



**RAMADA**  
INVESTIMENTOS E INDÚSTRIA

Report and Accounts

30 June 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 and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, 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.

## Report and Accounts - 1st Semester 2020

*(This is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.)*

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## Report and Accounts - 1st Semester 2020

To the Shareholders,

Pursuant to the legal requirements, the Board of Directors of Ramada Investimentos e Indústria, S.A. ("Ramada Investimentos", "Company" or "Ramada Group") hereby presents its Director's Report for the first semester of 2020.

### INTRODUCTION

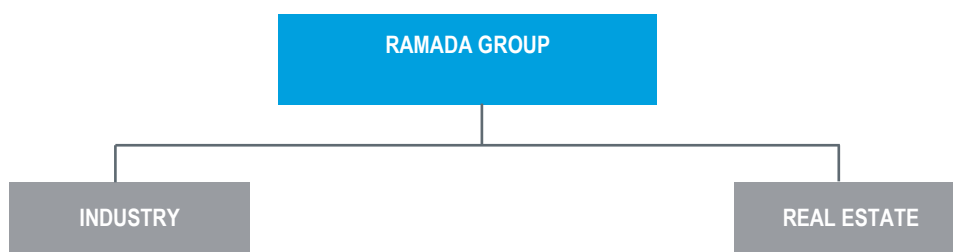
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the 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.

The wire drawing activity is developed by Socitrel whose 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..

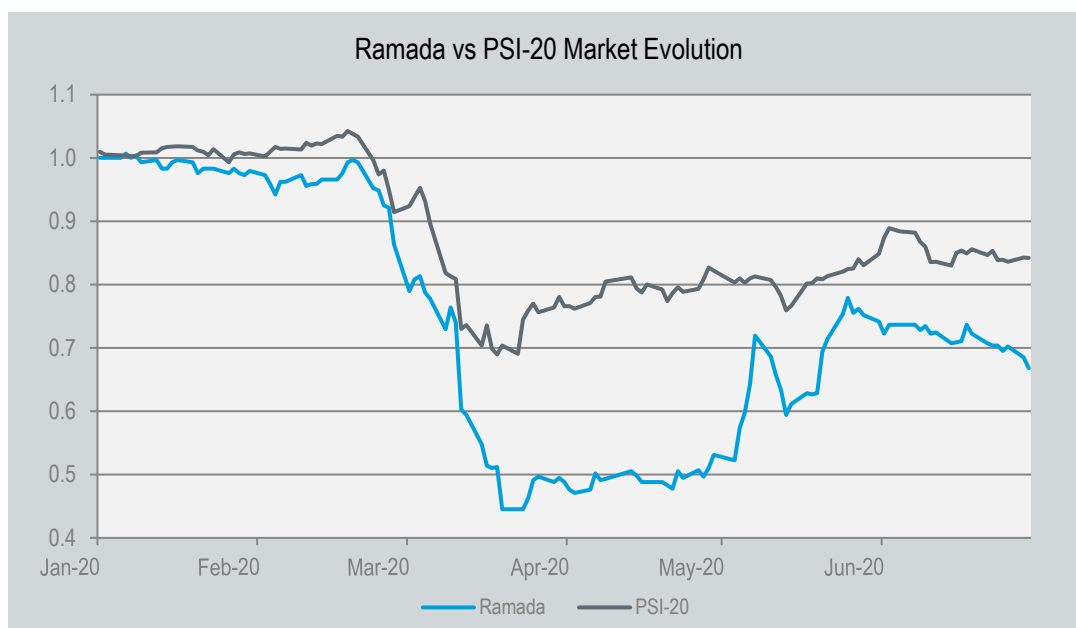


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### STOCK EXCHANGE EVOLUTION

(Note : The PSI-20 was considered as an index with initial value identical to that of the security under analysis, in order to allow a better comparison of the changes in the share price).

During the first semester of 2020, PSI-20 index depreciated 15.80% over the end of 2019, while Group Ramada shares depreciated 33.22%.



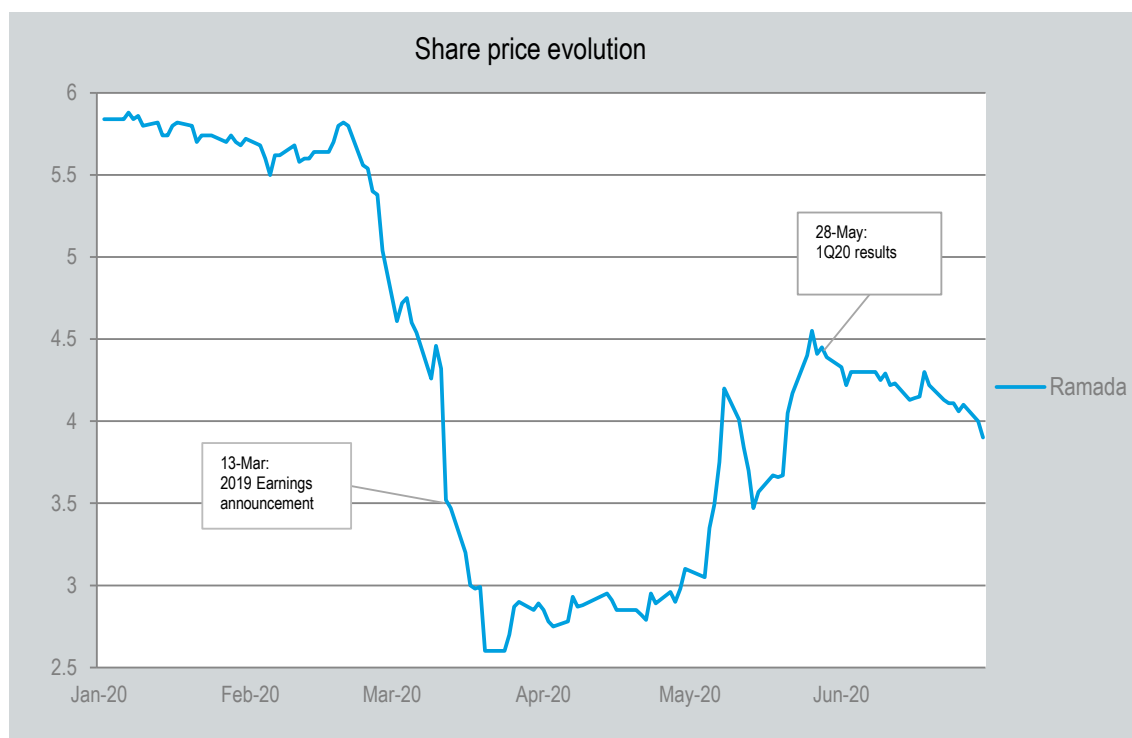
The market price of Ramada Investimentos shares at the end of the first half of 2020 was EUR 3.90 per share. This is equivalent to a market capitalisation of EUR 100,000,000.

