RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

ANNUAL REPORT 2022

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

RAMADA INVESTIMENTOS E INDÚSTRIA

Shaping industry

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

80 YEARS
Investing in industry

RAMADA INVESTIMENTOS E INDÚSTRIA

Annual Report 2022

European single electronic reporting format (ESEF) and PDF version

This document is an unofficial and unaudited PDF version of the Annual Report 2022 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 6, 2023. 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

Rua Manuel Pinto de Azevedo, 818
4100-320 Porto PORTUGAL

www.ramadainvestimentos.pt

RAMADA INVESTIMENTOS E INDÚSTRIA

Annual Report 2022

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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 2022, 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.

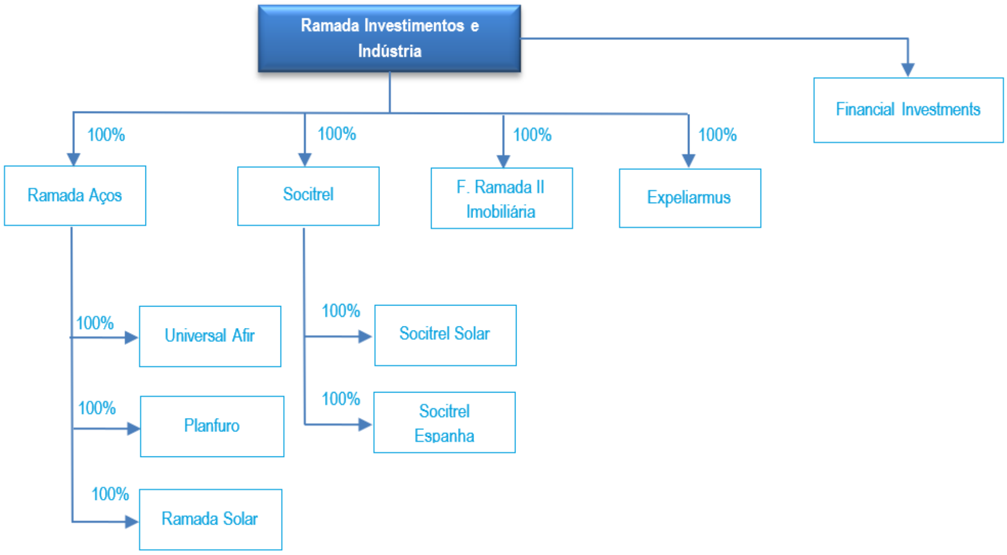
Ramada Investimentos is the parent company of a group of companies that, as a whole, operates in two different business segments: (i) the Industry Segment, which includes the special steel and drawing mill activities, as well as the activity related to the management of the Group's financial holdings 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 2022, can be detailed as follows:



MACROECONOMIC FRAMEWORK

The year 2022 saw, in general, a significant worsening of global economic conditions. In the first few weeks of the year, we experienced an apparent end to the Covid-19 pandemic as restrictive measures in several countries worldwide were significantly reduced. The approaching end of the pandemic indicated that a phase of global economic recovery was approaching, as most of the world's economies had already returned to pre-pandemic levels of activity. However, on February 24, 2022, the armed conflict between Russia and Ukraine began, and this event caused a stagnation in the growth cycle that had been experienced until then.

The outbreak of war created a huge challenge for businesses and individuals, with prices rising sharply as a result of severe supply chain constraints, leading to inflation reaching levels above 10% in the Eurozone, the US and the UK. To combat the scenario of rising inflation, central banks have raised benchmark interest rates, with the aim of slowing consumption by raising costs sensitive to interest rate changes. The European Central Bank (ECB) raised its benchmark rates for the first time in more than ten years, with four rate hikes in 2022, a total of 250 basis points. In the labor market, wage increases have not kept pace with inflation, reducing real household incomes, even with the support of measures taken by governments to soften the impacts of rising prices.

The projections of the annual variation of the global GDP at constant prices (in %) of the world economy are mostly in the range of 2% to 3% for 2023: 1.7% by the World Bank, 2.5% by the European Community, 2.9% by the International Monetary Fund, and 2.2% by the OECD, values that are below the growth rates expected before the pandemic. As for inflation, the forecasts are for it to fall to around 4% in the Advanced Economies.

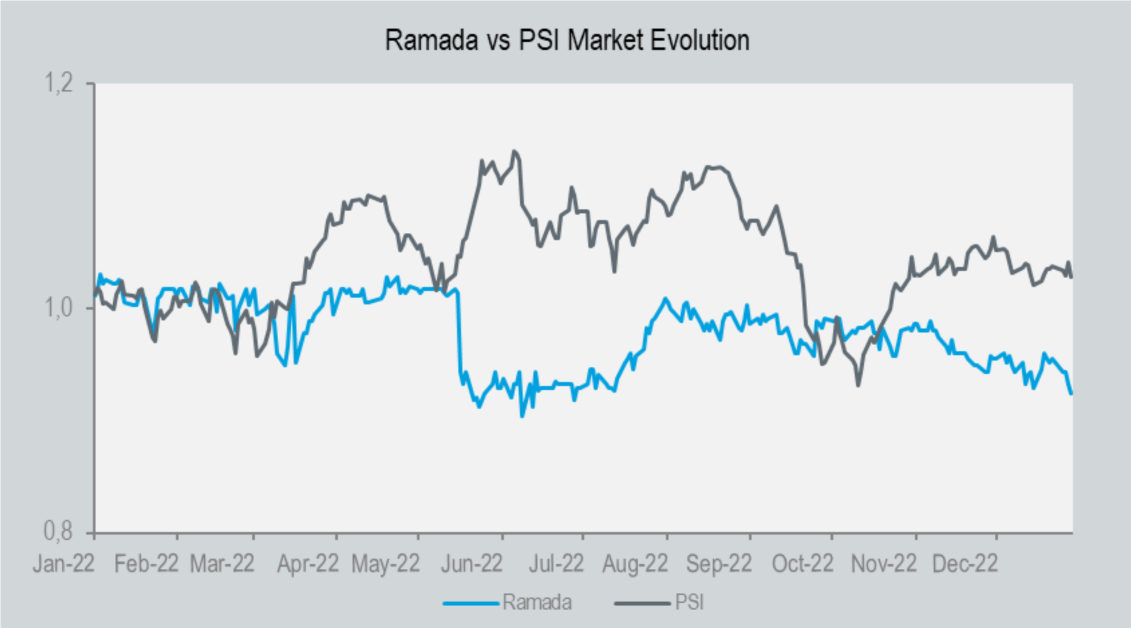
According to Eurostat data, in the Eurozone, during the year 2022, there was a growth of 3.5%, which would seem to be a positive growth. However, taking into account that growth was estimated to be much stronger if the war in Ukraine had not occurred, since the economy was in a recovery phase after the pandemic, this figure is no longer so optimistic. Inflation ended 2022 at 8.4% in the Eurozone, and is forecast to fall to around 6% to 7% in 2023 as tighter monetary policy takes effect and demand pressures subside. It is possible that peak inflation has already been reached, given that we have already seen favorable developments in energy prices. As for unemployment, the unemployment rate in the Eurozone is forecast to rise slightly to 7.1% in 2023 from 6.8% in 2022.

Regarding the Portuguese economy, inflation, which had already been on an upward trajectory since the end of 2021, reached historic highs in 2022, reaching levels above 10%. Average inflation in 2022 was 7.8%, the highest since 1992. This rise in prices contributed to a contraction in consumption, given the reduction in consumers' disposable income. According to the Bank of Portugal, inflation should slow to 5.8% in 2023 and 2.4% in 2024, as prices stabilize. As for growth, according to the OECD, it is expected to reach 1.0% in 2023 and 1.2% in 2024.

Source: IMF - Financial Markets Information, Macroeconomic Framework Report 2022 and Scenario for 2023, 27 February 2023

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)

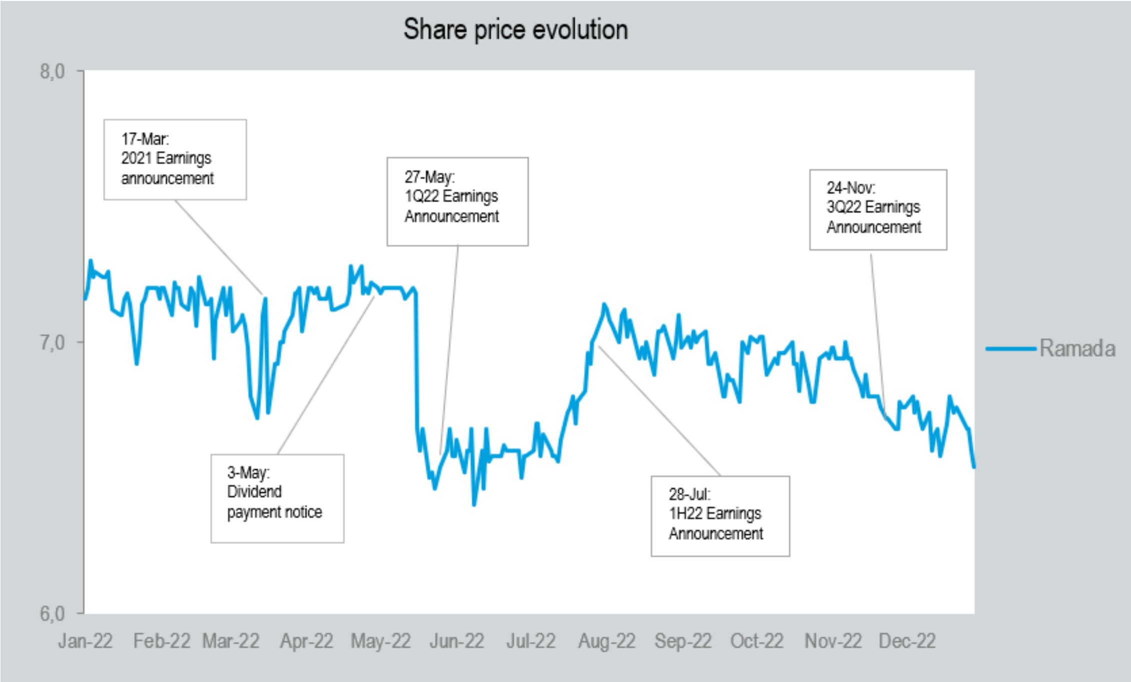


Ramada Investimentos's shares price closed at EUR 6.54 per share. This is equivalent to a market capitalization of EUR 167.7 million.

Ramada Investimentos shares were traded at a maximum price of EUR 7.30 per share and a minimum of EUR 6.40 per share in 2022. In total about 2.1 million shares of Ramada Investimentos e Indústria were traded in 2022.

Performance of the Ramada Investimentos share price

The main events that marked how the Ramada Investimentos share price performed in 2022 can be described as follows:



- The Group announced its financial performance for 2021 through a statement made on 17 March 2022. Consolidated net income was around EUR 15.1 million. Total revenue amounted to EUR 144.9 million and consolidated EBITDA reached around EUR 22.2 million;

- In the announcement made on May 3, 2022, Ramada Group informed the market about the dividends for the fiscal year 2021, corresponding to 0.60 Euros per share, to be paid as of May 20;

- On 27 May 2022, Ramada Group reported that its financial results for the 1st quarter of 2022 reached a consolidated net profit of around EUR 5.0 million, which corresponds to an increase of 73.3% over the previous year. Consolidated EBITDA reached EUR 7.7 million and total revenues amounted to EUR 54.1 million;

- On 28 July 2022, Ramada Group's results for the first half of 2022 were announced, with a consolidated net profit of EUR 10.0 million. Total revenue recorded EUR 112.2 million and consolidated EBITDA[3] amounted to EUR 15.7 million;

- The Group announced its financial performance for the first nine months of 2022, through a statement made on 24 November 2022, with consolidated net profit of around EUR 16.1 million. Consolidated EBITDA amounted to EUR 24.8 million, with an EBITDA margin of 15.6%. Total revenues reached EUR 159.3 million.

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 first months of 2022 were very positive, and this trend was a constant in the first half of the year with a growth of activity and prices in all the Group's businesses. Even so, the market evolved at two different speeds: one for the moulds sector and another for the metalworking sector.

In the moulds sector, the year started at an accelerated pace and demand was significant. This situation leveraged the machining services, both in the conventional and customized sides.

In contrast with the acceleration of activity in the molds sector, the metalworking sector was in moderate speed, where demand was stable and the year-on-year growth was realized by price.

The high energy costs that occurred throughout the year reached worrying levels. The Group felt the need to make price adjustments, especially in Heat Treatments, where energy consumption has a relevant weight in the business.

With the uncertainty caused by the war in Ukraine, costs skyrocketed and remained high with no forecast for their future evolution. The possibility of temporary closure of steel mills, due to the inability of the market to accept the energy charges or even the possibility of the closure of energy intensive companies to ration consumption, was a present threat. This situation did not come to pass, but there were steel companies that closed some production facilities in Europe in response to rising energy prices.

The year began with very strong demand and difficulty for the plants to fulfil orders, leading to increases in delivery times.

The war in Ukraine began in February and it was immediately clear that the impact would be significant in terms of stocks and prices of steel products. Many products destined for the metalworking area were held up in Ukraine, Russia and Belarus, creating supply shortages for many market players. The search for alternatives led to countries like Turkey, India and China having to raise prices in order to regulate demand.

For the industrial steel plates market the impact was much greater, as in addition to the delivery of rolled steel plate, Ukraine and Russia accounted for about 45% of the re-rolled SLABS in Europe. Demand for alternative sources of supply and shortages led to steel plates being traded for record prices.

In the second half of the year, with the stabilization of supply sources and transportation costs, we verified a slight price correction and improvement in delivery times.

Stock management was one of the pillars of action in 2022, requiring constant attention to market movements. The main challenge in stock management occurred at the end of the year. High stock levels in Europe caused a slowdown in orders from suppliers. The rush for raw materials led to a sharp drop in market prices. With the construction industry in China struggling to recover, market uncertainty remained, and prices in Metalworking continued to fall.

The Steel activity recorded a turnover higher than the previous year, and the contribution of the moulds sector, which stood out with sharp growth rates, was relevant. In 2022, sales of Steel activity to the foreign market represented 7.6% of turnover, registering a growth of 23.9% compared to 2021, with Spain and France as the main destinations.

The Wire Drawing activity also recorded a sharp growth in sales compared to the previous year, as a result of significant price increases. The Wire Drawing activity operates essentially in the foreign market, which in 2022 represented 71.3% of turnover. Exports in this sector recorded a 35.3% growth compared to 2021. The main export destinations were the United States and Spain, which represent 28.4% and 27.4% of sales, respectively.

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:

Amounts in thousands of Euro	**2022**	**2021**	**Var. %**
Total revenues	194,480	144,910	34.2%
Total costs	(165,302)	(122,759)	34.7%
EBITDA	**29,178**	**22,151**	**31.7%**
EBITDA margin	**15.0%**	**15.3%**	**-0.3p.p.**
Amortisation and depreciation	(3,337)	(3,221)	3.6%
EBIT	**25,841**	**18,930**	**36.5%**
EBIT margin	**13.3%**	**13.1%**	**+ 0.2 p.p.**
Results related to investments	392	285	37.3%
Financial expenses	(1,709)	(965)	77.0%
Financial income	498	84	496.5%
Profit before income tax	**25,022**	**18,333**	**36.5%**
Income tax	(4,988)	(3,244)	53.7%
Consolidated net profit	**20,034**	**15,089**	**32.8%**
Net profit attributable to Equity holders of the parent	20,034	15,089	32.8%

In 2022, Ramada Group presents a turnover higher than the previous year, as a result of the increase in prices and activity, reaching total revenues of 194,480 thousand Euro, with a growth of 34.2% over the total revenues recorded in 2021.

Total costs amounted to 165,302 thousand Euro, recording a 34.7% increase when compared to the previous year.

EBITDA amounted to 29,178 thousand Euro, 31.7% higher than in 2021. EBITDA margin achieved 15.0%, a decrease of 0.3 percentage points over the previous year.

EBIT, in the amount of 25,841 thousand Euro, recorded an increase of 36.5% when compared to 18,930 thousand Euro in 2021.

The Financial Results, in the amount of negative 1,211 thousand Euro, recorded a growth of 37.5% over the previous year.

The consolidated net profit of 2022 amounted to 20,034 thousand Euro, increasing 32.8% compared to the net profit of the previous year.

INDUSTRY

Amounts in thousands of Euro	2022	2021	Var. %
Total revenues (a)	**186,654**	137,290	36.0%
Total costs (b)	**(161,114)**	(121,171)	33.0%
EBITDA (c)	**25,539**	16,119	58.4%
EBITDA margin (d)	**13.7%**	11.7%	+ 2.0 p.p.
EBIT (e)	**22,550**	13,074	72.5%
EBIT margin (f)	**12.1%**	9.5%	+ 2.6 p.p.
Results related to investments	**392**	285	37.3%
Financial results (g)	**(763)**	(390)	95.8%
Profit before income tax	**22,179**	**12,970**	**71.0%**
Income tax	**(4,305)**	(1,968)	118.8%
Net profit	**17,874**	**11,002**	**62.5%**

In 2022, total revenues from the Industry segment amounted to 186,654 thousand Euro, recording an increase of 36.0% compared to the total revenues in 2021.

EBITDA in the Industry segment amounted to 25,539 thousand Euro, representing an increase of 58.4% compared to the 16,119 thousand Euro recorded in 2021. EBITDA margin reached 13.7%, recording an increase of 2.0 percentage points over 2021.

EBIT, in the amount of 22,550 thousand Euro, recorded an increase of 72.5% compared to the 13,074 thousand Euro in 2021.

The Financial Results, in the amount of negative 763 thousand Euro, recorded a growth of 95.8% over the previous year.

The net profit of the Industry segment in 2022, in the amount of 17,874 thousand Euro, represented an increase of 62.5% compared to the net profit of the previous year.

REAL ESTATE

Amounts in thousands of Euro	2022	2021	Var. %
Total revenues	7,826	7,620	2.7%
Total costs	(4,188)	(1,588)	163.8%
EBITDA	3,639	6,032	-39.7%
EBIT	3,290	5,856	-43.8%
Financial results	(448)	(492)	-9.0%
Profit before income tax	**2,842**	**5,364**	**-47.0%**
Income tax	(683)	(1,277)	-46.5%
Net profit	**2,159**	**4,087**	**-47.2%**

During 2022, total revenues from the Real Estate segment amounted to 7,826 thousand Euro, recording a 2.7% increase over 2021.

EBITDA in the Real Estate segment in 2022 amounted to 3,639 thousand Euro, 39.7% lower than the amount recorded in the previous year.

EBIT amounted to 3,290 thousand Euro, representing a decrease of 43.8% compared to 2021.

In 2022 the variation in the caption "Total costs", is essentially explained by the recognition of an indemnity for the early termination of a lease contract, in the amount of 2,688 thousand Euro.

The Financial Results, in the amount of negative 448 thousand Euro, recorded an improvement of 9.0% compared to negative 492 thousand Euro in 2021.

The net profit of the Real Estate segment during 2022 amounted to 2,159 thousand Euro, a decrease of 47.2% compared to 2021.

INDEBTEDNESS

Ramada Group’s net nominal indebtedness on December 31, 2022 amounted to 25,208 thousand Euro. As of December 31, 2021, the net nominal indebtedness amounted to 11,107 thousand Euro.

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 2022 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 2022. 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 2022 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

In practically all of Ramada Group's business sectors, the last few months of 2022 saw a cooling of the market.

Inflation, war and the construction crisis in China began to have an effect on the release of new projects. The final discussion of the European Union's position on the new Euro 7 standard and the emissions regulatory framework for the automotive industry is a subject under consideration by manufacturers who are awaiting these indicators to understand how to act and how the market will evolve.

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.

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

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 24,329,205, for which, under the legal and statutory terms, the Board of Directors proposes to the General Meeting, the following proposal:

Dividends	21,025,996
Free reserves	3,303,209

The distribution of profits for the year and free reserves now proposed will imply the payment of a gross dividend of EUR 0.82 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, 2022 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 2022, 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 2022, hold shares representing the share capital of Ramada Investimentos.

Interests in the share capital of the Company

On December 31, 2022 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 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-2022	% 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-2022	% 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-2022	% 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-2022	% 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-2022	% 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.

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 Sustainability Report regarding the year 2022.

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.

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80 YEARS
Investing in industry

ANNEXES TO THE MANAGEMENT REPORT

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.

TRANSACTIONS OF DIRECTORS

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-2021	Acquisitions	Disposals	No shares held at 31-Dec-2022
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

Glossary

EBIT: EBITDA + Amortization and depreciation

EBIT margin: EBIT / Total revenues

EBITDA: Profit before income tax, Financial results, Amortization and depreciation and Results related to investments

EBITDA margin: EBITDA / Total revenues

Financial results: Financial income - Financial expenses

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

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

Total costs: Cost of sales and production variation + External supplies and services + Payroll expenses + Other expenses + Provisions and impairment losses

Total revenues: Sales and services rendered + Other income

RAMADA INVESTIMENTOS E INDÚSTRIA

CORPORATE GOVERNANCE REPORT

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 2022, 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 2022.

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 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights, at 31 December 2022, 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-2022	% 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-2022	% 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. w hose 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-2022	% 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-2022	% Share capital with voting rights
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	4,009,402	15.64%
Total attributablel	**4,009,402**	**15.64%**

Ana Rebelo Carvalho Menéres de Mendonça	No. of shares held on em 31-Dec-2022	% 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-2022	% 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 2022, 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 2022:

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.

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.

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 Statutory Audit 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.

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 Statutory Audit 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, ensuring an adequate flow of information between the various company bodies.

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, where one third of the Company's management body is made up of women.

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 2022, the Plan for Gender Equality, to be executed during the year of 2023, 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.

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 meritocracy principles, it has been awarding top management positions to women for many years now.

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 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 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 2022 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 2022, the Board of Directors composed of six members, included four executive members: João Manuel Matos Borges de Oliveira, Paulo Jorge dos Santos Fernandes, Domingos José Vieira de Matos and Pedro

Miguel Matos Borges de OLiveira and two non-executive members: Ana Rebelo de Carvalho Menéres de Mendonça and Laurentina da Silva Martins.

The number of executive directors over 2022 corresponded to 66% of the members of the Board of Directors, and this number, when compared to the total number of members of the body, is appropriate and balanced in view of the nature and size of the Company.

This conclusion results, in particular, from the consideration of the experience, background, profile and knowledge of the executive directors, including the specific skills of each of the executive directors, considering that this number of members, in light of the risks and requirements inherent to their activity, is adequate to ensure an effective, efficient and prudent management of the Company.

The activity of the executive directors is carried out in articulation with the work of the other members of the Board of Directors of RAMADA INVESTIMENTOS (i.e. the non-executive directors), who, also considering their personal profile, career and professional experience, are sufficient in number, adequate and balanced to the nature and size of the Company.

In fact, RAMADA INVESTIMENTOS considers that two non-executive directors are sufficient to ensure an effective follow-up, as well as a real supervision and inspection, of the activity carried out by the executives, especially considering that the Company has developed mechanisms to allow non-executive directors to make 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 the “Activity of the non-executive members of the Board of Directors”, a description of the activity performed by the non-executive members during 2022.

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 Governance 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 2022, 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.

RAMADA INVESTIMENTOS has a policy of preventing situations of conflict of interest, which is enshrined in the Regulation on Transactions with Related Parties and Conflicts of Interest, initially approved by the Board of Directors on November 19, 2020 and revised on November 24, 2022, having obtained the respective prior favorable opinions of the Company's Audit Board. There is also a Code of Ethics and Conduct, which is also applicable to all levels of the organization, including members of the corporate bodies.

According to the Code of Ethics and Conduct, one of RAMADA INVESTIMENTOS's values is integrity. Integrity implies total correctness in the relationship with others and with the company, presupposing loyalty and transparency in behavior. RAMADA INVESTIMENTOS trusts in the integrity of all its employees and, therefore, demands loyalty and transparency from all of them.

Therefore, it does not allow situations of conflict of interest between any employee or partner and RAMADA INVESTIMENTOS.

A conflict of interest exists when (i) the Employee's or Partner's private interest interferes, or appears to interfere, in any way, with the interests of the company as a whole and/or (ii) an Employee or Partner, or close family members or friends, receive an improper personal benefit as a result of the position that such Employee or Partner holds within the company.

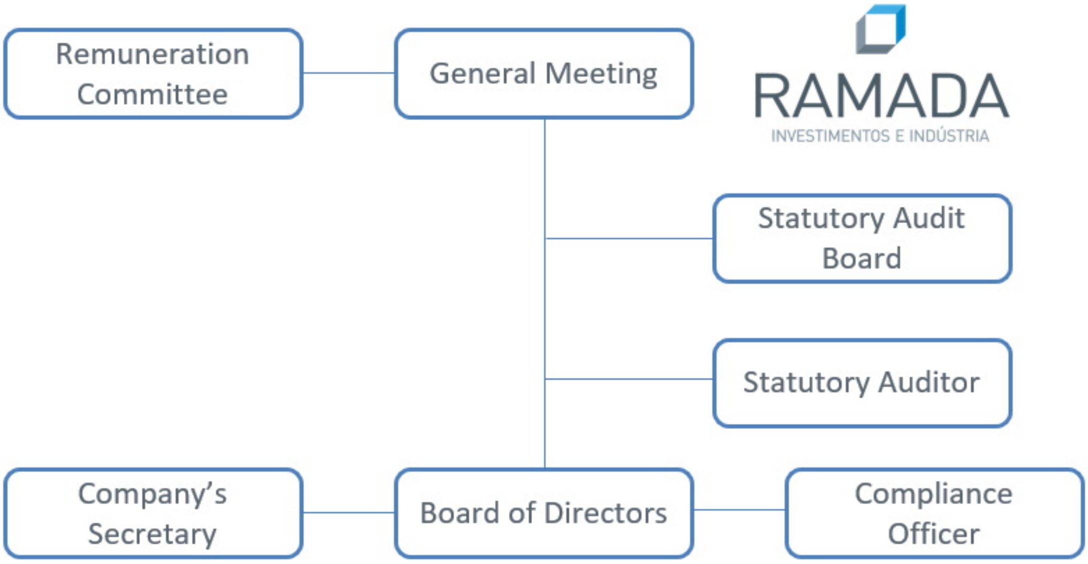
When faced with a potential conflict of interest situation, Employees or Partners must:

a. inform their direct supervisors, in writing, of the conflict of interest in which they are or may be involved, before undertaking any transaction or concluding the business in question;

b. abstain from (i) intervening or influencing, directly or indirectly, the taking of decisions that may affect the entities with which there may be a conflict of interest, and (ii) participating in meetings where such decisions are discussed or confidential information affecting such conflict is evaluated.

The Employee or the Partner must refrain from acting, at all times, on the basis of their own motivations, not giving priority to their own interests or those of third parties, whenever this may jeopardize RAMADA INVESTIMENTOS's interests.

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 and one independent.

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 and the law, 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.

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 Area

RAMADA INVESTIMENTOS' legal department provides legal support in all of the group's areas of activity, monitoring and guaranteeing, on the one hand, the legality of the activities carried out and, on the other hand, assuring relations with Euronext Lisbon, with CMVM and with the shareholders whenever legal issues are at stake. This area is also responsible for monitoring the 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 maximise security and reduce legal risks and potential costs, the management of aspects related to the intellectual and industrial property used by the group, such as trademarks and patents, logos, domains and copyrights, also exercising the duties of corporate secretariat and constantly monitoring legal compliance, providing support to the Board of Directors in the implementation of its strategies.

Compliance Area

The Compliance area assumes the responsibilities provided for in the legislation and regulations in force, in order to ensure that the management and board of directors, as well as all employees, are aware of the applicable legal and regulatory rules, including codes, standards and policies, internal and external, relevant to the various areas of activity of the Ramada Group, in order to mitigate financial, economic, legal and reputational risks.

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 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	**F. RAMADA II IMOBILIÁRIA**	**UNIVERSAL AFIR**	**SOCITREL**
João Borges de Oliveira Paulo Fernandes Domingos Matos Pedro Borges de Oliveira Ana Mendonça	João Borges de Oliveira Paulo Fernandes Domingos Matos Pedro Borges de Oliveira Ana Mendonça	João Borges de Oliveira Domingos Matos Pedro Borges de Oliveira	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 six times during 2022, 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 availablet 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 2022, 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.

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 Governance Report.

<u>c) Committees within the management or supervisory body and delegated administrators</u>

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 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.

During the year 2022, the Remuneration Committee met once, with an attendance rate corresponding to 100%. The minutes of the aforementioned meeting are recorded in the Remuneration Committee minutes book, as required by law.

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 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 2022.

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 Statutory Audit 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 Statutory Audit 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.

The Company believes that the number of members of the Statutory Audit Board is fully aligned with the nature, size, risks and activity of the Company and allows ensuring that its (the Statutory Audit Board members') duties are performed in accordance with the powers and competences assigned.

This analysis also took into account the structure of RAMADA INVESTIMENTOS and the articulation that exists between the members of this body and the other corporate bodies, especially the Statutory Auditor (identified in item 39 below) and the External Auditor (identified in item 42 below).

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.

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 Statutory Audit 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 Governance 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 Statutory Audit 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 Statutory Audit Board

The Company's Statutory Audit Board met five times during 2022, and attendance was 100%. The corresponding minutes are registered in the Statutory Audit Board's minute book.

