



RAMADA

INVESTIMENTOS E INDÚSTRIA

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

ANNUAL REPORT 2021

Head Office: Rua Manuel Pinto de Azevedo, 818
4100-320 Oporto
Share capital: 25,641,459 Euro

Shaping industry

From steel
to engineering
our brands reflect our know-
how.



80 YEARS
Investing in industry

Annual Report 2021

European single electronic reporting format (ESEF) and PDF version

This document is an unofficial and unaudited PDF version of the Annual Report 2021 of RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on the CMVM website and was submitted on April 7, 2022. This document is a true copy of the aforementioned financial information. In case of discrepancies between this version and the official ESEF package, the latter prevails.



Shaping industry

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Annual Report 2021 Management Report

Dear Shareholders,

The Board of Directors of Ramada Investimentos e Indústria, S.A. (hereinafter "Ramada Investimentos", "Company" or "Ramada Group"), in compliance with the applicable legal and statutory provisions, presents the Annual Report and Accounts for the year 2021, having, under the terms of number 6 of the article 508 - C of the Commercial Companies Code (C.S.C.), chosen to present a single Management Report, which, fulfilling all the applicable legal requirements, will allow a complete practical and integrated analysis of the information provided therein.

INTRODUCTION

Ramada Investimentos was incorporated in 2008, under a group restructuring operation. All the shares that represent its share capital are admitted to trading on a regulated market, on Euronext Lisbon.

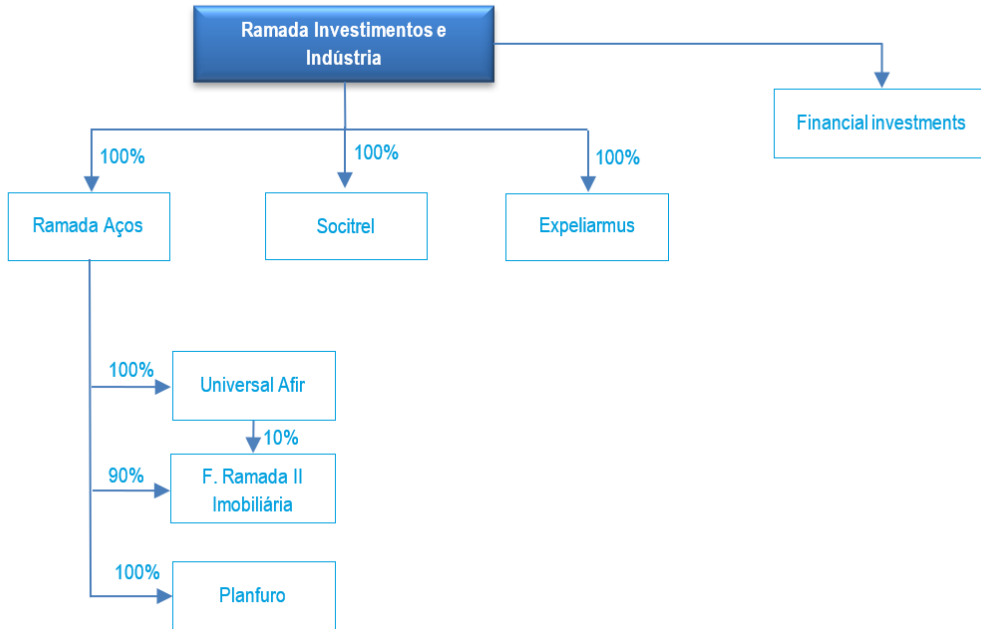
Ramada Investimentos is the parent company of a group of companies that, as a whole, operates in two different business segments: (i) the Industry Segment, which includes the special steel and drawing mill activities, as well as the activity related to the management of the Group's financial holdings in which the Group is a minority shareholder; and (ii) the Real Estate Segment, devoted to managing real estate assets.

The Special Steel business, which mainly focus on the steel for moulds sub-segment, in which the Group holds a prominent share in the domestic market, is carried out by three companies: Ramada Aços, Universal Afir and Planfuro Global. The drawing activity is carried out by Socitrel. Socitrel manufactures and sells steel wires for application in the most diverse areas of activity, namely industry, agriculture and civil construction. With this acquisition, Ramada Investimentos was able to widen its industrial activity, embracing a new business area.

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

The Real Estate activity covers the management of real estate assets (composed of forestry assets and real estate of the group) and is undertaken by the company F. Ramada II – Imobiliária, S. A..

The structure of Ramada Group's shareholdings, at 31 December 2021, can be detailed as follows:



MACROECONOMIC FRAMEWORK

The year 2021 was marked by the fight against the Covid-19 pandemic and by the progress of the mass vaccination process in developed economies, which resulted in a decrease in the number of infections and, consequently, a decrease in restrictions, which allowed economic activity to grow. However, the pace of recovery was not constant, as the world was always on alert with the possibility of new infectious variants emerging. The projections of the annual variation of the GDP at constant prices (in %) of the world economy are mostly around 5%: 5.5% by the World Bank, 5.7% by the European Community, and 5.9% by the International Monetary Fund, with the OECD being a little more cautious, estimating a growth of 3.8%.

In 2022, the development of the armed conflict on Ukrainian territory, which, in addition to the unfortunate social impact it has had on the lives of Ukrainian citizens, will have repercussions on the world economy. The world has tried to respond to the Russian invasion with economic sanctions that will have an impact on countless economies, both exporting and importing. The most relevant impacts will be felt namely in the price of raw materials where, for example, oil has reached new historical highs. In this way, inflation could be a particularly relevant theme, since it could imply important changes in monetary policy. Central Banks may have to adopt more restrictive monetary policies, strangling demand and thus provoking economic deceleration. For 2022, the OECD puts forward GDP growth projections (at constant prices) of around 3.9% for the world economy. The World Bank points to an annual variation of the GDP at constant prices of 4.1%, while the IMF points to a higher forecast, around 4.8%.

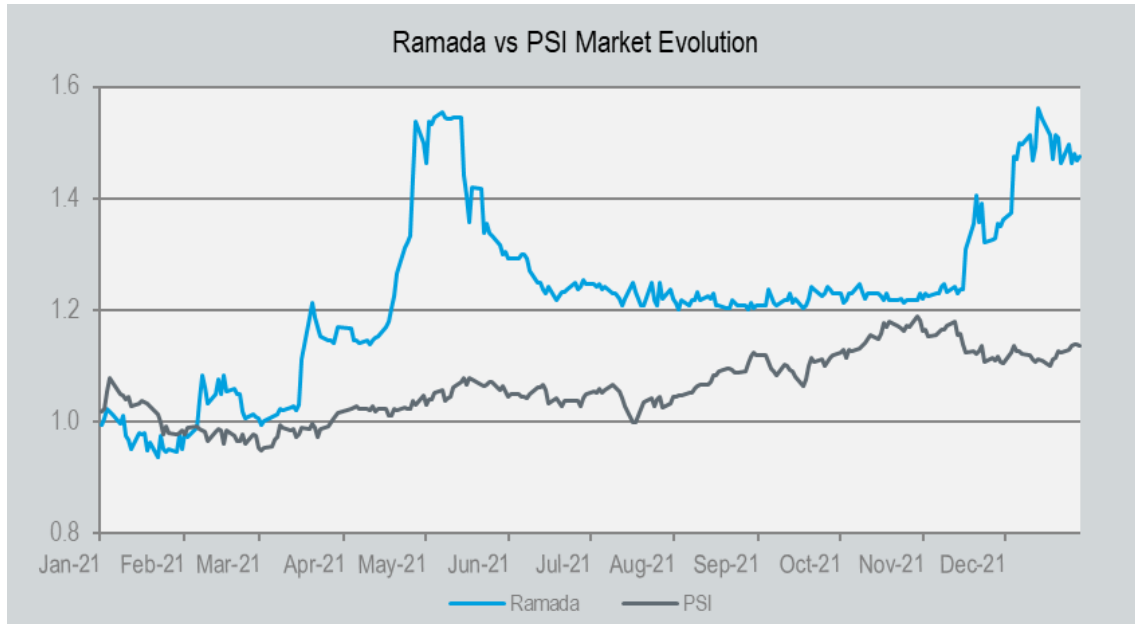
The Euro Zone economy, which had fallen in 2020, has now seen a solid recovery in 2021, with the most recent OECD estimates pointing to a growth of 5.2%. Private consumption was one of the main contributors to this recovery. Inflation rates, both the overall rate and the underlying rate, have seen large increases, reaching 4.1% and 2.0%, respectively, in October 2021. Over the next two years, growth is expected to slow gradually to 4.3% in 2022 and 2.5% in 2023. As for unemployment, it is expected to be back at pre-pandemic levels and to fall below that level in 2023. The OECD forecasts estimate that the unemployment rate in the Eurozone will fall from 7.9% in 2020 to 7.7% in 2021, 7.2% in 2022 and 7.0% in 2023. Eurozone inflation, meanwhile, closed 2021 at 2.4%, and is estimated at 2.7% and 1.8% for 2022 and 2023.

As for Portugal, the most recent projections advance with a GDP growth between 4.8% and 4.9% in 2021. The boost in private consumption, following the withdrawal of most restrictive measures, led to a more robust than expected recovery in economic activity in the second and third quarters of 2021. For 2022, the OECD estimates GDP growth of 5.8% for 2022 and 2.8% for 2023. At the same time, after having closed 2020 with a slight deflation of 0.1%, Portugal will have reached inflation levels of 0.9% in 2021. The Bank of Portugal (BdP) projections for the coming years point to inflation of 1.8% in 2022 and 1.1% in 2023. As for unemployment, the BdP and INE estimates point to 6.6% in 2021, 6.0% in 2022 and 5.7% in 2023 (values in % of the active population).

Source: IMF - *Informação de Mercados Financeiros*, Macroeconomic Framework Report in 2021 and Scenario for 2022, 21 March 2022

STOCK MARKET PERFORMANCE

(Note: The PSI 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)

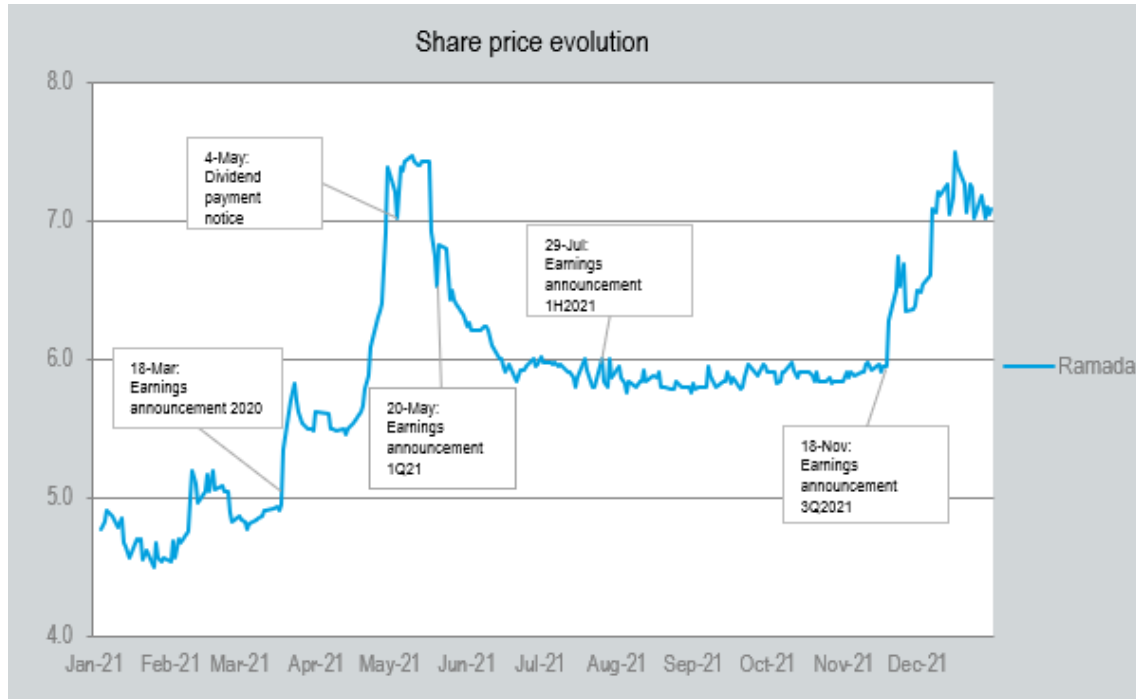


Ramada Investimentos's shares price closed at EUR 7.08 per share. This is equivalent to a market capitalization of EUR 181.5 million.

Ramada Investimentos shares were traded at a maximum price of EUR 7.50 per share and a minimum of EUR 4.50 per share in 2021. A total of 4,405,668 shares of Ramada Investimentos e Indústria were traded in 2021.

Performance of the Ramada Investimentos share price

The main events that marked how the Ramada Investimentos share price performed in 2021 can be described as follows:



- The Group announced its financial performance for 2020 through a statement made on 18 March 2021. Consolidated net income was around EUR 7.0 million. Total revenue² amounted to EUR 103.3 million and consolidated EBITDA³ reached around EUR 13.0 million;
- In the announcement made on May 4, 2021, Ramada Group informed the market about the dividends for the fiscal year 2020, corresponding to 0.60 Euros per share, to be paid as of May 18;
- On 20 May 2021, Ramada Group reported that its financial results for the 1st quarter of 2021 reached a consolidated net profit of around EUR 2.9 million, which corresponds to an increase of 114.1% over the previous year. Consolidated EBITDA³ reached EUR 4.7 million and total revenues² amounted to EUR 32.3 million;
- On 29 July 2021, Ramada Group's results for the first half of 2021 were announced, with a consolidated net profit of EUR 6.2 million. Total revenue² recorded EUR 66.4 million and consolidated EBITDA³ amounted to EUR 9.8 million;
- The Group announced its financial performance for the first nine months of 2021, through a statement made on 18 November 2021, with consolidated net profit of around EUR 10.1 million. Consolidated EBITDA³ amounted to EUR 15.8 million, with an EBITDA margin of 15.4%. Total revenues² reached EUR 102.6 million.

² Total revenue = Sales + Services rendered + Other income

³ EBITDA = Earnings before income taxes, Financial results and Amortisations and depreciations

GROUP'S BUSINESS ACTIVITY

Ramada Investimentos is the parent company of a group of companies that, as a whole, operates in two different business segments:

- **Industry**, covering the steel activity, the drawing mill activity as well as the activity of managing financial investments related to investments in which the Group is a minority shareholder.
- **Real estate**, devoted to managing real estate assets, among which is a significant area of forested land.

The company's over 80 years of experience operating in the steel business ensure it holds a prominent position in the domestic market.

Steel sold by the Group is mainly used for the construction of machinery and its components and for the production of tools (dies, cutters and moulds). Its main industrial markets are plastic mould manufacturing, automotive industry components, capital goods and components for household appliances and electronics.

The instability of the markets in recent years was notorious and its consequences a doubt which were dependent on both the evolution of the pandemic and the ability to respond to the health and economic crisis. Despite the constraints of the pandemic and the uncertainties of market behavior, 2021 was one of the best years for Ramada Group.

The Steel business recorded a significantly higher turnover than in the previous year, with a relevant contribution from the Metalworking sector, which stood out with strong growth rates throughout the year.

On the other hand, the Molds sector entered 2021 with difficulties and continued to do so throughout the first half of the year. Some improvements were still in sight, but the delay in launching new projects for electric cars had a negative effect on the Portuguese mold industry, which is very dependent on the automotive sector. In the third quarter, this sector surprised with a consistent increase in budgeting demand. This trend continued until the end of the year, indicating that the mold industry was in a recovery phase.

This behavior appears in agreement with the movements of the automotive industry that seems to have finally started a transformation towards electrification. In addition to the increase in the number of projects, these are staying in Europe, to the detriment of production in China, causing even higher demand. We hope that it will be the leverage of the Molds sector that was so long awaited.

The demand for raw material soared in the middle of the first half of the year with warnings of constant price increases and material shortages that were already notorious in some suppliers. Afraid of what could happen, customers tried to prevent and purchase material to avoid possible difficulties in the supply of raw materials or price increases that would have implications for the profitability of their business. A conscious management of this process was necessary in order to understand the real need for demand and not compromise our ability to respond throughout the year. The rise in prices and stock management were one of the pillars of action in 2021, forcing constant attention to market movements.

In terms of stocks, careful management was necessary in view of the abrupt rise in scrap and iron ore in the first half of the year, as well as the closing of import quotas from third countries of the European Union. The withdrawal of support from China for the export of a series of steels, as well as the elimination of import taxes, combined with the lack of containers and the high costs of maritime transport left this market out of viable supply options. Consequently, the general search for alternatives such as Turkey, Ukraine, or Russia, also generated difficulties in view of the existing import quotas that were consumed quickly in the first days, which then represented a long period without the possibility of entry of material without payment of quotas. Throughout the year, these issues limited the supply of raw materials, causing price rises and many limitations in the replenishment of stocks.

The rise in the price of electricity and natural gas has a significant impact on the Group's activity. In order to partially mitigate this impact and simultaneously improve environmental performance, the Group decided to invest in a Self-

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Consumption Photovoltaic Plant (Ramada Solar), with the start of production of the first Megawatt scheduled for the first half of 2022.

In 2021, sales of the Steel activity to the foreign market represented 9.0% of turnover, registering a 40.6% increase compared to 2020. The growth was noticeable throughout the year, especially in Spain, where the market has been consolidated, but also for other markets that are slowly beginning to gain relevance, such as Brazil, Germany and France.

The wire drawing activity registered a sharp growth in sales compared to the previous year, as a result of significant increases in prices and production volume. In 2021, Socitrel setup a Self-Consumption Photovoltaic Plant with an installed capacity of 3 MWh, consisting of 6,800 photovoltaic panels installed on the roof of some of its industrial buildings. The Photovoltaic Power Station started operating 1MW in May 2021 and the remaining 2MW in March 2022, with an estimated annual production of around 3.6 GWh, which is equivalent to supplying, on average, 1,500 homes for a year, and will allow the reduction of Socitrel's energy bill by around 20%, as well as a reduction in the emission of 2,350 tons of CO2 per year.

The wire drawing activity operates essentially in the foreign market, accounting for 65.7% of turnover in 2021. Exports in this sector registered a growth of 85.8% compared to the same period in 2020. The main destinations of exports were Spain, the United States and France.

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).

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	2021	2020	Var. %
Total revenues (a)	144,910	103,302	40.3%
Total costs (b)	(122,759)	(90,341)	35.9%
EBITDA (c)	22,151	12,961	70.9%
EBITDA margin (d)	15.3%	12.5%	2,8 pp
Amortisation and depreciation	(3,221)	(3,192)	0.9%
EBIT (e)	18,930	9,768	93.8%
EBIT margin (f)	13.1%	9.5%	3,6 pp
Results related to investments	285	55	—
Financial expenses	(965)	(1,190)	-18.9%
Financial income	84	60	38.4%
Profit before income tax	18,333	8,694	110.9%
Income tax	(3,244)	(1,705)	90.3%
Consolidated net profit	15,089	6,989	115.9%
Net profit attributable to Equity holders of the parent	15,089	6,989	115.9%

Amounts in thousands of Euro

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

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

(c) EBITDA = Profit before income tax, Financial results, Amortisation and depreciation and Results related to investments

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortisation and depreciation

(f) EBIT margin = EBIT / Total revenues

(g) Financial results = Financial income - Financial expenses

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In 2021, total revenues of Ramada Group amounted to 144,910 thousand Euro, representing a 40.3% increase over the total revenues recorded in the same period of 2020.

Total costs amounted to 122,759 thousand Euro, recording a 35.9% increase over the previous year.

EBITDA amounted to 22,151 thousand Euro, representing an increase of 70.9% compared to the same period of 2020. EBITDA margin achieved 15.3%, representing an increase of 2.8 percentage points when compared to the previous year.

EBIT, in the amount of 18,930 thousand Euro, recorded an increase of 93.8% when compared to 9,768 thousand Euro in 2020.

The financial results (financial income - financial expenses), in the amount of 881 thousand Euro, recorded a 21.9% decrease over the previous year.

The consolidated net profit of 2021 amounted to 15,089 thousand Euro, increasing 115.9% compared to the net profit of the same period of the previous year.

INDUSTRY

	2021	2020	Var. %
Total revenues (a)	137,290	95,855	43.2%
Total costs (b)	(121,171)	(88,907)	36.3%
EBITDA (c)	16,119	6,948	132.0%
EBITDA margin (d)	11.7%	7.2%	4,5 pp
EBIT (e)	13,074	3,982	228.3%
EBIT margin (f)	9.5%	4.2%	5,4 pp
Results related to investments	285	55	—
Financial results (g)	(390)	(624)	-37.6%
Profit before income tax	12,970	3,413	280.0%
Income tax	(1,968)	(508)	287.2%
Net profit	11,002	2,905	278.7%

Amounts in thousands of Euro

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

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

(c) EBITDA = Profit before income tax, Financial results, Amortisation and depreciation and Results related to investments

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortisation and depreciation

(f) EBIT margin = EBIT / Total revenues

(g) Financial results = Financial income – Financial expenses

In 2021, total revenues from the Industry segment amounted to 137,290 thousand Euro, recording an increase of 43.2% compared to total revenues of 2020.

EBITDA in the Industry segment amounted to 16,119 thousand Euro, representing an increase of 132.0% compared to the 6,948 thousand Euro recorded in 2020. EBITDA margin reached 11.7%, recording an increase of 4,5 percentage points over the previous year.

EBIT, in the amount of 13,074 thousand Euro, recorded an increase of 228.3% compared to 3,982 thousand Euro in 2020.

In 2021, the net profit of the Industry segment recorded the amount of 11,002 thousand Euro, represented an increase of 278.7% compared to the net profit of the previous year.

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REAL ESTATE

	2021	2020	Var. %
Total revenues (a)	7,620	7,447	2.3%
Total costs (b)	(1,588)	(1,434)	10.7%
EBITDA (c)	6,032	6,013	0.3%
EBIT (d)	5,856	5,786	1.2%
Financial results (e)	(492)	(506)	-2.7%
Profit before income tax	5,364	5,280	1.6%
Income tax	(1,277)	(1,197)	6.7%
Net profit	4,087	4,084	0.1%

Amounts in thousands of Euro

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

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

(c) EBITDA = Profit before income tax, Financial results, Amortisation and depreciation and Results related to investments

(d) EBIT = EBITDA + Amortisation and depreciation

(e) Financial results = Financial income – Financial expenses

During 2021, total revenues from the Real Estate segment amounted to 7,620 thousand Euro, recording a 2.3% increase over 2020.

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 2021 amounted to 6,032 thousand Euro, 0.3% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 5,856 thousand Euro, representing a growth of 1.2% compared to 2020.

The financial results of the Real Estate segment were negative by 492 thousand Euro, recording an improvement of 2.7% when compared to the negative 506 thousand Euro in 2020.

The net profit of the Real Estate segment during 2021 amounted to 4,087 thousand Euro, an increase of 0.1% compared to the same period of 2020.

INVESTMENTS AND INDEBTEDNESS

The investments⁴ made by Ramada Group in 2021 amounted to approximately 4.8 million Euro.

Ramada Group's net nominal indebtedness⁵ on December 31, 2021 remained at the same level as the previous year, amounting to approximately 11 million Euros.

During 2021, Ramada Group distributed the amount of approximately 15 million euros as dividends.

⁴ Investments: Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments.

⁵ Net nominal indebtedness: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents.

ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

The Company's non-executive directors regularly and effectively performed the duties legally assigned to them during the 2021 financial year, which consist of monitoring and assessing the activity of the executive members.

On active and regular, basis the non-executive members of the Board of Directors took part in the Board of Directors' meetings in 2021. They discussed the matters under discussion and expressed their position on the Group's strategic guidelines and specific business areas. Those members fostered close and direct contact with the Group's operational and financial managers, where required. The executive directors provided all the information required by the other members of the Board of Directors, during the 2021 financial year and in the course of the meetings of the Board of Directors.

RISK MANAGEMENT

Risk management has a vital role in the management structure of the Group. It is our belief that risk management is an opportunity for value creation.

For a more detailed description of the risks related to the Group's activities please consult the Corporate Governance Report, the Consolidated Financial Statements and Accompanying Notes, the Separate Financial Statements and Accompanying Notes and the Non-financial Information Report.

OUTLOOK

At the beginning of 2022, Ramada Group recorded a sharp growth in turnover and profitability in the industry segment, when compared to the same period of the previous year.

The war in Ukraine is causing a significant rise in electricity and natural gas prices. The European steel industry is heavily dependent on SLABS produced in Russia and Ukraine, with a high probability that these deliveries will not take place in the year 2022. The continuous increase in scrap and energy prices is leading to historic price increases across the world in all types of steel, which will have adverse effects on demand for these products.

The Group will continue to monitor developments and impacts on its value chain, keeping an eye on its path and objectives for increasing productivity and efficiency gains..

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.

We refer to the considerations disclosed in Note 40. Subsequent events in the notes to the consolidated financial statements.

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PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF INDIVIDUAL NET PROFIT

Ramada Investimentos e Indústria, S.A., as holding company of the Group, recorded in its separate accounts prepared in accordance with the principles of recognition and measurement of the International Financial Reporting Standards, as adopted by the European Union, a net profit of EUR 10,167,760, for which, under the legal and statutory terms, the Board of Directors proposes to the General Meeting, that is fully distributed in the form of dividends. The Board of Directors also proposes to the General Meeting the distribution of free reserves in the amount of EUR 5,217,115, in the form of dividends, to be added to the aforementioned profit distribution for the year.

The distribution of profits for the year and free reserves now proposed will imply the payment of a gross dividend of EUR 0.60 share.

LEGAL MATTERS

Treasury shares

Under the terms and for the purposes of the provisions of Article 66, paragraph 5, d) of the Portuguese Companies Act, it is reported that as of December 31, 2021 Ramada did not hold any of its own shares, nor did it acquire or sell any of its own shares during the year.

Shares held by the governing bodies

It is hereby stated, pursuant to and for the purposes of Article 447 of the Portuguese Companies Act, that the following directors of Ramada Investimentos e Indústria, S.A., as of 31 December 2021, held shares as follows:

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

^(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 dominant shareholder.

^(b) – 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 dominant shareholder.

^(c) – 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 dominant shareholder.

^(d) – 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 dominant shareholder.

The Statutory Auditor, the members of the Statutory Audit Board and the Board of the Shareholders' General Meeting did not, at 31 December 2021, hold shares representing the share capital of Ramada Investimentos.

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Interests in the share capital of the Company

On December 31, 2021 and according to the notifications received by the Company, under the terms and for the purposes of Articles 16, 20 and 29-R of the Portuguese Securities Code, it is reported that the companies and/or individuals who have a qualified social participation exceeding 2%, 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights, are as follows:

1 Thing, Investments, S.A.	No. of shares held on 31-Dec-2021	% Share capital with voting rights
Directly (a)	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 31-Dec-2021	% 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 31-Dec-2021	% 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 31-Dec-2021	% 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 31-Dec-2021	% Share capital with voting rights
Through Caderno Azul, S.A. (of which he is dominant 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 25% of the voting rights.

Diversity Policy - Article 29 H(1)(q) of the Portuguese Securities Code

The diversity policy is not a new theme in the Ramada Group. In fact, the Group has been establishing and implementing, for several years now, policies that have materialised in greater gender parity, not only in the Board of Directors but also in senior and middle management positions.

The Company, from early on, has encouraged the assumption of top positions by women, as exemplified by the election of Dr. Ana Rebelo de Carvalho Menéres de Mendonça in 2014 and Dr. Laurentina da Silva Martins, in 2020, both of whom will remain in office, in a board currently composed of six members.

Additionally, Ramada Investimentos published, during the year of 2020, the Plan for Gender Equality, to be executed during the year of 2021, which has as its fundamental objective, under the terms and for the purposes set out in article 7, no. 1, of Law no. 62/2017, of 1 August, contribute even more to achieving effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting reconciliation between personal, family and professional life.

Likewise, Ramada Investimentos continued its activities in strict compliance with legal requirements, namely when electing new members to integrate the governing bodies, regarding the beginning of a new mandate, which happened at the Annual General Meeting, held on 30 April 2020.

Ramada's Board of Directors, elected in April 2020 for the term of office corresponding to the 2020/2022 triennium is composed by six members, four men and two women; these represent one third of that governing body. This composition is higher than the previous term office, corresponding to the 2017/2019 triennium, whose composition was already 20% (and, therefore, even before the entry into force of Law 62/2017, of 1 August).

The members of the Board of Directors who are in office have revealed, and have already proven themselves in this regard, to be holders of individual characteristics (namely competence, independence, integrity, availability and experience, as already mentioned) for the full and thorough exercise of the functions assigned to them in a manner aligned with the interests of the Company and its Shareholders, first of all for their seniority and experience.

On the other hand, but no less relevant, Ramada Investimentos considers that the gender balance within its management body, and that it is prior to the entry into force of Law No. 62/2017, of 1 August, demonstrates that the Diversity policy is not a new theme in the Group, which, faithful to the principles of true meritocracy, has for many years attributed top positions in its management to women.

The Board of Directors promotes diversity policies at various levels, without losing sight of the guiding principle of meritocracy. These areas include:

- Instructions to the human resources area so that:
 - career progression, performance evaluation and salary review policies are defined based on diversity promotion concerns.
 - in recruitment processes, they seek to promote diversity, always presenting lists of potential employees to be recruited that are sufficiently representative of both genders.
- Instructions to the operational areas so that the multidisciplinary teams formed within the scope of the most varied projects are always based on the concern for balanced representation.

Ramada firmly believes that a healthy gender balance contributes decisively to making the teams more eclectic, self-challenging and proactive. Therefore, the promotion of this diversity is a goal of the Group.

This matter is developed in Point 15 of the Corporate Governance Report.

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Non-financial information

As required by Directive 2014/95/EU of the European Parliament and of the Council, transposed to national law by Decree-Law No. 89/2017 of 28 July, the Group must provide information on non-financial matters. This information should be sufficient for an understanding of the evolution, performance, position and impact of the Group's activities, referring to environmental, social and worker issues, gender equality, non-discrimination, respect for human rights, combating corruption and attempts at bribery.

The non-financial information required by Decree-Law No. 89/2017 is included on the non-financial information chapter regarding the year 2021.

CLOSING REMARKS

Before finishing this report, we would like to thank our stakeholders for their trust in our organization. We would also like to extend our thanks to our employees for their dedication and commitment.

Porto, 7 April 2022

The Board of Directors

João Manuel Matos Borges de Oliveira

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

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STATEMENT PURSUANT TO ARTICLE 29 G(1) (C) OF THE PORTUGUESE SECURITIES CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Consolidated and Separate Financial Statements and other accounting documents required by law or regulation were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS-EU"), giving a true and fair view of Ramada Investimentos e Indústria, S.A.'s assets and liabilities, financial position and consolidated and separate results and the companies included in the consolidation perimeter. Also, the Management Report accurately describes the development of the business, performance and financial standing of Ramada Investimentos e Indústria, S.A. and the companies included in the consolidation perimeter, and that it contains a description of the main risks and uncertainties they face.

DECLARATION OF RESPONSIBILITY

The members of the Board of Directors of Ramada Investimentos e Indústria, S.A. declare that they take responsibility for this information and ensure that the information contained herein is true and there are no omissions that they are aware.

Pursuant to Article 210 of the Code of Contributory Schemes of the Social Security System (approved by Law 110/2009 of 16 September), we inform that there are no overdue debts to the State, in particular to Social Security.



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INDUSTRY
MORE THAN A
COMMITMENT IS A
PRIDE



80 YEARS
Investing in industry

APPENDIX I

1. Board of Directors

Qualifications, experience and positions held in other companies by members of the Board of Directors:

João Manuel Matos Borges de Oliveira

Graduated from the Porto University with a degree in Chemical Engineering, holds an MBA from INSEAD.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 1990s, of which he has been a shareholder and executive director (Chairman and CEO) since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized. In addition to the companies where he currently holds management functions, his professional experience includes:

1982/1983	Assistant Director of Production of Cortal
1984/1985	Production Director of Cortal
1987/1989	Marketing Director of Cortal
1989/1994	General Director of Cortal
1989/1995	Vice President of the Board of Cortal
1989/1994	Director of Seldex
1996/2000	Non-executive Director of Atlantis, S.A.
1997/2000	Non-executive Director of Vista Alegre, S.A.
1998/1999	Director of Efacec Capital, S.G.P.S., S.A.
2008/2015	Chairman of the Supervisory Council of Porto Business School
2008/2011	Non-executive director of Zon Multimédia, S.G.P.S., S.A.
2011/2013	Member of University Library CFO Advisory Forum
2019 – present date	Member of the Remuneration Committee of the Serralves Foundation

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The other companies where he holds management functions at 31 December 2021 are:

- Altri, S.G.P.S., S.A (a)
- Caderno Azul, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Cofina Media, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Greenvolt – Energias Renováveis, S.A. (a)
- Indaz, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Universal – Afir, S.A.

a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Paulo Jorge dos Santos Fernandes

Graduated from Porto University with a degree in Electronic Engineering, also has an MBA from the University of Lisbon.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved, always with executive functions (Chairman and CEO), in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1982/1984	Assistant to the Production Manager at CORTAL
1986/1989	General Manager at CORTAL
1989/1994	Chairman of the Board of Directors at CORTAL
1995	Director at CRISAL – CRISTAIS DE ALCOBAÇA, S.A.
1997	Director at the Vista Alegre, S.A. group
1997	Chairman of the Board of Directors at ATLANTIS – Cristais de Alcobaca, S.A.
2000/2001	Director at SIC

Throughout his career, also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of the General Assembly Assoc. Industr. Águeda
1991/1993	Member of the Advisory Board Assoc. Ind. Portuense
Since 2005	Board Member of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST
Since 2016	Board Member of CELPA - Paper Industry Association

The other companies where he holds management functions at 31 December 2021 are:

- A Nossa Aposta – Jogos e Apostas On-Line, S.A. (a)
- Actium Capital, S.A. (a)
- Altri, S.G.P.S., S.A. (a)
- Articulado – Actividades Imobiliárias, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S, S.A. (a)
- Cofina Media, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Greenvolt – Energias Renováveis, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Santos Fernandes & Vieira Matos, Lda. (a)

On December 31 2021, the other companies where he carries out supervision functions are as follows:

- Fisio Share - Gestão De Clínicas, S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

Domingos José Vieira de Matos

Holds a degree in Economics from the Faculty of Economy of the University of Porto. Initiated his career in management in 1978.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its foundation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director, and having participated in the construction of the group since its foundation, a group that has registered a remarkable growth through the completion of large and complex operations. of M&A. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management functions, his professional experience includes:

1978/1994	Director at Cortal, S.A.
1983	Founding Partner at Promede – Produtos Médicos, S.A.
1998/2000	Director at Electro Cerâmica, S.A.

The other companies where he holds management functions at 31 December 2021 are:

- Altri, S.G.P.S., S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A.
- Greenvolt – Energias Renováveis, S.A. (a)
- Livrefluxo, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Santos Fernandes & Vieira Matos, Lda. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A.

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

Ana Rebelo de Carvalho Menéres de Mendonça

Holds a degree in Economics by the Universidade Católica Portuguesa of Lisbon.

She is a shareholder and manager of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investments.

She is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

She is as well a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has registered remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, she promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. She is also a shareholder and administrator. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management functions, his professional experience includes:

1995	Journalist in the economy area for the Semanário Económico newspaper
1996	Citibank Commercial Department
1996	Director at Promendo, S.A.
2009	Director at Promendo, S.G.P.S., S.A.

The other companies where she holds management functions at 31 December 2021 are:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Greenvolt – Energias Renováveis, S.A. (a)
- Promendo Investimentos, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Pedro Miguel Matos Borges de Oliveira

Holds a degree in Financial Management by the Institute of Administration and Management of Porto. In 2000 completed the Executive MBA in the Enterprise Institute Porto in partnership with ESADE Business School, Barcelona, currently Catholic Porto Business School. In 2009 completed the Business Valuation Course in EGE-Business Management School.

He is a shareholder and director of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investments.

He is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

He is also a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has recorded remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management functions, his professional experience includes:

- 1986/2000 Advisor to management at FERÁGUEDA, Lda.
- 1992 Manager at Bemel, Lda.
- 1997/1999 Assistant to the Board of GALAN, Lda.
- 1999/2000 Deputy Director of the Saws and Tools Department of F. Ramada, Aços e Indústrias, S.A.
- 2000 Director of the Saws and Tools Department of F. Ramada, Aços e Indústrias, S.A.
- 2006 Director at Universal Afir, Aços Especiais e Ferramentas, S.A.
- 2009 Director at COFINA, S.G.P.S., S.A.
- 2014 Director at Altri, S.G.P.S., S.A.

The other companies where he holds management functions at 31 December 2021 are:

- Altri, S.G.P.S., S.A. (a)
- Cofhold, S.A. (a)
- Cofhold II, S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- F. Ramada II Imobiliária, S.A.
- Greenvolt – Energias Renováveis, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A.
- Universal - Afir, S.A.

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- Valor Autêntico, S.A. (a)
- Título Singular, S.A. (a)
- 1 Thing, Investments, S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Laurentina da Silva Martins

With formation in Finance and Administration from Instituto Superior do Porto. She was designated Director in April 2020.

Her professional experience includes:

1965	Finance Director Assessor of Companhia de Celulose do Caima, S.A.
1990	Finance Director of Companhia de Celulose do Caima, S.A.
2001	Director of Cofina Media, S.G.P.S., S.A.
2001	Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
2004	Director of Grafedisport – Impressão e Artes Gráficas, S.A.
2005	Director of Silvicaima – Sociedade Silvícola do Caima, S.A.
2006	Director of EDP – Produção Bioelétrica, S.A.

The other companies where she holds management functions at 31 December 2020 are:

- Altri, S.G.P.S., S.A. (a)
- Cofina, S.G.P.S., S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

2. Statutory Audit Board

Qualifications, experience and positions held in other companies by members of the Statutory Audit Board:

Pedro Nuno Fernandes de Sá Pessanha Da Costa

Qualifications: Degree in Law from the Faculty of Law of the University of Coimbra in 1981
Complementary training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983

Professional Experience: Member of the Bar Association since 1983
Chairman of the General and Supervisory Board of a public company from 1996 to 2010
Chairman of the Fiscal Council of Banco Português de Investimento S.A. since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A.
Chairman of the board of the general meeting of several listed and unlisted companies
Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktiengesellschaft – Societas Europaea" by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (President of the Supervisory board) (a)
Cofina, S.G.P.S., S.A. (President of the Supervisory board) (a)
Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the Shareholders' General Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the Shareholders' General Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the Shareholders' General Meeting) (a)
Sandeman & CA, S.A. (Chairman of the Shareholders' General Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the Shareholders' General Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the Shareholders' General Meeting) (a)
Stow Ovar Manufacturing, S.A. (Chairman of the General Shareholders Meeting) (a)
Honorary Consul of Belgium in Porto (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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António Luís Isidro de Pinho

Qualifications: Degree in Economics, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1973 – 1978)
Degree in Corporate Organization and Business Administration, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1986 – 1989)
Statutory Auditor, since 1987
Member of the Order of Economists, the Order of Technical Officials Accounts and the Portuguese Association of Tax Consultants.

Professional Experience: Extensive professional experience essentially in external audit, but also in the financial direction of several companies and in management consulting.
Beginning of professional activity in 1976 at Lacticoop, as an intern.
Joined Gremetal in January 1979 as a member of the company's financial department, having participated in the construction of the Sines Refinery.
From January 1982 until December 1986, he joined Arthur Andersen & Co as an Audit Manager.
From 1987 to 1991, he was part of the SOPORCEL group, having performed the functions of Internal Auditor of Soporcel, Financial Director of Emporsil (the group's forestry company) and responsible for the Land Acquisition Department.
From 1991 to 1996 he was a member of the Executive Board of SOCTIP, a leading company in its market segment and was in charge of the financial area of the company.
Since 1996, he is a full-time Statutory Auditor.
Between October 1997 and November 2008, joined the staff of Moore Stephens, as a partner at A. Gonçalves Monteiro & Associados, SROC, a company that was later transformed into Kreston & Associados - SROC, Lda.
He currently has the functions of a Statutory Auditor, member of the Statutory Audit Committee or External Auditor, in several companies of significant size and from different sectors of economic activity, being, as Managing Partner of Kreston responsible for the statutory audit of accounts various industrial, commercial and service companies.
In addition to the technical functions of Auditor, he also holds the position of responsible for the Quality Control of the firm and controller-rapporteur of the Quality Control Commission of the Order of Statutory Auditors.

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Cofina, S.G.P.S., S.A. (President of the Supervisory board) (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Ana Paula dos Santos Silva e Pinho

Qualifications: Degree in Economics – Faculdade de Economia do Porto
Statutory Auditor (ROC nr. 1 374)
Post Graduate in Finance and Tax – Porto Business School
Post Graduate in Tax Law – Faculdade de Direito da Universidade do Porto

Professional Experience: Between September 2001 and September 2010 auditor at Deloitte & Associados, SROC, S.A. (initially as a staff member and later, as Manager)

Between October 2010 and October 2019 Manager at Altri's Group Corporate Center with responsibilities in financial reporting, consolidation and tax
Since November 2019 head of accounting at Sonae MC's shared services

Other companies where she carries out functions:

Altri, SGPS, S.A. (Member of the Supervisory board) (a)
Cofina, S.G.P.S., S.A. (Member of the Supervisory board) (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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André Seabra Ferreira Pinto

Qualifications:	Degree in Economics at University Portucalense Chartered Accountant (ROC no. 1,243) Executive MBA - Management School of Porto - University of Porto Business School
Professional Experience:	Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager). Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores. Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal. Since April 2013, Director (CFO) of Mecwide Group MWIDE, SGPS, S.A. (Member of the Board of Directors)

Other companies where he carries out functions:

- Member of the Remuneration Committee of Altri, S.G.P.S., S.A. (a)
- Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)
- Alternate of the Statutory Audit Board of Altri, S.G.P.S., S.A. (a)
- Alternate of the Statutory Audit Board of Cofina, S.G.P.S., S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

3. Remuneration Committee

Qualifications, experience and positions held in other companies by members of the Remuneration Committee:

João da Silva Natária

Qualifications: Degree in Law from University of Lisbon

Professional Experience:

1979	Managing Director of the Luanda/Viana branch of F. Ramada, by joint nomination of the Board and the Ministry of Industry in Angola
1983	Director of the Polyester and Buttons Department at F. Ramada, Aços e Indústrias, S.A.
1984/2000	Human Resources Director at F. Ramada, Aços e Indústrias, S.A.
1993/1995	Board Member of Universal – Aços, Máquinas e Ferramentas, S.A.
2000/2018	Lawyer with an independent practice, specialised in labour law and family law
	Retired

Other companies where he carries out functions:

President of the Supervisory Board of Celulose Beira Industrial (CELBI), S.A. (a)

President of the Remuneration Commission of Altri, SGPS, S.A. (a)

President of the Remuneration Commission of Cofina, SGPS, S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Management Report

Pedro Nuno Fernandes de Sá Pessanha Da Costa

Qualifications: Degree in Law from the Faculty of Law of the University of Coimbra in 1981
Complementar training in Company Management and Economic and Financial Analysis at the School of Law of the Portuguese Catholic University, Porto, 1982 and 1983

Professional Experience: Member of the Bar Association since 1983
Chairman of the General and Supervisory Board of a public company from 1996 to 2010
Chairman of the Fiscal Council of Banco Português de Investimento S.A. since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A.
Chairman of the board of the general meeting of several listed and unlisted companies
Continuous law practice since 1983, with a special focus on commercial law and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter on Portugal in “Handbuch der Europäischen Aktien-gesellschaft – Societas Europaea” by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Cofina, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Altri, S.G.P.S., S.A. (President of the Supervisory Board) (a)
Cofina, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the General Shareholders Meeting) (a)
Sandeman & CA, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the General Shareholders Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the General Shareholders Meeting) (a)
Storaxinter, S.A. (Chairman of the General Shareholders Meeting) (a)

Honorary Consul of Belgium in Porto (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Management Report

André Seabra Ferreira Pinto

Qualifications: Degree in Economics at University Portucalense
Chartered Accountant (ROC no. 1,243)
Executive MBA - Management School of Porto - University of Porto Business School

Professional Experience: Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager).

Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores.

Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal.

Since April 2013, Director (CFO) of Mecwide Group

MWIDE, SGPS, S.A. (Member of the Board of Directors)

Other companies where he carries out functions:

Member of the Remuneration Committee of Altri, S.G.P.S., S.A. (a)

Member of the Remuneration Committee of Cofina, S.G.P.S., S.A. (a)

Alternate of the Statutory Audit Board of Altri, S.G.P.S., S.A. (a)

Alternate of the Statutory Audit Board of Cofina, S.G.P.S., S.A. (a)

(a) – companies that, at 31 December 2021, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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Management Report

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

Disclosure of shares and other securities held by members of the Board of Directors and Managers, as well as by persons closely related thereto, pursuant to Article 29-R of the Portuguese Securities Code, and transactions involving these carried out during the financial year under analysis:

Board of Directors	No shares held at 31-Dec-2020	Acquisitions	Disposals	No shares held at 31-Dec-2021
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

CORPORATE GOVERNANCE REPORT

*80
Years
Investing*

CORPORATE GOVERNANCE REPORT

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. (hereinafter referred to as “RAMADA INVESTIMENTOS” or “Company”) hereby presents its Corporate Governance Report (“Report”) to its shareholders, customers, suppliers and other stakeholders and to society in general.

The report follows the model contained in the Portuguese Securities Market Commission (CMVM) Regulation 4/2013, and the information contained therein complies with all applicable legal requirements, including, but not limited to, Article 29-H of the Portuguese Securities Code (CVM).

Throughout 2021, RAMADA INVESTIMENTOS continued the process of adapting its structure to comply with Corporate Governance Code of the Portuguese Institute for Corporate Governance (IPCG) from 2018 and revised in 2020 (Corporate Governance Code of IPCG).

The management model of RAMADA INVESTIMENTOS complies with that code, so the company is pleased to note the high degree of compliance with the recommendations contained therein.

It has properly sized teams, to which it provides high levels of training and which it constantly urges to base decision-making on sustainability criteria. These teams work together, focusing on achieving the objectives.

RAMADA INVESTIMENTOS will pursue its business strategy, based on strict and transparent management, to continue to be trusted by its shareholders, other stakeholders and the market in general like it is today, something that the company is proud of.

CORPORATE GOVERNANCE

PART I – INFORMATION ON SHAREHOLDING, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDING

I. Share Capital Structure

1. Share Capital Structure

The share capital of RAMADA INVESTIMENTOS amounts to EUR 25,641,459.00, fully subscribed and paid up, consisting of 25,641,459 ordinary, registered and bearer shares with a nominal value of one euro each.

The distribution of the share capital and relevant voting rights among shareholders with qualifying holdings is detailed in item II.7.

All the shares representing the share capital are admitted to trading on the Euronext Lisbon regulated market, managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

2. Restrictions on the transfer and ownership of shares

There are no restrictions on the transfer of ownership of the Company's shares, since there are no shareholders with special rights. Hence, Ramada Investimentos shares are freely transferable in accordance with the applicable legal rules.

3. Treasury shares

The Company does not hold any of its treasury shares in its portfolio, at 31 December 2021.

4. Significant agreements to which the company is a party and which come into force, are amended or terminate in the event of a change in control of the company following a takeover bid, as well as the relevant effects

No significant agreements have been entered into by RAMADA INVESTIMENTOS that include any change of control clauses (including following a takeover bid), i.e. that come into force, are amended, determine payments, become liable for charges or terminate in such circumstances or in the event of a change in the composition of the management body. There are also no specific conditions restricting the exercise of voting rights by the Company's shareholders that may interfere with the success of takeover bids.

Some financing agreements of RAMADA INVESTIMENTOS' subsidiaries, and only of these, contain the normal standard clauses for early repayment in the event of a change in shareholder control of such subsidiaries.

5. Rules regarding the renewal or revocation of defensive measures, in particular those that limit the number of votes that may be held or exercised by a single shareholder individually or in concert with other shareholders

RAMADA INVESTIMENTOS has adopted no defensive measures.

6. Shareholder agreements known to the company that may lead to restrictions on the transfer of securities or voting rights

The existence of any shareholders' agreements concerning the Company is unknown

II. Holdings and Bonds held

7. 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%, 25%, 33%, 50%, 66% and 90% of the voting rights, at 31 December 2021, pursuant to and for the purposes of Articles 16, 20 and 29-R of the Portuguese Securities Code:

Magallanes Value Investors	No. of shares held on em 31-Dec-2021	% Share capital with voting rights
Directly	894,128	3.49%
Total attributable	894,128	3.49%

1 Thing, Investments, S.A.	No. of shares held on em 31-Dec-2021	% Share capital with voting rights
Directly ^(a)	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 em 31-Dec-2021	% 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 em 31-Dec-2021	% 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 em 31-Dec-2021	% 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 em 31-Dec-2021	% Share capital with voting rights
Through Caderno Azul, S.A. (of which he is dominant 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 25% of the voting rights.

This matter is also addressed in the Annual Management Report.

Up-to-date information on qualifying holdings is available on http://www.ramadainvestimentos.pt/en/investors/shareholder-structure/estrutura-accionista_.html.

8. Number of shares and bonds held by members of the statutory management and supervisory bodies, pursuant to paragraph 5 of article 447 of the Portuguese Companies Act (CSC)

The shares and bonds held by members of the management and supervisory bodies in the Company and in companies subject to a control or group relationship with the Company, directly or through related parties, are disclosed in an appendix to the Annual Management Report pursuant to Article 447 of the Companies Act and Article 19 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014.

9. Powers of the Board of Directors on share capital increases

The Board of Directors has no special powers, having the responsibilities and powers conferred upon it by the CSC and the Company's Articles of Association.

It should be noted that article 4 of the Company's Articles of Association, as amended by the last Annual General Meeting of the Company (30 April 2021), granted the Board of Directors the possibility to resolve to increase the share capital, on one or more occasions, up to a limit of 35 million Euros, establishing in that resolution the conditions of subscription and the categories of shares to be issued, from among the existing ones.

This statutory provision, in accordance with article 456(2)(b) of the CSC, will be in force for a period of five years, so that on April 30, 2026 it will cease to be in force, date from which such powers will reside, exclusively, in the General Meeting, if the renewal of that statutory clause is not resolved.

10. Relevant business relationship between owners of qualified shareholdings and the Company

No significant business or commercial transactions were conducted between the Company and the holders of qualifying holdings reported to the Company, in 2021, except those which, under the normal Company business, were carried out under normal market conditions for similar transactions. It should be noted, however, that the amounts involved are not important.

Information on business between the Company and related parties can be found in note 35 of the Notes to the Consolidated Accounts and note 24 of the Notes to the separate accounts of the Company relating to transactions with related parties.

B. GOVERNING BODIES AND COMMITTEES

I. SHAREHOLDERS' GENERAL MEETING

a) Composition of the Board of the Shareholders' General Meeting

11. Identification and positions of the members of the Board of the of the Shareholders' General Meeting and their term of office

The Board of the Shareholders' General Meeting of Ramada Investimentos is formed, in accordance with the provisions of article 11 of the Company's Bylaws and article 374 of the CSC, by a chairman and a secretary elected by the General Meeting, for each term of office corresponding to three years, coinciding with the term of office of the governing bodies.

The Board of the Shareholders' General Meeting was composed of the following members, at 31 December 2021:

Chairman: Manuel Eugénio Pimentel Cavaleiro Brandão

Secretary: Maria Conceição Henriques Fernandes Cabaços

The term of office began in 2020 and ends in 2022.

b) Exercise of voting rights

12. Possible restrictions on voting rights

At Ramada Investimentos there are no statutory limitations to the exercise of voting rights.

The Company's share capital is fully represented by a single share class, each share corresponding to one vote. There are no limitations on the number of votes that can be held or cast by any shareholder.

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Corporate Governance Report

The Company has not issued any non-voting preferred shares.

Shareholders may not attend the General Meeting unless they prove they are a shareholder, with reference to the "Registration Date", under the applicable legal terms and as defined in the Notice of Meeting. The Company does not establish any additional requirements other than those imposed by law.

It should also be noted that, in line with the provisions of Article 23-C.(2) of the Portuguese Securities Code, exercising the right to attend and vote in the Shareholders' General Meeting is not jeopardised by the transfer of shares after the registration date, nor depends on their blocking of shares between that date and the date of the Shareholders' General Meeting.

Individual shareholders and legal persons may be represented by whomever they appoint for this purpose, by means of written proxy addressed to the Chairman of the Board of the Shareholders' General Meeting, in the form of a letter delivered to the registered office before the end of the third business day prior to the date of the Shareholders' General Meeting.

In accordance with applicable law, a shareholder may also appoint different representatives in relation to the shares held in different securities accounts, without prejudice to the principle of voting unity and also voting in differently, as legally provided for in relation to professional shareholders.