In the first half of 2020, Ramada Group shares were traded at a maximum price of EUR 5.88 per share and a minimum of EUR 2.60 per share. In total, 1,578,465 shares of Ramada Investimentos were traded.

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### Performance of Ramada Investimentos share price

The main events that marked how the Ramada Investimentos share price performed in the first semester of 2020 can be described as follows:



- The Group announced its financial performance for 2019 through a press release announced on 13 March 2020. Consolidated net income was around EUR 8.1 million, which represents an 88% decrease when compared to the previous year. Total revenue amounted to EUR 115.0 million and consolidated EBITDA reached EUR 15.6 million;
- On 28 May 2020, Ramada Group's results for the first quarter of 2020 were announced, with a consolidated net profit of EUR 1.3 million. Consolidated EBITDA recorded EUR 2.8 million and total revenue reached EUR 26.5 million.

## Report and Accounts - 1st Semester 2020

### GROUP'S ACTIVITY

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;
- ii) Real Estate Segment, aimed at the management of real estate assets.

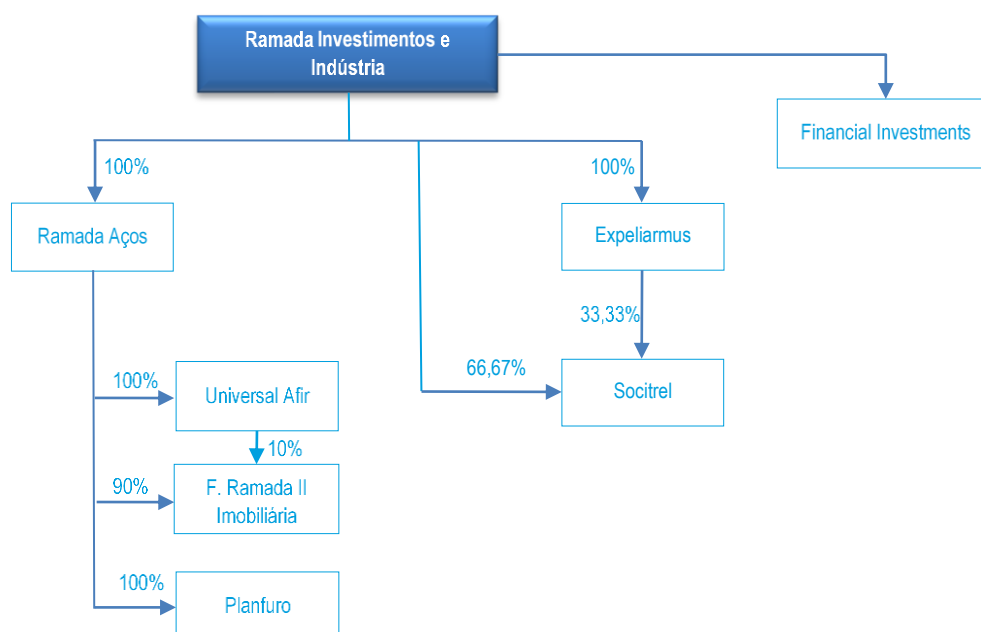
The special steels activity, which focus especially at the sub-segment of moulds, with a leading position in the domestic market, is developed by three companies: Ramada Aços, Universal Afir and Planfuro Global.

Socitrel's main business is the production 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 participation held in CEV, S.A. and Fisio Share – Gestão de Clínicas, S.A..

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

The structure of Ramada Group, as of 30 June 2020, can be present as follows:



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In the steel activity, the first half of 2020 was characterised by difficulties and uncertainties that did not make possible the resumption of the automotive industry, a scenario that was anticipated at the end of 2019. The instability of demand and the declines observed at the beginning of the year, both in the moulds sector and in the metal-mechanics sector, made the recovery unfeasible.

During the first half of 2020, uncertainty about the real impacts of the pandemic increased, which resulted in adverse economic consequences and market crashes. The worsening situation at the global level accentuated the drop in car sales. The stoppage of China and the consequent fall in the sector's supply chains created difficulties for European Industry and increased uncertainties.

Even though, and in a context of uncertainty, at the beginning of March the Group's operations were at a more positive pace compared to previous months. However, the external circumstances of COVID-19 and the consequent sanitary fence in the municipality of Ovar, forced the closure of the headquarters from the middle of the month, thus making the recovery process difficult. The Ramada Group saw its main production unit closed for three weeks, which caused breaks in all sectors, at a time when the Group was recovering its order book.

With the closure of Ovar's facilities during the first week of April, the second quarter started a week later, but with a focus on resuming what was pending. According to the prevention, control and surveillance measures plan implemented by Ramada Group, the teams achieved a recovery of around 90%.

