COMMUNICATION

Under the terms and for the purposes of Article 17 of EU Regulation No. 596/2014 of the European Parliament and European Council, and of Article 248-A of the Securities Code, VAA - Vista Alegre Atlantis, SGPS, SA ("VAA" or the "Company") provides the following information to the market and the general public:

1- As previously announced to the market on March 20, 2020, the health emergency resulting from the COVID-19 pandemic led to the temporary closure of production by VAA and its subsidiaries in Portugal until April 9, 2020, along with the suspension of commercial activities (with the exception of online sales channels), the anticipation of 2020 annual leave for a vast majority of workers, and a suspension of commercial activity in other countries in which VAA operates.

2- Considering the evolution of the pandemic and the restrictive measures relating to the state of emergency and the health crisis, and a rapid deterioration of economic conditions, across end markets, the suspension of VAA’s commercial activities across the retail network in Portugal and in foreign markets (with the exception of online sales channels) is being extended beyond the aforementioned date. This situation also gives rise to temporary adjustments in commercial orders and production volumes, in particular in porcelain, crystal and glass tableware, segments and as a result the suspension of the commercial activities across its national and international retail network.

3- In this context of partial stoppage of its activity, uncertainty regarding the further evolution of the pandemic, its eventual further impact on economic prospects in VAA’s business, and naturally the duration and severity of the health crisis and measures taken in response to it, several VAA subsidiaries have decided to implement the simplified “layoff” measures provided for in clause a) of paragraph 1 of article 4 of Law Decree No. 10-G / 2020, of 26 March, namely:

(i) Temporary suspension of employment contracts for a portion of its workers until April 30, 2020, representing 38.16% of workers at the Vista Alegre and Atlantis from Ílhavo and Alcobaca production units, respectively, in the porcelain and crystal segments and, until May 8, 2020, 21.09% of workers at the Bordalo Pinheiro from Caldas da Rainha production unit in the earthenware segment, with the remainder of staff at these production units resuming work either full-time work or with a temporary reduction of the normal weekly working hours;

(ii) The temporary suspension of almost all of employment contracts for workers at the Ria Stone stoneware tableware production unit until May 4, 2020, with this suspension of activity and its resumption from this date onwards agreed with Ikea; and
(iii) A full resumption of activity at the production units of Cerutil and Cerexport in Viseu and Aveiro in the ovenware segment as of April 13, 2020.

4- These measures will contribute to safeguarding the health of our customers, workers and staff, and to maintaining jobs, while permitting a reduction in operating expenses at the level of VAA and its subsidiaries.

5- VAA has been and continues to monitor, with all the diligence that this uncertain situation requires, the ongoing impacts of the COVID-19 crisis, with a view to promoting continuity of production and commercial operations to the extent possible in this context, and the resilience and sustainability of the Company.

6- Among these measures to ensure continuity, VAA is working toward reinforcing distribution via partnerships and the development of online channels, rationalising planned investments for the current year, and undertaking the containment and reduction of costs, such as those related to the retail network.

Ílhavo, April 9, 2020

VAA - Vista Alegre Atlantis, SGPS, S.A.