The Company's shareholders may vote by mail in relation to all matters for appraisal by the Shareholders' General Meeting. This is done by a written statement with the identification of the shareholder, for a natural person, sending a certified copy of their identity card/citizen's card or passport, as requested in compliance with Article 5 (2) of Law 7/2007 of 5 February, as amended by Law 61/2021 of 19 August. In the case of legal persons, the duly authenticated signature is required, pursuant to applicable legislation.

In accordance with the Company's Articles of Association:

- Without prejudice to the proof of quality of shareholder in compliance with the terms and deadlines provided by law, only postal votes sent by registered mail to the Company's registered office, addressed to the Chairman of the Board of the General Meeting and received by the latter by the end of the third business day prior to the date of the General Meeting, will be admitted;
- The voting statement must be signed by the holder of the shares or by the person legally representing him/her, and the shareholder, if a natural person, must accompany the voting statement with a certified copy of his/her identification document and, if a legal entity, its signature must be recognized as such and its powers for the act;
- Voting statements must (i) indicate the item or items on the agenda to which they refer, (ii) indicate the specific proposal to which they refer, indicating the proponents, as well as (iii) contain a precise and unconditional indication of the voting direction for each proposal;
- Postal votes count for the verification of the constitutive quorum of the General Meeting, being the result of the vote by correspondence in relation to each item of the agenda disclosed in the item to which it refers;
- The postal vote is considered revoked in the case of the presence in the General Meeting of the shareholder who issued it or of the representative designated by him/her;
- If the vote declarations omit the vote in relation to proposals presented prior to the date on which the same votes were issued, the shareholder will be considered to have abstained in relation to those proposals;
- Postal votes count as negative votes in relation to deliberative proposals presented subsequent to the date on which those votes were issued.

The Chairman of the Board of the Shareholders' General Meeting is responsible for checking the conformity of the postal voting statements. Votes corresponding to statements that are not accepted shall be deemed to have not been cast.

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RAMADA INVESTIMENTOS has been encouraging the physical attendance of its shareholders, either directly or through representatives, in its general meetings, without prejudice to the ongoing monitoring of whether its model is adequate and immediately responding to any different request addressed to. This is because it considers such general meetings as ideal occasions for its shareholders and the management team to exchange views, taking advantage of the presence of the members of the other governing bodies, namely the Statutory Audit Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This approach has proved fruitful within the Company.

In this sense, the Company has not implemented the mechanisms required to exercise the right to vote by electronic means, nor the attendance of shareholders in meetings by telematic means. The Company has never been requested by any shareholder to provide such types of voting and attendance, therefore the absence of such means of voting and attendance does not comprise any constraint or restriction to the exercise of the right to vote in and attend the Shareholders' General Meeting.

It should also be noted that the Company discloses, within the applicable legal deadlines, and in all locations required by law, the notice of Shareholders' General Meetings. It contains information on how to enable shareholders to attend and exercise their right to vote, as well as the procedures to be adopted for exercising voting by mail or for appointing a representative.

In addition, the Company discloses, in accordance with applicable law, the proposals for resolutions, the preparatory information required by law, draft representation letters and ballot papers for the exercise of postal voting, all in order to ensure, promote and encourage the attendance of shareholders in the General Meetings, either by themselves or through representatives appointed by them.

Accordingly, the Company believes that the current model promotes and encourages, in the terms fully described in this Report, Shareholders to attend General Meetings.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are related to the latter as set forth in Article 20(1) of the Portuguese Securities Code

There is no limitation on the number of votes that may be held or exercised by a single shareholder or group of shareholders.

14. Shareholder decisions which, by statutory imposition, can only be taken with a qualified majority

Corporate resolutions, in accordance with the Company's Articles of Association, are approved by a majority of votes cast, irrespective of the percentage of share capital represented at the meeting, unless a different majority is required by law.

When convened on a second call, the Shareholders' General Meeting may approve resolutions regardless of the number of shareholders present and of the share capital they represent.

The quorum required to adopt decisions of the Shareholders' General Meeting follows the provisions of the Companies Act.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the governance model adopted

RAMADA INVESTIMENTOS adopts a governance model called the strengthened one-tier model, which includes a Board of Directors and a Supervisory Board, as provided for in Article 278 (1)(a) of the Companies Act and a Statutory Auditor, in compliance with Article 413 (2)(a) of the Companies Act, by reference to paragraph 3 of the above-mentioned Article 278.

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The Board of Directors is therefore the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic direction, without prejudice to the monitoring and evaluation of management by the Supervisory Board, within the scope of its powers.

The Company continuously monitors whether the model adopted is suitable, which has proved to be perfectly adequate and a key basis for the Group's good performance.

It should be noted that, with regard to the diversity policy in the corporate bodies, this is not a new topic for the RAMADA INVESTIMENTOS Group.

In fact, and taking into account that the business of the Group's companies is an industrial activity in which men historically dominate, the Company has promoted women to senior positions from early on in its existence, an example of which is the election in May 2009 of Ana Rebelo de Carvalho Menéres de Mendonça, having been elected in 2020, Laurentina da Silva Martins, to a 6-member board.

At a time when there was no legal requirement in this regard, RAMADA INVESTIMENTOS was already pursuing a path of growing evolution by having what would be considered significant gender representation in its organisation.

This is the case because RAMADA INVESTIMENTOS bases its culture on meritocracy criteria.

Additionally, RAMADA INVESTIMENTOS published, during the year of 2021, the Plan for Gender Equality, to be executed during the year of 2022, which has as its fundamental objective, under the terms and for the purposes set out in article 7 (1) of Law 62/2017, of August 1, contribute even more to achieving effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting reconciliation between personal, family and professional life.

Likewise, RAMADA INVESTIMENTOS continued its activities in strict compliance with legal requirements, namely when electing new members to join the governing bodies, regarding the beginning of a new mandate, which happened at the Annual General Meeting, held in April 30, 2020.

16. Statutory rules on procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors

The election of members to the Company's Board of Directors is the responsibility of the Shareholders, by resolution adopted at the Shareholders' General Meeting. Members are elected for three-year terms and they may be re-elected on one or more occasions. The Board of Directors is composed of an odd or even number of members, a minimum of three and a maximum of twelve members, elected at the Shareholders' General Meeting.

The members of the Board of Directors who are in office have disclosed, and have already proved to this effect, that they have the individual characteristics (namely expertise, independence, integrity, availability and experience, as mentioned above) to fully and completely discharge the duties assigned to them in a manner aligned with the interests of the Company and its Shareholders, given their seniority and experience.

On the other hand, last but not least, RAMADA INVESTIMENTOS considers that gender balance within its management body, which preceded the relevant law, shows that the diversity policy is not a new topic for the Group; with sticking to true meritocracy principles, it has been awarding top management positions to women for many years now.

The market positioning that the Group has been achieving and the results presented to the market prove that the Company's management team has carried out its function thoroughly and skilfully.

With regard to the election of members to the Board of Directors, it is worth noting the statutory rule set out in Article 15 of the Articles of Association, according to which, at the electoral General Meeting, one director may be elected from persons proposed on the lists subscribed by groups of shareholders, provided that none of these groups holds shares representing more than twenty per cent and less than ten per cent of the share capital. If there are proposals to that effect, the election will be held separately before the election of the other directors. Each of the lists referred to

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Corporate Governance Report

above shall propose at least two eligible persons for each of the positions to be filled. No shareholder may subscribe to more than one such list. If, in a single election, lists are submitted by more than one group, the voting will be based on all of these lists.

The Shareholders' General Meeting may not elect any other directors until one director have been elected in accordance with the above-stated, unless such lists are not submitted. In an elected director under the above-stated terms is absent, the relevant alternate will be called. If there is no such alternate, a new election will be held governed by the above- stated rules, with the necessary adaptations. However, these rules will only apply if, under any circumstances, the Company is considered to be a public company, a State concessionary or an entity equivalent to it.

17. Composition of the Board of Directors

The Board of Directors, currently made up of five members, is the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation. It shall always act in the manner it considers best to defend the interests of the Company and for the permanent creation of value for its shareholders and other stakeholders.

The members of this body on 31 December 2021 were:

- João Manuel Matos Borges de Oliveira – Chairman
- Paulo Jorge dos Santos Fernandes – Director
- Domingos José Vieira de Matos – Director
- Pedro Miguel Matos Borges de Oliveira – Director
- Ana Rebelo de Carvalho Menéres de Mendonça – Non-Executive Director
- Laurentina da Silva Martins – Non-Executive Director

All members of the Board of Directors were elected at the Shareholders' General Meeting of 30 April 2020 for the three-year period that began in 2020 and will end in 2022.

NAME	FIRST APPOINTED	DATE OF END OF TERM OF OFFICE
João Manuel Matos Borges de Oliveira	June, 2008	December 31, 2022
Paulo Jorge dos Santos Fernandes	June, 2008	December 31, 2022
Domingos José Vieira de Matos	June, 2008	December 31, 2022
Pedro Miguel Matos Borges de Oliveira	May, 2009	December 31, 2022
Ana Rebelo de Carvalho Menéres de Mendonça	May, 2009	December 31, 2022
Laurentina da Silva Martins	April, 2020	December 31, 2022

18. Distinction between executive and non-executive members of the Board of Directors and, in relation to non- executive members, identification of the members who may be considered independent

On 31 December 2021, the Board of Directors included two non-executive director: Ana Rebelo de Carvalho Menéres de Mendonça and Laurentina da Silva Martins.

It is considered, taking into account the personal profile, background and professional experience of the members of the Board of Directors of RAMADA INVESTIMENTOS, that the number of non-executive directors is adequate and

Annual Report 2021

Corporate Governance Report

balanced in relation to the total number of members of the body, in view of the nature and size of the Company. Accordingly, RAMADA INVESTIMENTOS considers that two non-executive directors is sufficient to ensure effective monitoring, as well as true supervision of the activity carried out by the executive directors, especially taking into account that the Company has developed mechanisms to enable non-executive directors to take independent and informed decisions, such as:

- Availability of the executive directors to provide the non-executive directors with all additional information deemed relevant or necessary, as well as to carry out further studies and analyses in relation to all matters that are the object of a resolution or which, if not, are in any way under consideration by the Company;
- Prior and timely dispatch to all members of the Board of Directors of the notices of meetings of that body, including the agenda of the meeting, even if provisional, as well as other relevant information and documentation;
- Making the Company's and subsidiaries' books permanently available for examination, namely the minutes books, share registry books, contracts and other supporting documentation of operations carried out by the Company or its subsidiaries, as well as providing and promoting a direct channel for obtaining information from the directors and operational and financial managers of the various companies in the Group, without the need for any intervention by executive directors in this process.

The Company also carries out, as it does in other matters, an ongoing assessment of the adequacy of the current model. It has concluded that it has proven to be adequate and efficient.

The management report includes a description of the activity performed by the non-executive members during 2021 in its chapter "Activity of the non-executive members of the Board of Directors".

The Board of Directors includes an independent member, Laurentina da Silva Martins.

Therefore, RAMADA INVESTIMENTOS considers the independence criteria provided for in point 18.1. of the Appendix to CMVM Regulation number 4/2013 to be fully verified, which classifies this administrator as an independent administrator, and the independence criteria set out in recommendation III.4 of IPCG Corporate Governance Code.

19. Professional qualifications of the members of the Board of Directors:

The curricula vitae of the members of the Board of Directors are presented in Appendix I of the Management Report.

20. Significant family, business and commercial relationships between members of the Board of Directors and shareholders having qualified holding with more than 2% of the voting rights

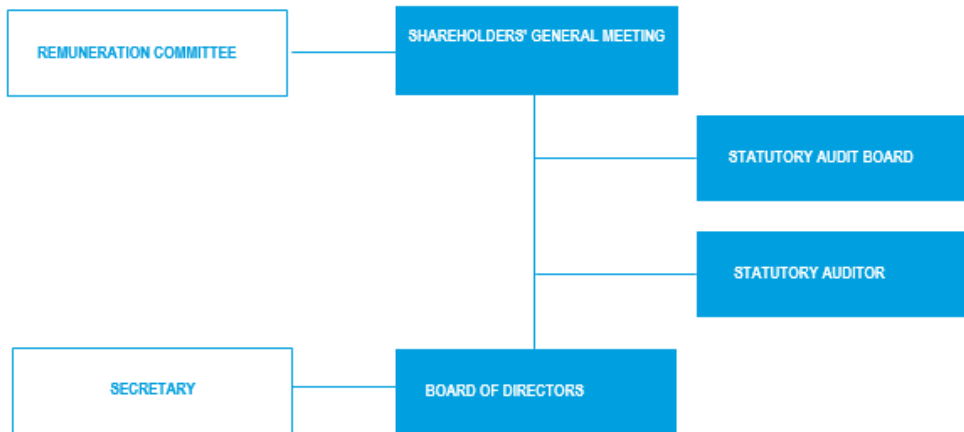
As of 31 December 2021, the Chairman of the Board of Directors João Manuel Matos Borges de Oliveira is a director and dominant shareholder of CADERNO AZUL, S.A., a company which holds a 20.67% stake in RAMADA INVESTIMENTOS. Additionally, that director is the brother of Pedro Miguel Matos Borges de Oliveira, who is Chairman of the Board of Directors of 1 THING, INVESTMENTS, S.A., a company with a 10.004% stake in RAMADA INVESTIMENTOS.

The director Paulo Jorge dos Santos Fernandes is a director and dominant shareholder of ACTIUM CAPITAL, S.A., a company that holds a 15.64% stake in RAMADA INVESTIMENTOS.

Ana Rebelo de Carvalho Menéres de Mendonça, a non-executive director of RAMADA INVESTIMENTOS, is the director and dominant shareholder of PROMENDO INVESTIMENTOS, S.A., which holds 18.90% of the capital of RAMADA INVESTIMENTOS.

The director Domingos José Vieira de Matos is a director and dominant shareholder of LIVREFLUXO, S.A., a company that holds a 12.162% stake in RAMADA INVESTIMENTOS.

21. Organisation charts or functional charts relating to the division of powers among the various governing bodies, committees and/or departments of the Company, including information on the delegation of powers, particularly with regard to the delegation of Company’s daily management



The Board of Directors, according to the current governance structure of RAMADA INVESTIMENTOS, is the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation. It shall always act in the manner it considers best to defend the interests of the Company and for the permanent creation of value for its shareholders and other stakeholders. The Board of Directors currently consists of six members, elected at the Shareholders' General Meeting, one of whom is chairman and five directors, two of whom is non-executive.

The Board of Directors, in the performance of its duties, establishes a permanent link with the Statutory Audit Board and the Statutory Auditor, in cooperation with the supervisory body in a transparent and thorough manner, in compliance with the respective operating regulations and the best corporate governance practices.

There is no limit to the maximum number of positions that may be held by directors in the management bodies of other companies. The members of the Board of Directors of RAMADA INVESTIMENTOS are, in most cases, members of the management bodies of the Group's most relevant subsidiaries, thus ensuring close and permanent monitoring of the respective activities.

The Board of Directors of RAMADA INVESTIMENTOS encourages all departments and operational areas to create multidisciplinary teams with a view to develop projects that are relevant to the Group. This multidisciplinary approach ensures the identification of issues and the analysis of how to solve them from different perspectives, ensuring a broader view of the issues under analysis. RAMADA INVESTIMENTOS believes that setting up expeditious and effective channels of communication between the Company's departments, between these and the operational areas, and between all these and the boards of directors of each subsidiary and the Company itself, is the best way to implement projects, identify associated risks, and develop the necessary mechanisms to mitigate them from a truly comprehensive perspective and analysed according to various points of view.

RAMADA INVESTIMENTOS considers that an effective information flow within the organisation is the only way to ensure an equally adequate information flow from the multidisciplinary teams to the governing bodies and, consequently, from them to shareholders, investors, other stakeholders, financial analysts and the market in general.

RAMADA INVESTIMENTOS has ensured the thorough and timely disclosure of information to the market, in compliance with this Group policy, which is perfectly aligned with recommendation I.1.1. of the IPCG Code. The information is disclosed through the CMVM Information Disclosure System (CMVM SDI), which guarantees for its shareholders, other stakeholders and the market in general, access to this information at the same time and with the same level of detail.

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In line with the above-stated, RAMADA INVESTIMENTOS describes below the Company's committees and/or departments and their respective powers and duties:

Remuneration Committee

The Board of Directors considers that the only specialised committee required is the Remuneration Committee, given the Company's organisational structure and its size and complexity (as explained in detail in section 28 below).

The Remuneration Committee is responsible for assessing performance and approving the remuneration of members of the Board of Directors and other governing bodies. This committee, in compliance with the provisions of Article 26-A and following of the Portuguese Securities Code and recommendation V.2.2. of the Corporate Governance Code of the IPCG, is responsible for preparing the Statement of Governing Bodies' Remuneration and Compensation Policy as well as, through the preparation of a proposal for approval, submitting it for approval by the deliberative body defined for this matter, which is the Shareholders' General Meeting.

If the Governing Bodies' Remuneration and Compensation Policy is approved by the Shareholders at the General Meeting, it is the responsibility of this committee to work towards its implementation, monitoring its permanent adequacy to the Company's real situation.

RAMADA INVESTIMENTOS highlights the following corporate management areas:

Corporate Finance Area

RAMADA INVESTIMENTOS' Corporate Finance area is responsible, given its integrated and wide vision at the level of all Group companies, for defining financial management strategies and policies and, also, for ensuring the interface with the capital, debt and banking markets. It is also responsible for developing the mechanisms required for the implementation of the established financial management strategies and policies.

Management Planning and Control Area

RAMADA INVESTIMENTOS' management planning and control area provides support in the implementation of the corporate and/or business strategies followed by the Group. This area prepares and analyses management information for all Group companies, as well as consolidated information, whether monthly, quarterly, half-yearly or annually. It monitors deviations from the budget and proposes the necessary corrective measures. It is also responsible for the construction of business plans, joining the multidisciplinary work teams created for this purpose. It conducts these activities together with the permanent carrying out of technical studies and benchmarking of existing businesses, in order to monitor the performance of RAMADA INVESTIMENTOS taking into account its strategic position in the market.

Legal & Compliance Area

The Legal & Compliance area provides legal support in all areas of the Group's activity, monitoring and guaranteeing, on the one hand, that the activities carried out follow the law and, on the other hand, ensuring relations with Euronext Lisbon, with the CMVM and with the shareholders where legal matters are concerned. This area is also responsible for monitoring corporate governance policy, in order to comply with best practices in this area. It is also responsible for the preparation and/or analysis of contracts that maximize security and reduce legal risks and potential costs, the management of issues related to intellectual and industrial property used by the Group, such as trademarks and patents, logos, domains and copyrights. It also performs the functions of company secretariat, permanently monitoring legal compliance, supporting the Board of Directors in the implementation of its strategies.

Investor Relations Area

RAMADA INVESTIMENTOS' investor relations area establishes the relationship between the Group and the financial community, constantly disclosing relevant and updated information on its activity. It is also responsible for supporting the Board of Directors by providing updated information on the capital market, as well as supporting the management

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of RAMADA INVESTIMENTOS' institutional relations, by establishing permanent contact with institutional investors, shareholders and analysts and representing the Group in associations, forums or events (national or international).

The Board of Directors of RAMADA INVESTIMENTOS is organised as follows:

- João Manuel Matos Borges de Oliveira – Chairman
- Paulo Jorge dos Santos Fernandes – Director
- Domingos José Vieira de Matos – Director
- Pedro Miguel Matos Borges de Oliveira – Director
- Ana Rebelo de Carvalho Menéres de Mendonça – Non-Executive Director
- Laurentina da Silva Martins – Non-Executive Director

Basically, the activity of the directors of RAMADA INVESTIMENTOS focus on managing the Group's holdings and defining its strategic lines. The Board of Directors, as a collective body composed of all its members, executive and non-executive, in the normal discharge of their duties, makes decisions on matters that are structural to the Group's activity.

The day-to-day management of the operational companies is carried out by the management of each subsidiary, which also includes, as a rule, some of the directors of RAMADA INVESTIMENTOS, in addition to other directors with specifically defined duties and areas of responsibility.

It should be noted that the performance of management functions in the subsidiary companies by the Company's directors results in an in-depth knowledge of the business, ensuring they are close to the operations and people. This means that the decisions made at the holding company level of the group, RAMADA INVESTIMENTOS, are even more aware and informed.

RAMADA INVESTIMENTOS believes that the greater the knowledge the Company's directors have about the specificities and subtleties of the business, the more correct their decisions will be regarding the strategic lines and, consequently, the success of the decisions at top management level.

Accordingly, and taking into account the development of the activity of the members of the Board of Directors both in RAMADA INVESTIMENTOS and its subsidiaries, the functional organisation chart can be presented as follows:

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. João Borges de Oliveira Paulo Fernandes Domingos Matos Pedro Borges de Oliveira Ana Mendonça Laurentina da Silva Martins			
RAMADA AÇOS João Borges de Oliveira Paulo Fernandes Domingos Matos Pedro Borges de Oliveira Ana Mendonça	F. RAMADA II IMOBILIÁRIA João Borges de Oliveira Paulo Fernandes Domingos Matos Pedro Borges de Oliveira Ana Mendonça	UNIVERSAL AFIR João Borges de Oliveira Domingos Matos Pedro Borges de Oliveira	SOCITREL Carlos Faria Joaquim Pereira Alfredo Luís Portocarrero

b) Operation**22. Existence of procedural rules for the Board of Directors and place where they can be consulted**

The rules of procedure of the Board of Directors are available for consultation on the Company's website (www.ramadainvestimentos.pt) ("Investors" tab, "Corporate Governance" section).

23. Number of meetings held and attendance level of each member of the Board of Directors

Article 17 of the Company's Articles of Association provides that the Board of Directors shall meet whenever convened by its Chairman, on his own initiative or at the request of any two directors, and at least once a quarter.

The quorum required to hold any meeting of the Board of Directors is deemed to exist provided that the majority of its members are present or duly represented.

The Board of Directors met eight times during 2021, and attendance was 100%.

The meetings of the Board of Directors are scheduled and prepared in advance. Documentation is made available as much in advance as deemed necessary, to support the proposals on the agenda. This ensures the conditions exist for the full performance of functions and the adoption of resolutions in a manner that is fully informed.

Likewise, the relevant notices of meeting and, subsequently, the minutes of the meetings are made available to the chairman of the Statutory Audit Board. This regular flow of information enables the performance of active and constant supervision.

24. Indication of the governing bodies competent to assess the performance of the executive directors

The Remuneration Committee, in line with item 21 above, is the body responsible for assessing the performance and approving the remuneration of members of the Board of Directors and other governing bodies. This committee, in compliance with the provisions of Article 26-A of the Portuguese Securities Code and recommendation V.2.2. of the Corporate Governance Code of the IPCG, is responsible for preparing the Statement of Governing Bodies' Remuneration and Compensation Policy as well as, through the preparation of a proposal for approval, submitting it for approval by the deliberative body defined for this matter, which is the Shareholders' General Meeting.

At least one member of the Remuneration Committee shall attend the Annual General Meetings where the Governing Bodies' Remuneration and Compensation Policy Statement is discussed, in order to ensure the clarification of any issues that may arise in relation to that statement. A member of that committee was present at the Annual General Meeting held in 2021, namely Pedro Pessanha.

If the Governing Bodies' Remuneration and Compensation Policy is approved by the Shareholders at the General Meeting, it is the responsibility of this committee to work towards its implementation, monitoring its permanent adequacy to the Company's real situation.

25. Predetermined criteria for assessing the performance of the executive directors

The performance assessment of executive directors is based on pre-determined criteria, subject to performance indicators objectively established for each term of office. These indicators are aligned with the medium/long term strategy of the Company's performance and the business growth.

The remuneration of the executive members of the Board of Directors includes a medium term variable component and is intended to more sharply align the interests of executive directors with those of shareholders, with a view to increasing awareness of the importance of their performance for the overall success of the Company and will be calculated covering the period corresponding to a term of office, based on objective and pre-determined criteria, namely: (i) total return to the shareholder (performance of shares plus dividend paid); (ii) sum of the consolidated net profit of the 3 years (2020 to 2022) and; (iii) performance of the Company's business.

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The total value of the medium-term component cannot exceed 50% of the fixed remuneration earned during the 3-year period.

The variable component (short and medium term) is determined according to the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (financial and non-financial) and qualitative objectives. Quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years.

Individual quantitative objectives should reflect the Company's financial performance, namely its growth and the return generated for shareholders, and the achievement of environmental, social and corporate governance indicators. The financial indicators shall take into account the strategic objectives of the Company, in particular the evolution of the Company's turnover and results and the financial and capital strength of the Company. The qualitative individual objectives must reflect the achievement of environmental, social and corporate governance indicators.

The individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to the RAMADA INVESTIMENTOS Remuneration Committee.

26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the year

The RAMADA INVESTIMENTOS directors are fully committed to the nature and requirements of the positions they have agreed to hold. In this sense, the Group's top management is ever present, close to the people and the business.

Their professional activities, description of other companies where they discharge management functions and the indication of other relevant activities performed by them, are described in Appendix I of the Management Report.

c) Committees within the management or supervisory body and delegated administrators

27. Identification of the Committees established within the Board of Directors and the place where the procedural rules can be consulted

The Board of Directors considers that the only specialised committee required is the Remuneration Committee, given the Company's organisational structure and its size and complexity (as explained in detail in section 28 below).

RAMADA INVESTIMENTOS has therefore formally established a Remuneration Committee, elected by the Shareholders' General Meeting for the three-year term of office which began in 2020 and that will end in 2022. The members of that committee were as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

The Remuneration Committee has valid rules of procedure for the current term of office, approved at the meeting of that committee, and which is available for consultation on the company's website (www.ramadainvestimentos.pt) ("Investors" tab, "Governance" section).

28. Composition, if applicable, of the executive committee and/or identification of the chief executive(s)

RAMADA INVESTIMENTOS continuously monitors the adequacy of the current model, as has already been widely explained throughout this Report. Accordingly, and as a result of this permanent monitoring, it has come to the

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conclusion that its organisational structure, and given the small size of the Board of Directors, which is composed of six members, it does not require the formal appointment of an Executive Committee from among the Board of Directors.

However, as mentioned in item 18 of this Report, four of the six members of the Board of Directors carry out duties that can be considered of an executive nature – more practical or operational. As such, the following is complied with:

- Prior and timely dispatch to all members of the Board of Directors of the notices of meetings of that body, including the agenda of the meeting, even if provisional, as well as other relevant information and documentation;
- Availability to provide the referred non-executive directors with all additional information deemed relevant or necessary, as well as to carry out further studies and analyses in relation to all matters that are the object of a resolution or which, if not, are in any way under consideration by the Company; and also
- Making the Company's and subsidiaries' books available for review, such as the minutes books, share registry books, and supporting documentation of operations carried out by the Company or its subsidiaries, for control and verification purposes, as well as providing and promoting a direct channel for obtaining information from the directors and operational and financial managers of the Group's subsidiaries, without the need for any intervention by the referred executive directors in this process.

Hence, the Company considers that the necessary conditions are guaranteed so that decisions on strategic matters are made, just as they are, by the Board of Directors as a collective body composed of all its members, executive and non- executive, in the normal discharge of their duties. This also ensures that such decisions are made in a clear and informed manner, fully focused on the creation of value for shareholders.

Nevertheless, and as mentioned above, the Board of Directors has regularly pondered over the adequacy of its organisational structure. The conclusions of these reflections have always been that the structure complies with the best corporate governance practices, which has been reflected in the positive performance of the Company, as can be established from the Annual Report and Accounts.

29. Indication of the powers of each of the committees created and a summary of the activities carried out in the exercise of those powers

The Remuneration Committee, in line with items 21 and 24 above, is responsible for assessing the performance and approving the remuneration of members of the Board of Directors and other governing bodies. This committee, in compliance with the provisions of Article 26-A of the Portuguese Securities Code and recommendation V.2.3. of the Corporate Governance Code of the IPCG, is responsible for preparing the Statement of Governing Bodies' Remuneration and Compensation Policy as well as, through the preparation of a proposal for approval, submitting it for approval by the deliberative body defined for this matter, which is the Shareholders' General Meeting.

If the Governing Bodies' Remuneration and Compensation Policy is approved by the Shareholders at the General Meeting, it is the responsibility of this committee to work towards its implementation, monitoring its permanent adequacy to the Company's real situation.

Company Secretary

The Company Secretary exercises the powers attributed to him/her by law, namely the provisions of article 446-B of the Portuguese Companies Code and which are, among others, the following: a) Act as secretary for the meetings of the corporate bodies; b) Draw up the minutes and sign them jointly with the members of the respective corporate bodies and the chairman of the board of the general meeting, when this is the case; c) Keep and maintain in order the books and sheets of minutes, the attendance lists, the share registration book, as well as the related expedient; d) Issue the legal notices of meetings for all company bodies; e) Recognize the signatures of the members of the company bodies on the company's documents; f) Certify that all copies or transcriptions extracted from the company's books or filed documents are true, complete and up-to-date g) Satisfy, within the scope of his/her powers, any requests made by shareholders exercising their right to information and provide the information requested of the

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members of the corporate bodies performing supervisory functions regarding resolutions of the board of directors or the executive committee h) Certify the content, total or partial, of the articles of association in force, as well as the identity of the members of the various company bodies and the powers they hold; i) Certify the updated copies of the articles of association, of the resolutions of the shareholders and of the administration and of the entries in force in the company's books, as well as ensure that they are delivered or sent to the holders of shares who have requested them and who have paid the respective cost. He/she is also responsible for supporting the flow of information between the Board of Directors and the Supervisory Body and ensuring the timely registration of corporate resolutions with the Commercial Registry Office.

The Company's secretarial duties were accurately and regularly performed during 2021.

III. SUPERVISION

a) Composition

30. Identification of the supervisory body corresponding to the adopted model

The Statutory Audit Board and the Statutory Auditor are the Company's supervisory bodies in the governance model adopted.

31. Composition of the Supervisory Board, indicating the minimum and maximum statutory number of members, duration of term of office, number of effective members, date of first appointment, and date of end of term of office of each member

The Supervisory Board is appointed by the Shareholders' General Meeting for three-year terms and may be re-elected one or more times. It is composed of an even or odd number of members, with a minimum of three and a maximum of five, in a number to be decided by the General Meeting, and there must be one or two alternates, depending on whether it has three or more members, respectively, and it fully takes on the duties assigned to it by law, which include making a proposal for the appointment of the Statutory Auditor or Audit Firm, in compliance with the provisions of Article 413(1)(b) of the CSC, fulfilling a duty that it also assigned to it pursuant to Article 420(2)(b) of the CSC.

This body is composed of the following members in the three-year period which began in 2020 and ends in 2022:

- Pedro Nuno Fernandes de Sá Pessanha da Costa – Chairman
- António Luís Isidro de Pinho – Member
- Ana Paula dos Santos Silva e Pinho – Member
- André Seabra Ferreira Pinto – Alternate

The Chairman of the Statutory Audit Board was elected for the first time in April 2014, for the term that started in 2014 and ended in 2016, having been re-elected in April 2017 for the three-year term that started in 2017 and ended in 2019, and is therefore in the exercise of a third term. The remaining members were elected for the first time to the described positions in April 2017, for the three-year period that started in 2017 and ended in 2019, being in the second term, with the exception of member Ana Paula dos Santos Silva e Pinho, who was elected, for the first time, in April 2020, for the three-year term started in 2020 and ends in 2022.

32. Identification of the members of the Statutory Audit Board who consider themselves independent, pursuant to Article 414 (5) of the Companies Act

The assessment of the independence of the Statutory Audit Board, as a collective body, is made in relation to all its members, assessing the independence of each of its members in accordance with the definition given in Article 414 (5). Any incompatibilities are assessed in accordance with the definition of Article 414-A (1), both of the Companies Act.

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All the members of the Company's Statutory Audit Board thus comply with the independence rules specified above and are not in any of the situations of incompatibility provided for by law. This compliance is declared by the respective members in a statement that they individually sign and deliver to the Company.

33. Professional qualifications and curricular references of each member of the Supervisory Board and other relevant curricular elements

All the members of RAMADA INVESTIMENTOS' Statutory Audit Board have the training, expertise and experience necessary for the full exercise of their functions, in accordance with the provisions of Article 414 (4) of the Companies Act and Article 3 (2) of Law 148/2015 of 9 September. The Chairman of this body is adequately supported by the other members of the Statutory Audit Board.

Appendix I of the Management Report describes the professional qualifications and other activities carried out by the members of the Statutory Audit Board.

b) Operation

34. Existence of procedural rules for the Supervisory Board and place where they can be consulted

The rules of procedure of the Statutory Audit Board are available for consultation on the Company's website

(www.ramadainvestimentos.pt) ("Investors" tab, "Governance" section).

35. Number of meetings held and meeting attendance by each member of the Supervisory Board

The Company's Supervisory Board met eight times during 2021, and attendance was 100%. The corresponding minutes are registered in the Supervisory Board's minute book.

36. Availability of each member of the Supervisory Board, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out

The members of the Statutory Audit Board have made a commitment to the Company, which they have strictly complied with and which is reflected in a level of availability that is fully in line with the interests of the Company. The information on other positions held, qualifications and professional experience of the members of the Statutory Audit Board is detailed in Appendix I of the Management Report.

c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the purpose of contracting additional services from the external auditor

The Statutory Audit Board is responsible for approving in advance the provision of services other than audit services to be contracted from the External Auditor.

It should first be noted that the Board of Directors itself, when questioning the possibility of hiring additional services from the External Auditor or the Statutory Auditor, and before reporting its decision to the Statutory Audit Board, shall ensure that services are not hired from these auditors or the entities that make up their network which, under the terms of European Commission Recommendation no. C (2002) 1873, of 16 May, may jeopardise their independence.

If the Board of Directors considers that the conditions exist to present the matter to the Statutory Audit Board, the Statutory Audit Board analyses, in a preliminary and in-depth manner, the scope of such additional services to be provided by the External Auditor and by the Statutory Auditor. It may make a favourable decision if, from the analysis carried out: (i) the hiring of the additional services does not jeopardize the independence of the External Auditor; (ii) a healthy balance is ensured between the normal audit services and the additional services under analysis that may be provided, and that (iii) the proposed additional services are not services prohibited under the terms of Article 77 (8) of Law 140/2015. The analysis of the Statutory Audit Board also includes whether (iv) the additional services will be provided in compliance with the quality levels in force in the Group, always with the underlying purpose that the

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provision of such services, should they occur, do not jeopardise the independence required in the exercise of the audit functions.

It should be noted in this regard that Deloitte & Associados, SROC, S.A., before accepting the award of the services, also carries out a meticulous internal assessment to ensure the services it proposes to provide do not affect, under any circumstances, the independence criteria that it agreed to comply with when accepting its election to perform the audit duties.

The Company therefore considers that a demanding degree of control is ensured in verifying non-compliance with the independence criteria, when deciding to hire additional services from the External Auditor.

It should also be noted that the Statutory Audit Board also every year receives the statement of independence from the External Auditor and the Statutory Auditor, which describe the services it provides and those provided by other entities of the same network, as well as the fees paid, any threats to their independence and any safeguard measures to address those threats.

All potential threats to the independence of the External Auditor, when if any, as well as the respective safeguard measures are assessed and discussed in an open and transparent manner by the Statutory Audit Board and the External Auditor.

38. Other duties of the supervisory bodies

The Statutory Audit Board supervises the Company, with the responsibilities in RAMADA INVESTIMENTOS as provided for in Article 420 of the Companies Act.

In discharging its statutory and legally assigned duties, the Statutory Audit Board has the following particular duties:

- a) Supervising the Company's management;
- b) Monitoring compliance with the law and memorandum of association;
- c) Preparing an annual report on its supervisory activities and giving an opinion on the report, accounts and proposals submitted by the management;
- d) Convening the General Meeting when the chairman of the respective Board does not do so when such is required;
- e) Supervising the effectiveness of the risk management system, the internal control system and the internal audit system;
- f) Receiving reports of irregularities submitted by shareholders, employees of the Company or others;
- g) Hiring the provision of expert services to assist one or more of its members in the exercise of their duties. Such hiring and remuneration of experts must take into account the importance of the matters committed to them and the financial situation of the Company.
- h) Complying with the other duties set out in the law or in the memorandum of association;
- i) Supervising the process of preparation and disclosure of financial information;
- j) Proposing to the Shareholders' General Meeting the appointment of the Statutory Auditor;
- k) Supervising the audit of the Company's financial statements and documents;
- l) Supervising the independence of the Statutory Auditor, particularly where the provision of additional services are concerned.

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For the performance of these duties, the Statutory Audit Board:

- a) Obtains the information necessary for the performance of its duties from the Board of Directors, namely the operational and financial evolution of the company, the changes in the composition of its portfolio, the terms of the operations carried out and the content of the resolutions passed;
- b) Monitors the risk management and internal control system, annually preparing an appraisal report and recommendations for the Board of Directors, if there are matters that justify such; (c) Receives, at least five days prior to the date of its meeting, the separate and consolidated financial statements and the respective reports of the Board of Directors, analysing, in particular, the main variations, the relevant transactions and the corresponding accounting procedures and clarifications obtained from the Board of Directors, namely through the Board of Directors and the external auditor, and issue its assessments and resolutions;
- c) Informs the Board of Directors of the checks, supervision and diligence it has carried out and the results thereof;
- d) Attends Shareholders' General Meetings, as well as the meetings of the Board of Directors to which it may be invited or at which the accounts for the financial year are examined;
- e) Annually conducts a self-assessment of its activity and performance, including the review of these rules of procedure, with a view to developing and implementing improvements in its operation;
- f) Develops the other duties of surveillance that are imposed by law.

The Statutory Audit Board also represents the Company before the External Auditor and Statutory Auditor, and is responsible for proposing the entity that will provide these services and the respective remuneration, also ensuring that adequate conditions for the provision of these services are provided within the Group.

The Statutory Audit Board is the first recipient of the reports issued by the External Auditor and Statutory Auditor, as well as the Group's liaison in the relationship with those entities. It is also responsible for appraising relevant projects and work plans and on the adequacy of the resources allocated for the performance of those projects.

The Statutory Audit Board is therefore responsible for preparing an annual report on its supervisory action and issuing an opinion on the report and accounts and proposals presented by management, as well as for monitoring the effectiveness of the risk management and internal control system.

This body, in conjunction with the Board of Directors, regularly reviews and supervises the preparation and disclosure of financial information, providing all necessary support to the Company's management team and expressly undertaking the commitment that there will be no undue and untimely access by third parties to relevant information.

Moreover, the supervisory body is requested to intervene in order to issue an opinion whenever there are transactions between directors of RAMADA INVESTIMENTOS and the Company itself or between RAMADA INVESTIMENTOS and companies that are in a control or group relationship with it, in which the intervening party is a director, in accordance with Article 397 of the Companies Act.

This action by the Statutory Audit Board will be requested regardless of the importance of the transaction in question.

The External Auditor, as part of the Company's supervisory body, within the scope of the annual audit process, analyses (i) the functioning of internal control mechanisms and reports any deficiencies it identifies; (ii) verifies whether the main elements of the internal control and risk management systems implemented in the Company in relation to the process of disclosure of financial information are presented and disclosed in the annual information on Corporate Governance and (iii) issues a legal certification of the accounts and the Audit Report, in which it states whether the report disclosed on the structure and practices of corporate governance includes the elements and information referred to in Article 66-B of the Companies Act, in its current wording, or if it does not include such information, it shall ensure that such information is included in a separate report also made available to shareholders,

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complying with the provisions of Article 245-A of the Portuguese Securities Code, complying with the structure of CMVM Regulation no. 4/2013 and also including, in the information stated therein, a statement on compliance with the Corporate Governance Code of IPCG.

The Statutory Auditor monitored the development of the Company's activity in the 2021 financial year, carrying out the examinations and checks deemed necessary for the review and legal certification of the accounts, in liaison with the Statutory Audit Board. It always relied on the prompt and expeditious full cooperation of the Board of Directors to access the information requested.

In line with the above, the Statutory Auditor has also reported on its activities in the 2021 financial year. This information was included in its annual audit report, which will be approved by the Shareholders at the Annual General Meeting.

The supervisory body monitors and ensures compliance by RAMADA INVESTIMENTOS and its subsidiaries with the legislation applicable at all times in order to assess the Group's compliance levels in this regard, which has been classified as high and aligned with the interests of the Company and its Shareholders.

IV. STATUTORY AUDITOR

39. Identification of the statutory audit firm and the statutory auditor that represents it

The Statutory Auditor of the Company for the mandate corresponding to the year 2021 was Deloitte & Associados, SROC, S.A., represented by António Manuel Martins Amaral.

40. Indication of the number of consecutive years in which the statutory auditor has performed duties for the company and/or group

Deloitte & Associados, SROC, SA is responsible for the statutory audit of the Company and the Group's companies since 2021, having been elected for the current term on a proposal from the Supervisory Board, at the General Meeting of April 30, 2021.

41. Description of other services provided by the Statutory Auditor to the company

The Statutory Auditor is also the Company's external auditor as detailed in the items below.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of Article 8 and of the partner that represents it in the performance of these duties, as well as its CMVM registration number

The external auditor of the Company, appointed for the purposes of Article 8 of the Portuguese Securities Code, is Deloitte & Associados, SROC, S.A., registered under no. 20161389 with the CMVM, represented by António Manuel Martins Amaral.

43. Indication of the number of consecutive years in which the external auditor, and the statutory auditor partner representing the external auditor in the performance of its duties, have performed duties with the company and/or the group

The External Auditor was elected in 2021, as well as the partner it represents.

44. Policy and frequency of rotation of the external auditor and the statutory auditor partner representing it

With regard to the rotation of the External Auditor, the Company had not established, by the date of entry into force of the new Statutes of the Association of Statutory Auditors, approved by Law 140/2015 of 7 September, a policy of

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rotation of the External Auditor. This policy is based on a predetermined number of terms of office, taking into account, in particular, the fact that such rotation policy is not a common or usual practice and that the Company, while permanently monitoring the adequacy and fairness of the current model, has never identified situations of loss of independence or any other situations that might advise the adoption of a formal policy that would require such rotation.

The entry into force of the new Association of Statutory Auditors By-Laws, on 1 January 2016, established a new scheme for the rotation of statutory auditors applicable to companies whose shares are admitted to trading on a regulated market, as is the case of the Company. Hence, the Statutory Audit Board began a selection process in 2016 for the election of a new Statutory Auditor who, complying with all legal requirements in terms of technical skills and independence, could be elected at the Annual General Meeting. And this was materialized in the Annual General Meeting of 2017, where Ernst & Young Audit & Associados - SROC, S.A. was elected for a first three-year term. Ernst & Young Audit & Associados - SROC, S.A. was subsequently re-elected for a second annual mandate (2020), and the Annual General Meeting of 2021 resolved to elect Deloitte & Associados, SROC, S.A., for the term corresponding to the year 2021.

In this sense, the Company does not have a formal, internal policy that provides for the rotation of the External Auditor, considering it unnecessary, as it fully complies with the legal requirements in this matter.

45. Indication of the body responsible for assessing the external auditor and the frequency at which this assessment is carried out

The Statutory Audit Board, in discharging its functions, monitors the performance of the External Auditor throughout the year, and carries out an annual assessment of its independence. In addition, the Statutory Audit Board promotes, whenever necessary or appropriate in the light of developments in the Company's activity or legal or market requirements, a reflection on the suitability of the External Auditor for the level required for the performance of its duties.

46. Identification of work, other than audit work, carried out by the external auditor, as well as an indication of the internal procedures for the purpose of approving the contracting of such services and an indication of the reasons for contracting them

In 2021, the external auditor did not provide services other than audit services.

47. Indication of the amount of annual remuneration paid to the auditor and other natural or legal persons belonging to the same network and a breakdown of the percentage related to the following services:

	31.12.2021		31.12.2020	
<u>Company</u>				
Annual audit services value (€)	30,000	22.9%	10,710	14.7%
Annual accounts	30,000	22.9%	10,710	14.7%
<u>Group entities</u>				
Annual audit services value (€)	56,000	42.7%	61,905	85.3%
Annual accounts	56,000	42.7%	61,905	85.3%
Value of reliability assurance services (€)	45,000	34.4%	—	0,0%
<u>Total</u>				
Audit and statutory audit (€)	86,000	65.6%	72,615	100.0%
Other assurance services (€)	45,000	34.4%	—	—%
	<u>131,000</u>		<u>72,615</u>	

C. INTERNAL ORGANISATION**I. Articles of Association****48. Rules applicable to the amendment of the company's Articles of Association**

Amendments to the Articles of Association follow the applicable legal terms, namely the Companies Act, which require a two-thirds majority of the votes cast for the approval of this resolution.

II. Reporting irregularities (Whistleblowing)**49. Means and policy for communicating irregularities occurring in the company**

The Supervisory Board is the body to which any irregularities should be reported by any employee, partner, supplier or any other stakeholder.

RAMADA INVESTIMENTOS Group has a specific mechanism for reporting irregularities that constitute ethical or legal violations with significant impact in the fields of accounting, the fight against corruption and banking and financial crime (Whistleblowing), which safeguards the confidentiality of the information transmitted and the identity of the transmitter, whenever requested.

If the Board of Directors receives any request for clarification or expression of concern regarding the Whistleblowing system, it will immediately refer it to the Supervisory Board.

The report to the Supervisory Board of any irregularity or indication of irregularity should be made by letter in a sealed envelope mentioning its confidentiality, to the following address: Rua Manuel Pinto de Azevedo, number 818, 4100-320 Porto. Anonymous complaints will only be accepted and treated on an exceptional basis.

It should be noted that, throughout the 2021 financial year, no reports of irregularities were reported to the Company's Supervisory Board.

III. Internal control and risk management**50. Individuals, boards or committees responsible for the internal audit and/or implementation of internal control systems**

Risk management, as a cornerstone of the principles of good corporate governance, is an area considered fundamental by RAMADA INVESTIMENTOS, which promotes permanent awareness of all its employees, at the different levels of the organisation, instilling such responsibility in all decision-making processes.

Risk management is carried out with a view to creating value, with a clear identification of the situations that constitute a threat likely to affect business objectives.

Environmental management, based on sustainability criteria, and Social Responsibility play an increasingly decisive role within the organisation. Risk management is also monitored in these areas with increasing focus.

Although risk management is not a formally established department, it is ensured in the RAMADA INVESTIMENTOS Group at the level of each of the departments, which are sufficiently and deeply aware of the need to identify and quantify the risk associated with all decisions, with well-defined criteria that allow them to judge, autonomously and in each specific case, whether the risk can be taken by the management or whether the decision to take it must be made by the Board of Directors of the company in question, either RAMADA INVESTIMENTOS or any of its subsidiaries, based on materiality criteria or the Group's exposure. Accordingly, the Group's operational teams act based on clear criteria of (i) levels of risk assumption and who should make the decision to take them or not and (ii) the identification of ways to mitigate them.

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Risk management is thus ensured by all RAMADA INVESTIMENTOS departments, based on the following methodology, which includes several stages:

- Initially, internal and external risks that may materially affect the pursuit of the Group's strategic objectives are identified and prioritised;
- The operational managers of the Group's various departments identify the risk factors and events that may affect RAMADA INVESTIMENTOS' operations and activities, as well as any control processes and mechanisms;
- Additionally, the impact and likelihood of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and
- Risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Board of Directors is responsible for deciding, at all times, the level of exposure assumed by the Group in its different activities and, without prejudice to the delegation of functions and responsibilities, defining overall risk limits and ensure that risk management policies and procedures are followed.

In monitoring the risk management process, the Board of Directors, as the body responsible for RAMADA INVESTIMENTOS' strategy, has the following objectives and responsibilities:

- Know the most significant risks affecting the Group;
- Ensure the existence, within the Group, of appropriate levels of knowledge of the risks that affect operations and how to manage them;

Ensure the dissemination of the risk management strategy at all hierarchical levels;

Ensure the Group has the capacity to minimize the probability of occurrence and impact of risks on the business; and

- Ensure that the risk management process is adequate and that thorough monitoring is maintained of the risks with the greatest probability of occurrence and impact on the Group's operations;
- Ensure permanent communication with the Statutory Audit Board, making it aware of the level of risk exposure assumed and requesting, whenever necessary, the opinions of this body that it deems necessary for conscious and informed decision-making, ensuring that the risks identified and the policies defined are analysed from the multidisciplinary perspectives that guide the Group's operations.

The subsidiaries manage the risks within the established criteria and delegations.

The Statutory Audit Board continuously monitors the performance of the group in this area.

RAMADA INVESTIMENTOS has come to the conclusion that it has been able to ensure greater awareness in decision making at all levels of the organisation, based on this methodology, taking into account the inherent responsibility of each player within the company, which contributes to people feeling empowered, truly involved and with an active participation in the development of the Group's business.

RAMADA INVESTIMENTOS, as stated earlier several times in this report, continuously monitors the adequacy of its model also in this area of risk management and has concluded, to date, that it has proven to be totally adequate in view of its organisational structure.

51. Explanation of the hierarchical and/or functional dependency relationships with other company bodies or committees

The Statutory Audit Board is responsible for assessing the operation of risk management mechanisms, and it is to this body that the control procedures considered appropriate for the respective mitigation are reported. This body is

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therefore responsible for supervising the actions taken by the Company in these matters and to periodically check that the risks effectively incurred by the Company are consistent with those defined by the Board of Directors.

The External Auditor, while discharging its duties, checks the adequacy of the mechanisms and procedures in question, ensuring the reporting of its conclusions to the Statutory Audit Board.

The Board of Directors is responsible for monitoring such mechanisms and procedures.

52. Existence of other functional areas with risk control competencies

Risk management is ensured, in RAMADA INVESTIMENTOS, by all the operational departments and units, in the terms broadly described in item 51 above. The Company, as stated earlier several times in this report, continuously monitors the adequacy of its model also in this area of risk management and has concluded, to date, that it has proven to be totally adequate for the Company's organisational structure.

53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the performance of its activities

The Board of Directors considers that the Group is exposed to the normal risks arising from its activity, namely at the level of its operating units. The following financial risk factors are highlighted, which are detailed and analyzed in the Annex to the Consolidated Financial Statements:

1. Market Risk
 - 1.1. Interest rate risk
 - 1.2. Risk of variability in commodity prices
2. Liquidity risk
3. Credit risk
4. Capital risk

54. Description of the process of risk identification, evaluation, monitoring, control and management

The Board of Directors, as described in item 52, is the body responsible for defining the Group's general strategic policies, including the risk management policy. It is duly supported by the management teams of the subsidiaries, which ensure not only the permanent monitoring, but also the reporting to the Board of Directors of RAMADA INVESTIMENTOS of any situations detected, in order to ensure permanent and effective risk control.

The process in RAMADA INVESTIMENTOS of identifying and assessing, monitoring, controlling and managing risks operates as follows:

The risks the Group faces in the normal performance of its activity are identified. The impact on the financial performance and value of the Group is measured for all risks identified as material. Subsequently, a comparative study is made of the value at risk with the costs of the hedging instruments, if available, and, consequently, the evolution of the identified risks and of the hedging instruments is monitored, which more or less follows the methodology below:

Initially, internal and external risks that may materially affect the pursuit of the Group's strategic objectives are identified and prioritised;

The operational managers of the Group's various operating units identify the risk factors and events that may affect RAMADA INVESTIMENTOS' operations and activities, as well as any control processes and mechanisms;

Additionally, the impact and probability of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and

Risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

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The Company has been implementing additional risk management strategies aimed at essentially ensuring that the control systems and procedures and the policies in place allow it to meet the expectations of management bodies, shareholders and other stakeholders.

The following stand out among these strategies:

- The control systems and procedures and the policies in place are in accordance with all applicable laws and regulations and are effectively applied;
- Financial and operational information is complete, reliable, secure and reported periodically and in a timely manner;
- RAMADA INVESTIMENTOS' resources are used in an efficient and rational manner; and

Shareholder value is maximised and operational management takes the necessary measures to correct reported issues. After this entire process has been completed, the Board of Directors, in its capacity as executive body, is responsible for deciding on the matter, acting according to what it considers will, at all times, best ensure the interests of the Company and its Shareholders.

55. Main elements of the internal control and risk management systems implemented in the company with regard to the financial information disclosure process

In terms of risk control in the process of disclosing financial information, only a very limited number of RAMADA INVESTIMENTOS employees are involved in the process of disclosing financial information.

All those involved in the Company's financial analysis process are considered to have access to inside information and are formally informed about the content of their obligations as well as about the penalties resulting from the improper use of such information.

The internal rules applicable to the disclosure of financial information aim to ensure its timely disclosure and prevent asymmetric access to information by the market.