36. Availability of each member of the Statutory Audit 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 Governance 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 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 and its Regulation (referred to in item 34 of this report and accessible on the Company's website at http://www.cofina.pt/about-cofina/corporate-governance/governance.aspx?sc_lang=pt-pt&p=1), highlighting the following statutory and legally attributed competencies:

a) Supervises the company's management;

b) Supervises the process of preparation and disclosure of financial information, issuing opinions on the documents of accountability and respective reports of the Board of Directors;

c) Monitors and supervises the effectiveness of the risk management system, internal control, making recommendations, where appropriate;

d) Receives communications of alleged irregularities;

e) Informs the Board of Directors of the verifications, inspections and steps it has taken and the results thereof.

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, 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 2022 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 2022 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 2022 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 a first annual term on a proposal from the Statutory Audit Board, at the General Meeting of April 30, 2021 and for its second annual term at the General Meeting of Shareholders on April 29, 2022.

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, as well as the partner who represents him, for a first annual term in 2021 and served his second (one-year) term in 2022.

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 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 a first term corresponding to the year 2021 and for a second term corresponding to the year 2022.

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

During 2022, different auditing services were provided by the External Auditor, specifically, reliability assurance services, namely, the issue of reports aimed at confirming the i) financing capacity, ii) companies in difficulty, iii) incentive effect. Support services were provided to identify financial incentives and to survey the investments made by the Group in research and development and innovation projects with periodic reporting for the preparation of mandatory statistical surveys. Other services were also provided, namely financial and tax due diligence services for a subsidiary. These services were approved by the Statutory Audit Board, which evaluated and concluded that the performance of such services did not affect the independence of the External Auditor, a key element for considering the provision of these services. Safeguarding this first criterion, the Statutory Audit Board decided to authorize them because their provision corresponds to the interests of the Company, given the experience, specialization and quality of the provider in the matters at issue, the recognized quality of the services and knowledge of the various areas of the Company and its Group.

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:

	31.12.2022		31.12.2021	
Company				
Annual audit services value (€)	36,600	11.7%	30,000	22.9%
Group entities				
Annual audit services value (€)	100,500	32.0%	56,000	42.7%
Value of reliability assurance services (€)	3,000	1.0%	—	—%
Value of other services (€)	174,000	55.4%	45,000	34.4%
Total				
Audit and statutory audit (€)	137,100	43.6%	86,000	65.6%
Other assurance services (€)	3,000	1.0%	—	—%
Value of other services (€)	174,000	55.4%	45,000	34.4%
	314,100		131,000	

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 Statutory Audit Board is the body to which any irregularities should be reported by any employee, partner, supplier or any other stakeholder, in compliance with the provisions of paragraph j) of number 1 of article 420 of the CSC.

RAMADA INVESTIMENTOS Group has a specific mechanism for reporting irregularities that, in line with the designs of Recommendation number I.2.4. of the IPCG Corporate Governance Code, 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 Statutory Audit Board.

The report to the Statutory Audit 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 2022 financial year, no reports of irregularities were reported to the Company's Statutory Audit 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.

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 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. Exchange rate risk;
5. 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.

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 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 Statutory Audit 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

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

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

www.ramadainvestimentos.pt \ investors \ investor support

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

www.ramadainvestimentos.pt \ investors \ calendar of events

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

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

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.

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 2022, 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.

According to Law no. 50/2020 of August 25 and the Recommendations of the Corporate Governance Code of the Portuguese Corporate Governance Institute 2018 (and revised in 2020), the annual approval of the Remuneration Policy for the Management and Supervisory bodies is no longer mandatory and is only required during the term of office if the Issuer so wishes or if it wishes to propose for the shareholders' consideration any changes to the policy in force.

Nevertheless, the Remuneration Committee conducts an annual analysis of the adequacy of the policy in force in order to propose to the General Meeting any adjustments or changes that may be deemed necessary.

After the evaluation of the remuneration and compensation policy of the governing bodies in force and the basic principles of this policy, approved by the Remuneration Committee in April 2021 and, subsequently, approved by the Annual General Meeting held also in 2021, remaining perfectly current and adequate and with no need to propose any changes, this Committee decided that the statement on the remuneration and compensation policy of the governing bodies of Ramada Investimentos e Indústria, S.A. would remain in force until the end of the current mandate.

The remuneration and compensation policy of Ramada Investimentos' governing bodies, approved at the Shareholders' General Meeting of 30 April, 2021, in force during the year 2022, 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;

• 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:

<u>Responsibility inherent to the functions performed</u>

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.

<u>Company's economic situation</u>

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

<u>Market standards</u>

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.

<u>Alignment of management interests with the strategic objectives of the Company</u>

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.

<u>ESG Commitment</u>

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

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;

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*".

STATUTORY AUDIT 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 2022, 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.

During the year of 2022, 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:

Annual Variation	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
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	—%
Company Performance					
EBITDA	8.65%	(17.37)%	(16.73)%	70.91%	31.73%
Revenues [1]	63.14%	(11.13)%	(10.19)%	40.28%	35.06%
Net Profit	22.94%	(88.34)%	(14.04)%	115.90%	32.77%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	0.14%	1.59%	1.19%	5.15%	4.45%

[1] Revenues = Sales and Services Rendered + Other income

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 2022, 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 Audit Board amounted to EUR 28,620 in the year ended 31 December 2022, 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 Statutory Audit 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	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
Remuneration of Statutory Audit Board Members					
Pedro Nuno Fernandes de Sá Pessanha da Costa	20%	—%	—%	—%	—%
António Luís Isidro de Pinho	N/A	—%	—%	—%	—%
Ana Paula dos Santos Silva e Pinho	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	8.65%	(17.37)%	(16.73)%	70.91%	31.73%
Revenues [1]	63.14%	(11.13)%	(10.19)%	40.28%	35.06%
Net Profit	22.94%	(88.34)%	(14.04)%	115.90%	32.77%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	0.14%	1.59%	1.19%	5.15%	4.45%

[1] Revenues = Sales and Services Rendered + Other income

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 2022 amounted to EUR 3,500.00 and the remuneration of the Secretary of the Board amounted to EUR 1,500.00.

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

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.

The Company approved, by resolution of the Board of Directors on November 24, 2022, after a prior opinion of the Statutory Audit Board on November 21, 2022, 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 2022 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 businesse

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 2022 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 generall	**Adopted**	Part 1, item 21, 38, 50 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
Principles:		
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.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.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.*		
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 15, 16, 17, 19, 26, 31, 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, 29 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		

<table>
<tr><td colspan="3"><u>Principle</u>:
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.</td></tr>
<tr><td colspan="3">Recommendations:</td></tr>
<tr><td>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</td><td>Adopted</td><td>Part 1, item 18, 28, 38 and 59 to 65</td></tr>
<tr><td>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</td><td>Adopted</td><td>Part 1, item 18, 23, 28 and 38</td></tr>
<tr><td colspan="3">I.4. Conflicts of interest</td></tr>
<tr><td colspan="3"><u>Principle</u>:
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.</td></tr>
<tr><td colspan="3">Recommendations:</td></tr>
<tr><td>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.</td><td>Adopted</td><td>Part 1, item 20</td></tr>
<tr><td>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.</td><td>Adopted</td><td>Part 1, item 20</td></tr>
<tr><td colspan="3">I.5. Related party transactions</td></tr>
<tr><td colspan="3"><u>Principle</u>:
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.</td></tr>
<tr><td colspan="3">Recommendations:</td></tr>
<tr><td>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.</td><td>Adopted</td><td>Part 1, item 89</td></tr>
<tr><td>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.</td><td>Adopted</td><td>Part 1, item 89</td></tr>
<tr><td colspan="3">Chapter II · SHAREHOLDERS AND GENERAL MEETINGS</td></tr>
<tr><td colspan="3"><u>Principles:</u></td></tr>
</table>

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*		
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.*		
II.C *The company should implement adequate means for the participation and remote voting by shareholders in meetings.*		
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 MANAGEMEN T, MONITORING AND SUPERVISION		
Principles:		
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		
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.*		
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.*		
Recommendations:		

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.	**Not adopted**	Clarification on recommendations not adopted below
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.	**Adopted**	Part 1, item 18
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**Not adopted**	Clarification on recommendations not adopted below
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 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	**Not adopted**	Clarification on recommendations not adopted below
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).	**Recommendation not applicable**	Clarification on recommendations not applicable below

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.	**Adopted**	Part 1, item 15 and 38
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.	**Adopted**	Part 1, item 27 and 29
Chapter IV · EXECUTIVE MANAGEMENT		
Principles:		
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*		
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*		
Recommendations:		
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	**Recommendation not applicable**	Clarification on recommendations not applicable below
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.	**Adopted**	Part 1, item 21 and 28
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.	**Adopted**	Part 1, item 21, 50 and 54
Chapter V · EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		
V.1 Annual evaluation of performance		
Principle:		
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		
Recommendation:		
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	**Adopted**	Clarification on recommendations adopted below
V.2 Remuneration		

Principles:		
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*		
V.2.B *Directors should receive compensation:* *i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company;* *ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and* *iii) that rewards performance.*		
Recommendations		
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.	**Adopted**	Part 1, item 66, 67 and 68
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	**Adopted**	Part 1, item 66, 67 and 68
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.	**Recommendation not applicable**	Clarification on recommendations not applicable below
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	**Adopted**	Part 1, item 24
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	**Adopted**	Part 1, item 67
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.	**Adopted**	Part 1, item 67 and 68
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.	**Adopted**	Part 1, item 69 to 76
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	**Not adopted**	Clarification on recommendations not applicable below

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		
<u>Principle</u>:		
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.		
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		
<u>Principle</u>:		
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		
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, 50 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

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		
Princípios:		
VII.A. *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*		
VII.B. *The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts*		
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		
<u>Principle</u>:		
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.		
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

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, 38 and 45

- **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**

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;**

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 Statutory Audit 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, the “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 2022 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.

- **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.

- **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.

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

The other companies where he holds management functions at 31 December 2022 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)
- 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 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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:

1982/1994	Began his professional activity at CORTAL, becoming President in 1994
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 Alcobaça, 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 Statutory Audit Board of BCSD
Since 2006	Advisory Board Member for Engineering and Management IST
2016/2020	Board Member of CELPA - Paper Industry Association

The other companies where he holds management functions at 31 December 2022 are:

- Actium Capital, S.A. (a)

- Altri, S.G.P.S., S.A. (a)
- Articulado – Actividades Imobiliárias, S.A. (a)
- Cofihold, 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 2022, 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 2022, 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 carrier 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 2022 are:

- Altri, S.G.P.S., S.A. (a)
- Cofina, S.G.P.S., S.A. (a)
- Cofihold, 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 2022, 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 2022 are:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, 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 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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 2022 are:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, 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.
- Valor Autêntico, S.A. (a)
- Título Singular, S.A. (a)
- 1 Thing, Investments, S.A. (a)

(a) – companies that, at 31 December 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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:

1965/1990	Finance Director Assessor of Companhia de Celulose do Caima, S.A.
1990/2011	Finance Director of Companhia de Celulose do Caima, S.A.
2001/2012	Director of Cofina Media, S.G.P.S., S.A.
2001/2011	Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
2004/2012	Director of Grafedisport – Impressão e Artes Gráficas, S.A.
2005/2011	Director of Silvicaima – Sociedade Silvícola do Caima, S.A. (currently Altri Florestal, S.A.)
2006/2020	Director of EDP – Produção Bioeléctrica, S.A. / Bioelétrica da Foz, S.A.

The other companies where she holds management functions at 31 December 2022 are:

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

(a) – companies that, at 31 December 2022, 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 Statutory Audit Board of a public company from 1996 to 2010

Chairman of the Statutory Audit Board 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:

Altri, S.G.P.S., S.A. (President of the Statutory Audit Board) (a)
Cofina, S.G.P.S., S.A. (President of the Statutory Audit 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)
Honorary Consul of Belgium in Porto (a)
Partner at Abreu Advogados – Sociedade de Advogados, SP, RL. (a)

(a) – companies that, at 31 December 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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 Board 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 Statutory Audit Board) (a)

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

(a) – companies that, at 31 December 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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 staff member and later as Manager) Between October 2010 and October 2019 Manager at the Corporate Centre of the Altri Group with responsibility for financial reporting, consolidation of accounts and tax Between November 2019 and February 2023 Head of accounting at MC Sonae's shared services center Since February 2023 Senior Head of financial accounting & controllership at Farfetch

Other companies where she carries out functions:

Altri, SGPS, S.A. (Member of the Statutory Audit Board) (a)
Cofina, S.G.P.S., S.A. (Member of the Statutory Audit Board) (a)

(a) – companies that, at 31 December 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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, financial director of the WireCoWorldGroup companies in Portugal (a) Between April 2013 and February 2022, director (CFO) of the Mecwide Group Since March 2022, became CEO of Mecwide Group (a) Director of MWIDE, SGPS, S.A., as well as of the other companies comprising the Mecwide Group (a)

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 2022, 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

Profissional 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 Statutory Audit Board of 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 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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 Statutory Audit Board of a public company from 1996 to 2010
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 Statutory Audit Board) (a)

Altri, S.G.P.S., S.A. (President of the Statutory Audit 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)

Honorary Consul of Belgium in Porto (a)

Partner at Abreu Advogados – Sociedade de Advogados, SP, RL. (a)

(a) – companies that, at 31 December 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

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, financial director of the WireCoWorldGroup companies in Portugal (a)

Between April 2013 and February 2022, director (CFO) of the Mecwide Group

Since March 2022, became CEO of Mecwide Group (a)

Director of MWIDE, SGPS, S.A., as well as of the other companies comprising the Mecwide Group (a)

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 2022, cannot be considered part of the Ramada Investimentos e Indústria, S.A. group

Annual Report 2022

Sustainability Report

SUSTAINABILITY REPORT 2022

TABLE OF CONTENTS

RAMADA GROUP IN 2022

ECONOMIC INDICATORS

194,479,939 €
Total Revenues

29,178,055 €
EBITDA

20,033,547 €
Net profit for the period

ENVIRONMENTAL INDICATORS

85,296 ton
Consumed Steel

94%
Waste sent for recovery/recycling

SOCIAL INDICATORS

485
Employees

+ 15% Women in 2022

STATEMENT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The climate emergency situation we live in - which is a reality that is violently manifesting itself in the most diverse forms and geographies - was declared in Portugal through the Climate Framework Law approved by Law 98/2021 of December 31.

Ramada Investimentos is a socially responsible company, concerned with the sustainability of the planet and seriously committed to adopting behaviors that reduce or mitigate the impacts of its actions in order to contribute, actively and positively, to global sustainability.

In 2022, the Board of Directors developed and approved important policies aimed at promoting the so-called climate justice, contributing to the protection of the most vulnerable communities to the climate crisis, with the adoption of the Community Participation Policy, the respect for human rights, with the adoption of the Human Rights Policy, as well as the equality and collective rights over common goods with the adoption of the Policy to Prevent and Combat Money Laundering.

Ramada Investimentos has, thus, taken decisive steps towards deepening a corporate culture of transparency and responsibility in terms of sustainability, which it intends to continuously and permanently improve - by being responsible itself and supporting the community - in building a more renewable world.

João Borges de Oliveira

ABOUT RAMADA GROUP

History

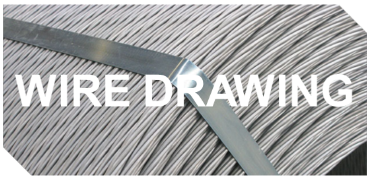
Ramada Investimentos e Indústria, S.A. ("Ramada Group", "Group", "Ramada"), founded in 2008 as part of a corporate reorganization project, assumes the position of holding company for a business group that started its activity in the saws and tools sector more than 85 years ago.

Currently, Ramada Group has a prominent position in the steel retail trade, selling thousands of tons of steel per year to 24 countries, focusing on the diversification of its business portfolio and the development of innovative solutions.

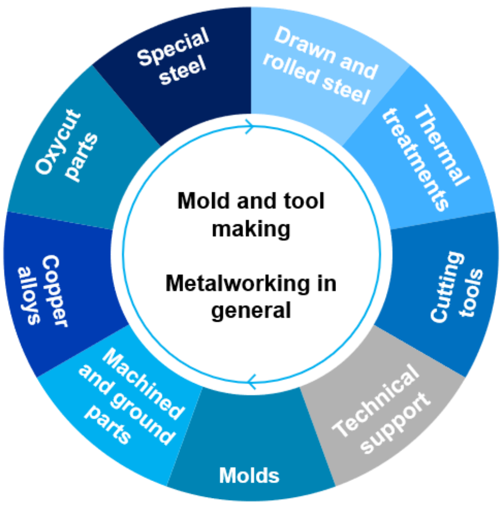
Business Areas

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

INDUSTRY SEGMENT | **REAL ESTATE SEGMENT**



The **Industry segment**, which constitutes the core of Ramada Group, includes the activity of special steels and wire drawing and, also, the activity related to the management of financial investments relating to holdings in which the Group has a minority. It comprises the companies Ramada Aços, Universal Afir, Planfuro Global, Socitrel and Ramada Investimentos e Indústria.



STEEL

The activity is mainly developed in the sub-segment of steel for molds, as well as in the construction of machines and their components and tools production, with a solid prominent position in the national market.

Ramada Aços, S.A. A company with more than eight decades of history that began by producing and distributing wood tools, but which, in a short time, began distributing special steels and the production of drawn and laminated steel, 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.

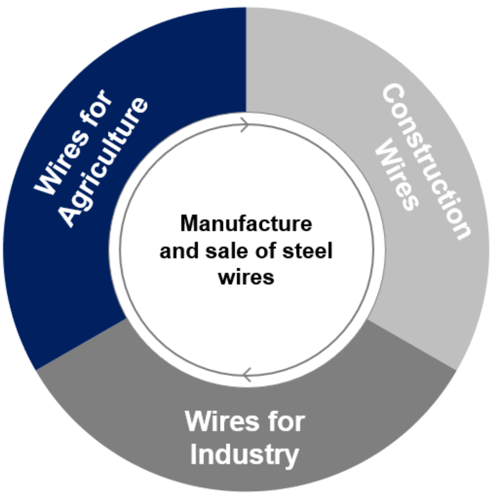
Ovar | Braga | Águeda | Marinha Grande | Lisboa

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

Porto and Marinha Grande

Planfuro Global, S.A. Acquired in 2016 and specialized in providing services to the mold industry, it focuses its activity on machining and manufacturing structures for molds. It develops activity from the Vieira de Leiria unit, standing out as a leading company in the sector.

Vieira de Leiria



WIRE DRAWING

The activity of Wire Drawing 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. Acquired in 2017, is dedicated to the manufacture and sale of steel wires for use in industry, agriculture and civil construction, being the only company to produce galvanized wire in Portugal and one of the most modern in Europe . It is an eminently export company, which has been operating from its factory in São Romão do Coronado, in Trofa, for over fifty years.

S. Romão do Coronado

The **Real Estate segment** is dedicated to the management of real estate assets, with emphasis on forestry assets leased to the paper pulp production industry and is developed by the company F. Ramada II - Imobiliária.

FOREST ASSETS

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

F. RAMADA, II IMOBILIÁRIA, S.A.

F. Ramada II – Imobiliária, S.A. Founded in 2004 to concentrate the Group's real estate activity, mainly through the acquisition and leasing of forest assets, it owns forest land currently leased to the pulp and paper industry.

Ovar

Ramada Group is present from north to south of Portugal:

UNIVERSAL AFIR

- **Headquarters:** Porto
- **Branch**: Marinha Grande

PFG MACHINING SERVICES

- **Headquarters:** Vieira de Leiria

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

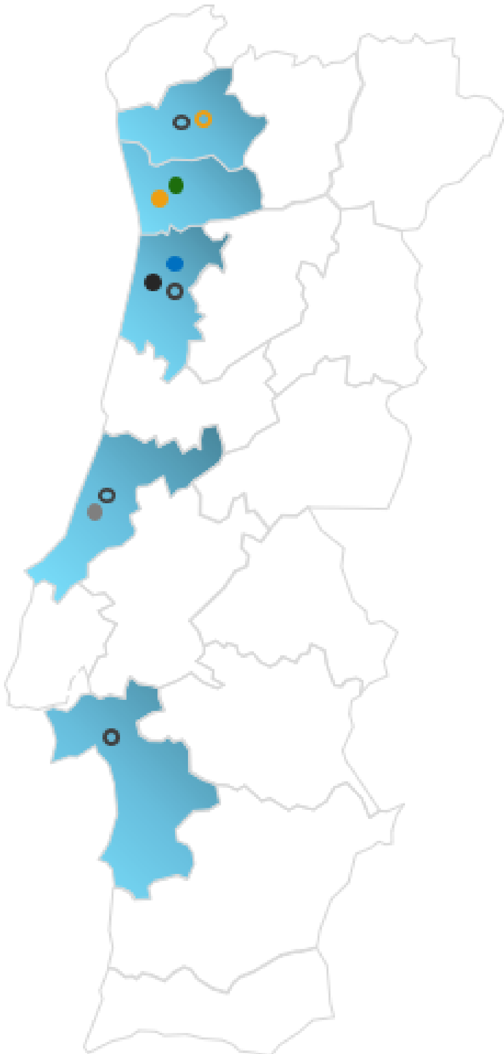
- **Headquarters:** Ovar

RAMADA AÇOS
SPECIAL STEEL SOLUTIONS

- **Headquarters:** Ovar
- **Branches**: Braga, Águeda, Marinha Grande and Palmela

SOCITREL

- **Headquarters:** São Romão do Coronado



Strategic Objectives

Committed to maintaining long-term sustainability, Ramada Group has defined Strategic Objectives that substantiate its commitment to continuous improvement at the business level, but also at its environmental, social and governance practices, for a holistic approach with a positive global impact.

1	Maintain market leadership with share growth.
2	Improve customer service by reducing delivery time.
3	Increase export turnover.
4	Maintain investment in modernizing and digitizing the organization.
5	Continue to develop the diversification of the steel business.
6	Continue to develop a Lean culture, supported by the Quality, Environment and Safety Management System and the Kaizen philosophy.
7	Investing in the training and well-being of the employees, promoting increased performance and retention levels.
8	Reduce energy consumption.
9	Decrease work accidents.

Mission, Vision and Values

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

VISION
To maintain our market leadership, supported by our values and increasingly achieving a consolidated position, with improved and more diversified services available to the market.

CREATING VALUE WITH RESPONSIBILITY

Economic Performance

Ramada Group has always invested in innovation, expanding its range of products and services, expanding its industrial units and gaining market share, diversifying its business portfolio and assuming a leadership position.

With a solid and sustained growth, Ramada Group finds in its management model and in the strong relationship with customers, suppliers and other partners important key factors for its continued success.

Direct economic value generated and distributed	2022	2021
Direct economic value generated (€)	**194,479,939**	**144,909,738**
Revenue (1)	194,479,939	144,909,738
Distributed economic value (€)	**181,281,502**	**138,723,939**
Operating Costs (2)	147,810,163	107,399,767

Employee Salaries and Benefits (3)	15,018,304	13,834,119
Payments to Investors (4)	15,384,875	15,384,875
Payments/(Receipts) to the State (5)	3,041,372	2,084,740
Donations and other Community Investments (6)	26,788	20,438
Accumulated economic value (€)	**13,198,437**	**6,185,799**

(1) Sales + Services rendered + 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

European Taxonomy

1. Framework for the European Environmental Taxonomy

The European Union Environmental Taxonomy was implemented in 2020 as part of the EU's plan to achieve carbon neutrality by 2050 and comply with the European Green Deal. 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 establishes 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 Group, as a company subject to the obligation to publish a non-financial statement under the terms of the Directive 2013/34/EU of the European Parliament and of the Council and the Decree-Law no. 89/2017.

For an activity to be in line with the Taxonomy and, thus, be considered environmentally sustainable, it must meet the following criteria:

1. Be eligible, that is, it must be included in the list of activities present in the Climate Delegated Act (Delegated Regulation (EU) 2021/2139) or in the Complementary Delegated Act (Delegated Regulation (EU) 2022/1214) regarding certain activities in the energy sector;
2. Contribute to, at least, one of the six environmental goals, namely, climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems (currently only climate objectives are regulated);
3. It cannot significantly harm any of the objectives to which it does not contribute; and
4. Comply with the minimum social safeguards indicated in the taxonomy regulation.

In this section we describe the application of the taxonomy regulation in Ramada Group in accordance with the Delegated Act of Article 8 (Delegated Regulation (EU) 2021/2178), which complements the taxonomy regulation.

In this 2022 taxonomy report, Ramada Group had the opportunity to develop its eligibility analysis in greater depth and, in this way, eligible economic activities were identified in the Climate Delegated Act that were not reported in the 2021 report. In the sections below we elaborate on the eligibility and alignment analysis carried out (the latter as an additional requirement in the 2022 taxonomy report).

2. Eligibility Analysis

The main activity of Ramada Group, special steels and wire drawing, is not included in the list of activities in the taxonomy. For this reason, only operations support activities are listed as eligible (table below) and not necessarily the main activities carried out by Ramada Group.

Activity	Description
6.5 - Transport by motorbikes, passenger cars and light commercial vehicles	In 2022, Ramada Group made investments in the mobile fleet (namely in electric and hybrid vehicles) through acquisition and leasing contracts.
7.1 - Construction of new buildings	In 2022, Ramada Group made investments for the construction of an industrial building, classified as a tangible asset in progress at the end of the period.
7.4 - Installation, maintenance and repair of electric vehicle charging stations mounted in buildings	In 2022, Ramada Group invested in the installation and rental of electric vehicle charging stations.
7.6 - Installation, maintenance and repair of energy technologies from renewable sources	In 2022, Ramada Group made an investment in the production of photovoltaic renewable energy (installation of a Production Unit for Self-Consumption (UPAC).
7.7 - Acquisition and ownership of buildings	In 2022, Ramada Group completed the acquisition of a factory building.

Ramada Group considers that the activities described above are applicable to the Climate Delegated Act (Annex I – Mitigation). The Complementary Delegated Act (relating to certain activities of fossil gas and nuclear energy) was analyzed and it is considered that it does not apply to the activities of Ramada Group.

3. Alignment Analysis

a. "Substantial Contribution" and "Do not significant harm"

The application of the Climate Delegated Act implies the verification of technical criteria that make it possible to assess whether the eligible activity substantially contributes to an environmental objective and does not significantly harm the environment.and none of the other environmental objectives. Ramada Group analyzed the technical criteria for all activities identified as eligible and concluded that, at this stage, it still does not have the necessary conditions and data to demonstrate compliance with all the technical criteria. In this way, it classifies its activities as non-aligned. In 2023 and in the coming years, Ramada Group will work to improve taxonomy reporting and the alignment of its activities with the regulation.

b. Minimum Safeguards

Article 18 of the Taxonomy states that companies must comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights to comply with the Minimum Safeguards. While official requirements are not communicated by the European Commission, compliance is based on the understanding of Article 18 of the Taxonomy and the Final Report on Minimum Safeguards, published by the Sustainable Finance Platform. In this report, four topics of greater relevance for the fulfillment of minimum safeguards are identified: Human Rights, Corruption, Taxation and Fair Competition.

Human Rights

Ramada Group's Human Rights Policy (DH) incorporates the principles of human and labor rights established in the Code of Ethics and Conduct and in the Plan for Gender Equality. The Policy transposes the human and labor rights rules published by community and international entities, namely the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, and the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence. This Policy applies to all employees, governing bodies and employees of Ramada Group. It is also intended for all companies that have an economic, institutional or social relationship with Ramada Group, who are required to adhere to this Policy, to the extent applicable.

Corruption, Taxation and Fair Competition

The Code of Conduct for the Prevention of Corruption and Related Infractions and the Code of Ethics and Conduct stipulate the principles, values and rules of action for Employees and all those who represent or relate to the company. The Code of Conduct for the Prevention of Corruption and Related Offenses encompasses the applicable national and international rules on competition matters, ensuring that it is sound and fair. For its part, the Money Laundering Prevention and Combat Policy establishes the rules to prevent and mitigate money laundering and terrorist financing, applying to the management bodies, employees and service providers of Ramada Group. With regard to taxation, the Supervisory Board is responsible for ensuring compliance with all legal and regulatory requirements in force.

During 2022, there were no material convictions in the aforementioned matters. Ramada Group provides, on its website, a Complaint Reporting Channel available to all who wish to complain, denounce, clarify or expose any situation. In turn, the areas of sustainability and human resources implement and monitor regularly the Human Rights Policy, as well as any other related issues. Ramada Group is, therefore, committed to complying with Human Rights and all applicable legislation in this area.