In the moulds sector, it was possible to observe fluctuations between periods of greater and lesser demand in the market, with a centralization of the business in a smaller number of customers, which means that the remaining players have a reduced order book.

At metal-mechanics sector, the drop that was felt at the start of the year worsened with the pandemic and most of the major customers are still in lay-off. The customer orders in this sector that were planned were postponed until the beginning of the second semester, although not sure that they will be effective.

Exports continue to grow, reaching values of 7.8% (6.6% in 2019). These are positive levels, given that the European market is also managing the consequences of the pandemic. Ramada Group believes that it is in a competitive position and will continue to invest in this growth.

In the first half of 2020, the wire drawing activity also registered a significant drop in turnover compared to the previous year. The impacts of the COVID-19 pandemic, with the cancellation of a significant volume of orders and the fall in the prices of the main manufactured products had a significant impact on sales in Portugal, Spain, France and the United Kingdom.

The wire drawing activity essentially operates in the foreign market which, in the first half of 2020, represented 61% of the turnover, with Europe being the destination market with greater preponderance.

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### FINANCIAL REVIEW

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:

	1H 2020	1H 2019	Var. %
Sales and services rendered	48 966	59 066	-17.2%
Other income	208	312	-33.3%
<b>Total revenues</b>	<b>49 174</b>	<b>59 378</b>	<b>-17.2%</b>
Cost of sales and production variation	(30 421)	(36 827)	-17.4%
External supplies and services	(6 606)	(7 534)	-12.3%
Payroll expenses	(6 331)	(7 106)	-10.9%
Other operating costs (a)	(711)	(285)	149.7%
<b>Total costs</b>	<b>(44 069)</b>	<b>(51 752)</b>	<b>-14.8%</b>
<b>EBITDA (b)</b>	<b>5 105</b>	<b>7 626</b>	<b>-33.1%</b>
<b>EBITDA margin (c)</b>	<b>10.4%</b>	<b>12.8%</b>	<b>-2.4 pp</b>
Amortization and depreciation	(1 601)	(2 265)	-29.3%
<b>EBIT (d)</b>	<b>3 505</b>	<b>5 360</b>	<b>-34.6%</b>
<b>EBIT margin (e)</b>	<b>7.1%</b>	<b>9.0%</b>	<b>-1.9%</b>
Results related to investments	59	0	-
Financial expenses	(605)	(784)	-22.9%
Financial income	25	93	-73.1%
<b>Profit before income tax</b>	<b>2 984</b>	<b>4 670</b>	<b>-36.1%</b>
Income tax	(448)	(920)	-51.4%
<b>Consolidated net profit</b>	<b>2 536</b>	<b>3 750</b>	<b>-32.4%</b>
Net profit attributable to shareholders of the parent company	2 536	3 750	-32.4%

Amounts in thousands of Euro

(a) Other operating costs = Other expenses + 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 half of 2020 amounted to 49,174 thousand Euro, representing a 17.2% decrease over the total revenues recorded in the same period of 2019.

Total costs amounted to 44,069 thousand Euro, recording a 14.8% decrease over the same period the previous year.



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EBITDA amounted to 5,105 thousand Euro, representing a decrease of 33.1% compared to the first half of 2019. EBITDA margin achieved 10.4%, representing a decrease of 2.4 percentage points compared to the same period of the previous year.

EBIT, in the amount of 3,505 thousand Euro, recorded a decrease of 34.6% when compared to 5,360 thousand Euro in 2019.

The financial results (financial expenses – financial income), in the amount of 580 thousand Euro, recorded a 16.1% decrease over the same period of the previous year.

During the first half of 2020, consolidated net profit amounted to 2,536 thousand Euro, decreasing 32.4% compared to the first half of the previous year.

### INDUSTRY

	1H 2020	1H 2019	Var. %
Total revenues (a)	45 539	55 851	-18.5%
Total costs (b)	(43 293)	(50 992)	-15.1%
EBITDA (c)	2 246	4 859	-53.8%
EBITDA margin (d)	4.9%	8.7%	-3.8 pp
EBIT (e)	749	2 738	-72.7%
EBIT margin (f)	1.6%	4.9%	-3.3 pp
Financial results (g)	(293)	(279)	5.1%
Results related to investments	59	0	-
<b>Profit before income tax</b>	<b>514</b>	<b>2 459</b>	<b>-79.1%</b>
Income tax	83	(433)	-119.1%
<b>Net profit</b>	<b>597</b>	<b>2 026</b>	<b>-70.5%</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 expenses + 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 half of 2020, total revenues from the Industry segment amounted to 45,539 thousand Euro, registering a decrease of 18.5% compared to the same period in 2019.

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EBITDA in the Industry segment amounted to 2,246 thousand Euro, representing a negative variation of 53.8% compared to the 4,859 thousand Euro recorded in the first half of 2019. The EBITDA margin reached 4.9%, recording a decrease of 3.8 percentage points over the same period of the previous year.

EBIT, in the amount of 749 thousand Euro, recorded a decrease of 72.7% compared to 2,738 thousand Euro in 2019.

The net profit of the Industry segment recorded in the first half of 2020, in the amount of 597 thousand Euro, represented a decrease of 70.5% compared to the net profit of the same period of previous year.

### REAL ESTATE

	1H 2020	1H 2019	Var. %
Total revenues (a)	3 635	3 526	3.1%
Total costs (b)	(776)	(760)	2.1%
EBITDA (c)	2 859	2 767	3.3%
EBIT (d)	2 756	2 622	5.1%
Financial results (e)	(286)	(411)	-30.4%
<b>Profit before income tax</b>	<b>2 470</b>	<b>2 211</b>	<b>11.7%</b>
Income tax	(531)	(486)	9.2%
<b>Net profit</b>	<b>1 939</b>	<b>1 724</b>	<b>12.4%</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 expenses + 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 half of 2020, total revenues from the Real Estate segment amounted 3,635 thousand Euro, an increase of 3.1% 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 six months of 2020 amounted to 2,859 thousand Euro, 3.3% higher than the amount recorded in the same period of 2019.