The internal control system in the areas of accounting and preparation and disclosure of financial information is based on the following key elements:

- The use of accounting principles, which are detailed throughout the notes to the financial statements, is one of the bases of the control system;
- The plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that only duly authorised transactions are recorded and that these transactions are recorded in accordance with generally accepted accounting principles;
- The financial information is analysed, on a systematic and regular basis, by the management of the operating units, ensuring permanent monitoring and the respective budgetary control;
- During the process of preparation and review of financial information, a schedule of closure of accounts is previously shared with the different areas involved, and all documents are reviewed in depth;
- In relation to the separate financial statements of the various Group companies, the administration and accounting services ensure the accounting records and the preparation of the financial statements. The financial statements are prepared by the chartered accountants and reviewed by the financial management of each subsidiary. After approval, the documents are sent to the External Auditor, who issues its Legal Certification of Accounts.
- The consolidated financial statements are prepared on a quarterly basis by the consolidation team. This process is an additional element to control the reliability of the financial information, namely by ensuring the

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consistent application of the accounting principles and cut-off procedures for operations as well as the verification of balances and transactions between Group companies;

- The consolidated financial statements are prepared under the supervision of the financial department. The documents comprising the annual report are sent for review and approval by the Board of Directors. After approval, the documents are sent to the External Auditor, who issues its Legal Certification of Accounts and the Audit Report; and
- The process of preparing the separate and consolidated financial information and the Management Report is coordinated by the Board of Directors and supervised by the Statutory Audit Board. These bodies analyse the Company's consolidated financial statements on a quarterly basis.

We highlight, with regard to the risk factors that may materially affect the accounting and financial reporting, the use of accounting estimates that are based on the best information available at the date of preparation of the financial statements as well as knowledge and experience of past and/or present events. We also highlight the balances and transactions with related parties of the RAMADA INVESTIMENTOS Group. The balances and transactions with related parties refer basically to the current operating activities of the Group companies, as well as the granting and obtaining of loans at market rates.

The Board of Directors regularly analyses and supervises the preparation and disclosure of financial information, in conjunction with the Supervisory Board, in order to prevent undue and untimely access by third parties to relevant information.

IV. Investor Support

56. Service responsible for investor support, composition, duties, information made available by this service and contact information

In compliance with the applicable legal provisions, as well as the CMVM's regulations on this matter, RAMADA INVESTIMENTOS ensures, always at first hand, the disclosure to its shareholders and to the market in general, of all the information relating to the business of group companies that falls within the concept of privileged information. Hence, RAMADA INVESTIMENTOS has been ensuring, on a permanent and timely basis, the disclosure of information to its shareholders and to the market in general, at the precise moment when it takes on the nature of privileged information.

The Company has an Investor Relations Office, which includes the Market Relations Representative and Investor Relations. Contacts in order to obtain information from investors may be made through the following channels:

Rua Manuel Pinto de Azevedo, 818 4100-320 Porto

Telephone: 22 83 47 100

E-mail: mvalente@ramadainvestimentos.pt

Ramada Investimentos provides financial information on its separate and consolidated activities, as well as on its subsidiaries through its official website (www.ramadainvestimentos.pt). This website is also used by the company to disclose press releases with an indication of any relevant facts for the company's life, which are always subject to prior disclosure on the CMVM's Information Disclosure System. This page also contains the Group's financial statements for the last financial years. Most of the information is available on the Company's website in Portuguese and English.

57. Representative for market relations

Miguel Valente is the market relations representative.

58. Information on proportions and the deadline for replying to information requests received during the year or pending from previous years.

Whenever necessary, the market relations representative ensures the provision of all relevant information in relation to significant events, facts that may be considered relevant facts, quarterly disclosure of results and replies to any requests for clarification by investors or the general public concerning financial information in the public domain. All information requested by investors is analysed and answered within a maximum period of five business days.

V. Website

59. Address (es).

Ramada Investimentos has a website with information about the Company and the Group. The address is www.ramadainvestimentos.pt.

60. Place where information on the company's name, public company status, registered office and other information referred to in Article 171 of the Portuguese Companies Act is available

[www.ramadainvestimentos.pt \ investors \ company identification](http://www.ramadainvestimentos.pt/investors/company%20identification)

61. Place where the Articles of Association and the procedural rules of the company bodies and/or committees are available

[www.ramadainvestimentos.pt \ investors \ governance](http://www.ramadainvestimentos.pt/investors/governance)

62. Place where information on the identity of members of the governing bodies, the market relations representative and the Investor Support Office, or its equivalent, their duties and means of access are available

[www.ramadainvestimentos.pt \ investors \ governance](http://www.ramadainvestimentos.pt/investors/governance)

[www.ramadainvestimentos.pt \ investors \ investor support](http://www.ramadainvestimentos.pt/investors/investor%20support)

63. Place where the financial statements are made available, which must be accessible for at least five years, as well as the half-yearly calendar of company events, disclosed at the beginning of each half year, including general meetings, disclosure of annual, half-yearly and, if applicable, quarterly accounts

[www.ramadainvestimentos.pt \ investors \ financial report](http://www.ramadainvestimentos.pt/investors/financial%20report)

[www.ramadainvestimentos.pt \ investors \ calendar of events](http://www.ramadainvestimentos.pt/investors/calendar%20of%20events)

64. Place where the notice for the General Meeting of Shareholders and all related preparatory and subsequent information are disclosed

[www.ramadainvestimentos.pt \ investors \ general meetings](http://www.ramadainvestimentos.pt/investors/general%20meetings)

65. Place where the records of all the decisions made at Company General Meetings, the share capital represented and the voting results for the 3 previous years are available

[www.ramadainvestimentos.pt \ investors \ general meetings](http://www.ramadainvestimentos.pt/investors/general%20meetings)

D. REMUNERATION REPORT

The Board of Directors presents below a clear and understandable report that provides a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the last financial year to each member of the management and supervisory bodies, in accordance with the remuneration policy referred to in Article 26-A of the Portuguese Securities Code, including newly appointed and former members.

The information contained in this report complies with all applicable legal requirements, namely, but not limited to, Article 26-G of the Portuguese Securities Code.

The processing by the Company of the personal data included in this remuneration report aims to increase its level of transparency regarding the remuneration of the respective members of the management and supervisory bodies, in order to strengthen the level of accountability of the latter and the ability of shareholders to supervise the remuneration of the members of the Company's management and supervisory bodies.

This remuneration report is submitted for consideration at the annual general meeting following the financial year to which it relates and explains how the assessment made at the previous general meeting was taken into account.

After the general meeting, the remuneration report is published on www.ramadainvestimentos.pt and remains available for at least 10 years.

I. Decision-making powers

66. Indication of the powers for determining the remuneration of the governing bodies

The Remuneration Committee is responsible for approving the remuneration of the members of the Board of Directors and other governing bodies representing the shareholders, in accordance with the remuneration policy statement approved by the shareholders at the Shareholders' General Meeting.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including the identification of individuals or companies contracted to provide support and a declaration on the independence of each member and consultant

Currently, Ramada Investimentos has a Remuneration Committee elected at a general shareholder meeting for a three-year term of office, starting in 2020 and ends in 2022, which is composed as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member

All members of the Remuneration Committee are independent from the members of the Board of Directors and from any other group of interest.

It should be noted in relation to the identification of natural or legal persons hired to provide support to this Committee, that the powers include autonomy to outsource service providers, at the Company's expense and in compliance with reasonable criteria in this regard. Those service providers may be hired to independently carry out evaluations, studies and the preparation of reports that may assist the committee in the full and complete performance of its function, as further explained in item 68 below.

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This committee shall be supported by benchmarking studies on remuneration policy, ensuring that the Governing Bodies' Remuneration and Compensation Policy Statement is in line with the best practices in use in companies of equal importance and size.

In 2021, this committee did not consider it necessary to hire any persons or entities to support its decision-making.

68. Knowledge and experience of the members of the remuneration committee with regard to the remuneration policy

The experience and professional qualifications of the members of the Remuneration Committee are reflected in the curricula vitae available on the Company's website at www.ramadainvestimentos.pt, "Investors" tab, "General Meetings/2020/Appendices: Curricula vitae" section, which were made available as a result of the respective election at the 2020 Annual General Meeting and which remain there according to applicable legislation.

RAMADA INVESTIMENTOS considers that the experience and professional career of the members of the Remuneration Committee are fully adequate for the discharge of their duties, allowing them to discharge said duties with the required thoroughness and efficiency. João da Silva Natária should be highlighted, without prejudice to the qualifications of the other members, due to his high level of experience and specific knowledge in the evaluation and remuneration policy field.

Moreover, and in addition to what has already been mentioned in item 67 above, the committee uses specialised, internal or external resources, whenever necessary, to support its decisions.

In these situations, the Remuneration Committee freely decides that RAMADA INVESTIMENTOS will hire the consultancy services deemed necessary or convenient, taking care to ensure that the services are provided independently and that the respective providers are not hired to provide any other services to RAMADA INVESTIMENTOS or its subsidiaries, without the specific consent of the Remuneration Committee.

III. Remunerations structure

69. Description of the remuneration policy for the management and supervisory bodies referred to in Article 26-A of the Portuguese Securities Code

As established in Article 26-B of the Portuguese Companies Code, a statement on the remuneration policy of the management and supervisory bodies is submitted to the Shareholders' General Meeting for approval.

The remuneration and compensation policy of Ramada Investimentos' governing bodies, approved at the Shareholders' General Meeting of 30 April, 2021, complies with the following principles:

PRINCIPLES OF THE REMUNERATION POLICY OF THE CORPORATE BODIES OF RAMADA INVESTIMENTOS

The Remuneration Policy of the Governing Bodies of RAMADA INVESTIMENTOS is based on the assumption that competence, dedication, availability and performance are the determining elements of a good performance, and that only with a good performance is it possible to ensure the necessary alignment with the employees interests of the company and its shareholders.

In view of the interest, culture and long-term strategy of the Company, the Remuneration Policy of the Governing Bodies of RAMADA INVESTIMENTOS aims to, as established in article 26-C(1) of the CVM, "*contribute to the company's corporate strategy, its long-term interests and its sustainability*":

- Attract and retain the best professionals for the functions to be performed, providing the necessary conditions of stability in the exercise of the functions;
- Reward performance, by means of an adequate remuneration to the mechanisms for defending the interests of Shareholders, discouraging excessive risk taking, by providing mechanisms for deferring variable remuneration;

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- Reward the focus on continuous improvement, productivity and the creation of long-term value for shareholders;
- Reward the environmental sustainability and energy efficiency of relevant activities of the Company.

The Policy is based on criteria aimed at the sustainability of the Company, is aligned with comparable benchmarking and, complying with legal requirements, is based on the following vectors:

Responsibility inherent to the functions performed

The functions performed and the responsibilities assumed by each member are, necessarily, taken into account in the definition of remuneration. Not all members are in the same position, which imposes a carefully case-by-case definition. In assessing the level of responsibility, the time of dedication, the requirement imposed by the areas under their supervision and the functions performed in the subsidiaries must be taken into account.

Company's economic situation

The definition of remuneration must be compatible with the size and economic capacity of the Company, while ensuring adequate and fair remuneration.

Market standards

The observance of market rules, through a comparative exercise ("benchmark"), is essential to pay adequately and competitively, taking into account the practice of the reference market (nationally and internationally), the activity developed and the results obtained.

Alignment of management interests with the strategic objectives of the Company

The definition of compensation should be based on performance evaluation criteria and objectives of financial and non-financial nature, aligned with the Company's business strategy and that ensure the effective long-term sustainability of the Company.

ESG Commitment

The objectives associated with setting remuneration should be linked to the Company's performance on environmental, social and corporate governance (ESG) indicators, reflecting the Company's commitment to sustainable development, particularly in the area of environmental sustainability, as well as ongoing compliance with the Company's values and ethical principles, which are a cornerstone of the way it structures itself and relates to all stakeholders.

Conditions of employment and remuneration of employees

The defined remuneration must take into consideration the employment and remuneration conditions of the Company's employees, which is achieved through a benchmarking exercise with the reference market (at national and international level), with reference to equivalent functions, in order to ensure internal equity and a high competitive level.

RAMADA INVESTIMENTOS Remuneration Committee believes that these principles are in line with the legislative and recommendatory framework in force, and also reflect the Company's vision on this matter.

BOARD OF DIRECTORS

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RAMADA INVESTIMENTOS Remuneration Committee, in line with the Company's organizational model and the principles described above, has taken the following measures into consideration:

- i. strengthening the need to maintain a process of objective setting and performance evaluation;
- ii. ensuring consistency between quantitative and qualitative objectives;
- iii. ensuring that the quantitative objectives of the Executive Directors are aligned with the quantitative objectives of the Company's senior management;
- iv. the total fixed remuneration of the Board of Directors, including the remuneration paid by subsidiaries to members of the Board of Directors, may not exceed EUR 750,000 per year.

1) Non-Executive Directors

The remuneration of the non-executive members of the Board of Directors corresponds to a fixed monthly fee, the amount of which is determined by the Remuneration Committee, having an exclusively fixed nature.

The individual remuneration of any non-executive director may not exceed EUR 70,000/year, and is exclusively fixed.

2) Executive Directors

The remuneration of the Executive Directors of RAMADA INVESTIMENTOS comprises two components:

- a) Fixed component, amount paid monthly.
- b) Variable component, which includes a medium-term variable premium.

The variable component is intended to more closely align the interests of executive directors with those of shareholders and will be calculated covering the entire term of a term, corresponding to the period between 2020 and 2022, based on:

- Total shareholder return (appreciation of the share plus dividend distributed)
- Sum of net income for the 3 years (2020 to 2022)
- Performance of the Group's business

The total value of the medium-term component may not exceed 50% of the fixed remuneration earned during the 3-year period.

The variable component (short and medium term) is determined according to the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (of a financial and non-financial nature) and qualitative objectives;

Quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years;

Individual quantitative objectives should reflect the Company's financial performance, namely its growth and the return generated for shareholders. Financial indicators should take into account the strategic objectives of the company, in particular the evolution of the company's turnover and results and the financial and capital strength of the company;

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Individual qualitative objectives should reflect the achievement of environmental, social and corporate governance indicators;

The individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to RAMADA INVESTIMENTOS Remuneration Committee.

In view of the different business areas covered by the Company, it is considered appropriate that the payment of the fixed and/or variable component of the remuneration of executive directors may be divided between the Company and subsidiary companies whose management bodies comprise them, in accordance with the terms to be defined by the RAMADA INVESTIMENTOS Remuneration Committee.

Thus, and based on the measures listed above, it is RAMADA INVESTIMENTOS Remuneration Committee's understanding that the remuneration of executive directors (and also of non-executive directors) is adequate and, as established in Article 26-C(1) of the CVM, "*contributes to the company's business strategy, to its long-term interests and to its sustainability*".

SUPERVISORY BOARD

The remuneration of the members of the Statutory Audit Board shall be based on fixed annual amounts, at levels considered adequate for similar functions.

GENERAL MEETING

The remuneration of the board of the General Meeting shall be fixed only and shall follow market practices.

STATUTORY AUDITOR

The Statutory Auditor will have a fixed remuneration appropriate to the performance of its duties and in accordance with market practice, under the supervision of the Statutory Audit Board.

NUMBER OF SHARES AND OPTIONS GRANTED

No form of remuneration is in force or foreseen in which there is a place for the attribution of shares or options, or any other system of incentives in shares or options.

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE OR UNDER THEIR RESPECTIVE MANDATES AND RESTITUTION OF VARIABLE REMUNERATION

In the event of early termination of the term of office of the members of the Board of Directors, generally, there are no additional compensatory conditions to those legally established, except in the case of the existence of a management contract, which, on this matter, I may contemplate particular conditions.

There are no mechanisms in the Company that provide for the possibility of requesting the refund, from administrators, of variable remuneration, thus complying with the provisions of Article 26-G(2)(f) of the Portuguese Securities Code.

In 2021, no compensation was paid to former members of the Board of Directors, or members of the other governing bodies, for terminating their duties.

SCOPE OF PRINCIPLES

The principles of the remuneration and compensation policies set out in this statement cover not only the remuneration paid by RAMADA INVEST, but also the remuneration paid to the members of its Board of Directors by companies it directly or indirectly controls.

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During the year of 2021, no director or member of the other corporate bodies received remuneration from companies directly or indirectly controlled by RAMADA INVESTIMENTOS.

70. Information on how remuneration is structured in such a way as to align the interests of the members of the Board of Directors with the long-term interests of the company, as well as on how it is based on performance evaluation and how it discourages excessive risk-taking

The remuneration policy for executive directors aims to ensure an adequate and thorough return on the performance and contribution of each director to the success of the organisation, aligning the interests of executive directors with those of shareholders and the Company. In addition, the remuneration policy provides for a medium-term variable component, indexed to the Company's performance, aimed at aligning the interests of executive directors more closely with those of shareholders and with the long-term interests of the Company.

The proposals for the remuneration of executive directors are drawn up taking into account: (i) the functions discharged in RAMADA INVESTIMENTOS and in the different subsidiaries; (ii) the responsibility and added value for individual performance; (iii) the knowledge and experience accumulated in discharging the function; (iv) the economic situation of the Company; (v) the remuneration earned in companies of the same sector and other companies listed on Euronext Lisbon.

In relation to the latter component, the Remuneration Committee takes into account, within the limits of the accessible information, all national companies of equivalent size, namely listed on Euronext Lisbon, and also companies in other international markets with characteristics equivalent to those of RAMADA INVESTIMENTOS.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the directors, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

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Annual Variation	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020
Remuneration of Executive Directors					
João Manuel Matos Borges de Oliveira	—%	—%	—%	—%	—%
Paulo Jorge dos Santos Fernandes	—%	—%	—%	—%	—%
Domingos José Vieira de Matos	—%	—%	—%	—%	—%
Pedro Miguel Matos Borges de Oliveira	—%	—%	—%	—%	—%
Remuneration of Non-Executive Directors					
Ana Rebelo de Carvalho Menéres de Mendonça	—%	—%	—%	—%	—%
Laurentina da Silva Martins	N/A	N/A	N/A	N/A	N/A
Company Performance					
EBITDA	16.44%	8.65%	(17.37)%	(16.73)%	70.91%
Revenues (1)	15.20%	63.14%	(11.13)%	(10.19)%	40.28%
Net Profit	307.16%	22.94%	(88.34)%	(14.04)%	115.90%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	2.84%	0.14%	1.59%	1.19%	5.15%

71. Reference to the existence of a variable component of the remuneration and information on the possible impact of the performance assessment on this component

In the Shareholders' General Meeting of 30 April 2021, the remuneration policy was approved as detailed in item 69 above, which provides for a variable component.

There are no mechanisms that prevent executive directors from concluding contracts that undermine the basis of the variable remuneration. However, the Remuneration Committee takes these factors into account in the criteria for determining the variable remuneration.

The Company has not entered into any contracts with members of the Board of Directors that have the effect of mitigating the risk associated with the variability of remuneration, nor is it aware that there are identical contracts entered into with third parties.

72. Deferred payment of the variable component of remuneration, mentioning the deferral period

The information on the deferment of the payment of the variable component of remuneration, mentioning the deferment period, is detailed in item 69 of this Report.

73. Criteria for attribution of the variable remuneration in shares

There is no provision for the award of variable remuneration in which shares or other share-based incentive systems are awarded, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

74. Criteria for attribution of the variable remuneration in options

There is no provision for the award of variable remuneration in which options or other option-based incentive system are awarded, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

75. Main parameters and grounds for any annual bonus scheme and other non-cash benefits

Ramada Investimentos does not have any annual bonus scheme or non-financial benefits other than variable remuneration, as described above.

76. Main characteristics of the supplementary pension or early retirement schemes for the directors and date of their individual approval at the general meeting

Ramada Investimentos does not have a supplementary pension or early retirement schemes for members of the management and supervisory bodies and other directors.

IV. Remunerations Disclosure

77. Indication, on an aggregated and individual basis, of the annual amount of the remuneration received by the members of the company's management bodies, including fixed and variable remuneration and with reference to the different components giving rise to the variable remuneration

In compliance with the provisions of Article 26-G(2)(a) of the Portuguese Securities Code, it is hereby clarified that the remuneration earned by the members of the Board of Directors were fully paid by the subsidiaries of the Group where they perform management duties, and there are no directors directly remunerated by Ramada Investimentos, with the exception of Laurentina Martins, who is remunerated directly by Ramada Investimentos and who received 28,000 Euros, which relates only to fixed remuneration.

78. Any amounts paid by controlled or group companies or those under shared control

In compliance with Article 26-G(2)(d) of the Portuguese Securities Code, it is hereby clarified that the remuneration earned by the members of the Board of Directors of Ramada Investimentos during the year 2021, in the performance of their duties, include only fixed remunerations, paid exclusively by the subsidiary F. Ramada II, Imobiliária, S.A. and amounted to 523,500 Euros, distributed as follows: João Borges de Oliveira - 123,000 Euros; Paulo Fernandes - 123,000 Euros; Domingos Matos - 109,000 Euros; Pedro Borges de Oliveira - 109,000 Euros; Ana Mendonça - 59,500 Euros.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for granting such bonuses and/or profit-sharing

No remuneration was paid as profit sharing or in the form of bonuses during the financial year.

80. Payments made or owed to former executive directors as a result of Loss of Office during the financial year

No amounts were paid or owed during the financial year in respect of compensation to directors whose functions have terminated.

81. Indication, on an aggregated and individual basis, of the annual amount of the remuneration received by the members of the Company's supervisory bodies

The remuneration of the members of the Statutory Audit Board is composed of a fixed annual amount based on Ramada Investimentos' situation and current market practices. The remuneration of the members of the Statutory

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Audit Board amounted to EUR 28,620 in the year ended 31 December 2020, distributed as follows: Pedro Pessanha – EUR 12,000; António Pinho – EUR 8,310; Ana Paula Pinho – EUR 8,310.

The remuneration earned by the Statutory Auditor is described in item 47 above.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the Supervisory Board, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

Annual Variation	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020
Remuneration of Supervisory Board Members					
Pedro Nuno Fernandes de Sá Pessanha da Costa	—%	20%	—%	—%	—%
António Luís Isidro de Pinho	N/A	N/A	—%	—%	—%
Ana Paula dos Santos Silva e Pinho	N/A	N/A	N/A	N/A	N/A
Guilherme Paulo Aires da Mota Correia Monteiro	N/A	N/A	—%	N/A	N/A
André Seabra Ferreira Pinto	N/A	N/A	N/A	N/A	N/A
José Guilherme Barros Silva	N/A	N/A	N/A	N/A	N/A
Company Performance					
EBITDA	16.44%	8.65%	(17.37)%	(16.73)%	70.91%
Revenues (1)	15.20%	63.14%	(11.13)%	(10.19)%	40.28%
Net Profit	307.16%	22.94%	(88.34)%	(14.04)%	115.90%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	2.84%	0.14%	1.59%	1.19%	5.15%

82. Indication of the remuneration of the chairman of the general meeting of shareholders in the year under review

The remuneration of the Chairman of the Board of the Shareholders' General Meeting for the year ended 31 December 2021 amounted to EUR 3,500 and the remuneration of the Secretary of the Board amounted to EUR 1,500.

V. Agreements with remuneration implications

83. Contractual restrictions on compensation payable for unfair removal of a director and its relationship with the variable component of the remuneration

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The remuneration policy maintains the principle of not including the payment of compensation to directors, or members of other governing bodies, associated with the early termination of their duties or at the end of their respective terms of office, without prejudice to compliance by the Company with the legal provisions in force in this area.

84. Reference to the existence and description, with an indication of the amounts involved, of agreements between the company and the members of the board of directors and managers, under article 29-R(1) of the Portuguese Securities Code, which provide for compensation in the event of resignation, unfair dismissal or termination of the employment relationship, following a change in the control of the company

There are no agreements between the Company and the members of the management bodies or other managers of RAMADA INVESTIMENTOS, within the meaning of Article 29-R(1) of the Portuguese Securities' Code, that envisage the payment of compensation in the event of a request for resignation, dismissal without just cause or severance of the employment contract in the wake of a change of control of the Company. Neither are there are agreements with the directors to ensure any compensation in the event of non-renewal of the term of office.

VI. Share or stock option award plans

85. Identification of the plan and those it applies to

RAMADA INVESTIMENTOS does not have any share or stock option award plan for the members of its governing bodies or its employees, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

86. Description of the plan

RAMADA INVESTIMENTOS does not have any share or stock option award plan.

87. Stock option rights attributed to company employees

There are no stock option plans to the benefit of the company employees and staff, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

88. Control mechanisms included in any employee share scheme where the voting rights are not exercised directly by the employees

Not applicable as explained above.

E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the company for the purpose of controlling transactions with related parties

Transactions with related parties, if any, and when they are materially relevant, comply with all legal requirements, namely obtaining a prior favourable opinion from the Company's supervisory body.

The Company's supervisory body has access to the terms of the potential transaction to be carried out, with a rigorous level of detail, and may also request any clarifications and additional information it deems appropriate or necessary.

Its opinion is, of course, binding.

On the other hand, the Company's actions in all areas, and especially in this area, are guided by criteria of rigour and transparency.

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The Company approved, by resolution of the Board of Directors on November 24, 2020, after a prior opinion of the Fiscal Council on November 18, 2020, the Regulation on Transactions with Related Parties and Conflicts of Interest, which is available at Company website (http://www.ramadainvestimentos.pt/pt/investidores/governance/governance_1.html).

It should also be noted that the Company provides the Statutory Audit Board, at least quarterly, with all the information it may request, and that no transaction that could jeopardise the rigour and transparency of the Company's operations has ever been executed without having followed the procedure for requesting a prior opinion from the Statutory Audit Board.

90. Indication of the transactions subject to control in the year under review

No significant business or operations were carried out between the Company and members of its governing bodies (management and supervisory), holders of qualifying holdings or companies in a control or group relationship, except for those which, being part of the current activity, were carried out under normal market conditions for operations of the same type.

There were no deals or transactions with members of the Statutory Audit Board.

Transactions with companies in a control or group relationship are not relevant, were carried out under normal market conditions and are part of the Company's current activity, and are therefore not subject to separate disclosure.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of conducting a prior assessment of the transactions to be concluded between the company and holders of qualified holding or entities with whom they are in a relationship

Transactions with directors of RAMADA INVESTIMENTOS or with companies that are in a group or control relationship with the one in which the party thereto is a director, regardless of the amount, are subject to the prior consent of the Board of Directors with the favourable opinion of the supervisory body, pursuant to Article 397 of the Companies Act.

Transactions with related parties, when they exist, and when they assume a material relevance, comply with all legal requirements, namely, obtaining a prior favorable opinion from the Company's Supervisory Body.

In 2021 the Statutory Audit Board was not required to issue any opinion as there were no transactions that could be subject to the assessment of that body.

II. Elements related to business

92. Indication of the place where the information on the accounting documents of related party business relationships is available

Information on business between related parties can be found in note 35 of the Notes to the Consolidated Accounts and note 24 of the Notes to the separate accounts of the Company.

PART II – ASSESSMENT OF CORPORATE GOVERNANCE**1. Identification of the corporate governance code adopted**

This corporate governance report presents a description of the corporate governance structure in force at RAMADA INVESTIMENTOS, as well the policies and practices whose adoption under this model is necessary and appropriate to ensure governance in line with the best practices in this area.

The assessment performed complies with the legal requirements of Article 29-H of the Portuguese Securities Code and also discloses, in light of the comply or explain principle, the degree of compliance with the IPCG Recommendations included in the Corporate Governance Code of IPCG, as this is the Corporate Governance Code adopted by the Company.

The information obligations required by Law 50/2020 of 25 August, as well as by Article 447 of the Portuguese Companies Act, by CMVM Regulation no. 5/2008 of 2 October 2008 and by the Regulation (EU) no. 596/2014, of the European Parliament and of the Council of 16 April, are fully complied with.

All the legal provisions mentioned in this Report and the Recommendations contained in the IPCG Corporate Governance Code, can be consulted at www.cmvm.pt and https://cam.cgov.pt/images/ficheiros/2020/revisao_codigo_pt_2018_ebook-05.11.2020.pdf, respectively.

This Report shall be read as an integral part of the Annual Management Report and Separate and Consolidated Financial Statements for the 2021 financial year, as well as with the Sustainability Report that complies with the provisions of Article 66(B) of the Companies Act, as amended by Decree-Law 89/2017 of 28 July.

2. Analysis of compliance with the Corporate Governance Code adopted

RAMADA INVESTIMENTOS has been encouraging and promoting all actions aimed at the adoption of the best Corporate Governance practices, basing its policy of high ethical standards of social and environmental responsibility and with decisions increasingly based on sustainability criteria.

RAMADA INVESTIMENTOS' Board of Directors is committed to the integrated and effective management of the Group. The Group's performance, by encouraging transparency in relations with investors and the market, has been guided by the constant search for the creation of value and the promotion of the legitimate interests of shareholders, the Company's employees and other stakeholders.

For the purposes of compliance with the provisions of Article 29-H(1)(m) of the Portuguese Securities Code, the following are the Recommendations contained in the Corporate Governance Code of IPCG which the Company proposes to comply with.

Recommendations	Compliance	Remarks
Chapter I · GENERAL PROVISIONS		
General Principle Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.		
I.1. Company's relationship with investors and disclosure		
Principle: Companies and, in particular, their administrators must treat shareholders and other investors fairly, ensuring in particular mechanisms and procedures for the adequate treatment and disclosure of information		
Recommendation		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general	Adopted	Part 1, item 21, 22, 38, 59 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
Principles:		
<i>I.2.A Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders</i>		
<i>I.2.B Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions</i>		
<i>I.2.C The companies ensure that the functioning of their bodies and commissions is duly recorded, namely in minutes, which make it possible to know not only the meaning of the decisions taken, but also their reasons and the opinions expressed by their members.</i>		
Recommendations		
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition	Adopted	Part 1, item 16, 19, 26, 33 and 36
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	Part 1, item 22, 27, 29, 34 and 61
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Adopted	Part 1, item 23 and 35
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted	Part 1, item 38 and 49
I.3. Relationships between the company bodies		

Principle: <i>Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.</i>		
Recommendations:		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information	Adopted	Part 1, item 18, 38 and 61
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the	Adopted	Part 1, item 18, 23, 28 and 38
I.4. Conflicts of interest		
Principle: <i>The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.</i>		
Recommendations:		
I.4.1. The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	Part 1, item 49
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Adopted	Part 1, item 49
I.5. Related party transactions		
Principle: <i>Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.</i>		
Recommendations:		
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	Part 1, item 89
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Adopted	Part 1, item 89
Chapter II · SHAREHOLDERS AND GENERAL MEETINGS		
Principles:		

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<i>II.A As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for</i>		
<i>II.B The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees, and for reflection about the company itself.</i>		
<i>II.C The company should implement adequate means for the participation and remote voting by shareholders in meetings.</i>		
Recommendations:		
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Adopted	Part 1, item 12
II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Adopted	Part 1, item 14
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Partially adopted	Part 1, item 12 clarification on recommendations partially adopted below
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	Partially adopted	Part 1, item 12 clarification on recommendations partially adopted below
II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	Recommendation not applicable	Clarification on recommendations not applicable below
II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body	Adopted	Part 1, item 4 and 84
Chapter III · NON - EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION		
Principles:		
<i>III.A The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance</i>		
<i>III.B The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.</i>		
<i>III.C. The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.</i>		
Recommendations:		

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<p>III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.</p>	<p>Not adopted</p>	<p>Clarification on recommendations not adopted below</p>
<p>III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.</p>	<p>Adopted</p>	<p>Part 1, item 18</p>
<p>III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.</p>	<p>Not adopted</p>	<p>Clarification on recommendations not adopted below</p>
<p>III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:</p> <ul style="list-style-type: none"> i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non- consecutive basis; ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or 	<p>Not adopted</p>	<p>Clarification on recommendations not adopted below</p>
<p>III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).</p>	<p>Recommendation not applicable</p>	<p>Clarification on recommendations not applicable below</p>

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<p>III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.</p>	<p>Adopted</p>	<p>Part 1, item 15 and 38</p>
<p>III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.</p>	<p>Adopted</p>	<p>Part 1, item 27 and 29</p>
<p>Chapter IV · EXECUTIVE MANAGEMENT</p>		
<p><u>Principles:</u></p>		
<p>IV.A As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development</p>		
<p>V.B In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread</p>		
<p>Recommendations:</p>		
<p>IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group</p>	<p>Recommendation not applicable</p>	<p>Clarification on recommendations not applicable below</p>
<p>IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.</p>	<p>Adopted</p>	<p>Part 1, item 21 and 28</p>
<p>IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.</p>	<p>Adopted</p>	<p>Part 1, item 21, 50 and 54</p>
<p>Chapter V · EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT</p>		
<p>V.1 Annual evaluation of performance</p>		
<p><u>Principle:</u></p>		
<p><i>The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees</i></p>		
<p>Recommendation:</p>		
<p>V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees</p>	<p>Adopted</p>	<p>Clarification on recommendations adopted below</p>
<p>V.2 Remuneration</p>		

<i>Principles:</i>		
<p>V.2.A The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the</p>		
<p>V.2.B Directors should receive compensation:</p> <p>i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company;</p> <p>ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and</p> <p>iii) that rewards performance.</p>		
Recommendations		
<p>V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.</p>	Adopted	Part 1, item 66, 67 and 68
<p>V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.</p>	Adopted	Part 1, item 66, 67 and 68
<p>V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.</p>	Recommendation not applicable	Clarification on recommendations not applicable below
<p>V.2.4 In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been</p>	Adopted	Part 1, item 24
<p>V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties</p>	Adopted	Part 1, item 67
<p>V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.</p>	Adopted	Part 1, item 67
<p>V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.</p>	Adopted	Part 1, item 69 to 76
<p>V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation</p>	Not adopted	Clarification on recommendations not applicable below

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V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Recommendation not applicable	Clarification on recommendations not applicable below
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value	Adopted	Clarification on recommendations adopted below
V.3 Appointments		
<i>Principle:</i>		
<i>Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.</i>		
Recommendations:		
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out	Adopted	Part 1, item 16, 19, 22, 29, 31 and 33
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Recommendation not applicable	Clarification on recommendations not applicable below
V.3.3. This nomination committee includes a majority of non-executive, independent members.	Recommendation not applicable	Clarification on recommendations not applicable below
V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Recommendation not applicable	Clarification on recommendations not applicable below
Chapter VI · INTERNAL CONTROL		
<i>Principle:</i>		
<i>Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's</i>		
Recommendations:		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking	Adopted	Part 1, item 21, 51 to 54
VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body	Adopted	Part 1, item 51

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VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be	Adopted	Part 1, item 27, 29, 38 and 50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	Adopted	Part 1, item 37, 38 and 50
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities	Adopted	Part 1, item 37, 38 and 50
VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment	Adopted	Part 1, item 50 to 55
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined	Adopted	Part 1, item 38 and 50 to 55
Chapter VII · FINANCIAL INFORMATION		
VII.1 Financial information		
<i>Princípios:</i>		
VII.A. <i>The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit</i>		
VII.B. <i>The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts</i>		
Recommendation:		
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form		
VII.2 Statutory audit of accounts and supervision		
<i>Principle:</i>		
<i>The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.</i>		
Recommendations:		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Adopted	Part 1, item 34, 37, 38 and 42 to 47

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VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	Part 1, item 37 and 38
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	Part 1, item 37 and 38

- **Recommendation II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means**

As mentioned in item 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by mail (postal voting).

The Company has not implemented the necessary mechanisms for the implementation of electronic voting because (i) this method has never been requested by any shareholder, and (ii) it considers that such a circumstance is not any constraint or restriction on the exercise of voting rights by shareholders, which the Company promotes and encourages.

RAMADA INVESTIMENTOS has been encouraging the physical attendance of its shareholders, directly or through representatives, in its general meetings. This is because it considers such general meetings as excellent occasions for contact between its shareholders and the management team, taking advantage of the presence of the members of the other governing bodies, namely the Statutory Audit Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This approach has proved fruitful within the Company.

- **Recommendation II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.**

As mentioned in item 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by mail (postal voting).

The Company has not implemented the necessary mechanisms for holding the Shareholders' General Meeting by telematic means because (i) this method has never been requested by any shareholder, and (ii) the costs of implementing a telematic solution are very high, and (iii) because it considers that such a circumstance is not any constraint or restriction on the exercise of voting rights by shareholders, which the Company promotes and encourages.

Referring to and reinforcing that stated in the previous item, RAMADA INVESTIMENTOS has been encouraging the physical attendance of its shareholders, directly or through representatives, in its general meetings. This is because it considers such general meetings as excellent occasions for contact between its shareholders and the management team, taking advantage of the presence of the members of the other governing bodies, namely the Statutory Audit Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This approach has proved fruitful within the Company.

It is deemed, in this way, that all the necessary and appropriate means to ensure attendance in the General Meeting are already in place.

- **Recommendation II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will**

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be subject to a shareholder resolution – without increased quorum in comparison to the legally established – and in that resolution, all votes cast will be counted without observation of the imposed limits

The Company's Articles of Association do not provide for any limitation on the number of votes that may be held or exercised by any single shareholder, individually or in conjunction with other shareholders.

- **Recommendation III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator (lead independent director), from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.**

RAMADA INVESTIMENTOS considers that the designation of a Lead Independent Director only for the purpose of compliance with a merely formal criterion would not add relevant value, given the size and structure of the Company, namely taking into account the concentration of the respective capital structure and the total number of directors that make up the Board, which is only 6, and also taking into account the performance of the current Chairman of the Board, proven to be perfectly suitable and aligned with the interests of the Company and its shareholders

- **Recommendation III.3. In any case, the number of non-executive directors must be superior to that of executive directors**

Taking into account the personal profile, the trajectory and the professional experience of the members that integrate the Board of Directors of RAMADA INVESTIMENTOS, it is considered that the number of non-executive directors, in relation to the total number of members that make up the body, proves to be adequate and balanced in view of the nature and dimension of the Company. In this sense, RAMADA INVESTIMENTOS considers that two non-executive directors is adequate and sufficient to guarantee an effective follow-up, as well as a supervision and inspection, to the activity carried out by the executives, especially considering that the Society has developed mechanisms to allow non-executive directors to make decisions independent and informed as further detailed in point 18 of this Report.

- **Recommendation III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:**
 - i. **having carried out functions in any of the company's bodies for more than 12 years, either on a consecutive or non- consecutive basis;**
 - ii. **having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;**
 - iii. **having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;**
 - iv. **having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;**

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- v. **having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or**
- vi. **having been a qualified holder or representative of a shareholder of qualifying holding**

The Board of Directors does not include one third of members who complies with the independence criteria, notwithstanding this circumstance, the Company has developed mechanisms to allow the non-executive directors to make independent and informed decisions, such as:

- Prior and timely notification to all members of the Board of Directors of meetings of that body, including the agenda, even if provisional, of the meeting, accompanied by other relevant information and documentation;
- Availability of executive directors to provide non-executive directors with all additional information deemed relevant or necessary, as well as for carrying out further studies and analyses in relation to all matters that are the subject of deliberation or that are in any way under consideration in the Company;
- Availability of the minutes books, records, documents and other information on operations carried out in the Company or its subsidiaries, for examination, as well as the availability and promotion of a direct channel for obtaining information from the directors and operations and financial managers of the various companies in the group, without requiring any intervention by executive directors in this process.

The Company weighed and reflected on this circumstance considering, on the one hand, the corporate model adopted and, on the other hand, the composition and operation of its governing bodies as a whole, (namely the Board of Directors as a collegiate body, the Supervisory Board and the Statutory Auditor, with their inherent independence) having concluded that the possible appointment, for merely formal reasons, of independent directors would not bring significant benefits to the performance of the Company, or to (possible) better functioning of the adopted model, considering that both this one and the other one have proven to be positive, relevant, adequate and efficient.

It should be added that the management report includes, in the chapter “Activities carried out by non- executive members of the Board of Directors”, a description of the activity carried out by non-executive directors during the 2021 financial year.

- **Recommendation III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company’s bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).**

The Company does not have any director in the circumstances described.

- **Recommendation IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.**

RAMADA INVESTIMENTOS, based on its organisational structure and given the small size of the Board of Directors, which is composed of six members, considers that it does not need to formally appoint an Executive Committee from among the Board of Directors.

However, as mentioned in item 28 of this Report, 4 of the 6 members of the Board of Directors perform executive duties – more practical or operational – and it therefore considers that the necessary conditions are in place so that decisions on strategic matters are made, just as they are, by the Board of Directors as a collective body composed of all its members, executive and non-executive, in the normal discharge of their duties. Besides this ensures that such decisions are made in a clear and informed manner, fully focused on the creation of value for shareholders.

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- **Recommendation V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees**

The assessment of the performance of the Board of Directors is submitted to the Shareholders' General Meeting in accordance with the law. It shall also assess compliance with the Company's strategic plan and budget, its risk management, internal operation and its relations with the other governing bodies. The Board of Directors does not choose a time to formally carry out this self-assessment in a documented manner, but this self-assessment is carried out regularly, in a body that meets at least once per quarter, and that carries out such close and regular monitoring of the company's activity, which reflects the fairness and adequacy of the performance of the body.

In addition, and as provided for in the Companies Act (Article 376), the Shareholders' General Meeting conducts an annual general appraisal of the management of the Company.

- **Recommendation V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report**

The approved remuneration policy does not establish any scheme of retirement benefits or payment of compensation.

- **V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation**

The Company's Remuneration Committee has not defined a variable remuneration whose payment has been deferred.

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- **Recommendation V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years**

The variable component of the Company's remuneration does not include the allocation of options or other instruments directly or indirectly dependent on the value of the shares.

- **Recommendation V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value**

The remuneration policy approved by the General Meeting following a proposal from the Remuneration Committee establishes that the individual remuneration of any non-executive director is exclusively fixed in nature.

- **Recommendation V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

- **Recommendation V.3.3. This nomination committee includes a majority of non-executive, independent members**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

- **Recommendation V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

3. Further information

In line with what has been said, RAMADA INVESTIMENTOS would like to point out that the number of recommendations adopted and contained in the IPCG Corporate Governance Code is very significant, which is materialized in a diligent and cautious management, absolutely focused on creating value for the Company and, consequently, for the shareholders.



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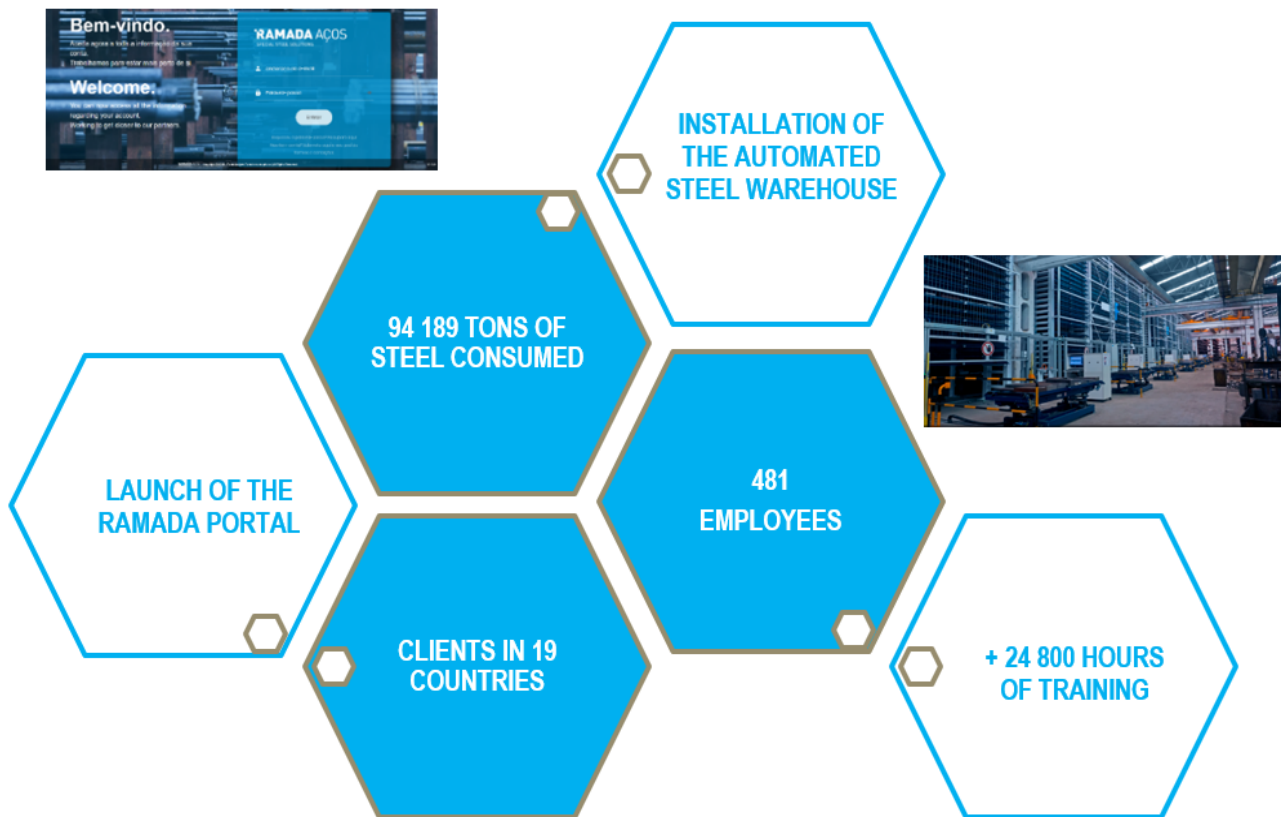
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RAMADA IN 2021



STATEMENT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Paris Agreement was signed in 2015, after the majority of world nations recognised the need to proceed to the decarbonisation of their respective economies and commit to act to stop global warming. This global movement represented a paradigm change in the way countries are now aware of the seriousness of this issue and are committed to new ways of responding to the challenges of Climate Change.

If this agreement can refresh, on one hand, society's hope on fighting climate change challenges, on the other hand, it points to the necessity of a profound and urgent decarbonisation of the global economy.

It can be read, in the Roadmap towards Carbon Neutrality approved by the Council of Ministers, that: "reaching carbon neutrality by 2050 implies, aligned with strengthening carbon sequestration capacity by forests and other land usage, the total decarbonisation of the electroproducer system and urban mobility, as well as profound changes in the way we use energy and resources, investing in an economy sustained by renewable resources, resources' usage in a more efficient way and is based on circular economy models, valuing the territory and promoting territorial cohesion."

The companies, as a fundamental part in societies' development, must assume direct responsibility reaching this purpose. They should, therefore, guide their decisions based on the concerns of Human, environmental, societal rights and transparent and healthy governments - they truly must develop their strategy at short, medium and long term, grounded in sustainability criteria.

At Ramada Group, we are perfectly aware of our responsibility on the matters of fighting climate change and we believe that sustainability is not an option for companies or for individuals. Sustainability is the way forward.

We hope this report can reflect a realistic picture of the commitments we assume and of the positive impact we strive to have, every day, on the people and local communities where we develop our activity, contributing towards the global ambition that moves us all – ensuring the sustainability of our Planet.

João Borges de Oliveira

ABOUT THE REPORT

Scope, Period and Reporting Structure

Ramada Investimentos e Indústria, S.A. publishes its first Sustainability Report, regarding its performance during the period between January 1, 2021 and December 31, 2021, predicting its continuation on an annual basis.

The Report includes consolidated information from Ramada Investimentos e Indústria, S.A. (Ramada Aços, S.A. | Universal Afir, S.A. | Planfuro Global, S.A. | F. Ramada II – Imobiliária, S.A. | Socitrel – Sociedade Industrial de Trefilaria, S.A.). Whenever possible and relevant, information was presented relative to the previous year, in order to provide an overview of the evolution of its sustainability performance.

Ramada Investimentos e Indústria, S.A. carried out the materiality matrix to identify the most relevant topics and the most relevant issues on which it intends to concentrate its activities.

Global Reporting Initiative

The Report was prepared in accordance with the GRI Standards, in the option 'core' (see GRI Table).

Whenever possible and relevant, information regarding the previous year was presented in order to provide an overview of the evolution of its performance in terms of sustainability.

Taxonomy

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a regime for the promotion of sustainable investment and amending Regulation (EU) 2019/2088 sets out the criteria for determining whether an economic activity is qualified as environmentally sustainable, with a view to establishing the degree to which an investment is environmentally sustainable. The regulation applies to Ramada, as a company subject to the obligation to publish a non-financial statement under the terms of Directive 2013/34/EU of the European Parliament and of the Council and Decree-Law No. 89/2017.

In this context, an initial analysis concluded that the main activities developed by Ramada will not be eligible according to the delegated act on the objectives of mitigation and adaptation to climate change, but Ramada will continue to monitor the topic and its developments and in 2022, a more in-depth analysis will be carried out, with a view to analyzing the eligibility and alignment of turnover, capital expenditures (CapEx) or operating expenses (OpEx).

Contacts

For any clarification related to this Report or to the sustainability performance of Ramada Investimentos e Indústria, S.A., please contact us through the e-mail: sustentabilidade@ramadainvestimentos.pt.

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

History & Business Areas

Established in 2008 as a result of a corporate reorganisation project, Ramada Investimentos e Indústria, S.A. assumes the position of holding company of a business group that started, more than 85 years ago, its activity in the saw and tools sector. Today we transform and commercialise thousands of tons of steel per year, having clients in 19 countries and taking on a leading position in the steel retail and associated services.

From steel to forestry assets management, including wire drawing, the Ramada Group has grown in size and currently has two business segments:

INDUSTRY SEGMENT		REAL ESTATE SEGMENT
STEEL	WIRE DRAWING	FOREST ASSETS

The Industry Segment includes the special steel and wire drawing activities, as well as the activities related to the management of financial investments in which the Group is a minority shareholder. It comprises Ramada Aços, S.A., Universal Afir, S.A., Planfuro Global, S.A., Socitrel S.A. and the holding company. The Real Estate segment is dedicated to the management of real estate assets and is developed by the company F. Ramada II - Imobiliária, S.A..



- The Steel business is mainly carried out in the mold steel sub-segment (as well as in the construction of machinery and its components and tool production) with a solid prominent position in the domestic market.



Ramada Aços, S.A., a company with more than eight decades of history that began by producing and distributing tools for wood, but soon began the distribution of special steels and the production of drawn and laminated steels, providing, since then, a wide range of products, services and applications. Ramada Aços is the market leader and recognized for its high know-how, prestige, and credibility in its areas of activity.

Location: Ovar | Braga | Águeda | Marinha Grande | Palmela



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Sustainability Report

Universal Afir, S.A., which has been operating for over forty years, supplies high-speed steel, steel for tools, mould steel, and special materials, as well as a series of related services. It has a strong prestige in the market in where it operates and is also an undeniable reference for *know-how* and quality.

Location: Porto and Marinha Grande



Planfuro Global, S.A., was acquired in 2016 and specialises in providing services to the mould industry, focusing its activity on machining and manufacturing structures for moulds. It develops activity from the Vieira de Leiria unit, standing out as a leading company in the sector.

Location: Vieira de Leiria

WIRE DRAWING



Wire drawing's activity is based on the manufacture and sale of steel wires for application in the most diverse areas of activity, namely industry, agriculture and civil construction.



Socitrel – Sociedade Industrial de Trefilaria, S.A., was acquired in 2017 and manufactures and sells steel wires for application in industry, agriculture, and civil construction. Socitrel is the only company producing zinc-plated wire in Portugal and one of the most modern in Europe. The company is of eminently exportable nature and has been operating from its factory in São Romão do Coronado, in Trofa, for over fifty years.

Location: S. Romão do Coronado

FOREST ASSETS



Area that concentrates the Group's real estate activity, mainly through the acquisition and leasing of forestry assets.

F. RAMADA
F. RAMADA, II IMOBILIÁRIA, S.A.

F. Ramada II – Imobiliária, S.A., established in 2004 to concentrate the Group's real estate activity, mainly through the acquisition and lease of forestry assets, being the owner of forest land currently leased to the pulp production industry.

Location: Ovar

OUR LOCATIONS



MISSION, VISION AND VALUES



Mission

To be the market leader in the products and services we provide. To exceed our customer's expectations, being the market's reference for the quality and competitiveness of our solutions. To strengthen our clients' business, maximising our results and establishing lasting and responsible relationships with our partners.



Vision

To maintain leadership in the Steel, Drawn and Heat Treatment market based on our values and increasingly reaching a consolidated position, with improved and more diversified services available to the market.