4. Disclosure of KPIs

The Delegated Act of Article 8 defines three KPIs that companies must present: Turnover, Capital Expenditure (Capex) and Operating Expenses (Opex). Ramada Group discloses these indicators through the three tables below.

a. Turnover Table

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria*: Climate change mitigation	Substantial contribution criteria*: Climate change adaptation	DNSH Criteria (Do Not Significantly Harm): Climate change mitigation	DNSH: Climate change adaptation	DNSH: Water and marine resources	DNSH: Circular economy	DNSH: Pollution prevention and control	DNSH: Biodiversity and ecosystems	Minimum Safeguards	Taxonomy-aligned turnover ratio, year N	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (aligned with taxonomy)															
Turnover from environmentally sustainable activities (aligned by taxonomy) (A.1)		- €	0%												
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A2)															
Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		- €	0%												
Total (A.1 + A.2)		- €	0%										0%		
B. Taxonomy-non-elegible activities															
Turnover of activities not eligible for the taxonomy (B)		193,690,105 €	100%												
Total (A+B)		193,690,105 €	100%												

The turnover ratio is calculated as the portion of the annual net turnover resulting from products or services, including intangibles, associated with economic activities in line with the taxonomy (numerator) divided by the net turnover (denominator) within the meaning of the Article 2(5) of the Directive 2013/34/EU. Net turnover includes income recognized under International Accounting Standard (IAS) 1, paragraph 82, point a), as adopted by Commission Regulation (EC) No. 1126/2008. In 2022, the denominator of the proportion of turnover corresponds to the total of sales and services provided according to the item presented in the consolidated statements of income by nature. Information on sales and services rendered is included in Note 37 annexed to the consolidated financial statements, with the respective accounting policy detailed in Note 2.17. The numerator corresponds to the amount of the denominator resulting from economic activities aligned with the taxonomy. As mentioned in section 2 above, the main activity of Ramada Group is not on the current list of activities eligible for the taxonomy and, therefore, no turnover was considered in the eligibility of Ramada Group in 2022.

a. CapEx table

				Substantial contribution criteria*		DNSH Criteria (Do Not Significantly Harm)									
Economic activities	Code	Absolute capex	Capex proportion	Mitigation of climate change	Adaptation to climate change	Mitigation of climate change	Adaptation to climate change	Water and marine resources	circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum Safeguards	proportion ofCapex aligned by taxono	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	©	(T)
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (aligned with taxonomy)															
Capex of environmentally sustainable activities (aligned by taxonomy) (A.1)		- €	0%												
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A2)															
6–5 - Transport by motorcycles, light passenger vehicles and light commercial vehicles		418,550 €	6%												
7–1 - Construction of new buildings		985,000 €	14%												
7–4 - Installation, maintenance and repair of building-mounted electric vehicle charging stations (and parking spaces associated with buildings)		26,960 €	0%												
7–6 - Installation, maintenance and repair of renewable energy technologies		540,000 €	8%												
7–7 - Acquisition and ownership of buildings		1,597,500 €	23%												
Capex of activities eligible for the taxonomy, but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		3,568,010 €	51%												
Total (A.1 + A.2)		3,568,010 €	51%										0%		
B. Taxonomy-non-elegible activities															
Capex of activities not eligible for the taxonomy (B)		3,365,565 €	49%												
Total (A + B)		6,933,575 €	100%												

The capital expenditure ratio is defined as taxonomy-aligned Capex (numerator) divided by total Capex (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, total Capex consists of the value of additions to tangible and intangible assets during the year, including business combinations, before considering depreciation, amortization and any remeasurements, namely resulting from revaluations and impairments, and excluding changes in fair value. Additions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), assets under right of use (IFRS 16), investment property (IAS 40) and biological assets (IAS 41) are included. Goodwill additions are not included.

The numerator corresponds to the portion of capital expenditure included in the denominator that:

a. is related to assets or processes associated with economic activities aligned by the taxonomy;
b. is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or
c. is related to the acquisition of output from economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are implemented and are operational within a period of 18 months.

In 2022, the Capex KPI denominator consists of the total annual increases to property, plant and equipment, intangible assets, assets under right of use and investment property. The denominator can be reconciled with the total increases presented in Notes 11, 13 and 12, respectively, attached to the Notes to the consolidated financial statements and with the total acquisitions in Note 10, with the respective accounting policies detailed in Notes 2.5, 2.4, 2.6 and 2.19, respectively. In 2022, the numerator corresponds to the part of the denominator associated with economic activities aligned with the taxonomy, including activities intended for Ramada Group's internal consumption, and also the acquisition of production from economic activities aligned with the taxonomy.

a. OpEx Table

				Substantial contribution criteria*		DNSH Criteria (Do Not Significantly Harm)									
Economic activities	Code	Absolute opex	Opex Ratio	Mitigation of climate change	Adaptation to climate change	Mitigation of climate change	Adaptation to climate change	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum Safeguards	Opex ratio aligned by taxonomy, year N	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(W)	(T)
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (aligned with taxonomy)															
Opex of environmentally sustainable activities (aligned by taxonomy) (A.1)		- €	0%												
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A2)															
Opex of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		- €	0%												

Total (A.1 + A.2)		- €	0%		0%		
B. Taxonomy-non-elegible activities							
Opex of activities not eligible for the taxonomy (B)		3,964,544	100%				
Total (A + B)		3,964,544	100%				

The operating expense ratio is defined as taxonomy-aligned Opex (numerator) divided by total Opex (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, total Opex consists of direct costs not capitalized during the year related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenses related to the daily maintenance of tangible fixed assets necessary to ensure their operation.

The numerator corresponds to the portion of operating expenses included in the denominator that:

a. is related to assets or processes associated with economic activities aligned with the taxonomy, including training needs and other human resource adaptation needs;
b. is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or
c. is related to the acquisition of production from economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are applied and are operational within 18 months.

In 2022, the Opex KPI denominator includes 3,506,292 Euros of maintenance and repair costs and 458,252 Euros of expenses with rents and leases, recognized in accordance with the accounting policies detailed in Notes 2.5 and 2.6, attached to the consolidated financial statements. The above amounts are included in the consolidated income statement by nature under the caption “Supplies and External services” (Note 30 annexed to the consolidated financial statements). Amounts under the heading “Personnel costs” are not included, as they do not include expenses of a nature that meet the definition of total Opex in the taxonomy.
Total Opex, as shown in the table above, is not considered material to Ramada Group's business model since it represents only 2.4% of its total operating expenses in 2022, due to the fact that the Group does not incur significant expenditure on research and development within the scope of IAS 38, nor are expenditure on maintenance and repair of assets and short-term leases material. In this sense, Ramada Group chose to apply the exemption available in the Delegated Act of Article 8 of the Taxonomy, and not calculate the numerator for the Opex KPI.

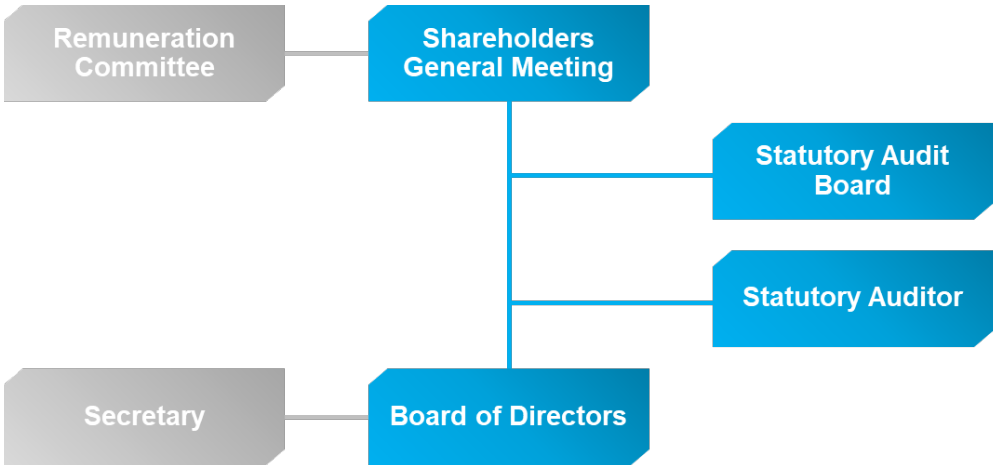
5. Next steps in the application of the Taxonomy

During 2023, Ramada Group will continue to develop actions to adequately respond to the requirements of the taxonomy regulation and application of the Alignment Criteria of the Climate Delegated Act. Ramada Group will also monitor updates regarding the remaining four environmental objectives, possible extensions to other economic activities and the implementation of European Commission guidelines that may have a significant impact on Ramada Group's eligibility ranking and alignment.

Governance and Ethics

Ramada Group holding - Ramada Investimentos e Indústria, S.A. - applies a governance model aligned with the size and requirements of the Company, promoting the communication between the governing bodies and an integrated management based on ethics and transparency, which brings together multidisciplinary teams within the various departments and operational areas. Thus, Ramada Group promotes a transversal and efficient communication, generating innovative projects and facilitating the identification of risks and the design of strategies, always with a focus on creating value for its stakeholders.

The Group's governance structure is constituted by four governing bodies, which also have a Remuneration Committee.



The **Board of Directors (BD)** at Ramada Group, chaired by the Chairman of the Board of Directors, who is also the CEO, is the body responsible for defining the management model and for taking the Group's strategic and operational decisions, with a view to implementing this model. Through this body, and in constant articulation with the other management teams, control mechanisms are defined and risks and mitigation measures are identified in an impact management process, guaranteeing the commitment to the well-being of employees.
It is also up to the Board of Directors to define and implement codes and policies that not only comply with the legal requirements that are constantly increasing, but also allow the Group to take a qualitative leap in terms of compliance.
Today, Ramada Group voluntarily adopts a Code of Ethics and Conduct, applicable across all levels of the organization, as well as some policies on matters it considers essential, such as the Human Rights Policy, the Policy to Prevent and Combat Money Laundering and Financing of Terrorism and the Community Participation Policy.
Ramada Group also has in force a Plan for Gender Equality, a Code of Conduct for the Prevention of Corruption and Related Infractions, as well as a Regulation for Transactions with Related Parties and Conflicts of Interest, all in compliance with the best practices of governance. The documents listed here are available and can be consulted at Ramada Investimentos website.

Ramada Group is committed to monitoring the impact of its activities, adopting sustainable conduct at an environmental, social and economic/governance level, with the Board of Directors also being responsible for ensuring the continuous fulfillment of its ESG objectives and the annual sustainability report.

The Board of Directors, that, as mentioned, is chaired by the Chairman of the Board of Directors who also acts as CEO, comprises 6 members, 4 executives and 2 non-executives, elected by the shareholders at the General Meeting, with one independent member. The term of office of the BD lasts for three years, renewable for one or more times. All members of this governing body are directors with a high level of seniority and experience, contributing to the stability of the Group, the well-being of employees and the success of the business.

The definition of remuneration is based on performance assessment criteria and objectives, of a financial and non-financial nature, aligned with Ramada Group's business strategy, in order to ensure its effective sustainability in the long term. The objectives associated with defining remuneration are related to the Group's performance in environmental, social and corporate governance (ESG) indicators, reflecting the commitment to sustainable development, as well as compliance with the Group's ethical values and principles.
The remuneration policy for the executive members of the Board of Directors includes a variable component for a stronger alignment of their interests with those of the shareholders, based on objective and pre-determined criteria with the aim of increasing awareness of the importance of their performance for the Group's success.

The performance assessment of the executive directors considers predetermined criteria, based on objectively determined performance indicators for each term of office, in line with the Group's performance strategy and business growth.

The **Remuneration Committee** is elected by the shareholders at the General Meeting and is responsible for evaluating the performance and designing the remuneration policies of the governing bodies, in accordance with the legal requirements imposed by the Securities Code and in line with the policies of the Group's peers and the best market practices. It is also the Committee's responsibility to strive for the application of remuneration policies, monitoring their continual adequacy to the Company's reality. The preparation of the Declaration on the Remuneration and Compensation Policy of the Governing Bodies is subject to approval at the General Meeting. Furthermore, the Annual General Meeting always counts with the presence of a Remuneration Committee member when the Policy is included in the Agenda.

Ethical Culture, Protection of Human Rights and Combating Corruption and Bribery

Ramada Group recognizes ethics as a pillar that sustains all its relations, internal and external. For this reason, the Board of Directors implemented the **Code of Ethics and Conduct**, in accordance with the United Nations Universal Declaration of Human Rights, which establishes the principles and rules common to all employees and representatives of the Group and the ones applicable to the relation with its stakeholders. The values presented in the Code include integrity, ethics, transparency and honesty in decision-making, cooperation and professionalism, strict compliance with the law and external and internal regulations, loyalty, rigor and good faith in conducting business, confidentiality in the handling of information and diligent and parsimonious handling of the Group's work tools and assets. The Statutory Audit Board assumes responsibility for receiving any request for clarification or communication of irregularities, and there is also a whistleblowing system that safeguards the means for communicating and dealing with ethical or legal violations in the areas of accounting, corruption and banking crime and financial.

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

The Code of Ethics and Conduct thus regulates the Group's relation with its stakeholders.

Relations with employees	Relations with Authorities, Institutions and Local Communities	Shareholder Relations	Relations with Partners
• **Human Rights:** Ramada Group rejects discrimination and any different treatment based on race, gender, ethnic or social origin, sexual orientation, politics, union membership or religious conviction; • **Gifts, Bribery and Corruption:** Ramada Group requires open and transparent behavior, free of corruption and bribery, by employees and partners; • **Conflicts of Interest:** Ramada Group makes it impossible to intervene in decision-making processes in which there is an economic or personal interest.	• Promotion of fair competition, as a driver of development and innovation; • Promotion of the socio-economic development of the communities in which it operates; • Cooperation with Public Authorities, Institutions and Local Communities.	Create value, promoting excellence in professional performance, good resource management, social responsibility and sustainable development.	Fulfill the contractual obligations assumed, through good commercial and deontological practices.

100 % Employees receive the Code of Ethics and Conduct upon hiring

0 Complaints about harassment at work

In the sphere of combating corruption and bribery, Ramada Group ensures the ethical behavior of its employees and suppliers through the implementation of the Code of Conduct for the Prevention of Corruption and Related Infractions, which establishes a set of principles and rules of action for all its employees, regardless of their position, and all those who represent or relate to the organization, always taking into account the criminal rules relating to corruption and related offenses and the Group's risk of exposure to these crimes. In accordance with the RGPC – General Regime for the Prevention of Corruption, the organization implements the Regulatory Compliance Program that aims to prevent, detect and sanction acts of corruption and related infractions, being subjected to evaluations to analyze its effectiveness and guarantee improvements. This program includes:

Code of Ethics and Conduct	It should be read in conjunction with the Code of Conduct for Preventing Corruption and Related Offenses.
Risk Prevention Plan for Corruption and Related Infractions (PPR)	It covers the entire organization and activities, including administration, direction, operational or support areas. a. The identification, analysis and classification of risks and situations that could expose the Group to acts of corruption and related infractions, taking into account the reality of the sector and the geographical areas in which the organization operates; b. Preventive and corrective measures to reduce the probability of occurrence and the impact of risks and identified situations.
Training Program	Internal training program for all employees, so that they know and understand the policies and procedures implemented to prevent corruption and related infractions.
Internal Reporting Channel	Ensures the receipt, processing and handling of complaints, in conjunction with the supervisory body, in accordance with the legal and regulatory provisions in force and with the principles and rules contained in the Code of Ethics.

Ramada Investimentos' Board of Directors appointed a Regulatory Compliance Officer (RCO), in accordance with the RGPC, whose objective is to ensure and control the implementation of the Regulatory Compliance Program, exercising their functions independently, permanently and autonomously. In accordance with the Code of Ethics and Conduct, all Group employees must behave with integrity, honesty and transparency and comply with applicable national and international standards for combating corruption. Failure to comply with the rules set out in the Code of Conduct for the Prevention of Corruption and Related Infractions may have serious consequences for the Group and may constitute a disciplinary offense and/or a breach of contract, acts in relation to which the companies of Ramada Group will withdraw all legal consequences. In accordance with the applicable rules, the resulting consequences may include changes in procedures, training needs, resolution of contracts and disciplinary sanctions, always being adequate and proportionate to the seriousness of the offense committed and the culpability of the offender, or civil and/or criminal liability of each employee, before Ramada Group companies or third parties. A report is drawn up for each infringement, including the rules violated, the sanction applied and the measures adopted or to be adopted. The Code of Conduct is reviewed every three years or whenever changes are necessary in the attributions or in the organic or corporate structure of the Group, which justify its revision. So far, there are no known situations of corruption and bribery in the Group's companies.

Human Rights are legal guarantees for the true respect of human dignity and are inherent to everyone, without any exception. As such, Ramada Group implements the Internal **Policy on Human Rights (HR)**, through which it ensures respect for human and labor rights, namely non-discrimination, human dignity, equal rights, safety and well-being, education, personal and professional development and freedom of conscience, organization, association, opinion, expression and religion. The HR Policy complies with the Code of Ethics and Conduct and the Plan for Gender Equality defined by the Group, available on the holding's website, and transposes the rules published by community and international entities, namely the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct and the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence. The HR Policy is reviewed periodically, based on the information disclosed in the annual reports, with changes duly communicated, and applies to all employees and other entities with which they relate economically, institutionally or socially. In this context, the Ramada Group has a Complaint Reporting Channel, publicly accessible to all, facilitating the exposure or complaint of situations in which they have been negatively affected by the Group. The HR Policy is available on the organization's website and is also communicated directly to employees via email . The teams in the areas of sustainability and human resources are responsible for implementing and monitoring the Policy and for promoting human and labor rights.

Ramada Group has a **Plan for Gender Equality**, reviewed annually, which aims to contribute to the achievement of equal treatment and opportunities between women and men, promoting the elimination of discrimination based on gender and encouraging the work-life balance.
The Plan operates in 5 dimensions:

Equal access to employment	**Goal**	Ensure compliance with the principles of equality and non-discrimination in selection and recruitment processes and procedures.
	Measures	Continue to ensure that recruitment processes always present lists of potential employees, sufficiently representative of both sexes. Foster and promote balance between teams, especially in areas where traditionally one gender predominates. Reinforce the principles of equality and non-discrimination within the scope of the training plan.
Equality in working conditions	**Goal**	Ensure that all employees perform their activity under equal conditions and that assessment and progression fully respect the principles of equality and non-discrimination.
	Measures	Continue to ensure that career progression and performance assessment policies are defined based on concerns to promote diversity for the same functions. Continue to ensure that progression does not depend on criteria related to the availability of employees or their family responsibilities. Strengthen gender equality within the plans for developing management and leadership skills.
Equal remuneration	**Goal**	Ensure a remuneration management policy based on merit and on the principles of equality and non-discrimination.
	Measures	Continue to ensure that the rules on equality and non-discrimination are observed in the definition of functional contents. Continue to ensure equality and non-discrimination in the attribution of benefits, which must be associated with objective criteria.

Parenting protection	Goal	Guarantee the protection of parenting and full respect for the principles of equality and non-discrimination in parenting.
	Measures	Promote the enjoyment of rights related to parenting in different dimensions. Continue to ensure equality and non-discrimination in the attribution of benefits related to parenting, which must be associated with objective criteria. Continue to ensure the dissemination of information on legislation relating to the protection of parenthood.
Work-life balance	Goal	Ensure the promotion of ways of balancing professional activity with family and personal life.
	Measures	Encourage employees to participate in their children's school activities. Allow, whenever necessary and proven to be possible and compatible with the activity performed, working from home. Use non-discriminatory and gender-inclusive language and image in the promotion and dissemination of policies and practices in terms of balancing professional, family and personal life.

For Ramada Group, social responsibility is the way to simultaneously positively impact local communities and contribute to the sustainable growth of its business. As such, it developed the **Community Participation Policy**, which promotes the development of health and well-being services, entrepreneurship and other cultural, educational and social initiatives, aligning decision-making and activities with the defined sustainability principles internationally, namely the United Nations Sustainable Development Goals (SDGs). Ramada Group has tools that make it possible to recognize and manage the needs and interests of local communities and also identify long-term investment opportunities, thus contributing to sustainable, socially inclusive and environmentally responsible development. The policy, available to the public, is applicable to all Group employees, being communicated directly via email and also to other entities with which it relates at an economic, institutional and social level.

The **Regulation on Transactions with Interested Parties and Conflicts of Interest**, in force, establishes the rules relating to transactions with interested parties to which Ramada Investimentos e Indústria, S.A., or another company controlled by it, is a party, being applicable, without prejudice of the legal and regulatory Ramada Investimentos and its directors obligations, namely with regard to the disclosure of privileged information. It is up to the Group's directors to ensure that the transactions are previously submitted to the resolutions provided for in the Regulation and to notify the company of the existence of conflicts of interest that may affect their independence in making the decision. Every six months, the Statutory Audit Board is informed about the resolutions referring to transactions with related parties in which it has not participated. To date, there is no record of conflict of interest situations.

Ramada's culture is also based on the principles of transparency, responsibility and integrity ensured by the **Policy for Preventing and Combating Money Laundering and Financing of Terrorism**. In this domain, the Group defines the guidelines regarding the knowledge of the identity of its customers, suppliers and partners by its employees and governing bodies. The Policy includes ethical standards and values common to all members of the management and supervisory bodies, employees and service providers, and is, therefore, essential for preserving the sustainability, soundness, integrity, reputation and trust of Ramada Group. It should be noted that compliance with the policy does not affect the subjection of the companies in which Ramada has a shareholding to the applicable local legislation, so that risk models appropriate to the legal, commercial and operational realities must be adopted. The Group has, internally, reporting channels for receiving, processing and recording communications of irregularities associated with the Policy and implements a Risk Management Model that tracks, against external sanctions lists, the identification data of potential customers, suppliers, partners and, when applicable, its shareholders, legal representatives and effective beneficiaries, in order to identify possible risk situations. Before starting the business relation, the model applies a preventive approach based on three procedures – Know Your Client (KYC), Know Your Provider (KYP) and Know Your Business Partner (KYBP) – subsequently monitoring any future risks. At the same time, the Group's companies must adopt a collaborative and transparent posture in sharing information, enabling efficient control of money laundering and terrorist financing. Based on the results of the management procedures, the Group assesses the possibility of maintaining or terminating the business relationships in question.

Within the scope of the implementation of all these Ramada Group's policies, employees have at their disposal an open communication channel with the Human Resources department to clarify doubts, advise and help in the application of the policies in force.

Ramada Group also promotes permanent monitoring by the Board of Directors and the top management, in order to guarantee the continuous recording of situations that require immediate responses, namely critical concerns, considering that, in 2022, nothing of relevance was verified in this scope.

Risk Management

Managing risk effectively is essential for any organization, as it allows identifying situations that prevent the fulfillment of its strategic objectives. For this reason, Ramada Group outlined a well-defined methodology, consisting of 4 phases:

Risk Management

Identification and prioritization of internal and external risks that may affect the fulfillment of the Group's strategic objectives

Monitoring of mitigation actions and the level of exposure to critical factors

Identification, by the Group's management, of risk factors and events that may affect operations, as well as any processes and control mechanisms

Weighting of the impact and probability of occurrence of each risk factor, according to the level of exposure to assess the need for a response.

The Board of Directors, responsible for Ramada Group's strategy, determines the degree of exposure to risk for each activity, complying with the policies and procedures specific to risk management. The BoD has the following obligations:

- **Know the most significant risks** for the Group.
- Ensure the internal existence of appropriate levels of **knowledge of risks and how to manage them.**
- Ensure the **disclosure of the risk management strategy** at all hierarchical levels.
- Ensure that the Group is capable of **minimizing the probability of occurrence and the impact** of risks on its business.
- Ensure that the **risk management process is adequate** and that there is **strict monitoring** of the risks most likely to occur and impact operations.
- Ensure **permanent communication with the Supervisory Board**, letting it know the level of risk exposure assumed and requesting, whenever needed, the necessary opinions for conscious and informed decision-making, ensuring that the risks identified and the policies defined are analysed under multidisciplinary perspectives that guide the Group's performance.

In this domain, credit, liquidity and capital risks, environmental and social risks and market risks are assessed, namely those related to interest rates and variability in commodity prices.

Employees are active members in risk management in all decision-making processes, something that is continuously promoted by Ramada Group.

In this sense, **Information Security** is a fundamental part, and Ramada Group has four policies that aim to strengthen internal mechanisms in this matter:

- **Backup policy**

Formal data backup and restore policy with support procedures help ensure the safety and security 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 treatment for the incident, according to its categorization and determines the principles and procedures of Incident Management, Security Incident Management and Recovery and Disaster Recovery Plans.

- **Access Control Policies**

Access control aims to respect the following principles of information security:

1. Access to information will be controlled and driven by business requirements. Access will be granted or changed to users according to their role, only to a level that allows them to fulfill their role;
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 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 where possible.

- **Password Management Policy**

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

Research, Development and Innovation

In an increasingly competitive market, dependent on consumer demands, it is vital to anticipate needs and speed up processes, without compromising quality. Investment in innovation and technological development presents solutions that allow companies to respond to the challenges of a global market. Ramada Group is strongly committed to this area, which is why it currently assumes a position of reference in its sector of activity.

Based on the design of more efficient technical and procedural solutions, the development of a Lean culture supported by the Integrated Quality, Environment and Safety Management System and the application of the Kaizen philosophy, it was possible to continue the strategic objectives of Ramada Group in terms of R&D in 2022, with a view to innovation and digitalization.

INNOVATION IN OPERATIONS

Parts | 1D Cut

A project aimed at selecting the best part for the order according to process efficiency criteria. Manual operation is reduced and promotes the correct inventorying of stock.

Through the automatic storage and handling process, customer orders are processed with a shorter lead time. Process management and logistical integration with carriers becomes more efficient. Employee safety is greatly increased.

In the warehouse automation for 3D parts, workflows were defined, along with a new machine layout and a software customization with a SAP interaction development.

It was possible to increase productivity by around 100%, with 60% of freed space and greater operational safety.

Automated Warehouse 3D Parts

Modernization of machining equipment

New equipment was installed at Planfuro Global, S.A., allowing it to exceed the dimensions of the installed capacity through the Trimill solution with useful finishing dimensions of 2500x4500x1500mm and up to 50 tons.

Ramada Aços invested in a new conventional machining equipment, which also increased machining productivity.

To automate the cutting process, it was necessary to acquire a new technology for planes up to 100-120 mm thick, combined with Automatic Setups, to reduce cutting times with the development of SAP tools for recording tool exchange and management of the tool.

Cutting process automation

Cutting Dream Station	Dream Station is composed by machines dedicated to small parts, with the aim of executing them in less than 24 hours. Monitoring and stock control is essential to guarantee the process. To streamline the movements of parts, a Lean Flow was implemented, regulating the supply (quantity vs. capacity) and fixing locations. This project also covers improvements in ergonomics and work safety. Enables the optimization of workflows, the definition of criteria for parts to be kept in stock to optimize the raw material for cutting.

The promotion of automatic collection of data from production equipment placed Socitrel at the level of industry 4.0. This was possible with the implementation of several pilot projects, mainly in terms of drawing equipment.	Socitrel: Industry 4.0

INNOVATION IN PROCESSES

Shopping optimizer

Given the constant changes in the supply chain, it was necessary to define an alternative for managing the stock of 3D materials.

The use of purchased lots was optimized with the creation of tools to support the decision of new purchasing measures, reducing waste and improving productivity, shifting management point of view from the part purchased to the part that was actually sold.

Commercial projects

Statistical analysis between customer order and offer	In this way, it is possible to understand the needs of customers/ market and proceed with a faster readjustment of the offer, increasing the competitiveness among customers and, consequently, in the Portuguese market.
Automatic communication with customer	An order management software to automatically communicate potential deviations from the plan, allowing the customer to anticipate deviations by optimizing their resources.
Automatic validation of orders	Allows for a reduction in insertion errors, with a consequent reduction in the production load and improvement in lead time .
Conversion of the Client Portal into an APP	Conversion of the Customer Portal into an APP for mobile devices, making information available to the customer at any time and in any place.

Integration of the switchboard with the Customer Portal	Improves the customer experience and reduces time spent resolving issues or requesting responses.
Logistics Integration	Integration with real-time delivery order sequencing, with delivery time forecast.

KAIZEN

The adoption of the Kaizen philosophy within Ramada Group emerged as a result of the search for an efficient work methodology and continuous improvement, combined with the QASST Management System.	**KAI = Change** **ZEN = For The Better**

Advantages of adopting the Kaizen methodology

Capacity planning	RAMProd sequencer for load-capacity management and production sequence according to priorities.
Improvements in the Commercial Department	Decreased execution time and the number of errors in the quotation and ordering process, to improve commercial KPIs and customer follow-up.
Reduction of load and reception times	Reduction of non-value-added times, through the improvement of space organization and the reduction of parts search times. Optimization of information flows.
Implement a culture of improvement in teams	Introduction of control dynamics and daily improvement in teams.
Optimization of purchasing processes	Cockpit development for order tracking. System parameterization to optimize purchasing processes.

The Kaizen methodology, implemented in three cycles, makes it possible to identify what went well, the various constraints, points to improve and next steps to follow. Through its use, Ramada Group intends to reduce errors and the supply cycle, increase the productivity of the teams, reduce the bureaucratization of processes, control the tools stock, calculate the energy cost, carry out a predictive analysis of consumption, among other issues.

The Kaizen project thus improves customer service and raises the market standard, impacting sales and results.

STUDIES

Ramada Group continues to promote the development of studies with a view to assessing the viability and effectiveness of industrial processes, in order to enhance the offer of new services and products to customers.

Innovation Thermal Treatments

The study aimed to determine the feasibility for industrial practice, at Ramada Aços, of an alternative heat treatment for the hardening of tool steels, allowing leadtime reduction by around 70% and reducing the risk of cracking in molds with complex geometries.