EBIT amounted to 2,756 thousand Euro, representing a growth of 5.1% compared to 2019.

In the first half of 2020, the financial results of the Real Estate segment were negative by 286 thousand Euro, having improved 30.4% compared to the negative 411 thousand Euro in 2019.

The net profit of the Real Estate segment amounted to 1,939 thousand Euro, an increase of 12.4% compared to the first half of 2019.

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### INVESTMENTS AND DEBT

In the first half of 2020, investments <sup>1</sup> made by Ramada Group amounted to approximately 365 thousand Euro.

Ramada Group's net nominal indebtedness <sup>2</sup> on June 30, 2020 amounted to approximately 15 million Euro. As of December 31, 2019, the net nominal indebtedness was approximately 31 million Euro.

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<sup>1</sup> Investments: Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments.

<sup>2</sup> Net nominal indebtedness: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents.

## Report and Accounts - 1st Semester 2020

### **FUTURE PERSPECTIVES**

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

Ramada Group will maintain 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.

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.

### **CORPORATE GOVERNANCE**

In accordance with the current legislation, the Group is not required to provide information regarding corporate governance, since this information is only compulsory together with the annual management report. The detailed annual report of corporate governance is included in the Financial Reporting of 2019 and it is available in our site ([www.ramadainvestimentos.pt](http://www.ramadainvestimentos.pt)).

## Report and Accounts - 1st Semester 2020

### LEGAL MATTERS

#### Own shares

Pursuant to and for the purposes of Article 66 and Article 324 (2) of the Companies Act, Ramada Investimentos reports that, on 30 June 2020, it did not own any of its own shares.

#### Shares held by the governing bodies

It is hereby stated, pursuant to and for the purposes of Article 447 of the Companies Act, that the following directors of Ramada Investimentos e Indústria, S.A. held shares as follows:

João Manuel Matos Borges de Oliveira <sup>(a)</sup>	5,300,000
Paulo Jorge dos Santos Fernandes <sup>(b)</sup>	4,009,402
Domingos José Vieira de Matos <sup>(c)</sup>	3,118,408
Ana Rebelo de Carvalho Menéres de Mendonça <sup>(d)</sup>	4,845,383

(a) – the 5,300,000 shares correspond to the total number of shares of Ramada Investimentos e Indústria, S.A. held by CADERNO AZUL, S.A., of which the director João Manuel Matos Borges de Oliveira is a director and shareholder.

(b) – the 4,009,402 shares correspond to the total number of shares of Ramada Investimentos e Indústria, S.A. held by ACTIUM CAPITAL, S.A., of which the director Paulo Jorge dos Santos Fernandes is a director and controlling shareholder.

(c) – the 3,118,408 shares correspond to the total number of shares of Ramada Investimentos e Indústria, S.A. held by LIVREFLUXO, S.A., of which the director Domingos José Vieira de Matos is a director and controlling shareholder.

(d) – the 4,845,383 shares correspond to the total number of shares of Ramada Investimentos e Indústria, S.A. held by PROMENDO INVESTIMENTOS, S.A., of which the director Ana Rebelo de Carvalho Menéres de Mendonça is a director and majority shareholder.

The Statutory Auditor, the members of the Statutory Audit Board and the Board of the Shareholders' General Meeting did not, at 30 June 2020, hold shares representing the share capital of Ramada Investimentos.

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### Qualified shareholdings

According to notices received by the Company, the following companies and/or individuals have a qualifying holding of more than 2%, 5%, 10%, 15%, 20%, 33% and 50% of the voting rights, at 30 June 2020, pursuant to and for the purposes of Articles 16 and 20 of the Portuguese Securities Code, and in accordance with Article 448 of the Companies Act:

Santander Asset Management		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Directly		631,943	2.46%
Total attributable		631,943	2.46%

Magallanes Value Investors		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Directly		894,128	3.49%
Total attributable		894,128	3.49%

1 Thing, Investments, SA		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Directly <sup>(a)</sup>		2,565,293	10.00%
Total attributable		2,565,293	10.00%

(a) - the 2,565,293 Ramada Investimentos e Indústria, S.A. shares are directly held by the company 1 Thing, Investments, S.A. whose board of directors includes Ramada's director Pedro Miguel Matos Borges de Oliveira

Domingos José Vieira de Matos		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)		3,118,408	12.16%
Total attributable		3,118,408	12.16%

Paulo Jorge dos Santos Fernandes		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Through Actium Capital, S.A. (of which he is dominant shareholder and director)		4,009,402	15.64%
Total attributable		4,009,402	15.64%

Ana Rebelo Carvalho Menéres de Mendonça		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Through PROMENDO INVESTIMENTOS, S.A. (of which she is dominant shareholder and director)		4,845,383	18.90%
Total attributable		4,845,383	18.90%

João Manuel Matos Borges de Oliveira		No. of shares held on 30-Jun-2020	% Share capital with voting rights
Through Caderno Azul, S.A. (of which he is shareholder and director)		5,300,000	20.67%
Total attributable		5,300,000	20.67%

Ramada Investimentos has not been advised of any holdings with over 33% of the voting rights.

## Report and Accounts - 1st Semester 2020

### **CLOSING REMARKS**

We don't want to conclude without thanking our customers and suppliers, financial institutions and other partners of the Group for their trust in our organization. We would also like to thank the Statutory Audit Board for the continued monitoring of our operations.