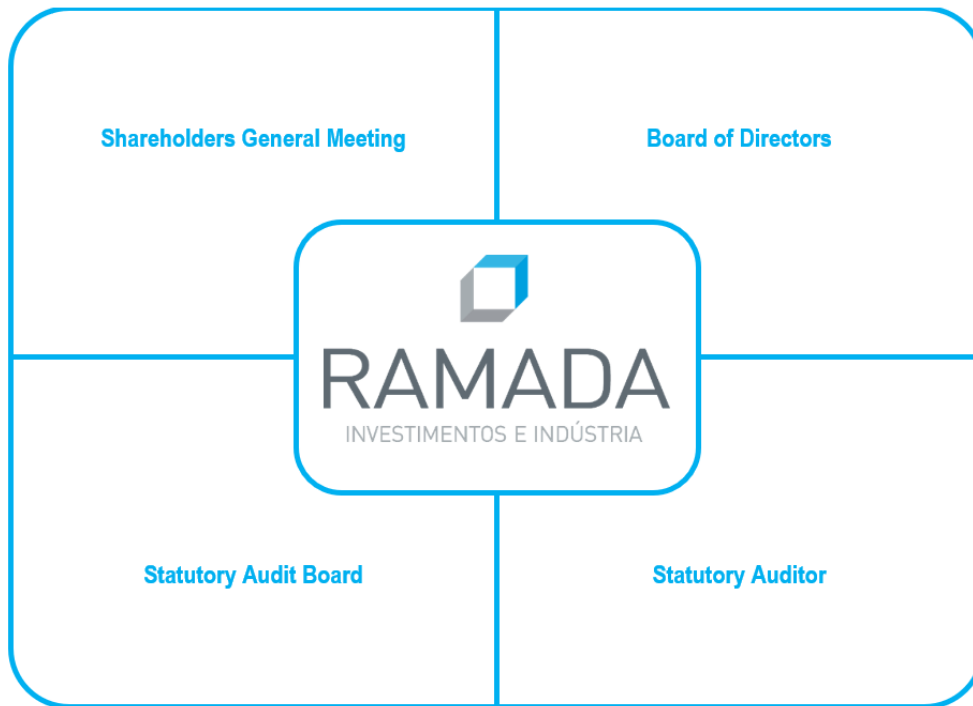
Values

<p>Competitiveness <i>Permanent challenge and solutions</i></p> <p>Our performance is guided by the constant search for resource savings and customer response time.</p>	<p>Trust <i>Truth and Ethics</i></p> <p>The energy that drives and motivates our work is the trust our customers place in us.</p>	<p>Experience <i>80 years of work</i></p> <p>We strengthen our knowledge by combining years of experience with permanent learning and training</p>
<p>Quality <i>Perseverance and Customer Satisfaction</i></p> <p>We provide technical, human and material assurance while searching for the best and most adjusted solutions.</p>	<p>Competence <i>The rigor and effectiveness</i></p> <p>We work to eliminate errors and develop solutions tailored to the needs of each of our customers.</p>	<p>Leadership <i>To lead is to lead the way</i></p> <p>We are a team oriented to do more and better every day. We seek to earn the trust of each client.</p>
<p>Innovation <i>Investigation and development</i></p> <p>Projects and their permanent investment are the driving forces for the creation of new processes, services and products.</p>	<p>Environment <i>Sustainable development</i></p> <p>Commitment to protecting the environment, preventing pollution and complying with legal requirements. Adoption of eco-sustainable practices in order to optimise and rationalise natural and energy resources, as well as proper management of the waste produced.</p>	<p>Safety <i>Safe and healthy workplace</i></p> <p>Commitment to eliminating hazards and reducing professional risks, with the intent of preventing injuries and health conditions. Compliance with legal and other requirements. Promotion of a proactive safety and health culture. Investment in training, information, participation and consultation of employees.</p>

GOVERNANCE, ETHICS, COMPLIANCE AND RISK MANAGEMENT

Governance Model

Ramada Investimentos e Indústria, S.A. has a governance structure composed by the following bodies:

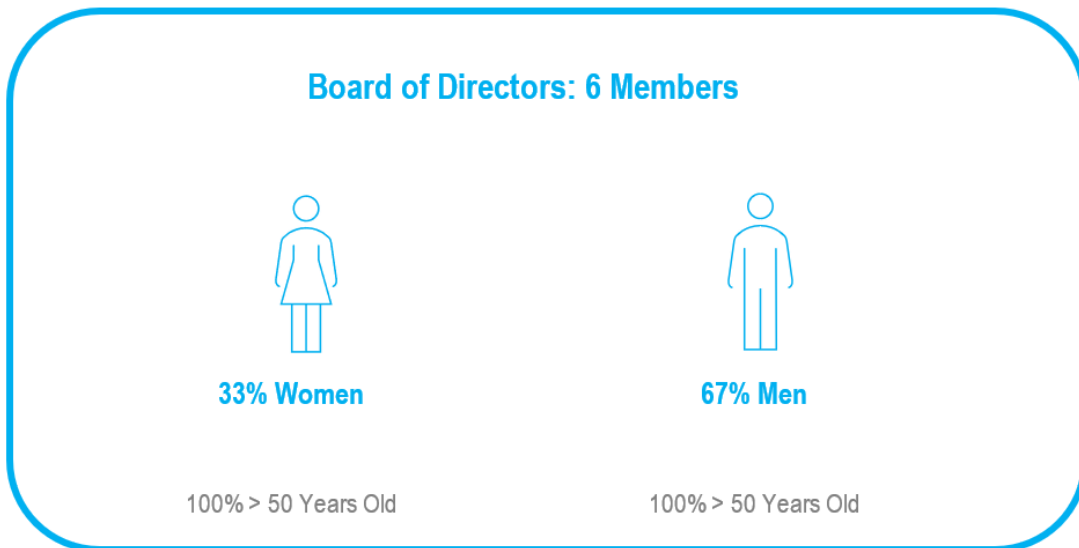


And by the following commission:



The Board of Directors is currently made up of six members, four men and two women, elected by the Shareholders General Meeting. In addition to ensuring permanent contact with the Statutory Audit Board and the Statutory Auditor, the Board of Directors is committed to an integrated management model, based on the creation of multidisciplinary teams within the various departments and operational areas. By streamlining communication channels, the Group encourages the design and execution of new projects, the identification of associated risks and the definition of a possible mitigation strategy, embodying a transversal perspective of value creation.

Given the organisational structure and the size and complexity of the Company, the Board of Directors established a single specialised commission: the Remuneration Committee, the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other corporate bodies.



Ethics

Ethics occupies a central position in the Group's governance, guiding the interaction between the various companies and between them and their *stakeholders*. The Code of Ethics and Conduct, implemented by the Board of Directives, defines these common values, applicable to all employees and, with the necessary adaptations, to partners. Strict compliance with the law and other external and internal regulations; integrity and transparency in decision-making; cooperation and professionalism in the relationship with partners and the community; loyalty; rigor and good faith in conducting business; and duty of confidentiality, are just some of these common values. On this matter, any doubt, request for clarification or communication of irregularities must be addressed to the Statutory Audit Board. Furthermore, the Group has a *whistleblowing system* to ensure the appropriate means for reporting and dealing with breaches of an ethical or legal nature impacting on areas of accounting, the fight against corruption and banking and financial crime.

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Complaints regarding irregularities related to the provisions of the Code of Ethics and Conduct

The Code of Ethics and Conduct is also the regulatory instrument in terms of:

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Relations with Employees	Relations with Authorities, Institutions and Local Communities	Shareholder Relations	Partner Relations
<ul style="list-style-type: none"> • Human Rights: rejection of discrimination and any differential treatment based on race, gender, ethnic or social origin, sexual orientation, political or trade union association or religious conviction; • Gifts, Bribery and Corruption: demanding transparent, corruption- and bribery-free behaviour from employees and partners; • Conflicts of Interest: intervening impossibility during decision-making processes in which there is an economic or personal interest; 	<ul style="list-style-type: none"> • Fair Competition, as a basis for business development and innovation • Promotion of the socio-economic development of the communities in which it operates; • Availability and cooperation with Public Authorities, Institutions and Local Communities 	<ul style="list-style-type: none"> • Value creation, through excellence in professional performance, good resource management, social responsibility and sustainable development; 	<ul style="list-style-type: none"> • Compliance with contractual obligations assumed, through good commercial and ethical practices;

100%
employees receive the Code of Ethics and Conduct when hired

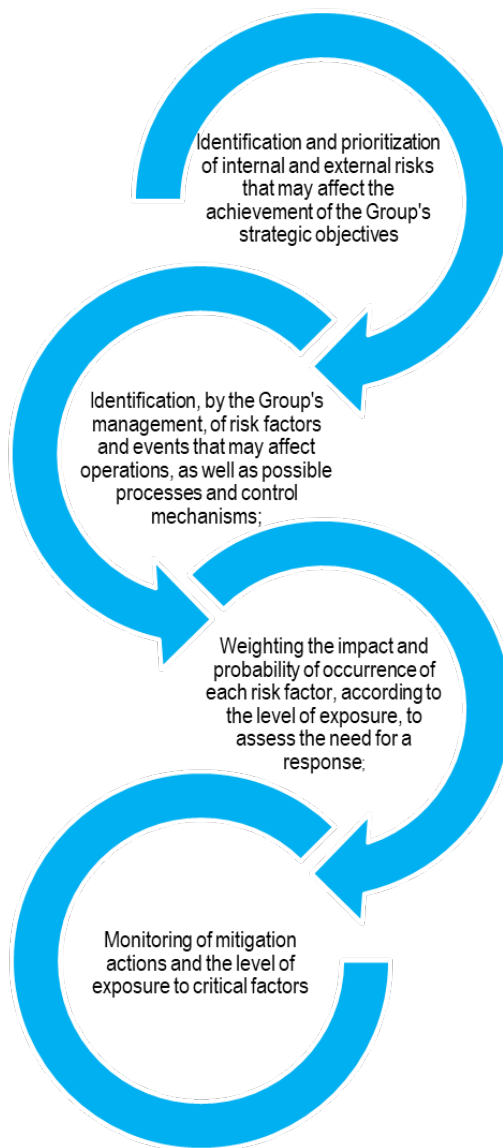
Ramada Investimentos e Indústria, S.A. also counts with the Code of Good Conduct for the Prevention and Combat of Harassment, which aims to actively contribute to the prevention, identification, combat and elimination of all behaviours that may constitute harassment at work. This Code of Good Conduct applies to all the Group employees, and its structure covers: Principles and Values; Definition of Harassment; Behaviours that constitute harassment; Behaviours that do not constitute harassment; and Procedures to follow in the event of an allegation of harassment.

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harassment complaints

Compliance and Risk Management

Ramada Investimentos e Indústria, S.A. monitors and ensures compliance with the law, its values and other internal regulations, granting the Legal & Compliance area responsibility to monitor corporate governance policy, in order to comply with the best practices in this field, and, simultaneously, ensure the preparation and/or analysis of contracts that maximize security and reduce legal risks and potential costs, as well as manage the aspects related to intellectual and industrial property used by the Group, such as trademarks and patents, logos, domains and copyrights, and to exercise the functions of corporate secretariat in a permanent monitoring of legal compliance, supporting the Administration Council in the implementation of its strategies.

In this context, risk management also plays a fundamental role, allowing the identification of threats to the strategic business objectives. The execution is assured in accordance with a well-defined methodology:



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As the body responsible for the Group's strategy, the Board of Directors defines the exposure level to be granted in the various activities, ensuring compliance with the policies and procedures inherent to risk management, having the responsibility for:

- Having knowledge of the most significant risks that affect the Group;
- Ensuring the existence of appropriate levels of knowledge of the risks that affect operations within the Group, and the way to manage them;
- Ensuring the dissemination of the risk management strategy to all hierarchical levels;
- Ensuring the Group's ability to minimize the probability of occurrence and the impact of risks on the business;
- Ensuring that the risk management process is adequate and that the risks with the greatest probability of occurrence and impact on the Group's operations are rigorously monitored;
- Ensuring permanent communication with the Statutory Audit Board, informing it of the level of risk exposure assumed and requesting, whenever necessary, the opinions of this body that it deems necessary to make conscious and informed decisions, ensuring that the risks identified and the defined policies are analysed from the multidisciplinary perspectives that guide the group's performance.

Therefore, market risks are evaluated [interest rate and commodities' price variability], credit, liquidity and capital risks, along with environmental and social risks. At the same time, Ramada Investimentos e Indústria, S.A. promotes permanent awareness of risk management in each decision-making process alongside its employees.

In terms of **fighting corruption and bribery**, ethical behavior is also an essential assumption that the Group applies to its employees and suppliers. Although the risks of corruption are underlying any economic activity, based on a historical analysis no notorious risk associated with this issue has been identified, and there are no known situations of corruption and bribery in the companies that comprise the Ramada Group.

In parallel, and given the important challenges that organisations currently face in terms of information security, Ramada Group has implemented four policies, which aim to strengthen its internal mechanisms in this matter:

Backup Policy

A formal data backup and restore policy with support procedures helps ensure the security and protection of IT systems and all supporting assets.

Business Continuity and Incident Management Policy

Describes the management processes and lifecycle of security incidents, as well as the responsible parties and stakeholders of the lifecycle. The policy also describes the type of incident handling, according to its categorisation and determines the principles and procedures of Incident Management, Security Incident Management and Recovery and Disaster Plans.

Access Control Policies

Access control aims to respect the following information security principles: 1. Access to information will be controlled and guided by business requirements. Access will be granted or changed to users according to their role, only up to a level that allows them to fulfill their functions. 2. A formal registration and cancellation procedure will be maintained for access to all information systems and services. This includes mandatory authentication methods based on the confidentiality of the information accessed, which will include consideration of various factors, as appropriate. 3. Specific controls will be implemented for users with privileged access, to reduce the risk of negligent or deliberate use of the systems. Segregation of duties will be implemented, whenever possible.

Password Management Policy

The policy addresses: creating new users, complexity of user passwords, changing passwords, failed login attempts, reviewing user access rights at regular intervals, and exceptions.

COMMITMENTS AND CERTIFICATIONS

The Ramada Group integrates several entities and associations, with a view to continuous technical and business development.

Associations

AEP – Portuguese Business Association
AIDA - Industrial Association of the District of Aveiro
AIMMAP - Association of Metallurgical, Metal Mechanical and Allied Industries of Portugal
APGEI - Portuguese Association of Industrial Management and Engineering
APQ - Portuguese Association for Quality
Pool-Net- Portuguese Tooling & Plastics Network Association
ATP – Portuguese Wire Drawing Association
ESIS/ATA – European Stress Information Service / Asociación de Trefiladores del Acero
Cefamol - Portuguese Association for the Moulds Industry
GS1 Portugal CODIPOR - Portuguese Product Identification and Coding Association
Porto Business School - University of Porto
SPM - Portuguese Materials Society

To support management focused on excellence and differentiation of products and services, the Group has worked continuously to obtain certifications that demonstrate its commitment and know-how in the areas of quality, environment, safety and occupational health and the product:

Ramada Aços

ISO 9001:2015 (1st certification in 1998)
ISO 14001:2015 (1st certification in 2020)

Universal Afir

ISO 9001:2015

Socitrel

NP EN ISO 9001:2015 1st certification in 1995
NP EN ISO 14001:2015 1st certification in 2010
ISO 45001:2018 1st certification in 2012
BS EN ISO 9001: 2015 1st certification in 2012

Steel Wire for Pre-Strain

CERTIF – 1st certification in 1990

AENOR – 1st certification in 2013

CARES – 1st certification in 2012

ASQPE – 1st certification in 2012

Steel Cord for Prestressing

CERTIF – 1st certification in 2009

AENOR – 1st Certification in 2011

CARES – 1st Certification in 2012

ASQPE – 1st certification in 2012









NORDCERT – 1st certification in 2012

STAKEHOLDERS

Identification and Engagement

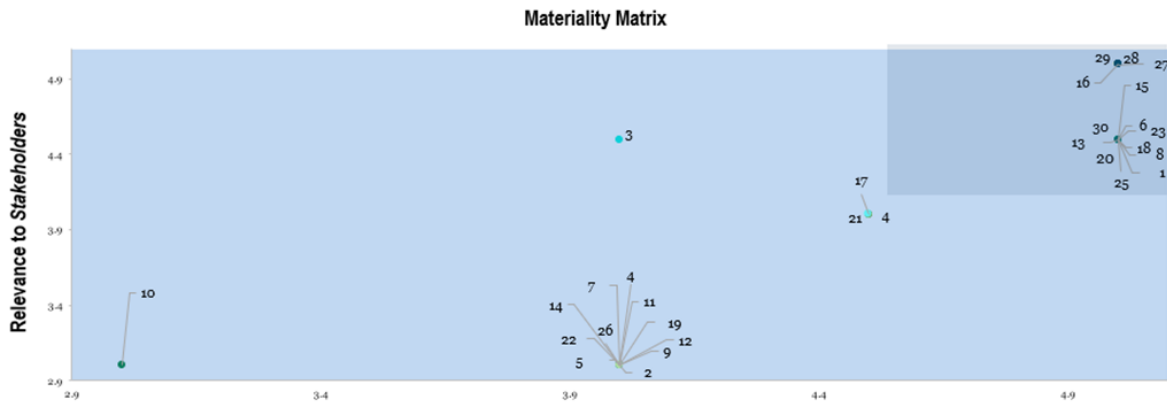
Aware that engagement with stakeholders is essential to the success of the organisation, Ramada Group identified its most relevant internal and external stakeholders, mapping the different engagement actions in a non-exhaustive way: websites, social networks, email, newsletter, intranet, portals for clients and suppliers, surveys, training, press releases, meetings and an investor support office:

Key stakeholder groups

 <p>Shareholders</p>	 <p>Employees</p>	 <p>Clients</p>
 <p>Suppliers</p>	 <p>Official Authorities</p>	 <p>Universities, Knowledge Centres and Innovation</p>
 <p>Local Community</p>	 <p>Other Communities</p>	 <p>Non-governmental Organisations</p>

MATERIALITY

The materiality matrix presented below results from the crossing of the previously identified topics based on benchmarking analysis to several peers, as well as on sector's documentation of reference, and the importance given to the topics by Ramada Group.



- 1- Ethical Management
- 4- Internal Audit
- 7- Corporate Responsibility Strategy
- 10- Sustainable Finance / Green Finance
- 13- Society
- 16- Energy
- 19- Life Cycle Assessment
- 22- Sustainable Services and Products
- 25- Supply Chain

- 2- Covid-19 Pandemic
- 5- Prevention of Corruption / Tax Evasion
- 8- Compliance and Risk Management
- 11- Reporting & Ratings
- 14- Stakeholder Management
- 17- Environmental Protection
- 20- Water
- 23- Research, Technology and Innovation
- 26- Purchases

- 3- Corporate Governance
- 6- Training / Continuous Development
- 9- Decent Working Conditions
- 12- Public Funding
- 15- Climate Action / Emissions
- 18- Waste Management
- 21- Raw Materials
- 24- Processes and Products
- 27- Human Resources

- Material Topics**
- Ethics
 - Risk Management
 - Compliance
 - Responsible Supply Chain
 - Reduction of Emissions
 - Energy, Consumption and Renewable Solutions
 - Waste
 - Water
 - Employees
 - Wellness, Health and Safety
 - Equal Opportunity and Diversity
 - Training
 - Human Rights
 - Society
 - Technological Innovation

SDGs

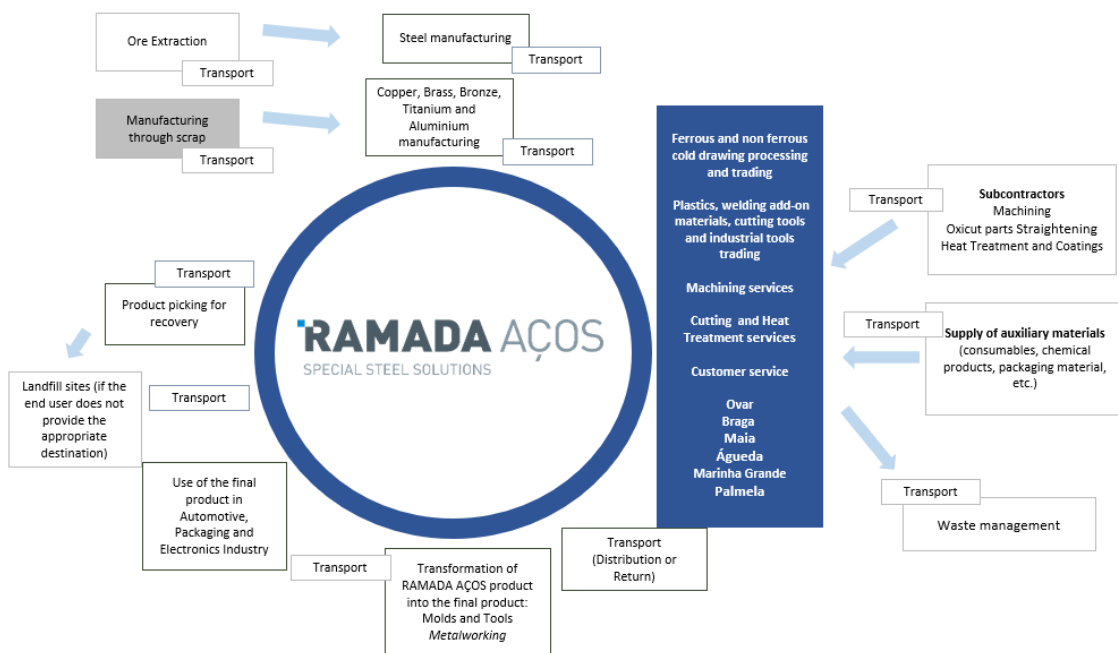


By addressing material topics, Ramada Group seeks to contribute to the fulfillment of the UN's 2030 Agenda, having identified 7 Sustainable Development Goals as priorities.

SHAPING INDUSTRY

With over 80 years of history, Ramada Group found an opportunity to differentiate itself in a global market through the commercialisation and transformation of steel. The group consolidated the business and expanded its activity, nevertheless, continues to innovate in the solutions and share opportunities found with the industry, making it stronger and more competitive.

With the motto “Shaping Industry”, the Group assumes a leadership position that is today widely recognised due to its deep technical and business knowledge.



Products and Services Life Cycle | RAMADA AÇOS S.A.

Research, Development & Innovation

Integrating an increasingly competitive global market, often requires anticipating the needs and designing more efficient and effective technical and procedural solutions. For Ramada Group, with clients from all over the world, belonging to the most diverse sectors, investing in research and development towards innovation is a business imperative, which generates value through differentiation in the market. An ambition that continued throughout 2021 with the development of several projects:

PROJECT HIGHLIGHT

This is a co-promoted project led by the company ITJ, with the participation of Ramada Steel and the non-business entities of the Research and Innovation System CENTIMFE and the University of Coimbra, to respond to a high global competition, in which products are increasingly complex and life cycles increasingly shorter, putting pressure on the selling price of the mould.

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The research focuses on a new application of additive processes to create new cooling systems based on the constructive theory and on the creation of new tool-steels with new chemical and structural compositions, compatible with the possibility of achieving an ultra-high gloss polymer. The Highlight will, thus, contribute to improve the mould performance through the use of new tool-steel compositions, unavailable on the market, reducing:

- 60% of the polishing time of high-gloss moulding surfaces for plastic parts;
- The number of tests for mould approval for parts with high-gloss surfaces;
- Steel wear and tear resulting from the injection of parts;
- 30% the number of hours for the production of moulding elements, using the new material connection technique.



PROJECT DRIVOLUTION

A project aimed at surface hardening by laser-induced microstructural modifications and plasma-induced diffusion.



ENERGY EFFICIENCY IN CARBURIZING TREATMENT

The study results from the need for energy recovery from the exhaust gases from the SIB and KOS carburizing furnaces. After the analysis of the potential for the use of exhaust gases, currently in progress are the design tasks of heat recovery systems for sanitary water, the methanol vaporisation system, and the heating of TT. In this context, the project of the gas exhaust system will also be carried out.



STUDIES | MASTER THESIS

Ramada Group participates in several studies, carried out within the scope of master's theses, contributing to the advancement of technology in the sector:

- Study of Heat Treatment of a Martensitic Stainless Steel for Moulds

This work aimed to study the effect of austenitizing and tempering temperature, as well as cryogenic cooling on the microstructure and properties of Tyrax ESR steel.

- Analysis of the level of inclusions in steels used in the mould industry

Conducted at the Department of Material Sciences of Universidade Nova de Lisboa, the study analysed samples of steel commercialised by the company Ramada Aços, S.A., especially required in the mouldmaking industry, in order to classify them in terms of non-metallic inclusions. In the mould industry, it is essential that the steels used in the design have certain characteristics for an effective result. The level of cleanliness of steel is a fundamental parameter in determining the quality of steel and is essentially associated with the number of non-metallic inclusions present in it. These foreign bodies, present in the steel matrix, can damage the mechanical properties of the mould and its surface finish, making its classification a priority.

- Mould steels: influence of their characteristics on the degree of polishing and chemical texturing

Carried out at the Department of Metallurgical and Materials Engineering of the Faculty of Engineering of the University of Porto, the study was based on the proposal presented by the company Ramada Aços, S.A., aiming to improve the response of steel selection for its clients in the mould industry area for the production of plastics according to finishing specifications. Through this work, it will be possible to perceive the influence of the properties and characteristics of steels for the plastic injection in the polishing and texturing processes.

 DIGITALISATION



Client Portal | Ramada Aços

Allows the client to track the order online and in real-time, request additional information, download all associated documents (invoices, delivery notes, or quality certificates), consult the current account and check all invoices and payments. The portal also contains a document repository, allowing the client to share their purchase conditions or information about opening hours.

Internal Portal | We are Ramada

Designed to ensure uniform and transversal information throughout the organisation, the Internal Portal allows consulting the planning and production status, dispatch to the client and all related documentation, functioning as a communication, requisition, and workflow tool for the most common tasks between the different departments and their employees.



Installation of Automatic Steel Warehouse

Launched in 2021, this project made it possible to store and make available 80% of the 3D parts that existed in the Ovar warehouse spread across several ships, to cutting operators. 60% of the space was freed up, allowing, on the one hand, the reorganisation of the saws and the composition of cells cut around the eight stations (Load Stations), 2 for each ship (ship E to G) and, on the other hand, increase the space available for the logistics operation. Additionally, it was possible to increase the productivity of the cutting team, making the work simpler, less heavy, and with less risk of accidents. This increase in productivity will make it possible to absorb more orders at peak times, without affecting delivery times.

ORGANISATIONAL INNOVATION

Kaizen

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2021 marked the start of the Kaizen project, which has two fundamental objectives: *leadtime* reduction for clients, and error reduction and productivity increase for the team. The project began in three key areas:

- Commercial: improvement in the response to quotes and orders; automation of processes by RPAs, Daily Kaizen of the Internal Team;
- Production: development of the production sequencer RAMProd for automatic production leveling, real-time collection of the status of orders, and input of information to different areas about the load and estimated delivery time;
- Logistics: speed up collection time for all non-production items and dispatch of all products, reduce truck loading time and reduce load failure errors.

A methodology intended to improve client service, raise the market standard, impacting sales and results.

OUR ECONOMIC COMMITMENT

Sustained Growth

Ramada Group is currently a national reference, whose business base, steel, dates back to 1935. Since then, the Group has innovated, expanded the range of products and services, industrial units, and conquered market share, diversifying the business portfolio and assuming a leadership position.

Driven by solid and sustained growth, the Group has found two important factors for its continued success: client relations and responsible supplier management.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2021
DIRECT ECONOMIC VALUE GENERATED (€)	144,909,738
Revenue (1)	144,909,738
DISTRIBUTED ECONOMIC VALUE (€)	138,723,939
Operating Costs (2)	107,399,767
Employee Salaries and Benefits (3)	13,834,119
Payments to Investors (4)	15,384,875
Payments (Receipts) to the State (5)	2,084,740
Donations and other Community Investments (6)	20,438
ACCUMULATED ECONOMIC VALUE (€)	6,185,799

(1) Sales + Services + Other Income (excluding intra-group transactions)

(2) Cost of sales + Provision of external services + Other expenses (excluding intra-group transactions)

(3) Personnel costs (excluding intra-group transactions)

(4) Dividends distributed by Ramada Investimentos

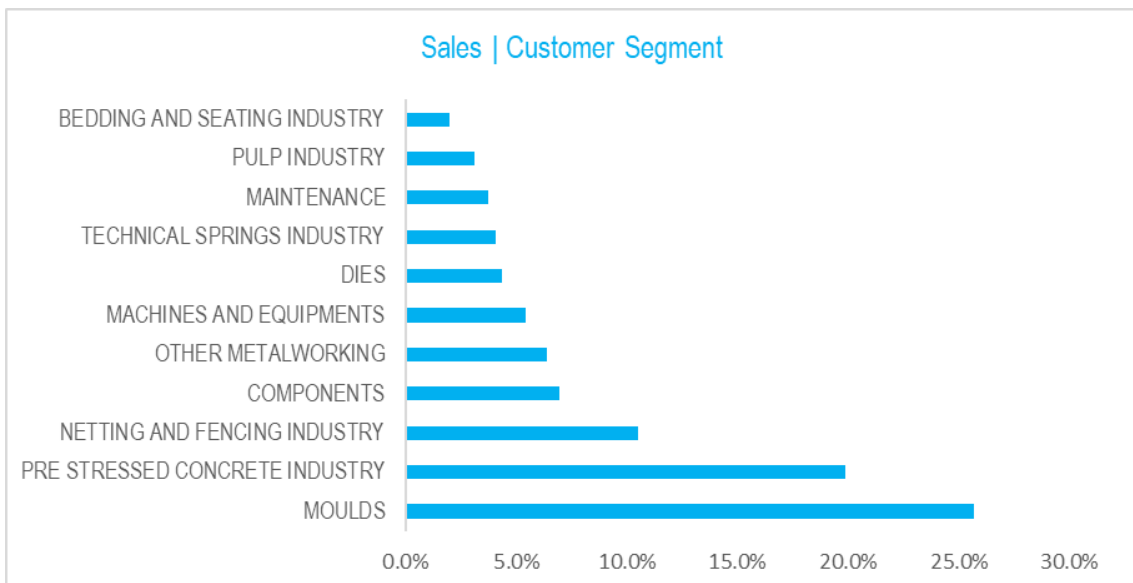
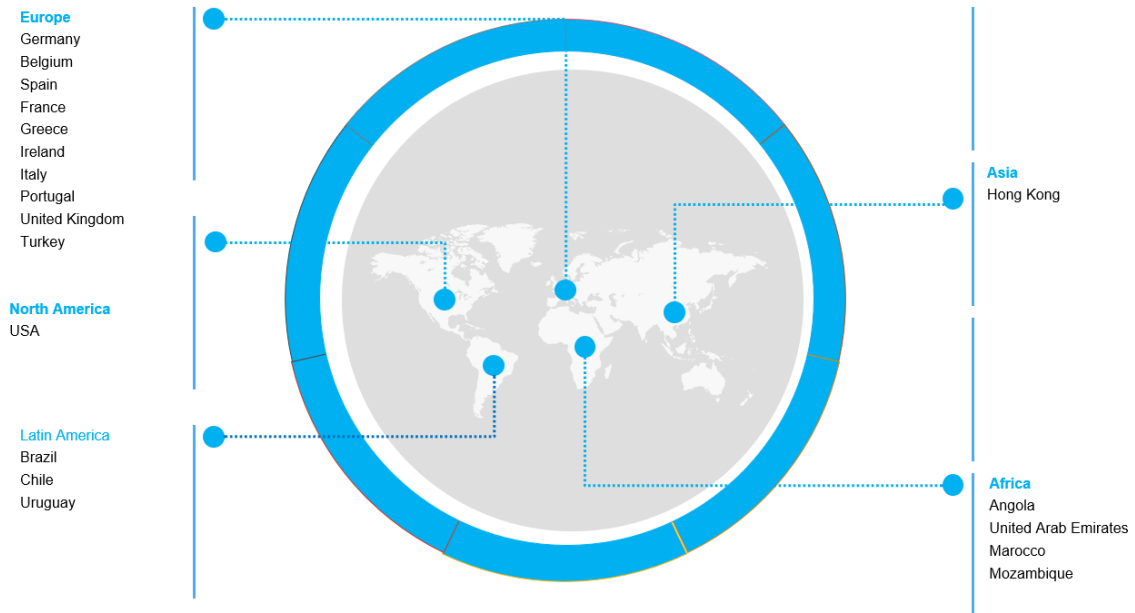
(5) Payments/(Receipts) of Collective Income Tax

(6) Donations

Clients

With clients in 19 countries, Ramada Group's sales were mostly concentrated in the domestic market (67.5%) in 2021, with an increasing share of exports, with the Moulds segment taking the lead in terms of sales.

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Facing an increasingly global and competitive market, Ramada Group focuses on the client, combining product quality with service excellence. As such, and after the implementation in 2019 of the ERP system - Enterprise Resource Planning, which allowed strengthening the support, follow-up, and monitoring of client service, in 2021, was launched the Ramada Portal, intended strengthen the continuous strategy of quality and innovation. The platform allows clients to consult information regarding the commercial, financial, and logistics area to be consulted, monitors the status of orders, the date of shipment, and delivery of the goods, as well as other relevant data. Among the documents available, technical data sheets, certificates, credit notes and invoices stand out. The Ramada Portal

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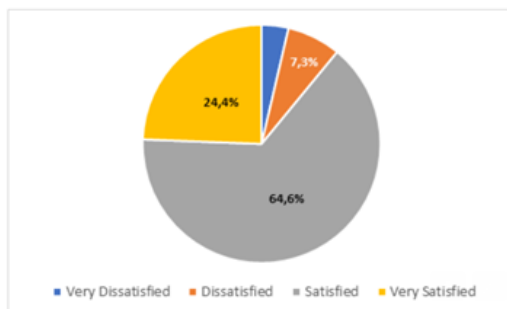
was thus assumed as a new form of communication with the client, more direct and transparent, in line with the digitalisation of the economy.

To reinforce client service, which is increasingly closer and more personalised, a widely valued project was continued: the Ramada Academy, which provides the company's clients with continuous learning on technical topics, essential to the fulfillment of their activity. In a year that was once again marked by the pandemic, several training actions were carried out, counting with the participation of 595 professionals.

 RAMADA ACADEMY	
Courses	No. Participants
Failure Mechanisms - Plastic Moulds	36
Failure Mechanisms - Cold Work	43
Manufacturing Techniques - Plastic Moulds	86
Manufacturing Techniques - Cold Work	43
Tools Project & Production Problems - Plastic Moulds	95
Tools Project & Production Problems - Cold Work	45
Heat Treatments	87
Steel Selection - Plastic Moulds	38
Steel Selection - Cold Work	62
Construction Steels	60

A rewarding commitment with 89% of clients surveyed in November 2020 indicating that they are satisfied or very satisfied with Ramada and 98% saying that they would recommend the company.

Overall, how satisfied are you?



Would you recommend our company to others?



Supply Chain Management

With a strong presence in the market, and continuously responding to new and important challenges, Ramada Group counts today with a wide range of suppliers from several countries. Diversity of markets requires management focused on the excellence of the products purchased and the services provided to create evermore value to the organisation.

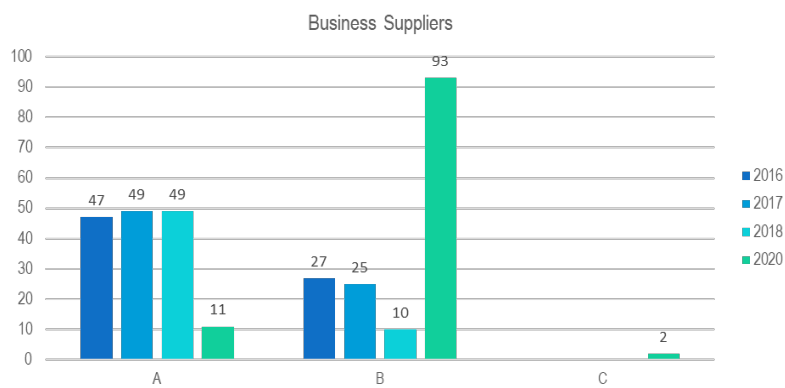
The Group invests in the creation of transparent and responsible commercial relationships with its suppliers, raising the level of loyalty, in the conviction that valuing long-standing partnerships creates stability in the process and mutual knowledge of the institutions.

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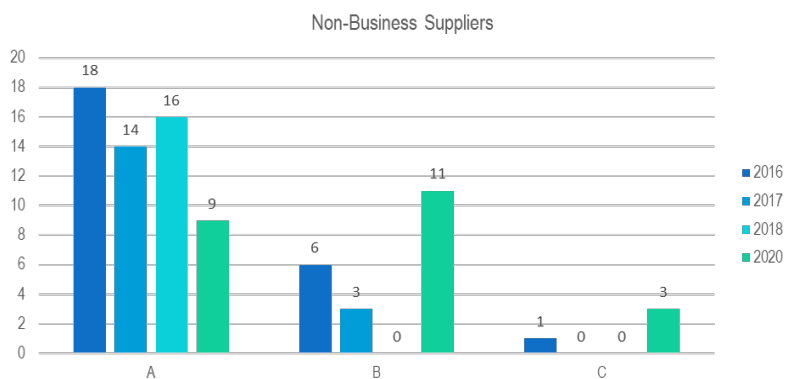
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The product's acquisition is subject to pre-qualification, qualification, and evaluation, where the requirement for quality standards, delivery deadlines, and social and environmental responsibility indexes are considered. The implementation of the Integrated Quality and Environment Management System makes it possible to know the performance of suppliers in terms of quality, the environment - focusing on chemical products, water and effluents, energy, waste, emissions, and noise - and health and safety at work, assessing services, accidents, and operational control. This methodology guarantees the eligibility and continuity of the suppliers most aligned with the principles of quality and environmental, social, and economic sustainability that characterise Ramada.

As part of the review of the Quality, Environment, Occupational Health and Safety Management System 2020/2021, a Supplier Assessment was carried out, which resulted in a decrease in the number of A Suppliers. In the case of Business Suppliers, the decrease was mainly caused by introducing the "Delivery Time" criterion and, in the case of Non-Business Suppliers, by introducing the "Quality Index" criterion.



- A – Qualified Supplier (No Limitations)
- B – Suitable Supplier (Acceptable – Receives an alert)
- C – Insufficient Supplier (Accepted – Should receive an Action Plan)
- D – Excluded Supplier (Search for an alternative supplier)



In 2021, 22% of Ramada Group's purchases occurred in the internal market, while 83% of purchases in the external market took place in Europe, reducing the distances traveled by our materials with advantages, also at the environmental level.

As far as the steel supply chain is concerned, it is fully certified and comes mostly from the European area, where, from the outset, gross failures regarding the safeguarding of fundamental rights are not foreseen. Steel certification can be requested when doubts arise regarding the safeguarding of adequate conditions of respect for human or labor rights, and also for environmental issues, such as levels of radiation. Additionally, the fact that the steel consumed

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results mainly from the recycling of steel scrap alleviates some concerns related to the supply chain. In this way, there are not so many social and environmental risks linked to the purchase of this raw material.

We also highlight the important work carried out in monitoring the business throughout the year, both in terms of price management and stock management. These are key points, given significantly increasing demand for raw materials with warnings of constant price rises and shortages of material, make it necessary to understand the movements of the market and the real need for demand, without compromising the capacity to respond throughout 2021.

In terms of risk management, the business is centralised in very well-defined geographic areas, which, in the event of political or economic instability, could bring difficulties to the purchasing process, which is why a more active procurement has already been defined as a strategic purchasing plan, to reduce the dependency of these areas.

At the operational level, one of the Planfuro Global's units was closed down and the activity of this unit, along with new investments, was concentrated in Vieira de Leiria. Hence, it was possible to bring together, in the same space, an important set of services, with the expectation of creating a greater response capacity, as well as greater productive and logistical profitability.

OUR ENVIRONMENTAL COMMITMENT

According to the World Economic Forum's Global Risk Report 2022, climate change constitutes one of the main risks that companies should take into account in the development of their activity in the short term. Aware of this new reality, Ramada Group recognises its responsibility as a company, so it has been incorporating environmental performance improvement practices in its various activities.

The Ramada Group's environmental objectives are:

- **Protect the environment** by preventing or mitigating negative environmental impacts;
- **Mitigate the potential adverse effects** of environmental conditions;
- **Improve environmental performance**;
- **Potentiate projects with financial and operational benefits** that result in the implementation of alternatives and environmental improvements;
- **Control or influence how the Group's products and services are designed, manufactured, distributed, consumed, and disposed of**, using a life cycle perspective.

In this context, in 2021 Socitrel started the installation of a Self-Consumption Photovoltaic Power Plant with an installed capacity of 3 MWh, consisting of 6,800 photovoltaic panels installed on the roof of some of its industrial buildings. The Photovoltaic Plant started operating 1MW in May 2021, with the remaining 2MW starting in March 2022, with an estimated annual production of around 3.6 GWh, allowing the reduction of Socitrel's energy bill by around 20%, as well as a reduction in the emission of 2,350 tons of CO₂ per year.

The Group also decided to invest in a Self-Consumption Photovoltaic Power Plant (Ramada Solar), with the start of production of the first Megawatt scheduled for the first half of 2022.

Simultaneously, as part of the rationalisation and management of electricity consumption, Ramada Aços implemented the Schneider project, which significantly reduced consumption at the Heat Treatment Unit and increased the energy efficiency of the process. It was possible to proceed with the leveling of the total power used in the unit, along with the automated analysis of the heat treatment cycles, having defined, in each of them, different time phases, considered priority or not, in terms of consumption needs. of electric energy, thus making it possible to limit the electric power, if necessary, in specific phases of the heat treatment. To measure parameters and relevant variables of the process, several sensors were also installed, using others already existing in the equipment. A massive and real-time data collection solution was developed, allowing for much faster and more detailed analyses, to increase the competitiveness of the business and, at the same time, preserve the environment.

To ensure the necessary processes are implemented for the correct management of environmental impacts, Ramada and Socitrel are also ISO 14001 certified. Environment and Occupational Health and Safety, as well as other significant aspects of company activity and their respective impacts, something that proves to be fundamental to better manage the issue of the environment internally.

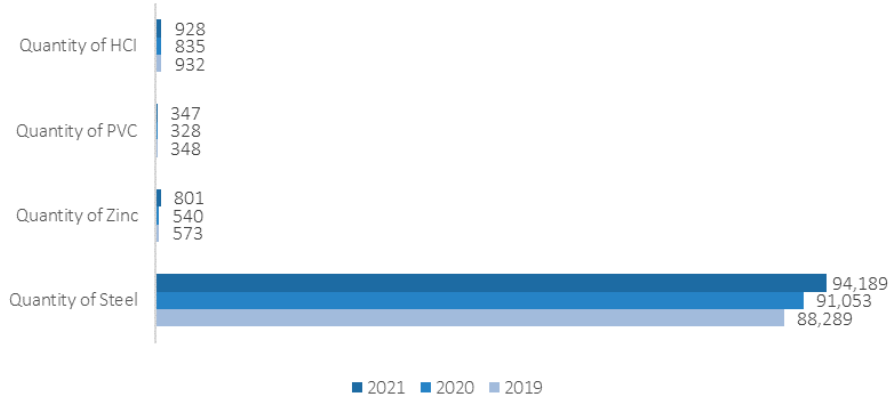
Raw Materials

Within the scope of the Ramada Group's activities, various raw materials are consumed, the most significant being steel, which represents around 98% of the total.

In terms of the production processes of our suppliers, we find that, increasingly, the dependence of production on iron ore (blast furnace) is decreasing, being replaced by production from scrap (electric furnace), which benefits from a cleaner and more economical manufacturing process. In environmental terms, it allows the recycling of scrap existing on the market and the rationalization of energy. In 2021, scrap recycling represented more than half of the steel consumed (55%) by the Group.

In 2021, there was a 4% increase in the total of materials consumed, with 96,265 tons being consumed in 2021 and 92,756 in 2020. This increase in consumption was registered in all categories of materials, with the highest percentage expression in the consumption of zinc, as a result of increased production.

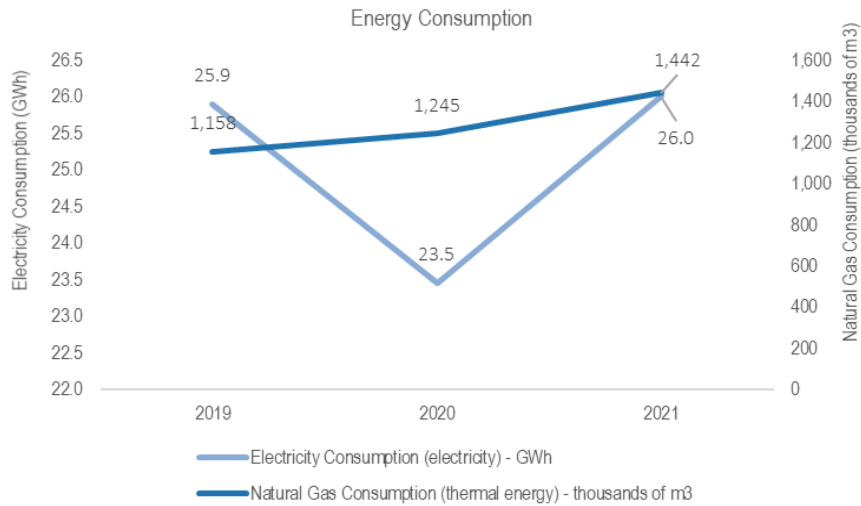
Raw Materials Consumption



Energy

Production activities represent the most significant impact on the Group's total energy consumption, so the Ramada Group's commitment to improving its performance has been to improve the efficiency of energy consumption in the production process.

In 2021, there was an increase in electricity consumption of 11% compared to 2020, with consumption of 26 GWh, and in thermal energy consumption, of 16%, with a consumption of 1,441,836 m³ compared to same year.



0,7 GJ / Thousand €
ENERGY INTENSITY

Emissions

Within the scope of greenhouse gas (GHG) emissions, the most relevant arise from energy consumption related to heat treatment ovens, the production of drawing sheets and industrial tools.

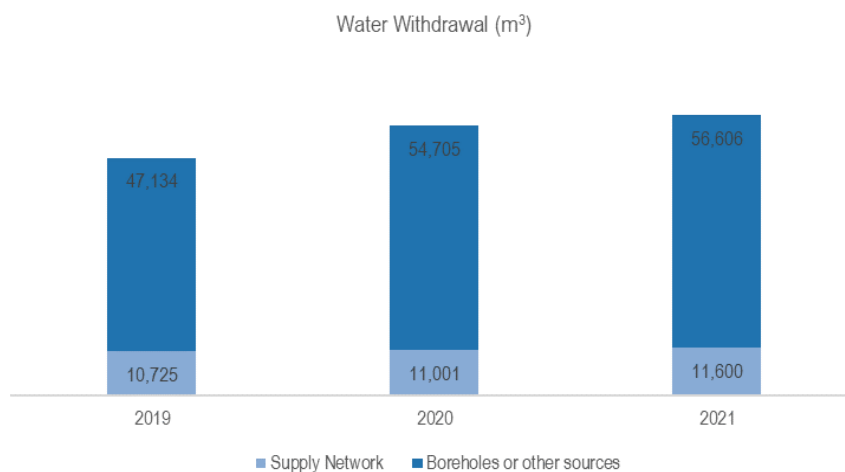
In 2020, chimneys at Ramada Aços were monitored, which takes place every five years, with no records of emission values being exceeded. We seek to minimise our GHG emissions and reduce their impacts through control measures, such as the chimney filter systems and their preventive maintenance.

Naturally, the transport of goods and people on duty are also sources of GHG emissions. To reduce these impacts, we are investing, on the one hand, in raising awareness among our employees and, on the other, in the progressive replacement of the vehicle fleet with *plug-in* hybrid vehicles (5) and in the installation of charging stations (6) throughout 2021.

Water and Effluents

In Ramada Group, 17% of the total water captured comes from the supply network and the remaining 83% comes from boreholes or other sources, which requires the Group to take greater responsibility in the management of this resource. There are eight boreholes in the Ramada Group, from which water is extracted and 50% of Socitrel's effluents were treated in its own WWTP, revealing an adequate management of this resource.

In 2021, the total amount of water captured increased by 4% compared to 2020, with a total of 68,206 m³.

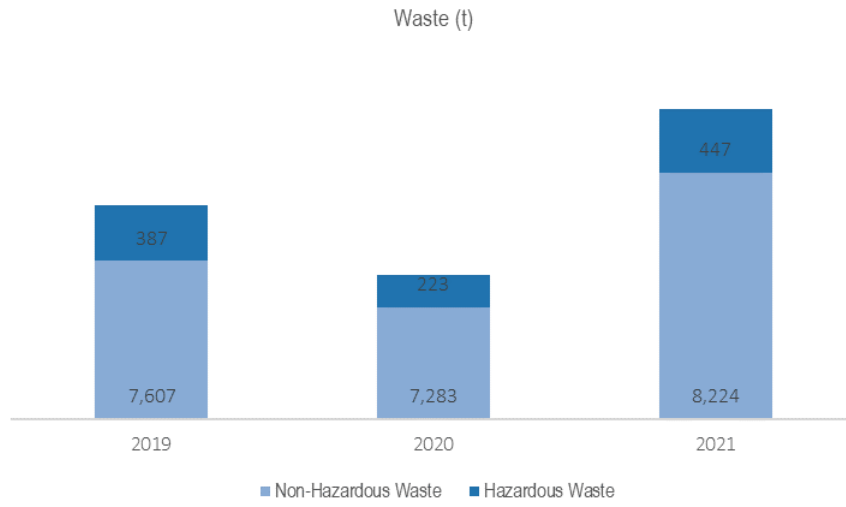


Waste

At Ramada Group, waste management is seen as essential to reduce the environmental impacts resulting from the activity. Hence, it invests on recycling and recovery of waste, to the detriment of sending it to a landfill or final destination. Proof of this commitment was the result verified in 2021, in which 97% of the waste was sent for recovery/recycling.

In 2021, there was a 16% increase in the total waste produced, resulting in 8,671 tons of waste. Of the total, 95% are non-hazardous waste. There was a significant increase in hazardous waste produced, representing only 5% of total waste, which was more representative at Ramada Aços and Socitrel, as a result of the resumption of normal activity.

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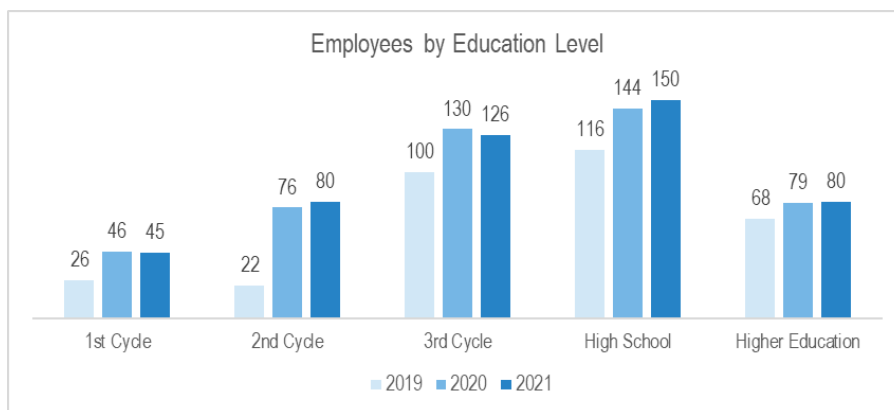
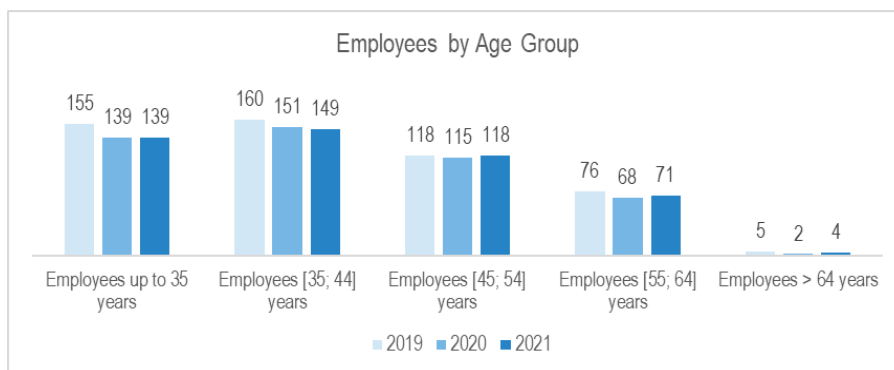
69% of the waste produce is steel shavings and filings

OUR SOCIAL COMMITMENT

People

Considered as a fundamental asset, the 481 employees of Grupo Ramada are at the heart of a culture of proximity and appreciation, which has greatly contributed to the prominent position that the Group currently occupies in its sector of activity.

As a result of the type of functions, 88% of the employees are male and 12% are female, with 56% are between 35 and 54 years old. Given the predominance, at school level, of 3rd cycle and secondary education (57%), the Ramada Group awards, every year, various study grants and scholarships for merit and excellence, intended to promote the continuous development of its employees.



Equal Opportunities and Diversity

The human resources management at Grupo Ramada ensures compliance with all legal requirements and the harmony of the workforce, with national and European legislation inherent in the defense of fundamental human rights, ensuring compliance with the conventions of the International Labor Organization.

