Non-controlling interests		-	-
<b>Earnings per share:</b>			
Basic	13	0.05	0.07
Diluted	13	0.05	0.07

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE  
THREE MONTHS PERIODS ENDED 31 MARCH 2020 AND 2019**

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euros)

	Notes	31.03.2020	31.03.2019
<b>Consolidated net income for the period</b>		<b>1,334,275</b>	<b>1,908,597</b>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Changes in pension liabilities - gross amount		-	-
Changes in pension liabilities - deferred tax		-	-
Items that may be reclassified to profit or loss in the future			
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>
<b>Total consolidated comprehensive income for the period</b>		<b>1,334,275</b>	<b>1,908,597</b>
<b>Attributable to:</b>			
<b>Shareholders in the Parent Company</b>		<b>1,334,275</b>	<b>1,908,597</b>
Continued operations		1,334,275	1,908,597
Discontinued operations		-	-

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE  
THREE MONTHS PERIODS ENDED 31 MARCH 2020 AND 2019**  
(Translation of financial statements originally issued in Portuguese - Note 17)  
(Amounts expressed in Euros)

Attributable to shareholders in the Parent Company									
Notes	Share capital	Legal reserve	Advance payments on profit	Other reserves and retained earnings	Net profit(loss) for the period	Total equity attributable to shareholders of parent company	Non-controlling interests	Total equity	
Balance as at 1 January 2019	9	25,641,459	6,460,877	(29,487,678)	57,788,337	69,717,900	130,120,895	-	130,120,895
Total consolidated comprehensive income for the period		-	-	-	-	1,908,597	1,908,597	-	1,908,597
Appropriation of consolidated result from 2018:									
Transfer to other reserves		-	-	29,487,678	40,230,222	(69,717,900)	-	-	-
Distribution of dividends		-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-
Balance as at 31 March 2019		25,641,459	6,460,877	-	98,018,559	1,908,597	132,029,492	-	132,029,492
Balance as at 1 January 2020	9	25,641,459	7,193,058	-	81,800,669	8,130,246	122,765,432	-	122,765,432
Total consolidated comprehensive income for the period		-	-	-	-	1,334,275	1,334,275	-	1,334,275
Appropriation of consolidated result from 2019:									
Transfer to other reserves		-	-	-	8,130,246	(8,130,246)	-	-	-
Others		-	-	-	-	-	-	-	-
Balance as at 31 March 2020		25,641,459	7,193,058	-	89,930,915	1,334,275	124,099,707	-	124,099,707

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE**
**THREE MONTHS PERIODS ENDED 31 MARCH 2020 AND 2019**

(Translation of financial statements originally issued in Portuguese - Note 17)

(Amounts expressed in Euros)

	Notes	31.03.2020	31.03.2019
<b>Operational activities:</b>			
Receipts from customers		36,457,759	41,429,665
Payments to suppliers		(16,651,282)	(25,930,619)
Payments to personnel		(1,472,152)	(1,646,163)
Paid/Received corporate income tax		(6,793)	(1,050)
Other receipts/payments relating to operating activities		(4,984,514)	(4,986,963)
<b>Cash flows generated by operating activities (1)</b>		<b>13,343,018</b>	<b>8,864,870</b>
<b>Investment activities:</b>			
Receipts arising from:			
Property, plant and equipment		13,310	249,690
Interest and similar income		3,863	13,178
<b>Payments relating to:</b>			
Investments		-	-
Intangible assets		(887)	-
Property, plant and equipment		(344,349)	(892,864)
Loans granted		-	-
<b>Cash flows generated from investments activities (2)</b>		<b>(345,236)</b>	<b>(892,864)</b>
<b>Financing activities:</b>			
Receipts arising from:			
Loans obtained		52,678,606	7,995,937
<b>Payments relating to:</b>			
Interest and similar expenses		(465,300)	(554,330)
Dividends		-	-
Loans obtained		(78,071,147)	(12,152,039)
<b>Cash flows generated from financing activities (3)</b>		<b>(25,857,841)</b>	<b>(4,710,432)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	8	<b>51,293,584</b>	<b>70,090,564</b>
Cash and cash equivalents variation: (1)+(2)+(3)		(12,842,886)	3,524,442
<b>Cash and cash equivalents at the end of the period</b>	8	<b>38,450,698</b>	<b>73,615,006</b>

The accompanying notes are an integral part of the condensed consolidated financial statements.