Porto, September 10, 2019

#### **Board of Directors**

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João Manuel Matos Borges de Oliveira

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Paulo Jorge dos Santos Fernandes

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Domingos José Vieira de Matos

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Pedro Miguel Matos Borges de Oliveira

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Ana Rebelo de Carvalho Menéres de Mendonça

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Laurentina da Silva Martins



## Report and Accounts - 1st Semester 2020

**STATEMENT UNDER ARTICLE 246, PARAGRAPH 1, C) OF THE SECURITIES  
CODE**

The signatories individually declare that, to their knowledge, the Condensed Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union, for the purpose of interim reporting, and the other accounting documents required by law or regulation, give a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated results of Ramada Investimentos e Indústria, S.A. and of the companies included in the consolidation perimeter, and that the Interim Director's Report accurately explains the activity evolution, performance and financial position of Ramada Investimentos e Indústria, S.A. and the companies included in the consolidation perimeter, and contains a description of the major risks and uncertainties that they face.

**DECLARATION OF RESPONSIBILITY**

The members of the Board of Directors of Ramada Investimentos e Indústria, S.A. declare that they assume responsibility for this information and assure that the items included herein are true and that, to the best of their knowledge, there are no omissions.

Pursuant to article 210 of the Social Security Code (approved by Law no. 110/2009, of 16 September) the Board of Directors informs that there are no overdue debts to the State, namely with respect to Social Security.

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### Article 447 of the Portuguese Companies Act, Article 14(7) of the CMVM Regulation no. 05/2008 and Article 19 of Regulation (EU) no. 596/2014 of European Parliament and of the Council of 16 April 2014

Disclosure of shares and other securities held by members of the Board of Directors and by those discharging managerial responsibilities, as well as by people closely connected with them (article 248-B of the Securities Code), and disclosure of the respective transactions during the semester.

Board of Directors	No shares held at			No shares held at
	31-Dec-2019	Acquisitions	Disposals	30-Jun-2020
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL, S.A.)	5,300,000	-	-	5,300,000
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)	4,009,402	-	-	4,009,402
Domingos José Vieira de Matos (imputation through LIVREFLUXO, S.A.)	3,118,408	-	-	3,118,408
Ana Rebelo de Carvalho Menéres de Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)	4,845,383	-	-	4,845,383
Pedro Miguel Matos Borges de Oliveira (imputation through 1 THING, INVESTMENTS, S.A.)	2,565,293	-	-	2,565,293

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
**AS AT 30 JUNE 2020 AND 31 DECEMBER 2019**

(Translation of financial statements originally issued in Portuguese - Note 18)

(Amounts expressed in Euros)

ASSETS	Notes	30.06.2020	31.12.2019
<b>NON-CURRENT ASSETS:</b>			
Investment properties	6	88,686,840	88,686,840
Property, plant and equipment		19,091,738	19,978,897
Intangible assets		24,612	38,091
Right-of-use assets		460,291	510,588
Goodwill		1,245,520	1,245,520
Investments in associated companies	5.2	4,559,108	4,500,000
Other investments	5.3	-	-
Other financial assets		-	15,563
Other non-current assets		1,339,027	1,320,964
Deferred tax assets	7	3,724,730	3,724,730
<b>Total non-current assets</b>		<b>119,131,866</b>	<b>120,021,193</b>
<b>CURRENT ASSETS:</b>			
Inventories		21,039,895	20,644,076
Trade receivables		29,368,743	38,573,010
Other debts from third parties		1,639,285	1,562,472
Income tax		302,080	132,136
Other current assets		73,786	15,369
Cash and cash equivalents	8	43,294,145	53,640,754
<b>Total current assets</b>		<b>95,717,934</b>	<b>114,567,817</b>
<b>Total assets</b>		<b>214,849,800</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		2,536,090	8,130,246
Total equity attributable to shareholders of the Parent Company		125,301,522	122,765,432
Non-controlling interests		-	-
<b>Total equity</b>		<b>125,301,522</b>	<b>122,765,432</b>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Bank loans	10	36,487,401	49,487,401
Other loans	10	2,671,917	2,330,007
Lease Liabilities		298,091	210,189
Provisions	12	660,000	660,000
Deferred tax liabilities	7	922,826	922,826
<b>Total non-current liabilities</b>		<b>41,040,235</b>	<b>53,610,423</b>
<b>CURRENT LIABILITIES:</b>			
Bank loans	10	4,000,000	4,000,000
Other loans	10	15,338,438	28,674,994
Lease liabilities		273,121	363,944
Trade payables		17,788,806	15,993,278
Other debts to third parties		4,555,185	3,390,544
Income tax		335,674	751,407
Other current liabilities	11	6,216,819	5,038,988
<b>Total current liabilities</b>		<b>48,508,043</b>	<b>58,213,155</b>
<b>Total liabilities</b>		<b>89,548,278</b>	<b>111,823,578</b>
<b>Total liabilities and equity</b>		<b>214,849,800</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  
SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2020 AND 2019**  
(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euros)