The respect for human dignity is, for Ramada Group, an unquestionable and unalienable value, translated into the effective promotion of equal opportunities and the adoption of practices, processes and procedures that repudiate discrimination and any differentiated treatment according to ancestry, age, sex, sexual orientation, gender identity, marital status, family status, economic status, education, social origin or condition, genetic heritage, reduced work

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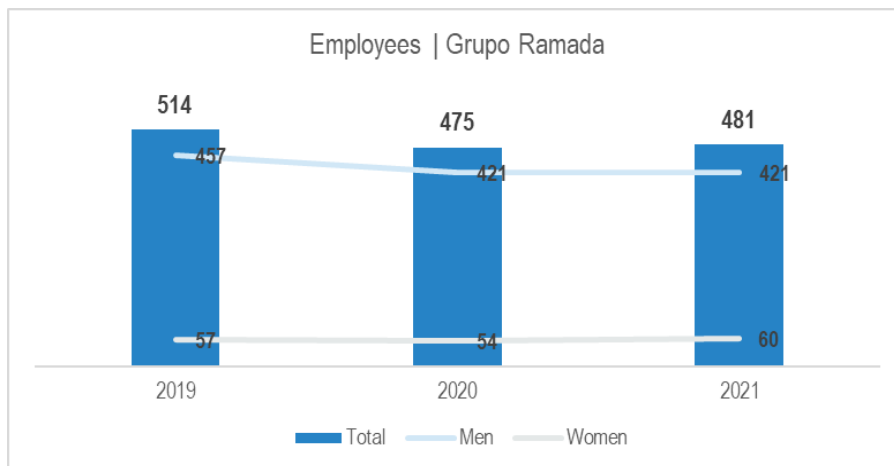
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capacity, disability, chronic illness, nationality, ethnic or racial origin, territory of origin, language, religion, political or ideological convictions and trade union membership. To this for Human Rights corresponds a human resources' strategy that privileges the skills and talent of all employees, recognising them as a fundamental element for the success of the organisation. The Group thus seeks to attract and retain the best talent, train them and engage them in a performance culture, which mobilises employees towards a conduct of excellence, essential to meet the challenges of the future.

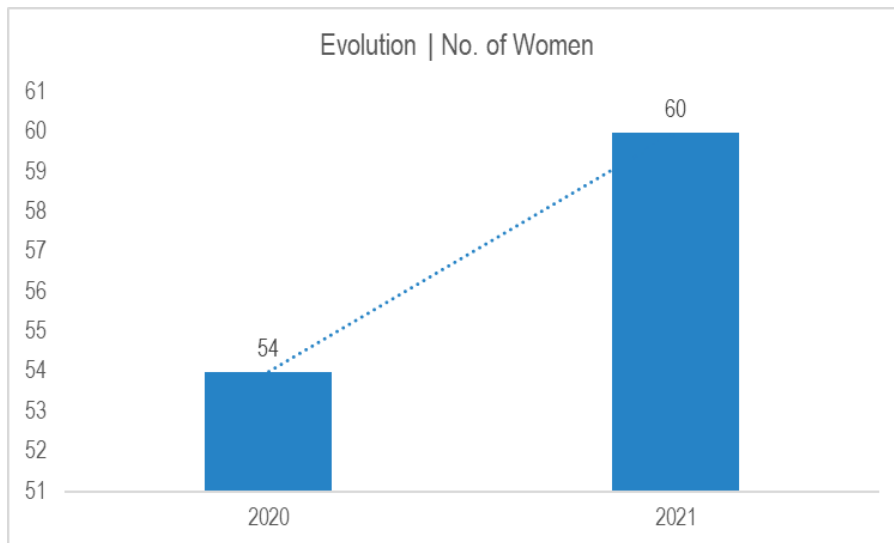
Therefore, diversity also occupies a prominent position, with the Board of Directors acting on two fundamental lines:

Human Resources	Operational Areas
<p>To:</p> <ul style="list-style-type: none"> a. career advancement policies, performance evaluation and salary reviews are defined based on concerns to promote diversity. b. in recruitment processes, seek to promote this diversity, always presenting lists of potential workers to be recruited that are sufficiently representative of both genders. 	<p>To:</p> <ul style="list-style-type: none"> a. the multidisciplinary teams formed within the scope of the most varied projects are always constituted based on the concern of a balanced representation.

Additionally, Ramada Investimentos e Indústria, S.A. published, during 2021, the Gender Equality Plan, to be implemented during 2022, which embodies the relevance of the issue for the organisation. The conviction that gender balance promotes more dynamic and productive teams prevails, so it continues to make efforts to reduce the gender *gap* within the organisation. We highlight that, between 2020 and 2021, there was an 11% increase in women in Ramada Group.



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Performance Review and Personal Development

Within Ramada Group, performance evaluation is carried out with a perspective of the future. The employee is evaluated annually, through two distinct moments (self-assessment and assessment by the management), based on the functions performed, goals and results to be achieved and development potential. Whenever a performance below expectations is detected, a Personal Development Plan (PDI) is created with the aim of increasing productivity and, at the same time, enhancing the quality of work. Through PDI, Ramada promotes the growth and development of its employees, reinforcing its importance within the organisation, but also in the job market, through greater versatility, trust and knowledge; a positive evolution in the quality and quantity of work and, consequently, an improvement in organisation, daily planning and teamwork. The PDI also serves to promote the development of employees who propose themselves, or are proposed by their line managers, to improve a certain area of knowledge or advance in their schooling or higher education.

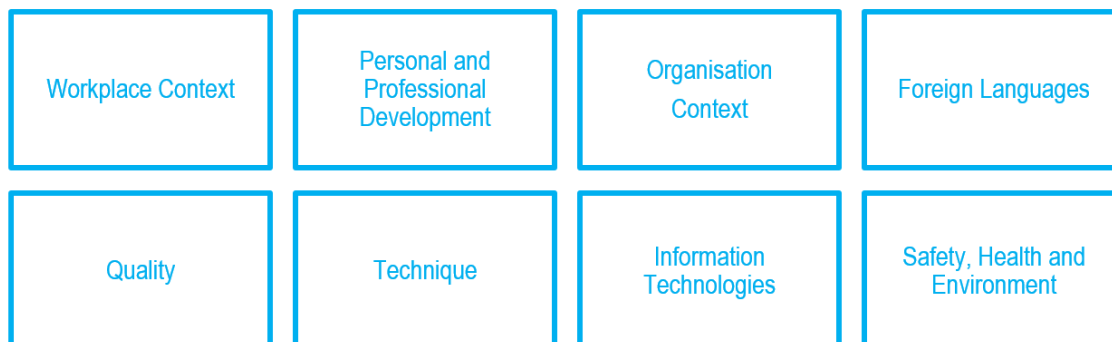
98%
of employees subject to performance review in 2021

Training

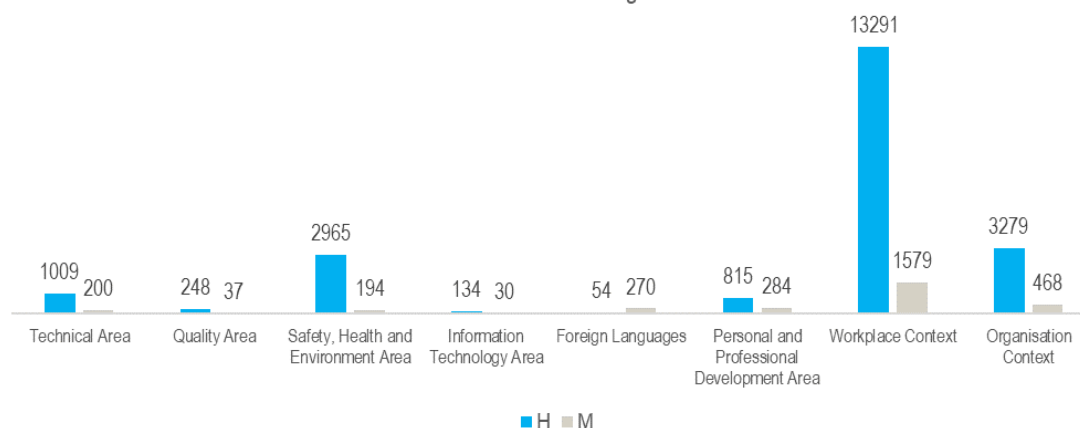
In a sector where technical expertise is an important distinguishing factor, continuous investment in employee training takes on added importance. In 2021, Ramada provided almost 25,000 hours of training, in an effort to train its people in various areas, with action in the Workplace Context representing 60% of the total.

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Hours of Training



	M	W	TOTAL
Average hours of training	0.0518	0.051	0.0517
Total training hours	21.7941	3.0605	24.8546

Health and safety

Given the specificities of the sector in which it operates, Ramada Group has always paid special attention to the well-being, health and safety of its employees. Providing a safe and healthy work environment is, therefore, a priority that is reflected in the Group's multiple actions in this field, as is the case with Socitrel's ISO 45001 certification – Occupational Health and Safety Management System. The process, which involved the expectations of employees, as well as the main aspects that can positively or negatively affect their health or safety, allows for an optimisation of the management of hazards, risks and opportunities related to health and safety. of employees and establishes controls that reduce risks and accidents at work.

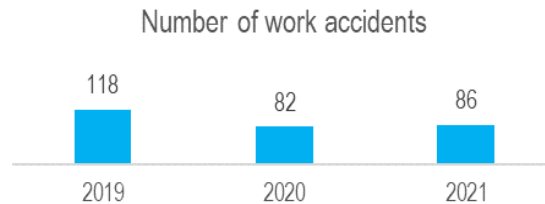
At the same time, the Accident Person Accompaniment and Reception Committee promotes meetings to discuss and reassess the risks of a workplace whenever an occurrence is registered, and corrective and improvement measures are defined and implemented, and all employees can, without fear of possible retaliation, reporting dangerous situations and suggesting areas for improvement, in order to implement preventive measures and corrective actions. The remaining companies of the Group are completing the ISO 45001 certification process, and in 2021 it was once

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again possible to achieve the goal of zero fatalities as a result of work accidents, a number which decreased by 27% compared to 2019.

The Group's employees also have multiple medical, nursing and physiotherapy services available free of charge, in order to enhance their health and wellbeing.



	2021
Accident frequency rate	80.89
Accident severity rate	1.9
Work accident index	99.38

1. AF Rate | Methodology: $n.^\circ$ of accidents with low*1.000.000/N. $^\circ$ hours -men worked
2. AS Rate | Methodology: $(n.^\circ$ of lost days /N. $^\circ$ hours-men worked) *1000
3. Work Accident Index | Methodology: $n.^\circ$ working accidents/hours worked*1 000 000

Faced with the continuity of the Covid-19 pandemic, Ramada maintained its Contingency Plan, complying with the procedures established for this purpose.

Contingency Plan | Covid-19



Benefits and Compensations

- **Study Grants and Merit and Excellence Scholarships**
Created in 1963, this initiative is of great importance in the context of people management, and in 2021, 175 employees of Ramada Group and 134 of their children benefited from merit scholarships and/or study grants.
- **Protocols**
The Ramada Group has established protocols with entities in sport and well-being area, allowing its employees to access it with special benefits. A measure that promotes a healthy lifestyle, based on sports and wellness activities with benefits for personal and professional development.
- **Health Insurance**
The employees of Grupo Ramada have health insurance once with seniority of more than six months, which can be extended to the other members of the household.
- **Pension Fund**
Socitrel provides its employees with a Pension Fund, with defined contributions, and life insurance to which all permanent employees have access.
- **Gift Card**
Attribution of a card, associated with a network of hypermarkets, to each employee with a base amount, to which another amount is added for each dependent.
- **Medical, Health and Wellbeing Services**
Availability of a wide range of services, provided by qualified professionals free of charge, at the Group's facilities.

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COMMUNITY

Aware of the community's needs, Ramada Group made donations to 34 social economy entities, which provide an important service to the community at the scope of their mission, a practice that has been implemented during the last few years.



Simultaneously, Ramada Aços S.A. joined E-Cycle – Association of Producers of Electric and Electronic Equipment, in order to fundraise for A Casa do Caminho Association. The E-Cycle aims to contribute to sustainability, intervening on selective collection, transport, treatment, recovery and recycling processes. This year, A Casa do Caminho design an E-Cycle solidarity Christmas campaign, looking to collect electric and electronic equipment waste (classified as REEE), and, as a way to contribute to the environmental sustainability and support an important social cause, Ramada Aços joined the initiative. The campaign was implemented at Ramada Aços by the Environment, Health and Safety at Work Department, and called for all employees to attend. The employees collected the greatest amount of waste possible, allowing for a monetary donation to Casa do Caminho, an organisation dedicated to shelter and support children in danger.

GRI TABLE

GRI 102- General Disclosures

Disclosures	Location/Omission
ORGANIZATIONAL PROFILE	
102-1	Name of the organization Ramada Investimentos e Indústria, S.A.
102-2	Activities, brands, products and services Ramada Investimentos e Indústria, S.A. > Business Areas
102-3	Location of headquarters Rua Manuel Pinto de Azevedo, 818, 4100-320 Porto, Portugal
102-4	Location of operations Portugal
102-5	Ownership and legal form S.A.
102-6	Markets served Our economic commitment > Clients
102-7	Scale of the organization Ramada Investimentos e Indústria, S.A.
102-8	Information on employees and other workers Our social commitment > People > Equal Opportunities and Diversity See table below.

	2021		
	Male	Female	Total
Employees with a permanent contract	386	51	437
Employees with a temporary contract	35	9	44
Internships	2	0	2
Outsourcing employees	35	5	40
Full-time	385	53	438
Part-time	1	2	3

102-9	Supply chain	Our economic commitment > Supply Chain Management
102-10	Significant changes to the organization and its supply chain	Our economic commitment > Supply Chain Management
102-11	Precautionary Principle or approach	Ramada Investimentos e Indústria, S.A. > Governance, Ethics, Compliance Model and Risk Management
102-12	External initiatives	Ramada Investimentos e Indústria, S.A. > Commitments and Certifications
102-13	Membership of associations	Ramada Investimentos e Indústria, S.A. > Commitments and Certifications

STRATEGY

102-14	Statement from senior decision-maker	Statement from the Chairman of the Board of Directors
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ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behavior	Ramada Investimentos e Indústria, S.A. > Governance, Ethics, Compliance and Risk Management > Ethics
102-17	Mechanisms for advice and concerns about ethics	Ramada Investimentos e Indústria, S.A. > Governance, Ethics, Compliance and Risk Management > Ethics

GOVERNANCE

102-18	Governance structure	Ramada Investimentos e Indústria, S.A. > Governance, Ethics, Compliance and Risk Management
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STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Stakeholders > Identification and Engagement
102-41	Collective bargaining agreements	All employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Stakeholders > Identification and Engagement

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102-43	Approach to stakeholder engagement	Stakeholders > Identification and Engagement
102-44	Key topics and concerns raised	Stakeholders > Identification and Engagement
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	About the Report
102-46	Defining report content and topic boundaries	Materiality
102-47	List of material topics	Materiality
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	January 1, 2021 to December 31, 2021
102-51	Date of most recent report	This report is the first Sustainability Report of Ramada Investimentos e Indústria, S.A.
102-52	Reporting cycle	Yearly
102-53	Contact point for questions regarding the report	About the Report
102-54	Claims of reporting in accordance with the GRI Standards	About the Report
102-55	GRI Content Index	Current Table
102-56	External assurance	N.A.

GRI 200- Economic Disclosures

Disclosures	Location/Omission	
201- Economic Performance		
201-1	Direct Economic Value Generated and Distributed	Our economic commitment > Sustained Growth

MANAGEMENT OF OTHER MATERIAL TOPICS OF ECONOMIC PERFORMANCE / GOVERNANCE

TECNOLOGIC INNOVATION

103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The topic of Technological Innovation (disclosed as Research, Development and Innovation) was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the topic of Innovation and Technology, reporting them in this report, in the following chapter: Shaping Industry > Research, Development and Innovation.
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the following chapter: Shaping Industry > Research, Development and Innovation

ETHICS

103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The topic of Ethics was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the topic of Ethics, which are reported in this report, in the Governance, Ethics, Compliance and Risk Management chapter.
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the Governance, Ethics, Compliance and Risk Management chapter.

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Complaints regarding irregularities related to the provisions of the Code of Ethics and Conduct		Governance, Ethics, Compliance and Risk Management
COMPLIANCE		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The topic of Compliance was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to Compliance, reporting them in this report, in the Governance, Ethics, Compliance and Risk Management chapter.
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the Governance Model, Ethics, Compliance and Risk Management chapter
RISK MANAGEMENT		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The topic of Risk Management was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the topic of Risk Management, which are reported in this report, in the Governance, Ethics, Compliance and Risk Management chapter.
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the Governance, Ethics, Compliance and Risk Management chapter
RESPONSIBLE SUPPLY CHAIN		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria SA were defined as described in the Materiality chapter. The Responsible Supply Chain topic was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the Responsible Supply Chain topic, which are reported in this report, in the chapter Our economic commitment > Supply Chain Management
103-3	Evaluation of the management approach	Ramada monitors the indicators associated with this topic and reports them in this report, in the chapter Our economic commitment > Supply Chain Management
204-1	Proportion of spending on local suppliers	Our economic commitment > Supply Chain Management
308-1	New suppliers that were screened using environmental criteria	Our economic commitment > Supply Chain Management
414-1	New suppliers that were screened using social criteria	Our economic commitment > Supply Chain Management

GRI 300- Environmental Disclosures

Disclosures	Location/Omission	
302- Energy		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The topic of Energy, Consumption and Renewable Solutions (disclosed in the Report as Energy) was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the topic of Energy, Consumption and Renewable Solutions (referred to in the Report as Energy), reporting them in this report, in the chapter Our environmental commitment > Energy
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our environmental commitment > Energy
302-1	Energy consumption within the organization	Our environmental commitment > Energy

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302-3	Energy intensity	Our environmental commitment > Energy
303- Water and Effluents		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of Water was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Water, reporting them in this report, in the chapter Our environmental commitment > Water
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our environmental commitment > Water
303-1	Interactions with water as a shared resource	Our environmental commitment > Water
303-2	Management of water discharge-related impacts	Our environmental commitment > Water
303-3	Water withdrawal	Our environmental commitment > Water
306- Waste		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of Waste was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Waste, reporting them in this report, in the chapter Our environmental commitment > Waste
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our environmental commitment > Waste
306-1	Waste generation and significant waste-related impacts	Our environmental commitment > Waste
306-2	Management of significant waste-related impacts	Our environmental commitment > Waste
306-3	Waste generated	Our environmental commitment > Waste
307- Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	In 2021, there were no sanctions related to non-compliance with environmental laws and regulations.
MANAGEMENT OF OTHER MATERIAL TOPICS OF ENVIRONMENTAL PERFORMANCE		
EMISSIONS REDUCTION		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of Emissions Reduction was considered a topic of high materiality.
103-2	The management approach and its components	Ramada has several initiatives related to the topic of Emissions Reduction, which are reported in this report, in the chapter Our environmental commitment > Emissions
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our environmental commitment > Emissions

GRI 400- Social Disclosures

Disclosures	Location/Omission
401- Employment	
401-1	New employee hires and employee turnover
	See table below.

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	2021		
	Male	Female	Total
Hire rate	15%	15%	15%
Under 30 years old	8%	2%	7%
30-50 years old	4%	12%	5%
Over 50 years old	3%	2%	2%
Turnover rate	15%	7%	14%
Under 30 years old	5%	—%	4%
30-50 years old	7%	7%	7%
Over 50 years old	3%	—%	2%

403- Occupational Health and Safety

103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of occupational health and safety (disclosed as Health and Safety) was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of occupational health and safety, reporting them in this report, in the chapter Our social commitment > People > Health and Safety
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our social commitment > People > Health and Safety
403-1	Occupational health and safety management system	Commitments and Certifications
403-2	Hazard identification, risk assessment, and incident investigation	Our social commitment > People > Health and Safety
403-3	Occupational health services	Our social commitment > People > Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Our social commitment > People > Health and Safety
403-5	Worker training on occupational health and safety	Our social commitment > People > Training
403-6	Promotion of worker health	Our social commitment > People > Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our social commitment > People > Health and Safety
403-9	Work-related injuries	Our social commitment > People > Health and Safety See table below.

	2021
Fatalities	0
Work-related injuries	86
High consequence work-related injuries (excluding fatalities)	0
Fatalities rate	0.00
Work-related injuries rate	99,38
High consequence work-related injuries (excluding fatalities) rate	0.00
Number of hours worked	865335,45

404- Education and training

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103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of Training was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Training, reporting them in this report, in the chapter Our social commitment > People > Training
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our social commitment > People > Training
404-1	Average hours of training per year per employee	Our social commitment > People > Training
404-3	Percentage of employees receiving regular performance and career development reviews	Our social commitment > People > Performance Review and Personal Development
405- Diversity and Equal Opportunity		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria, S.A. were defined as described in the Materiality chapter. The topic of Diversity and Equal Opportunities was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Diversity and Equal Opportunities, reporting them in this report, in the chapter Our social commitment > People > Equal Opportunities and Diversity
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our social commitment > People > Equal Opportunities and Diversity
405-1	Diversity of governance bodies and employees	Governance, Ethics, Compliance and Risk Management > Governance Model and Our social commitment > People <i>Note: In 2021, it was not possible to present information by professional category, as this data is not uniformly monitored in the various companies of the Ramada Group.</i>
419- Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, there were no sanctions related to non-compliance with socio-economic laws and regulations.
MANAGEMENT OF OTHER MATERIAL TOPICS OF ENVIRONMENTAL PERFORMANCE		
WORKERS		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria were defined as described in the Materiality chapter. The topic of Workers was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Workers (disclosed as People) and they are reported in this report, in the chapter Our social commitment > People.
103-3	Evaluation of the management approach	Ramada monitors the disclosures associated with this topic and reports them in this report, in the chapter Our social commitment > People
SOCIETY		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria were defined as described in the Materiality chapter. The Society topic was considered a topic of high materiality
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Society (disclosed as Community), reporting them in this report, in the chapter Our social commitment > Community
103-3	Evaluation of the management approach	Ramada monitors the indicators associated with this topic and reports them in this report, in the chapter Our social commitment > Community

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HUMAN RIGHTS		
103-1	Explanation of the material topic and its boundary	The material topics of Ramada Investimentos e Indústria S.A. were defined as described in the Materiality chapter. The Human Rights topic was considered a topic of high materiality.
103-2	The management approach and its components	Ramada promotes several initiatives related to the topic of Human Rights, reporting them in this report, in the chapters Governance, Ethics, Compliance and Risk Management > Ethics, Our Economic Commitment > Supply Chain Management and Our Social Commitment > People – Equal Opportunities and Diversity
103-3	Evaluation of the management approach	Ramada monitors the indicators associated with this topic and reports them in this report, in the chapters Governance, Ethics, Compliance and Risk Management > Ethics, Our Economic Commitment > Supply Chain Management and Our Social Commitment > People – Equal Opportunities and Diversity

CONSOLIDATED FINANCIAL STATEMENTS AND
ACCOMPANYING NOTES

Shaping industry

More than a
commitment, our pride



80 YEARS
Investing in industry

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 41)

(Amounts expressed in Euro)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS:			
Investment properties	10	88,687,130	88,687,130
Property, plant and equipment	11	20,523,929	18,593,711
Intangible assets	13	—	11,133
Right-of-use assets	12	489,321	538,757
Goodwill	8	—	—
Investments in associates	6	4,839,788	4,554,735
Other investments	7	—	—
Other financial assets		23,221	20,283
Other receivables	19	—	187,833
Other non-current assets	14	1,399,771	1,323,213
Deferred tax assets	15	3,740,880	3,702,248
Total non-current assets		119,704,040	117,619,043
CURRENT ASSETS:			
Inventories	16	29,302,877	18,794,784
Trade receivables	17	47,657,107	34,959,861
Other receivables	19	3,718,961	1,708,636
Income tax	18	—	—
Other current assets		106,087	36,854
Cash and cash equivalents	20	54,558,017	54,472,220
Total current assets		135,343,049	109,972,355
Total assets		255,047,089	227,591,398

EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020
EQUITY:			
Share capital		25,641,459	25,641,459
Legal reserve		7,193,058	7,193,058
Other reserves		81,604,458	89,926,559
Consolidated net profit for the period		15,088,651	6,988,597
Total equity attributable to Equity holders of the parent	21	129,527,626	129,749,673
Non-controlling interests	22	—	—
Total equity		129,527,626	129,749,673
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	23	31,487,401	37,487,401
Other loans	23	868,079	2,330,007
Lease Liabilities	12	286,125	213,399
Provisions	27	2,160,000	660,000
Deferred tax liabilities		915,794	917,310
Total non-current liabilities		35,717,399	41,608,117
CURRENT LIABILITIES:			
Bank loans	23	6,000,000	6,000,000
Other loans	23	27,309,887	19,574,183
Lease Liabilities	12	203,196	325,358
Trade payables	24	43,474,569	24,086,736
Other payables	25	4,823,147	2,146,818
Income tax	18	2,547,460	296,507
Other current liabilities	26	5,443,805	3,804,006
Total current liabilities		89,802,064	56,233,608
Total liabilities		125,519,463	97,841,725
Total liabilities and equity		255,047,089	227,591,398

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020
Sales and services rendered	37	142,781,540	102,702,170
Other income	29	2,128,198	599,839
Cost of sales and variation in production	16	(86,964,528)	(63,662,077)
External supplies and services	30	(19,702,638)	(13,373,008)
Payroll expenses	31	(13,834,119)	(10,044,472)
Amortisation and depreciation	32	(3,221,049)	(3,192,290)
Provisions and impairment losses	27	(1,543,798)	(2,686,918)
Other expenses	33	(713,939)	(574,843)
Results related to investments	6	285,053	54,735
Financial expenses	34	(965,218)	(1,189,946)
Financial income	34	83,539	60,357
		18,333,041	8,693,547
		Profit before income tax	Profit before income tax
Income tax	15	(3,244,390)	(1,704,950)
		15,088,651	6,988,597
		Consolidated net profit for the period	Consolidated net profit for the period
Attributable to:			
Equity holders of the parent		15,088,651	6,988,597
Non-controlling interests		—	—
Earnings per share:			
Basic	36	0.59	0.27
Diluted	36	0.59	0.27

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

The Chartered Accountant

The Board of Directors



RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER
2021 AND 2020**

(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020
Consolidated net income for the period		15,088,651	6,988,597
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Changes in pension liabilities - gross amount	14	74,177	(4,356)
Changes in pension liabilities - deferred tax		—	—
Items that may be reclassified to profit or loss in the future:			
Others		—	—
Other comprehensive income for the period		74,177	(4,356)
Total consolidated comprehensive income for the period		15,162,828	6,984,241
Attributable to:			
Equity holders of the parent		15,162,828	6,984,241
Continued operations		15,162,828	6,984,241

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

The Chartered Accountant

The Board of Directors



RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020
(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

Notes	Attributable to Equity holders of the parent				Total	Non-controlling interests	Total Equity	
	Share capital	Legal reserve	Other reserves and retained earnings	Net profit for the period				
Balance as at 1 January 2020	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	—	—	(4,356)	6,988,597	6,984,241	—	6,984,241	
Appropriation of consolidated result for 2019:								
Transfer to the legal reserve and other reserves	—	—	8,130,246	(8,130,246)	—	—	—	
Distribution of dividends	—	—	—	—	—	—	—	
Others	—	—	—	—	—	—	—	
Balance as at 31 December 2020	21	25,641,459	7,193,058	89,926,559	6,988,597	129,749,673	—	129,749,673
Balance as at 1 January 2021		25,641,459	7,193,058	89,926,559	6,988,597	129,749,673	—	129,749,673
Total consolidated comprehensive income for the period		—	—	74,177	15,088,651	15,162,828	—	15,162,828
Appropriation of consolidated result for 2020:								
Transfer to the legal reserve and other reserves		—	—	6,988,597	(6,988,597)	—	—	—
Distribution of dividends		—	—	(15,384,875)	—	(15,384,875)	—	(15,384,875)
Others		—	—	—	—	—	—	—
Balance as at 31 December 2021	21	25,641,459	7,193,058	81,604,458	15,088,651	129,527,626	—	129,527,626

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

The Chartered Accountant

The Board of Directors



RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2021		31.12.2020	
Operational activities:					
Receipts from costumers		155,179,953		114,382,912	
Payments to suppliers		(110,693,581)		(67,720,883)	
Payroll expenses		(7,253,649)		(6,648,105)	
Paid/Received corporate income tax		(2,084,740)		(1,256,034)	
Other receipts/payments relating to operating activities		(13,485,583)	21,662,400	(15,759,501)	22,998,389
<i>Cash flows generated by operating activities (1)</i>			<u>21,662,400</u>		<u>22,998,389</u>
Investment activities:					
Receipts arising from:					
Property, plant and equipment		335,591		53,372	
Investment properties		—		—	
Investments	6	—		—	
Investment grants		—		—	
Interest and similar income		6,118	341,709	13,523	66,895
Payments relating to:					
Investments	6.3 and 7	—		(522,135)	
Intangible assets		(1,497)		—	
Property, plant and equipment		(5,405,330)		(1,001,245)	
Investment properties		—		(290)	
Loans granted		—	(5,406,827)	—	(1,523,670)
<i>Cash flows generated from investment activities (2)</i>			<u>(5,065,118)</u>		<u>(1,456,775)</u>
Financing activities:					
Receipts arising from:					
Other financing transactions		—		—	
Loans obtained		134,616,713	134,616,713	173,656,102	173,656,102
Payments relating to:					
Interest and similar expenses		(888,573)		(1,091,757)	
Dividends	21	(15,384,875)		—	
Lease Liabilities		(261,134)		(435,871)	
Loans obtained		(133,097,024)	(149,631,606)	(191,988,044)	(193,515,672)
<i>Cash flows generated from financing activities (3)</i>			<u>(15,014,893)</u>		<u>(19,859,570)</u>
Cash and cash equivalents at the beginning of the period	20		52,975,628		51,293,584
Cash and cash equivalents variation: (1)+(2)+(3)			1,582,389		1,682,044
Cash and cash equivalents at the end of the period	20		<u>54,558,017</u>		<u>52,975,628</u>

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

The Chartered Accountant

The Board of Directors



1. INTRODUCTORY NOTE

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. ('Ramada Investimentos', or 'The Group') is a limited liability company incorporated on 1 June, 2008, in Portugal, with headquarters at Rua Manuel Pinto de Azevedo, 818, in Porto, in Portugal, and whose main activity is the management of investments, being its shares listed in the Euronext Lisbon Stock Exchange since 2018.

As a result of the General Meeting dated May 4, 2018 the until then named F. Ramada Investimentos SGPS, S.A., changed its name, to RAMADA INVESTIMENTOS E INDÚSTRIA, S.A, as well as its corporate purpose from a holding company to the services rendered in management consulting, including financial and administrative consulting; execution and management of investments in real estate, securities and financing; acquisition and disposal of securities; leasing; property construction, rehabilitation, management, administration and conservation.

Ramada Investimentos was incorporated as part of the restructuring of Altri, SGPS, S.A. through the division of the steel and storage solutions management business area, namely the participating interest held in Ramada Aços S.A., representing all the voting rights of this subsidiary, in accordance with the simple division provided for in Article 118(1). (a) of the Commercial Companies Code.

This process allowed transferring the share of Altri, SGPS, S.A.'s assets corresponding to the steel and storage solutions management business area, including all the resources allocated to its activity (namely staff, assets and liabilities), to Ramada Investimentos.

Currently, Ramada Investimentos is the parent company of the group of companies disclosed in Note 8 which, as a whole, operate in two different business segments: i) the Industry Segment, which includes the special steel and drawing mill activity, as well as activities related to the management of investments associated with participating interests in which the Group is a minority shareholder; and ii) the Real Estate Segment, focused on real estate assets management.

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

The financial statements were approved by the Board of Directors and authorised for reporting on 7 April 2022. Final approval of the financial statements is still subject to acceptance by the Shareholders' General Meeting. The Board of Directors, however, believes that the financial statements will be approved without any significant changes.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the accompanying consolidated financial statements are described below. These policies were consistently applied during the periods being compared.

In addition, there were no significant changes to the main estimates used by the Group in preparing the consolidated financial statements.

2.1. Basis of Presentation

The attached consolidated financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ('IFRS-EU') in force for the period beginning on 1 January 2021. These correspond to the International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB') and interpretations issued by the IFRS Interpretations Committee ('IFRS - IC') or by the former Standing Interpretations Committee ('SIC'), which have been adopted by the European Union on the account publication date.



The Board of Directors assessed the capacity of the Group, its subsidiaries and associates to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the 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 financial statements.

The attached consolidated financial statements were prepared from the accounting books and records of the company, its subsidiaries and associates, adjusted in the consolidation process, in the assumption of going concern basis. The Group prepared the financial statements under the historical cost basis.

The preparation of financial statements under IFRS-EU 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 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.

(i) **Adoption of new standards and interpretations, amendments, or reviews**

Up to the date for approving 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 2021:



Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 - Benchmark interest rate reform (IBOR Reform)	1-Jan-21	These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients: A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.



Amendments to IFRS 16 - Leases -
COVID-19 Related Concessions for
Rentals Beyond June 30, 2021

1-Jan-21

On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification.

Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16.

Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021.

In short, the practical expedient can be applied provided the following criteria are met:
the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change;
any reduction in lease payments only affects payments due on or before June 30, 2022; and
there are no significant changes to other terms and conditions of the lease.

There were no significant effects on the Group's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(ii) **Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises.**

On the approval date of these financial statements, the following accounting standards, and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.



Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income statement.
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	<p>This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract.</p> <p>General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract.</p> <p>This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.</p>
Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.
Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.



Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.



(iii) **New, amended, or revised standards and interpretation not adopted by the European Union**

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	<p>This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.</p>
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	<p>The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.</p>



Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.
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These standards are yet to be endorsed by the European Union. As such, they were not applied by the Group in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.



2.2. Consolidation Principles

The consolidation principles adopted by the Ramada Group in preparing its consolidated financial statements include the following:

a) Investments in subsidiaries

Investments in companies over which the Ramada Group has direct or indirect control are included in the consolidated financial statements using the full consolidation method. The Group has control over the investees in situations where it cumulatively fulfils the following conditions: i) it has power over the investee; ii) it is exposed to, or entitled to, variable results due to its relationship with the investee; and iii) has the ability to use its power over the investee to affect the amount of its results.

In general, control is assumed to exist when the Group holds the majority of voting rights. To support this assumption, and in cases where the Group does not hold the majority of the investee's voting rights, all relevant facts and circumstances are taken into account when assessing the existence of power and control, such as: (a) Contractual agreements with other holders of voting rights; (b) Rights arising from other contractual agreements; and (c) Existing and potential voting rights.

Control is reassessed by the Group whenever there are facts and circumstances that indicate the occurrence of changes in one or more of the aforementioned control conditions.

Whenever necessary, adjustments are made to the financial statements of subsidiaries in order to adapt their accounting policies to those used by the Group. Balances and transactions and cash flows between Group entities, as well as unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction shows evidence of impairment of a transferred asset.

The equity and net profit of these companies corresponding to third-party shareholding therein are shown separately in the consolidated statement of financial position and in the consolidated financial statement under line items "Non-controlling interests."

The total comprehensive income is attributed to the owners of the parent company and of the interests they do not control, even if this results in a deficit balance in terms of the interests not controlled by them.

The results of the subsidiaries acquired or sold during the period are included in the income statements from the date when control was taken or until the date when control was lost.

b) Investments in associates

Financial investments in associates (understanding the Group to be companies where it wields significant influence thereupon by taking part in the company's financial and operational decisions, but in which it does not hold control or joint control, generally with investments accounting for 20% to 50% of a company's capital) are recorded using the equity method.

According to the equity method, financial investments in associates are initially accounted for at acquisition cost. Investment in associated are subsequently adjusted annually in the amount corresponding to shareholding in net results of associates against gains or losses for the period. In addition, the dividends of these companies are recorded as a decrease in the investment amount, and the proportional part in changes to equity is recorded as a change in the Group's equity.

After applying the equity method, the Group assesses whether there are signs of impairment. If there are, the Group calculates the recoverable amount of the investment and recognises an impairment loss if it is lower than the book value of the investment, in the line 'Results related to investments' in the income statement. When impairment losses recognised in previous periods no longer exist, they undergo a reversal.



When the Group's share in the associates' accumulated losses exceeds the amount at which the investment is recorded, the carrying amount is reduced to zero, except when the Group has shouldered commitments towards the associate. In such cases, a provision is recorded in order to fulfil those obligations.

Unrealised gains in transactions with associates are proportionally eliminated from the Group interest in the associate against the investment in that same associate. Unrealised losses are similarly eliminated, but only to the extent there is no evidence of impairment of the transferred asset.

The accounting policies of associates are changed, whenever necessary, in order to make sure they are consistently applied by every Group company.

2.3. Business combinations and Goodwill

The differences between the acquisition price of investments in subsidiary companies, plus the value of non-controlling interests, and the amount attributed to fair value of identifiable assets and liabilities of those companies on their acquisition date, when positive, are recorded as 'Goodwill' and, when negative, following a revaluation of their calculation, are recorded directly in the income statements.

The differences between the acquisition price of investments in associates and the amount attributed to the fair value of identifiable assets and liabilities of those companies on their acquisition date, when positive, are recorded under the line item 'Investments in associates' and, when negative, following a revaluation of the determination, are recorded directly in the income statements, under the line item 'Results related to investments'.

The differences between the acquisition cost of investments in foreign subsidiaries and the fair value of identifiable assets and liabilities of those subsidiaries on their acquisition date, are recorded in the reporting currency of those subsidiaries, and are converted to the Group's reporting currency (Euro) at the applicable exchange rate on the date of the statement of financial position. The currency exchange differences generated in that conversion are recorded under the line item 'Foreign currency translation reserves' included under the line item 'Other reserves'.

The Ramada Group, on a transaction-by-transaction basis (for each business combination), chooses to measure any non-controlling interest in the acquired company either at fair value or in the proportional part of non-controlling interests in the acquired company's identifiable net assets. Until 1 January 2010, non-controlling interests were valued solely in accordance with the fair-value proportion of acquired assets and liabilities.

The amount of future contingent payments is recognised as a liability when business combination occurs according to its fair value. Any change to the initially recognised amount is recorded against the amount of Goodwill, but only if this occurs within the measuring period (12 months after the acquisition date) and if this is related to facts and circumstances that existed on the acquisition date. Otherwise, it has to be recorded against the income statement, unless said contingent payment is categorised as equity, in which case it should not be remeasured, and only at the time of the settlement thereof will the impact on equity be recognised.

Transactions involving the purchase or sale of interests in entities already controlled, without this resulting in a loss of control, are treated as transactions between holders of capital affecting only the equity line items, without impacting the line item 'Goodwill' or the income statement.

When business is combined in stages, the fair value on the previous acquisition date of interests held is remeasured to fair value on the date when control is gained, against the results of the period when control is achieved, thus affecting the determining of Goodwill or purchase price allocation.

At the time when a sales transaction generates a loss of control, that entity's assets and liabilities have to be derecognised, and any interest withheld at the disposed entity shall be remeasured at fair value, and any loss or gain resulting from this disposal is recorded in the income statement.

The Group annually tests for the existence of Goodwill impairment. The recoverable amounts of the cash flow-generating units are determined based on the calculation of values in use. These calculations call for the use of



assumptions that are based on estimates of future circumstances whose occurrence could be different from the estimate. Goodwill impairment losses cannot be reversed.

2.4. Intangible assets

Intangible assets are recorded at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Group, if they can be controlled by the Group, and if their value can be reasonably measured.

Development expenses for which the Group is shown as being able to complete its development and begin its sell and/or use and relative to which the created asset is likely to generate future economic benefits, are capitalised. Development expenses that do not meet these criteria are recorded as cost in the period when incurred.

Internal expenses associated with software maintenance and development are recorded as costs in the income statement when incurred, except when said costs are directly associated with projects for which future economic benefits are likely to be generated for the Group. In such situations, costs are capitalised as intangible assets.

After the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years).

2.5. Property, plant and equipment

Property, plant and equipment acquired until 1 January 2004 (date of transition to IFRS-EU) are recorded at their 'deemed cost' which amounts to the acquisition cost, or revaluated acquisition cost in accordance with the accounting principles generally accepted in Portugal up to that date, net of accumulated amortisation and impairment losses.

Property, plant and equipment acquired after that date are recorded at acquisition cost, net of the corresponding depreciation as well as accumulated impairment losses.

After the date when the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Amortisation rates used correspond to the following estimated useful life periods:

Type	Years
Buildings and other edifications	10 to 50
Plant and machinery	2 to 15
Vehicles	2 to 10
Tools and utensils	4 to 14
Office equipment	2 to 10
Other tangible assets	3 to 10

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of property, plant and equipment are recorded as costs in the period when they are incurred.

Property, plant and equipment in progress represent fixed assets still under construction, and are recorded at acquisition cost net of any impairment losses. These fixed assets are amortised from the moment the underlying assets are completed or ready for use.

Gains or losses resulting from the sale or write-off of property, plant and equipment are determined as the difference between the sales price and the net book value on the disposal or write-off date. They are recorded in the income statement.



2.6. Leases

Policy applicable since 1 January 2019

At the start of every agreement, the Group assesses whether the agreement is, or contains, a lease. That is, whether the right-of-use of a specific asset or assets is being transferred for a certain period of time in exchange for a payment.

The Group as lessee

The Group applies the same recognition and measurement method to every lease, except for short-term leases and leases associated with low-value assets. The Group recognises a liability relative to lease payments and an asset identified as a right of use of the underlying asset.

(i) Right-of-use assets

On the lease start date (that is, the date from which the asset is available for use), the Group recognises an asset relative to right of use. 'Right-of-use assets' are measured at cost, net of depreciation and accumulated impairment losses, adjusted by remeasuring lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments made on or prior to the start date, on top of any initial direct costs incurred, as well as a cost estimate for dismantling and removing the underlying asset (as applicable), net of any incentive granted (as applicable).

The right-of-use asset is depreciated using the straight-line depreciation method, based on the lease term.

If ownership of the asset is transferred to the Group at the end of the lease period, or the cost includes a purchase option, depreciation is calculated by taking into account the asset's estimated useful life.

Right-of-use assets are also subject to impairment losses.

(ii) Lease Liabilities

On the lease start date, the Group recognises a liability measured at the present value of the lease payments to be made throughout the agreement. Lease payments included in measuring lease liability include fixed payments, net of any incentives already received (where applicable) and variable payments associated with an index or rate. Where applicable, payments also include the cost of exercising a purchase option, which shall be exercised by the Group with reasonable certainty, and payments of penalties for ending the agreement, if the lease terms reflect the Group's exercising option.

The lease liability is measured at amortised cost, using the effective interest method. It is remeasured when changes occur to future payments derived from a change to the rate or index, as well as possible modifications to the lease agreements.

Variable payments not associated with any indices or rates are recognised as an expense during the period, in the period when the event or condition leading to the payment occurs.

To calculate the present value of future lease payments, the Group uses its incremental interest rate on the lease start date, since the interest rate implicit in the agreement cannot be readily determined. After that date, the lease liability amount is increased by adding interest and reduced by lease payments made. In addition, the amount is remeasured in the event of a change in the terms of the agreement, the in lease amounts (e.g., changes in future payments caused by a change to an index or rate used in determining said payments) or a change in the assessment of a purchase option associated with the underlying asset.



(iii) Short-term leases and low-value leases

The Group applies the recognition exemption to its assets' short-term leases (i.e., leases lasting up to 12 months and not containing a purchase option). The Group also applies the recognition exemption to leases of assets deemed to be of low value. Payments of short-term and low-value leases are recognised as an expense in the period, throughout the lease period.

The Group as lessor

In contrast to the accounting of leases for lessees, IFRS 16 substantially maintains the principles for registering leases for lessors previously provided for in IAS 17. Lessors will keep on classifying leases as operating or financial, as IFRS 16 does not entail substantial changes for such entities, given what is set forth under IAS 17.

Policy applicable prior to 1 January 2019

Determining whether an agreement is, or contains, a lease is based on the substance of the agreement at the start thereof, which is either the agreement date and the date of the parties' commitment relative to the main terms of the agreement, whichever is earlier, based on every fact and circumstance. The agreement is, or contains, a lease if the fulfilment of the agreement is contingent on the use of a specific asset or assets and the agreement transfers a right to use the asset, even if said asset is not explicitly identified in the agreement. The lease duration is the sum of the period during which the lease cannot be cancelled and an additional period providing for the lessee to have the option to maintain the lease and, at the start of the agreement, the Group is reasonably certain that the lessee will exercise said option.

A lease is classified as a financial lease or operational lease at the start of the agreement. A lease that substantially transfers all the risks and advantages associated with an asset's ownership to the Group is classified as a financial lease. Financial leases are recorded at fair value in the asset or, if lower, at the current minimum lease payment amounts. Minimum lease payments are distributed between the financial charge and the reduced outstanding liability in order to produce a constant periodic interest rate on the liability's remaining balance.

The financial expenses are recorded in the profit and loss account as financial expenses.

The leased asset depreciates during its useful life. However, if there is no reasonable certainty that the lessee will own the asset at the end of the lease period, the asset is depreciated during the lease period or during its useful life, whichever is shorter.

An operational lease is a lease other than a financial lease. Payments of operational leases are recorded as operational expenses in the income statement in a straight-line during the lease period.

2.7. Government grants or from other public bodies

Grants attributed as part of personal training programmes, or production support, are recorded under the line item 'Other income' in the consolidated income statement for the financial year when said programmes are conducted, regardless of the date when they are received, when all necessary conditions have been fulfilled for receiving them.

Government grants related to fixed assets are recorded in the statement of financial position as 'Other current liabilities' and 'Other non-current liabilities' regarding short-term and medium-/long-term instalments, respectively, and recognised in the income statement proportionally to the amortisation of the subsidised property, plant and equipment.

2.8. Impairment of non-current assets, except Goodwill

The Group's asset impairment is assessed whenever there is an event or change in circumstances indicating that the amount for which the asset is recorded might not be recoverable.



Whenever the carrying amount for which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised and recorded in the income statement under the line item 'Provisions and impairment losses.'

The recoverable amount is either the net sales price or the value in use, whichever is higher. The net sales price is the amount that would be obtained from the asset's disposal, in a transaction between independent knowledgeable entities, net of the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows that are expected to arise from the continuous use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous periods is recorded when it is concluded that previously recognised impairment losses no longer exist or has decreased. This analysis is performed whenever there are indications that the impairment loss that had been previously recognised has been reversed. The reversal of impairment losses is recognised in the income statement under 'Provisions and impairment losses'. This reversal is to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment charge had been recognised.

2.9. Borrowing costs

Financial expenses related to loans obtained are generally recognised as an expense in the income statement of the period on an accrual basis.

In cases where loans are taken to finance assets, the corresponding interests are capitalised, becoming part of the asset's cost. The capitalisation of these expenses starts after the preparation of construction activities begins and ends once the asset is available for use or if the project is suspended.

There were no financial expenses on capitalised loans obtained on 31 December 2021 and 2020.

2.10. Inventories

The goods and raw materials, subsidiaries and consumables are valued at average acquisition cost, net of the amount of quantity discounts granted by suppliers, which is lower than the corresponding market value.

Finished and intermediate goods, sub-products and work in progress are stated valued at production cost, including the cost of raw materials, direct labour and production overheads, and which is lower than the corresponding market value.

The Group proceeds to record the corresponding impairment losses in order to reduce, where applicable, inventories at their net realisable value or market price.

2.11. Provisions

Provisions are recognised when, and only when, the Group (i) has a present obligation (legal or implicit) obligation resulting from a past event, (ii) it is likely that, to resolve this obligation an outflow of resources occurs, and (iii) the obligation's amount might be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and adjusted to reflect the best estimate on that date.

Provisions for restructuring expenses are recognised by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the parties involved.

2.12. Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when it becomes part of the instrument's contractual provisions.



Financial assets and liabilities are initially measured at their fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (which are not financial assets and liabilities measured at fair value through income statement) are added to or deducted from the fair value of the financial asset and liability, as appropriate, in the initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through the income statement are recognised immediately in the consolidated income statement.

a. Financial assets

Financial assets

All purchases and sales of financial assets are recognised on the date of signature of the respective purchase and sale contracts, regardless of the date of their financial settlement. All recognised financial assets are subsequently measured at amortised cost or at their fair value, depending on the business model adopted by the Group and the characteristics of its contractual cash flows.

Initially, assets are classified and subsequently measured at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The initial classification of financial assets depends on the contractual characteristics of the cash flows and the business model adopted by the Group to manage them. Except for trade receivables that do not have a significant financial component and for which the Group adopts the practical expedient, the Group initially measures a financial asset at fair value plus transaction costs, if an asset is not classified at fair value through profit or loss.

Trade receivables that do not have a significant financial component and for which the Group adopts the practical expedient are measured at the transaction price calculated in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it must provide cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding. This assessment, known as the "cash flows that are solely payments of principal and interest" test, is performed for each financial instrument.

The business model established for managing financial assets concerns the way financial assets are managed by the Group with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets or both.

Classification of financial assets

(i) Financial assets measured at amortised cost (debt instruments and receivables)

Fixed income debt instruments and accounts receivable that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held taking into account a business model whose objective is to preserve it in order to receive its contractual cash flows; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of outstanding principal.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the corresponding interest during its life.

For financial assets that are not acquired or originated with impairment (i.e. assets impaired on initial recognition), the effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.



The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of principal repayments plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any impairment losses.

Interest-related revenue is recognised in the consolidated income statement under the line item 'Financial income', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through income statement. Interest revenue is calculated by applying the effective interest rate to the financial asset's gross carrying amount.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in the income statement when the asset is derecognised, modified or becomes impaired.

(ii) Financial assets at fair value through other comprehensive income (debt instruments)

Debt instruments and accounts receivable that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held by considering a business model whose objective provides for both receiving its contractual cash flows and its disposal; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of outstanding principal.

In the case of debt instruments measured at fair value through other comprehensive income, interest income, exchange differences and impairment losses and reversals are recorded in the income statement and calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recorded in other comprehensive income.

Upon derecognition, changes in fair value accumulated in other comprehensive income are transferred (recycled) to profit or loss.

(iii) Financial assets at fair value through other comprehensive income (capital instruments)

In the initial recognition, the Group can make an irrevocable choice (on a financial-instrument-by- financial-instrument basis) to state certain investments under equity instruments (shares) at fair value through other comprehensive income when these fulfil the definition of capital provided for under IAS 32 Financial instruments: Presentation and not held for trading. Classification is determined on an instrument-by- instrument basis.

The fair-value designation through other comprehensive income is not permitted if the investment is held for trading purposes or when resulting from a contingent consideration recognised as part of a business combination.

A capital instrument is held for trading if:

- it is acquired chiefly for the purpose of short-term disposal;
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction expenses. Subsequently, they are measured at their fair value with gains and losses arising from their change, as recognised under other comprehensive income. At the time of its disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the consolidated income statement, but, rather, merely transferred to the line item 'Retained Earnings.'

Dividends associated with investments in equity instruments recognised at fair value through other comprehensive income are recognised in the consolidated income statement when they are attributed/resolved on, unless they



clearly represent a recovery of part of the investment cost. Dividends are recorded in the consolidated income statement under 'Financial income'.

In the first application of IFRS 9, the Group designated investments in equity instruments that were not held for trading as stated at fair value through profit or loss (read next paragraph).

(iv) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the income statement. These financial assets include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value.

Financial assets recorded at fair value through the income statement are measured at fair value obtained at the end of each reporting period. The corresponding gains or losses are recognised in the consolidated income statement, except if they are part of a hedging relationship.

Derecognition of financial assets

A financial asset (or, where applicable, a part of the financial asset or of a group of financial assets) is derecognised (i.e., removed from the Statement of Financial Position) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Group transferred its contractual rights to receive cash flows resulting from the financial asset or undertook an obligation to pay the cash flows received in full in the short term under an agreement in which the Group i) has no obligation to pay any amounts to final recipients unless it receives equivalent amounts resulting from the original asset; ii) is prohibited by the terms of the transfer agreement to sell or pledge the original asset other than as a guarantee to the final recipients due to the obligation to pay them cash flows; and iii) the Group has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays; and
- The Group substantially transferred all the risks and benefits of the asset, or the Group did not substantially transfer or retain all the assets and benefits of the asset, but has transferred control over the asset.

When the Group transfers its rights to receive cash flows from an asset or is party to an agreement that may allow derecognition, it assesses whether, and to what extent, the risks and benefits associated with the ownership of the asset have been retained.

When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset has not been transferred, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Group also recognises the corresponding liability. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations retained by the Group.

If the Group's continuing involvement takes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lowest between the asset's original book value and the maximum amount of consideration received that the Group might pay.

Subsequently, customer balances represented by discounted bills but not due and receivables transferred in factoring at the date of each statement of financial position, except for "factoring without recourse" transactions (and for which the risks and benefits inherent to these receivables are unequivocally transferred), are recognised in the Group's financial statements up to the time they are received.

Financial asset impairment

From January 2018, the Group started to prospectively assess expected impairment losses, in accordance with IFRS 9. The Group recognises expected impairment losses for debt instruments measured at amortised cost or at fair



value through other comprehensive income, as well as for customer accounts receivable and other receivables. The expected impairment loss amount for the aforementioned financial assets is updated on every reporting date in order to reflect the credit risk changes occurred since the initial recognition of the corresponding financial assets.