The Chartered Accountant

The Board of Directors

**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF 31 MARCH 2020**  
**(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 17)**  
*(Amounts expressed in Euro)*

## **1. INTRODUCTORY NOTE**

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. ("Ramada Investimentos", "Ramada Group" or "Group") is a company incorporated as of 1 June 2008, with its head-office located at Rua Manuel Pinto de Azevedo, 818, Oporto, Portugal, and whose main activity is the management of financial investments, being its shares listed in the Euronext Lisbon Stock Exchange, since 2008.

In May 2018, formerly named as F. Ramada - Investimentos SGPS, S.A., changed its corporate objective, from management of financial investments to consulting services, including financial and administrative, as well as realization and management of real estate, securities and financial investments, acquisition and disposal of securities, leasing, construction, rehabilitation, management, administration and conservation of properties, as its name changed to RAMADA INVESTIMENTOS E INDÚSTRIA, S.A., as it was deliberated in General Assembly on 4 May 2018.

Ramada was created as a result of the reorganization process of Altri, SGPS, S.A. through the demerger of the business areas of steel and storage systems, namely the participation held in Ramada Aços, S.A., which represented the voting rights of the mentioned company. The restructuring involved a simple demerger operation, as predicted in item 1.a), article 118, of the Portuguese Companies Act ("Código das Sociedades Comerciais").

Following this process, the assets corresponding to the shareholdings of the business units of steel and storage systems, including all the resources (such as human resources, assets and liabilities) related to that business unit were transferred from Altri, SGPS, S.A. to Ramada Investimentos.

Currently, Ramada is the parent company of the group of companies listed in Note 5 (Ramada Group), and, through these financial holdings structure, it focuses its operations in (i) Industrial activity, which includes steel trade and management of financial investments related to participations in which the group has a minority position, and (ii) real estate, which consists in the management of this type of assets.

The consolidated financial statements of Ramada Group are presented in Euro (rounded to units), which is the currency used by the Group in its operations and, therefore, is considered to be its functional currency.

## **2. MAIN ACCOUNTING POLICES AND BASIS OF PRESENTATION**

The condensed consolidated financial statements, for the period ended on 31 March 2020, were prepared in accordance with IAS 34 – Interim Financial Reporting and include the condensed consolidated statement of financial position, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows, as well as the selected explanatory notes. These condensed consolidated financial statements do not include all the information required to be published on the annual financial statements, and should, therefore, be read together with the consolidated financial statements of the Ramada Group for the financial year ended 31 December 2019.

The accounting policies adopted for preparation of the attached condensed consolidated financial statements were consistently applied during the periods being compared.

The Board of Directors assessed the capacity of the Company, its subsidiaries and associates to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of financial, commercial or other nature, including events subsequent to the condensed consolidated financial statements' reference date, as available regarding the future. As a result of the assessment conducted, the Board of Directors concluded that it has adequate resources to keep up its operations, which it does not intend to cease in the short term. Therefore, it was considered appropriate to use the going concern basis in preparing the condensed consolidated financial statements.

The attached condensed consolidated financial statements were prepared based on the accounting books and records of the company, its subsidiaries, and associates, adjusted in the consolidation process, in the assumption of going concern basis. When preparing the condensed consolidated financial statements, the Group used historical cost as its basis.

The preparation of condensed consolidated financial statements requires the use of estimates, assumptions and critical judgements in the process of determining accounting policies to be adopted by the Group, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period. Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future

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events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are disclosed in Note 3 of the accompanying notes to the consolidated financial statements of the Group for the financial year ended 31 December 2019.

### **3. CHANGES IN ACCOUNTING POLICES AND CORRECTION OF ERRORS**

During the reporting period there were no changes in the accounting policies and no material mistakes related with previous periods were identified.