Simulation of the Vacuum Quenching Process

The main objective of this study was the simulation of cooling parts in different equipment and parameters, in order to optimize process parameters with a view to increasing efficiency and choosing the most suitable equipment for the heat treatment of each mold.

PARTNERSHIPS

Ramada Group participates in several studies, carried out within the scope of masters and undergraduate internships reports from the University of Porto, contributing to the innovation and development of the sector and offering students an experience at a professional and industrial level:

Masters dissertation

Tempering a Martensitic Stainless Steel for Molds

This work aimed to study the effect of changing process parameters on the microstructure and mechanical properties of Tyrax ESR steel.

Internship report

Nitriding of pre-treated steels

The study describes the influence of changing parameters of the nitriding process in pre-treated steels, such as surface hardness, white layer, diffusion layer, brightness and corrosion resistance.

Ramada Aços, in partnership with Uddeholm, resumed the Thermal Treatments training program in 2022 after a break forced by the pandemic. This edition of the Uddeholm Academy took place between the 24th and 27th of May at the industrial center in Ovar and is the result of a long-standing commercial partnership and recognition of the work of Ramada Aços in this area.

During three days, theoretical and practical sessions were combined, in which Uddeholm members from other countries also participated, providing an opportunity to share experiences. In addition to the work sessions, the program included leisure activities to introduce visitors to Portuguese culture.

DIGITALIZATION

In 2022, the focus was maintained on the development of the Customer and the Internal Portals, as well as on the online production and the digitalization of logistics.

Customer Portal | Ramada Aços
It allows the customer to follow 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. It also has a document repository, so that the customer can share their purchase conditions or information about service hours.
In 2022, there was an increase in the Customer Portal in terms of performance, with the creation of the Quality/Complaints module.

Internal Portal | *Somos Ramada*
Conceived to ensure uniform and transversal information throughout the entire organization, the internal portal allows consultation of production planning and status, shipment to the customer and all related documentation, functioning as a communication, request and workflow tool for the most common tasks between the different departments and their employees.
The Internal Portal also had improvements in terms of performance, now having a Quality/Complaints module.

Online Production
Designed for opening and closing operations, improving available information and paperless production management capacity.

Digital Internal Logistics
Allows increased visibility of movements, focusing on zero errors in deliveries, increasing productivity and providing information on the Internal Portal.

Microsoft Teams
Software to promote more efficient communication, facilitating collaboration between teams in a digital environment and providing functionalities and tools to support productivity. It allowed integration with numerous applications and tools for a more agile and collaborative work.

Product Liability

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

RAMADA AÇOS

ISO 9001:2015 - Quality Certification
- 1st certification in 1998

ISO 14001:2015 - Environmental Certification
- 1st certification in 2020

ISO 45001:2018 - Occupational Health and Safety Certification
- 1st certification in 2022

UNIVERSAL AFIR

ISO 9001:2015 - Quality Certification
- 1st certification in 2016

UNDER DEVELOPMENT:

ISO 14001:2015 - Environmental Certification
- *Certification scheduled for early 2023*

ISO 45001:2018 - Occupational Health and Safety Certification
- *Certification scheduled for early 2024*

PLANFURO

ISO 9001:2015 - Quality Certification

- 1st certification in 2022

UNDER DEVELOPMENT:

ISO 14001:2015 - Environmental Certification

- *Certification scheduled for early 2023*

ISO 45001:2018 - Occupational Health and Safety Certification

- *Certification scheduled for early 2024*

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 Pre-Strain** 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

Our Stakeholders: Engagement Model

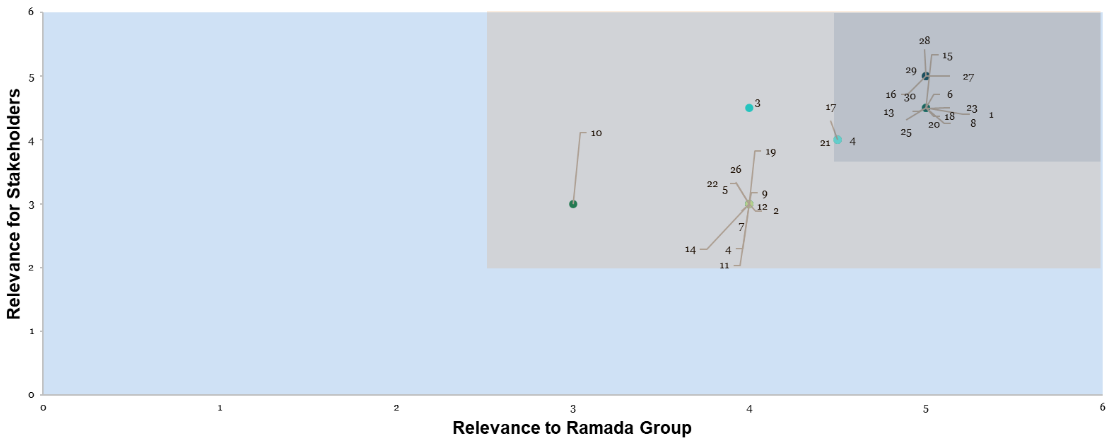
Aware that engagement with stakeholders is fundamental to the success of organizations, the Ramada Group has identified its most relevant internal and external stakeholders , mapping the different engagement actions in a non-exhaustive way: websites, social networks, email, newsletter, intranet, portals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

Main stakeholder groups

Materiality

The Materiality Matrix, presented below, results from the cross-referencing of previously identified themes based on benchmarking analysis of several peers, as well as reference documentation for the sector, and the importance given to the themes by Ramada Group.

Materiality Matrix of Ramada Group



- **1- Ethical Management**
- 2- Covid-19 pandemic
- 3- Corporate Governance
- 4- Internal Audit
- 5- Prevention of Corruption / Tax Evasion
- **6- Continuous Training / Development**
- 7- Corporate Responsibility Strategy
- **8- Compliance and Risk Management**
- 9- Decent Working Conditions
- 10- Sustainable Finance / Green Finance
- 11- Reporting & Ratings
- 12- Public Financing
- **13- Society**
- 14- Stakeholder Management
- **15- Climate Action / Emissions**
- **16- Energy**
- 17- Environmental Protection
- **18- Waste Management**
- 19- Life Cycle Assessment
- **20- Water**
- 21- Raw Materials
- 22- Sustainable Products and Services
- **23- Research, Technology and Innovation**
- 24- Processes and Products
- **25- Supply Chain**
- 26- Shopping
- **27- Human Resources**
- **28- Health and Safety**
- **29- Human Rights**
- **30- Equality and Diversity**

In this context, 15 material themes were identified: Ethics; Risk Management; Compliance; Responsible Supply Chain; Emission Reduction; Energy, Consumption and Renewable Solutions; Waste; Water; Workers; Well-being, Health and Safety; Equal Opportunities and Diversity; Training; Human Rights; Society; and Technological Innovation.

Sustainable Development Goals

Ramada Group is committed to contributing to the fulfillment of the UN 2030 Agenda, which, through 17 Sustainable Development Goals and 169 targets, aims to address the various dimensions of sustainable development (social, environmental and economic), promoting peace, justice and effective institutions.

For this purpose, Ramada Group identifies 7 priority SDGs, seeking to contribute to each one of them.

5	SDG 5 - Achieve gender equality and empower all women and girls.
6	SDG 6 - Ensure the availability and sustainable management of drinking water and sanitation for all.
7	SDG 7 - Ensure access to reliable, sustainable and modern energy sources for all.
8	SDG 8 - Promote inclusive and sustainable economic growth, full and productive employment and decent work for all.
9	SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
12	SDG 10 - Ensure sustainable consumption and production patterns.
13	SDG 13 - Adopt urgent measures to combat climate change and its impacts.

MATERIAL TOPICS	PRIORITY SDG	
Ethics Employees Equal Opportunities and Diversity Human rights		Ramada Group undertakes efforts to guarantee gender equality, non-discrimination and equal opportunities and participation in decision-making processes. Likewise, it ensures compliance with human rights and promotes dignified, safe, productive employment based on the principles of equality.

Compliance **Well-being, Health and Safety**	Ramada Group promotes the safety, health and well-being of its employees, while focusing on development and economic growth, improving efficiency and productivity, always in compliance with the certifications obtained and the legislation in force.
Risk Management	Economic sustainability, increased efficiency and productivity, safety at work and the identification and mitigation of negative impacts, namely environmental, rely on a strong risk management approach, a matter of great importance to Ramada Group that develops efforts and methodologies to assist the process.
Responsible Supply Chain	The Group is committed to improving its production and acquisition processes, namely in terms of evaluating suppliers, purchasing certified steel and increasing consumption of recycled scrap steel.
Emissions Reduction **Energy, Consumption and Renewable Solutions**	Ramada Group is focused on producing and increasing consumption of renewable energy, improving its energy efficiency and sustainable use of resources, in order to improve its environmental performance.
Waste	Waste management is understood by Ramada Group as essential to reduce the environmental impacts resulting from its activity, investing in recycling and waste recovery.
Water	Ramada Group's concern with improving efficiency in the use of water and in the management of effluents translates into a growing effort in internal monitoring.
Training	Ramada Group has developed mechanisms and methodologies to increase training and enhance the development of its employees, along with a growing awareness of issues related to the environment, health and safety at work.
Technological innovation	Ramada Group has continuously invested in research and development, through various projects and initiatives, contributing to its current prominent position in the industrial sector.

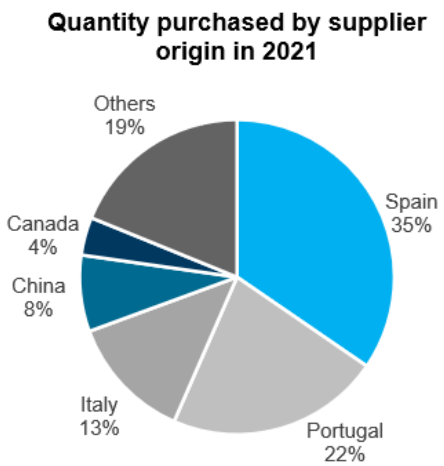
Society

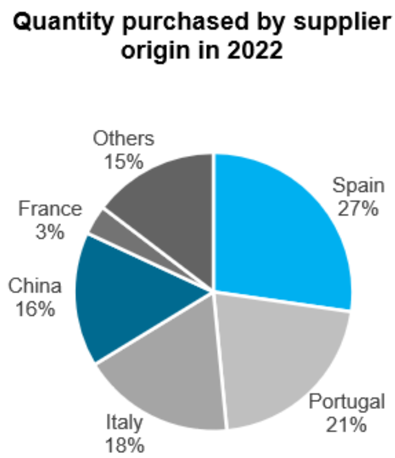
Ramada Group is committed to contributing to a stronger and more resilient society, enhancing its involvement with local communities and continuously improving its social and environmental performance, in line with the Sustainable Development Goals.

Suppliers

2022 was marked by the war scenario in Ukraine, which led to a shortage of raw materials and increased difficulties in supply chains. The impossibility of delivering materials from Ukraine, which is a relevant producer of several minerals, including iron, steel and non-ferrous metals, the sanctions imposed on Russia and the consequent increase in production and transport costs caused a significant rise in prices, an increase in demand for raw materials and production delays, with inevitable consequences for companies and the market. For this reason, during 2022, Ramada Group paid special attention to the business monitoring process, both in terms of price and stock management ensuring the Group's ability to respond to demand throughout the year.

In order to face the challenges imposed, Ramada Group supported its action with a wide range of suppliers, from various countries. A diversity of markets that requires management, even more so, focused on the excellence of the products purchased and the services provided with the aim of creating more value for the customer.





In 2022, 79% of Ramada Group's purchases took place in the Foreign Market, with 72% of these purchases taking place in Europe.

Ramada Group purchases in Portugal mean a shorter distance traveled by materials with significant environmental advantages, given a lower emission of greenhouse gases and other pollutants. An option that is also relevant from a social point of view, given that national purchases are an important way of supporting the economy and local communities, promoting their development.

Ramada Group, within its commercial relations, advocates a management model based on transparency and equal opportunities, resulting in long-standing partnerships. A factor that enhances stability within the scope of the commercial process.

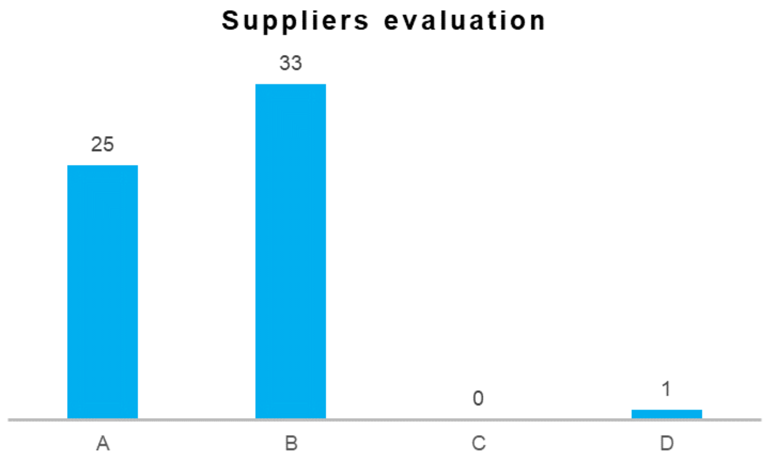
The Group's methodology for assessing and managing risks in the supply chain encompasses the following phases: Pre-Qualification, Qualification and Assessment. The product acquisition process includes the assessment of quality standards, delivery times and social and environmental responsibility indexes. Suppliers of products purchased for processing and/or commercialization are evaluated annually, according to the analysis of the combination of four indicators. This combination results in the classification translated by the Supplier Index (SI):

- SQI – Supply Quality Index;
- STI – Supply Term Index;
- SFI – Supplier Flexibility Index;
- QESHI – Quality, Environment, Safety and Health at Work Management System Index.

Implementing the Integrated Quality and Environment Management System makes it possible to learn about 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.

Aware of the importance of integrating social and environmental responsibility practices into the value chain, the Group's objective is to include more sustainability requirements in the supplier management process, as well as mechanisms for measuring social, energy and transport impacts in the performance evaluation process of these suppliers.

In 2022, 25 suppliers obtained an A classification, 33 suppliers obtained a B classification and 1 supplier obtained a D classification.

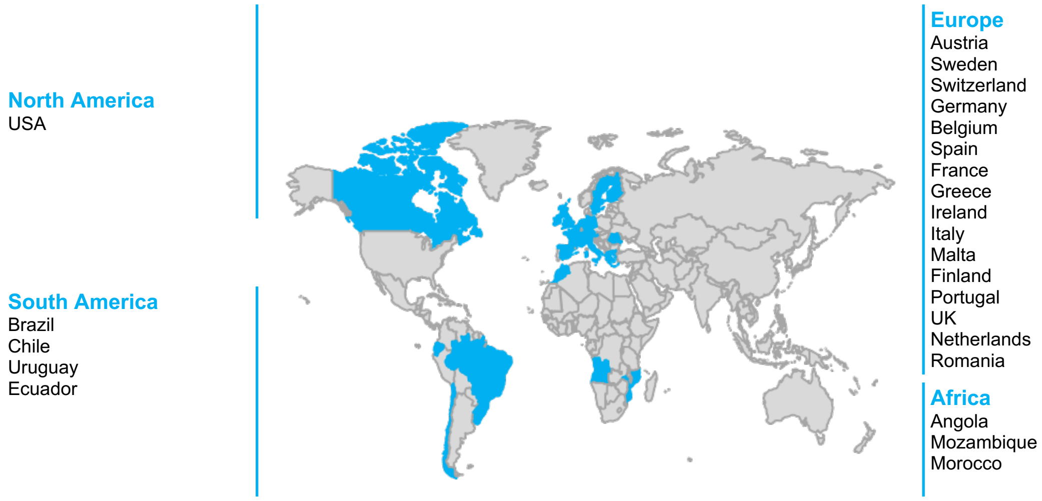


A – Apt - No Limitations, B – Apt – Acceptable with internal follow-up, C – Insufficient – Accepted subject to reservation, D – Excluded – Search for an Alternative Supplier

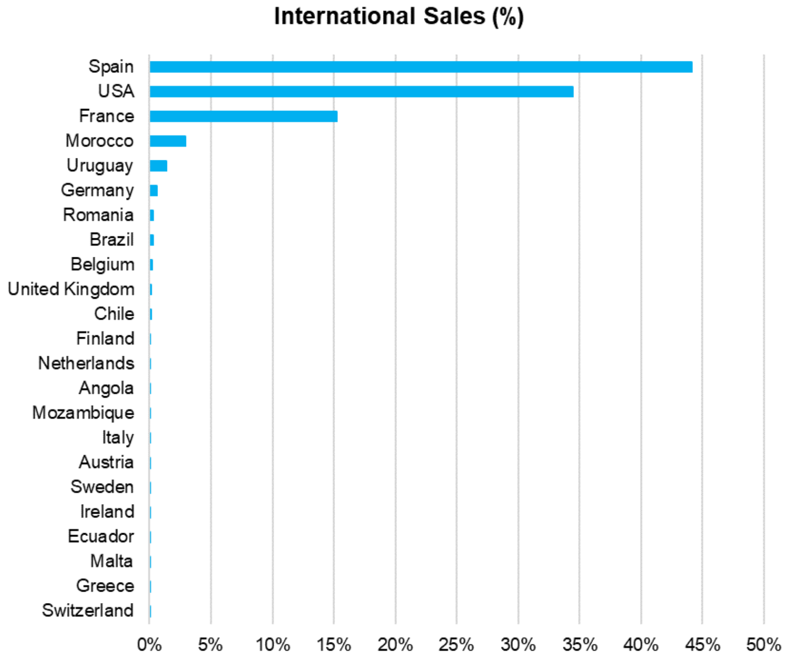
Concerning the steel supply chain, it is fully certified and comes mostly from Europe, where, from the outset, no gross flaws regarding the safeguarding of fundamental rights are foreseen. Steel certification can be requested when doubts arise regarding safeguarding adequate conditions of respect for human or labor rights, and also for environmental issues, such as radiation levels. Additionally, the fact that the steel consumed comes mainly from the recycling of scrap steel 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 material.

Clients

With clients in 24 countries, Ramada Group concentrated sales in 2022 mostly in the domestic market (68.2%), more than in 2021 (67.5%).

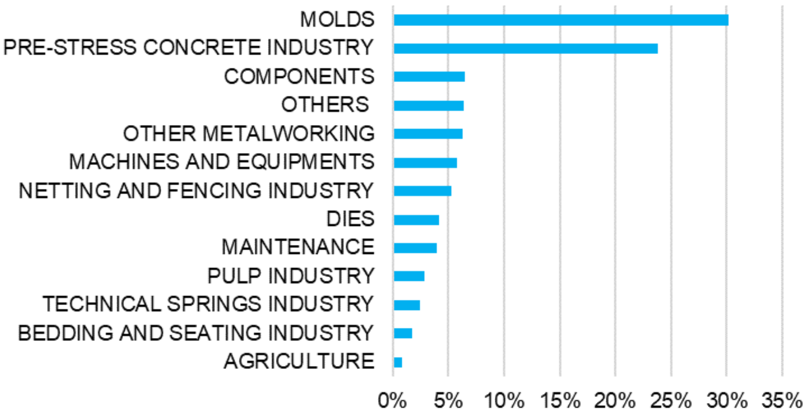


In terms of external market, Spain and USA occupy a prominent position, followed by France, Morocco and Uruguay.



The Molds maintain, as in 2021, the leading role in the clients' activity segment (30.1%).

Clients | Segment of Activity (%)



Ramada Academy

Faced with an increasingly global and competitive market, Ramada Group continues to focus on the customer, combining product quality with service excellence, which is increasingly close and personalized. In this sense, in 2022, product managers held ten free training courses for customers, based on technical topics, essential to the fulfillment of their activity.

Training for Ramada Group clients

- Steel Selection and Applicability
- Failure Mechanisms
- Presentation and Applicability of Premium Steel Ranges
- Thermal treatments

International Representation

The presence and participation in fairs and events is, for Ramada Group, an opportunity for networking and monitoring the current and future trends and challenges of the business.

In 2022, the Group participated in the **Stainless Steel World Conference Exhibition**, a conference dedicated to stainless steel with a wide range of products, materials and technologies, enabling an important exchange of knowledge and experience.

Commitments and Initiatives

With a focus on continuing technical and business development, Ramada Group integrates several entities and associations.

Ramada Aços	Socitrel
• AIDA CCI - *Câmara de Comércio e Indústria do Distrito de Aveiro* • *Associação Pool-Net-* Portuguese Tooling & Plastics Network • SPM - *Sociedade Portuguesa de Materiais* • *Cefamol - Associação Nacional da Indústria de Moldes* • GS1 Portugal | CODIPOR - *Associação Portuguesa de Identificação e Codificação de Produtos* • AIMMAP - *Associação dos Industriais Metalúrgicos Metalomecânicos e Afins de Portugal*	• ATP - *Associação dos Trefiladores de Portugal* • AEP - *Associação Empresarial de Portugal* • APGEI - *Associação Portuguesa de Gestão e Engenharia Industrial* • APQ - *Associação Portuguesa para a Qualidade* • AIMMAP - *Associação dos Industriais Metalúrgicos Metalomecânicos e Afins de Portugal* • ESIS/ATA – European Stress Information/ *Asociación de Trefiladores del Acero*

Ramada Investimentos e Indústria
• APGEI - *Associação Portuguesa de Gestão e Engenharia Industrial*

ENVIRONMENTAL CAPITAL

Ramada Group develops its activity seeking to reduce the impacts of operations by incorporating practices to improve environmental performance in its various activities. The Group has established, at an environmental level, the following common principles:

- Protect the environment by preventing or mitigating negative environmental impacts;
- Mitigate the potential adverse effects of environmental conditions;
- Improve environmental performance;
- Promote 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 using a lifecycle perspective.

In order to guarantee that the necessary processes are implemented for the correct management of environmental impacts, Ramada Aços and Socitrel are certified by ISO 14001. In 2022 there was, moreover, an increase in the number of environmental checks in all sectors and facilities.

Within the scope of this certification, awareness-raising actions were also carried out for employees on the Quality, Environment and Health and Safety at Work Policy, as well as other significant aspects of the companies' activity and respective impacts, something that proves to be fundamental to better manage the environmental issue internally.

Risks and Opportunities

In recent years, there has been a strong increase in global efforts to combat climate change and to minimize and mitigate its potential impacts. It is expected that the industrial sector will play a crucial role in the decarbonization of society and in limiting the increase in global temperature to 1.5ºC compared to pre-industrial levels, since this sector is responsible for a large part of greenhouse gases (GHG) emissions. It should be noted that key mechanisms already exist and are emerging on the market to reduce GHG emissions in the industrial sector, such as the adoption of renewable energy sources, improving the energy efficiency of industrial installations, the use of sustainable raw materials, the implementation of environmental management systems that make it possible to identify areas for improvement and define transition plans to reduce emissions.

Given the urgency of the topic and the potential impacts that it may have on business, the risk management process has gained greater importance, corresponding to a multidisciplinary process that integrates the day-to-day activities of organizations, through risk identification, assessment and monitoring.

It is, therefore, in this context that Ramada Group seeks to have a comprehensive view of the main environmental risks, identifying them in the Environmental Aspects Identification Matrix, in the Environmental Impact Assessments and in accordance with a global SWOT analysis of the area.

In this way, Ramada Group seeks to have a comprehensive view of the main risks and opportunities related to the environment, both at a strategic, financial and operational level.

The table below identifies the main risks and opportunities related to the environment.

Risks	Legal situations in regularization.
	Employees turnover.
	Absence of data that allow a precise distribution of water consumption, by users, at the industrial complex in Ovar.
	Remote monitoring of branches, Universal Afir and Planfuro Global.

Opportunities	Offer of market valuation solutions for the waste generated within the Group. Dematerialization of waste declassification procedures and reduction of the associated fee.
	Diverse supplier community.
	Investment in technology (solar park, carburizing furnaces), contributing to the reduction of the carbon footprint.
	Environmental Certification at Universal Afir and Planfuro Global, under development.

GHG Emissions

Given the current context, with the urgency in terms of climate action due to the necessary fulfillment of the global commitment established by the Paris Agreement and reinforced by the Glasgow Pact to limit the increase in the global average temperature to 1.5ºC, Ramada Group recognizes the important role of the industrial sector in achieving a low-carbon economy. Ramada Group has, therefore, been focusing on renewable energies, increasing process efficiency, implementing and promoting more sustainable practices throughout the supply chain and introducing steel products with completely green production into the market.

The Group is currently carrying out an inventory of its greenhouse gas (GHG) emissions for the reference year 2021, Scope 1 (emissions resulting from sources owned or controlled by the organization) and Scope 2 (emissions from electricity production, steam or heat/cooling purchased by the organization). At Ramada Group, within the scope of GHG emissions, the most relevant result from energy consumption related to heat treatment ovens, the production of drawn sheets and industrial tools.

In 2020, chimneys were monitored at Ramada Aços, which takes place every five years, with no records of emission limit values having been exceeded. Ramada Group seeks to minimize GHG emissions and reduce their impacts through control measures, such as the periodic monitoring of all fixed emission sources, chimney filtering systems, preventive maintenance on all associated equipment to stationary sources, annual preventive maintenance and verification of fluorinated greenhouse gases (FGHG) and ozone depleting substances (ODS) on all stationary refrigeration, air conditioning and heat pump equipment.

Ramada Group is committed to increasing the consumption of renewable energy through direct investment in photovoltaic projects. With a total investment of 540,000 Euros in 2022, the Group decided to invest in a Photovoltaic Center for Self-Consumption (Ramada Solar), which will make it possible to install up to 2.5 Megawatts by the end of 2023. At the same time, the Marinha Grande branch and Planfuro Global will move forward with the respective solar parks, which should reach around 600 kilowatts of installed power.

The Group intends to monitor the evolution of solar technology and study the possibility of installing a greater production capacity to accumulate surplus in batteries for night consumption and charging employees' electric or hybrid vehicles.

At the same time, Ramada Group is committed to raising employee awareness of these issues and progressively replacing the car fleet with plug-in hybrid vehicles with the installation of charging stations.

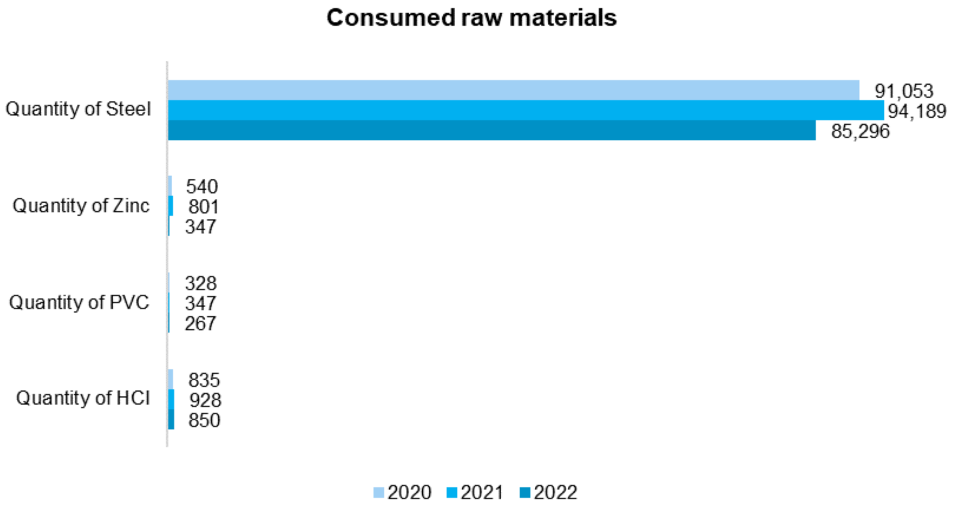
The path to a production free of fossil fuels and to carbon neutrality is a goal to be achieved by 2030 by **Uddeholm, the brand represented exclusively by Ramada Aços in Portugal**. According to its Sustainability Report, 100% of electricity in Uddeholm is green, 75% of Uddeholm's internal transport runs with zero CO_2 emissions and 100% of cooling water is returned to nature.

Consumption Efficiency

Raw material

Within the scope of Ramada Group's activities, steel represents around 98% of the raw materials processed. In terms of the production processes of the Group's suppliers, it can be seen that, more and more, the dependence on production from 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, this process allows the recycling of scrap on the market and the rationalization of energy. In 2022, scrap recycling represented more than half of the steel consumed (58%) by the Group.

As a result of the war in Ukraine, which led to a shortage of raw materials in the supply of some specific materials, Ramada Group was forced to resort to unusual alternatives to guarantee the continuity of its production activity. There was, thus, a 10% reduction in the total of materials consumed, with 86,760 tons consumed in 2022 and 96,265 tons in 2021. This reduction in consumption was registered in all categories of materials, with a greater percentage expression in the consumption of zinc.