	Notes	Six months period ended as:		Three months period ended as:	
		30.06.2020	30.06.2019	30.06.2020	30.06.2019
Sales and services rendered		48,966,370	59,065,973	22,604,628	28,656,174
Other income		208,089	311,562	81,850	175,305
Cost of sales and variation in production		(30,421,332)	(36,826,292)	(13,820,411)	(17,732,833)
External supplies and services		(6,606,008)	(7,534,649)	(3,096,773)	(3,693,869)
Payroll expenses		(6,330,548)	(7,106,005)	(3,055,490)	(3,522,831)
Amortisation and depreciation		(1,600,583)	(2,265,400)	(761,465)	(1,164,296)
Provisions and impairment losses	12	(272,467)	50,137	(164,129)	(20,081)
Other expenses		(438,984)	(335,020)	(249,240)	(127,298)
Results related to investments	5.2	59,108	-	12,949	-
Financial expenses		(604,590)	(783,710)	(307,506)	(402,300)
Financial income		25,123	93,337	15,341	54,946
<b>Profit/(Loss) before income tax</b>		<b>2,984,178</b>	<b>4,669,933</b>	<b>1,259,754</b>	<b>2,222,917</b>
Income tax		(448,088)	(919,790)	(57,939)	(381,371)
<b>Consolidated net profit/(loss) for the period</b>		<b>2,536,090</b>	<b>3,750,143</b>	<b>1,201,815</b>	<b>1,841,546</b>
<b>Attributable to:</b>					
Holders of equity in the parent company		2,536,090	3,750,143	1,201,815	1,841,546
Non-controlling interests		-	-	-	-
<b>Earnings per share:</b>					
Basic	13	0.10	0.15	0.05	0.07
Diluted	13	0.10	0.15	0.05	0.07

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

The Chartered Accountant

The Board of Directors

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE  
SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2020 AND 2019**  
(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euros)

	Notes	Six months period ended as:		Three months period ended as:	
		30.06.2020	30.06.2019	30.06.2020	30.06.2019
<b>Consolidated net income for the period</b>		<b>2,536,090</b>	<b>3,750,143</b>	<b>1,201,815</b>	<b>1,841,546</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>-</b>	<b>-</b>
<b>Total consolidated comprehensive income for the period</b>		<b>2,536,090</b>	<b>3,750,143</b>	<b>1,201,815</b>	<b>1,841,546</b>
Attributable to:					
<b>Shareholders in the Parent Company</b>		<b>2,536,090</b>	<b>3,750,143</b>	<b>1,201,815</b>	<b>1,841,546</b>
Continued operations		2,536,090	3,750,143	1,201,815	1,841,546
Discontinued operations		-	-	-	-

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

The Chartered Accountant

The Board of Directors

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE  
SIX MONTHS PERIODS ENDED 30 JUNE 2020 AND 2019**  
(Translation of financial statements originally issued in Portuguese - Note 18)  
(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		-	-	-	-	3,750,143	3,750,143	-	3,750,143
Appropriation of consolidated result from 2018:									
Transfer to other reserves		-	-	29,487,678	40,230,222	(69,717,900)	-	-	-
Distribution of dividends		-	-	-	(15,384,875)	-	(15,384,875)	-	(15,384,875)
Others		-	-	-	485	-	485	-	485
Balance as at 30 June 2019		25,641,459	6,460,877	-	82,634,169	3,750,143	118,486,648	-	118,486,648
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		-	-	-	-	2,536,090	2,536,090	-	2,536,090
Appropriation of consolidated result from 2019:									
Transfer to other reserves		-	-	-	8,130,246	(8,130,246)	-	-	-
Others		-	-	-	-	-	-	-	-
Balance as at 30 June 2020		25,641,459	7,193,058	-	89,930,915	2,536,090	125,301,522	-	125,301,522

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

The Chartered Accountant

The Board of Directors

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE  
SIX AND THREE MONTHS PERIODS ENDED 30 JUNE 2020 AND 2019**  
(Translation of financial statements originally issued in Portuguese - Note 18)  
(Amounts expressed in Euros)

Notes	Six months period ended as:				Three months period ended as:			
	30.06.2020		30.06.2019		30.06.2020		30.06.2019	
<b>Operational activities:</b>								
Receipts from customers	66,039,419		55,122,609		29,581,660		13,692,944	
Payments to suppliers	(38,512,485)		(35,282,440)		(21,861,203)		(9,351,821)	
Payments to personnel	(3,160,357)	24,366,577	(3,570,563)	16,269,606	(1,688,205)	6,032,252	(1,924,400)	2,416,723
Paid/Received corporate income tax	(6,753)		(86,591)				(85,541)	
Other receipts/payments relating to operating activities	(8,321,565)	(8,328,358)	(6,030,645)	(6,117,236)	(3,337,051)	(3,337,051)	(1,043,682)	(1,129,223)
Cash flows generated by operating activities (1)		16,038,219		10,152,370		2,695,201		1,287,500
<b>Investment activities:</b>								
Receipts arising from:								
Property, plant and equipment	21,386		249,690		8,076		-	
Interest and similar income	9,112	30,499	22,801	272,491	5,250	13,326	9,623	9,623
Payments relating to:								
Investments	-		-		-		-	
Intangible assets	(887)		-		-		-	
Property, plant and equipment	(618,317)		(1,380,161)		(273,968)		(487,297)	
Investment properties	-		(729,418)		-		(729,418)	
Loans granted	-	(619,204)	-	(2,109,579)	-	(273,968)	-	(1,216,715)
Cash flows generated from investments activities (2)		(588,705)		(1,837,088)		(260,642)		(1,207,092)
<b>Financing activities:</b>								
Receipts arising from:								
Loans obtained	90,084,652	90,084,652	45,967,255	45,967,255	37,406,045	37,406,045	37,971,318	37,971,318
Payments relating to:								
Interest and similar expenses	(622,800)		(803,088)		(157,500)		(248,758)	
Dividends	-		(15,384,875)		-		(15,384,875)	
Loans obtained	(115,355,885)	(115,978,684)	(57,049,416)	(73,237,379)	(37,284,737)	(37,442,237)	(44,897,377)	(60,531,010)
Cash flows generated from financing activities (3)		(25,894,033)		(27,270,124)		(36,192)		(22,559,692)
<b>Cash and cash equivalents at the beginning of the period</b>	8	<b>51,293,584</b>		<b>70,090,564</b>		<b>38,450,698</b>		<b>70,090,564</b>
Cash and cash equivalents variation: (1)+(2)+(3)		(10,444,519)		(18,954,842)		2,398,367		(22,479,284)
<b>Cash and cash equivalents at the end of the period</b>	8	<b>40,849,065</b>		<b>51,135,722</b>		<b>40,849,065</b>		<b>47,611,280</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  
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(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 six months period ended on 30 June 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