New accounting standards and their impact in these condensed consolidated financial statements:

Up to the date of approval of these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments and revisions, mandatorily applied to the financial year beginning on 1 January 2020:

	Effective date (financial years begun on or after)
Amendments to References to the Conceptual Framework in IFRS Standards	01 Jan 2020
Amendment to IFRS 3 - Business combinations	01 Jan 2020
Amendment to IAS 1 and IAS 8 - Definition of material	01 Jan 2020
Amendments to standards IFRS 9, IAS 39 and IFRS 7 - Interest rate Benchmark reform (IBOR Reform)	01 Jan 2020

The adoption of these standards and interpretations had no relevant impact on the Group's financial statements.

On the approval date of these financial statements, the following accounting standards, amendments and interpretations were not yet endorsed by the European Union:

	Effective date (financial years begun on or after)
IFRS 17 - Insurance contracts	01 Jan 2021
IAS 1 (Amendments) Classification of Liabilities as Current or Non-current	01 Jan 2023

The Group has not adopted any standard, amendment or interpretation that has been issued but not yet effective, for the preparation of the consolidated financial statements for the period ending 31 March 2020, given that application is not mandatory. The impact of the referred standards is currently being assessed.

### **4. SIGNIFICANT EVENTS: COVID-19**

The first quarter of 2020 was marked by the emergence of a global epidemic called Covid-19, and on 11 March 2020 the World Health Organization declared it a pandemic. In Portugal, a state of emergency was declared, which was in force from the 19<sup>th</sup> of March to the 2<sup>nd</sup> of May 2020.

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Ramada Group has been assessing and monitoring the pandemic's developments, in terms of the risk factors that in its understanding are relevant, and which may affect the business areas, whether in operational, investment or financial terms. If it becomes the Group's understanding that the current developments and conditions will eventually affect, in a definitive way, the business plans and medium and long-term projections used in the Ramada Group's budget and strategic plan, they will be considered in the impairment analysis models in order to obtain their possible accounting impacts.

From all the actions implemented within the scope of the monitoring and evaluation of pandemic developments, we highlight the following:

- Ramada Group, implemented a set of measures for the prevention, control and surveillance of this infection. As a result of the various measures implemented by the Ramada Group, on March 31, 2020, a negative impact on the income statement is estimated in the amount of approximately 100 thousand Euro (including donations, protective equipment, among others).
- Ramada Group proceeded cautiously with an internal review and evaluation process on the investments it had planned for the 2020 financial year, reassessing the cost-benefit of these portfolio projects, as well as their feasibility, taking into account the current reality. From this review it was decided to reschedule to the second semester the investments that were planned for the months of March and April 2020. The Ramada Group expects to comply with the investments initially stipulated for 2020 until the end of the fiscal year.
- With regard to liquidity risk management, the Group maintained a liquidity reserve in the form of credit lines with its relationship banks, in order to ensure the ability to meet its commitments, without having to refinance in unfavorable conditions. As of March 31, 2020, the amount of consolidated loans<sup>1</sup> maturing in the next 12 months is approximately 19 million Euro. On the same date, the Group has consolidated credit lines available (namely bank overdrafts, pledged current accounts and not used commercial paper programs) in the amount of approximately 40 million Euro. As a result of the performance of previous years, and the capacity to manage credit and liquidity risk, the Group presents a robust financial position statement, presenting Cash and cash equivalents amounting to 38.5 million Euro, representing approximately 80% of its current liabilities.
- Ensuring the permanent well-being of all Employees, their families and community, has always been and will continue to be a priority of the Ramada Group. To deal with the pandemic, Ramada Group put in place a set of additional preventive measures to protect the health and safety of its Employees, based on the recommendations of the Portuguese Health Authority. The human resources department, based on the recommendations of the Portuguese Health Authority, proceeded with the elaboration of the Group's Covid19 Contingency Plan. This plan has been continuously adjusted considering the evolution of the pandemic, being essential for the purposes of containing the impacts of the pandemic between our employees and the local community. Ramada Group hereby informs that, up to this date, it is unaware of any of its employees testing positive for COVID-19. Nevertheless, the Group is prepared for this possibility.

