CORTICEIRA AMORIM CONSOLIDATED 30/06/2020

First semester 2020 (1H20) (Audited)
Second quarter 2020 (2Q20) (Non audited)

Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails

Dear Shareholders,

In accordance with the law, CORTICEIRA AMORIM S.G.P.S., S.A., a public company, presents its:

CONSOLIDATED MANAGEMENT REPORT

1. SUMMARY OF ACTIVITY

The second quarter was characterised by a worsening of the public health crisis and by decisions made throughout the world to close down economies to prevent the spread of coronavirus, creating some of the most challenging conditions in decades for the world economy. The impact varied, depending on how the pandemic developed (China began reopening its economy in April), but it was more pronounced in the northern hemisphere, especially in Europe and the US. As the quarter progressed, the earliest affected economies started reopening, while other regions, such as Central America, South America and Africa, began suffering the strongest impact of the epidemic.

Critical monetary and fiscal support measures were implemented during the second quarter. Their magnitude and the fast action of the monetary and fiscal authorities was unprecedented and decisive. The effect was to reduce uncertainty. At the same time, however, the trade dispute between the US and China grew in intensity, increasing instability, uncertainty and risk. It was a period dominated by the unknown, by a willingness to respond, by advances and setbacks in introducing measures, and by expectations, probably excessive, of obtaining a cure or a vaccine for Covid-19 over the short term. More than stabilising, financial markets rose.

The US economy is estimated to have contracted 32.9% compared with the same period of 2019, its biggest every quarterly drop, driven by a sharp fall in consumption of services and in fixed-capital investment. The US contraction in the first half is estimated at about 11%, with a very modest recovery expected in the second half. Even in an optimistic scenario, US economic growth is expected to return to pre-Covid-19 levels only in 2022.

The EU is estimated to have contracted 12.1% in comparison with previous quarter, a bigger drop than expected and sharper than in the US. Germany's preliminary estimate of its economic performance in the second quarter - a contraction of 10.1% - was also more negative than expected. France, in turn, recorded a contraction of 13.8% compared to the same quarter of the previous year. These critical fluctuations reflected a virtual halt in economic activity. Portugal registered an historic contraction of 16.5% in the second quarter.

In China, where the pandemic cycle was further advanced, the economy is estimated to have recovered in the second quarter, with growth of about 11.5% that was strongly supported by exports. However, despite China's extreme commitment to controlling the impact of the pandemic and resuming business activity, its economy is estimated to have contracted 1.6% in the first half of 2020.

As reported in the Management Report accompanying our first-quarter accounts, the Covid-19 pandemic did not have a negative impact on Corticeira Amorim's turnover until the end of March. However, our expectations of a reduction in the second quarter were confirmed, although the Group's industrial activity continued at almost full capacity.

Activity was impacted by measures to contain the spread of coronavirus and by the temporary closure of some of the Group's customers, but responses varied across the different markets where Corticeira Amorim operates. Although some adjustments were made, there were no significant interruptions in the Group's operations, and commercial and production activities remained at normal levels. The response of our employees was exceptional. Even at the most difficult times, they ensured that operations continued and that our customers continued to be supported in the normal way. In this way, Corticeira Amorim upheld its important responsibility of supplying the wine sector, ensuring that everything was done to maintain production and continue serving its customers, even during lockdowns.

Corticeira Amorim is an international company that benefits from its geographical diversification. However, the spread of the pandemic and the containment measures adopted by different countries had a significant impact on the world economy, resulting in big changes in consumption patterns and thus impacting our business. While there was no significant impact on the Group's turnover until the end of March, there was a more severe impact in the second quarter, particularly in May.

At the financial level, the spending controls adopted by the Group were reflected in its results, although logistical costs (specifically air freight) were increased to ensure business continuity and customer service. Revising investment levels, managing working capital and maintaining a solid balance sheet should make it possible to offset the potential negative impact of the pandemic.

All activities celebrating the 150th anniversary of the Corticeira Amorim Group that had not already been implemented were cancelled due to the current situation.

At a time when Corticeira Amorim was preparing to bolster the growth it has achieved, taking advantage of the important investments it has made, the coronavirus crisis has forced the Group to review the set of objectives that it had carefully planned previously.

2. OPERATING ACTIVITIES

Sales of Corticeira Amorim fell 5% in the first half to €392 million. It should be noted that sales in the second quarter fell 10.5% due to the drop in economic activities resulting from the Covid-19 pandemic. The foreign exchange effect on sales was immaterial and the consolidation perimeter remained unchanged in relation to the same period of 2019.