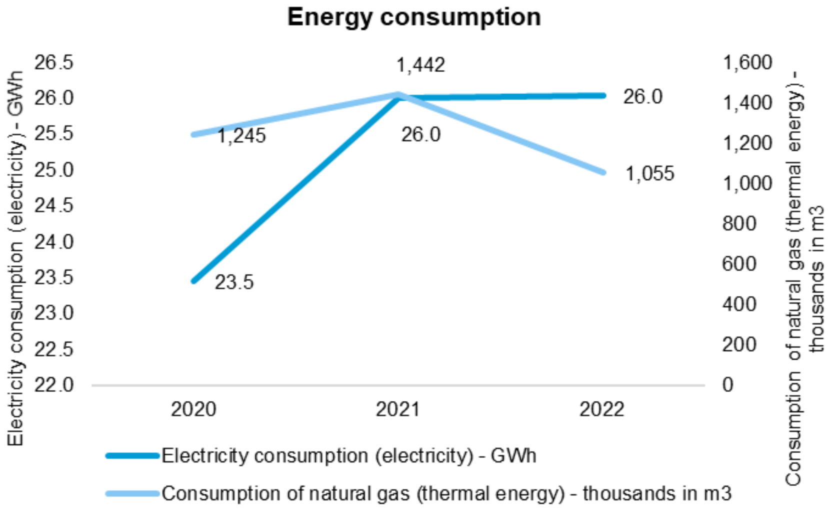
Energy

Production activities represent the most significant impact on the Group's total energy consumption, which is why efforts have been made to improve efficiency at this level.

In 2022, Ramada Group carried out an External Energy Audit at the Ovar facility, enabling the understanding of energy consumption, as well as the identification of saving opportunities, providing guidance on improvements to be implemented in production efficiency.

In 2022, there was an increase in electricity consumption of 0.14% compared to 2021, with a consumption of 26 GWh recorded and a decrease in thermal energy consumption of 27%, with a consumption of 1,054,551 m^3.
The increase in electricity consumption is essentially explained by the increase in activity at the Marinha Grande branch of Ramada Aços with the full operation of the Machining Services Center.

Energy Intensity: 1.2 GJ/Thousand €



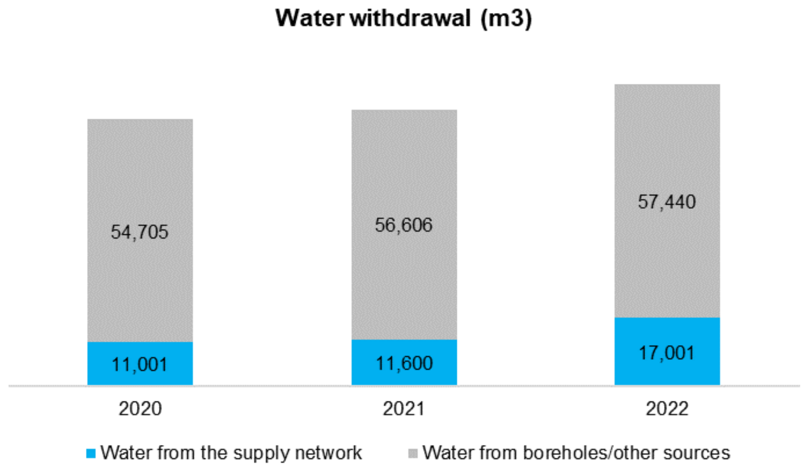
Water

Ramada Group promotes the efficient and responsible use of water throughout its operations, by monitoring the respective consumption and safeguarding the quality and availability in ecosystems.

At Ramada Group, 23% of the total water collected comes from the supply network and the remaining 77% comes from boreholes or other sources, which requires greater responsibility in the management of this resource and the need to comply with the general and specific conditions laid down in the Authorization for the Use of Water Resources, in the Environmental License and in the Exploration License issued by the competent authorities. Within the scope of efficient and responsible management, the Group presents, as its main control mechanisms, Monitoring Plans and the Matrix for Identification of Environmental Aspects and Assessment of Environmental Impacts.

At Ramada Group there are seven underground collection points, from which water is extracted for the industrial process. With regard to industrial effluents, 50% of Socitrel's effluents were treated in its own ETARI, revealing adequate management of this resource. The effluents, after treatment, are monitored through systematic and periodic control of the wastewater rejection points.

In 2022, there was a 9% increase in the total amount of water withdrawn compared to 2021, with a total of 74,441 m^3 having been withdrawn. The increase compared to 2021 resulted from, on the one hand, the dry period that was felt in 2022 and which made it impossible to fully use underground abstractions, increasing the need to capture water through the supply network; and, on the other hand, the increase in activity and employees in the Marinha Grande branch, along with the reopening of the shower rooms in Ovar after the completion of the facilities renovation.



Ramada Group is committed to generate the least possible negative impact, mitigating the impacts produced on the environment and promoting the continuous improvement of processes and practices. In this sense, several measures have been implemented, such as optimization of cooling systems, replacement of cooling towers, reuse of water from the ETARI for chemical pickling wash baths and actions to raise awareness of water waste in social areas.

Waste Management

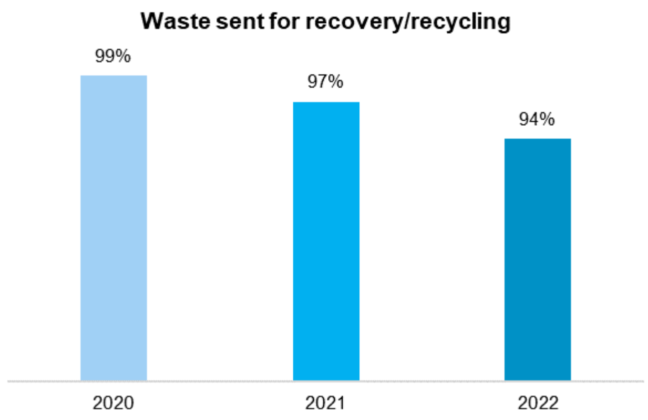
At Ramada Group, the volumes of waste produced are monitored annually and forwarded to a licensed operator. The Group favors and focuses on reuse and recycling rather than sending it to landfill or final destination.

An identified opportunity, inherent to the Group's business, is the development of market valuation solutions for the waste generated, allowing these materials to be used in the form of by-products and raw materials of another industry.

Efficient waste management begins with raising employees awareness, implementing improvements in waste separation and the correct use of spill absorbers, available in all sectors and Group facilities. In this context, the following initiatives were implemented: internal training on Waste Separation and on how to act in the event of an environmental incident, Initial Environmental Training, Environmental Drills and monthly Operational Audits.

61% of the waste produced is steel shavings and filings.

In 2022, 8,823 tons of waste were produced, an increase of 12% compared to 2021, with 95% corresponding to Non-Hazardous Waste and approximately 5% corresponding to Hazardous Waste.



In 2022, the percentage of waste recovery was 94%. There was a slight decrease in the percentage of recovery compared to the previous year, which is essentially due to the lack of solutions for the recovery of sludge from Socitrel's physical-chemical treatment. Socitrel continues to be committed to finding recovery solutions for the waste produced and maintains, in its integrated management system, as an indicator the green index whose target for 2023 is 90% recovery of waste produced.

HUMAN CAPITAL

Our People

For Ramada Group, employees are its main asset and an essential factor for the continuity of its success in the market in which it operates.

Therefore, it seeks to provide its 485 employees with an inclusive and safe work environment that promotes training and personal development within a culture of proximity and appreciation.

14.23% **WOMEN**

85.77% **MEN**

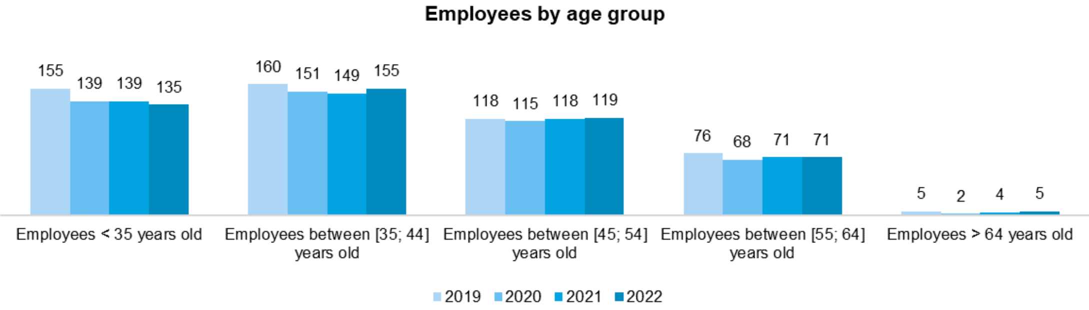
At the end of 2022, women were 14% of Ramada Group's employees, 15% more than in 2021, with 60% of all employees aged under 44 and 17% having higher education.

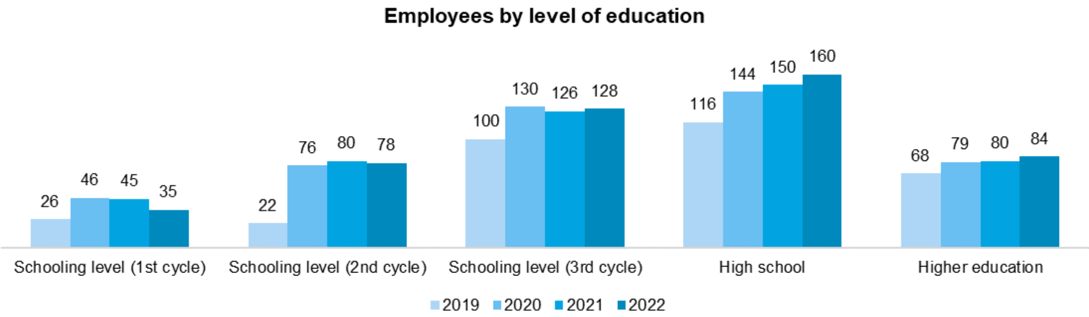
Given the predominant level of schooling, Ramada Group encourages education by awarding, annually, various study grants and merit and excellence scholarships to employees and their families, promoting their continuous development.

The Board of Directors of Ramada Investimentos e Indústria, S.A. has 6 members, all aged over 50 years.

33.33% **WOMEN**
Ages 100% > 50 years old

66.67% **MEN**
Ages 100% > 50 years old





Equal Opportunities and Diversity

The respect for human dignity is an unquestionable and non-transferable value for Ramada Group, which is also evident in the identification of Equal Opportunities and Diversity as a material theme. In this sense, the organization is concerned with promoting equal opportunities and the adoption of practices, processes and procedures that repudiate discrimination and any different treatment based on ancestry, age, gender, sexual orientation, gender identity, marital status, family situation, economic situation, education, origin or social condition, genetic heritage, reduced work capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological convictions and trade union affiliation.

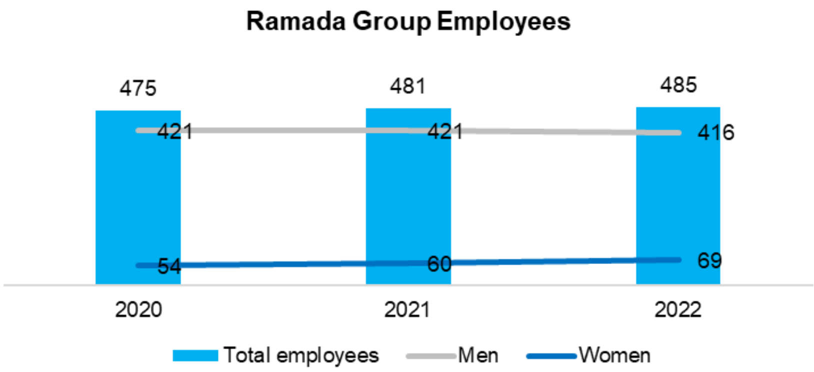
Talent management at Ramada Group focuses on the skills and abilities of all its employees, without discrimination, as it recognizes them as a key element for its success. In this way, in addition to enhancing the attraction and retention of talent, it also promotes excellent conduct through the training and development of its employees so that they are able to respond to current and future challenges. The human resources area is, therefore, fundamental in this process, guaranteeing compliance with human rights and other legal requirements, along with the Conventions of the International Labour Organization.

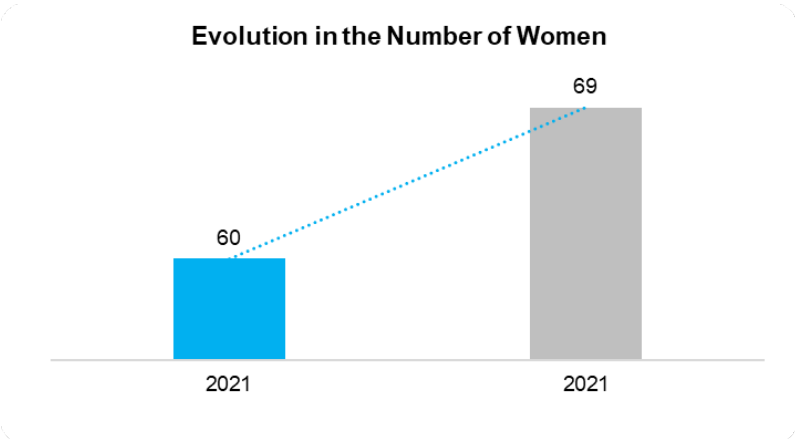
Regarding diversity, Ramada Group's Board of Directors operates at two different levels:

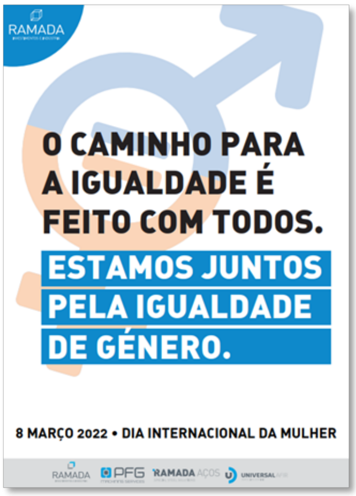
Human Resoures	Operational Areas
So that: a. Career progression policies, performance appraisals and salary reviews are defined based on diversity promotion concerns; b. In recruitment processes, seek to promote this diversity, always presenting lists of potential workers to be recruited that are sufficiently representative of both genders.	So that: a. The multidisciplinary teams formed within the scope of the most varied projects are always constituted based on the concern of a balanced representativeness.

Reflecting the importance that Ramada Group gives to the principle of Equality, the Plan for Gender Equality is prepared and presented every year, with a view to contributing to the promotion of more dynamic, productive and balanced teams. However, the Group continues to work with the aim of reducing the gender gap.

In 2022, there was a 15% increase in women at Ramada Group, compared to 2021.







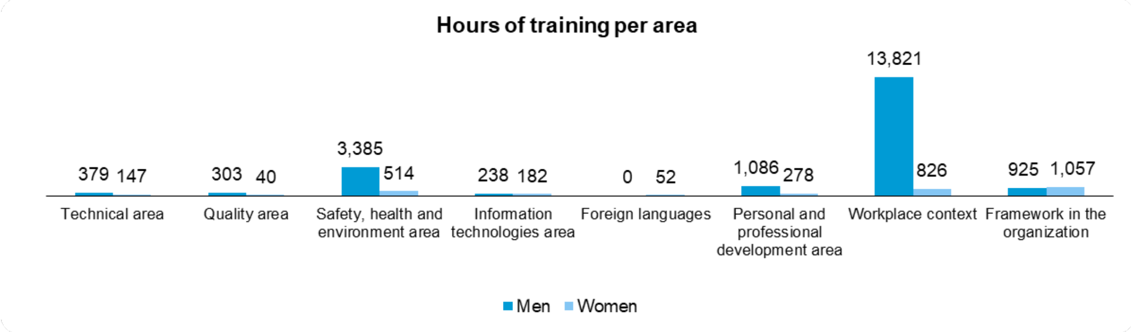
In 2022, Ramada Group celebrated LGBT Pride Day and International Women's Day.

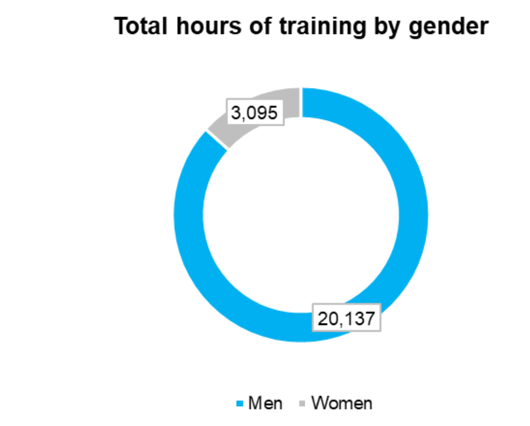
Under the motto "The path is made with everyone", on Women's Day the Group launched the communication "The path to equality is made with everyone. We are together for gender equality", in order to raise awareness of the issue through various messages about the reality experienced in Portugal.

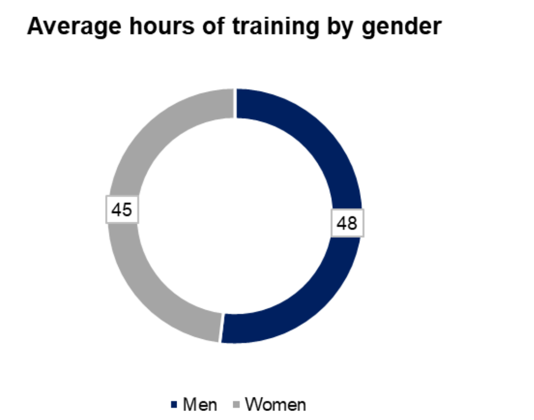
Training and Development

Ramada Group operates in a sector where experience and technical knowledge are essential. As such, it invests in continuous training, a material topic for the Group, and in the performance assessment of its employees, considered the engine of the business growth. In 2022, as a result of this investment, more than 23,000 hours of training were provided in various areas, highlighting the Workplace Context action which represented 63%.

Ramada Group implements specific mechanisms to ensure that training is carried out throughout the year, namely through the Annual Training Plan, which includes objectives for the effectiveness of training and compliance with the plan, based on the training needs survey and supported by a training management software.







In 2022, Ramada Group developed three major initiatives in the field of employee training:

Safety Culture Training	Continuous training in Kaizen methodologies	Implementation of training management software
Program implemented in the Group, throughout the year, which aims to raise awareness of safety as everyone's responsibility. The effectiveness of the program will be measured by the number of corrective actions presented by the teams, by the reduction in the number of incidents and accidents, by the decrease in the severity index, among others.	The Kaizen methodology, implemented in the organization in 2021, aims to create a culture of continuous improvement, analysis and problem solving and development of processes and methodologies. Ramada Group has already completed several projects, with others in progress, especially in the Industrial, Heat Treatment and Industrial Tools areas.	Bizneo cloud-based software was implemented in November 2022 and aims to create a space for permanent communication between the organization of training actions and the teams, making the assessment process clearer and simpler with the potential to create an assessment scheme for each contributor. The software makes it possible to: create training catalogs, which employees can access and request enrollment; validation by superiors; evaluation of training and its effectiveness (through a questionnaire to the trainer, trainee and manager); obtain an overview of the training path of the employees.

Regarding performance assessment, the organization adopts a future-oriented perspective, in which employees are assessed annually, at two different times (self-assessment and assessment by management), taking into account their duties, goals and results to be achieved and the development potential. Ramada Group also implements a Personal Development Plan (PDP) for employees whose performance was below expectations, with a view to improving their productivity and quality of work. In this way, the organization seeks to foment the growth and development of its employees, emphasizing their importance within Ramada Group and in the job market through: greater versatility, confidence and knowledge; positive evolution in the quality and quantity of work; and improvement of organization, daily planning and teamwork. The PDP is also optional for all employees who propose, or are proposed by their line managers, to improve specific areas of knowledge or to advance in their schooling or higher education.

99% of employees covered by the performance assessment in 2022

Socitrel implements an Annual Training Plan, along with the Behavioral and Performance Assessment, on a quarterly basis for most factory floor employees (up to team leaders level) and annually for the remaining effective employees. In 2022, around 80% of the planned actions were carried out.

Well-being, Health and Safety

The sector of activity in which Ramada Group operates requires increased care for the well-being, health and safety of its employees, which is why this topic is considered material for the organization. Given this concern, and with a view to maintaining a safe and healthy environment for everyone and raising awareness of health and safety at work, the Group develops various mechanisms and initiatives.

Occupational Health and Safety Management System (ISO 45001 certification)	**Committee for Monitoring and Receiving the Accident**	**Medical, nursing and physiotherapy services**
The certification of Ramada Aços and Socitrel by ISO 45001 aims to optimize the management of hazards, risks and opportunities associated with the health and safety of employees and the definition of controls to reduce risks and accidents at work. The system considers the expectations of employees and the main aspects that may positively or negatively affect their health or safety. The certification of the remaining companies of the Group, a process currently under development, will be essential for consolidating the Group's performance in this area in the future.	It promotes meetings to discuss and reassess risks at work stations whenever an occurrence is registered, with corrective and improvement measures being defined and implemented. All employees can report dangerous situations and suggest improvements, without fear of possible reprisals, in order to enhance the implementation of preventive measures and corrective actions.	Employees have several free services at their disposal, provided by qualified professionals, promoting their health and well-being.

Operational Audits	***Kamishibai* Card**	**Hazard Identification and Risk Assessment Matrix**
Ramada Group carries out monthly operational audits, through the “Ramada Aços” application, and quarterly audits in the various sectors with the issuance of reports. In 2022, there was an increase in the number of checks on Occupational Health and Safety, carried out by the Top Management of Ramada Aços and by the Department of Quality, Environment and Safety.	Under the Lean methodology, the *Kamishibai* card is a visual control management tool to help carry out operational audits. Ramada Aços implemented the *Kamishibai* card in all its sectors and facilities.	The Group has developed a matrix that allows identifying hazards and assessing risks, adjusted to the general objectives, context, needs and expectations of interested parties.

"Comportamentos Seguros" Projects

Ramada Aços launched the "Safe Behaviors" project with the objective of promoting safety in the workplace and encouraging the adoption of safe behaviors for all people in the company. The Safety Walks and Safety Talks are examples of actions implemented in this context.

The project, which lasts for 18 months, comprises 3 stages: diagnosis, training and implementation of measures. In an initial phase, the intention is to make employees aware of the change and to make them aware of techniques that each person can adopt individually to eliminate or reduce the probability of an accident.

In 2022, the first training sessions were held that will cover the entire company, in order to promote, across the board, the change in behavior.

A project that aims to contribute to reducing the number of work accidents in Ramada Group.

Ramada Group implemented the initiative **"May, health month"**, in order to promote the health of employees in the workplace, through actions and campaigns to raise awareness and share information about risky behavior, encouraging the adoption of a healthy lifestyle:

- ***Ready, get set, go!***

In this race, each employee recorded their steps using an application and, at the end, Ramada Group made a donation to the Portuguese Red Cross equivalent to 20% of the kilometers traveled, with 45 participants.

- **Knowledge as a basis**

Open and live sessions were organized with specialists on nutrition, smoking cessation, alcoholism prevention, nutrition, work exercises and healthy lifestyles.

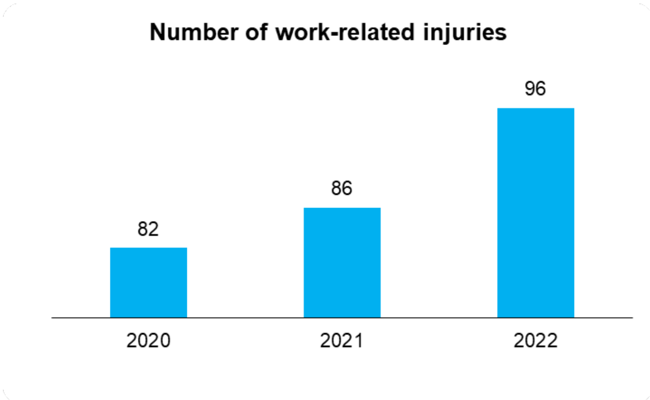
- **Bringing health and wellness indoors**

Ramada Group set up a fruit and vegetable stand in the industrial center of Ovar every Friday in May. In the other locations of the Group, due to logistical issues, the organization opted to send a fruit gift basket to employees and promote well-being through quick 15-minute massages.

In 2022, the Group held the **“Desafio de Segurança”** event to celebrate the European Week for Health and Safety at Work. Challenges related to the theme were presented and participants and winners of the best improvement idea were awarded.

At **Socitrel**, in addition to training in Occupational Safety and the medical services provided, assessments are carried out in the areas of ergonomics, chemical contaminants, noise and luminance.

In 2022, the goal of zero fatalities as a result of accidents at work was once again achieved. However, the number of accidents increased by 12% compared to 2021, and there was also one accident of serious consequence.



	2021	2022
Work-related injuries frequency rate	80.89	45.27
Work-related injuries severity rate	1.9	1.33
Number of recordable work-related injuries	99.38	117.46

Benefits, Compensation and Initiatives

Providing a healthy, safe and motivating work environment is one of the major priorities of Ramada Group, aware that its human capital has been fundamental to the achievement of a sustained success strategy. As such, throughout the year, benefits and compensation are made available and initiatives are carried out that promote the well-being, health and safety of all employees.

Protocols	Health Insurance	Gift Card
Ramada Group has established protocols with entities in the field of sports and well-being, allowing its employees the respective access with special conditions. A measure that promotes a healthy lifestyle, based on sports and wellness activities with benefits for personal and professional development.	Ramada Group employees with more than six months' seniority have health insurance, which is extended to other members of the household.	Assignment of a card, associated to a network of hypermarkets, to each employee with a base amount, to which another amount is added for each dependent.

"O meu dia Ramada"	Newsletter + Ramada	TimeWeb
"O meu dia Ramada" is an initiative that aims to promote the Group's culture, internally and externally, through the creation of videos that show the daily lives of its employees. These videos are also made available to recruitment companies so that potential candidates can get to know, in greater detail, the functions they are applying for and make a more informed decision.	Ramada Group has quarterly newsletters that promote regular and consistent sharing of projects, initiatives, strategies and good practices.	Ramada Group continues to invest in improving working conditions and simplifying processes. Therefore, its employees use the new version of the TimeWeb clocking system, which provides a set of functionalities such as Booking Holidays and justification and Absences Due to "Compensatory Rest".

Christmas and Magusto Day photo contests

These initiatives were carried out with the aim of making employees' days more joyful, while encouraging creativity, sharing and companionship. Participation in these initiatives has been increasing every year.

In 2022, during the Christmas contest, employees were challenged to draw on their imagination and take a picture of the moment of delivery of gifts with a product or service from the company.

At Magusto, chestnuts were distributed to employees at the Ovar industrial hub, creating an opportunity for celebration and conviviality, while baskets of chestnuts were sent to the other branches.

Forum Ramada

On March 23, the 1st edition of the Ramada Forum took place, which brought together representatives of Ramada Aços, Ramada Investimentos e Indústria and Universal Afir. With the aim of promoting a transparent work environment open to dialogue and collaboration, the Ramada Forum is a periodic meeting that serves to identify opportunities for improvement and discuss topics relevant to the organization.

Through 22 representatives, employees had the opportunity to share their ideas and suggestions within the scope of an initiative in which constructive criticism is used as a tool for the continuous improvement of the Group.

In terms of benefits, compensation and initiatives, **Socitrel** highlights the attribution of a quarterly Attendance and Performance Bonus, Balance Sheet Bonuses, Pension Fund and Life Insurance.

VALUING THE COMMUNITY

Community Development and Support

Ramada Group continues to provide its support to the community, through the attribution of monetary and in-kind donations to various entities and initiatives of a social nature.

During 2022, Ramada Group made donations to 33 institutions that provide services to society in the areas of health, art, sports, childcare, support for the elderly, immigrants and people with disabilities.

In view of the escalation of the war in Ukraine, the Ramada Group, in close cooperation with the Municipality of Leiria, the Red Cross, Cáritas and Civil Protection, made a donation for the purchase of medication and medical supplies.

Planfuro Global gathered goods aimed at humanitarian aid with the contribution of its employees: food and hygiene goods, materials for babies and children and animal feed.

ABOUT THE REPORT

Scope, Period and Reporting Structure

Ramada Investimentos e Indústria, S.A. publishes its Sustainability Report, regarding its performance during the period between January 1, 2022 and December 31, 2022, on an annual basis.

The Report presents consolidated information of 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.). The reporting of Ramada Group's financial information includes, in addition to the aforementioned companies, Socitrel Espana, S.A., Expeliarmus - Consultoria, Unipessoal, Lda., Socitrel Solar, Unipessoal, Lda., Ramada Solar, Unipessoal, Lda. and FisioShare - Gestão de Clínicas, S.A..

Global Reporting Initiative (GRI)

The Report was prepared in accordance with the GRI Standards (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.

Non-financial information

As stipulated by the Directive 2014/95/EU of the European Parliament and of the Council, transposed into the domestic legal system by Decree-Law no. 89/2017 of 28 July, the Group must provide information on non-financial matters. Such information should be sufficient for an understanding of the evolution, performance, position and impact of its activities, referring, at least, to environmental, social and employee-related issues, equality between women and men, non-discrimination, respect for human rights, combating corruption and attempted bribery.
The non-financial information provided for in Decree-Law No. 89/2017 for the period 2022 is included in this report, and is included in the Correspondence Table with the requirements defined in this diploma.

Taxonomy

This report is also prepared in accordance with the legal requirements laid down in the EU Taxonomy Regulation, namely the disclosure of specific Key Performance Indicators on the eligibility and alignment of environmental activities.

External Verification

This Report is not subject to verification by an external entity.