During the first quarter, and following the declaration of Calamity in the Municipality of Ovar, its subsidiary Ramada Aços, S.A., a production unit located in Ovar responsible for around 40% of the Group's turnover, had its registered office closed from March 18, 2020 to April 6, 2020. The Ramada Group has made every effort to reinforce the inventories and resources of its branches across the country, in order to respond to its Customers requests. Regarding the subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A., part of the Employees of the factory have been in simplified lay-off since April 14, so it is expectable a significant drop in the commercial activity of this subsidiary, as a significant portion of its turnover is associated with the Spanish market. In the Real Estate segment, no decrease in turnover has occurred as a result of the pandemic, as almost all rents were charged to a related party.

Ramada Group, on this date, given the uncertainty regarding both the intensity and duration of the pandemic and its impact on the Group's operations, is unable to reliably quantify the effects of these events on the performance of its business segments, but estimates that those will be significant in the coming quarters. A situation of extension in social and economic conditions with negative impacts on the performance of the business segments, could result in negative effects on Ramada Group's results, with a consequence on the recoverable value of its assets.

Despite the measures already mentioned, and at this stage, characterized by a generalized uncertainty in the social and economic context, the Ramada Group will remain alert and careful in the management of its business, and in the

<sup>1</sup> Consolidated loans: Bank loans + Other loans + Lease liabilities.



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evaluation and monitoring of the actions already implemented and/or to be implemented in order to manage and anticipate, as far as possible, the impacts of this pandemic on its operational and financial performance.

## 5. **SUBSIDIARY COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OTHER INVESTMENTS**

### 5.1 Companies included in the consolidated financial statements

The companies included in the consolidated financial statements by the full consolidation method, its headquarters, percentage of participation held and main activity as of March 31, 2020 and December 31, 2019, are as follows:

Company	Registered office	Effective held percentage		Activity
		31.03.2020	31.12.2019	
<b><u>Parent company</u></b>				
Ramada Investimentos e Indústria S.A.	Porto	-	-	Management consulting services and shareholding management
<b><u>Ramada Group</u></b>				
Ramada Aços, S.A.	Ovar	100%	100%	Steel trade
Planfuro Global, S.A.	Leiria	100%	100%	Metal mould manufacturing
Universal Afir, S.A.	Ovar	100%	100%	Steel trade
F. Ramada II, Imobiliária, S.A.	Ovar	100%	100%	Real estate
Socitrel - Sociedade Industrial de Trefilaria, S.A.	Trofa	100%	100%	Steel wire manufacturing and trade
Socitrel España, S.A.	Spain	100%	100%	Steel wire manufacturing and trade
Expeliarmus - Consultoria, S.A.	Portugal	100%	100%	Shareholding management

These subsidiaries were included in the consolidated financial statements of Ramada Group in accordance with the full consolidation method.

### 5.2 Investments in associated companies

As at 31 March 2020 and 31 December 2019, the item “Investments in associated companies” can be detailed as follows:

Company	Statement of financial position		Effective shareholding percentage	
	31.03.2020	31.12.2019	31.03.2020	31.12.2019
<b><u>Associated companies:</u></b>				
Fisio Share – Gestão de Clínicas, S.A	4,546,159	4,500,000	39.71%	39.71%
	<u>4,546,159</u>	<u>4,500,000</u>		

This associated company's activity is to provide technical and consultancy services in the areas of health management and administration. This entity was included in the Ramada Group's consolidated financial statements using the equity method.

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As of December 31, 2019, the amount recorded in this caption refers to the Group's participation in the constitution of the same company.