In terms of sales by Business Unit (BU), sales by the Cork Stopper BU, the unit with the biggest weight in the total sales of Corticeira Amorim, recorded a 5.4% decline (-11.5% in the second quarter). The Floor and Wall Coverings BU managed to reverse the trend of decreasing sales of the recent past, ending the first half with sales growth of 5.0%. The Raw Materials (-6.3%), Composite Cork (-5.9%) and Insulation (-14.3%) BUs also registered reductions in sales compared with the same period of last year.

EBITDA fell 3.4% to €65.9 million, less than the 5.0% drop in sales. The EBITDA-sales ratio increased from 16.6% to 16.8%, mainly reflecting a decrease in the purchase price of raw materials, increased sales prices and operating efficiency gains. These offset the impact on the ratio of the drop in turnover and the increase in operating costs (particularly transport costs and higher impairments). In the context of the pandemic, strict cost controls were strengthened. This contributed to a 2.2% decrease in operating costs in the second quarter, excluding transportation costs and impairments recorded against accounts receivable.

The decrease in income from associate companies was mainly due to the fact that the positive impact of receiving the final value of the sale of US Floors (€2.4 million) was recognised in the same period of 2019. Offsetting this was the recognition of the Group's share of the results of the associate company Vinolok (€1.0 million) in the first half of 2020.

After results attributable to non-controlling interests, net earnings totalled €34.3 million, a reduction of 15.1% compared with the same period of 2019. Excluding the non-recurring impact related to the sale of US Floors, as mentioned above, net earnings would have fallen 9.8%.

Corticeira Amorim is a sound company with an adequate and balanced capital structure. It should be noted that the Group ended the first half with €79 million in cash and cash equivalents, safeguarding against any risk of a liquidity shortage. At the end of June 2020, the Group had €211 million available in unused credit lines.

Sales by the Raw Materials BU fell 6.3%. This decrease reflected a decline in sales to Group companies as they realigned their inventory levels, as well as a drop in sales to third parties.

EBITDA totalled €8.7 million, lower than in the same period of the previous year (€12.2 million). The decrease in the EBITDA margin (from 11.4% to 8.7%) resulted mainly from an increase in the purchase price of cork for consumption. Cork purchased in the 2017 campaign at a price lower than during the 2018 campaign was used in the first half of the comparable period. Comparing the EBITDA-sales ratio in the second half of 2019 (6.0%), when all cork consumed had been purchased in 2018, with the ratio for the first half of 2020 (8.7%), shows a positive evolution in the BU's profitability.

The 2020 cork purchasing campaign is proceeding as planned without suffering any significant impacts from the pandemic. Prices have fallen by about 10% and there may be a slight reduction in the quantities purchased due to the decrease in demand.

In terms of projects, it is worth noting that the new technology for producing discs launched in 2019 should improve cork yields, while the automation project will simplify the preparation process (cork classification). The CorkNova project (eradication of TCA from natural cork discs) was extended to all production in 2020. This technology offers additional guarantees in the treatment of discs, constituting an important step towards achieving the highest standards of sensory quality.

The Cork Stopper BU registered sales of €279.6 million, a decrease of 5.4% compared to the same period of 2019. Sales fell 11.5% in the second quarter.

The BU's sales were penalised by a drop in wine consumption in the HoReCa channel, the collapse of tourism, the drastic reduction in air travel and the temporary closure of some of its customers, particularly in the Champagne and Cognac regions. This was not offset by the growth registered in some countries in the department store segment or even by the online channel.

The cork stoppers for sparkling wines (-12%) and spirits (-7%) segments suffered the greatest corrections. The stoppers for still wines segment showed greater resilience (-2%), particularly Neutrocork stoppers, with sales growth of 13%. Sales fell in all major wine markets with the exception of the US, a notable performance in the current context.

First-half sales of NDtech® service stoppers totalled 36 million units (6M19: 31 million units). Implementation of a technology that will guarantee the eradication of TCA by the end of 2020 is proceeding as planned.

The BU's EBITDA fell to €54.4 million (-2.3% year-on-year). The EBITDA margin increased to 19.4% (6M19: 18.8%). Despite the reduction in activity and the increase in operating costs, the increase in the EBITDA margin was achieved through operating improvements in the use of raw materials in the crushing area as well as an increase in prices.