**NOTES TO THE CONDENSED COSOLIDATED  
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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 16 (Amendment) Leases – Lease concessions granted due to COVID-19	01 Jun 2020
IFRS 4 (Amendment) - Deferral of effective dates for application of two optional solutions (temporary exemptions to IFRS 9 and overlap approach)	01 Jan 2021
Amendment to IFRS 3 – Business Combination	01 Jan 2022
IAS 16 (Amendment) Property, Plant and Equipment — Proceeds before Intended Use	01 Jan 2022
IAS 37 (Amendment) Provisions, contingent liabilities and contingent assets	01 Jan 2022
Annual improvements 2018 – 2020	01 Jan 2022
IAS 1 (Amendments) Classification of Liabilities as Current or Non-current	01 Jan 2023
IFRS 17 - Insurance contracts; including amendments	01 Jan 2023

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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 30 June 2020, given that application is not mandatory. The impact of the referred standards is currently being assessed.

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

Since the beginning of the pandemic, Ramada Group implemented a set of measures for the prevention, control and surveillance, with prevention / contingency plans being developed that cover the entire organization, from the operational areas to the central structures, in all the Group's businesses.

During the second quarter, Altri Group maintained its process of monitorization and assessing of the implemented measures, in order to give answers to the demands arising from the COVID-19 pandemic.

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 June 30, 2020, a negative impact on the income statement is estimated in the amount of approximately 120 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 productive investments that were planned for the first half of 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 headquarters closed from March 18, 2020 to April 6, 2020. 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., responsible for about 30% of the Group's turnover, it presented a 40% reduction compared to the second quarter of 2019, where part of its employees of the factory were in a simplified lay-off from April 14 until July 31, 2020.
- 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 June 30, 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 43 million Euro, representing approximately 89% 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,

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

**NOTES TO THE CONDENSED COSOLIDATED  
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being essential for the purposes of containing the impacts of the pandemic between our employees and the local community.

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 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 June 30, 2020 and December 31, 2019, are as follows:

Company	Registered office	Effective held percentage		Activity
		30.06.2020	31.12.2019	
<u>Parent company</u>				
Ramada Investimentos e Indústria S.A.	Porto	-	-	Management consulting services and shareholding management
<u>Ramada Group</u>				
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 30 June 2020 and 31 December 2019, the item “Investments in associated companies” can be detailed as follows:

Company	Statement of financial position		Effective shareholding percentage	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
<b><u>Associated companies:</u></b>				
Fisio Share – Gestão de Clínicas, S.A	4,559,108	4,500,000	39.71%	39.71%
	4,559,108	4,500,000		

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 30 June 2020 are detailed as follows:

	Statement of financial position
	30.06.2020
Opening balance	4,500,000
Equity method:	
Effects on gains and losses related to associated companies	59,108
Closing balance	4,559,108

The application of the equity method relatively to the six months period ended as at 30 June 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 30 June 2020, the financial participation value amounted to 4,559,108 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 June 30, 2020, and December 31, 2019, the caption 'Other investments' and respective impairment losses can be detailed as follows:

	30.06.2020	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 30 June 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 six months period ended as of 30 June 2020 and the year ended 31 December 2019 is as follows:

	30.06.2020	31.12.2019
Gross opening balance	89,786,840	88,035,676
Acquisitions	-	2,074,870
Disposals	-	(323,706)
Gross closing balance	89,786,840	89,786,840
Impairment Losses (Note 12)	(1,100,000)	(1,100,000)
Closing balance	88,686,840	88,686,840

The lease land generated, during the six months period ended as of June 30, 2020, income amounting, to approximately, 3,300,000 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 June 30, 2020.

The movement occurred in deferred tax assets and liabilities in the six months period ended as of June 30, 2020 and 2019, was as follows:

	30.06.2020		30.06.2019	
	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
Effect on the income statement	-	-	-	-
Balance as at 30 June	3,724,730	922,826	3,982,259	928,341

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## 8. CASH AND CASH EQUIVALENTS

As of June 30, 2020, and December 31, 2019, the caption 'Cash and cash equivalents' included in the consolidated statement of financial position can be detailed as follows:

	30.06.2020	31.12.2019
Cash	30,315	26,030
Bank deposits	43,263,830	53,614,724
Cash and cash equivalents on the statement of financial position	43,294,145	53,640,754
Bank overdrafts (Note 10)	(2,445,080)	(2,347,170)
Cash and cash equivalents on the statement of cash flows	40,849,065	51,293,584

## 9. SHARE CAPITAL

As of June 30, 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 June 30, 2020, and December 31, 2019, the captions "Bank loans" and "Other loans" can be detailed as follows:

	30.06.2020		31.12.2019	
	Current	Non-current	Current	Non-current
Bank loans	4,000,000	36,487,401	4,000,000	49,487,401
Bank loans	4,000,000	36,487,401	4,000,000	49,487,401
Commercial paper	9,000,000	-	20,500,000	-
Escrow accounts	3,000,000	-	4,050,000	-
Bank overdrafts (Note 8)	2,445,080	-	2,347,170	-
Factoring	893,358	-	1,435,914	-
Investment grants	-	2,671,917	341,910	2,330,007
Other loans	15,338,438	2,671,917	28,674,994	2,330,007
	19,338,438	39,159,318	32,674,994	51,817,408

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 June 30, 2020, and December 31, 2019, will be reimbursed as follows:

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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	19,338,438	338,423	2020	32,674,994	571,812
<b>Non-current</b>			<b>Non-current</b>		
2022	4,924,411	640,418	2021	7,582,502	640,193
2023	4,582,502	462,079	2022	7,582,502	497,893
2024	7,569,903	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>39,159,318</u>	<u>1,902,257</u>		<u>51,817,408</u>	<u>2,179,601</u>
	<u>58,497,756</u>	<u>2,240,679</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 six months ended as of June 30, 2020, these loans bear interest at normal market rates depending on the nature and term of the credit obtained.