Contacts

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

ADDITIONAL INFORMATION

GRI 2-7 Employees

Employee Information			
	2022		
	Men	Women	Total
Employees with an indefinite contract	381	57	438
Employees with a fixed-term contract	35	12	47
Internships	2	0	2
Subcontractors	43	1	44
Full-time	415	67	482
Part-time	1	2	3

GRI 2-16 Communication of critical concerns to the highest governance body

Communication of critical concerns to the highest governance body	
	2022
Number of critical concerns communicated to the highest governance body	0

GRI 2-21 Annual total compensation ratio[1]

Annual total compensation ratio		
	2021	2022
Ratio of annual total compensation of the organization's highest paid individual to average annual total compensation of employees (excluding the highest paid)		
Ramada Group	8,2	8,9
Ratio of the percentage increase in total annual compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)		
Ramada Group		3,3

GRI 2-27 Compliance with laws and regulations

Compliance with laws and regulations	
	2022
Total number of significant cases of non-compliance with laws and regulations during the reporting period	0
Total number and monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period	0

[1] The companies included in the calculation of the Annual Total Compensation Ratio are: Ramada Investimentos e Indústria, S.A.; Ramada Aços, S.A.; Planfuro Global, S.A.; Universal Afir, S.A.; F. Ramada II – Imobiliária, S.A.; Socitrel – Sociedade Industrial de Trefilaria, S.A..

GRI 2-30 Collective bargaining agreements

Collective bargaining agreements	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Percentage of unionized employees	12.6%	3.3%	**7.9%**	11.1%	2.9%	**9.9%**

All employees are covered by collective bargaining agreements.

GRI 401-1 New employee hires and employee turnover

New employee hires and employee turnover	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Number of hires and departures (turnover)						
Employee hires	**62**	**9**	**71**	**44**	**12**	**56**
up to 30 years old	34	1	**35**	21	7	**28**
30-50 years old	17	7	**24**	18	5	**23**
over 50 years old	11	1	**12**	5	1	**6**
Employee departures	**62**	**4**	**66**	**45**	**3**	**48**
up to 30 years old	19	0	**19**	21	1	**22**
30-50 years old	31	4	**35**	16	1	**17**
over 50 years old	12	0	**12**	8	1	**9**
Employee hires and employee turnover rate						
Employee hires	**15%**	**15%**	**15%**	**11%**	**17%**	**12%**
up to 30 years old	8%	2%	**7%**	5%	10%	**6%**
30-50 years old	4%	12%	**5%**	4%	7%	**5%**
over 50 years old	3%	2%	**2%**	1%	1%	**1%**
Employee departures	**15%**	**7%**	**14%**	**11%**	**4%**	**10%**
up to 30 years old	5%	0%	**4%**	5%	1%	**5%**
30-50 years old	7%	7%	**7%**	4%	1%	**4%**
over 50 years old	3%	0%	**2%**	2%	1%	**2%**

GRI 403-9 Work-related injuries

Work-related injuries	2021	2022
Fatalities as a result of work-related injuries	0	0
Number of recordable work-related injuries	86	96
Number of high-consequence work-related injuries, excluding fatalities	0	1
Rate of fatalities as a result of work-related injuries	0	0
Rate of recordable work-related injuries	99.4	117.5
Rate of high-consequence work-related injuries, excluding fatalities	0	1.2
Number of hours worked	865.335	817.294

GRI 404-1 Average hours of training per year per employee

Average hours of training per year per employee						
		2021			2022	
	Men	Women	**Total**	Men	Women	**Total**
Average hours of training that the employees have undertaken during the reporting period	51.8	51.0	**51.7**	48.4	44.9	**47.9**

Average hours of training per year per training area			
		2022	
	Men	Women	**Total**
Average hours of training in the technical area	0.9	2.1	**1.1**
Average hours of training in the area of quality	0.7	0.6	**0.7**
Average hours of training in the area of safety, health and environment	8.1	7.4	**8.0**
Average hours of training in the area of information technologies	0.6	2.6	**0.9**
Average hours of training in foreign languages	0.0	0.8	**0.1**
Average hours of training in the area of personal and professional development	2.6	4.0	**2.8**
Average hours of training in the workplace context	33.2	12.0	**30.2**
Average hours of training on framing the organization	2.2	15.3	**4.1**

GRI 405-1 Diversity of governance bodies and employees

Diversity of governance bodies and employees			
	Men	**Women**	**Total**
Management of Ramada Group (Holding Company: Ramada Investimentos e Indústria, S.A.)			
up to 30 years old	0.0%	0.0%	**0.0%**
30-50 years old	0.0%	0.0%	**0.0%**
over 50 years old	66.7%	33.3%	**100.0%**
Employees			
up to 30 years old	13.0%	3.7%	**16.7%**
30-50 years old	48.2%	8.7%	**56.9%**
over 50 years old	24.5%	1.9%	**26.4%**

GRI TABLE

Declaration of use	Ramada Investimentos e Indústria, S.A. reported in accordance with the GRI Standards for the period between January 1, 2022 and December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable industry standard	N/A

GRI 2 - General Disclosures

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
	ORGANIZATIONAL PROFILE				
	2-1 Organizational details	Ramada Investimentos e Indústria, S.A. Rua Manuel Pinto de Azevedo, n.º 818, 4100-320 Porto	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report	-	-	-
	2-4 Restatements of information	NA	-	-	-
	2-5 External assurance	About the Report	-	-	-
	ACTIVITIES AND WORKERS				
	2-6 Activities, value chain and other business relationships	About Ramada Group > History; Business Areas	-	-	-
GRI 2: General Disclosures	2-7 Employees	Human capital > Our people Additional Information	-	-	-
	2-8 Workers who are not employees	Additional Information	-	-	-
	GOVERNANCE				
	2-9 Governance structure and composition	Creating value with responsibility > Governance and Ethics Human Capital > Our people	-	-	-
	2-10 Nomination and selection of the highest governance body	Creating value with responsibility > Governance and Ethics	-	-	-
	2-11 Chair of the highest governance body	Creating value with responsibility > Governance and Ethics	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Creating value with responsibility > Governance and Ethics	-	-	-
	2-13 Delegation of responsibility for managing impacts	Creating value with responsibility > Governance and Ethics	-	-	-

GRI 2: General Disclosures	2-14 Role of the highest governance body in sustainability reporting	Creating value with responsibility > Governance and Ethics	-	-	-
	2-15 Conflicts of interest	Creating value with responsibility > Governance and Ethics	-	-	-
	2-16 Communication of critical concerns	Creating value with responsibility > Governance and Ethics Additional Information	-	-	-
	2-17 Collective knowledge of the highest governance body	Creating value with responsibility > Governance and Ethics	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Creating value with responsibility > Governance and Ethics	-	-	-
	2-19 Remuneration policies	Creating value with responsibility > Governance and Ethics	-	-	-
	2-20 Process to determine remuneration	Creating value with responsibility > Governance and Ethics	-	-	-
	2-21 Annual total compensation ratio	Additional Information	-	-	-
	STRATEGY, POLICIES AND PRACTICES				
	2-22 Statement on sustainable development strategy	Statement from the Chairman of the Board of Directors	-	-	-
	2-23 Policy commitments	Creating value with responsibility > Governance and Ethics	-	-	-
	2-24 Embedding policy commitments	Creating value with responsibility > Governance and Ethics	-	-	-
	2-25 Processes to remediate negative impacts	Creating value with responsibility > Governance and Ethics	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Creating value with responsibility > Governance and Ethics	-	-	-
	2-27 Compliance with laws and regulations	Additional Information	-	-	-
	APPROACH TO STAKEHOLDER ENGAGEMENT				
	2-28 Membership associations	Creating value with responsibility > Commitments and initiatives	-	-	-
	2-29 Approach to stakeholder engagement	Creating value with responsibility > Our stakeholders: engagement model	-	-	-
	2-30 Collective bargaining agreements	Additional Information	-	-	-

GRI 3 - Material Topics

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 3: Material Topics	3-1 Process to determine material topics	Creating value with responsibility > Materiality	-	-	-
	3-2 List of material topics	Creating value with responsibility > Materiality	-	-	-
	ETHICS				
	3-3 Management of material topics	Creating value with responsibility > Governance and Ethics	-	-	-
	Complaints regarding irregularities, in view of the provisions of the Code of Ethics and Conduct	Creating value with responsibility > Governance and Ethics	-	-	-
	RISK MANAGEMENT				
	3-3 Management of material topics	Creating value with responsibility > Risk Management	-	-	-
	COMPLIANCE				
	3-3 Management of material topics	Creating value with responsibility > Governance and Ethics	-	-	-
	RESPONSIBLE SUPPLY CHAIN				
	3-3 Management of material topics	Creating value with responsibility > Suppliers	-	-	-
	204-1 Proportion of spending on local suppliers	Creating value with responsibility > Suppliers	-	-	-
	308-1 New suppliers that were screened using environmental criteria	Creating value with responsibility > Suppliers	-	-	-
	414-1 New suppliers that were screened using social criteria	Creating value with responsibility > Suppliers	-	-	-
	EMISSIONS REDUCTION				
	3-3 Management of material topics	Environmental Capital > GHG Emissions	-	-	-
	ENERGY, CONSUMPTION AND RENEWABLE SOLUTIONS				
	302-1 Energy consumption within the organization	Environmental capital > Consumption efficiency	-	-	-
	302-3 Energy intensity	Environmental capital > Consumption efficiency	-	-	-
	WASTE				
	306-1 Waste generation and significant waste-related impacts	Environmental capital > Waste management	-	-	-
	306-2 Management of significant waste-related impacts	Environmental capital > Waste management	-	-	-
	306-3 Waste generated	Environmental capital > Waste management	-	-	-

GRI 3: Material Topics	**WATER**				
	303-1 Interactions with water as a shared resource	Environmental capital > Consumption efficiency	-	-	-
	303-2 Management of water discharge-related impacts	Environmental capital > Consumption efficiency	-	-	-
	303-3 Water withdrawal	Environmental capital > Consumption efficiency	-	-	-
	EMPLOYEES				
	3-3 Management of material topics	Human capital	-	-	-
	401-1 New employee hires and employee turnover	Additional Information			
	WELL-BEING, HEALTH AND SAFETY				
	403-1 Occupational health and safety management system	Human capital > Well-being, health and safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Human capital > Well-being, health and safety	-	-	-
	403-3 Occupational health services	Human capital > Well-being, health and safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human capital > Well-being, health and safety	-	-	-
	403-5 Worker training on occupational health and safety	Human capital > Well-being, health and safety	-	-	-
	403-6 Promotion of worker health	Human capital > Well-being, health and safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human capital > Well-being, health and safety	-	-	-
	403-9 Work-related injuries	Human capital > Well-being, health and safety Additional Information	-	-	-
	EQUAL OPPORTUNITIES AND DIVERSITY				
	3-3 Management of material topics	Human capital > Equal opportunities and diversity	-	-	-
	405-1 Diversity of governance bodies and employees	Human capital > Our people Additional Information	-	-	-
	TRAINING				
	404-1 Average hours of training per year per employee	Human capital > Training and development Additional Information	-	-	-

GRI 3: Material Topics	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital > Training and development	-	-	-
	HUMAN RIGHTS				
	3-3 Management of material topics	Creating value with responsibility > Governance and Ethics	-	-	-
	405-1 Diversity of governance bodies and employees	Human capital > Our people Additional Information	-	-	-
	COMMUNITY				
	3-3 Management of material topics	Valuing the Community > Community development and support	-	-	-
	TECHNOLOGICAL INNOVATION				
	3-3 Management of material topics	Creating value with responsibility > Research, Development and Innovation	-	-	-

GRI 200 - Economic Disclosures

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 200: Economic Disclosures	**ECONOMIC PERFORMANCE**				
	201-1 Direct Economic Value Generated and Distributed	Creating value with responsibility > Economic Performance	-	-	-
	PURCHASE PRACTICES				
	204-1 Proportion of spending on local suppliers	Creating value with responsibility > Suppliers	-	-	-

GRI 300 - Environmental Disclosures

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 300: Environmental Disclosures	**MATERIALS**				
	301-2 Recycled input materials used	Environmental capital > Consumption efficiency	-	-	-
	ENERGY				
	302-1 Energy consumption within the organization	Environmental capital > Consumption efficiency	-	-	-
	302-3 Energy intensity	Environmental capital > Consumption efficiency	-	-	-
	WATER AND EFFLUENTS				
	303-1 Interactions with water as a shared resource	Environmental capital > Consumption efficiency	-	-	-
	303-2 Management of water discharge-related impacts	Environmental capital > Consumption efficiency	-	-	-
	303-3 Water withdrawal	Environmental capital > Consumption efficiency	-	-	-
	WASTE				
	306-1 Waste generation and significant waste-related impacts	Environmental capital > Waste management	-	-	-
	306-2 Management of significant waste-related impacts	Environmental capital > Waste management	-	-	-
	306-3 Waste generated	Environmental capital > Waste management	-	-	-
	ENVIRONMENTAL ASSESSMENT OF SUPPLIERS				
	308-1 New suppliers that were screened using environmental criteria	Creating value with responsibility > Suppliers	-	-	-

GRI 400 - Social Disclosures

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 400: Social Disclosures	**JOB**				
	401-1 New employee hires and employee turnover	Additional Information	-	-	-
	OCCUPATIONAL HEALTH AND SAFETY				
	403-1 Occupational health and safety management system	Human capital > Well-being, health and safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Human capital > Well-being, health and safety	-	-	-
	403-3 Occupational health services	Human capital > Well-being, health and safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human capital > Well-being, health and safety	-	-	-
	403-5 Worker training on occupational health and safety	Human capital > Well-being, health and safety	-	-	-
	403-6 Promotion of worker health	Human capital > Well-being, health and safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human capital > Well-being, health and safety	-	-	-
	403-9 Work-related injuries	Human capital > Well-being, health and safety Additional Information	-	-	-
	TRAINING AND EDUCATION				
	404-1 Average hours of training per year per employee	Human capital > Training and development Additional Information	-	-	-
	404-3 Percentage of employees receiving regular performance and career development reviews	Human capital > Training and development	-	-	-
	DIVERSITY AND EQUAL OPPORTUNITIES				
	405-1 Diversity of governance bodies and employees	Human capital > Our people Additional Information	-	-	-
	SOCIAL EVALUATION OF SUPPLIERS				
	414-1 New suppliers that were screened using social criteria	Creating value with responsibility > Suppliers	-	-	-

TABLE DL 89/2017

Requirement	Response
BUSINESS MODEL	
DL 89/2017 - Article 3 (Referred to the No. 2 of Art. 508 - G of the CCC) - Directive 2014/95/EU- Art. 19a (1)(a)	
Company Business Model	About Ramada Group > History; Business Areas
DIVERSITY IN GOVERNMENT BODIES	
DL 89/2017 - Article 4 (Referred to the Art. 245 - No. 1 r) and No. 2 of the SMC) - Directive 2014/95/EU - Art. 20 (1)(g)	
Diversity policy applied by the company in relation to its management and supervisory bodies	Creating value with responsibility > Governance and Ethics Human Capital > Our people
ENVIRONMENTAL ISSUES	
DL 89/2017 - No. 2 of Art. 3 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1) (a-e)	
Specific policies related to environmental issues	Environmental capital Creating value with responsibility > Product Liability
Results of policy application	Environmental capital
Main associated risks and how these risks are managed	Environmental capital
Key performance indicators	Ramada Group in 2022 Environmental capital
SOCIAL AND OTHER EMPLOYEE-RELATED ISSUES	
DL 89/2017 - No. 2 of Art. 3 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1) (a-e)	
Specific policies related to social and employees' issues	Creating value with responsibility > Governance and Ethics Human capital
Results of policy application	Human capital
Main associated risks and how these risks are managed	Human capital
Key performance indicators	Ramada Group in 2022 Human capital Additional Information
EQUALITY BETWEEN WOMEN AND MEN AND NON-DISCRIMINATION	
No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to issues of equality between women and men and non-discrimination	Creating value with responsibility > Governance and Ethics
Results of policy application	Human capital > Our people > Equal opportunities and diversity
Main associated risks and how these risks are managed	Human capital > Our people > Equal opportunities and diversity
Key performance indicators	Ramada Group in 2022 Human capital > Our people > Equal opportunities and diversity Additional Information
RESPECT FOR HUMAN RIGHTS	
No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to respect for Human Rights	Creating value with responsibility > Governance and Ethics
Results of policy application	Creating value with responsibility > Governance and Ethics Human capital
Main associated risks and how these risks are managed	Creating value with responsibility > Governance and Ethics Human capital
FIGHTING CORRUPTION AND BRIBERY ATTEMPTS	
No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to combating corruption and bribery attempts	Creating value with responsibility > Governance and Ethics

Results of the application of policies	Creating value with responsibility > Governance and Ethics
Main associated risks and how these risks are managed	Creating value with responsibility > Governance and Ethics

RAMADA INVESTIMENTOS E INDÚSTRIA

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 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2022	31.12.2021
NON-CURRENT ASSETS:			
Investment properties	10	88,818,380	88,687,130
Property, plant and equipment	11	23,725,084	20,523,929
Intangible assets	13	11,333	—
Right-of-use assets	12	669,613	489,321
Goodwill	8	—	—
Investments in associates	6	5,231,294	4,839,788
Other investments	7	—	—
Other financial assets		29,410	23,221
Other receivables	19	—	—
Other non-current assets	14	1,250,324	1,399,771
Deferred tax assets	15	2,090,652	3,740,880
Total non-current assets		121,826,090	119,704,040
CURRENT ASSETS:			
Inventories	16	35,186,240	29,302,877
Trade receivables	17	49,385,336	47,657,107
Other receivables	19	4,238,452	3,718,961
Income tax	18	—	—
Other current assets		39,308	106,087
Cash and cash equivalents	20	28,545,215	54,558,017
Total current assets		117,394,551	135,343,049
Total assets		239,220,641	255,047,089

EQUITY AND LIABILITIES	Notes	31.12.2022	31.12.2021
EQUITY:			
Share capital		25,641,459	25,641,459
Legal reserve		7,193,058	7,193,058
Other reserves		81,252,383	81,604,458
Consolidated net profit for the period		20,033,547	15,088,651
Total equity attributable to Equity holders of the parent	21	134,120,447	129,527,626
Non-controlling interests	22	—	—
Total equity		134,120,447	129,527,626
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	23	25,487,401	31,487,401
Other loans	23	612,651	868,079
Lease Liabilities	12	414,409	286,125
Provisions	27	2,160,000	2,160,000
Deferred tax liabilities	15	914,355	915,794
Total non-current liabilities		29,588,816	35,717,399
CURRENT LIABILITIES:			
Bank loans	23	6,000,000	6,000,000
Other loans	23	21,997,988	27,309,887
Lease Liabilities	12	255,205	203,196
Trade payables	24	34,292,135	43,474,569
Other payables	25	5,530,780	4,823,147
Income tax	18	2,358,292	2,547,460
Other current liabilities	26	5,076,978	5,443,805
Total current liabilities		75,511,378	89,802,064
Total liabilities		105,100,194	125,519,463
Total liabilities and equity		239,220,641	255,047,089

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2022	31.12.2021
Sales and services rendered	36	193,690,105	142,781,540
Other income	28	789,834	2,128,198
Cost of sales and variation in production	16	(117,091,789)	(86,964,528)
External supplies and services	29	(27,581,185)	(19,702,638)
Payroll expenses	30	(15,018,304)	(13,834,119)
Amortisation and depreciation	31	(3,337,335)	(3,221,049)
Provisions and impairment losses	27	(2,473,417)	(1,543,798)
Other expenses	32	(3,137,189)	(713,939)
Results related to investments	6	391,505	285,053
Financial expenses	33	(1,708,878)	(965,218)
Financial income	33	498,276	83,539
Profit before income tax		**25,021,623**	**18,333,041**
Income tax	15	(4,988,076)	(3,244,390)
Consolidated net profit for the period		**20,033,547**	**15,088,651**
Attributable to:			
Equity holders of the parent		20,033,547	15,088,651
Non-controlling interests		—	—
Earnings per share:			
Basic	35	0.78	0.59
Diluted	35	0.78	0.59

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 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2022	31.12.2021
Consolidated net income for the period		**20,033,547**	**15,088,651**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Changes in pension liabilities - gross amount	14	(55,851)	74,177
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		**(55,851)**	**74,177**
Total consolidated comprehensive income for the period		**19,977,696**	**15,162,828**
Attributable to:			
Equity holders of the parent		19,977,696	15,162,828
Non-controlling interests		—	—

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDUSTRIA, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

		Attributable to Equity holders of the parent						
	Notes	Share capital	Legal reserve	Other reserves	Net profit for the period	Total	Non-controlling interests	Total Equity
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**
Balance as at 1 January 2022		25,641,459	7,193,058	81,604,458	15,088,651	129,527,626	—	129,527,626
Total consolidated comprehensive income for the period		—	—	(55,851)	20,033,547	19,977,696	—	19,977,696
Appropriation of consolidated result for 2021:								
Transfer to the legal reserve and other reserves		—	—	15,088,651	(15,088,651)	—	—	—
Distribution of dividends				(15,384,875)		(15,384,875)	—	(15,384,875)
Others						—	—	—
Balance as at 31 December 2022	**21**	**25,641,459**	**7,193,058**	**81,252,383**	**20,033,547**	**134,120,447**	**—**	**134,120,447**

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 41)
(Amounts expressed in Euros)

	Notes	31.12.2022		31.12.2021	
Operational activities:					
Receipts from costumers		215,687,565		155,179,953	
Payments to suppliers		(178,835,951)		(110,693,581)	
Payroll expenses		(8,309,130)		(7,253,649)	
Paid/Received corporate income tax		(1,128,863)		(2,084,740)	
Other receipts/payments relating to operating activities		(27,236,300)	177,321	(13,485,583)	21,662,400
Cash flows generated by operating activities (1)			177,321		21,662,400
Investment activities:					
Receipts arising from:					
Property, plant and equipment		85,381		335,591	
Investment properties		10,500		—	
Investments	6	—		—	
Investment grants		—		—	
Interest and similar income		7,513	103,394	6,118	341,709
Payments relating to:					
Investments	6.3 and 7	(781,812)		—	
Intangible assets		—		(1,497)	
Property, plant and equipment		(4,347,366)		(5,405,330)	
Investment properties		(141,750)		—	
Loans granted		—	(5,270,928)	—	(5,406,827)
Cash flows generated from investment activities (2)			(5,167,534)		(5,065,118)
Financing activities:					
Receipts arising from:					
Other financing transactions		—		—	
Loans obtained		179,589,085	179,589,085	134,616,713	134,616,713
Payments relating to:					
Interest and similar expenses		(724,856)		(888,573)	
Dividends	21	(15,384,875)		(15,384,875)	
Lease Liabilities		(309,993)		(261,134)	
Loans obtained		(187,934,512)	(204,354,236)	(133,097,024)	(149,631,606)
Cash flows generated from financing activities (3)			(24,765,151)		(15,014,893)
Cash and cash equivalents at the beginning of the period	20		**54,558,017**		**52,975,628**
Cash and cash equivalents variation: (1)+(2)+(3)			(29,755,364)		1,582,389
Cash and cash equivalents at the end of the period	20		24,802,653		54,558,017

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 6 April 2023. 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 2022. 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.

In addition, for financial reporting purposes, fair-value measurement is categorized in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(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 2022:

(amounts expressed in Euro)

Standard / Interpretation	Applicable in the European Union in the financial years begun on 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.

(amounts expressed in Euro)

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. Thus, in the scope of derecognition tests performed 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 in paragraph 22 of IAS 41 to exclude cash flows related to income taxes from the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13.

There were no significant effects on the Group's financial statements for the year ended December 31, 2022, 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	
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17	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.

(amounts expressed in Euro)

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.
Amendments to IAS 1 - Disclosure 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.
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 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	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. Thus, 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.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2022, 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-24	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.
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment specifies the requirements regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sale" under the principles of IFRS 15, with a focus on variable lease payments that do not depend on an index or rate. On subsequent measurement, seller-lessees should determine "lease payments" and "revised lease payments" In subsequently measuring lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" in a manner that does not recognize any gain or loss related to the retained right-of-use. The application of these requirements does not prevent the seller-lessee from recognizing, in the income statement, any gain or loss related to the partial or total "sale" as required by paragraph 46(a) of IFRS 16. This amendment is of retrospective application.

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, 2022.

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 loss.

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.

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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) and transferred as a result of the spin-off (Introductory Note) 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 depreciation 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, depreciation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Depreciation 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 depreciated 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

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.

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 2022 and 2021.

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.

<u>Derecognition of financial assets</u>

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:

<u>Fair value hedge</u>
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.

<u>Cash flow hedge</u>
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.

The Group is exposed to exchange rate risk in transactions relating to the purchase of raw materials and the sale of finished products in international markets in currencies other than the Euro.

Whenever the Board of Directors considers necessary to reduce the volatility of its results to the variability of exchange rates, exposure is controlled through a program of foreign exchange forward purchases or other exchange rate derivative instruments. The Board of Directors believes that any changes in the exchange rate would not have had a significant effect on the financial statements as of December 31, 2022.

During 2022 and 2021, 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.

Debts to suppliers and other third parties are recorded at their nominal value and not at amortized cost, since the discount effect is considered immaterial.

The Group contracts confirming operations with financial institutions, which are classified as reverse factoring agreements. The Group does not use these contracts as a way to manage its liquidity needs since the payment of the invoices remains on the maturity date of the invoices; on this date, the Group pays the financial institutions the amounts advanced.

Consequently, and taking into consideration that these contracts do not originate a net financial expense for the Group, the amounts of the invoices advanced to the suppliers that adhere to these contracts are maintained in liabilities under "Trade payables". The liability is only derecognized when the underlying obligations are extinguished by payment, are cancelled or expire."

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 2022 and 2021.

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 is 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 consolidated 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 2022 and 2021.

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 consolidated 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 36.

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 consolidated statement of financial position 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 consolidated 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.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

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 consolidated statements 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 2022 and 2021.

Therefore, in the years ended 31 December 2022 and 2021, 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:

	31.12.2022	31.12.2021
Interest expenses (Note 33)	1,164,455	826,205
Positive change of 100 basis points in the interest rate applied to the entire debt	254,000	105,000
Negative change of 100 basis points in the interest rate applied to the entire debt	254,000	105,000

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 2022 and 2021, 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 2022, the amount of consolidated loans maturing in 2023 is EUR 28 million, and at 31 December 2022 the Group had consolidated credit lines contracted and not used in the amount of EUR 43 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.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

As at 31 December 2022 and 2021, the Ramada Group has a 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 2022 and 2021 are detailed as follows:

		Effective held percentage		
Company	**Registered**	31.12.2022	31.12.2021	**Main activity**
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%	100%	Management of electric energy production and sale facilities
Ramada Solar, Unipessoal, Lda.	Ovar	100%	100%	Management of electric energy production and sale facilities

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.

(amounts expressed in Euro)

6.2. Investments in associates

As at 31 December 2022 and 2021, the item 'Investments in associates' can be detailed as follows:

		31 December 2022				
Company	% Held	Opening balance	Transfers	Additions	Reductions	Closing balance
Fisio Share – Gestão de Clínicas, S.A	39.71%	4,839,788		391,505		5,231,294
		4,839,788	—	391,505	—	5,231,294

		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
		4,554,735	—	285,053	—	4,839,788

As at 31 December, 2022, 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, 2022, according to its financial statements available at that date, can be summarized as follows:

	31 December 2022 (non audited)			31 December 2021		
Associate company	Total Assets	Total Equity	Net profit	Total Assets	Total Equity	Net profit
Fisio Share - Gestão de Clínicas, S.A.	15,174,338	13,112,121	985,910	16,529,195	11,253,043	689,111

(amounts expressed in Euro)

7. Other investments

As at 31 December 2022 and 2021, the value of 'Other investments' and the corresponding impairment losses is detailed as follows:

	31.12.2022	31.12.2021
Gross value		
Opening balance	4,967,633	4,967,633
Additions	781,812	—
Closing Balance	5,749,445	4,967,633
Accumulated impairment losses (Note 27)		
Opening balance	(4,967,633)	(4,967,633)
Additions	(781,812)	—
Closing Balance	(5,749,445)	(4,967,633)
Net value	—	—

As at 31 December 2022 and 2021, 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 that 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 2022 and 2021, payments related to investments are detailed as follows:

	31.12.2022	31.12.2021
Other investments - CEV	781,812	—
	781,812	—

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).

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The Group proceeded a comparison of the valuation resulting from such an analysis 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 2022	Financial assets recorded at amortised cost	**Total**
Non-current assets		
Other receivables (Note 19)	—	—
	—	—
Current assets		
Trade receivables	49,385,336	49,385,336
Other receivables (Note 19)	1,084,027	1,084,027
Other current assets	39,308	39,308
Cash and cash equivalents	24,802,654	24,802,654
	75,311,325	75,311,325
	75,311,325	75,311,325

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
	102,616,669	102,616,669
	102,616,669	102,616,669

(amounts expressed in Euro)

9.2. Financial liabilities

31 December 2022	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Bank loans	25,487,401	25,487,401
Other loans	612,651	612,651
Lease Liabilities	414,409	414,409
	26,514,461	26,514,461
Current liabilities		
Bank loans	6,000,000	6,000,000
Other loans	21,997,988	21,997,988
Lease Liabilities	255,205	255,205
Trade payables	34,292,135	34,292,135
Other payables (Note 25)	3,082,208	3,082,208
Other current liabilities (Note 26)	4,929,789	4,929,789
	70,557,325	70,557,325
	97,071,786	97,071,786

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
	32,641,605	32,641,605
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	4,849,782
	82,595,492	82,595,492
	115,237,097	115,237,097

The value of financial liabilities recorded at amortised cost is close to their fair value.