Sales by the **Floor and Wall Coverings BU** totalled €58.9 million, up 5.0% on the same period of 2019. Amorim WISE products contributed to this increase with first-half sales of €6.3 million, exceeding 2019's full-year sales (12M19: €5.7 million). Sales of new products totalled €1.8 million following the launch of a new water-resistant, low-cost product expected to generate additional sales in this segment.

Sales growth in North America and Portugal stood out in terms of regional sales.

The BU's EBITDA rose to +€1.0 million, compared with -€2.1 million in the first half of 2019. The margin generated by the growth in sales, efforts to rationalise and optimise administrative, industrial, logistical and commercial structures contributed to this evolution, as well as the cost savings inherent in not repeating the launch of the Amorim WISE product range this semester, given that its launch last year had affected the margin in the first half of 2019. The improvement in the mix of products sold was also noteworthy, supported by a bigger increase in sales of manufactured products than of trading products. Other highlights include the BU's new market approaches and the strengthening of digital marketing, including its "shop-in-shop" (digital ecosystem) project aimed at lovers of cork and environmentally conscience consumers.

Sales by the **Composite Cork BU** totalled €50.2 million, down 5.9% on the first half of 2019 (€53.4 million). Despite a favourable USD exchange rate, the fall in sales reflects a decrease in sales volumes and a less favourable sales mix. The migration from ERP to SAP at the end of June, which required a reduction in business activity, also affected sales at the end of the semester.

The biggest sales increases were in the Sport Surfaces, Resilient & Engineering Manufactures and Home Improvement Retail segments. The main drops in sales were in the Footwear, Cork & Corkrubber manufacturers and Construction Speciality Retail segments.

A majority of regional markets performed negatively, with EME (Europe and the Middle East) being the only exception in the Construction segment.

First-half EBITDA totalled €4.1 million. The EBITDA margin fell to 8.1% (6M19: 11.5%), influenced by the sales mix and the reduction in activity. A drop in the price of raw materials (cork and non-cork), a higher cork yield, increased efficiency and a reduction in operating costs (travel, marketing, maintenance) prevented a bigger decline.

Sales by the **Insulation BU** totalled €6.0 million, down 14.3% on the first half of 2019, mainly due to a reduction in sales volume. As at the Cork Composite BU, the migration from ERP to SAP at the end of the semester had a negative impact on sales.

EBITDA totalled -€13,000 compared with -€353,000 in the same period of 2019. The EBITDA-sales ratio was -0.2% (6M19: -5.0%). The improvement in EBITDA was driven by the use of cork purchased at lower prices, lower personnel costs (reduced overtime) and a reduction in supplies and external services.

3. PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

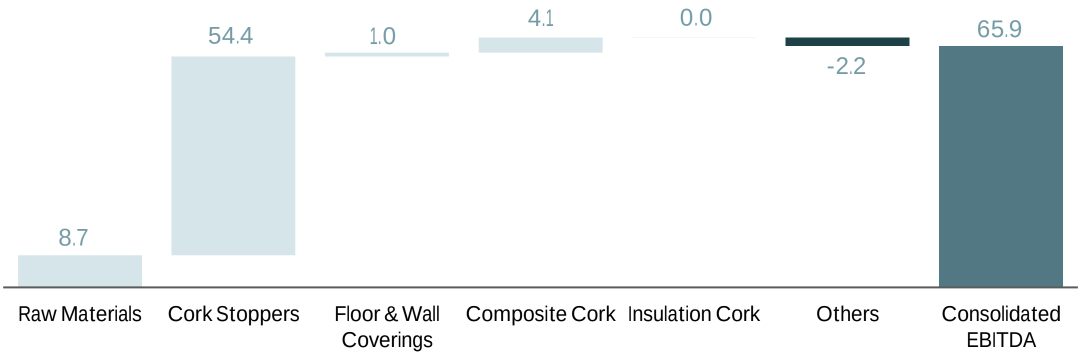
As previously mentioned, sales were not affected by any change in the consolidation perimeter. However, Corticeira Amorim's first-half sales were significantly impacted by the Covid-19 pandemic, Floor and Wall Coverings being the only BU that managed to achieve any sales growth over the period.

The increase in the gross margin percentage, which was rose from 48% to 51%, reflects increased operational efficiency and improvements in the mix of products sold.