The movements in the balance of this caption in the periods ended 31 March 2020 are detailed as follows:

	Statement of financial position
	31.03.2020
Opening balance	4,500,000
Equity method:	
Effects on gains and losses related to associated companies	46,159
Closing balance	4,546,159

The application of the equity method relatively to the three months period ended as at 31 March 2020 was made based on the provisional and unaudited consolidated financial statements of the entity above mentioned, with the impact on net income for the current period being recorded under the caption "Results related to investments". As at 31 March 2020, the financial participation value amounted to 4,546,159 Euro (4,500,000 Euro as at 31 December 2019). The Board of Directors believes that there will be no materially significant differences between the financial statements used for the purposes of applying this method and the final consolidated financial statements of that entity.

### 5.3 Other investments

As of March 31, 2020, and December 31, 2019, the caption 'Other investments' and respective impairment losses can be detailed as follows:

	31.03.2020	31.12.2019
Gross value		
Opening value	4,445,498	4,445,498
Additions	-	-
Closing balance	4,445,498	4,445,498
Accumulated impairment losses (Note 12)		
Opening value	(4,445,498)	(4,445,498)
Additions	-	-
Closing balance	(4,445,498)	(4,445,498)
Net value	-	-

As at 31 March 2020 and 31 December 2019, the Group held 22.52% of the company CEV, S.A.. This participated company is engaged in the developments and intellectual protection, production and trade of organic fungicides for agriculture. This investee is not listed and the Group does not have significant influence over this holding.

In view of the above, the Group believes that, having no influence on the company's governance bodies, it should consider this holding as other investment and not as an associate.

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**6. INVESTMENT PROPERTIES**

Investment properties held by Ramada Group relate to lands rented to third parties (Altri Group) under operational leases, through contracts with an average duration of 20 years, and with the possibility of an additional period of four to six years if certain events occur. Investment properties are measured at acquisition cost. The movement occurred in this caption during the three months period ended as of 31 March 2020 and the year ended 31 December 2019 is as follows:

	<u>31.03.2020</u>	<u>31.12.2019</u>
Gross opening balance	89,786,840	88,035,676
Acquisitions	-	2,074,870
Disposals	-	(323,706)
Gross closing balance	<u>89,786,840</u>	<u>89,786,840</u>
Impairment Losses (Note 12)	<u>(1,100,000)</u>	<u>(1,100,000)</u>
Closing balance	<u>88,686,840</u>	<u>88,686,840</u>

The lease land generated, during the three months period ended as of March 31, 2020, income amounting, to approximately, 1,650,000 Euro (approximately 6,605,000 Euro in 2019).

The minimum future receipts for leases of forest land amounting, to approximately, 6.7 million Euro in each of the following 5 years. After this period and until the end of the contracts, the minimum future receipts total, approximately 36 million Euro. The rents provided for in each lease agreement are updated at the end of each two-year period, counting from the beginning of the calendar year immediately following the signing of the contract, based on the consumer price index.

Given the land characteristics (land leased to third parties for forestry activity), frequent market transactions comparable for this type of assets do not occur. Accordingly, the Board of Directors considers that it is not possible to reliably estimate the fair value of the land, and, as such, it is recorded at acquisition cost. However, it is the Board of Directors belief that, given the amount of rents collected annually, the market value of these assets will not be significantly different from its book value.

Part of the land amounting to, approximately, 74 million Euros is given as collateral for certain borrowings.

**7. DEFERRED INCOME TAXES**

In accordance with current legislation, the tax returns are subject to review and correction by the tax authorities over a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted, or inspections, complaints or disputes are on-going. In these cases, depending on the circumstances, the above referred period deadlines can be extended or suspended. Therefore, the tax returns of Ramada and its subsidiaries for the years 2016 to 2019 may still be subject to review.

The Board of Directors of Ramada believes that any potential corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statements as of March 31, 2020.