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10. INVESTMENT PROPERTIES

The movements occurred in this item in the periods ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Gross opening balance	89,787,130	89,787,130
Acquisitions	141,750	—
Disposals	(10,500)	—
Gross closing balance	89,918,380	89,787,130
Impairment Losses (Note 27)	(1,100,000)	(1,100,000)
Closing balance	88,818,380	88,687,130

The lands are leased and, during the year ended 31 December 2022, generated income from rents in the amount of approximately EUR 6,800,000 (approximately EUR 6,800,000 in 2021).

Most of the investment properties held by the Ramada Group are lands leased to a related party (Note 34) 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 7.2 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 48 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 2022, 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.

(amounts expressed in Euro)

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 135 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 2022 and 2021, 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:

	2022								
	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	21,067,841	49,580,828	3,997,871	1,649,148	5,188,663	265,449	696,583	88,292,014
Additions	319,500	1,278,000	33,146	156,231	—	68,990	—	4,448,591	6,304,458
Disposals	—	—	(836,391)	(565,835)	—	(678,432)	—	—	(2,080,658)
Transfers and Write-offs	—	—	2,729,859	48,636	9,680	—	540,000	(3,328,175)	—
Closing balance	6,165,131	22,345,841	51,507,442	3,636,903	1,658,828	4,579,221	805,449	1,816,999	92,515,814

	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	—	16,461,250	41,074,001	3,428,659	1,502,287	5,033,187	110,604	158,097	67,768,085
Additions	—	370,852	2,332,629	194,960	32,002	58,540	98,090	—	3,087,073
Disposals	—	—	(831,667)	(554,329)	—	(678,432)	—	—	(2,064,428)
Transfers and Write-offs	—	—	—	—	—	—	—	—	—
Closing balance	—	16,832,102	42,574,963	3,069,290	1,534,289	4,413,295	208,694	158,097	68,790,730
	6,165,131	5,513,739	8,932,479	567,613	124,539	165,926	596,755	1,658,902	23,725,084

(amounts expressed in Euro)

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	5,845,631	21,067,841	49,580,828	3,997,871	1,649,148	5,188,663	265,449	696,583	88,292,014
	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	—	16,461,250	41,074,001	3,428,659	1,502,287	5,033,187	110,604	158,097	67,768,085
	5,845,631	4,606,591	8,506,827	569,212	146,861	155,476	154,845	538,486	20,523,929

The additions for the years ended 31 December 2022 and 2021 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 and the acquisition of the premises in Vieira de Leiria where the Ramada Group's subsidiary Planfuro Global, S.A. carries out its activities.

(amounts expressed in Euro)

12. RIGHT-OF-USE ASSETS

During the period ended on 31 December 2022 and 2021, the movement that occurred in the value of right-of-use assets, as well as the corresponding amortisation, was detailed as follows:

	2022	
	Asset gross value	
	Vehicles	Total
Opening balance as at 1 January	1,726,013	1,726,013
Additions	470,368	470,368
Reclassifications	—	—
Reductions	(45,479)	(45,479)
Closing balance	2,150,902	2,150,902
	Accumulated amortisation	
	Vehicles	Total
Opening balance as at 1 January	1,236,692	1,236,692
Additions	244,597	244,597
Reclassifications	—	—
Reductions	—	—
Closing balance	1,481,289	1,481,289
	669,613	669,613

(amounts expressed in Euro)

	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	1,726,013	1,726,013
	Accumulated amortisation	
	Vehicles	Total
Opening balance as at 1 January	990,463	990,463
Additions	246,229	246,229
Reclassifications	—	—
Reductions	—	—
Closing balance	1,236,692	1,236,692
	489,321	489,321

The item 'Vehicles' refers to contracts for the lease of vehicles for periods of 4 to 5 years.

During the period ended 31 December 2022 and 2021, the movement that occurred in the value of lease liabilities was detailed as follows:

	31.12.2022	31.12.2021
Opening balance as at 1 January	489,321	538,756
Additions	470,368	196,793
Accrued interest	19,917	14,906
Payments	(309,993)	(261,134)
Closing balance as at 31 December	669,613	489,321
Current	255,205	203,196
Non-current	414,409	286,125

In addition, the following amounts were recognised in 2022 and 2021 as expenses related to right-of-use assets:

	31.12.2022	31.12.2021
Depreciation of right-of-use assets	244,597	246,229
Interest expenses related to lease liabilities	19,917	14,906
Total amount recognised in results	**264,514**	**261,135**

(amounts expressed in Euro)

The maturity of the lease liabilities is as follows:

	31.12.2022					
	2023	2024	2025	2026	>2026	Total
Lease Liabilities	255,205	188,860	132,397	81,673	11,479	669,614
	255,205	188,860	132,397	81,673	11,479	669,614

	31.12.2021					
	2022	2023	2024	2025	>2025	Total
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

13. INTANGIBLE ASSETS

During the periods ended 31 December 2022 and 2021, the movements that occurred in the value of intangible assets, as well as the corresponding depreciation and accumulated impairment losses were as follows:

	2022		
	Asset gross value		
	Software	Projects in development	Total
Opening balance	512,559	—	512,559
Additions	16,999	—	16,999
Disposals and Write-offs	—	—	—
Closing balance	529,558	—	529,558
	Amortisation and accumulated impairment losses		
	Software	Projects in development	Total
Opening balance	512,559	—	512,559
Additions	5,666	—	5,666
Disposals and Write-offs	—	—	—
Closing balance	518,225	—	518,225
	11,333	—	11,333

(amounts expressed in Euro)

	2021		
	Asset gross value		
	Software	Projects in development	Total
Opening balance	512,559	—	512,559
Additions	—	—	—
Disposals and Write-offs	—	—	—
Closing balance	512,559	—	512,559
	Amortisation and accumulated impairment losses		
	Software	Projects in development	Total
Opening balance	501,426	—	501,426
Additions	11,133	—	11,133
Disposals and Write-offs	—	—	—
Closing balance	512,559	—	512,559
	—	—	—

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% x N x 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, 2022, there were 22 participants (22 participants as at 31 December, 2021);

(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:

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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, 2022, there were 155 participants (158 participants as at 31 December, 2021).

The financing level determined by the entity that manages the 'Socitrel Pension Fund' as at 31 December, 2022 and 2021 is shown below:

	2022	2021
1 - Total liabilities for past services:		
Assets		
Retired employees and pensioners	245,469	334,628
	245,469	**334,628**
2 - Fund Value	1,495,793	1,734,399

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 2022 and 2021 in the difference between the value of the Pension Fund and the current value of Liabilities for Past Services were detailed as follows:

	31.12.2022	31.12.2021
Excess coverage - Opening balance	1,399,771	1,323,213
Amounts recognised in the income statement:		
Interest income	8,772	2,995
Income gain/Cost of interest	(1,633)	(614)
	7,139	2,381
Amounts recognised directly as comprehensive income:		
Actuarial variations	(55,851)	74,177
Contribution allocated during the year	(100,735)	—
Excess coverage - Closing balance	1,250,324	1,399,771

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 2022 were determined based on the following assumptions:

(i) 'Projected Unit Credit' calculation method;
(ii) Mortality Tables TV 88/90;
(iii) Discount rate 3.11%;
(iv) Pension growth rate 1.5%.

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%.

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, 2022 of approximately EUR 10,000 (EUR 18,200 as at 31 December, 2021).

As at 31 December, 2022, the Socitrel Pension Fund was detailed as follows:

(i) 26.8 % shares;
(ii) 48.2 % fixed-rate bonds;
(iii) 17.4 % variable-rate bonds; and
(iv) 7.6 % Liquidity and other assets.

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.

(amounts expressed in Euro)

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 2018 to 2022 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 2022 and 2021 were detailed as follows:

	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Balance as at 1 January	3,740,880	915,794	3,702,248	917,311
Effect on the income statement	(1,650,228)	(1,439)	(101,646)	(1,517)
Effect on the income statement - tax benefits	—	—	140,278	—
Balance as at 31 December	2,090,652	914,355	3,740,880	915,794

Deferred taxes detailed according to the temporary differences that generated them are as follows:

	2022		2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and impairment losses not accepted for tax purposes	1,613,807	—	1,647,870	—
Tax losses carried forward	—	—	689,045	—
Investment Tax Benefit	—	—	788,232	—
Extraordinary Fixed Asset Revaluation	299,034	—	400,122	—
Depreciation not accepted as tax cost	—	6,071	—	7,510
Tax benefits	29,400	—	67,200	—
Fair value adjustments in business combinations	148,411	908,284	148,411	908,284
	2,090,652	914,355	3,740,880	915,794

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, deferred tax assets in the amount of EUR 1,477,000 (amount fully used as of December 31, 2022) were recorded in relation to reportable tax losses and Investment Tax Benefits.

As at 31 December, 2022, Socitrel had reportable tax losses in the amount of approximately EUR 19.4 million, which were generated in 2015 with a reporting period of 14 years for those generated in 2015 and 2016, i.e., until 2029. 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.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

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 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Income tax for the period:		
Current tax	3,339,286	3,403,511
Under/(over) Income tax estimates	—	(58,992)
	3,339,286	3,344,519
Deferred tax	1,648,789	(100,129)
	4,988,076	3,244,390

Income before tax and income for the financial year are reconciled as follows:

	31.12.2022	31.12.2021
Profit before income tax	25,021,623	18,333,041
Tax rate	21%	21%
	5,254,541	3,849,939
Municipal surcharge	350,694	101,060
State surcharge	501,703	357,581
Autonomous taxes	131,827	105,304
Under/(over) Income tax estimates	—	(58,991)
Tax Benefits	(1,410,065)	(289,053)
Tax losses utilization	—	(699,622)
Others	159,376	(121,828)
Income tax	4,988,076	3,244,390

16. INVENTORIES

As at 31 December 2022 and 2021, the amount recorded under the line 'Inventories' is detailed as follows:

	31.12.2022	31.12.2021
Goods	339,940	334,010
Raw materials, subsidiaries and consumables	33,808,522	27,438,184
Finished products and intermediate goods	3,910,649	3,610,923
Products and works in progress	983,357	980,502
	39,042,468	32,363,619
Accumulated impairment losses (Note 27)	(3,856,228)	(3,060,742)
	35,186,240	29,302,877

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The amounts recorded in inventories for accumulated impairment losses as at 31 December, 2022 and 2021 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 2022 and 2021 was detailed as follows:

31 December 2022	Raw materials, consumables, goods and other inventories	Finished and intermediate products and work in progress	Total
Opening balance	27,772,194	4,591,425	32,363,619
Purchases and regularisations	123,738,297	32,341	123,770,638
Closing balance	(34,148,462)	(4,894,006)	(39,042,468)
Cost of sales and variation in production	117,362,029	(270,240)	117,091,789

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

17. TRADE RECEIVABLES

As at 31 December 2022 and 2021, this item is detailed as follows:

	31.12.2022	31.12.2021
Trade receivables - Gross Value	57,365,685	54,741,432
Impairment Losses (Note 27)	(7,980,349)	(7,084,325)
Closing balance	49,385,336	47,657,107

(amounts expressed in Euro)

The aging schedule of customer balances receivable can be analysed as follows:

	31 December 2022					
	Gross Value			Net Value		
	Industry	Real estate	Total	Industry	Real estate	Total
Not due	33,733,376	6,891,562	40,624,938	32,554,442	6,891,562	39,446,004
Due						
0 - 180 days	12,110,050	—	12,110,050	9,920,626	—	9,920,626
+ 180 days	4,630,699	—	4,630,699	18,705	—	18,705
	50,474,125	6,891,562	57,365,687	42,493,773	6,891,562	49,385,336

	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
	47,968,068	6,773,364	54,741,432	40,883,743	6,773,364	47,657,107

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, 2022, 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.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

18. STATE AND OTHER PUBLIC ENTITIES

As at 31 December 2022 and 2021, these asset and liability items were detailed as follows:

	31.12.2022	31.12.2021
Debit balances		
VAT - Value Added Tax	53,269	2,699,315
Total other taxes (Note 19)	53,269	2,699,315
Credit balances		
Income tax	2,358,292	2,547,460
Total income tax	2,358,292	2,547,460
Credit balances		
VAT - Value Added Tax	1,926,117	3,481,356
Social security contributions	287,397	259,632
Personal Income Tax	381,946	323,448
Other Taxes	304	653
Total other taxes (Note 25)	2,595,764	4,065,089

19. OTHER RECEIVABLES

As at 31 December 2022 and 2021, this line item was detailed as follows:

	31.12.2022	31.12.2021
Other non-current debtors	—	—
Advance payments to suppliers	3,101,157	724,168
Receivables from the State and other public entities (Note 18)	53,269	2,699,315
Other current debtors	1,084,026	295,458
	4,238,452	3,718,941
Accumulated impairment Losses		—
	4,238,452	3,718,941

At December 31, 2022 the variation in "Other current debtors" is due essentially to accrued income associated with liquidated VAT on goods that were in customs at the end of the year that will be fully deducted in subsequent periodic declarations, as a result of the Group's increase in stock and orders compared to the comparative period.

Additionally, we have that the variation felt in the item "Advance payments to suppliers" is due to the most recent macroeconomic environment in the last half of the period ended December 31, 2022, as an effect of demand, various advances to suppliers were made in order to ensure full supply/stock supply to the Group's operating components.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

20. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 2021, the item 'Cash and cash equivalents' was detailed as follows:

	31.12.2022	31.12.2021
Cash	39,604	15,864
Bank deposits	28,505,611	54,542,153
	28,545,215	54,558,017
Bank overdrafts (Note 23)	(3,742,561)	—
Cash and cash equivalents	24,802,654	54,558,017

21. SHARE CAPITAL AND RESERVES

21.1. Share capital

As at 31 December 2022 and 2021, 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, 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021, the item 'Other reserves and retained earnings' is detailed as follows:

	31.12.2022	31.12.2021
Reserves actuarial changes	(257,458)	(201,607)
Reserve DL 66/2016	1,047,315	1,047,315
Retained earnings	80,462,526	80,758,750
	81,252,383	81,604,458

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 2022, the distributable reserves amount comes to EUR 80 million.

22. NON-CONTROLLING INTERESTS

As of 31 December, 2022 and 2021, there are no balances or movements associated with the item "Non-controlling interests".

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

23. BANK LOANS AND OTHER LOANS

As at 31 December 2022 and 2021, the line items 'Bank loans' and 'Other loans' were detailed as follows:

	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Bank loans	6,000,000	25,487,401	6,000,000	31,487,401
Bank loans	6,000,000	25,487,401	6,000,000	31,487,401
Commercial paper	13,000,000	—	20,500,000	—
Escrow accounts	5,000,000	—	5,000,000	—
Bank overdrafts (Note 20)	3,742,561	—	—	—
Factoring	—	—	1,554,460	—
Investment grants (Note 28)	255,427	612,651	255,427	868,079
Other loans	21,997,988	612,651	27,309,887	868,079
	27,997,988	26,100,052	33,309,887	32,355,480

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 28).

Additionally, during the year, the item "Bank loans and other loans" recorded several movements without cash flow, associated with the settlement of factoring, made directly by customers to the financial entity in question, and which amounts to 6,964,460 Euros.

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:

31.12.2022			31.12.2021		
Maturity	Amount	Estimated Interest[1]	Maturity	Amount	Estimated Interest[1]
Current			**Current**		
2023	27,997,988	979,930	2022	33,309,887	582,923
Non-current			**Non-current**		
2024	6,242,830	863,750	2023	6,255,428	375,574
2025	5,857,222	638,750	2024	6,242,831	290,500
2026	5,500,000	413,750	2025	5,857,222	212,250
2027	3,500,000	215,000	2026	5,500,000	134,000
2028	5,000,000	100,000	2027	3,500,000	67,000
2029	—	—	2028	5,000,000	10,000
2030	—	—	2029	—	—
	26,100,052	2,231,250		32,355,480	1,089,324
	54,098,040	3,211,180		65,665,367	1,672,247

[1] Interest estimated according to the existing contractual conditions, based on the market conditions for 2022 and 2021, respectively.

(amounts expressed in Euro)

The financing lines used by the Group and the corresponding maximum authorised amounts were detailed as follows:

	31 December 2022		31 December 2021	
Maturity	Contracted amount	Used Amount	Contracted amount	Used Amount
Current escrow accounts	18,000,000	5,000,000	18,000,000	5,000,000
Authorised bank overdrafts	16,000,000	3,742,561	16,000,000	—
Factoring	—	—	3,500,000	1,554,460
Commercial paper programs				
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
06/2023	4,000,000	4,000,000	—	—
07/2023	4,000,000	2,000,000	—	—
12/2023	7,500,000	7,000,000	—	—
12/2023	5,000,000	—	—	—
12/2023	10,000,000	—	—	—
	30,500,000	13,000,000	30,500,000	20,500,000

During the years ended 31 December 2022 and 2021, 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 2022 and 2021, the Company did not default on any borrowing. Additionally, as at 31 December 2022, there are no 'covenants' associated with the loans that had been taken out.

Factoring

The Ramada Group had until 2022 a factoring agreement with a credit institution, according to which it could assign accounts receivable up to the limit of EUR 3,500,000.

On the discounted amounts, the Group would pay a 3-month Euribor interest rate plus spread, and as at 31 December, 2022, the used amount was nil (EUR 1,554,460 on 31 December, 2021), given that cancellation of the current contract has been undertaken.

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.

(amounts expressed in Euro)

24. TRADE PAYABLES

As at 31 December 2022 and 2021, this line item was detailed by maturity as follows:

	31.12.2022			31.12.2021		
	Industry	Real estate	Total	Industry	Real estate	Total
0 to 90 days	30,316,955	3,975,180	34,292,135	43,420,493	54,076	43,474,569
	30,316,955	3,975,180	34,292,135	43,420,493	54,076	43,474,569

As at 31 December 2022 and 2021, 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.

On December 31, 2022, the item "Trade payables" also includes the amount of 20,396,429 Euro relative to the balance of suppliers assigned in confirming operations.

25. OTHER PAYABLES

As at 31 December 2022 and 2021, the line item 'Other payables' is detailed as follows:

	31.12.2022	31.12.2021
Current liabilities		
Suppliers of fixed assets	2,766,300	536,192
Payables for investments	17,500	17,500
Payables to the State and other public entities (Note 18)	2,595,764	4,065,089
Other creditors	151,216	204,366
	5,530,780	4,823,147

On December 31, 2022, the variation in the item "Suppliers of fixed assets" is due essentially to the account payable to the former tenant of the facilities where the Group's component Planfuro Global, S.A. operates, since their acquisition occurred in the last quarter of 2022 in the amounts of, approximately, 1,100,000 Euro.

As at 31 December 2022 and 2021, 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 2022 and 2021, the line item 'Other current liabilities' is detailed as follows:

	31.12.2022	31.12.2021
Accrued expenses:		
Wages and salaries payable, bonuses and other payroll expenses	3,008,676	2,877,972
Other accrued expenses	1,851,631	1,971,810
Deferred income	216,671	594,023
	5,076,978	5,443,805

(amounts expressed in Euro)

27. PROVISIONS AND IMPAIRMENT LOSSES

The movements occurring under provisions and impairment losses during the periods ended 31 December 2022 and 2021 are detailed as follows:

2022	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	2,160,000	7,084,325	3,060,742	4,967,633	1,245,520	1,100,000	19,618,220
Increases	—	896,118	795,486	781,812	—	—	2,473,416
Reversals	—	—	—	—	—	—	—
Utilisations	—	(92)	—	—	—	—	(92)
Closing balance	2,160,000	7,980,350	3,856,229	5,749,445	1,245,520	1,100,000	22,091,544

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	2,310,741	4,967,633	1,245,520	1,100,000	18,074,422
Increases	1,500,000	292,493	750,000	—	—	—	2,542,493
Reversals	—	(998,695)	—	—	—	—	(998,695)
Utilisations	—	—	—	—	—	—	—
Closing balance	2,160,000	7,084,325	3,060,742	4,967,633	1,245,520	1,100,000	19,618,220

As at 31 December 2022 and 2021, the reconciliation between the amounts recognised in the items of the consolidated statement of financial position and consolidated income statement related to provisions and impairment losses is detailed as follows:

2022	Impairment losses on accounts receivable	Impairment losses in inventories	Impairment losses in investments	Total
Provisions and impairment losses	896,118	795,486	781,812	2,473,416
Net profit	896,118	795,486	781,812	2,473,416

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

The caption "Provisions" as of 31 December 2022 and 2021 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).

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

The Board of Directors believes, based on the opinion of its legal and tax advisors, that as at 31 December, 2022, 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, 2022, other than those that support the amounts that have been recorded.

28. OTHER INCOME

As at 31 December 2022 and 2021, the line item 'Other income' was detailed as follows:

	31.12.2022	31.12.2021
Supplementary income	282,711	123,628
Recovery of amounts charged to customers	145,704	16,781
Gains on the sale of non-financial investments	137,794	314,080
Operating subsidies	10,963	7,401
Cash payment discounts obtained	9,969	8,133
Other income (Note 23)	202,693	1,658,175
	789,834	2,128,198

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 and 31.12.2022, amounting to approximately 1,380,000 Euros and 56,000 Euros, respectively, was recognized as income for the year, under the item "Other income".

29. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2022 and 2021, the line item 'External supplies and services' is detailed as follows:

	31.12.2022	31.12.2021
Subcontracts and specialised work	3,894,386	2,865,013
Maintenance and repair	3,506,292	2,578,135
Fast-wearing tools and utensils	989,327	902,912
Electricity	5,596,737	4,232,531
Fuels and other fluids	1,892,317	1,092,978
Travel and accommodation	558,307	343,552
Transport of goods	6,845,303	4,555,019
Rents	458,252	480,987
Insurance	835,115	728,323
Other miscellaneous services	3,005,149	1,923,188
	27,581,185	19,702,638

As at 31 December 2022 and 2021, the costs recorded in item 'Subcontracts and specialised work' are mainly related to the contracting of heat treatment and machining services.

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

30. PAYROLL EXPENSES

As at 31 December 2022 and 2021, the line item 'Payroll Expenses' is detailed as follows:

	31.12.2022	31.12.2021
Remunerations	10,040,800	9,698,968
Indemnities	—	30,000
Social security contributions	2,350,564	2,010,792
Insurance expenses	215,521	210,381
Social cost	256,018	158,411
Other payroll expenses	2,155,401	1,725,567
	15,018,304	13,834,119

AVERAGE STAFF

During the periods ended 31 December 2022 and 2021, the average number of employees working for the Ramada Group was 492 and 487, respectively.

31. AMORTISATION AND DEPRECIATION

The income statement line item 'Amortisation and depreciation' regarding periods ended 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Property, plant and equipment (Note 11)	3,087,072	2,963,688
Right-of-use asset (Note 12)	244,597	246,229
Intangible assets (Note 13)	5,666	11,133
	3,337,335	3,221,049

32. OTHER EXPENSES

As at 31 December 2022 and 2021, the line item 'Other expenses' is detailed as follows:

	31.12.2022	31.12.2021
Taxes and fees	272,055	221,292
Other expenses and bank commissions	138,229	197,046
Donations and contributions	31,424	31,973
Cash payment discounts granted	28,120	16,243
Other expenses	2,667,361	247,385
	3,137,189	713,939

On December 31, 2022, the expenses recorded under the caption "Other expenses" include the recognition of an indemnity for the early termination of a forest land lease contract in the amount of, approximately, 2.6 million Euros (Note 34).

(amounts expressed in Euro)

33. FINANCIAL RESULTS

The financial results for the years ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Financial Expenses:		
Interest expenses	1,164,455	826,205
Other financial expenses and losses	544,423	139,013
	1,708,878	965,218
Financial Income:		
Interest income	866	5,846
Other financial income and gains	497,410	77,693
	498,276	83,539

All interest paid recorded in the financial statements for the years ended 31 December 2022 and 2021 is related to loans obtained.

Most of the interest income recorded in the financial statements for the years ended 31 December 2022 and 2021 results from investments made during the year.

34. RELATED PARTIES

34.1. 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 2022 and 2021, balances with related parties are detailed as follows:

	31 December 2022		31 December 2021	
Related entities	Trade receivables and Other receivables	Trade payables and other payables	Trade receivables and Other receivables	Trade payables and other payables
Other related parties	6,949,651	4,113,623	6,808,945	129,514

(amounts expressed in Euro)

Transactions that occurred in the periods ended 31 December 2022 and 2021 can be presented as follows:

	31 December 2022			31 December 2021	
Related entities	Sales and services rendered	Other expenses	External supplies and services	Sales and services rendered	External supplies and services
Other related parties	7,121,108	2,688,129	130,294	6,870,493	284,514

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 contracts of forest land leases 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 2022 and 2021, 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).

34.2. 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 2022 and 2021, amounted to EUR 551,000, and only include the fixed remuneration component. Remunerations in the 2022 and 2021 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 2022 and 2021, 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 2022 and 2021, 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.

(amounts expressed in Euro)

35. EARNINGS PER SHARE

Earnings per share for the period were calculated based on the following amounts:

	31.12.2022	31.12.2021
Result for calculating basic and diluted earnings per share	20,033,547	15,088,651
Weighted average number of shares for calculating net income per share	25,641,459	25,641,459
Earnings per share		
Basic	0.78	0.59
Diluted	0.78	0.59

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.

36. 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.

(amounts expressed in Euro)

	31 December 2022			
	Industry	Real estate	Intragroup eliminations	Total
Total assets	144,143,221	105,550,569	(10,473,149)	239,220,641
Total liabilities	57,791,451	57,781,894	(10,473,149)	105,100,196
Investments made in the period (a)	4,723,957	1,739,250	—	6,463,207
Sales and services rendered and other income from operations with external customers	186,653,725	7,826,214	—	194,479,939
Sales and services rendered and other income from operations with other segments	470,000	1,234,809	(1,704,809)	—
EBITDA (b)	25,539,411	3,638,644	—	29,178,055
Amortisation and depreciation	(2,989,086)	(348,249)	—	(3,337,335)
EBIT (c)	22,550,325	3,290,395	—	25,840,720
Financial income	645,348	644	(147,716)	498,276
Financial expenses	(1,407,979)	(448,615)	147,716	(1,708,878)
Results related to investments	391,505	—	—	391,505
Income before tax	22,179,199	2,842,424	—	25,021,623
Income tax	(4,305,031)	(683,045)	—	(4,988,076)
Consolidated net profit for the period	17,874,168	2,159,379	—	20,033,547

	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	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

(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:

Consolidated Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

	31 December 2022			31 December 2021		
	Domestic Market	Foreign Market	Total	Domestic Market	Foreign Market	Total
Sales and Services Rendered	123,873,216	62,026,673	185,899,889	89,202,771	46,119,014	135,321,785
Rents	7,790,216	—	7,790,216	7,459,755	—	7,459,755
	131,663,432	62,026,673	193,690,105	96,662,526	46,119,014	142,781,540

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.

37. CONTINGENT LIABILITIES AND GUARANTEES

As at 31 December 2022 and 2021, 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 in 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 materially 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 shareholdes will be imputed to its former shareholder, if the liabilities have not been provisioned in Socitrel's accounting records.

38. APPROPRIATION OF NET PROFIT

Regarding the year 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.

(amounts expressed in Euro)

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).

Regarding the year 2022, 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 24,329,205 should be distributed as follows:

Dividends	21,025,996
Free reserves	3,303,209

The distribution of profits for the year as proposed herein will entail the payment of a gross dividend of 0.82 Euro per share.

39. STATUTORY AUDITOR'S FEES

The total fees incurred by the Ramada Group regarding services provided by companies in the universe Deloitte & Associados, SROC, S.A. in 2022 and 2021 have reached to 314,100 Euros and 131,000 Euros, respectively, and refer to auditing services and legal review of the accounts, which include, in 2022 and 2021, the amount of 177,000 Euros and 45,000 Euros, respectively, for reliability assurance and other services.

40. SUBSEQUENT EVENTS

In almost all of Ramada Group's business sectors, the last few months of 2022 saw a cooling of the market.

Inflation, war and the construction crisis in China began to have an effect on the release of new projects. The final discussion of the European Union's position on the new Euro 7 standard and the emissions regulatory framework for the automotive industry, is a subject under consideration by manufacturers who are waiting for these indicators to understand how to act and how the market will evolve.

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 2022 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

RAMADA INVESTIMENTOS E INDÚSTRIA

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.

STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

ASSETS	Notes	31.12.2022	31.12.2021
NON-CURRENT ASSETS:			
Property, plant and equipment		36,974	57,067
Right-of-use assets	7	110,454	181,602
Investments in subsidiaries and associates	8	109,790,553	70,086,971
Other investments	9	—	—
Total non-current assets		109,937,981	70,325,640
CURRENT ASSETS:			
Trade receivables	10	438,401	508,252
Other receivables	12	13,205,301	3,718,248
Other current assets		43,651	3,160
Cash and cash equivalents	13	11,300,154	36,218,530
Total current assets		24,987,507	40,448,190
Total assets		134,925,488	110,773,830

EQUITY AND LIABILITIES	Notes	31.12.2022	31.12.2021
EQUITY:			
Share capital		25,641,459	25,641,459
Legal reserve		5,128,292	5,128,292
Other reserves		44,026,511	49,243,627
Net profit for the period		24,329,205	10,167,760
Total equity	14	99,125,467	90,181,138
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Bank loans	15	6,000,000	8,000,000
Lease liabilities	7	6,522	134,659
		6,006,522	8,134,659
CURRENT LIABILITIES:			
Bank loans	15	2,000,000	2,000,000
Lease liabilities	7	103,932	48,591
Trade payables	16	141,705	73,596
Other payables	17	25,066,935	7,597,014
Income tax	11	2,358,292	2,547,460
Other current liabilities	18	122,635	191,372
Total current liabilities		29,793,499	12,458,033
Total liabilities		35,800,021	20,592,692
Total equity and liabilities		134,925,488	110,773,830

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

INCOME STATEMENTS FOR THE PERIODS ENDED
31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	Notes	31.12.2022	31.12.2021
Services rendered	19	2,404,114	2,204,675
Results related to investments	20	27,050,000	10,000,000
Other income		58,751	2,782
External supplies and services	21	(973,228)	(790,587)
Payroll expenses	22	(1,056,541)	(888,050)
Amortisation and depreciation		(110,460)	(95,945)
Provisions and impairment losses	23	(2,781,812)	—
Other expenses		(81,311)	(56,752)
Financial expenses		(175,146)	(171,461)
Financial income		49,555	5,643
Profit before income tax		24,383,922	10,210,305
Income tax	25	(54,717)	(42,545)
Net profit for the period		24,329,205	10,167,760
Earnings per share:			
Basic	26	0.95	0.40
Diluted	26	0.95	0.40

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	31.12.2022	31.12.2021
Net profit for the period	24,329,205	10,167,760
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	24,329,205	10,167,760

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021

(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 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		25,641,459	—	5,128,292	49,243,627	—	10,167,760	90,181,138
Balance as at 1 January 2022		25,641,459	—	5,128,292	49,243,627	—	10,167,760	90,181,138
Total comprehensive income for the period		—	—	—	—	—	24,329,205	24,329,205
Appropriation of the net income for 2021:								
Transfer to the legal reserve and other reserves	14	—	—	—	10,167,760	—	(10,167,760)	—
Dividends distributed	14	—	—	—	(15,384,875)	—	—	(15,384,875)
Balance as at 31 December 2022		25,641,459	—	5,128,292	44,026,511	—	24,329,205	99,125,467

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

The Chartered Accountant

The Board of Directors

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 28)
(Amounts expressed in Euros)

	Notes	31.12.2022		31.12.2021	
Operating activities:					
Receipts from costumers		3,110,165		2,529,457	
Payments to suppliers		(1,399,560)		(994,918)	
Payroll expenses		(516,034)	1,194,571	(432,025)	1,102,514
Income Tax (paid)/received		(194,680)		218,424	
Other receipts/payments relating to operating activities		(1,386,058)	(1,580,738)	(493,960)	(275,536)
Cash flows generated by operating activities (1)			(386,167)		826,978
Investing activities:					
Receipts arising from:					
Property, plant and equipment		65,559		—	
Investments	8	6,296,418		—	
Interest and similar income		7,513		5,580	
Dividends	20	27,050,000	33,419,490	10,000,000	10,005,580
Payments relating to:					
Investments	8 and 9	(31,280,035)		—	
Other current assets		(9,000,000)		—	
Property, plant and equipment		(60,637)		(30,600)	
Intangible assets		—	(40,340,672)	—	(30,600)
Cash flows generated by operating activities (2)			(6,921,182)		9,974,980
Financing activities:					
Payments relating to:					
Interest and similar costs		(172,411)		(171,063)	
Dividends	14	(15,384,875)		(15,384,875)	
Lease liabilities		(53,741)		(53,760)	
Loans obtained		(2,000,000)	(17,611,027)	(2,000,000)	(17,609,698)
Receipts arising from:					
Loans obtained	15	—		—	
Issue of capital and other instruments of equity		—	—	12,000,000	12,000,000
Cash flows generated by operating activities (3)			(17,611,027)		(5,609,698)
Cash and cash equivalents at beginning of the period	13		36,218,530		31,026,270
Cash and cash equivalents variation: (1)+(2)+(3)			(24,918,376)		5,192,260
Cash and cash equivalents at the end of the period	13		11,300,154		36,218,530

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 6 April 2023. 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 2022. 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.

In addition, for financial reporting purposes, fair-value measurement is categorized in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(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 2022:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	

(amounts expressed in Euro)

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.

Separate Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

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. Thus, in the scope of derecognition tests performed 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 in paragraph 22 of IAS 41 to exclude cash flows related to income taxes from the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13.

There were no significant effects on the Company's financial statements for the year ended December 31, 2022, 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	
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17	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.

Separate Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

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.
Amendments to IAS 1 - Disclosure 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.
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 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	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. Thus, 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.

These amendments, although endorsed by the European Union, were not adopted by the Company in 2022, 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-24	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.
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment specifies the requirements regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sale" under the principles of IFRS 15, with a focus on variable lease payments that do not depend on an index or rate. On subsequent measurement, seller-lessees should determine "lease payments" and "revised lease payments" In subsequently measuring lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" in a manner that does not recognize any gain or loss related to the retained right-of-use. The application of these requirements does not prevent the seller-lessee from recognizing, in the income statement, any gain or loss related to the partial or total "sale" as required by paragraph 46(a) of IFRS 16. This amendment is of retrospective application.

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Company in the fiscal year ended December 31, 2022.

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

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.

<u>The Company as lessee</u>

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.

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 2022 and 2021.

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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021 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 2022 and 2021, 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 2022 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.

(amounts expressed in Euro)

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 2022, 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 2022	Note	Financial assets recorded at amortised cost	**Total**
Current assets			
Trade receivables	10	438,401	438,401
Other receivables	12	13,205,301	13,205,301
Cash and cash equivalents	13	11,300,154	11,300,154
		24,943,856	24,943,856

31 December 2021	Note	Financial assets recorded at amortised cost	**Total**
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
		40,445,030	40,445,030

(amounts expressed in Euro)

6.2. Financial liabilities

31 December 2022	Note	Financial liabilities at amortised cost	Total
Non-current liabilities			
Bank loans	15	6,000,000	6,000,000
Lease liabilities	7	6,522	6,522
		6,006,522	6,006,522
Current liabilities			
Bank loans	15	2,000,000	2,000,000
Lease liabilities	7	103,932	103,932
Trade payables	16	141,705	141,705
Other payables	17	25,066,935	25,066,935
Other current liabilities	18	122,635	122,635
		27,435,207	27,435,207
		33,441,729	33,441,729

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

(amounts expressed in Euro)

7. RIGHT OF USE ASSETS

During the period ended on 31 December 2022 and 2021, the movement occurred in the amount of right of use assets, as well as the corresponding amortisation was as follows:

	2022		
	Asset gross value		
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	81,859	242,913	324,772
Additions	—	28,145	28,145
Reductions	(45,479)	—	(45,479)
Closing balance	36,380	271,058	307,438
	Accumulated amortisation		
	Buildings and other edifications	Vehicles	Total
Opening balance as at 1 January	27,285	115,885	143,170
Additions	9,095	44,719	53,814
Reductions	—	—	—
Closing balance	36,380	160,604	196,984
	—	110,454	110,454

	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
Reductions	—	—	—
Closing balance	81,859	242,913	324,772
	Accumulated amortisation		
	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
Reductions	—	—	—
Closing balance	27,285	115,885	143,170
	54,574	127,028	181,602

The item 'Buildings and other edifications' mainly refers to lease contracts of assets related to one of the properties where the Company operates. Additionally, during the current fiscal year, with reference to December 31, 2022, the lease contract of the property was transferred to the subsidiary, Ramada Aços, S.A..

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The item 'Vehicles' refers to contracts for the lease of vehicles for periods of 4 to 5 years.

During the period ended 31 December 2022 and 2021, the movement occurred in the value of lease liabilities were detailed as follows:

	31.12.2022	31.12.2021
Opening balance as at 1 January	183,250	195,107
Additions	28,145	39,394
Accrued interest	3,668	2,509
Payments/Settlements	(104,609)	(53,760)
Closing balance as at 31 December	110,454	183,250
Current	103,932	48,591
Non-current	6,522	134,659

In addition, the following amounts were recognised in 2022 and 2021 as expenses related to right-of-use assets:

	31.12.2022	31.12.2021
Depreciation of right-of-use assets	53,814	51,624
Interest expenses related to lease liabilities	3,668	2,509
Total amount recognised in the income statement	**57,482**	**54,133**

The maturity of the lease liabilities is as follows:

	31/12/2022					
	2023	2024	2025	2026	>2026	Total
Lease liabilities	103,932	4,642	1,880	—	—	110,454
	103,932	4,642	1,880	—	—	110,454

	31/12/2021					
	2022	2023	2024	2025	>2025	Total
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

Separate Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

As at 31 December 2022 and 2021, 'Investments in subsidiaries and associates' are detailed as follows:

	31 December 2022					
Company	% Held	Opening balance	Impairment losses	Additions	Reductions	Closing balance
Ramada Aços, S.A.	100%	38,000,750	—	—	—	38,000,750
Expeliarmus - Consultoria, Unipessoal, Lda.	100%	2,302,998	(2,000,000)	—	—	302,998
F. Ramada II, Imobiliária, S.A.	100%	—	—	48,000,000	—	48,000,000
Socitrel - Sociedade Industrial de Trefilaria, S.A.	100%	25,283,223	—	—	(6,296,418)	18,986,805
Fisio Share - Gestão de Clínicas, S.A	39.71%	4,500,000	—	—	—	4,500,000
		70,086,971	(2,000,000)	48,000,000	(6,296,418)	109,790,553

	31 December 2021					
Company	% Held	Opening balance	Impairment losses	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

On December 31, 2022, within the scope of a reorganization of the shareholding structure, the Company acquired 100% of the shareholding in F. Ramada II, Imobiliária, S.A. to Ramada Aços, S.A. and Universal Afir, S.A., by the total amount of 48,000,000 Euro.

In addition, as at December 31, 2022, the decrease is related to the reimbursement of accessory installments by Socitrel - Sociedade Industrial de Trefilaria, S.A., in the amount of 6,296,418 Euro and the recognition of an impairment loss, in the amount of 2,000,000 Euro, related to the investment held in Expeliarmus - Consultoria, Unipessoal, Lda., after the distribution of dividends made by this company (Note 23).

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.

The financial information of the subsidiary companies as of 31 December 2022, according to their financial statements at the aforementioned date, can be summarized as follows:

(amounts expressed in Euro)

	31 December 2022		
Subsidiaries	Total Assets	Total Equity	Net profit of the period
Ramada Aços, S.A.	99 907 609	67 777 448	44 995 079
Planfuro Global, S.A.	3 990 290	3 244 224	589 798
Universal Afir, S.A.	19 635 048	16 728 681	9 715 677
F. Ramada II, Imobiliária, S.A.	105 550 569	47 768 675	2 628 182
Socitrel - Sociedade Industrial de Trefilaria, S.A.	32 053 887	10 210 940	4 885 492
Socitrel España, S.A.	26 703	26 703	(1 210)
Expeliarmus - Consultoria, Unipessoal, Lda.	1 753 780	253 779	65 721
Socitrel Solar, Unipessoal, Lda.	1 692 827	1 567 618	65 054
Ramada Solar, Unipessoal, Lda.	4 836	4 836	(164)

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 2022, as a result of the impairment analyses made, based on the above mentioned methodologies and assumptions, the Ramada Group recognised an impairment loss, in the amount of 2,000,000 Euro, related to the investment held in Expeliarmus - Consultoria, Unipessoal, Lda. (Note 23).

During the year ended 31 December 2022 and 2021, it were additionally identified indicators 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 2022, 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:

	31.12.2022
Method	Discounted cash flows
Basis	Business Plan
Projection period	5 years
Weighted Average Cost of Capital	7.63%
Growth rate	1.00%

At 31 December 2022, 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, apart from Expeliarmus – Consultoria, Unipessoal, Lda..

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Additionally, and adopting more conservative assumptions, a 1% variation in the WACC in use, as well as, assuming a zero growth rate in perpetuity would not give rise to an insufficiency of impairment on these financial investments.

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 2022 and 2021, the Company carried payments relating to investments in subsidiaries and associates, which are detailed as follows:

	31.12.2022	31.12.2021
Payment acquisition F. Ramada Imobiliária	23,215,000	—
Payment acquisition Socitrel	7,283,223	—
	30,498,223	—

9. OTHER INVESTMENTS

As at 31 December 2022 and 2021, the value of 'Other investments' and the corresponding impairment losses are detailed as follows:

	12.31.2022	12.31.2021
Gross value		
Opening balance	4,967,633	4,967,633
Additions	781,812	—
Closing Balance	5,749,445	4,967,633
Accumulated impairment losses		
Opening balance	(4,967,633)	(4,967,633)
Additions (Note 23)	(781,812)	—
Closing Balance	(5,749,445)	(4,967,633)
Net value	—	—

As at 31 December 2022 and 2021, 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.

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9.1. Payments of other investments

During the periods ended 31 December 2022 and 2021, the Company carried payments relating to other investments, which are detailed as follows:

	12.31.2022	12.31.2021
Shareholders loans to CEV	781,812	—
	781,812	—

10. TRADE RECEIVABLES

As at December 2022 and 2021, 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 2022 and 2021, this line item is detailed as follows:

	31.12.2022	31.12.2021
Credit balances:		
Income tax	2,358,292	2,547,460
Total income tax	2,358,292	2,547,460
VAT - Value Added Tax	118,031	132,748
Personal income tax	51,170	29,372
Social security contributions	48,999	27,267
Total other taxes (Note 17)	218,200	189,387

12. OTHER RECEIVABLES

As at 31 December 2022 and 2021, this line item is detailed as follows:

	31.12.2022	31.12.2021
Current assets		
Other debts from the Group's companies (Note 24)	13,197,996	3,524,740
Other debts from the disposal of investments	—	187,832
Others	7,305	5,676
	13,205,301	3,718,248

As at 31 December 2022 and 2021, 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 well as a liquidity shortage loan granted by the Company to F. Ramada II, Imobiliária, S.A., in the amount of 9,000,000 Euro.

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As at 31 December 2021, the amount in 'Other debts from the disposal of investments' results from the disposal of subsidiaries Base M – Investimentos and Serviços S.A. and Base Holding SGPS, S.A., value which was fully settled during the current year.

13. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 2021, this line item 'Cash and cash equivalents' included in the statement of financial position was detailed as follows:

	12.31.2022	12.31.2021
Bank deposits immediately available	11,300,154	36,218,530
	11,300,154	36,218,530

14. SHARE CAPITAL AND RESERVES

14.1. Share capital

As at 31 December 2022 and 2021, the Company's share capital was fully subscribed and paid up, and consisted of 25,641,459 nominative shares, with a nominal value of 1 Euro 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 2022 and 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 29, 2022 it was unanimously resolved to distribute a gross dividend of 0.60 Euros per share, totaling 15,384,875 Euro.

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 Euro.

15. BANK LOANS

As at 31 December 2022 and 2021, the line item 'Bank loans' is detailed as follows:

	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Bank loans	2,000,000	6,000,000	2,000,000	8,000,000
Bank loans	2,000,000	6,000,000	2,000,000	8,000,000

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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:

2022			2021		
Maturity	Amount	Estimated interest [1]	Maturity	Amount	Estimated interest [1]
Current			**Current**		
2023	2,000,000	253,750	2022	2,000,000	138,750
Non-current			**Non-current**		
2023	—	—	2023	2,000,000	108,750
2024	2,000,000	183,750	2024	2,000,000	78,750
2025	2,000,000	113,750	2025	2,000,000	48,750
2026	2,000,000	43,750	2026	2,000,000	18,750
2027	—	—	2027	—	—
	6,000,000	341,250		8,000,000	255,000
	8,000,000	595,000		10,000,000	393,750

[1] Interest estimated according to the existing contractual conditions, based on the market conditions for the period of 2022 and 2021.

During the periods ended 31 December 2022 and 2021, this loan earned interest at normal market rates depending on the nature and term of the loan obtained.

During the periods ended 31 December 2022 and 2021, the Group did not default on any borrowing.

16. TRADE PAYABLES

As at 31 December 2022 and 2021, the line item 'Trade payables' was detailed as follows:

	31.12.2022	31.12.2021
Trade payables - current account	136,386	61,793
Trade payables - subsidiaries (Note 24)	5,139	11,073
Trade payables - invoices pending	180	730
	141,705	73,596

On December 31, 2022 and 2021 the item "Trade payables" shows amounts to be paid within a period not exceeding 90 days, resulting from acquisitions arising from the Company's normal activity.

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17. OTHER PAYABLES

As at 31 December 2022 and 2021, the line item 'Other payables' is detailed as follows:

	31.12.2022	31.12.2021
Other debts to the Group companies (Note 24)	24,822,783	30,355
Other debts for investments	17,500	17,500
Payables to the State and other public entities (Note 11)	218,200	189,387
Other debts	8,452	7,359,772
	25,066,935	7,597,014

As of December 31, 2022, the caption "Other debts to the Group companies" includes payables related to the debt not yet settled related to the acquisition to Ramada Aços, S.A. and Universal Afir, S.A.- of the investment in F. Ramada II, Imobiliária, S.A. occurred in the year 2022 (Notes 8 and 24).

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 2022 and 2021, the line item 'Other current liabilities' is detailed as follows:

	12.31.2022	12.31.2021
Remunerations to be settled and bonuses	117,572	91,372
Others	5,063	100,000
	122,635	191,372

19. SERVICES RENDERED

The amount related to services rendered corresponds mainly to amounts invoiced for administrative and financial services rendered to companies in Portugal (Note 24).

20. RESULTS RELATED TO INVESTMENTS

As at 31 December 2022, the item 'Results related to investments' includes dividends awarded by the subsidiaries Ramada Aços, S.A., Socitrel - Sociedade Industrial de Trefilaria, S.A. and Expeliarmus - Consultoria, Unipessoal, Lda., in the amount of 16,350,000 Euro, 5,000,000 Euro e 5,700,000 Euro, respectively (Note 24).

(amounts expressed in Euro)

21. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2022 and 2021, the line item 'External supplies and services' is detailed as follows:

	31.12.2022	31.12.2021
Specialised work	659,806	559,219
Fuel	56,007	27,448
Travel and accommodation	55,154	34,148
Cleaning, Hygiene and Comfort	36,650	31,346
Insurance	34,352	26,088
Maintenance and repair	31,863	21,078
Fees	18,537	17,717
Rents	4,891	8,987
Other miscellaneous services	75,968	64,556
	973,228	790,587

22. PAYROLL EXPENSES

As at 31 December 2022 and 2021, the line item 'Payroll expenses' is detailed as follows:

	12.31.2022	12.31.2021
Remunerations	767,265	620,326
Remuneration expenses	176,228	142,990
Insurance expenses	4,994	4,456
Other payroll expenses	108,054	120,278
	1,056,541	888,050

As at 31 December 2022, the number of employees working for Ramada Investimentos e Indústria, S.A. was 23 (20 as at 31 December 2021).

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23. PROVISIONS AND IMPAIRMENT LOSSES

The movement occurring under provisions and impairment losses during the periods ended 31 December 2022 and 2021 is detailed as follows:

2022	Provisions	Impairment losses in investments (Notes 8 and 9)	Total
Opening balance	—	4,967,633	4,967,633
Increases	—	2,781,812	2,781,812
Reversals	—	—	—
Closing balance	—	7,749,445	7,749,445

2021	Provisions	Impairment losses in investments (Notes 8 and 9)	Total
Opening balance	—	4,967,633	4,967,633
Increases	—	—	—
Reversals	—	—	—
Closing balance	—	4,967,633	4,967,633

During the year ended December 31, 2022, as a result of the impairment analyses performed, the Ramada Group recognised an impairment loss, in the amount of 2,000,000 Euro, related to the investment held in Expeliarmus - Consultoria, Unipessoal, Lda. (Note 8).

The Board of Directors considers, based on the opinion of its legal and tax advisors, that as at 31 December 2022, 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 2022.

(amounts expressed in Euro)

24. RELATED ENTITIES

Balances with related entities is detailed as follows:

	31 December 2022				
	Receivables			Payables	
Group Company	Trade receivables (Note 10)	Other current assets	Other receivables (Note 12)	Trade payables (Note 16)	Other payables (Note 17)
Subsidiaries	438,401	39,973	13,197,976	5,139	24,822,783

	31 December 2021				
	Receivables			Payables	
Group Company	Trade receivables (Note 10)	Other current assets	Other receivables (Note 12)	Trade payables (Note 16)	Other payables (Note 17)
Subsidiaries	507,291	—	3,524,740	11,073	7,313,578

Transactions that occurred in the periods ended 31 December 2022 and 2021 is detailed as follows:

	2022				2021		
Group Company	Services rendered (Note 19	External supplies and services	Financial income	Results related to investments (Notes 8 and 20)	Services rendered (Note 19	External supplies and services	Results related to investments (Note 20)
Subsidiaries							
Ramada Aços, S.A.	1,410,000	68,986	—	16,350,000	1,320,000	24,462	10,000,000
Universal Afir, S.A.	470,000	16,610	—	—	440,000	—	—
F.Ramada II Imobiliária, S.A.	470,000	9,688	39,973	—	440,000	20,031	—
Socitrel - Soc. Ind.Tref., S.A.	48,000	—	—	5,000,000	—	—	—
Expeliarmus Cons., Unip. Lda.	—	—	—	5,700,000	—	—	—
	2,398,000	95,284	39,973	27,050,000	2,200,000	44,493	10,000,000

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 2022 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 2018 to 2022 may still be subject to review.

Separate Financial Statements and Accompanying Notes as at 31 December 2022 (amounts expressed in Euro)

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 2022 and 2021.

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:

	31.12.2022	31.12.2021
Profit before income tax	24,383,922	10,210,305
Tax rate	21%	21%
	5,120,624	2,144,164
Surcharge	1,788	311
Autonomous taxes	27,902	17,621
Non-taxed provisions	164,181	—
Elimination of double taxation on dividends received	(5,260,500)	(2,100,000)
Other effects	722	(19,551)
Income tax	54,717	42,544

26. EARNINGS PER SHARE

Earnings per share were calculated based on the following amounts:

	31.12.2022	31.12.2021
Result for calculating basic and diluted earnings per share	24,329,205	10,167,760
Weighted average number of shares for calculating earnings per share	25,641,459	25,641,459
Earnings per share		
Basic	0.95	0.38
Diluted	0.95	0.38

27. SUBSEQUENT EVENTS

It should be noted that inflation, war and the construction crisis in China have started to have an effect on the release of new projects. The final discussion of the European Union's position on the new Euro 7 standard and the emissions regulatory framework for the automotive industry, is a subject under reflection by the manufacturers who are awaiting these indicators to understand how to act and how the market will evolve.

The Company will continue to monitor developments and impacts on its value chain, attentive to its path and goals for increased productivity and efficiency gains.

From December 31, 2022 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

<u>STATUTORY AUDIT CERTIFICATION AND AUDITOR'S REPORT</u>

(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, 2022 (showing a total of Euro 239,220,641 and equity of Euro 134,120,447, including a net profit of Euro 20,033,547), 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, 2022 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.

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor's response to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Impairment of the accounts receivable
(Notes 2.12 a. "Impairment of financial assets" and 17 of the accompanying notes to the consolidated financial statements)</td></tr>
<tr><td>As of 31 December 2022, the consolidated statement of the financial position includes trade receivables from costumers, net of accumulated impairment losses, by the amount of 49,385,336 Euros (47,657,107 Euros as of 31 December 2021 – Note 17).

As stated in the Note 2.12 of 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.

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.</td><td>Our audit procedures on this specific area included, among others:

- Measurement of impairment losses for financial assets and recognition accounting policy 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 recognized during the period and reconciliation of the information with the balances in the consolidated financial statements of the financial position and results 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 uncollectible 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.

Apart from the procedures above mentioned , we requested balance confirmation for a sample of the</td></tr>
</table>

Description of the most significant risks of material misstatement identified	**Summary of the auditor's response to the assessed risks of material misstatement**
	Group's clients. We analyzed, when applicable, the reconciliation between the information constant on the responses obtained and the Group's accounting records. We have additionally assessed the adequacy of the applicable disclosures regarding this matter.
Impairment of Investment Properties (Notes 2.19 and 10 of the accompanying consolidated financial statements)	
As of 31 December 2022, the book value of Investment Properties amounts to 88.818.380 Euros (88.687.130 Euros as of 31 December 2021), which includes accumulated impairment losses by the amount of 1.100.000 Euros. 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 anf loss for the period ended in that date of, approximately, 6,8 million of Euros. The Investment Properties are recognized at acquisition cost net of accumulated impairment losses method, and the Group has hired in 2022 independent evaluating appraisals to support the Board of Directors to compute the fair value of those assets with the purposes of identified the potential existence of impairment losses and to disclosure the respective fair value. Taking into consideration, 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 associated judgement to the assumed assumptions on the evaluation and the possible existence of impairment losses, we consider this area as of a relevant audit matter.	Our audit procedures on this specific caption includes 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. Concerning the computation of the fair value of the Investment Properties used by the Group, our analysis includes, among others: - Evaluation of the expertise of external experts appraisals; - Analysis of the current renting contracts of the Investment Properties signed with a related party, namely expiration dates, rents updates and other inherent conditions; - 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 stress tests related to the main assumption; - Discussion with the Board of Directors and qualified experts related with the analysis made to concluded about the existence of impairment indicators related with Investments Properties. We have additionally assessed the adequacy of the applicable disclosures regarding this matter

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 Group 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; and
- 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, 2022 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 66º-B 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 Group 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 for the first mandate in the general shareholder´s meeting dated April 30, 2021, for the mandate of 2021. We were appointed as auditors of Ramada Investimentos e Indústria, S.A. on the shareholder's general meeting held on April 29, 2022, for a second mandate of 2022;

- 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 Group's Statutory Supervisory Board on this same date; and
- 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 6, 2023

Deloitte & Associados, SROC S.A.
Represented by António Manuel Martins Amaral, ROC
Registered in OROC nº 1130
Registered in CMVM nº 20160742

<u>STATUTORY AUDIT CERTIFICATION AND AUDITOR'S REPORT</u>

(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, 2022 (showing a total of Euro 134,925,488 and equity of Euro 99,125,467, including a net profit of Euro 24,329,205), 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, 2022 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.

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
Impairment of the investment in the subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A. (Notes 2.7 and 8 of the accompanying notes to the financial statements)	
As of 31 December 2022, the book value of Investments in subsidiaries and associated companies includes the amount of 18,986,805 Euros (25,283,223 Euros as of 31 December 2021) related with subsidiary Socitrel – Sociedade Industrial de Trefilaria, S.A., totally held by the Entity. 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 recovery amount the investments in subsidiaries whenever exist evidence that the asset can be impaired, being the impairment losses registered as a cost, when an impairments exists.. 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, discount rates, investment forecasts, future operational margins among others. Taking into considering the amount of the asset under analysis for the Entity's financial statements, the inherent complexity to the realization and analysis of the evaluation models used, supporting by estimates and assumptions based on economic and market previsions, as well as the estimates regarding the determination of impairment, we consider this area as a relevant audit matter.	Our audit procedures on this specific area included, among others: - 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 recovery amount namely regarding the requirements of the applicable accounting normative; - Evaluation of the main assumptions related with the methodology used to evaluate the methodology used, the discount rates and the growth rates; - Execution of stress 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 Socitrel – Sociedade Industrial de Trefilaria, S.A. about the reasonability of the main assumptions used on the valuation exercise; - Assessement 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 notes to the financial statements its given additional information about the entity's subsidiaries and associated.

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; and
- 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, 2022 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 29º-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 66-B of the Portuguese Companies' Code, and was disclosed together with the management report.

On the remuneration report

In compliance with article 26º-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 for the first mandate in the general shareholder´s meeting dated April 30, 2021, for the mandate of 2021. We were appointed as auditors of Ramada Investimentos e Indústria, S.A. on the shareholder's general meeting held on April 29, 2022, for a second mandate of 2022;
- 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; and
- 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 6, 2023

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 2022, 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, 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 five times in 2022, in which other members of the Company's bodies or directorates were present, 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, initially approved at its meeting of 18 November 2020 and revised on 21 November 2022, 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 initially approved by the Board of Directors in 24 November 2020 and revised on 24 November 2022. 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, the Sustainability Report (which includes the Non-Financial Information), the Corporate Governance Report (which includes the Remuneration 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 2022 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 Non-Financial Information Report (integrated in the Sustainability Report), under the terms and for the purposes of article 420 (5) of the Portuguese Companies Act, having analysed that they contain the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on April 6, 2023, 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 Sustainability Report;
c) The Corporate Governance Report;
d) The Separate and Consolidated Financial Statements and the corresponding notes, for the year ended 31 December 2022;
e) 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, April 6, 2023

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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