



Earnings Announcement 2020

March 18, 2021

(unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards 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

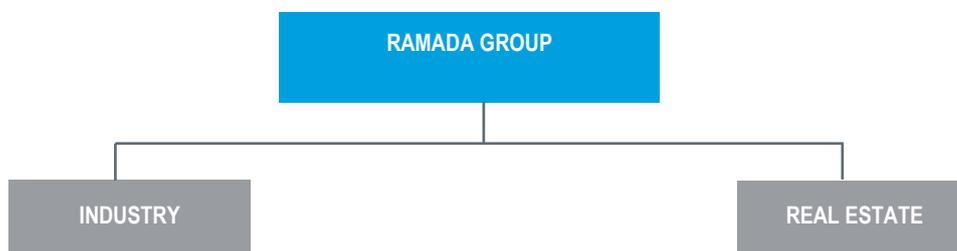
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the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

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..



HIGHLIGHTS - 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.

Therefore, Ramada Group maintained its process of monitorization and assessing of the implemented measures, in order to respond 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 December 31, 2020, a negative impact on the income statement in the amount of approximately 170 thousand Euro (including donations, protective equipment, among others).
- 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 December 31, 2020, the amount of consolidated loans¹ maturing in the next 12 months is approximately 26 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 50 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 54 million Euro, which corresponds to an amount slightly greater than 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.

¹ Consolidated loans: Bank loans + Other loans.

CONSOLIDATED INCOME STATEMENT BY NATURE

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:

	2020	2019	Var. %
Total revenues (a)	103 302	115 024	-10.2%
Total costs (b)	(90 341)	(99 459)	-9.2%
EBITDA (c)	12 961	15 565	-16.7%
EBITDA margin (d)	12.5%	13.5%	-1.0 pp
Amortization and depreciation	(3 192)	(3 517)	-9.2%
EBIT (e)	9 768	12 048	-18.9%
EBIT margin (f)	9.5%	10.5%	-1.0 pp
Results related to investments	55	-	-
Financial expenses	(1 190)	(1 418)	-16.1%
Financial income	60	83	-27.7%
Profit before income tax	8 694	10 713	-18.9%
Income tax	(1 705)	(2 583)	-34.0%
Consolidated net profit	6 989	8 130	-14.0%
Net profit attributable to shareholders of the parent company	6 989	8 130	-14.0%

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 results and Amortization and depreciation

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortization and depreciation

(f) EBIT margin = EBIT / Total revenues

During 2020, total revenues of Ramada Group amounted to 103,302 thousand Euro, representing a 10.2% decrease over the total revenues recorded in 2019.

Total costs amounted to 90,341 thousand Euro, recording a 9.2% decrease over the previous year.

EBITDA amounted to 12,961 thousand Euro, representing a decrease of 16.7% compared to 2019. EBITDA margin achieved 12.5%, representing a decrease of 1.0 percentage points when compared to the previous year.

EBIT, in the amount of 9,768 thousand Euro, recorded a decrease of 18.9% when compared to 12,048 thousand Euro in 2019.

The financial results (financial income – financial expenses), in the amount of 1,130 thousand Euro, recorded a 15.3% decrease over the previous year.

The consolidated net profit amounted to 6,989 thousand Euro, decreasing 14.0% compared to the net profit of the previous year.

INDUSTRY

	2020	2019	Var. %
Total revenues (a)	95 855	107 592	-10.9%
Total costs (b)	(88 907)	(97 982)	-9.3%
EBITDA (c)	6 948	9 610	-27.7%
EBITDA margin (d)	7.2%	8.9%	-1.7 pp
EBIT (e)	3 982	6 342	-37.2%
EBIT margin (f)	4.2%	5.9%	-1.7 pp
Results related to investments	55	-	-
Financial results (g)	(624)	(758)	-17.7%
Profit before income tax	3 413	5 584	-38.9%
Income tax	(508)	(1 311)	-61.2%
Net profit	2 905	4 273	-32.0%

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 results and 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 income – Financial expenses

In 2020, total revenues from the Industry segment amounted to 95,855 thousand Euro, recording a decrease of 10.9% compared to total revenues of 2019.

EBITDA in the Industry segment amounted to 6,948 thousand Euro, representing a negative variation of 27.7% compared to the 9,610 thousand Euro recorded in 2019. EBITDA margin reached 7.2%, recording a decrease of 1.7 percentage points over the previous year.

EBIT, in the amount of 3,982 thousand Euro, recorded a decrease of 37.2% compared to 6,342 thousand Euro in 2019.

In 2020, the net profit of the Industry segment recorded the amount of 2,905 thousand Euro, represented a decrease of 32.0% compared to the net profit of the previous year.