The movement occurred in deferred tax assets and liabilities in the three months period ended as of March 31, 2020 and 2019, was as follows:

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	2020		2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance as at 1 January	3,724,730	922,826	3,982,259	928,341
Consolidation in perimeter	-	-	-	-
Effect on the income statement	-	-	-	-
Balance as at 31 March	3,724,730	922,826	3,982,259	928,341

## 8. CASH AND CASH EQUIVALENTS

As of March 31, 2020, and December 31, 2019, the caption 'Cash and cash equivalents' included in the consolidated statement of financial position can be detailed as follows:

	31.03.2020	31.12.2019
Cash	35,645	26,030
Bank deposits	38,415,053	53,614,724
Cash and cash equivalents on the statement of financial position	38,450,698	53,640,754
Bank overdrafts (Note 10)	-	(2,347,170)
Cash and cash equivalents on the statement of cash flows	38,450,698	51,293,584

## 9. SHARE CAPITAL

As of March 31, 2020, Ramada's fully subscribed and paid up capital consisted of 25,641,459 shares with a nominal value of 1 Euro each.

With regard to 2019, the Board of Directors proposed, in its Annual Report, which was approved in the General Meeting held on April 30, 2020, that the individual net result of Ramada Investimentos e Indústria, S.A. in the amount of 11,986,654 Euro was transferred to Free Reserves.

## 10. BANK LOANS AND OTHER LOANS

As of March 31, 2020, and December 31, 2019, the captions "Bank loans" and "Other loans" can be detailed as follows:

	31.03.2020		31.12.2019	
	Current	Non-current	Current	Non-current
Bank loans	4,000,000	36,987,401	4,000,000	49,487,401
Bank loans	4,000,000	36,987,401	4,000,000	49,487,401
Commercial paper	10,000,000	-	20,500,000	-
Escrow accounts	3,000,000	-	4,050,000	-
Bank overdrafts (Note 8)	-	-	2,347,170	-
Factoring	1,149,305	-	1,435,914	-
Investment grants	-	2,671,916	341,910	2,330,007
Other loans	14,149,305	2,671,916	28,674,994	2,330,007
	18,149,305	39,659,317	32,674,994	51,817,408

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It is the Board of Directors understanding that the loans' book value does not differ significantly from its fair value.

## 10.1 Bank Loans:

The nominal amount of bank loans as of March 31, 2020, and December 31, 2019, will be reimbursed as follows:

2020			2019		
Repayment year	Amount	Estimated interest <sup>1</sup>	Repayment year	Amount	Estimated interest <sup>1</sup>
<b>Current</b>			<b>Current</b>		
2021	<u>18,149,305</u>	<u>317,613</u>	2020	<u>32,674,994</u>	<u>571,812</u>
<b>Non-current</b>			<b>Non-current</b>		
2022	5,424,411	640,418	2021	7,582,502	640,193
2023	4,582,502	462,079	2022	7,582,502	497,893
2024	7,569,902	352,879	2023	7,582,502	355,593
2025	7,082,502	236,280	2024	7,569,902	254,886
2026	6,500,000	131,630	2025	6,500,000	190,937
2027	3,500,000	69,699	2026	6,500,000	138,937
2028	5,000,000	9,271	2027	3,500,000	86,937
2029	-	-	2028	5,000,000	14,225
2030	-	-	2029	-	-
	<u>39,659,317</u>	<u>1,902,257</u>		<u>51,817,408</u>	<u>2,179,601</u>
	<u>57,808,622</u>	<u>2,219,869</u>		<u>84,492,402</u>	<u>2,751,413</u>

<sup>1</sup> Interest estimated according to the defined contractual conditions, assuming the market conditions verified in 2020 and 2019, respectively.

During the period of three months ended as of March 31, 2020, these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During the period of three months ended as of March 31, 2020, and the year ended as of December 31, 2019, the Group did not enter into any loan default.

Additionally, as of March 31, 2020, there are no covenants associated with the loans obtained.