According to the expected simplified approach, the Group recognises expected impairment losses for the economic life of customer accounts receivable and other receivables ('lifetime'). Expected losses on these financial assets are estimated using an impairment matrix based on the Group's historical experience of impairment losses, affected by specific prospective factors related to the debtors' expected credit risk, by the evolving general economic conditions, and by an evaluation of current and projected circumstances on the financial reporting date. The Group considers 'default' to be 180 days after the due date.

The model used for determining impairments of accounts receivable consists of the following:

- Customer stratification by type of associated domestic (Moulds/Other) and foreign revenue;
- Structuring by seniority, that is, the number of calendar days from the billing due date to the stratification above, considering the following intervals: <0 days, 0 to 30 days, 30 to 90 days, 90 to 180 days, Not Charged up to 180 days;
- Analysis of the history of uncollectible and default for stated subpopulations;
- Segregation of outstanding balances, considering the existence of credit insurance;
- For balances not covered by credit insurance, determining the historical rate of bad debts considering invoicing for the last three years;
- Adjusting the rates obtained above with a forward looking component based on future projections that reflect the Group's expectations for developments in the market in which the Group's customers operate, namely in the automotive sector or sectors related to it or located upstream it on the value chain;
- Applying the rates obtained to customer outstanding balances on the reporting date.

Ramada Group understands that the segregation between third parties in view of their nationality and type of commercial activity is the one that best allows them to segment third parties according to their credit risk, and to define a homogeneous portfolio of accounts receivable to determine the impairment credit losses. In addition, it is the Group's understanding that the use of billing over the past three years is the one that best reflects the experience with regard to historical credit losses.

In addition, the Group maintains and recognises impairments on a case-by-case basis, based on specific balances and specific past events, taking into account the historical information of the counterparties, their risk profile and other observable data in order to assess whether there are objective indicators of impairment for these financial assets.

In certain cases, the Group may also consider that a financial asset is in default when there is internal and external information that indicates that it is unlikely that the Group will receive the full amount it is owed without having to call its guarantees.

For every other situation and nature of balances receivable, the Group applies the general impairment model approach. On every reporting date, it assesses whether there was a significant increase in credit risk from the asset's initial recognition date. If credit risk did not increase, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a 12-month period. If credit risk did increase, the Group calculates an impairment corresponding to the amount equivalent to expected losses for every contractual cash flow up to the asset's maturity. The credit risk is assessed in accordance with the criteria disclosed in the credit risk management policies.



b. Financial liabilities and equity instruments

Classification as financial liability or as an equity instrument

Financial liabilities and equity instruments are classified as liability or as equity according to the transaction's contractual substance.

Equity

The Group considered equity instruments to be those where the transaction's contractual support shows that the Group holds a residual interest in a set of assets after deducting as set of liabilities.

The equity instruments issued by the Group are recognised at the amount received, net of costs directly attributable to their issue.

The repurchase of equity instruments issued by the Group (own shares) is accounted for at its acquisition cost as a deduction from equity. Gains or losses inherent to disposal of own shares are recorded under 'Other reserves'.

Financial liabilities

After initial recognition, every financial liability is subsequently measured at amortised cost or at fair value through income statement.

Financial liabilities are recorded at fair value through profit or loss when:

- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated to be recorded at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it is acquired chiefly for the purpose of short-term disposal; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Financial liabilities recorded at fair value through consolidated income statement are measured at their fair value with the corresponding gains or losses arising from their variation, as recognised in the consolidated income statement, except if assigned to hedging transactions.

Financial liabilities subsequently measured at amortised cost

Financial liabilities not designated for recording at fair value through income statement are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating the corresponding interest during its life.

The effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for at least one year, and the Group's Board of Directors intends to use this source of funding also for at least one year.



Following their initial recognition, loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recorded in the income statement when liabilities are derecognised and through amortisation resulting from the effective interest method. The amortised cost is calculated taking into account any acquisition discount or premium and the fees and other costs that are an integral part of the effective interest rate. The effect of effective interest is recorded under financial costs in the income statement.

The other financial liabilities basically refer to factoring transactions and lease liabilities, which are initially recorded at their fair value. Following their initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are settled, cancelled or have expired.

The difference between the derecognised financial liability's carrying amount and the consideration paid or payable is recognised in the consolidated income statement.

When the Group and a given creditor exchange a debt instrument for another containing substantially different terms, said exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability.

Likewise, the Group accounts for substantial amendments to the terms of an existing liability, or to a part thereof, as an extinction of the original financial liability and the recognition of a new financial liability.

If the modification is not substantial, the difference between: (i) the liability's carrying amount prior to the amendment; and (ii) the present value of future cash flows after the amendment is recognised in the consolidated income statement as an amendment gain or loss.

c. Derivative financial instruments and hedge accounting.

When deemed relevant, the Group uses financial derivative instruments, such as forward exchange rate contracts and interest rate swaps to hedge its foreign exchange and interest risks, respectively.

Such derivatives are initially recorded at fair value at the date they are contracted and are subsequently measured at fair value. Changes in the fair value of these instruments are recorded in equity under "Hedging reserves" and then recognised in the income account over the same period in which the hedged instrument affects profit or loss.

Derivatives are presented in assets when their fair value is positive and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:

- Fair value hedge, when the purpose is to hedge exposure to changes in the fair value of a registered asset or liability or an unregistered Group commitment.
- Cash flow hedge, when the purpose is to hedge exposure to cash flow variability arising from a specific risk associated with a recorded asset or liability, in whole or in part, or a predicted transaction which is highly likely to occur, or the foreign exchange risk associated with an unregistered Group commitment.

At the beginning of the hedge relationship, the Group formally designates and documents the hedge relationship for which it intends to apply hedge accounting, as well as the management and strategy purpose of that hedge.

These documents include the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged, and how the Group assesses whether the hedging relationship complies with the hedge accounting requirements (including an analysis of the sources of hedging ineffectiveness and how it determines the hedge rate). The hedging relationship is eligible for hedge accounting if it meets all of the following hedge effectiveness requirements:



- (i) There is an economic relationship between the hedged item and the hedging instrument;
- (ii) The credit risk effect does not dominate the changes in value that result from this economic relationship;
and
- (iii) The hedge ratio of the hedging relationship is the same as that resulting from the portion of the hedged item that an entity is actually hedging and the portion of the hedging instrument that the entity actually uses to hedge that portion of the hedged item.

Hedge relationships that meet the eligibility criteria above are accounted for as follows:

Fair value hedge

The change in the fair value of the hedging instrument is recorded in the income statement. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recorded in the income statement.

To hedge the fair value of items measured at amortised cost, any adjustment to the book value is amortised in the income statement over the remaining hedging period using the effective interest method. Amortisation using the effective interest method starts when there is an adjustment and never later from the moment when the hedged item ceases to be adjusted by changes in fair value attributable to the risk that is being hedged.

If the hedged item is derecognised, the fair value to be amortised is immediately recorded in the income statement.

When an unrecorded commitment is designated as a hedged item, subsequent accumulated changes in the fair value of the Group's commitment attributable to the hedged risk are recognised as an asset or liability and the corresponding gain or loss is recorded in the income statement.

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised as Other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the values between the accumulated gain or loss on the hedging instrument and the accumulated change in the fair value of the hedged item.

The Group uses forward exchange contracts to hedge exposure to foreign exchange risk in expected transactions and commitments undertaken. The ineffective portion related to exchange contracts is recognised in the income statement.

The Group designates only the sight element of forward contracts as a hedging instrument. The forward element is recognised under other comprehensive income and accumulated in a separate equity component.

Cumulative amounts under other comprehensive income are accounted for based on the nature of the corresponding hedging relationship. If the hedging relationship subsequently results in the registration of a non-financial item, the cumulative amount is removed from the separate equity component and included in the initial cost or book value of the hedged asset or liability. This is not a reclassification adjustment and should not be recorded under other comprehensive income for the period. This also applies when an expected transaction covered by a non-financial asset or a non-financial liability becomes a Group commitment subject to hedge accounting.

For all other cash flow hedges, the cumulative amount under other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income statement.

If the cash flow hedge accounting is interrupted, the cumulative amount under other comprehensive income shall remain if hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is immediately reclassified to the income account as a reclassification adjustment. After the interruption, as soon as the hedged cash flows occur, any cumulative amounts remaining under other comprehensive income should be accounted for in accordance with the nature of the underlying transaction as described above.



During the 2021 and 2020 periods, no derivative financial instruments were contracted to hedge interest rate or exchange rate risks.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the consolidated statement of financial position if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

2.13. Cash and cash equivalents

The amounts included under the line item 'Cash and cash equivalents' correspond to cash amounts, bank deposits, term deposits, and other treasury applications, maturing in less than three months, and are subject to insignificant risk of change in value.

In terms of statement of cash-flows, the line item 'Cash and cash equivalents' also comprises bank overdrafts included under the current liability line item 'Bank loans.'

2.14. Statement of cash flows

The statement of cash-flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is categorised under operating (which include receipts from customers, payments to suppliers, payments to personnel and others related to operating activities), financing (which include payments and receipts related to borrowings, lease liabilities and dividend payments) and investment activities (which include acquisitions and disposals of investments in subsidiaries and receipts and payments arising from the purchase and sale of property, plant and equipment).

2.15. Contingent assets and liabilities

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the Group.

Contingent assets are not recognised in the Group's financial statements, being disclosed only when a future economic benefit is likely to occur.

Contingent liabilities are defined by the Group as: (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not under full control of the Group, or (ii) present obligations arising from past events but that are not recognised because it is unlikely that a cash flow affecting economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Group's financial statements and are actually disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

2.16. Income tax

Income tax for the period is calculated based on the taxable results of the companies included in the consolidation and considers deferred taxation.

Current income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the tax regulations in force.

Most of the subsidiaries included in the Ramada Group's scope of consolidation using the full consolidation method, and which are based in Portugal, are taxed under the special taxation regime for groups, pursuant to art. 69 of the Portuguese Corporate Income Tax Code. ("Código do Imposto sobre o Rendimento de Pessoas Coletivas").



The amount of income (current and deferred) taxes recognised in the consolidated financial statements reflects the Group's understanding of the appropriate tax treatment applied to specific transactions, according to which liabilities related to income taxes or other taxes are recognised, thus reflecting the Group's interpretation of the applicable tax scheme. In cases where such interpretations are questioned by the Tax Authorities, within the scope of their powers, because their interpretation is different from that of the Group, the interpretation in question is re-examined.

If the loss of a possible (or actual) litigation is not likely to occur, the Group treats the situation as a contingent liability, not recognising any tax amount. In cases where such a loss is likely to occur, a provision is recognised or, if a payment has been made, the associated cost is recognised.

In cases where there were payments relating to income tax under special tax debt settlement schemes, and the Group's defence remains open and a loss is not likely to occur, such payments are recognised as an asset, as they correspond to amounts that are expected to be repaid to the Group or that may be used to pay the amount of tax determined as owed.

The Group's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the financial statements as of 31 December 2021 and 2020.

Deferred taxes are calculated using the financial position statement liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or substantially in force at the expected date of reversal of temporary differences.

The measurement of deferred tax assets and liabilities:

- Is conducted in accordance with the expected rates to be applied in the period the asset is realised or the liability settled, based on the tax rates approved on the date of the statement of financial position; and
- It reflects the tax consequences arising from the way the Group expects, on the date of the statement of financial position, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period, a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred taxes are not recognised in respect to temporary differences associated with investments in associates, since the following conditions are simultaneously considered to be met:

- The Group is able to control the timing of the temporary difference reversal; and
- It is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are recorded as expenses or income for the period, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

2.17. Revenue from contracts with customers

Revenue in the 2018 period started being measured in accordance with the retribution specified in the agreements established with customers. IFRS 15 establishes that an entity should recognise revenue to reflect the transfer of goods and services contracted by customers, in the amount that corresponds to the payment the entity expects to be entitled to receive as consideration for the delivery of those goods or services.

Within the scope of the typification of the Group's revenue channels and the consequent identification of performance obligations, the sale of steel and similar products was identified as a performance obligation that results in the supply of goods ordered by customers. Therefore, the Group recognises revenue from contracts with customers when it transfers control over a certain good or service to the customer. Transfer of control occurs to the same extent the



associated risks are transferred, according to the set contractual conditions. Transfer of control of goods occurs when they are delivered at the customer's premises.

Considering the performance obligation that was identified, the Group, insofar as it has the capacity to direct the use of the asset and substantially obtain all the economic benefits associated with it, effectively controls the asset/service until the date of the transfer, which is why it acts as principal.

Sale of steel and similar products

The Group recognizes revenue in accordance with IFRS 15, based on the 5-step model below:

1. contract identification with a client;
2. performance obligation identification;
3. pricing of the transaction;
4. allocation of the transaction price to performance obligation; and
5. recognition of revenue when or as the entity meets a performance obligation.

Quantity discounts

The Group occasionally offers retrospective volume discounts to certain customers when a certain volume of purchases in a certain period of time exceeds a certain limit provided for in the contract. Discounts are recorded as credit in the customer's receivables. In order to estimate the variable remuneration associated with the expected amount of quantity discounts granted, the Group uses historical data relating to each customer.

(ii) Significant financial component

Using the practical procedures provided for in IFRS 15, the Group does not adjust the remuneration amount to the financial effect when it has the initial expectation that the period between the transfer of the good or service to the customer and the moment when the customer pays for that good or service is less than one year. The same happens when the Group receives short-term advances from customers - in this case, the amount of the remuneration is also not adjusted to the financial effect. In cases where the Group receives long-term advances from its customers, the transaction price of those contracts is discounted using a rate that reflects what would happen in the autonomous financing transaction between the Group and its customers at the beginning of the contract, in order to take into account the significant financial component.

Trade receivables

A receivable represents the Group's unconditional right (i.e., it depends only on the passing of time until the remuneration falls due) to receive the remuneration.

Assets associated with contracts with customers

A customer agreement asset is a right to receive a remuneration in exchange for goods or services transferred to the customer. If the Group delivers the goods or provides the services to a customer before the customer pays the remuneration or prior to the remuneration falling due, the contractual asset corresponds to the conditional remuneration amount.

Liabilities associated with contracts with customers

A contract liability is the obligation to transfer goods or services for which the Group has received (or is entitled to receive) a consideration from a customer. If the customer pays the consideration before the Group transfers the goods or services, a contractual liability is recorded when the payment is made or when it falls due (whichever happens first). Contract liabilities are recognised as revenue when the Group fulfils its contractual performance obligations.



Within the scope of IFRS 15, the item trade receivables is included in the Statement of Financial Position, and there are no assets or liabilities related to contracts with customers other than this item.

2.18. Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the line items 'Other current assets', 'Other current liabilities', 'Other non-current assets', and 'Other non-current liabilities.'

2.19. Investment properties

Investment properties, corresponding to assets held for the purpose of obtaining rents or capital appreciation, are measured at cost, including transaction costs.

The investment properties held by the Group are held for the purpose of obtaining rents, and are not held for administrative purposes or for sale in the course of the Group's current activity.

The leased properties are located on rustic land, most of them away from population centres, and are used for planting eucalyptus (forestry).

Whenever the Group owns property in which a part is held to obtain rents and another part held for use in the production of goods or services, these properties are accounted for separately, if they can be sold separately. If they cannot be sold separately, the property is considered investment property only if an insignificant part is held for use in the production of goods or services.

2.20. Assets held for sale and discontinued operations

This category includes assets or groups of assets whose corresponding value is realisable via a sales transaction or, jointly, as a group in a single transaction, and liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at either the corresponding book value or the fair value net of selling costs, whichever is lower.

In order for this situation to occur, the sale needs to be highly likely (expected to be completed within 12 months), and the asset needs to be available for immediate sale under current conditions; moreover, the Group needs to have committed to said sale.

Amortisation of assets under these conditions ceases from the moment when they are categorised as held for sale and are shown as current in appropriate lines for assets, liabilities and equity. A discontinued operating facility is a component (operating facilities and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, of the rest of the entity) of an entity that either was disposed of or is categorised as held for sale, and:

- (i) represents a major business line or separate geographical area of operations;
- (ii) it is an integral part of a single coordinated plan for disposing of a major business line or separate geographical area of operations; or
- (iii) it is a subsidiary acquired solely for resale purposes.

The results of discontinued operating facilities are given as a single amount in the income statement, comprising gains or losses after taxes of the discontinued operating facilities, plus gains or losses after taxes recognised in the fair-value measurement net of selling costs or in the disposal of assets or of one or more group for disposal that constitute the discontinued operating facility.

Balances and transactions between continued operations and discontinued operations are eliminated to the extent they represent the operations no longer to be carried out by the Group.



There are no assets under these conditions as at 31 December 2021 and 2020.

2.21. Balances and transactions expressed in foreign currency

All assets and liabilities expressed in foreign currency were converted to Euros using official currency exchange rates in force on the date of the statement of financial position.

Favourable and unfavourable currency exchange differences originated by the differences between currency exchange rates applicable on the transaction date and those applicable on the collection date, payments or on the date of the statement of financial position, of those same transactions, are recorded as income and expenses in the consolidated income statement for the period, except those regarding non-monetary amounts whose change in fair value is recorded directly in equity.

2.22. Subsequent events

The events occurring after the date of the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the Group's financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the Notes to the financial statements.

2.23. Information by segments

In each period, the Group identifies the most adequate segment division taking into consideration the business areas in which the Group is present. Operating segment is a group of assets and operations of the Group whose financial information is used in the decision-making process developed by Group management.

Operating segments are shown in these Financial statements as they are shown internally in examining the evolution of the Group's business.

The report's accounting policies by segments are those consistently used within the Group. Intersegmental sales and service provisions are all shown at market prices, and all these are eliminated on the consolidation process.

Information on the identified segments is disclosed in Note 37.

2.24. Employee Benefits

Retirement pension plan

The subsidiary Socitrel has undertaken to provide its employees with cash benefits as supplements to old-age or disability pensions. These liabilities are covered by the corresponding autonomous pension funds, whose annual charges, determined according to actuarial calculations, are recorded as costs or income for the year, in accordance with IAS 19 - 'Employee benefits'.

Defined benefit plans

The liability recognised in the balance sheet for a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date. The defined benefit plan obligation is calculated annually by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting future cash outflows, using the interest rate on high-quality bonds denominated in the same currency in which the benefits will be paid and with maturities close to those of the liability that is assumed.

However, historically, in the case of the subsidiary Socitrel, the assets of autonomous pension funds exceed the liabilities for past services. Therefore, the Ramada Group records an asset in its financial statements considering that the differential corresponds to lower funding requirements for pension funds in the future.



All actuarial gains and losses resulting from adjustments based on experience and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income in the year in which they occur; they are not subsequently reclassified in the income.

Net financial costs and income from plan assets are recognised in profit or loss.

Financial costs are calculated by applying the discount rate to the defined benefit liability or asset. The Group recognises current and past service costs, gains and losses on cuts and/or settlements, as well as net financial costs under 'Payroll Expenses'.

Past service costs are immediately recognised in the income statement, unless changes in the pension plan are conditioned by the employees remaining in service for a certain period of time (the period that qualifies for the benefit). In this case, past service costs are amortised on a straight-line basis over the period in question.

Gains and losses generated by a cut or settlement of a defined benefit pension plan are recognised in the income statement for the year in which the cut or settlement occurs. A cut occurs when there is a material reduction in the number of employees or there are changes in the plan that reduce the defined benefits, with a material effect, thus resulting in a reduction in the liabilities associated with the plan.

Defined contribution plans

Defined contribution plans are pension plans for which defined contributions are made to independent entities (funds) and regarding which there is no legal or constructive obligation to pay any additional contribution at the time when employees enjoy these benefits.

Contributions consist of a percentage of the remuneration earned by the employees included in the plan, which is defined in the plan's Regulation and which varies only according to the seniority and position of its beneficiaries. Contributions to defined contribution plans are recorded as a cost in the period in which they are due.

3. JUDGEMENTS AND ESTIMATES

In preparing the consolidated financial statements, in accordance with the accounting standards in force (Note 2.1), the Group's Board of Directors adopted certain assumptions and estimates affecting assets and liabilities, as well as income and expenses incurred in relation to the reported periods. All of the estimates and assumptions by the Board of Directors were carried out based on their existing best knowledge, on the date of approval of financial statements, events, and ongoing transactions.

The main value judgements and most significant estimates conducted and used in preparing consolidated financial statements include:

- a) Determining impairment losses in receivables
Impairment losses in receivables are determined as shown under Note 2.12. This way, determining impairment through individual analysis amounts to the Group's judgement regarding the economic and financial situation of its customers and to its estimate on the value attributed to any existing guarantees, with the subsequent impact on expected future cash flows. On the other hand, expected impairment losses in credit granted are determined considering a set of historical information and assumptions, which might not be representative of the future uncollectability from the Group's debtors.
- b) Investment property valuation
Although the accounting policy followed by the Group in the valuation of investment properties is cost, for the purpose of disclosure of the market value of these assets and assessment of any impairment losses, the calculation of their market value includes relevant judgments and estimates, namely forecasts of future rents and yields.



Estimates were determined based on the best available information on the date when consolidated financial statements are prepared and on the basis of the best knowledge and on experience with past and/or current events. However, there are situations that could occur in subsequent periods which, while not foreseeable on that date, were not considered in those estimates. Changes to those estimates, which occur subsequent to the date of the consolidated financial statements, will be corrected in the income statement on a prospective basis, as provided for under IAS 8 – Accounting Policies, Changes to Accounting Estimates and Errors.

4. FINANCIAL RISK MANAGEMENT

The Ramada Group is basically exposed to: (i) market risk; (ii) liquidity risk; (iii) credit risk; and (iv) capital risk. The main objective of the Board of Directors in terms of risk management consists of reducing these risks to a level deemed acceptable for carrying on the Group's business. The risk management policy's guiding principles are outlined by Ramada's Board of Directors, which determines acceptable risk limits. The operational implementation of the risk management policy is carried out by the Management and by the Department at each investee company.

i. Market Risk

Interest rate risk and the risk of variability in commodity prices are particularly important in the market risk management context.

When it deems necessary, the Group uses derivative instruments in managing the market risks to which it is exposed as a way of guaranteeing their hedging. Derivative instruments are not used for trading or speculation purposes.

a) Interest Rate Risk

Interest rate risk is mainly the result of the Group's indebtedness being indexed to variable rates (mostly indexed to Euribor), which may expose the cost of debt to a volatility risk.

The Ramada Group's Board of Directors approves the terms and conditions of financing deemed material for the Group. As such, it examines the debt structure, the inherent risks and the different options available on the market, namely regarding the type of interest rate (fixed/variable).

The sensitivity analysis below was calculated based on the exposure to the interest rate in force on the date of the statement of financial position. The basic assumption for this analysis was that the financing structure (remunerated assets and liabilities) remained stable throughout the year and was similar to that shown on 31 December 2021 and 2020.

Therefore, in the years ended 31 December 2021 and 2020, the Group's sensitivity to changes in the interest rate index by an increase/decrease of 100 basis points, measured as the variation in financial results, can be analysed as follows:

	31.12.2021	31.12.2020
Interest expenses (Note 34)	826,205	989,106
Positive change of 100 basis points in the interest rate applied to the entire debt	105,000	88,000
Negative change of 100 basis points in the interest rate applied to the entire debt	105,000	88,000

b) Commodity price variability risk

Because it carries out its activity in a sector where commodities (steel) are traded, the Group is particularly exposed to price variations, with the corresponding impact on results. Accordingly, where necessary to mitigate the volatility of its results, the Group may seek to hedge its exposure to price variability by contracting derivative financial instruments.



On the other hand, although the Group is indeed exposed to this risk in the context of the acquisition of raw materials, such impact is reflected in the final price charged to customers, which is why a sensitivity analysis would not be relevant in this case.

ii. Credit Risk

The Group's exposure to credit risk is mostly associated with accounts receivable arising from its commercial activity. Credit risk refers to the risk of a counterparty defaulting on its contractual obligations, resulting in a loss for the Group.

The credit risk assessment is carried out on a regular basis, taking into account the economic conditions at any given time and the specific credit position of each of the customers, adopting corrective procedures where appropriate.

The Group has no significant credit risk concentrated on any particular customer or group of customers or with similar characteristics, as accounts receivable are divided between a large number of customers, different business areas and geographical areas.

Given the amount of credit granted to customers, the Ramada Group seeks to efficiently manage its volume, establishing a set of rules that allow, on the one hand, to minimise the risk of impairment and, on the other, to maintain a healthy and active customer base to guarantee the present and future sales flow.

Credit risk is limited by managing risk combination and carefully selecting counterparties, as well as by taking out credit insurance with specialised institutions and which cover a significant part of the credit granted as a result of the business carried on by the Group. The definition and approval of plafond per customer takes into account the existing credit insurance.

When credit insurance is insufficient to meet the customer's credit needs, there is an analysis focused on payment history (in the case of existing customers) and financial indicators (new and existing customers). Both the plafond and the internal rating assigned to the customer are fine-tuned in the course of the commercial relationship.

iii. Liquidity Risk

The main objective of the liquidity risk management policy is to ensure that the Group has, at all times, the necessary financial resources to meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties, as they become due, by adequately managing the maturity of the corresponding loans.

The Group defines as an active liquidity risk management policy: (i) maintaining a high level of free and readily available resources to cover current payments and their maturity, (ii) limiting the probability of default in the repayment of all its investments and loans, negotiating the range of contractual clauses, and (iii) minimising the opportunity cost of holding excess liquidity in the short term. The Group also seeks to make the due dates of assets and liabilities compatible, through a streamlined management of their maturities. As at 31 December 2021 and 2020, the financial assets held by the Group are mainly accounts receivable from customers and cash and bank deposits, namely deposits available on demand. In addition, the Group has unused credit lines as disclosed in Note 23.

The Group keeps a liquidity reserve in the form of credit lines with the banks it deals with, in order to ensure the capacity to meet its commitments, without having to refinance itself under unfavourable conditions. As at 31 December 2021, the amount of consolidated loans maturing in 2022 is EUR 33.3 million, and at 31 December 2021 the Group had consolidated credit lines available in the amount of EUR 40 million.

In view of the above, the Group expects to meet all its treasury needs by using the flows from operating activity and investments, as well as, if necessary, by using the available credit lines.



iv. Capital risk

The Ramada Group's capital structure, determined by the proportion between equity and net debt, is managed so as to make sure its operating activities continues and it carries on its business, while maximising shareholder return and optimising financing expenses.

The Group periodically monitors its capital structure, by identifying risks, opportunities and measured adjustment needs aimed at achieving the aforementioned goals.

As at 31 December 2021 and 2020, the Ramada Group has a very conservative total equity/net debt ratio.

(net debt is the algebraic sum of the following items in the consolidated statement of financial position: other loans; bank loans; lease liability and (-) Cash and cash equivalents).

5. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the period, there were no voluntary changes in accounting policies. Likewise, no material errors were recognised in relation to previous periods.



6. SUBSIDIARIES INCLUDED IN THE CONSOLIDATION, INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

6.1. Subsidiaries included in the consolidation

The companies included in the consolidation using the full consolidation method, respective offices, proportion of capital held and main activity as at 31 December 2021 and 2020 are detailed as follows:

Company	Registered	Effective held percentage		Main activity
		31.12.2021	31.12.2020	
Parent company:				
Ramada Investimentos e Indústria S.A.	Porto			Management consulting services and shareholding management
Ramada Group				
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 Espana, S.A.	Spain	100%	100%	Steel wire manufacturing and trade
Expeliarmus - Consultoria, Unipessoal, Lda.	Trofa	100%	100%	Shareholding management
Socitrel Solar, Unipessoal, Lda.	Trofa	100%	—%	Management of electric energy production and sale facilities
Ramada Solar, Unipessoal, Lda. ¹	Ovar	100%	—%	Management of electric energy production and sale facilities

¹ Companies incorporated in 2021

These subsidiary companies were included in the Ramada Group's consolidated financial statements using the full consolidation method, as disclosed in in Note 2.2.



6.2. Investments in associates

As at 31 December 2021 and 2020, the item 'Investments in associates' can be detailed as follows:

31 December 2021						
Company	% Held	Opening balance	Transfers	Additions	Reductions	Closing balance
Fisio Share – Gestão de Clínicas, S.A	39.71%	4,554,735	—	285,053	—	4,839,788
		<u>4,554,735</u>	<u>—</u>	<u>285,053</u>	<u>—</u>	<u>4,839,788</u>

31 December 2020						
Company	% Held	Opening balance	Transfers	Additions	Reductions	Closing balance
Fisio Share – Gestão de Clínicas, S.A	39.71%	4,500,000	—	54,735	—	4,554,735
		<u>4,500,000</u>	<u>—</u>	<u>54,735</u>	<u>—</u>	<u>4,554,735</u>

As at 31 December, 2021, the increase refers to the application of the equity method of the Group's participation in the incorporation of the company Fisio Share - Gestão de Clínicas, S.A.. This investee is engaged in the provision of technical and consultancy services in the areas of health management and administration; it was incorporated in the last quarter of 2019.

The financial information of the consolidated accounts of the associated company as of December 31, 2021, according to its financial statements available at that date, can be summarized as follows:

31 December 2021 (non audited)			
Associate company	Total Assets	Total Equity	Net profit
Fisio Share - Gestão de Clínicas, S.A.	16,853,242	12,087,624	717,838



7. Other investments

As at 31 December 2021 and 2020, the value of 'Other investments' and the corresponding impairment losses is detailed as follows:

	31.12.2021	31.12.2020
Gross value		
Opening balance	4,967,633	4,445,498
Additions	—	522,135
Closing Balance	4,967,633	4,967,633
Accumulated impairment losses (Note 27)		
Opening balance	(4,967,633)	(4,445,498)
Additions	—	(522,135)
Closing Balance	(4,967,633)	(4,967,633)
Net value	—	—

As at 31 December 2021 and 2020, the Group held 22.52% of the company CEV, S.A. This subsidiary is engaged in the development 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, considering, in particular, that:

- It is not represented in the subsidiary's Executive Board;
- It has no power to participate in the definition of operational and financial policies;
- It has no material transactions with the Subsidiary;
- It does not provide technical information to the Subsidiary.

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

The assessment of whether or not there are signs of impairment on investments in other investments takes into account, among others, the financial indicators of the Companies in question, their operating results and their profitability for the shareholder, namely considering their ability to distribute dividends.

7.1. Payments and receipts related to investments

As at 31 December 2021 and 2020, payments related to investments are detailed as follows:

	31.12.2021	31.12.2020
Other investments	—	522,135
	—	522,135

8. Goodwill

In 2020, in order to assess whether or not there was Goodwill impairment resulting from the acquisition of Planfuro Global, S.A. in 2016, in the amount of EUR 1,245,520, the Group carried out an evaluation of this subsidiary. The evaluation was carried out based on the historical performance of the subsidiary and on an estimate of discounted cash flows based on a five-year business plan (using the discounted cash flow method).



The Group proceeded a comparison of the valuation with the corresponding contribution to the consolidated statement of income (including goodwill), and concluded that there is Goodwill impairment.

Accordingly, during the year ended 31 December 2020, an impairment loss was recorded for the entire amount of Goodwill (Note 27).

9. CLASSES OF FINANCIAL INSTRUMENTS

Financial instruments are classified as follows, in accordance with the policies disclosed in Note 2.12:

9.1. Financial assets

31 December 2021	Financial assets recorded at amortised cost	Total
Non-current assets		
Other receivables (Note 19)	—	—
	—	—
Current assets		
Trade receivables	47,657,107	47,657,107
Other receivables (Note 19)	295,458	295,458
Other current assets	106,087	106,087
Cash and cash equivalents	54,558,017	54,558,017
	<u>102,616,669</u>	<u>102,616,669</u>
	<u>102,616,669</u>	<u>102,616,669</u>

31 December 2020	Financial assets recorded at amortised cost	Total
Non-current assets		
Other receivables (Note 19)	187,833	187,833
	<u>187,833</u>	<u>187,833</u>
Current assets		
Trade receivables	34,959,861	34,959,861
Other receivables (Note 19)	446,007	446,007
Other current assets	36,851	36,851
Cash and cash equivalents	54,472,220	54,472,220
	<u>89,914,939</u>	<u>89,914,939</u>
	<u>90,102,772</u>	<u>90,102,772</u>



9.2. Financial liabilities

31 December 2021	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Bank loans	31,487,401	31,487,401
Other loans	868,079	868,079
Lease Liabilities	286,125	286,125
	<u>32,641,605</u>	<u>32,641,605</u>
Current liabilities		
Bank loans	6,000,000	6,000,000
Other loans	27,309,887	27,309,887
Lease Liabilities	203,196	203,196
Trade payables	43,474,569	43,474,569
Other payables (Note 25)	758,058	758,058
Other current liabilities (Note 26)	4,849,782	5,443,807
	<u>82,595,492</u>	<u>83,189,517</u>
	<u>115,237,097</u>	<u>115,831,122</u>
31 December 2020		
Non-current liabilities		
Bank loans	37,487,401	37,487,401
Other loans	2,330,007	2,330,007
Lease Liabilities	213,399	213,399
	<u>40,030,807</u>	<u>40,030,807</u>
Current liabilities		
Bank loans	6,000,000	6,000,000
Other loans	19,574,183	19,574,183
Lease Liabilities	325,358	325,358
Trade payables	24,086,736	24,086,736
Other payables (Note 25)	825,223	825,223
Other current liabilities (Note 26)	3,403,500	3,403,500
	<u>54,215,000</u>	<u>54,215,000</u>
	<u>94,245,807</u>	<u>94,245,807</u>

The value of financial liabilities recorded at amortised cost is close to their fair value.



10. INVESTMENT PROPERTIES

The movements occurred in this item in the periods ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Gross opening balance	89,787,130	89,786,840
Acquisitions	—	290
Disposals	—	—
Gross closing balance	89,787,130	89,787,130
Impairment Losses (Note 27)	(1,100,000)	(1,100,000)
Closing balance	88,687,130	88,687,130

The lands are leased and, during the year ended 31 December 2021, generated income from rents in the amount of approximately EUR 6,800,000 (approximately EUR 6,785,000 in 2020).

Most of the investment properties held by the Ramada Group are lands leased to a related party (Note 35) under lease agreements signed in 2007 and 2008 with an average duration of twenty years (with the possibility of being extended for an additional period of four to six years, depending on the agreements, if the lessee needs this period to achieve the number of cuts expected to be made under usual conditions); the valuation method used in this case is the cost method.

Minimum future collections related to leases of forest land amount to approximately EUR 6.8 million in each of the next five years. After that period and until the end of the agreements, minimum future collections will total approximately EUR 42 million. The lease installments established in the lease agreements are updated every two years, starting from the beginning of the calendar year immediately following the one in which the corresponding agreement was signed, based on the consumer price index.

Some of these lands, in the approximate amount of EUR 74 million, are pledged as collateral for the Group's bank loans (Note 23).

As of 31 December 2021, the Group consulted an independent external valuer to support the Board of Directors in determining the fair value of the land recorded as investment property for the purpose of disclosure on this matter and also to assess the existence of any evidence of impairment.

The value studies prepared by the expert valuer aimed at identifying market references for the annual rent value per hectare and market yields (discount rates). In this way, the valuer, taking into account the geographic dispersion and specific characteristics of the land, as well as the information references available in the market, assumed three different methods to determine the value of the annual rent per hectare

- Market Analysis - based on the prices of similar land transacted or advertised;
- Land Yield Analysis - based on the estimated yield per region of the country for eucalyptus plantations;
- Lease Analysis - based on the annual rent per hectare registered in its contract databases.

Based on the information obtained from the expert valuer, the Group determined the fair value of the investment properties based on a perpetuity of the rental value of the leases currently in force discounted at a yield of 5.25% (market yield for land with biological assets), Considering that the current rents do not differ significantly from market rents and it is expected the continuous renewal of these contracts by the current lessee or other operators of the lessee's sector of activity, since the real estate assets are in limited supply, considering the current legislation about the cultivation of eucalyptus.



According to the analysis prepared by the Group, based on the information obtained from the external expert and the perspectives of use of the land by the Board of Directors, the global "fair value" of the forest investment properties was determined to be approximately 127 million Euro.

Considering the valuation method adopted by the Group for the Investment Properties (cost method), a comparison of the fair value with the net book value per land was also performed and no evidence of impairment was identified besides the land for which an impairment of approximately 1.1 million euros is recorded.



11. PROPERTY, PLANT AND EQUIPMENT

During the periods ended 31 December 2021 and 2020, the movement occurred in the value of property, plant and equipment, as well as in the corresponding depreciation and accumulated impairment losses, was as follows:

	2021								
	Asset gross value								
	Land and natural resources	Buildings and other edification	Plant and machinery	Vehicles	Tools and utensils	Office equipment	Other tangible assets	Property, plant and equipment in progress	Totals
Opening balance	5,845,631	20,534,649	45,691,143	4,008,971	1,572,231	5,097,248	265,449	613,442	83,628,764
Additions	—	533,192	1,752,897	127,255	74,440	91,415	—	2,569,257	5,148,456
Disposals	—	—	(90,480)	(165,200)	—	—	—	(229,526)	(485,206)
Transfers and Write-offs	—	—	2,227,268	26,845	2,477	—	—	(2,256,590)	—
Closing balance	<u>5,845,631</u>	<u>21,067,841</u>	<u>49,580,828</u>	<u>3,997,871</u>	<u>1,649,148</u>	<u>5,188,663</u>	<u>265,449</u>	<u>696,583</u>	<u>88,292,014</u>
	Accumulated depreciation and impairment losses								
	Land and natural resources	Buildings and other edification	Plant and machinery	Vehicles	Tools and utensils	Office equipment	Other tangible assets	Property, plant and equipment in progress	Totals
Opening balance	—	16,124,295	39,049,046	3,383,428	1,461,082	4,959,689	57,514	—	65,035,054
Additions	—	339,581	2,223,449	232,865	41,205	73,498	53,090	—	2,963,688
Disposals	—	—	(84,114)	(165,200)	—	—	—	—	(249,314)
Transfers and Write-offs	—	(2,626)	(114,380)	(22,434)	—	—	—	158,097	18,657
Closing balance	<u>—</u>	<u>16,461,250</u>	<u>41,074,001</u>	<u>3,428,659</u>	<u>1,502,287</u>	<u>5,033,187</u>	<u>110,604</u>	<u>158,097</u>	<u>67,768,085</u>
	<u>5,845,631</u>	<u>4,606,591</u>	<u>8,506,827</u>	<u>569,212</u>	<u>146,861</u>	<u>155,476</u>	<u>154,845</u>	<u>538,486</u>	<u>20,523,929</u>
	2020								
	Asset gross value								
	Land and natural resources	Buildings and other edification	Plant and machinery	Vehicles	Tools and utensils	Office equipment	Other tangible assets	Property, plant and equipment in progress	Totals
Opening balance	5,837,756	20,086,062	45,117,289	3,879,666	1,544,765	4,957,396	265,449	581,506	82,269,889
Additions	7,875	448,588	89,129	170,584	5,800	151,945	—	568,397	1,442,318
Disposals	—	—	(50)	(41,279)	—	(12,093)	—	—	(53,422)
Transfers and Write-offs	—	—	484,775	—	21,666	—	—	(536,461)	(30,020)
Closing balance	<u>5,845,631</u>	<u>20,534,650</u>	<u>45,691,143</u>	<u>4,008,971</u>	<u>1,572,231</u>	<u>5,097,248</u>	<u>265,449</u>	<u>613,442</u>	<u>83,628,765</u>
	Accumulated depreciation and impairment losses								
	Land and natural resources	Buildings and other edification	Plant and machinery	Vehicles	Tools and utensils	Office equipment	Other tangible assets	Property, plant and equipment in progress	Totals
Opening balance	—	15,750,712	37,157,226	3,112,981	1,398,140	4,867,509	4,424	—	62,290,992
Additions	—	373,583	1,894,308	322,883	62,942	104,100	53,090	—	2,810,906
Disposals	—	—	(50)	(41,279)	—	(11,920)	—	—	(53,249)
Transfers and Write-offs	—	—	(2,438)	(11,157)	—	—	—	—	(13,595)
Closing balance	<u>—</u>	<u>16,124,295</u>	<u>39,049,046</u>	<u>3,383,428</u>	<u>1,461,082</u>	<u>4,959,689</u>	<u>57,514</u>	<u>—</u>	<u>65,035,054</u>
	<u>5,845,631</u>	<u>4,410,355</u>	<u>6,642,097</u>	<u>625,543</u>	<u>111,149</u>	<u>137,559</u>	<u>207,935</u>	<u>613,442</u>	<u>18,593,711</u>



The additions for the years ended 31 December 2021 and 2020 refer mainly to the acquisition of manufacturing equipment aimed at expanding and increasing the Group's manufacturing and productive capacity, namely in terms of steel processing, as well as the acquisition of equipment to produce energy for self-consumption.

12. RIGHT-OF-USE ASSETS

During the period ended on 31 December 2021 and 2020, the movement that occurred in the value of right-of-use assets, as well as the corresponding amortisation, was detailed as follows:

	2021	
	Asset gross value	
	Vehicles	Total
Opening balance as at 1 January	1,529,220	1,529,220
Additions	196,793	196,793
Reclassifications	—	—
Reductions	—	—
Closing balance	<u>1,726,013</u>	<u>1,726,013</u>
	Accumulated amortisation	
	Vehicles	Total
Opening balance as at 1 January	990,463	990,463
Additions	246,229	246,229
Reclassifications	—	—
Reductions	—	—
Closing balance	<u>1,236,692</u>	<u>1,236,692</u>
	<u>489,321</u>	<u>489,321</u>



	2020	
	Asset gross value	
	Vehicles	Total
Opening balance as at 1 January	1,146,624	1,146,624
Additions	382,596	382,596
Reclassifications	—	—
Reductions	—	—
Closing balance	<u>1,529,220</u>	<u>1,529,220</u>
	Accumulated amortisation	
	Vehicles	Total
Opening balance as at 1 January	636,036	636,036
Additions	354,427	354,427
Reclassifications	—	—
Reductions	—	—
Closing balance	<u>990,463</u>	<u>990,463</u>
	<u>538,757</u>	<u>538,757</u>

The item 'Vehicles' refers to contracts for the lease of vehicles for periods of 4 to 5 years.

During the period ended 31 December 2021 and 2020, the movement that occurred in the value of lease liabilities was detailed as follows:

	31.12.2021	31.12.2020
Opening balance as at 1 January	538,756	574,133
Financial Leases	—	—
Additions	196,793	382,596
Accrued interest	14,906	17,898
Payments	(261,134)	(435,870)
Closing balance as at 31 December	<u>489,321</u>	<u>538,757</u>
Current	203,196	325,358
Non-current	286,125	213,399

In addition, the following amounts were recognised in 2021 and 2020 as expenses related to right-of-use assets:

	31.12.2021	31.12.2020
Depreciation of right-of-use assets	246,229	354,427
Interest expenses related to lease liabilities	14,906	17,898
Total amount recognised in the income account	<u>261,135</u>	<u>372,325</u>



The maturity of the lease liabilities is as follows:

31.12.2021						
	2022	2023	2024	2025	>2025	Total (nominal value)
Lease Liabilities	203,196	151,674	93,980	35,541	4,930	489,321
	203,196	151,674	93,980	35,541	4,930	489,321

31.12.2020						
	2021	2022	2023	2024	>2024	Total (nominal value)
Lease Liabilities	325,358	61,516	50,899	53,914	47,070	538,757
	325,358	61,516	50,899	53,914	47,070	538,757



13. INTANGIBLE ASSETS

During the periods ended 31 December 2021 and 2020, the movements that occurred in the value of intangible assets, as well as the corresponding depreciation and accumulated impairment losses were as follows:

	2021		
	Asset gross value		
	Software	Projects in development	Total
Opening balance	512,559	—	512,559
Consolidation in perimeter	—	—	—
Additions	—	—	—
Disposals and Write-offs	—	—	—
Closing balance	<u>512,559</u>	<u>—</u>	<u>512,559</u>
	Amortisation and accumulated impairment losses		
	Software	Projects in development	Total
Opening balance	501,426	—	501,426
Consolidation in perimeter	—	—	—
Additions	11,133	—	11,133
Disposals and Write-offs	—	—	—
Closing balance	<u>512,559</u>	<u>—</u>	<u>512,559</u>
	<u>—</u>	<u>—</u>	<u>—</u>
	2020		
	Asset gross value		
	Software	Projects in development	Total
Opening balance	512,559	—	512,559
Consolidation in perimeter	—	—	—
Additions	—	—	—
Disposals and Write-offs	—	—	—
Closing balance	<u>512,559</u>	<u>—</u>	<u>512,559</u>
	Amortisation and accumulated impairment losses		
	Software	Projects in development	Total
Opening balance	474,468	—	474,468
Consolidation in perimeter	—	—	—
Additions	26,958	—	26,958
Disposals and Write-offs	—	—	—
Closing balance	<u>501,426</u>	<u>—</u>	<u>501,426</u>
	<u>11,133</u>	<u>—</u>	<u>11,133</u>



14. OTHER NON-CURRENT ASSETS

The item 'Other non-current assets' corresponds to the supplementary pension scheme - Pension Plans in the subsidiary Socitrel with the following characteristics:

- (i) All employees in Socitrel's staff establishment who, at the date of retirement, have at least 10 and 5 years of continuous service are eligible for the retirement (at the age established in the General Social Security Scheme) and disability benefit, respectively;
- (ii) Pensionable service time is the number of full years at the Company's service at the date of retirement, up to a maximum of 20 years, and the pensionable salary is the gross monthly base salary;
- (iii) The pension is calculated based on the following formula: $P = 1\% \times N \times SP$ (P = monthly retirement pension, N = pensionable service time, SP = monthly pensionable salary for the Company), where P will be, at most, the difference between the net monthly base salary and the monthly Social Security pension. This pension is paid 14 times a year.

In order to face the responsibilities arising from this defined benefit scheme, Socitrel created the so-called 'Socitrel Pension Fund' in previous years.

As from 1 January, 2018, with the approval of the ASF - Supervisory Authority for Insurance and Pension Funds, Socitrel changed the existing pension system from a defined benefit system to a defined contribution plan. Therefore, the Socitrel Pension Fund has two components:

- (i) Defined Benefit Component - Applicable to retired employees and pensioners as at 31 December, 2017, being subject to the same conditions as the Pensions that existed until that date. As at 31 December, 2021, there were 22 participants (20 participants as at 31 December, 2020);
- (ii) Defined Contribution Component - Applicable to all permanent employees of Socitrel, including management bodies and other management positions, on 31 December, 2017 and those subsequently admitted and whose main characteristics are:
 - a. Socitrel's initial contribution corresponds to the amount of liabilities for past services calculated with effect from 31 December, 2017 (EUR 519,984) allocated to each employee according to the actuarial calculation of the Pension Fund Management Company, for which SOCITREL is not responsible;
 - b. Socitrel's annual contribution shall be made taking into account each employee's base salary and Socitrel's performance;
 - c. The employee's individual contribution corresponds to the amount that each employee can contribute to the pension plan if he/she chooses to do so.
As at 31 December, 2021, there were 158 participants (131 participants as at 31 December, 2020).



The financing level determined by the entity that manages the 'Socitrel Pension Fund' as at 31 December, 2021 and 2020 is shown below:

	2021	2020
1 - Total liabilities for past services:		
Assets		
Retired employees and pensioners	334,628	354,363
	334,628	354,363
2 - Fund Value	1,734,399	1,677,576

Since the value of the Pension Fund is higher than the current value of liabilities for past services, a non-current asset was recorded in the amount of this difference.

The movements that occurred during the years ended 31 December 2021 and 2020 in the difference between the value of the Pension Fund and the current value of Liabilities for Past Services were detailed as follows:

	31.12.2021	31.12.2020
Excess coverage - Opening balance	1,323,213	1,320,964
Amounts recognised in the income statement:		
Interest income	2,995	8,335
Income gain	(614)	(1,730)
	<u>2,381</u>	<u>6,605</u>
Amounts recognised directly as comprehensive income:		
Actuarial variations	74,177	(4,356)
Excess coverage - Closing balance	<u>1,399,771</u>	<u>1,323,213</u>

Regarding the Pension Fund, risks can be divided into financial and actuarial risks, namely:

(i) Financial Risks - Financial risks are managed and continuously monitored by the Socitrel Pension Fund Management Company. According to the composition of the Socitrel Pension Fund portfolio, the associated material risks were:

- Market Risk – Shares
- Market Risk – Interest Rate
- Credit Risk
- Real Estate Risk (Indirect)
- Alternative Investment Risk

The material risks that affect the pension fund are managed through derivative products where the Management Company deems it relevant. We should note that market risk is the uncertainty regarding the future profitability of financial instruments or the possibility of losses arising from changes in the market prices of assets, specifically:

- Shares - Losses arising from stock price changes
- Interest Rate - Losses arising from interest rate changes
- Exchange - Losses arising from exchange rate changes
- Credit Risk - Losses resulting from the possibility of the counterparty defaulting in a specific contract.



- (ii) Actuarial Risks - Actuarial risks consist of pension payment liabilities, presenting several risks that may have a negative impact on the value of the Fund's liabilities: pension growth rate, longer average life expectancy and discount rate.

Liabilities regarding the Socitrel Pension Plan as at 31 December 2021 were determined based on the following assumptions:

- (i) 'Projected Unit Credit' calculation method;
- (ii) Mortality Tables TV 88/90;
- (iii) Discount rate 0.51%;
- (iv) Pension growth rate 1.5%.

Liabilities regarding the Socitrel Pension Plan as at 31 December 2020 were determined based on the following assumptions:

- (i) 'Projected Unit Credit' calculation method;
- (ii) Mortality Tables TV 88/90;
- (iii) Discount rate 0.18%;
- (iv) Pension growth rate 1.5%.

According to the company responsible for managing the Socitrel Pension Fund, the calculation of liabilities with pension and benefit supplements and the value of the corresponding assets, in order to determine the discount rate corresponding to the duration of the liabilities, was made using a methodology based on the Market IBoxx Benchmark indices for corporate AA bonds and on the extrapolation of discount rates using the Smith-Wilson method (method recommended by the EIOPA - European Insurance and Occupational Pensions Authority).

The Ramada Group considered the discount rate to be a relevant assumption, and carried out the following sensitivity analysis:

An increase in the discount rate used to calculate the current value of liabilities for past services by 0.5 percentage points would generate a decrease in the estimate of the current value of liabilities for past services with reference to 31 December, 2021 of approximately EUR 18,200 (EUR 20,900 as at 31 December, 2020).

As at 31 December, 2021, the Socitrel Pension Fund was detailed as follows:

- (i) 34.1 % shares;
- (ii) 48.7 % fixed-rate bonds;
- (iii) 12.8 % variable-rate bonds; and
- (iv) 4.4% Liquidity and other assets.

As at 31 December, 2020, the Socitrel Pension Fund was detailed as follows:

- (i) 34.2 % shares;
- (ii) 45.6 % fixed-rate bonds;
- (iii) 11.7 % variable-rate bonds; and
- (iv) 7.4% Liquidity and other assets.

15. CURRENT AND DEFERRED TAXES

According to current legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, tax benefits granted, or when audits, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Group's tax returns from 2017 to 2021 may still be subject to review.

Ramada heads a group of companies based in Portugal (Ramada Group) that are taxed according to the special taxation regime for groups.



15.1. Deferred taxes

The movements that occurred in deferred tax assets and liabilities in the periods ended 31 December 2021 and 2020 were detailed as follows:

	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance as at 1 January	3,702,248	917,311	3,724,730	922,826
Effect on the income statement	(101,646)	(1,517)	(291,860)	(5,515)
Effect on the income statement - tax benefits	140,278	—	269,378	—
Balance as at 31 December	<u>3,740,880</u>	<u>915,794</u>	<u>3,702,248</u>	<u>917,311</u>

Deferred taxes detailed according to the temporary differences that generated them are as follows:

	2021		2020	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and impairment losses not accepted for tax purposes	1,647,870	—	1,731,659	—
Tax losses carried forward	689,045	—	1,150,503	—
Investment Tax Benefit	788,232	—	—	—
Extraordinary Fixed Asset Revaluation	400,122	—	501,209	—
Depreciation not accepted as tax cost	—	7,510	—	9,027
Tax benefits	67,200	—	170,466	—
Fair value adjustments in business combinations	148,411	908,284	148,411	908,284
	<u>3,740,880</u>	<u>915,794</u>	<u>3,702,248</u>	<u>917,311</u>

The item 'Extraordinary Fixed Asset Revaluation' corresponds to the accounting impact associated with the recognition of deferred tax assets resulting from the adoption of the fixed asset revaluation scheme published by Decree-Law No. 66/2017, of 3 November.

During the year ended 31 December, 2021 and 2020, deferred tax assets in the amounts of EUR 1,477,000 and EUR 1,150,000, respectively, were recorded in relation to reportable tax losses, which are estimated to be recoverable in the next three years and Investment Tax Benefits.