The year 2020 was anticipated as a year of recovery, with an optimistic expectation of improvement and a break in the negative cycle that had been dragging on for the past two years. The forecasts looked good, especially for the second half, with the start of projects planned for the automotive industry.

However, the year 2020 started with instability and declines in demand, both in the Moulds sector and in the Metalworking sector, showing signs that the changes and the relaunch of the Automotive Industry would not materialise as expected. This less favorable scenario worsened with the spread of the pandemic. Fear of uncertainty and the constraints that the spread of the virus was beginning to cause socially, had economic consequences and declines in markets on a global scale.

The economic impacts were also felt in the Automotive Industry, accentuating the drop in car sales. The stoppage of this Industry in China and consequent fall in the supply chains of the sector, created difficulties for the European Industry.

The Group's activity generically in the first quarter reflected these adversities. The beginning of March was a more positive period compared to previous months, however, still with levels that did not allow to fully offset the adverse effects. The pandemic increasingly assumed a conditioning role in the markets and in the business, especially when in the middle of March, a sanitary fence was established in the municipality of Ovar, which forced the closure of the production facilities. The Group was thus forced to do without the main production unit for three weeks, which caused breaks in all sectors, at a time when the order book was at good levels. Even though the branches continued to operate and all possible efforts were made in an attempt to minimize this situation, the volume of business was affected.

The second quarter started a week later and with activity limitations, as the Ovar facilities remained closed in the first week of April and, when reopened, there was a need to comply with legal requirements and tight security rules.

The fourth quarter brought more positive indicators, with greater activity in customers of moulds and metalworking. As a result of this increase in demand, a recovery in turnover was possible, achieving monthly sales that had not been reached since the same period of 2019.

In December, a sharp rise in purchase prices for the various steel categories began.

It should be mentioned some relevant points about key investments for the business, as example, in the second half, the acquisition of fundamental equipment for the future evolution of the main businesses was formalised, namely, the purchase of the automatic 3D parts warehouse for Ovar and the purchase of overtopping equipment for the Marinha Grande branch, which will allow the consolidation presence of Ramada Group in that region.

Also, a positive highlight for exports should be noted, which continued to increase, registering once again a good performance, with growth in sales and customers.

During 2020, total sales of the steel activity for the foreign market represented 7.9% of total turnover, recording a 12.9% increase over 2019.

In 2020, the wire drawing activity also recorded a significant drop in turnover compared to the previous year. The impacts of COVID-19, 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 2020, represented 62.2% of the turnover. In 2019, exports represented 59.9% of total turnover.

REAL ESTATE

	2020	2019	Var. %
Total revenues (a)	7 447	7 432	0.2%
Total costs (b)	(1 434)	(1 477)	-2.9%
EBITDA (c)	6 013	5 955	1.0%
EBIT (d)	5 786	5 706	1.4%
Financial results (e)	(506)	(576)	-12.2%
Profit before income tax	5 280	5 129	2.9%
Income tax	(1 197)	(1 272)	-5.9%
Net profit	4 084	3 858	5.9%

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 results and Amortization and depreciation

(d) EBIT = EBITDA + Amortization and depreciation

(e) Financial results = Financial income – Financial expenses

In 2020, total revenues from the Real Estate segment amounted 7,447 thousand Euro, an increase of 0.2% compared to 2019.

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

EBITDA from the Real Estate segment in 2020 amounted to 6,013 thousand Euro, 1.0% greater than the amount recorded in the previous year.

EBIT amounted to 5,786 thousand Euro, representing a growth of 1.4% compared to 2019.

In 2020, the financial results of the Real Estate segment were negative by 506 thousand Euro, having improved 12.2% compared to the negative 576 thousand Euro in 2019.

The net profit of the Real Estate segment amounted to 4,084 thousand Euro, an increase of 5.9% compared to the same period of 2019.

INVESTMENTS AND INDEBTEDNESS

The investments² made by Ramada Group during 2020 amounted to approximately 1.5 million Euro.

Ramada Group's net nominal indebtedness³ on December 31, 2020 amounted to approximately 11 million Euro. As of December 31, 2019, the net nominal indebtedness was approximately 31 million Euro.

DIVIDENDS

The Board of Directors will propose in the Shareholders' General Meeting the dividend payment of 0.60€ per share.

OUTLOOK

The recovery in sales in the last quarter and a more optimistic outlook for the automotive and metalworking industry, combined with the recent sharp rise in raw material prices, leads the Group to face 2021 with more confidence, expecting a significant increase in sales and profitability.

It should be noted that these forecasts are based on the assumption that the pandemic is controlled, and that mass vaccination takes place, allowing the economy to relaunch.

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, March 18, 2021

The Board of Directors

² Investments: Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments.

³ Net nominal indebtedness: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents.



Shaping industry

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