## 11. OTHER CURRENT LIABILITIES

As of March 31, 2020, and December 31, 2019, the caption "Other current liabilities" can be detailed as follows:

	31.03.2020	31.12.2019
Accrued expenses:		
Wages and salaries payable, bonuses and other payroll expenses	4,291,277	4,048,389
Other accrued expenses	1,301,923	617,990
Deferred income	377,580	372,609
	<u>5,970,780</u>	<u>5,038,988</u>

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## 12. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the three months periods ended as of March 31, 2020 and 2019, can be detailed as follows:

31.03.2020						
	Provisions	Impairment losses in debts from third parties	Impairment losses in inventories	Impairment losses in investments	Impairment losses in investment properties	Total
				(Note 5)	(Note 6)	
Opening balance	660,000	7,194,002	2,003,407	4,445,498	1,100,000	15,402,907
Increases	-	108,338	-	-	-	108,338
Reversals	-	-	-	-	-	-
Utilizations	-	-	-	-	-	-
Closing balance	660,000	7,302,340	2,003,407	4,445,498	1,100,000	15,511,245

31.03.2019						
	Provisions	Impairment losses in debts from third parties	Impairment losses in inventories	Impairment losses in investments	Impairment losses in investment properties	Total
				(Note 5)	(Note 6)	
Opening balance	2,610,000	7,075,677	2,003,329	4,445,498	1,100,000	17,234,504
Increases	-	52,173	-	-	-	52,173
Reversals	-	(122,391)	-	-	-	(122,391)
Utilizations	-	-	-	-	-	-
Closing balance	2,610,000	7,005,459	2,003,329	4,445,498	1,100,000	17,164,286

The constitutions and reversals of provisions and impairment losses recorded in the three-month periods ended March 31, 2020 and 2019 were recorded against the income statement caption "Provisions and impairment losses".

The amount recorded under "Provisions" at 31 March 2020 corresponds to the best estimate by the Board of Directors of the Group Companies to cover losses to be incurred with lawsuits currently in progress and other liabilities.

It is the opinion of the Board of Directors, based on its legal and tax advisors, that as of March 31, 2020, there are no material assets or liabilities associated with probable or possible tax contingencies that should be recognized or disclosed in the financial statements on March 31, 2020.

## 13. EARNINGS PER SHARE

Earnings per share for the three months periods ended as of 31 March 2020 and 2019 were determined taking into consideration the following amounts:

	31.03.2020	31.03.2019
Result for calculating basic and diluted earnings per share		
Continued operations	1,334,275	1,908,597
Weighted average number of shares for calculating net income per share	25,641,459	25,641,459
Earnings per share		
For continued operations		
Basic	0.05	0.07
Diluted	0.05	0.07

There are no situations in the Group that might represent a reduction on earnings per share, arising from stock options, warrants, convertible bonds or other rights embedded in ordinary shares.

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**14. RELATED PARTIES**

The main balances with related parties as of March 31, 2020 and 2019 are related with Altri Group and may be detailed as follows:

	31 March 2020		31 March 2019	
Related entities	Trade receivables and other debts from third parties	Trade payables and other debts to third parties	Trade receivables and other debts from third parties	Trade payables and other debts to third parties
Other related entities	1,681,606	-	1,596,672	-

Apart from the companies included in the consolidation (Note 5), the companies considered to be related parties as of March 31, 2020, are the following:

- ☐ Actium Capital, S.A.
- ☐ Caderno Azul, S.A.
- ☐ Livrefluxo, S.A.
- ☐ Promendo Investimentos, S.A.
- ☐ 1 Thing, Investments, S.A.
- ☐ Altri Florestal, S.A.
- ☐ Altri Sales, S.A.
- ☐ Altri, Participaciones Y Trading, S.L.
- ☐ Altri, SGPS, S.A.
- ☐ Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
- ☐ Caima – Indústria de Celulose, S.A.
- ☐ Captaraiz Unipessoal, Lda.
- ☐ Celtejo – Empresa de Celulose do Tejo, S.A.
- ☐ Celulose da Beira Industrial (Celbi), S.A.
- ☐ Cofihold, S.A.
- ☐ Cofihold II, S.A.
- ☐ Cofina Media, S.A.
- ☐ Cofina, SGPS, S.A.
- ☐ Elege Valor, Lda.
- ☐ Grafedisport – Impressão e Artes Gráficas, S.A.
- ☐ Inflora – Sociedade de Investimentos Florestais, S.A.
- ☐ Mercados Globais – Publicação de Conteúdos, Lda.
- ☐ Préstimo – Prestígio Imobiliário, S.A.
- ☐ Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A.
- ☐ Valor Autêntico, S.A.
- ☐ VASP – Sociedade de Transportes e Distribuições, Lda.
- ☐ Viveiros do Furadouro Unipessoal, Lda.