As at 31 December, 2020, Socitrel had reportable tax losses in the amount of approximately EUR 25 million, which were generated in 2015 (approximately EUR 24 million), 2016 (approximately EUR 491,000), and 2019 (approximately EUR 818,000) with a reporting period of 14 years for those generated in 2015 and 2016, i.e., until 2029 and 2030, respectively, and 7 years for those generated in 2019, i.e., until 2026. As a result of inspections carried out by the Tax Authority for the years ended on 31 December, 2014 and 2015, the Tax Authority did not consider as deductible cost, because it understands that it is not an indispensable cost for obtaining income subject to Corporate Income Tax, the amount of approximately EUR 19,410,000 related to charges incurred in the year ended 31 December, 2015, disregarding the debt of Socitrel's previous shareholder within the scope of the agreements included in Socitrel's Special Revitalisation Process. Since it disagrees with the Tax Authority's decision, Socitrel filed a Judicial Objection, and the legal proceedings are currently underway.

It should be noted that the tax losses mentioned above have not been used to date, nor have they given rise to the recognition of deferred tax assets, so there will be no impact as a result of an eventual unfavorable decision. In the event of a favorable decision, deferred tax assets relating to tax losses would be recognized, as they were recoverable based on the Entity's business plan.



15.2. Current taxes

Income tax recognised in the income statement for the periods ended 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Income tax for the period:		
Current tax	3,403,511	1,994,993
Under/(over) Income tax estimates	(58,992)	(3,698)
	3,344,519	1,991,295
Deferred tax	(100,129)	(286,345)
	3,244,390	1,704,950

Income before tax and income for the financial year are reconciled as follows:

	31.12.2021	31.12.2020
Profit before income tax	18,333,041	8,693,547
Tax rate	21%	21%
	3,849,939	1,825,645
Municipal surcharge	101,060	32,444
State surcharge	357,581	130,733
Autonomous taxes	105,304	142,763
Under/(over) Income tax estimates	(58,991)	(3,698)
Tax Benefits	(289,053)	(290,177)
Tax losses utilization	(699,622)	—
Others	(121,828)	(132,760)
Income tax	3,244,390	1,704,950

16. INVENTORIES

As at 31 December 2021 and 2020, the amount recorded under the line 'Inventories' is detailed as follows:

	31.12.2021	31.12.2020
Goods	334,010	339,452
Raw materials, subsidiaries and consumables	27,438,184	18,773,827
Finished products and intermediate goods	3,610,923	1,254,422
Products and works in progress	980,502	737,825
	32,363,619	21,105,526
Accumulated impairment losses (Note 27)	(3,060,742)	(2,310,742)
	29,302,877	18,794,784

The amounts recorded in inventories for accumulated impairment losses as at 31 December, 2020 and 2019 correspond to the best estimate of the Board of Directors to reduce their value to their net realisable value or market price.



Cost of sales and variation in production for the years ended 31 December 2021 and 2020 was detailed as follows:

31 December 2021	Raw materials, consumables, goods and other inventories	Finished and intermediate products and work in progress	Total
Opening balance	19,113,279	1,992,245	21,105,524
Purchases and regularisations	98,220,633	1,990	98,222,623
Closing balance	(27,772,194)	(4,591,425)	(32,363,619)
Cost of sales and variation in production	89,561,718	(2,597,190)	86,964,528

31 December 2020	Raw materials, consumables, goods and other inventories	Finished and intermediate products and work in progress	Total
Opening balance	19,358,013	3,289,470	22,647,483
Purchases and regularisations	62,120,118	—	62,120,118
Closing balance	(19,113,279)	(1,992,245)	(21,105,524)
Cost of sales and variation in production	62,364,852	1,297,225	63,662,077

17. TRADE RECEIVABLES

As at 31 December 2021 and 2020, this item is detailed as follows:

	31.12.2021	31.12.2020
Trade receivables - Gross Value	54,741,432	42,750,389
Impairment Losses (Note 27)	(7,084,325)	(7,790,528)
Closing balance	47,657,107	34,959,861



The aging schedule of customer balances receivable can be analysed as follows:

31 December 2021						
	Gross Value			Net Value		
	Industry	Real estate	Total	Industry	Real estate	Total
Not due	32,997,036	6,773,364	39,770,400	32,994,319	6,773,364	39,767,683
Due						
0 - 180 days	10,742,837	—	10,742,837	7,877,540	—	7,877,540
+ 180 days	4,228,195	—	4,228,195	11,884	—	11,884
	<u>47,968,068</u>	<u>6,773,364</u>	<u>54,741,432</u>	<u>40,883,743</u>	<u>6,773,364</u>	<u>47,657,107</u>
31 December 2020						
	Gross Value			Net Value		
	Industry	Real estate	Total	Industry	Real estate	Total
Not due	26,134,370	6,835,319	32,969,689	23,304,701	6,835,319	30,140,020
Due						
0 - 180 days	5,771,747	—	5,771,747	4,766,134	—	4,766,134
+ 180 days	4,008,953	—	4,008,953	53,707	—	53,707
	<u>35,915,070</u>	<u>6,835,319</u>	<u>42,750,389</u>	<u>28,124,542</u>	<u>6,835,319</u>	<u>34,959,861</u>

The Group's exposure to credit risk is attributable, first and to receivables from its operating activity. The amounts given in the consolidated statement of financial position are net of accumulated impairment losses that were estimated by the Group, in accordance with IFRS 9.

Of the total gross customer balances for December 31, 2021, excluding balances with related entities, the amount that is not covered by credit insurance, bank guarantees or documentary credits is approximately 50%.

The Group does not charge any interest while set payment terms (90 days, on average) are being complied with. Upon expiry of these time limits, contractually set interest is charged under legislation to each situation. This will tend to occur only in extreme situations. As a matter of prudence, debited interest is deferred and is only recognised in the income statement on the date it is charged.



18. STATE AND OTHER PUBLIC ENTITIES

As at 31 December 2021 and 2020, these asset and liability items were detailed as follows:

	31.12.2021	31.12.2020
<u>Debit balances</u>		
Income tax	—	—
Total income tax	—	—
<u>Debit balances</u>		
VAT - Value Added Tax	2,699,315	996,199
Total other taxes (Note 19)	<u>2,699,315</u>	<u>996,199</u>
<u>Credit balances</u>		
Income tax	2,547,460	296,507
Total income tax	<u>2,547,460</u>	<u>296,507</u>
<u>Credit balances</u>		
VAT - Value Added Tax	3,481,356	873,193
Social security contributions	259,632	225,571
Personal Income Tax	323,448	222,755
Other Taxes	653	76
Total other taxes (Note 25)	<u>4,065,089</u>	<u>1,321,595</u>

19. OTHER RECEIVABLES

As at 31 December 2021 and 2020, this line item was detailed as follows:

	31.12.2021	31.12.2020
Other non-current debtors	—	187,833
Advance payments to suppliers	724,168	266,430
Receivables from the State and other public entities (Note 18)	2,699,315	996,199
Other debtors	295,458	446,007
	<u>3,718,941</u>	<u>1,708,636</u>
Accumulated impairment Losses	—	—
	<u>3,718,941</u>	<u>1,708,636</u>

As at 31 December 2021 and 2020, the item 'Other debtors' includes mainly accounts receivable related to the sale of investments, which resulted from the sale of the companies Base M – Investimentos e Serviços S.A. and Base Holding SGPS, S.A.. The amounts recorded in Other Debtors are not due.



20. CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 2020, the item 'Cash and cash equivalents' was detailed as follows:

	31.12.2021	31.12.2020
Cash	15,864	14,055
Bank deposits	54,542,153	54,458,165
	54,558,017	54,472,220
Bank overdrafts (Note 23)	—	(1,496,592)
Cash and cash equivalents	54,558,017	52,975,628

21. SHARE CAPITAL AND RESERVES

21.1. Share capital

As at 31 December 2021 and 2020, the Group's share capital was fully subscribed and paid up and consisted of 25,641,459 nominative shares with a nominal unit value of EUR 1.

On December 31, 2021 and 2020, there were no legal entities with a stake in the subscribed capital of at least 25%.

21.1. Reserves

(I) Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'Legal reserve' until it represents at least 20% of the share capital.

As at 31 December 2021 and 2020, the Group's financial statements included an amount of EUR 7,193,058 related to legal reserve, which may not be distributed among shareholders, except in the event of closing up the Group, but can be used either for absorbing losses after the other reserves have been exhausted or incorporated in capital.

(II) Other reserves

As at 31 December 2021 and 2020, the item 'Other reserves and retained earnings' is detailed as follows:

	31.12.2021	31.12.2020
Reserves actuarial changes	(201,607)	(275,784)
Reserve DL 66/2016	1,047,315	1,047,315
Retained earnings	80,758,750	89,155,028
	81,604,458	89,926,559

Pursuant to Portuguese legislation, the distributable reserves amount is determined based on the separate financial statements of Ramada Investimentos e Indústria, submitted in accordance with the International Financial Reporting Standards, as adopted by the European Union. As at 31 December 2021, the distributable reserves amount comes to EUR 81 million.



22. NON-CONTROLLING INTERESTS

As of 31 December, 2021 and 2020, there are no balances or movements associated with the item "Non-controlling interests".

23. BANK LOANS AND OTHER LOANS

As at 31 December 2021 and 2020, the line items 'Bank loans' and 'Other loans' were detailed as follows:

	31.12.2021		31.12.2020	
	Current	Non-current	Current	Non-current
Bank loans	6,000,000	31,487,401	6,000,000	37,487,401
Bank loans	6,000,000	31,487,401	6,000,000	37,487,401
Commercial paper	20,500,000	—	16,500,000	—
Escrow accounts	5,000,000	—	—	—
Bank overdrafts (Note 20)	—	—	1,496,592	—
Factoring	1,554,460	—	1,235,681	—
Investment grants (Note 29)	255,427	868,079	341,910	2,330,007
Other loans	27,309,887	868,079	19,574,183	2,330,007
	<u>33,309,887</u>	<u>32,355,480</u>	<u>25,574,183</u>	<u>39,817,408</u>

Following the Financial Closing of the investment project made within the scope of Portugal 2020, the maximum exemption foreseen in the Acceptance Agreement was attributed, i.e. 50% of the attributed refundable incentive, amounting to approximately 1,535,000 Euros (Note 29).

The Board of Directors considers that there are no significant differences between the book value of loans and their fair value.

The nominal value of the bank loans recorded as liabilities has the following maturity plan:

Maturity	31.12.2021		Maturity	31.12.2020	
	Amount	Estimated Interest ¹		Amount	Estimated Interest ¹
Current			Current		
2021	<u>33,309,887</u>	<u>582,923</u>	2021	<u>25,574,183</u>	<u>447,548</u>
Non-current			Non-current		
2022			2022	6,582,502	460,824
2023	6,255,428	375,574	2023	6,582,502	375,574
2024	6,242,831	290,500	2024	6,569,905	290,500
2025	5,857,222	212,250	2025	6,082,500	212,250
2026	5,500,000	134,000	2026	5,500,000	134,000
2027	3,500,000	67,000	2027	3,500,000	67,000
2028	5,000,000	10,000	2028	5,000,000	10,000
2029	—	—	2029	—	—
	<u>32,355,480</u>	<u>1,089,324</u>		<u>39,817,408</u>	<u>1,550,148</u>
	<u>65,665,367</u>	<u>1,672,247</u>		<u>65,391,591</u>	<u>1,997,696</u>



¹ Interest estimated according to the existing contractual conditions, based on the market conditions for 2021 and 2020, respectively.

The financing lines used by the Group and the corresponding maximum authorised amounts were detailed as follows:

Maturity	31 December 2021		31 December 2020	
	Contracted amount	Used Amount	Contracted amount	Used Amount
Current escrow accounts	18,000,000	5,000,000	18,000,000	—
Authorised bank overdrafts	16,000,000	—	16,000,000	1,496,592
Factoring	3,500,000	1,554,460	3,500,000	1,235,681
Commercial paper programs				
06/2021	—	—	3,000,000	3,000,000
07/2021	—	—	4,000,000	4,000,000
11/2021	—	—	5,000,000	—
12/2021	—	—	7,500,000	3,000,000
12/2021	—	—	5,000,000	—
12/2021	—	—	10,000,000	6,500,000
06/2022	4,000,000	4,000,000	—	—
07/2022	4,000,000	4,000,000	—	—
12/2022	7,500,000	6,000,000	—	—
12/2022	5,000,000	—	—	—
12/2022	10,000,000	6,500,000	—	—
	<u>30,500,000</u>	<u>20,500,000</u>	<u>34,500,000</u>	<u>16,500,000</u>

During the years ended 31 December 2021 and 2020, these loans earned interest at normal market rates depending on the nature and term of the loan in question.

During the periods ended 31 December 2021 and 2020, the Company did not default on any borrowing. Additionally, as at 31 December, 2021, there are no 'covenants' associated with the loans that had been taken out.

Factoring

The Ramada Group has a factoring agreement with a credit institution, according to which it may assign accounts receivable up to the limit of EUR 3,500,000.

On the discounted amounts, the Group paid a 3-month Euribor interest rate plus spread, and as at 31 December, 2021, the used amount totalled EUR 1,554,460 (EUR 1,235,681 on 31 December, 2020).

The Ramada Group considers that the risks and benefits associated with accounts receivable were not transferred to the entity with which it concluded this factoring agreement. This is why it will only derecognise accounts receivable transferred via factoring at the time when they are settled by the original debtor, according to the accounting policy disclosed in Note 2.12.



24. TRADE PAYABLES

As at 31 December 2021 and 2020, this line item was detailed by maturity as follows:

	31.12.2021			31.12.2020		
	Industry	Real estate	Total	Industry	Real estate	Total
0 to 90 days	43,420,493	54,076	43,474,569	23,488,224	598,512	24,086,736
	<u>43,420,493</u>	<u>54,076</u>	<u>43,474,569</u>	<u>23,488,224</u>	<u>598,512</u>	<u>24,086,736</u>

As at 31 December 2021 and 2020, this line item includes balances payable to suppliers arising from the Ramada Group's operating activity. The Board of Directors believes that there are no significant differences between the fair value and the book value of these balances and that the effect of updating these amounts is not material.

25. OTHER PAYABLES

As at 31 December 2021 and 2020, the line item 'Other payables' is detailed as follows:

	31.12.2021	31.12.2020
Current liabilities		
Suppliers of fixed assets	536,192	661,860
Payables for investments	17,500	17,500
Payables to the State and other public entities (Note 18)	4,065,089	1,321,595
Other creditors	204,366	145,863
	<u>4,823,147</u>	<u>2,146,818</u>

As at 31 December 2021 and 2020, the liabilities included in the item 'Suppliers of fixed assets' are due in less than 3 months.

26. OTHER CURRENT LIABILITIES

As at 31 December 2021 and 2020, the line item 'Other current liabilities' is detailed as follows:

	31.12.2021	31.12.2020
Accrued expenses:		
Wages and salaries payable, bonuses and other payroll expenses	2,877,972	2,124,541
Other accrued expenses	1,971,810	1,278,959
Deferred income	594,023	400,506
	<u>5,443,805</u>	<u>3,804,006</u>



27. PROVISIONS AND IMPAIRMENT LOSSES

The movements occurring under provisions and impairment losses during the periods ended 31 December 2021 and 2020 are detailed as follows:

2021							
Provisions	Impairment losses in receivables	Impairment losses in inventories	Impairment losses in investments	Impairment losses in investments - Goodwill	Impairment losses in investment properties	Total	
	(Note 17)	(Note 16)	(Note 7)	(Note 8)	(Note 10)		
Opening balance	660,000	7,790,528	2,310,742	4,967,633	1,245,520	1,100,000	18,074,423
Increases	1,500,000	292,493	750,000	—	—	—	2,542,493
Reversals	—	(998,695)	—	—	—	—	(998,695)
Utilisations	—	—	—	—	—	—	—
Closing balance	<u>2,160,000</u>	<u>7,084,325</u>	<u>3,060,743</u>	<u>4,967,633</u>	<u>1,245,520</u>	<u>1,100,000</u>	<u>19,618,221</u>
2020							
Provisions	Impairment losses in receivables	Impairment losses in inventories	Impairment losses in investments	Impairment losses in investments - Goodwill	Impairment losses in investment properties	Total	
	(Note 17)	(Note 16)	(Note 7)	(Note 8)	(Note 10)		
Opening balance	660,000	7,194,002	2,003,407	4,445,498	—	1,100,000	15,402,907
Increases	—	950,026	322,737	522,135	1,245,520	—	3,040,418
Reversals	—	(353,500)	—	—	—	—	(353,500)
Utilisations	—	—	(15,403)	—	—	—	(15,403)
Closing balance	<u>660,000</u>	<u>7,790,528</u>	<u>2,310,742</u>	<u>4,967,633</u>	<u>1,245,520</u>	<u>1,100,000</u>	<u>18,074,422</u>

As at 31 December 2021 and 2020, the reconciliation between the amounts recognised in the items of the statement of financial position and income statement related to provisions and impairment losses is detailed as follows:

2021				
	Impairment losses on accounts receivable	Impairment losses in inventories	Provisions	Total
Provisions and impairment losses	(706,202)	750,000	1,500,000	1,543,798
Net profit	(706,202)	750,000	1,500,000	1,543,798
2020				
	Impairment losses on accounts receivable	Impairment losses in inventories	Impairment losses in investments	Total
Provisions and impairment losses	596,526	322,737	1,767,653	2,686,918
Net profit	596,526	322,737	1,767,653	2,686,918

The caption "Provisions" as of 31 December 2021 and 2020 includes the best estimate of the Board of Directors to face potential losses to be incurred with contingencies associated with import processes carried out in previous years (660,000 Euros) and to face other risks and contingencies that the Board of Directors believes to be probable (1,500,000 Euros).



The Board of Directors believes, based on the opinion of its legal and tax advisors, that as at 31 December, 2021, there are no material assets or liabilities associated with probable or possible tax contingencies that should be subject to recognition or disclosure in the financial statements as at 31 December, 2021, other than those that support the amounts that have been recorded.

28. OPERATING LEASES

In the year ended December 31, 2019, the Group applied IFRS 16 - Leases and related amendments that are effective for years beginning on or after January 1, 2019. The standard establishes the principles for recognition, measurement, presentation and disclosure of leases and requires tenants to recognize most leases in the statement of financial position according to a single model (Note 2.1, 2.6, 12).

29. OTHER INCOME

As at 31 December 2021 and 2020, the line item 'Other income' was detailed as follows

	31.12.2021	31.12.2020
Cash payment discounts obtained	8,133	6,175
Favourable exchange differences	8,662	403
Gains on the sale of non-financial instruments	314,080	31,943
Supplementary income	123,628	193,999
Recovery of amounts charged to customers	16,781	30,482
Operating subsidies	7,401	16,091
Other income (Note 23)	1,649,513	320,746
	2,128,198	599,839

Following the Financial Closing of the investment project carried out under Portugal 2020, the maximum exemption provided for in the Acceptance Agreement was granted, i.e. 50% of the refundable incentive granted (Note 23), amounting to approximately 1,535,000 Euros. Of this amount, the percentage equivalent to the part of the investment that is amortized as at 31.12.2021, amounting to approximately 1,380,000 Euros, was recognized as income for the year, under the item "Other income".



30. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2021 and 2020, the line item 'External supplies and services' is detailed as follows:

	31.12.2021	31.12.2020
Subcontracts and specialised work	2,865,013	1,937,227
Maintenance and repair	2,578,135	1,732,820
Fast-wearing tools and utensils	902,912	644,938
Electricity	4,232,531	2,533,330
Fuels and other fluids	1,092,978	666,280
Travel and accommodation	343,552	311,999
Transport of goods	4,555,019	3,105,003
Rents	480,987	463,598
Insurance	728,323	583,975
Other miscellaneous services	1,923,188	1,393,838
	19,702,638	13,373,008

As at 31 December 2021 and 2020, the costs recorded in item 'Subcontracts and specialised work' are mainly related to the contracting of heat treatment and machining services.

31. PAYROLL EXPENSES

As at 31 December 2021 and 2020, the line item 'Payroll Expenses' is detailed as follows:

	31.12.2021	31.12.2020
Remunerations	9,698,968	7,833,206
Indemnities	30,000	41,528
Social security contributions	2,010,792	1,723,060
Insurance expenses	210,381	199,575
Social cost	158,411	133,568
Other payroll expenses	1,725,567	113,535
	13,834,119	10,044,472

AVERAGE STAFF

During the periods ended 31 December 2021 and 2020, the average number of employees working for the Ramada Group was 487 and 478, respectively.



32. AMORTISATION AND DEPRECIATION

The income statement line item 'Amortisation and depreciation' regarding periods ended 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Property, plant and equipment (Note 11)	2,963,688	2,810,906
Right-of-use asset (Note 12)	246,229	354,427
Intangible assets (Note 13)	11,133	26,957
	<u>3,221,049</u>	<u>3,192,290</u>

33. OTHER EXPENSES

As at 31 December 2021 and 2020, the line item 'Other expenses' is detailed as follows:

	31.12.2021	31.12.2020
Taxes and fees	221,292	228,950
Other expenses and bank commissions	197,046	179,432
Unfavourable exchange differences	2,651	14,029
Donations and contributions	31,973	88,566
Cash payment discounts granted	16,243	15,273
Fines and other penalties	1,061	3,275
Other expenses	243,673	45,318
	<u>713,939</u>	<u>574,843</u>

34. FINANCIAL RESULTS

The financial results for the years ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Financial Expenses:		
Interest expenses	826,205	989,106
Other financial expenses and losses	139,013	200,840
	<u>965,218</u>	<u>1,189,946</u>
Financial Income:		
Interest income	5,846	13,139
Other financial income and gains	77,693	47,218
	<u>83,539</u>	<u>60,357</u>

All interest paid recorded in the financial statements for the years ended 31 December 2021 and 2020 is related to loans obtained.

Most of the interest income recorded in the financial statements for the years ended 31 December 2021 and 2020 results from investments made during the year.



35. RELATED PARTIES

35.1. Balances and Transactions with Related parties

Group companies have relationships with each other that qualify as transactions with related parties. All these transactions are performed at market prices.

In consolidation procedures, transactions between companies included in the consolidation using the full consolidation method (Note 6) are eliminated, since the consolidated financial statements show information on the holder and its subsidiaries as if they were a single company.

As at 31 December 2021 and 2020, balances with related parties are detailed as follows:

Related entities	31 December 2021		31 December 2020	
	Trade receivables and Other receivables	Trade payables and other payables	Trade receivables and Other receivables	Trade payables and other payables
Other related parties	6,808,945	129,514	6,812,050	129,514

Transactions that occurred in the periods ended 31 December 2021 and 2020 can be presented as follows:

Related entities	31 December 2021		31 December 2020	
	Sales and services rendered	External supplies and services	Sales and services rendered	External supplies and services
Other related parties	6,870,493	284,514	6,914,848	129,514

In "Other related parties" are included subsidiaries of Altri Group companies, Cofina Group, shareholders and other related entities.

Regarding the Real Estate activity, the billing of the previously referred contracts occurs annually, and the collection is carried out at the beginning of the subsequent year. It is the understanding of the Group that the present type of billing and collection is common in the leasing of forest land in leases made to third parties, in which the rent amounts are defined by plot and therefore present reduced individual amounts, with the billing of the same carried out with annual periodicity.

The amounts related to trade receivables and other receivables and trade payables and other payables recorded in the periods ended 31 December 2021 and 2020, as well as Sales and Services rendered refer mainly to rent installments associated with the lease of the lands classified as 'Investment properties' (Note 10).

35.2. Remunerations of the Board of Directors

Remuneration paid to key management who, based on the Group's governance model, were members of Ramada's Board of Directors during the periods ended 31 December 2021 and 2020, amounted to EUR 551,000 and EUR 536,500, respectively, and only include the fixed remuneration component. Remunerations in the 2021 and 2020 periods were fully paid by the Company.

Pursuant to Article 3 of Law no. 28/2009, of 19 June, we hereby inform that the remunerations earned by the members of the Board of Directors can be detailed as follows: João Borges de Oliveira - EUR 123,000; Paulo



Fernandes – EUR 123,000; Domingos Matos – EUR 109,000; Pedro Borges de Oliveira – EUR 109,000; Ana Mendonça – EUR 59,500; Laurentina Martins - EUR 28,000.

As at 31 December 2021 and 2020, there were no: (i) incentive plans or schemes with regard to granting shares to members of the Board of Directors; (ii) supplementary pension or early retirement schemes for directors; (iii) indemnities paid or owed to former directors regarding the suspension of duties during the period; or (iv) non-monetary benefits considered remuneration.

As at 31 December 2021 and 2020, there are no outstanding balances or commitments, and the security deposit required from the directors pursuant to Article 396 of the Portuguese Companies Code is the responsibility of each director and is not a charge attributable to the Group.

Ramada Investimentos e Indústria, S.A. does not have a plan for granting shares or purchasing options for acquiring shares from members of its governing bodies or from its employees.

36. EARNINGS PER SHARE

Earnings per share for the period were calculated based on the following amounts:

	31.12.2021	31.12.2020
Result for calculating basic and diluted earnings per share		
Continued operations	15,088,651	6,988,596
Weighted average number of shares for calculating net income per share	25,641,459	25,641,459
Earnings per share		
For continued operations		
Basic	0.59	0.27
Diluted	0.59	0.27

The Group is not affected by any situation that could represent a reduction in earnings per share arising from options, warrants, convertible bonds or other rights associated with ordinary shares.

37. INFORMATION BY SEGMENTS

According to the origin and nature of the income generated by the Group, the following were defined as main segments:

- Industry - includes steel trading activities and activities related to the management of investments associated with holdings in which the Group is a minority shareholder;
- Real estate - includes assets and activities related to the Group's real estate business.

These segments were identified considering the units that carry out activities regarding which it is possible to identify income and expenses for which financial information is produced separately; their operating income is reviewed by management and all decisions are made based on this information.



31 December 2021				
	Industry	Real estate	Intragroup eliminations	Total
Total assets	156,656,412	110,492,391	(12,101,714)	255,047,089
Total liabilities	76,332,945	61,288,232	(12,101,714)	125,519,463
Investments made in the period (a)	5,148,456	—	—	5,148,456
Sales and services rendered and other income from operations with external customers	137,289,983	7,619,755	—	144,909,738
Sales and services rendered and other income from operations with other segments	440,000	813,331	(1,253,331)	—
EBITDA (b)	16,118,524	6,032,192	—	22,150,716
Amortisation and depreciation	(3,044,518)	(176,531)	—	(3,221,049)
EBIT (c)	13,074,006	5,855,661	—	18,929,667
Financial income	196,058	20	(112,539)	83,539
Financial expenses	(585,599)	(492,158)	112,539	(965,218)
Results related to investments	285,053	—	—	285,053
Income before tax for continued operations	12,969,518	5,363,523	—	18,333,041
Income tax	(1,967,582)	(1,276,808)	—	(3,244,390)
Consolidated net profit for the period	11,001,936	4,086,715	—	15,088,651
31 December 2020				
	Industry	Real estate	Intragroup eliminations	Total
Total assets	142,143,990	97,674,659	(12,227,254)	227,591,395
Total liabilities	53,496,638	56,572,341	(12,227,254)	97,841,725
Investments made in the period (a)	998,980	443,338	—	1,442,318
Sales and services rendered and other income from operations with external customers	95,855,295	7,446,714	—	103,302,009
Sales and services rendered and other income from operations with other segments	400,000	830,374	(1,230,374)	—
EBITDA (b)	6,948,180	6,012,510	—	12,960,690
Amortisation and depreciation	(2,965,715)	(226,575)	—	(3,192,290)
EBIT (c)	3,982,465	5,785,935	—	9,768,400
Financial income	164,734	12	(104,389)	60,357
Financial expenses	(788,748)	(505,587)	104,389	(1,189,946)
Results related to investments	54,735	—	—	54,735
Income before tax for continued operations	3,413,186	5,280,360	—	8,693,546
Income tax	(508,106)	(1,196,844)	—	(1,704,950)
Consolidated net profit for the period	2,905,080	4,083,516	—	6,988,596

(a) - Acquisitions of property, plant and equipment, intangible assets and investment properties during the year.

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

(c) - EBIT = EBITDA + Amortisation and depreciation

The liability attributed to the Real Estate segment is related to the debt that was specifically incurred within the scope of the acquisition of investment properties, which were actually given as collateral; the corresponding financing is being gradually settled according to the agreed settlement plans.

Geographically, the distribution of the Group's sales and services rendered by market is as follows:



	31 December 2021			31 December 2020		
	Domestic Market	Foreign Market	Total	Domestic Market	Foreign Market	Total
Sales and Services Rendered	89,202,771	46,119,014	135,321,785	69,094,044	26,160,204	95,254,248
Rents	7,459,755	—	7,459,755	7,447,922	—	7,447,922
	96,662,526	46,119,014	142,781,540	76,541,966	26,160,204	102,702,170

Sales and Services Rendered covered by IFRS 15 relate to:

- Steel and/or alloy parts, cutting tools and industrial tools trade;
- Services rendered related to steel and/or alloy parts, cutting tools and industrial tools;
- Steel wire manufacturing and trade.

We should note that Sales and Services Rendered referring to real estate income are treated under IFRS 16 as from 1 January, 2019 (until then they were treated under IAS 17).

38. CONTINGENT LIABILITIES AND GUARANTEES

As at 31 December 2021 and 2020, Ramada Group companies had bank guarantee liabilities in the amount of EUR 92,401.

In addition, we should note that there are real guarantees in the amount of EUR 74 million corresponding to forest land.

Court proceedings

Taking into account the outcome of the proceedings initiated in 2002 involving European companies in the steel sector concerning possible concerted practices in that market, certain German companies have initiated proceedings against the companies condemned in the 2002, in which Socitrel is also sued, for allegedly having incurred in damages and losses by possible concerted practices in the steel market. The proceedings have been suspended since 2017 and, if necessary, Socitrel will present its defence. The Board of Directors is convinced that, as it has never supplied any materials to these German companies, the outcome of this process, if it proceeds, will not result in material responsibilities for the Group.

In addition, under the agreements reached with the former shareholder of Socitrel included in the Company's Special Revitalisation Process ("PER"), any final and unappealable decision on proceedings relating to facts occurring prior to the date of the change of shareholders will be imputed to its former shareholder, if the liabilities have not been provisioned in Socitrel's accounting records.

39. APPROPRIATION OF NET PROFIT

Regarding FY 2020, the Board of Directors proposed, in its annual report, that the individual net result of Ramada Investimentos e Indústria, S.A. in the amount of EUR 9,661,224.78 should be fully distributed as dividends. Additionally, it was proposed to distribute as dividends an amount of additional reserves, in the amount of EUR 5,723,650.62 (corresponding to a total gross dividend of 0.60 Euros per share).

Regarding FY 2021, the Board of Directors proposed, in its annual report, that the individual net result of Ramada Investimentos e Indústria, S.A. in the amount of EUR 10,167,760 should be fully distributed as dividends. Additionally, it was proposed to distribute as dividends an amount of additional reserves, in the amount of EUR 5,217,115 (corresponding to a total gross dividend of 0.60 Euros per share).



40. SUBSEQUENT EVENTS

It is important to mention the invasion of Ukraine by the Russian Federation, which in addition to the terrible devastation caused with the loss of lives and the humanitarian crisis in the region, is having an economic impact worldwide, particularly in the significant increase in electricity and natural gas prices. The European steel industry is heavily dependent on raw materials produced in Russia and Ukraine, and there is a high probability that these supplies will not be available by the year 2022. The continuing rise in the price of scrap and energy is leading to historic price increases in all types of steels, which will have adverse effects on the demand for these products.

Also noted is the efforts of European economies to house refugees and the support provided by democratic nations to the Ukrainian people. The war in Ukraine and the sanctions decreed on Russia by several Western countries should contribute to a worsening of logistical constraints and generalized inflation of production factors and some variable costs.

The Group will continue to monitor the developments and impacts on its value chain, keeping an eye on its path and objectives of increasing productivity and efficiency gains.

From 31 December 2021 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 its subsidiaries and associates included in the consolidation.

41. TRANSLATION NOTE

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the 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.



The Chartered Accountant

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

INDIVIDUAL FINANCIAL STATEMENTS AND
ACCOMPANYING NOTES

Shaping industry

More than a commitment,
our pride



80 YEARS
Investing in industry

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

INDIVIDUAL STATEMENTS OF FINANCIAL POSITION AS AT

31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 28)

(Amounts expressed in Euros)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS:			
Property, plant and equipment		57,067	70,788
Intangible assets		—	—
Right-of-use assets	7	181,602	193,832
Investments in subsidiaries and associates	8	70,086,971	74,803,748
Other receivables	12	—	187,833
Other investments	9	—	—
Total non-current assets		70,325,640	75,256,201
CURRENT ASSETS:			
Trade receivables	10	508,252	248,007
Other receivables	12	3,718,248	1,808,761
Income tax	11	—	—
Other current assets		3,160	3,334
Cash and cash equivalents	13	36,218,530	31,026,270
Total current assets		40,448,190	33,086,372
Total assets		110,773,830	108,342,573

EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020
EQUITY:			
Share capital		25,641,459	25,641,459
Legal reserve		5,128,292	5,128,292
Other reserves		49,243,627	54,967,277
Net profit for the period		10,167,760	9,661,225
Total equity	14	90,181,138	95,398,253
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	15	8,000,000	10,000,000
Lease liabilities	7	134,659	95,835
Provisions	23	—	—
		8,134,659	10,095,835
CURRENT LIABILITIES:			
Bank loans	15	2,000,000	2,000,000
Lease liabilities	7	48,591	99,272
Trade payables	16	73,596	63,363
Other payables	17	7,597,014	293,820
Income tax	11	2,547,460	296,507
Other current liabilities	18	191,372	95,523
Total current liabilities		12,458,033	2,848,485
Total liabilities		20,592,692	12,944,320
Total equity and liabilities		110,773,830	108,342,573

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

**INDIVIDUAL INCOME STATEMENTS FOR THE PERIODS ENDED
31 DECEMBER 2021 AND 2020**

(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020
Services rendered	19	2,204,675	2,004,530
Results related to investments	20	10,000,000	10,000,000
Other income		2,782	4,795
External supplies and services	21	(790,587)	(507,928)
Payroll expenses	22	(888,050)	(835,615)
Amortisation and depreciation		(95,945)	(89,589)
Provisions and impairment losses	23	—	(522,135)
Other expenses		(56,752)	(50,019)
Financial expenses		(171,461)	(260,403)
Financial income		5,643	9,782
		<u>10,210,305</u>	<u>9,753,418</u>
Income tax	25	(42,545)	(92,193)
		<u>10,167,760</u>	<u>9,661,225</u>
Earnings per share:			
Basic	26	0.40	0.38
Diluted	26	0.40	0.38

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

**INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020**

(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	31.12.2021	31.12.2020
Net profit for the period	10,167,760	9,661,225
Other comprehensive income:		
Items that will not be reclassified to profit or loss	—	—
Items that may be reclassified to profit or loss in the future	—	—
Total comprehensive income for the period	<u>10,167,760</u>	<u>9,661,225</u>

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A

**INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020**

(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

Notes	Share capital	Treasury shares	Legal reserve	Other reserves and retained earnings	Advance payments on profit	Net profit for the period	Total Equity
Balance as at 1 January 2020	25,641,459	—	5,128,292	42,980,723	—	11,986,554	85,737,028
Total comprehensive income for the period	—	—	—	—	—	9,661,225	9,661,225
Appropriation of the net income for 2019:							
Transfer to the legal reserve and other reserves	14	—	—	11,986,554	—	(11,986,554)	—
Dividends distributed	14	—	—	—	—	—	—
Balance as at 31 December 2020	<u>25,641,459</u>	<u>—</u>	<u>5,128,292</u>	<u>54,967,277</u>	<u>—</u>	<u>9,661,225</u>	<u>95,398,253</u>
Balance as at 1 January 2021	25,641,459	—	5,128,292	54,967,277	—	9,661,225	95,398,253
Total comprehensive income for the period	—	—	—	—	—	10,167,760	10,167,760
Appropriation of the net income for 2020:							
Transfer to the legal reserve and other reserves	14	—	—	9,661,225	—	(9,661,225)	—
Dividends distributed	14	—	—	(15,384,875)	—	—	(15,384,875)
Balance as at 31 December 2021	<u>25,641,459</u>	<u>—</u>	<u>5,128,292</u>	<u>49,243,627</u>	<u>—</u>	<u>10,167,760</u>	<u>90,181,138</u>

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

**INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020**

(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020	
Operating activities:				
Receipts from costumers		2,529,457	3,181,752	
Payments to suppliers		(994,918)	(917,856)	
Payroll expenses		(432,025)	(397,798)	1,866,098
Income Tax (paid)/received		218,424	(12,031)	
Other receipts/payments relating to operating activities		(493,960)	(596,193)	(608,224)
<i>Cash flows generated by operating activities (1)</i>		<u>826,978</u>	<u>(596,193)</u>	<u>1,257,874</u>
Investing activities:				
Receipts arising from:				
Investments	8 and 9	—	—	
Interest and similar income		5,580	9,409	
Dividends	20	<u>10,000,000</u>	<u>10,000,000</u>	10,009,409
Payments relating to:				
Investments	8 and 9	—	(572,135)	
Property, plant and equipment		(30,600)	(95,000)	
Intangible assets		—	(30,600)	(667,135)
<i>Cash flows generated by operating activities (2)</i>		<u>9,974,980</u>	<u>(997,735)</u>	<u>9,342,274</u>
Financing activities:				
Payments relating to:				
Interest and similar costs		(171,063)	(260,500)	
Dividends	14	(15,384,875)	—	
Lease liabilities		(53,760)	(44,583)	
Loans obtained		<u>(2,000,000)</u>	<u>(6,000,000)</u>	(6,305,083)
Receipts arising from:				
Loans obtained	15	—	—	
Issue of capital and other instruments of equity		<u>12,000,000</u>	<u>12,000,000</u>	—
<i>Cash flows generated by operating activities (3)</i>		<u>(5,609,698)</u>	<u>(6,000,000)</u>	<u>(6,305,083)</u>
Cash and cash equivalents at beginning of the period	13	31,026,270	26,731,205	
Cash and cash equivalents variation: (1)+(2)+(3)		<u>5,192,260</u>	<u>4,295,065</u>	
Cash and cash equivalents at the end of the period	13	<u><u>36,218,530</u></u>	<u><u>31,026,270</u></u>	

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

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. ('Ramada Investimentos', or 'The Company') is a public limited company incorporated on 1 June, 2008, with headquarters at Rua Manuel Pinto de Azevedo, 818, in Porto, and whose main activity is the management of investments, being its shares listed in the Euronext Lisbon Stock Exchange since 2018.

As a result of the General Meeting dated 4 May 2018 the until then named F. Ramada Investimentos SGPS, S.A., changed its name, to RAMADA INVESTIMENTOS E INDÚSTRIA, S.A., as well as its corporate object from a holding company to the services rendered in management consulting, including financial and administrative consulting; execution and management of investments in real estate, securities and financing; acquisition and disposal of securities; leasing; property construction, rehabilitation, management, administration and conservation.

Ramada Investimentos was incorporated as part of the restructuring of Altri, SGPS, S.A. through the division of the steel and storage solutions management business area, namely the participating interest held in Ramada Aços S.A., representing all the voting rights of this subsidiary, in accordance with the simple division provided for in Article 118(1). (a) of the Commercial Companies Code.

This process allowed transferring the share of Altri, SGPS, S.A.'s assets corresponding to the steel and storage solutions management business area, including all the resources allocated to its activity (namely staff, assets and liabilities), to Ramada Investimentos.

Currently, Ramada Investimentos is the parent company of the group of companies indicated in Note 8 which, as a whole, operate in two different business segments: i) the Industry Segment, which includes the special steel and drawing mill activity, as well as activities related to the management of investments associated with participating interests in which the Company is a minority shareholder; and ii) the Real Estate Segment, focused on real estate assets management.

The financial statements were approved by the Board of Directors and authorized for reporting on 7 April 2022. Final approval of the financial statements is still subject to acceptance by the Shareholders' General Meeting. The Board of Directors, however, believes that the financial statements will be approved without any significant changes.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the attached financial statements are described below. These policies were consistently applied during the periods being compared.

In addition, there were no significant changes to the main estimates used by the Company in preparing the consolidated financial statements.

2.1. Basis of Presentation

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU") in force for the period ended beginning on 1 January 2021. These correspond to the International Financial Reporting Standards, as issued by the International Accounting Standards Board ('IASB') and interpretations issued by the IFRS Interpretations Committee ('IFRS - IC') or by the former Standing Interpretations Committee ('SIC'), which have been adopted by the European Union on the account publication date.

The Board of Directors assessed the capacity of the Company to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events

subsequent to the 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 financial statements.

The attached financial statements were prepared from the accounting books and records of the company, in the assumption of going concern basis. The attached financial statements have been prepared on a historical cost basis.

The preparation of financial statements under IFRS-EU requires the use of estimates, assumptions and critical judgments in the process of determining the accounting policies to be adopted by the Company, 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 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 presented in Note 3.

(i) Adoption of new standards and interpretations, amendments, or reviews

Up to the date for approving 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 2021:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.

<p>Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 - Benchmark interest rate reform (IBOR Reform)</p>	<p>1-Jan-21</p>	<p>These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients:</p> <ul style="list-style-type: none"> A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
<p>Amendments to IFRS 16 - Leases - COVID-19 Related Concessions for Rentals Beyond June 30, 2021</p>	<p>1-Jan-21</p>	<p>On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification.</p> <p>Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16.</p> <p>Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021.</p> <p>In short, the practical expedient can be applied provided the following criteria are met:</p> <ul style="list-style-type: none"> the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change; any reduction in lease payments only affects payments due on or before June 30, 2022; and there are no significant changes to other terms and conditions of the lease.

There were no significant effects on the Company's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(ii) Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises

On the approval date of these financial statements, the following accounting standards, and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.
Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income statement.
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.

Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.
Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.
Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.

Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.
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These amendments, although endorsed by the European Union, were not adopted by the Group in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

(iii) New, amended, or revised standards and interpretation not adopted by the European Union

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.

<p>Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction</p>	<p>1-Jan-23</p>	<p>The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability.</p> <p>According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.</p>
<p>Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information</p>	<p>1-Jan-23</p>	<p>This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.</p>

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Group in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.2. Intangible assets

Intangible assets are recorded at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Company, if they can be controlled by the Company and if their value can be reasonably measured.

Development expenses for which the Company is shown as being able to complete its development and begin its sell and/or use and relative to which the created asset is likely to generate future economic benefits, are capitalised. Development expenses that do not meet these criteria are recorded as cost in the period when incurred.

Internal expenses associated with software maintenance and development are recorded as costs in the income statement when incurred, except when said costs are directly associated with projects for which future economic benefits are likely to be generated for the Company. In such situations, costs are capitalised as intangible assets.

After the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years).

2.3. Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, net of accumulated depreciation and impairment losses.

After the date when the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Amortisation rates used correspond to the following estimated useful life periods:

Type	Years
Vehicles	2 to 10
Office equipment	2 to 10

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of property, plant and equipment are recorded as an expense in the period ended when they are incurred.

Gains or losses resulting from the sale or write-off of property, plant and equipment are determined as the difference between the sales price and the net book value on the disposal or write-off date. They are recorded in the income under 'Other income' or 'Other expenses'."

2.4. Leases

Policy applicable since 1 January 2019

At the start of every agreement, the Company assesses whether the agreement is, or contains, a lease. That is, whether the right-of-use of a specific asset or assets is being transferred for a certain period of time in exchange for a payment.

The Company as lessee

The Company applies the same recognition and measurement method to every lease, except for short-term leases and leases associated with low-value assets. The Company recognises a liability related to lease payments and an asset identified as a right-of-use of the underlying asset.

(i) Right-of-use assets

On the lease start date (that is, the date from which the asset is available for use), the Company recognises an asset relative to the right of use. 'Right-of-use assets' are measured at cost, net of depreciation and accumulated impairment losses, adjusted by remeasuring lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments made on or prior to the start date, on top of any initial direct costs incurred, as well as a cost estimate for dismantling and removing the underlying asset (as applicable), net of any incentive granted (as applicable).

The right-of-use asset is depreciated using the straight-line depreciation method, based on the lease term.

If ownership of the asset is transferred to the Company at the end of the lease period, or the cost includes a purchase option, depreciation is calculated by taking into account the asset's estimated useful life.

(ii) Lease Liabilities

On the lease start date, the Company recognises a liability measured at present value of the lease payments to be made throughout the agreement. Lease payments included in measuring lease liability include fixed payments, net of any incentives already received (as applicable) and variable payments associated with an index or rate. Where applicable, payments also include the cost of exercising a purchase option, which shall be exercised by the Company with reasonable certainty, and payments of penalties for ending the agreement, if the lease terms reflect the Company's exercise option.

The lease liability is measured at amortised cost, using the effective interest method. It is remeasured when changes occur to future payments derived from a change to the rate or index, as well as possible modifications to the lease agreements.

Variable payments not associated with any indices or rates are recognised as an expense during the period, in the period when the event or condition leading to the payment occurs.

To calculate the present value of future lease payments, the Company uses its incremental interest rate on the lease start date, since the interest rate implicit in the agreement cannot be readily determined. After that date, the lease liability amount is increased by adding interest and reduced by lease payments made. In addition, the amount is remeasured in the event of a change in the terms of the agreement, the in lease amounts (e.g., changes in future payments caused by a change to an index or rate used in determining said payments) or a change in the assessment of a purchase option associated with the underlying asset.

(iii) Short-term leases and low-value leases

The Company applies the recognition exemption to its assets' short-term leases (i.e., leases lasting up to 12 months and not containing a purchase option). The Company also applies the recognition exemption to leases of assets deemed to be of low-value. Payments of short-term and low-value leases are recognised as an expense in the period, throughout the lease period.

Policy applicable prior to 1 January 2019

Determining whether an agreement is, or contains, a lease is based on the substance of the agreement at the start thereof, which is either the agreement date and the date of the parties' commitment relative to the main terms of the agreement, whichever is earlier, based on every fact and circumstance. The agreement is, or contains, a lease if the fulfillment of the agreement is contingent on the use of a specific asset or assets and the agreement transfers a right-to-use the asset, even if said asset is not explicitly identified in the agreement.

The lease duration is the sum of the period during which the lease cannot be cancelled and an additional period providing for the lessee to have the option to maintain the lease and, at the start of the agreement, the Company is reasonably certain that the lessee will exercise said option.

A lease is classified as a financial lease or operating lease at the start of the agreement. A lease that substantially transfers all the risks and advantages associated with an asset's ownership to the Company, is classified as a finance lease. Financial leases are recorded at fair value in the asset or, if lower, at the current minimum lease payment amounts. Minimum lease payments are distributed between the financial charge and the reduced outstanding liability in order to produce a constant periodic interest rate on the liability's remaining balance.

The financial charges are recorded in the income statement as financial expenses.

The leased asset is depreciated during its useful life. However, if there is no reasonable certainty that the lessee will own the asset at the end of the lease period, the asset is depreciated during the lease period or during its useful life, whichever is shorter.

An operating lease is a lease other than a financial lease. Payments of operating leases are recorded as operational expenses in the income account in a straight-line during the lease period.

2.5. Borrowing costs

Financial expenses related to loans are generally recognised as an expense in the income statement in accordance with the accrual basis.

In cases where loans are taken to finance assets, the corresponding interests are capitalised, becoming part of the asset's cost. The capitalisation of these expenses starts after the preparation of construction activities begins and ends once the asset is available for use or if the project is suspended.

There were no financial expenses on capitalised loans obtained on 31 December 2021 and 2020.

2.6. Provisions

Provisions are recognised when, and only when, the Company (i) has a present obligation (legal or implicit) obligation resulting from a past event, (ii) it is likely that, to resolve this obligation an outflow of resources occurs, and (iii) the obligation's amount might be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and adjusted to reflect the best estimate on that date.

When a provision is determined taking into consideration the cash flows required to settle such an obligation, it is recorded at its present value.

2.7. Investments in subsidiaries and associates

Investments in equity holdings in subsidiaries and associates are measured in accordance with 'IAS 27 - Separate Financial Statements', at acquisition cost net of any impairment losses.

Ramada conducts impairment tests to financial investments in subsidiaries.

The impairment analysis is based on the evaluation of financial investments, using the 'discounted cash-flow' method, based on the cash-flow financial projections of cash-flow at five years of each, including the year of perpetuity starting from the fifth year, deducted from the fair value of the liabilities of the subsidiaries.

The Board of Directors believes that the methodology described above leads to reliable results on the existence of any impairment of the investments under analysis, as they take into consideration the best information available at the time of preparation of the financial statements.

Dividends received from these investments are recorded as investment income, when attributed. Dividends are recorded in the income statement under 'Results related to investments'.

2.8. Financial assets and liabilities

a. Financial assets

Initial recognition and measurement

Initially, assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income, and at fair value through profit or loss.

The initial classification of financial assets depends on the contractual characteristics of the cash flows and the business model adopted by the Company to manage them. Except for customer accounts receivable that do not have a significant financial component and for which the Company adopts the practical expedient, the Company initially measures a financial asset at fair value plus transaction costs, if an asset is not classified as of fair value through profit or loss.

Customer accounts receivable that do not have a significant financial component and for which the Company adopts the practical expedient are measured at transaction price calculated in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it must provide cash flows that represent solely payments of principal and interest (SPPI) on the outstanding debt. This assessment, known as the 'cash flows that are solely payments of principal and interest' test, is performed for each financial instrument.

The business model established for managing financial assets concerns the way financial assets are managed by the Company with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets or both.

Subsequent measurement

For its subsequent measurement, financial assets are classified in four categories: i) financial assets at amortised cost (debt instruments); ii) financial assets at fair value through other comprehensive income, with recycling of accumulated gains and losses (debt instruments); iii) financial assets at fair value through other comprehensive income, without recycling of accumulated gains and losses upon derecognition (equity instrument); and iv) financial assets at fair value through profit or loss.

i) Financial assets at amortised cost (debt instrument)

The Company measures financial assets at amortised cost if both the following conditions are fulfilled:

- The financial asset is held under a business model which purpose consists on holding the financial asset to obtain the cash flows provided for contractually; and
- The contractual terms of the financial asset generate, on specified dates, cash flows that are only payments of principal and interest on the amount of principal outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in the income statement when the asset is derecognised, modified or becomes impaired. Financial assets measured by the Company at amortised cost include customer accounts receivable and other receivables, and loans to related parties (Note 6.1)

ii) Financial assets at fair value through other comprehensive income (debt instruments)

The Company measures debt instruments at fair value through other comprehensive income if both the following conditions are fulfilled:

- The financial asset is held under a business model which purpose consists on holding the financial asset to obtain the cash flows provided for contractually and those resulting from its sale; and
- The contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

In the case of debt instruments measured at fair value through other comprehensive income, interest income, exchange differences and impairment losses and reversals are recorded in the income statement and calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recorded in other comprehensive income. Upon derecognition, changes in fair value accumulated in other comprehensive income are transferred (recycled) to profit or loss.

As at 31 December 2021 and 2020, the Company did not held financial assets classified under this item.

iii) Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Company may choose to classify irrevocably the equity instruments held as equity instruments designated at fair value through other comprehensive income when they comply with the definition of equity under IAS 32 - Financial instruments: Presentation, and are not held for trading. Classification is determined on an instrument-by- instrument basis.

Gains and losses from these financial assets are never recycled for profit or loss. Dividends are recorded as financial gain in profit or loss when the right to receive a dividend payment is established, except when the Company benefits from those dividends as recovery of part of the financial asset's cost and which, in this case, the dividends are recorded in other comprehensive income. Equity instruments held as equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

As at 31 December 2021 and 2020, the Company did not held financial assets classified under this item.

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of being sold or repurchased within a very short period. Derivatives, including separate embedded derivatives, are also classified as held for trading, except if designated as effective hedging instruments.

Financial assets with cash flows that do not correspond solely to payments of principal and interest on the amount of principal outstanding are measured at fair value regardless of the underlying business model. Notwithstanding the classification criterion for debt instruments at amortised cost or at fair value through other comprehensive income described above, debt instruments can be designated at fair value through profit or loss upon initial recognition if it would eliminate or significantly reduce a measurement or recognition inaccuracy. Financial assets at fair value through income statement are presented in the Statement of Financial Position at fair value, with the fair value net changes presented in the profit or loss.

As at 31 December 2021 and 2020, the Company did not held financial assets classified under this item.

Derecognition

A financial asset (or, where applicable, a part of the financial asset or part of a group of financial assets) is derecognised (i.e., removed from the Statement of Financial Position) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Company transferred its contractual rights to receive cash flows resulting from the financial asset or undertook an obligation to pay the cash flows received in full within a short period under an agreement in which the Company i) has no obligation to pay any amounts to final recipients unless it receives equivalent amounts resulting from the original asset; ii) is prohibited by the terms of the transfer agreement to sell or pledge the original asset other than as a guarantee to the final recipients due to the obligation to pay them cash flows; and iii) the Company has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays; and
- The Company substantially transferred all the asset's risks and benefits, or the Company did not substantially transfer or retain all the assets and benefits of the asset, but has transferred control over the asset.