During the period of six months ended as of June 30, 2020, and the year ended as of December 31, 2019, the Group did not enter into any loan default.

Additionally, as of June 30, 2020, there are no covenants associated with the loans obtained.

## 11. OTHER CURRENT LIABILITIES

As of June 30, 2020, and December 31, 2019, the caption "Other current liabilities" can be detailed as follows:

	30.06.2020	31.12.2019
Accrued expenses:		
Wages and salaries payable, bonuses and other payroll expenses	4,288,416	4,048,389
Other accrued expenses	1,539,956	617,990
Deferred income	388,447	372,609
	<u>6,216,819</u>	<u>5,038,988</u>

## 12. PROVISIONS AND IMPAIRMENT LOSSES

The movements that occurred in provisions and impairment losses for the six months periods ended as of June 30, 2020 and 2019, can be detailed as follows:

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30.06.2020						
	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	-	272,467	-	-	-	272,467
Reversals	-	-	-	-	-	-
Utilizations	-	-	-	-	-	-
Closing balance	660,000	7,466,469	2,003,407	4,445,498	1,100,000	15,675,374

30.06.2019						
	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	-	87 254	-	-	-	87 254
Reversals	-	(137 391)	-	-	-	(137 391)
Utilizations	(321 000)	-	-	-	-	(321 000)
Closing balance	2 289 000	7 025 540	2 003 329	4 445 498	1 100 000	16 863 367

The constitutions and reversals of provisions and impairment losses recorded in the six month periods ended June 30, 2020 and 2019 were recorded against the income statement caption "Provisions and impairment losses".

The amount recorded under "Provisions" at 30 June 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 June 30, 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 June 30, 2020.

### 13. EARNINGS PER SHARE

Earnings per share for the six months periods ended as of 30 June 2020 and 2019 were determined taking into consideration the following amounts:

	30.06.2020	30.06.2019
Result for calculating basic and diluted earnings per share		
Continued operations	2,536,090	3,750,143
Weighted average number of shares for calculating net income per share	25,641,459	25,641,459
Earnings per share		
For continued operations		
Basic	0.10	0.15
Diluted	0.10	0.15

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 June 30, 2020 and 2019 are related with Altri Group and may be detailed as follows:

	30 June 2020		30 June 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	3,327,727	-	3,193,344	-

Apart from the companies included in the consolidation (Note 5), the companies considered to be related parties as of June 30, 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 June 30, 2020 and 2019 is made up as follows:

	30 June 2020			
	Industry	Real estate	Intragroup eliminations	Total
Total assets	128,086,785	96,168,661	(9,405,645)	214,849,800
Total liabilities	22,816,116	57,326,516	9,405,645	89,548,277
Investments (a)	328,473	36,714	-	365,187
Sales and services rendered and other income from operations with external customers	45,539,447	3,635,012	-	49,174,459
Sales and services rendered and other income with other segments	187,824	415,188	(603,012)	-
EBITDA (b)	2,018,911	3,086,209	-	5,105,120
Amortisation and depreciation	(1,497,410)	(103,173)	-	(1,600,583)
EBIT (c)	521,500	2,983,037	-	3,504,537
Financial income	78,167	12	(53,056)	25,123
Financial expenses	(318,584)	(339,061)	53,056	(604,590)
Results related to investments	59,108	-	-	59,108
Income before tax	340,190	2,643,988	-	2,984,178
Income tax	120,369	(568,457)	-	(448,088)
Consolidated net profit/(loss) for the period	460,560	2,075,530	-	2,536,090

(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

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	30 June 2019			
	Industry	Real estate	Intragroup eliminations	Total
Total assets	156 865 445	96 058 466	(16 674 731)	236 249 180
Total liabilities	39 752 908	61 334 893	16 674 731	117 762 532
Investments (a)	798 248	-	-	798 248
Sales and services rendered and other income from operations with external customers	55 851 090	3 526 445	-	59 377 535
Sales and services rendered and other income with other segments	146 087	413 080	(559 167)	-
EBITDA (b)	4 592 124	3 033 582	-	7 625 706
Amortisation and depreciation	(2 120 650)	(144 750)	-	(2 265 400)
EBIT (c)	2 471 474	2 888 832	-	5 360 306
Financial income	93 238	99	-	93 337
Financial expenses	(372 570)	(411 140)	-	(783 710)
Results related to investments	-	-	-	-
Income before tax	2 192 142	2 477 791	-	4 669 933
Income tax	(374 676)	(545 114)	-	(919 790)
Consolidated net profit/(loss) for the period	1 817 466	1 932 677	-	3 750 143

(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. SUBSEQUENT EVENTS

From June 30, 2020 to the date of issue of this report, there were no other relevant facts that could materially affect the financial position and future results of the Ramada Group and the group of subsidiaries and associated companies included in the consolidation.

## 17. FINANCIAL STATEMENTS APPROVAL

The financial statements were approved by the Board of Directors and authorized for issuance in September 10, 2020.

## 18. 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.

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The Chartered Account

The Board of Directors

João Manuel Matos Borges de Oliveira – Chairman

Paulo Jorge dos Santos Fernandes

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

Laurentina da Silva Martins