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## 15. SEGMENT INFORMATION

In accordance with the origin and nature of the income generated by the Group, the main segments identified are as follows:

- ☐ Industry – includes the commercialization of steel and storage systems, as well as support services (being the latest a residual activity);
- ☐ Real estate – includes the assets and activities related to the Group's real estate development.

These segments were identified considering the business units which develop activities whose income and cost may be distinguished, and for which it is produced separate financial information and its operating results are reviewed and taken decisions by the management.

The segregation of activities by segments as of March 31, 2020 and 2019 is made up as follows:

	31 March 2020			
	Industry	Real estate	Intragroup eliminations	Total
Total assets	128,951,004	95,957,290	(11,402,573)	213,505,721
Total liabilities	19,842,981	58,160,460	11,402,573	89,406,014
Investments (a)	149,948	27,346	-	177,294
Sales and services rendered and other income from operations with external customers	24,675,056	1,812,925	-	26,487,981
Sales and services rendered and other income with other segments	93,912	207,593	(301,505)	-
EBITDA (b)	1,265,674	1,539,011	-	2,804,685
Amortisation and depreciation	(787,532)	(51,586)	-	(839,118)
EBIT (c)	478,142	1,487,425	-	1,965,567
Financial income	35,131	12	(25,361)	9,782
Financial expenses	(155,798)	(166,647)	25,361	(297,084)
Results related to investments	46,159	-	-	46,159
Income before tax	403,634	1,320,790	-	1,724,424
Income tax	(99,575)	(290,574)	-	(390,149)
Consolidated net profit/(loss) for the period	304,059	1,030,216	-	1,334,275

(a) Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments

(b) EBITDA = Income before taxes for continued operations + Financial expenses - Financial income + Amortisation and depreciation

(c) EBIT = EBITDA + Amortisation and depreciation



**NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS AS OF 31 MARCH 2020**  
(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 17)  
(Amounts expressed in Euro)

	31 March 2019			
	Industry	Real estate	Intragroup eliminations	Total
Total assets	171,769,044	96,367,190	(12,420,062)	255,716,172
Total liabilities	48,601,287	62,665,331	12,420,062	123,686,680
Investments (a)	351,844	-	-	351,844
Sales and services rendered and other income from operations with external customers	28,768,013	1,778,043	-	30,546,056
Sales and services rendered and other income with other segments	73,043	206,540	(279,583)	-
EBITDA (b)	2,393,130	1,498,009	-	3,891,139
Amortisation and depreciation	(1,028,729)	(72,375)	-	(1,101,104)
EBIT (c)	1,364,401	1,425,634	-	2,790,035
Financial income	38,292	99	-	38,391
Financial expenses	(170,629)	(210,781)	-	(381,410)
Results related to investments	-	-	-	-
Income before tax	1,232,064	1,214,953	-	2,447,017
Income tax	(270,830)	(267,589)	-	(538,419)
Consolidated net profit/(loss) for the period	961,234	947,364	-	1,908,598

(a) Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments

(b) EBITDA = Income before taxes for continued operations + Financial expenses - Financial income + Amortisation and depreciation

(c) EBIT = EBITDA + Amortisation and depreciation

## 16. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in May 28, 2020.

## 17. FINANCIAL STATEMENTS TRANSLATION

These consolidated financial statements are a translation of the financial statements originally issued in Portuguese in accordance with IAS 34 – Interim Financial Reporting and with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Chartered Account

The Board of Directors

João Manuel Matos Borges de Oliveira – President

Paulo Jorge dos Santos Fernandes

**NOTES TO THE CONDENSED COSOLIDATED  
FINANCIAL STATEMENTS AS OF 31 MARCH 2020**  
**(TRANSLATION OF NOTES ORIGINALLY ISSUED IN PORTUGUESE – NOTE 17)**  
*(Amounts expressed in Euro)*

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