When the Company transfers its rights to receive cash flows from an asset or is party to an agreement that may allow derecognition, it assesses whether, and to what extent, the risks and benefits associated with the ownership of the asset have been retained. When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset is not transferred, the Company keeps on recognising the transferred asset to the extent of its continuing involvement. In this case, the Company also recognises the corresponding liability. The transferred asset and corresponding liability are measured on a basis that reflects the rights and obligations retained by the Company.

If the Company's continuing involvement takes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lowest between the asset's original book value and the maximum amount of consideration received that the Company might pay.

Financial assets impairment

Since 1 January 2018, the Company assesses, on a prospectively basis, the expected credit losses associated with its financial assets measured at amortised cost and at fair value through other comprehensive income, in accordance with IFRS 9. The applied impairment methodology considers the receivables credit risk profile, with different approaches being applied according to their nature.

Regarding receivable balances under items 'Trade receivables' and 'Other receivables', the Company applies the simplified approach under IFRS 9, according to which the expected credit losses are recognised from the initial recognition of the receivable balances and throughout the period until its maturity, considering a matrix of historical default rates for the maturity of receivable balances, adjusted by prospective estimates. Therefore, the Company does not monitor changes to credit risk, however, it recognises the impairment loss based on the expected credit loss throughout the duration of the asset, at every reporting date. The Company has established an impairment matrix based on the credits previously lost, adjusted by specific prospective factors from the receivables and economic environment.

The Company considers a financial asset is in default when it is overdue by more than 90 days. In certain cases, the Company may also consider that a financial asset is in default when there is internal and external information that indicates that it is unlikely that the Company will receive the full amount it is owed without having to call its guarantees.

As at 31 December 2021 and 2020, the items referred to above were mainly accounts receivable from Ramada Group's entities (Note 24).

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss, loans, accounts payable or derivatives designated as hedging instrument in an effective hedging relationship.

Every financial liability is initially recognised at fair value and, in the case of loans and accounts payable, net of transaction costs directly attributable.

The Company's financial liabilities include trade payables, other payables and loans, including bank overdrafts.

Subsequent measurement

Financial liabilities at amortised cost

Following their initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recorded in the income statement when liabilities are derecognised and through the amortisation resulting from the effective interest method.

The amortised cost is calculated taking into account any acquisition discount or premium and the fees and other costs that are an integral part of the effective interest rate. The effect of effective interest is recorded under financial expenses in the income statement. This category usually applies to trade payables, other payables and loans, including bank loans and bank overdrafts.

Loans in the form of commercial paper are classified as non-current liabilities when they are guaranteed to be placed for at least one year and the Board of Directors intends to use this financial instrument for more than one year. As at 31 December 2021 and 2020, the Company did not report loan figures in the form of commercial paper.

Derecognition

A financial liability is derecognised when the underlying obligation is fulfilled, cancelled or expires.

When an existing financial liability is replaced by another with the same counterparty and substantially different terms, or a financial liability's terms are substantially modified, the exchange or modification are treated as a derecognition of the original financial liability and the recognition of a new liability. The difference between the respective book values is recognised in the income statement.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the statement of financial position if there is a present right of mandatory fulfillment to offset the recognised amounts and the intention of either settling on a net basis or realizing the asset and simultaneously settling the liability.

d. Derivative financial instruments

When deemed necessary, the Company uses derivatives, such as forward exchange contracts, interest rate swaps and forward contracts on raw materials, to cover its exchange, interest and raw material price risks, respectively. Such derivatives are initially recorded at fair value at the date they are contracted and are subsequently measured at fair value. Derivatives are presented in assets when their fair value is positive, and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:

- Fair value hedge, when the purpose is to hedge exposure to changes in the fair value of a recorded asset or liability or an unrecorded Company commitment.
- Cash flow hedge, when the purpose is to hedge exposure to cash flow variability arising from a specific risk associated with a recorded asset or liability, in whole or in part, or a highly probable transaction or the foreign exchange risk associated with an unrecorded Company commitment.
- Net investment hedge, in a foreign operation (foreign exchange risk).

At the beginning of the hedging relationship, the Company formally designates and documents the hedging relationship for which it intends to apply hedge accounting, as well as the management and strategy purpose of that hedge. These documents include the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged, and how the Company assesses whether the hedging relationship complies with the hedge accounting requirements (including an analysis of the sources of hedging ineffectiveness and how it determines the hedge rate). The hedging relationship is eligible for hedge accounting if it meets all of the following hedge effectiveness requirements:

- i) There is an economic relationship between the hedged item and the hedging instrument;
- ii) The credit risk effect does not dominate the changes in value that result from this economic relationship; and
- iii) The hedge ratio of the hedging relationship is the same as that resulting from the portion of the hedged item that an entity is actually hedging and the portion of the hedging instrument that the entity actually uses to hedge that portion of the hedged item.

During the 2021 and 2020 periods, no derivative financial instruments were contracted to hedge interest rate or foreign exchange rate risks.

(I) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the transaction's contractual substance. Equity instruments are those that show a residual interest in the Company's assets after deducting liabilities, being recorded at amount received, net of costs incurred when issued.

(II) Cash and cash equivalents

The amounts included under 'Cash and cash equivalents' correspond to cash amounts, bank deposits, term deposits and other treasury applications, maturing in less than three months and are subject to insignificant risk of change in value.

In terms of statement of cash flows, the item 'Cash and cash equivalents' also comprises bank overdrafts included under the current liability item 'Bank loans'.

2.9. Contingent assets and liabilities

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence, or non-occurrence, of one or more uncertain future events not fully under the control of the Company.

Contingent assets are not recognised in the Company's financial statements, being disclosed only when future economic benefits are likely to occur.

Contingent liabilities are defined by the Company as (i) obligations arising from past events, the existence of which will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not under full control of the Company, or (ii) present obligations that arise from past events but that are not recognised because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Company's financial statements and are actually disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

2.10. Income tax

Ramada Investimentos, parent company, is taxed under the special taxation regime for groups, with each of the companies covered by this regime recording the income tax in its separate accounts under the item 'Subsidiaries'. Where subsidiaries contribute with losses, the tax amount corresponding to the losses which will be offset by the profits from other companies under this regime, is recorded in the separate accounts.

Deferred taxes are calculated using the financial position statement liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or substantially in force at the expected date of reversal of temporary differences.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred taxes are recorded as expenses or income for the period, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

2.11. Revenue

Ramada recognises revenue according to IFRS 15, which sets forth that an entity recognises revenue in order to reflect the transfer of goods and services contracted by customers, in the amount to which the entity expects to be entitled to receive as consideration for delivery of said goods or services, based on the 5-step model below:

- 1) contract identification with a client;
- 2) performance obligation identification;
- 3) pricing of the transaction;
- 4) allocation of the transaction price to performance obligation; and
- 5) recognition of revenue when or as the entity meets a performance obligation.

As at 31 December 2021 and 2020, Ramada's revenue refers to corporate services rendered to other Ramada Group companies.

Revenue is recognised net of bonuses, discounts and taxes (e.g.: trade discounts), and refers to the consideration received or receivable for services sold in line with the type of business identified. Revenue is recognised by the amount of the performance obligation fulfilled. For the transaction price, this is a fixed component.

The Company considers the facts and circumstances when analysing the terms of each contract with clients, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, when dealing with contracts with similar characteristics and circumstances.

2.12. Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the items 'Other current assets', and 'Other current liabilities'.

2.13. Subsequent events

The events occurred after the date of the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the Company's financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the notes to the financial statements.

2.14. Statement of cash flows

The statement of cash flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is classified under operating activities (which include receipts from costumers, payments to suppliers, payments to personnel and others related to operating activities), financing (which include, payments and receipts related to loans, finance lease contracts and dividend payments) and investment (which include, acquisitions and disposals of investments in subsidiaries and cash receipts and cash payments arising from the purchase and sale of property, plant and equipment).

3. JUDGEMENTS AND ESTIMATES

In preparing the financial statements, in accordance with the accounting standards in force (Note 2.1), the Company's Board of Directors adopted certain assumptions and estimates affecting assets and liabilities, as well as income and expenses incurred in relation to the reported periods. All of the estimates and assumptions by the Board of Directors were carried out based on their existing best knowledge, on the date of approval of financial statements, events and ongoing transactions.

The main value judgements and estimates conducted when preparing financial statements correspond to the recording of provisions and impairment losses.

Estimates were determined based on the best available information on the date when consolidated financial statements were prepared and on the basis of the best knowledge and on the experience with past and/or current events. However, there are situations that could occur in subsequent periods which, while not foreseeable on that date, were not considered in those estimates. Changes to those estimates, which occur after the date of the consolidated financial statements, will be corrected in the income statement on a prospective basis, as provided for under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

4. FINANCIAL RISK MANAGEMENT

Ramada Investimentos is basically exposed to (i) market risk, (ii) credit risk, and (iii) liquidity risk. The main purpose of risk management is to reduce these risks to a level considered acceptable.

The general principles of risk management are approved by the Board of Directors, which determines the acceptable risk limits. The main risk to which the Company is exposed to are the following:

i) Market risk

Interest rate risk is of particular importance in market risk management.

a) Interest rate risk

Interest rate risk is mainly the result of the Company's indebtedness being indexed to variable rates (mostly indexed to Euribor), which may expose the cost of debt to a volatility risk.

The Company's Board of Directors approves the terms and conditions of financing deemed material for the Company. As such, it examines the debt structure, the inherent risks and the different existing options in the market, namely regarding the type of interest rate (fixed/variable).

Sensitivity analysis to interest rate changes

Considering the Company's financing level and financial expenses as at 31 December 2021 for the period ended on that date, the exposure to the existing interest rate at the date of the statement of financial position is relatively minor.

b) Credit risk

Credit risk is defined as the probability of a financial loss occurring as a result of a counterparty defaulting on its payment contractual obligations.

Ramada is a holding Group, having no commercial activity beyond the normal activities of a portfolio manager and services to its subsidiaries and associates. As such, on a regular basis, the Company is only exposed to credit risk arising from financial instruments (investments and deposits with banks and other financial institutions or resulting from derivative financial instruments entered into normal course of its hedging operations), or from loans granted to subsidiaries.

The outstanding amounts on loans granted are considered to have low credit risk and, consequently, the impairments for credit losses recognised during the period were limited to the estimated 12-month credit losses. These financial assets are considered to have 'low credit risk' when they have a reduced risk of default and the debtor has a high capacity to meet its short-term cash flow contractual responsibilities.

In order to reduce the probability of a counterparty defaulting on its payment contractual obligations, the Company follows the following principles:

- It only performs transactions (short-term investments and derivatives) with counterparties that have been selected in accordance with their prestige and recognition at national and international level, their ratings, and which take into consideration the nature, maturity and size of the transactions;
- No financial instruments shall be contracted unless they have been authorised in advance. The definition of eligible instruments for both excess availability and derivatives has been made on the basis of a conservative approach;
- Additionally, regarding cash surpluses: i) they shall preferably be used, whenever possible where it is most efficient, either to repay existing debt, or preferably invested in relationship banks, thereby reducing the net exposure to such institutions, and ii) they may only be applied in previously authorised instruments.

Given the above policies, the Company's Board of Directors does not foresee the possibility of any material breach of contractual payment obligations of its external counterparties.

In the case of loans to subsidiaries, there is no specific credit risk management policy, since the granting of loans to subsidiaries is part of the Company's regular activity.

c) Liquidity risk

The main goal of the liquidity risk management policy is to ensure that the Company has the capacity to settle or meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties within the stipulated time frame.

The Company defines as an active policy (i) to maintain a sufficient level of free and immediately available resources to meet the necessary payments on maturity, (ii) to limit the probability of default on the repayment of all its investments and loans by negotiating the extent of the contractual clauses, and (iii) to minimise the opportunity cost of holding excess liquidity in the short-term.

It also seeks to make the due dates of assets and liabilities compatible, by streamlining the management of their maturities.

5. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF ERRORS

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the period ended 31 December 2021, there were no voluntary changes in accounting policies. Likewise, no material errors were corrected in relation to previous periods.

6. CLASSES OF FINANCIAL INSTRUMENTS

In accordance with the accounting policies disclosed in Note 2.7, financial instruments were detailed as follows:

6.1. Financial assets

31 December 2021	Note	Financial assets recorded at amortised cost	Total
Non-current assets			
Other receivables	12	—	—
Current assets			
Trade receivables	10	508,252	508,252
Other receivables	12	3,718,248	3,718,248
Cash and cash equivalents	13	36,218,530	36,218,530
		<u>40,445,030</u>	<u>40,445,030</u>
		40,445,030	40,445,030
31 December 2020			
	Note	Financial assets recorded at amortised cost	Total
Non-current assets			
Other receivables	12	187,833	—
Current assets			
Trade receivables	10	248,007	248,007
Other receivables	12	1,808,761	1,808,761
Cash and cash equivalents	13	31,026,270	31,026,270
		<u>33,083,038</u>	<u>33,083,038</u>
		33,270,871	33,083,038

6.2. Financial liabilities

31 December 2021	Note	Financial liabilities at amortised cost	Total
Non-current liabilities			
Bank loans	15	8,000,000	8,000,000
Lease liabilities	7	134,659	134,659
		8,134,659	8,134,659
Current liabilities			
Bank loans	15	2,000,000	2,000,000
Lease liabilities	7	48,591	48,591
Trade payables	16	73,596	73,596
Other payables	17	7,597,014	7,597,014
Other current liabilities	18	191,373	191,373
		9,910,574	9,910,574
		18,045,233	18,045,233
31 December 2020			
Non-current liabilities			
Bank loans	15	10,000,000	10,000,000
Lease liabilities	7	95,835	95,835
		10,095,835	10,095,835
Current liabilities			
Bank loans	15	2,000,000	2,000,000
Lease liabilities	7	99,272	99,272
Trade payables	16	63,363	63,363
Other payables	17	190,058	190,058
Other current liabilities	18	95,523	95,523
		2,448,216	2,448,216
		12,544,051	12,544,051

7. RIGHT OF USE ASSETS

During the period ended on 31 December 2021 and 2020, the movement occurred in the amount of right of use assets, as well as the corresponding amortisation was as follows:

	2021		
	Asset gross value		
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	81,859	203,519	285,378
Additions	—	39,394	39,394
Reclassifications	—	—	—
Reductions	—	—	—
Closing balance	<u>81,859</u>	<u>242,913</u>	<u>324,772</u>
	Accumulated amortisation		
	Buildings and other edifications	Vehicles	Total
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	18,190	73,356	91,546
Additions	9,095	42,529	51,624
Reclassifications	—	—	—
Reductions	—	—	—
Closing balance	<u>27,285</u>	<u>115,885</u>	<u>143,170</u>
	<u>54,574</u>	<u>127,028</u>	<u>181,602</u>
	2020		
	Asset gross value		
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	81,859	100,569	182,428
Additions	—	102,950	102,950
Reclassifications	—	—	—
Reductions	—	—	—
Closing balance	<u>81,859</u>	<u>203,519</u>	<u>285,378</u>
	Accumulated amortisation		
	Buildings and other edifications	Vehicles	Total
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	9,095	38,702	47,797
Additions	9,095	34,654	43,749
Reclassifications	—	—	—
Reductions	—	—	—
Closing balance	<u>18,190</u>	<u>73,356</u>	<u>91,546</u>
	<u>63,669</u>	<u>130,163</u>	<u>193,832</u>

The item 'Buildings and other edifications' mainly refers to lease contracts of assets related to one of the properties where the Company operates.

The item 'Vehicles' refers to contracts for the lease of vehicles for periods of 4 to 5 years.

During the period ended 31 December 2021 and 2020, the movement occurred in the value of lease liabilities were detailed as follows:

	31.12.2021	31.12.2020
Opening balance as at 1 January	195,107	135,356
Additions	39,394	102,950
Accrued interest	2,509	1,384
Payments	(53,760)	(44,583)
Closing balance as at 31 December	<u>183,250</u>	<u>195,107</u>
Current	48,591	99,272
Non-current	134,659	95,835

In addition, the following amounts were recognised in 2021 and 2020 as expenses related to right-of-use assets:

	31.12.2021	31.12.2020
Depreciation of right-of-use assets	51,624	43,749
Interest expenses related to lease liabilities	2,509	1,384
Total amount recognised in the income account	54,133	45,133

The maturity of the lease liabilities is as follows:

	31.12.2021					Total (nominal value)
	2022	2023	2024	2025	>2025	
Lease liabilities	48,591	48,862	37,779	23,587	24,431	183,250
	48,591	48,862	37,779	23,587	24,431	183,250
	31.12.2020					Total (nominal value)
	2021	2022	2023	2024	>2024	
Lease liabilities	99,272	16,905	10,922	18,661	49,347	195,107
	99,272	16,905	10,922	18,661	49,347	195,107

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As at 31 December 2021 and 2020, 'Investments in subsidiaries and associates' are detailed as follows:

31 December 2021						
Company	% Held	Opening balance	Transfers	Additions	Reductions	Closing balance
Ramada Aços, S.A.	100%	38,000,750	—	—	—	38,000,750
Expeliarmus - Consultoria, Unipessoal, Lda.	100%	2,302,998	—	—	—	2,302,998
Socitrel - Sociedade Industrial de Trefilaria, S.A.	100%	30,000,000	—	7,283,223	(12,000,000)	25,283,223
Fisio Share - Gestão de Clínicas, S.A.	39.71%	4,500,000	—	—	—	4,500,000
		74,803,748	—	7,283,223	(12,000,000)	70,086,971

31 December 2020						
Company	% Held	Opening balance	Transfers	Additions	Reductions	Closing balance
Ramada Aços, S.A.	100%	38,000,750	—	—	—	38,000,750
Expeliarmus - Consultoria, Unipessoal, Lda.	100%	252,998	—	2,050,000	—	2,302,998
Socitrel - Sociedade Industrial de Trefilaria, S.A.	66.66%	30,000,000	—	—	—	30,000,000
Fisio Share - Gestão de Clínicas, S.A.	39.71%	4,500,000	—	—	—	4,500,000
		72,753,748	—	2,050,000	—	74,803,748

On December 31, 2021 the increase is related to the acquisition of the part of the participation of Socitrel - Sociedade Industrial de Trefilaria, S.A. not yet owned by the Company (Note 17) and the decrease is related to the refund of supplementary installments by that company.

As of December 31, 2020, the increase relates to the capital increase and supplementary capital payments made to the company Expeliarmus - Consultoria, Unipessoal, Lda., in the amount of, EUR 2,000,000 and EUR 50,000, respectively.

The financial information of the subsidiary companies as of 31 December 2021, according to their financial statements at the aforementioned date, can be summarized as follows:

31 December 2021			
Subsidiaries	Total Assets	Total Equity	Net profit of the period
Ramada Aços, S.A.	78,659,524	39,132,369	5,000,215
Planfuro Global, S.A.	3,074,947	2,654,426	276,996
Universal Afir, S.A.	13,223,625	9,743,004	2,683,235
F. Ramada II, Imobiliária, S.A.	106,455,574	45,140,493	4,258,574
Socitrel - Sociedade Industrial de Trefilaria, S.A.	48,180,157	16,677,716	4,954,773
Socitrel España, S.A.	27,914	27,913	(1,656)
Expeliarmus - Consultoria, Unipessoal, Lda.	7,388,059	5,888,058	5,805,150
Socitrel Solar, Unipessoal, Lda.	1,463,964	7,564	2,564
Ramada Solar, Unipessoal, Lda.	5,000	5,000	—

On this date, the Company presents consolidated financial statements, and the companies included in the consolidation by the full method, respective headquarters, proportion of capital held and activity carried out are defined in note "6.1. Subsidiaries included in the consolidation", in the notes to the consolidated financial statements.

As mentioned in note 2.7., whenever events or changes in the surrounding conditions indicate that the value for which financial investments are recorded in the financial statements is not recoverable, the Company performs impairment tests. For this analysis, financial projections of the subsidiaries are prepared based on assumptions regarding the evolution of the subsidiary's activity (and the respective cash-generating units), which the Board of Directors believes to be consistent with the history and trend of the markets, being reasonable and prudent and that reflect your vision.

During the year ended 31 December 2021, it were only identified indications of possible impairment losses related with the investment in Socitrel - Sociedade Industrial de Trefilaria, S.A. and the respective impairment test was performed. The analysis, which was performed by using the "discounted cash-flow" method and based on financial projections of cash flow and market assumptions, led to the conclusion that there was no impairment to record on this financial investment.

In 2021, the method and assumptions used in the above mentioned impairment analysis, which in the opinion of the Board of Directors are the most appropriate for the current situation, are as follows:

	31.12.2021
	Discounted cash flows
Method	Business Plan
Basis	
Projection period	5 years
Weighted Average Cost of Capital	5.75%
Growth rate	1.00%

At 31 December 2021, as a result of the impairment tests made, based on the above mentioned methodologies and assumptions, no impairment losses were recognised. The Board of Directors believes that the effect of any deviations that may occur in the main assumptions on which the recoverable amount of the investments is based does not imply, in all materially relevant aspects, the recognition of additional impairments of financial investments.

During the year ended 31 December, 2020, as a result of the impairment analyzes carried out, based on the methodologies and assumptions mentioned above, the Ramada Group recognized impairment losses on the investment held in Planfuro Global, S.A., as identified in the note "27. Movement of Provisions and Impairment Losses", in the notes to the consolidated financial statements.

The Board of Directors believes that the effect of any deviations that may occur in the main assumptions on which the recoverable value of financial holdings is based, will not imply, in all materially relevant aspects, recognition of additional impairments of financial holdings.

8.1. Payments of investments in subsidiaries and associates

During the periods ended 31 December 2021 and 2020, the Company carried payments relating to investments in subsidiaries and associates, which are detailed as follows:

	31.12.2021	31.12.2020
Constitution of supplementary capital in Expeliarmus	—	50,000
Acquisition of Fisio Share	—	—
Advance payment on account of capital increase in Expeliarmus	—	—
	—	50,000

9. OTHER INVESTMENTS

As at 31 December 2021 and 2020, the value of 'Other investments' and the corresponding impairment losses are detailed as follows:

	31.12.2021	31.12.2020
Gross value		
Opening balance	4,967,633	4,445,498
Additions	—	522,135
Closing Balance	4,967,633	4,967,633
Accumulated impairment losses (Note 23)		
Opening balance	(4,967,633)	(4,445,498)
Additions	—	(522,135)
Closing Balance	(4,967,633)	(4,967,633)
Net value	—	—

As at 31 December 2021 and 2020, the Company held 22.52% of the company CEV, S.A. This subsidiary is engaged in the development and intellectual protection, production and trade of organic fungicides for agriculture. This subsidiary is not listed and the Company does not have significant influence over this holding, considering, in particular, that:

- It is not represented in the subsidiary's Executive Board;
- It has no power to participate in the definition of operational and financial policies;
- It has no material transactions with the Subsidiary;
- It does not provide technical information to the Subsidiary.

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

The assessment of whether or not there are signs of impairment on investments in other investments takes into account, among others, the financial indicators of the Companies in question, their operating results and their profitability for the shareholder, namely considering their ability to distribute dividends.

9.1. Payments of other investments

During the periods ended 31 December 2021 and 2020, the Company carried payments relating to other investments, which are detailed as follows:

	31.12.2021	31.12.2020
Shareholders loans to CEV	—	522,135
	—	522,135

10. TRADE RECEIVABLES

As at December 2021 and 2020, the amount recorded under item 'Trade receivables' mainly refers to the amounts invoiced concerning management fees (Note 24).

At the date of the statement of financial position, there are no outstanding accounts receivables and no impairment losses were recorded, since there is no indication that the customers are not fulfilling their obligations.

11. STATE AND OTHER PUBLIC ENTITIES

As at 31 December 2021 and 2020, this line item is detailed as follows:

	31.12.2021	31.12.2020
Debit balances:		
Income tax	—	—
Total income tax	—	—
	—	—
	31.12.2021	31.12.2020
Credit balances:		
Income tax	2,547,460	296,507
Total income tax	2,547,460	296,507
VAT - Value Added Tax	132,748	70,892
Personal income tax	29,372	13,705
Social security contributions	27,267	19,165
Total other taxes (Note 17)	189,387	103,762

12. OTHER RECEIVABLES

As at 31 December 2021 and 2020, this line item is detailed as follows:

	31.12.2021	31.12.2020
Non-current assets		
Other debts from the disposal of investments	—	187,833
Current assets		
Other debts from the Group's companies	3,524,740	1,615,617
Other debts from the disposal of investments	187,832	187,832
Others	5,676	5,313
	3,718,248	1,808,762

As at 31 December 2021 and 2020, the item 'Other debts from the Group's companies' includes amounts receivable from subsidiaries, related to the tax for the period estimated individually by the taxed companies according to the special taxation regime for groups.

As at 31 December 2021 and 2020, the amount in 'Other debts from the disposal of investments' results from the disposal of subsidiaries Base M – Investimentos e Serviços S.A. and Base Holding SGPS, S.A..

13. CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 2020, this line item 'Cash and cash equivalents' included in the statement of financial position was detailed as follows:

	31.12.2021	31.12.2020
Cash and cash equivalents	36,218,530	31,026,270
	36,218,530	31,026,270

14. SHARE CAPITAL AND RESERVES

14.1. Share capital

As at 31 December 2021 and 2020, the Company's share capital was fully subscribed and paid up, and consisted of 25,641,459 nominative shares, with a nominal value of EUR 1 each.

14.2. Reserves

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'legal reserve' until it represents at least 20% of the share capital. This reserve is not distributable, except in the event of the liquidation of the Company, but may be used to absorb losses, after all other reserves have been exhausted, and for incorporation into capital.

In 2021, the Company did not transfer any amount to this item, since it already represented 20% of the share capital.

Other reserves

In the General Assembly held on April 30, 2021 it was unanimously resolved to distribute a gross dividend of 0.60 Euros per share, totaling 15,384,875 Euros.

On 30 April, 2020, the General Meeting unanimously approved that the individual net result of 2019, in the amount of EUR 11,986,554, would be transferred in full to free reserves.

15. BANK LOANS

As at 31 December 2021 and 2020, the line item 'Bank loans' is detailed as follows:

	31.12.2021		31.12.2020	
	Current	Non-current	Current	Non-current
Bank loans	2,000,000	8,000,000	2,000,000	10,000,000
Bank loans	<u>2,000,000</u>	<u>8,000,000</u>	<u>2,000,000</u>	<u>10,000,000</u>

The Board of Directors considers that the loans book value does not differ significantly from its fair value, determined based on the discounted cash flow method.

The nominal value of the bank loans recorded as liabilities has the following repayment plan:

2021			2020		
Maturity	Amount	Estimated interest ¹	Maturity	Amount	Estimated interest ¹
Current			Current		
2022	<u>2,000,000</u>	<u>138,750</u>	2021	<u>2,000,000</u>	<u>168,750</u>
Non-current			Non-current		
2023	2,000,000	108,750	2022	2,000,000	138,750
2024	2,000,000	78,750	2023	2,000,000	108,750
2025	2,000,000	48,750	2024	2,000,000	78,750
2026	2,000,000	18,750	2025	2,000,000	48,750
2027	—	—	2026	2,000,000	18,750
	<u>8,000,000</u>	<u>255,000</u>	2027	—	—
	<u>10,000,000</u>	<u>393,750</u>		<u>10,000,000</u>	<u>393,750</u>
				<u>12,000,000</u>	<u>562,500</u>

¹ Interest estimated according to the existing contractual conditions, based on the market conditions for the period of 2021 and 2020.

During the periods ended 31 December 2021 and 2020, this loan earned interest at normal market rates depending on the nature and term of the loan obtained.

During the periods ended 31 December 2021 and 2020, the Group did not default on any borrowing.

16. TRADE PAYABLES

As at 31 December 2021 and 2020, the item 'Trade payables' shows amounts payable within a period not exceeding 90 days, from acquisitions arising from the Company's regular activity.

17. OTHER PAYABLES

As at 31 December 2021 and 2020, the line item 'Other payables' is detailed as follows:

	31.12.2021	31.12.2020
Other debts to the Group's companies (Note 24)	30,355	171,503
Other debts for investments	17,500	17,500
Payables to the State and other public entities (Note 11)	189,387	103,762
Other debts	7,359,772	1,055
	7,597,014	293,820

On December 31, 2021 the item "Other Debts" includes accounts payable related to the acquisition of the stake of Socitrel - Sociedade Industrial de Trefilaria, S.A which occurred in 2021 (Note 8).

18. OTHER CURRENT LIABILITIES

As at 31 December 2021 and 2020, the line item 'Other current liabilities' is detailed as follows:

	31.12.2021	31.12.2020
Remunerations to be settled and premiums	91,373	90,322
Others	100,000	5,200
	191,373	95,522

19. SERVICES RENDERED

The amount related to services rendered corresponds to amounts invoiced for administrative and financial services rendered to companies in Portugal (Note 24).

20. RESULTS RELATED TO INVESTMENTS

As at 31 December 2021 and 2020, the item 'Results related to investments' includes dividends awarded by the subsidiary Ramada Aços, S.A. (Note 24).

21. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2021 and 2020, the line item 'External supplies and services' is detailed as follows:

	31.12.2021	31.12.2020
Specialised work	559,219	310,116
Fees	17,717	17,291
Travel and accommodation	34,148	29,890
Rents	8,987	13,170
Maintenance and repair	21,078	18,595
Other miscellaneous services	149,438	118,866
	790,587	507,928

22. PAYROLL EXPENSES

As at 31 December 2021 and 2020, the line item 'Payroll expenses' is detailed as follows:

	31.12.2021	31.12.2020
Remunerations	620,326	559,254
Remuneration expenses	142,990	132,877
Insurance expenses	4,456	4,357
Social cost	9,618	40,438
Other payroll expenses	110,660	98,689
	888,050	835,615

As at 31 December 2021, the number of employees working for Ramada Investimentos e Indústria, S.A. was 20 (22 as at 31 December 2020).

23. PROVISIONS AND IMPAIRMENT LOSSES

The movement occurring under provisions and impairment losses during the periods ended 31 December 2021 and 2020 is detailed as follows:

	2021		
	Provisions	Impairment losses in investments (Note 9)	Total
Opening balance	—	4,967,633	4,967,633
Increases	—	—	—
Reversals	—	—	—
Closing balance	—	4,967,633	4,967,633
	2020		
	Provisions	Impairment losses in investments (Note 9)	Total
Opening balance	—	4,445,498	4,445,498
Increases	—	522,135	522,135
Reversals	—	—	—
Closing balance	—	4,967,633	4,967,633

The Board of Directors considers, based on the opinion of its legal and tax advisors, that as at 31 December 2021, there are no material assets or liabilities associated with probable or possible tax contingencies that are not being subject to recognition or disclosure in the financial statements as at 31 December 2021.

24. RELATED ENTITIES

Balances with related entities is detailed as follows:

Group's Company	31 December 2021			
	Receivables		Payables	
	Trade receivables (Note 10)	Other receivables (Note 12)	Trade payables (Note 16)	Other payables (Note 17)
Subsidiaries	507,291	3,524,740	11,073	7,313,578

Group's Company	31 December 2020			
	Receivables		Payables	
	Trade receivables (Note 10)	Other receivables (Note 12)	Trade payables (Note 16)	Other payables (Note 17)
Subsidiaries	247,598	1,615,617	1,419	171,503

Transactions that occurred in the periods ended 31 December 2021 and 2020 is detailed as follows:

Group's Company	2021			2020		
	Services rendered (Note 19)	External supplies and services	Results related to investments (Note 20)	Services rendered (Note 19)	External supplies and services	Results related to investments (Note 20)
Subsidiaries						
Ramada Aços, S.A.	1,320,000	24,462	10,000,000	1,200,000	7,376	10,000,000
Universal Afir, S.A.	440,000	—	—	400,000	—	—
F.Ramada II Imobiliária, S.A.	440,000	20,031	—	400,000	22,303	—
	<u>2,200,000</u>	<u>44,493</u>	<u>10,000,000</u>	<u>2,000,000</u>	<u>29,679</u>	<u>10,000,000</u>

Besides the entities mentioned above, 'Associates' and 'Other related parties' are all parties related to and identified as such by Ramada Investimentos, Altri and Cofina Groups, as described and detailed on the public consolidated information made available by these entities.

Remuneration of the Board of Directors

The compensation attributed to the key managers, which, given the Group's governance model, correspond to the members of the Board of Directors, during the year ended on 31 December 2021 amounted to 551,000 Euros and refer only to fixed remunerations.

25. INCOME TAX

According to current Portuguese legislation, tax returns are subject to review and correction by the tax authorities during a period of four years (five years for Social Security), except when there have been tax losses, tax benefits granted, or when audits, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Company's tax returns from 2017 to 2021 may still be subject to review.

The Company's Board of Directors believes that any corrections resulting from reviews/audits by the tax authorities to those tax returns will not have a material effect on the financial statements as at 31 December 2021 and 2020.

Ramada Investimentos heads a group of companies (Ramada Investimentos Group) which are taxed under the special taxation regime for groups.

Income before tax and income for the financial year are detailed as follows:

	31.12.2021	31.12.2020
Profit before income tax	10,210,305	9,753,419
Tax rate	21%	21%
	2,144,164	2,048,218
Surcharge	311	462
Autonomous taxes	17,621	17,892
Elimination of double taxation on dividends received	(2,100,000)	(2,100,000)
Other effects	(19,551)	125,621
Income tax	42,545	92,192

26. EARNINGS PER SHARE

Earnings per share were calculated based on the following amounts:

	31.12.2021	31.12.2020
Result for calculating basic and diluted earnings per share	10,167,760	9,661,225
Weighted average number of shares for calculating earnings per share	25,641,459	25,641,459
Earnings per share		
Basic	0.40	0.38
Diluted	0.40	0.38

27. SUBSEQUENT EVENTS

It is important to mention the invasion of Ukraine by the Russian Federation, which in addition to the terrible devastation caused with the loss of lives and the humanitarian crisis in the region, is having an economic impact worldwide, particularly in the significant increase in electricity and natural gas prices. The European steel industry is heavily dependent on Slabs produced in Russia and Ukraine, and there is a high probability that these supplies will not be available by the year 2022. The continuing rise in the price of scrap and energy is leading to historic price increases in all types of steels, which will have adverse effects on the demand for these products.

Also noted is the efforts of European economies to house refugees and the support provided by democratic nations to the Ukrainian people. The war in Ukraine and the sanctions decreed to Russia by several Western countries should contribute to a worsening of logistical constraints and generalized inflation of production factors and some variable costs.

The company will continue to monitor the developments and impacts on its value chain, keeping an eye on its path and goals of increasing productivity and efficiency gains.

From December 31, 2021 to the date of this report, there were no other relevant facts that may materially affect the financial position and future results of the Company.

28. TRANSLATION NOTE

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the 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.

The Chartered Accountant

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

STATUTORY AUDIT CERTIFICATION AND AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Ramada Investimentos e Indústria, S.A. ("the Entity") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2021 (showing a total of Euro 255,047,089 and equity of Euro 129,527,626, including a net profit of Euro 15,088,651), the consolidated statement of profit and loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, the consolidated financial position of Ramada Investimentos e Indústria, S.A. as at December 31, 2021 and of its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's response to the assessed risks of material misstatement
<p>Impairment of the accounts receivable</p> <p>(Notes 2.12 a. "Impairment of financial assets" and 17 of appendix notes to the consolidated financial statements)</p> <p>As of 31 December 2021, the consolidated statement of the financial position includes trade receivables from costumers, net of accumulated impairment losses, by the amount of 47,657,107 Euros (34,959,861 Euros as of 31 December 2020 – Note 17).</p> <p>As stated in the Note 2.12 a. from the consolidated financial statements, in each reporting date the Group recognizes expected impairment losses for the trade accounts receivable. The group computes the expected impairment losses in trade receivables using a real matrix of bad debts taken into consideration the historic credit loss of trade accounts receivables of the Group in the past three years, adjusted by external factors of forward looking associated to the perspectives about the macroeconomic conditions and specially in the industry where their costumers operate. For this purpose, clients balances are profiling taking into consideration similar risk profiles (stratification between external and internal market and type of industry), structured by aging and segregated with collaterals such as credit insurance. Additionally, the Group recognizes impairments on a case by case basis, identifying specific balances, specific past events, or in case there is existence of internal or external information indicating it is unlikely that the Group may receive the whole amount of the credit.</p> <p>Considering the level of judgement performed by the Board of Directors on the determination of the recoverable value of credits receivable from costumers with evidence of impairment, as well as taking into consideration the related assumptions to the expected credit losses matrix and the case by case analysis performed, we consider this to be a relevant audit matter.</p>	<p>Our audit procedures on this specific area included, among others:</p> <ul style="list-style-type: none"> - Analysis of the accounting policy of measurement and recognition of impairment losses for financial assets adopted by the Group referencing the applicable accounting standards; - Evaluation of the design and implementation of relevant controls related to the process of recognition and measurement of impairment losses for credits receivable from costumers; - Analysis of the accumulated impairment losses estimate models and the impairment recognized during the period and reconciliation of the information with the balances in the consolidated financial statements of the financial position and income statement of the Group; - Evaluation of the accuracy of the estimates and assumptions applied by the management for the determination of the expected credit losses matrix, under the IFRS 9 – Financial Instruments, namely concerning the reasonability of the uncollectibility historical rates and macroeconomic factors considered, as well as the estimated for the casuistry analysis; - Execution of management body inquiries about the assumed suppositions on the expected losses matrix and on the casuistry analysis; - Analysis of the answers given by the lawyers of the group considering litigation situations regarding credit receivable from costumers; - Analysis of receipts from costumers after the reporting date.

Description of the most significant risks of material misstatement identified	Summary of the auditor's response to the assessed risks of material misstatement
	<p>Apart from the procedures above mentioned, we requested balance confirmation for a sample of the Group's clients. We analyzed, when applicable, the reconciliation between the information present on the responses obtained and the Group's accounting records. We have additionally assessed the adequacy of the applicable disclosures regarding this matter.</p>
<p>Impairment of Investment Properties</p>	
<p>(Notes 2.19 and 10 of the consolidated financial statements appendix)</p>	
<p>As of 31 December 2021, the book value of Investment Properties amounts to 88,687,130 Euros (88,687,130 Euros as of 31 December 2020), which includes accumulated impairment losses in the amount of 1,100,000 Euros.</p> <p>The referred Investment Properties are essentially related with lands rented to third parties for forest exploration, aimed to the exploration of eucalyptus, being the lands rented to a related party, through contracts over a period of 20 years (with an optional additional period of 4 to 6 years). The renting of the referred Investment Properties represented a volume of income recognized on the consolidated statements of profit and loss for the period ended in that date of, approximately, 6.8 million of Euros.</p> <p>The Investment Properties are recognized at acquisition cost net of accumulated impairment losses method, and the Group has hired in 2021 independent evaluating appraisals to support the Board of Directors to compute the fair value of those assets with the purposes of identifying the potential existence of impairment losses and to disclose the corresponding fair value.</p> <p>Taking into consideration the abovementioned, namely the materiality of this caption on the consolidated statement of the financial position, the fact that those assets are being rented to a related party, the judgement associated to the assumed assumptions on the evaluation and the possible existence of impairment losses, we consider this matter to be a relevant audit matter.</p>	<p>Our audit procedures on this specific caption include the evaluation of the design and implementation of relevant controls regarding the identification of impairment evidence of the Group's Investment Properties, and the analysis of the main assumptions and methodology used on the computation of the fair value of these assets.</p> <p>Concerning the computation of the fair value of the Investment Properties used by the Group, our analysis includes, among others:</p> <ul style="list-style-type: none"> - Evaluation of the expertise of external experts; - Analysis of the current renting contracts of Investment Properties currently in place and signed with a related party, namely maturities, rents and rent updates and other inherent conditions; - Involvement of Deloitte's internal specialists on the analysis of the external evaluations assumptions used by the Board of Directors, namely challenging the methodology, the considered assumptions, the methodology associated to the determination of the yields and market rents and the comparison with the market benchmarks available on the sector data base. Additionally our procedures included the computation of sensibility tests over the main assumptions; - Discussion with the Board of Directors and qualified experts, together with Deloitte's internal specialists, over the analyses made to conclude about the inexistence of impairment indicators related with Investments Properties. <p>We have additionally assessed the adequacy of the applicable disclosures regarding this matter.</p>

Other matters

The consolidated financial statements of the Entity as of December 31, 2020, presented for comparative purposes, were not examined by us, and our work over these consisted merely on the necessary procedures so we could issue an opinion about the consolidated financial statements as of December 31, 2021, therefore we do not express any opinion about those consolidated financial statements. The consolidated financial statements as of December 31, 2020, were audited by another Statutory Auditor, which Legal Accounts Certification and Audit Report, dated as of April 7, 2021, did not include any reserves or emphasis.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the preparation of the management report, corporate governance report, consolidated non-financial statement and remuneration report in accordance with the applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements and the verification foreseen in article 451, number 4 and 5 of the Portuguese Companies' Code ("Código das Sociedades Comerciais") in matters of corporate governance, as well as the verification that the consolidated non-financial statement and remuneration report have been presented.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Electronic Format (ESEF)

The Group's consolidated financial statements for the year ended December 31, 2021 have to comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the Technical Application Guide of the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”) on reporting in ESEF and included, among others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- identification and assessment of the risks of material misstatement associated with the tagging of information from the consolidated financial statements in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the Group to tag the information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

On the management report

In compliance with article 451.º, n.º 3, al. e) of the Portuguese Companies’ Code, we concluded that the management report was prepared, in all material respects, in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, and considering our knowledge of the Group, we have not identified any material misstatements.

On the corporate governance report

In compliance with article 451, n.º 4, of the Portuguese Companies’ Code, we concluded that the corporate governance report includes, in all material respects, the information required to the Group in accordance with article 29.º-H of the Portuguese Securities Code, and we have not identified any material misstatements in the information disclosed, to comply with items c), d), f), h), i) and l) of n.º 1 of the referred article.

On the consolidated non-financial statement

In compliance with article 451, n.º 6 of the Portuguese Companies’ Code, we inform that the Group has prepared a separate report from the management report, referred to as Sustainability Report, that includes the consolidated non-financial statement, as provided for in article 508º-G of the Portuguese Companies’ Code, and was disclosed together with the management report.

On the remuneration report

In compliance with article 26º-G, no. 6, of the Securities Code, we inform that the Entity has prepared a report on remuneration that includes the information provided in n.º 2 of that article.

On the additional matters provided in article 10 of Regulation (EU) 537/2014

In compliance with article 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Ramada Investimentos e Indústria, S.A. on the shareholder’s general meeting held on April 30, 2021 for the current mandate.

- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's Statutory Audit Board on April 7, 2022.
- We declare that we have not provided any prohibited services under the former article 77, number 8, of Legal Regime of the Portuguese Institute of Statutory Auditors ("Estatuto da Ordem dos Revisores Oficiais de Contas"), and article 5, number 1, of Regulation (EU) 537/2014, and we have remained independent from the Group in conducting the audit.

Porto, April 7, 2022

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral, ROC
Registered in OROC nº 1130
Registered in CMVM nº 20160742

STATUTORY AUDIT CERTIFICATION AND AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE INDIVIDUAL FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Ramada Investimentos e Indústria, S.A. ("the Entity"), which comprise the statement of financial position as at December 31, 2021 (showing a total of Euro 110,773,830 and equity of Euros 90,181,138, including a net profit of Euro 10,167,760), the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, the financial position of Ramada Investimentos e Indústria, S.A. as at December 31, 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
<p>Impairment of the investment in the subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A. (Notes 2.7 and 8 of the financial statements appendix)</p>	
<p>As of 31 December 2021, the book value of Investments in subsidiaries and associated companies includes the amount of 25,283,223 Euros (30,000,000 Euros as of 31 December 2020) related with subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A., totally held by the Entity.</p> <p>As described in in Note 2.7 of the notes to the financial statements, that investment is measured at the acquisition cost, deducted by impairment losses. The Entity evaluate the recoverable amount the investments in subsidiaries and associated companies whenever there is evidence that the asset could be impaired, being the impairment losses registered as a cost, when an impairment exists.</p> <p>Impairment analysis are made based on discounted cash flows, taken into consideration business plans within five years, considering a perpetuity from the fifth year, which incorporate complex assumptions related to discount rates, future operational margins, growth rates, investment forecasts, among others.</p> <p>Taking into considering the relevance of the asset under analysis for the Entity's financial statements, the inherent complexity to the execution and analysis of the evaluation models used, supported by estimates and assumptions based on economic and market previsions, as well as the level of the estimates regarding the determination of impairment, we consider this area as a relevant audit matter.</p>	<p>Our audit procedures on this specific area included, among others:</p> <ul style="list-style-type: none"> - Analysis of the evaluation model used by the Board of Directors to determine the recoverable amount of that financial investment and testing the arithmetic correction of that model; - Evaluation of the methodology used by the Entity in the process of the determination of the recoverable amount namely regarding the requirements of the applicable accounting standard; - Evaluation of the main assumptions related with the methodology used, involving, when applicable, Deloitte's internal specialists to evaluate the methodology used, the discount rates and the growth rates; - Execution of sensibility tests to the main assumptions used by the Board of Directors and alternative valuation analysis using other indicators as well as the available additional information; - Meetings with the Board of Directors of the Entity and the subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A. about the reasonability of the main assumptions used on the valuation exercise; - Assesment of the adequacy of the disclosures performed about this matter on the notes to the financial statements.

Other matters

The attached individual financial statements refer to the Entity's activity on a stand-alone basis and were prepared for approval and publication under the terms of the legislation in force. As mentioned in Note 2.7 of the notes to the financial statements, the investments in subsidiaries are recorded at acquisition cost net of impairment losses. The accompanying financial statements do not include the effect of the full consolidation, which will be made in consolidated financial statements to be approved separately. In Note 8 of the appendix to the financial statements it is given additional information about the entity's subsidiaries and associated.

The consolidated financial statements of the Entity as of December 31, 2020, presented for comparative purposes, were not examined by us, and our work above these consisted merely on the necessary procedures so we could issue an opinion about the consolidated financial statements as of December 31, 2021, therefore we do not express any opinion about those consolidated financial statements. The consolidated financial statements as of December 31, 2020, were audited by another Statutory Auditor, which Legal Accounts Certification and Audit Report, dated as of April 7, 2021, did not include any reserves or emphasis.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the preparation of the management report, corporate governance report, non-financial statement and remuneration report in accordance with applicable legal and regulatory terms;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory board, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with the relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verifications foreseen in article 451, number 4 and 5 of the Portuguese Companies' Code ("Código das Sociedades Comerciais") in matters of corporate governance, as well as the verification that the non-financial statement and the remuneration report have been presented.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Electronic Format (ESEF)

The Entity's financial statements for the year ended December 31, 2021 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the individual financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the Technical Application Guide of Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the individual financial statements, included in the annual report, are presented, in all material respects, in conformity with the requirements set out in the ESEF Regulation.

On the management report

In compliance with article 451.º, n.º 3, al. e) of the Portuguese Companies' Code, we concluded that the management report was prepared, in all material respects, in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited individual financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

On the corporate governance report

In compliance with article 451, no. 4, of the Portuguese Companies' Code, we concluded that, in all material respects, the corporate governance report includes the information required to the Entity in accordance with article 299-H of the Portuguese Securities Code, and that no material misstatements were identified in the information disclosed to comply with the provisions of items c), d), f), h), i) and l) of no. 1 of the referred article.

On the non-financial statement

In compliance with article 451, n.º 6 of the Portuguese Companies' Code, we inform that the Entity has prepared a separate report from the management report, referred to as Sustainability Report, that includes the non-financial statement, as provided for in article 508-G of the Portuguese Companies' Code, and was disclosed together with the management report.

On the remuneration report

In compliance with article 269-G, n.º 6, of the Securities Code, we inform that the Entity has prepared a report on remuneration that includes the information provided in n.º 2 of that article.

On the additional matters provided in article 10 of Regulation (EU) 537/2014

In compliance with article 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council of April 16, 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Ramada Investimentos e Indústria, S.A. on the shareholder's general meeting held on April 30, 2021 for the current mandate.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's Statutory Supervisory Board on this same date.
- We declare that we have not provided any prohibited services under the former article 77, number 8, of Legal Regime of the Portuguese Institute of Statutory Auditors ("Estatuto da Ordem dos Revisores Oficiais de Contas"), and article 5, number 1, of Regulation (EU) 537/2014, and we have remained independent from the Group in conducting the audit.

Porto, April 7, 2022

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral, ROC
Registered in OROC nº 1130
Registered in CMVM nº 20160742

Report and Opinion of the Statutory Audit Board
(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

To the Shareholders of
RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion of the Statutory Audit Board, which covers the Management Report and the others documents in the separate and consolidated annual report of RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. (“Company”) for the year ended 31 December 2021, which are the responsibility of the Company’s Board of Directors.

1. Report over the developed activity

During the year under analysis, in accordance with its legal competence and as established in the Regulation of the Statutory Audit Board, the Statutory Audit Board accompanied regularly the operations of the Company and its affiliates, analysed, to the extent advisable, the activity of the Board of Directors and respective committees, namely the evolution of the business, the quality of the process of preparation and disclosure of financial information, accounting policies and measurement criteria, and monitored the regularity of accounting records, the compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, has held meetings, in person or by telematic means, with the periodicity and length considered appropriate, having met eight times in 2021, in which, according to the nature of the matters to be dealt with, other members of the Company's bodies or directorates were present, such as members of the Board of Directors of the Company, and having obtained, from Management and personnel of the Company and its affiliates, all the information and explanations required.

The Statutory Audit Board developed its powers and interrelations with the other governing bodies and services of the Company, in accordance with the principles and conduct recommended in the legal and recommended provisions, not having received from the Statutory External Auditor any report regarding irregularities or difficulties in the exercise of their respective functions. In particular, and within the scope of its powers, the Statutory Audit Board obtained from the Board of Directors the information necessary for the exercise of the respective supervisory activity and carried out the interactions necessary to fulfil the powers listed in the law and in the respective Regulations of the Statutory Audit Board.

In compliance with article 29º-S, paragraph 1 of the Portuguese Securities Code, in the version introduced by Law no. 99-A/2021, of 31 December, at its meeting of 18 November 2020, the Statutory Audit Board issued a binding prior opinion regarding the review of the internal transaction policy with related parties, a policy that has been approved by the Board of Directors in 24 November 2020. During the year, transactions with related parties or qualified shareholders that are within the scope of the Company’s current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, with no conflicts of interest identified.

In the exercise of its competences, the Statutory Audit Board held regularly meetings with Statutory External Auditor’s representatives in order to monitor the audit work carried out and its conclusions, and also to assessing its independence. In this matter, the Statutory Audit Board also analysed the proposals that were presented to it for the provision of services other than auditing by the Statutory External Auditor, having approved them, since they respect the permitted services, do not affect the independence of the respective Statutory External Auditor and comply with other legal requirements.

As part of its duties, the Statutory Audit Board examined the Management Report, including the Corporate Governance Report and the other separate and consolidated accounts, namely the Separate and Consolidated Financial Statements of the Financial Position, Income Statement, Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31 December 2021 and the corresponding Notes, prepared by the Board of Directors, considering that the information disclosed meets the applicable legal standards, is appropriate for understanding the financial position and results of the company and the consolidation perimeter, and also proceeded to the assessment of the respective Statutory and Auditor’s Report, issued by the Statutory External Auditor, documents which were issued with an unmodified opinion and which deserve their agreement.

The Statutory Audit Board also appreciated the Corporate Governance Report and the Sustainability Report (which complies with the reporting of non-financial information), attached to the Management Report on the Consolidated financial statements, under the terms and for

the purposes of article 420 (5) of the Portuguese Companies Act, having analysed that it contains the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on April 7, 2022, the Company's Board of Directors approved the Annual report for the year. The Statutory Audit Board had access to the entire documental or personal information that appeared to be adequate for the exercise of its supervisory action.

The Statutory Audit Board also analysed the Additional Report to the Statutory Audit Board and other documentation issued by the representative of Deloitte & Associados – SROC, S.A., Statutory External Auditor of the Company.

2. Declaration of Responsibility

In accordance with the provisions of subparagraph c) of number 29-G of the Portuguese Securities Code, the Statutory Audit Board declares that, to its knowledge and conviction, the documents of the annual report above mentioned, were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of RAMADA INVESTIMENTOS E INDÚSTRIA, S.A. and the companies included in the consolidation. And that the Management Report adequately describes the business, performance and financial position of the Group, containing an adequate description of the major risks and uncertainties it faces.

3. Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) The Management Report;
- b) The separate and consolidated financial statements and the corresponding notes, for the year ended 31 December 2021;
- c) The proposal of net profit appropriation presented by the Board of Directors.

We wish to express our appreciation to the Board of Directors and to the various services of the Company and of its affiliates for their collaboration.

Oporto, 7 April 2022

The Statutory Audit Board

Pedro Pessanha
Statutory Audit Board President

António Pinho
Statutory Audit Board Member

Ana Paula dos Santos Silva e Pinho
Statutory Audit Board Member



Shaping industry

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