In terms of operating costs, the reduction of about €1.4 million in personnel costs (-1.8%) compared with the first half of 2019 was mainly due to a reduction in overtime as well as a decrease in the number of employees. Supplies and external services costs increased 3.5% over the same period of last year. The cost increases in transport (+17.6%, reflecting increased air freight) and energy (+11.7%, due to supplier billing adjustments) were partially offset by a reduction in advertising (-61.5%) and travel and accommodation (-74.4%) costs. The increase in impairments (+€1.3 million) was concentrated in accounts receivable, with about half of the increase resulting from the impairment of a Floor and Wall Coverings BU customer in Belgium.

In terms of other operating income/cost items that impact EBITDA, a favourable balance of about €0.2 million was recorded. The impact of exchange rate differences on assets receivable and liabilities payable, together with the respective foreign exchange hedging measures included under other operating income/gains was positive in the amount of approximately €0.1 million (6M19: -€0.2 million).

EBITDA fell by 3.4% to €65.9 million. The EBITDA-sales ratio was 16.8% (6M19: 16.6%).



Non-recurring earnings totalling €1.7 million were recognised in the first half resulting from indemnities for restructuring. These expenses were recognised by the Cork Stopper (€843,000), Composite Cork (€550,000) and Floor and Wall Coverings (€259,000) BUs.

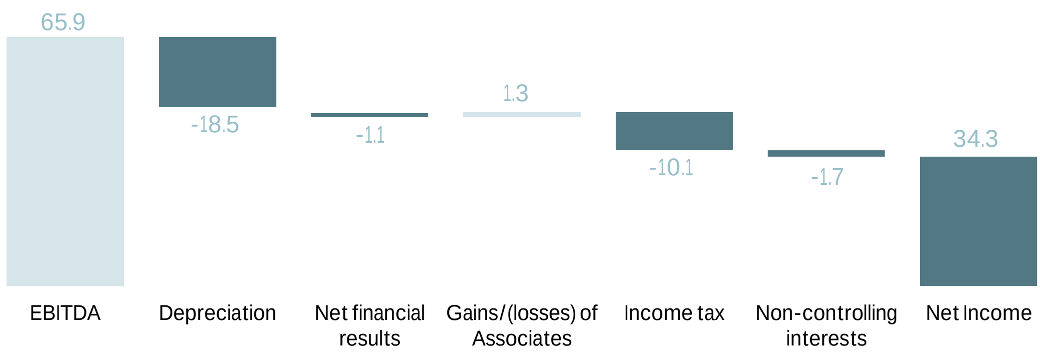
Financial results were in line with those recorded for the first half of 2019.

Income from associate companies totalled €1.3 million. The reduction in relation to the first half of 2019 (6M19: €4.4 million) was mainly due to the recognition as earnings in the first half of 2019 of the final part of the contingent amount receivable from the sale of US Floors (€2.4 million). The reduction was partially offset by recognition of the Group's share of the earnings of the associate company Vinolok (€1.0 million), which was not yet owned by Corticeira Amorim at the end of the fist half of 2019.

As normal, it will only be possible to estimate the amount of 2020 investment tax benefits (RFAI and SIFIDE) at the end of the year. As a result, the potential tax gain will only be recorded at the closing of accounts for 2020. In this first half of 2020, the definitive decisions relating to SIFIDE benefits in 2018 were announced and the final tax for 2019 recognised.

After tax on earnings of €10.1 million and the allocation of profits to non-controlling interests, total net income attributable to Corticeira Amorim shareholders totalled €34.3 million, a reduction of 15.1% compared with earnings of €40.4 million in the first half of 2019.

Earnings per share were €0.258, compared with €0.303 for the first half of 2019.



Total net assets increased €68 million in comparison with December 2019. In terms of individual items, the increases in the customers (€15 million) and cash and cash equivalents (€57 million) items are noteworthy. The increase in cash and cash equivalents results from an increase in liquid reserves made as a preventive measure against a potential scarcity of funds. It should also be noted that the dividend was not paid until July, as mentioned under Subsequent Events below. Inventories decreased by €34 million, reflecting measures taken to improve inventory management and the seasonal variation that usually occurs during this period.

The change in equity reflects the earnings for the period (+€34.3 million) plus the dividends that were approved at the General Shareholders Meeting (-€24.6 million). As these dividends had not yet been paid on June 30, they contributed to the increase in the Group's liabilities.

The increase in liabilities was €61 million. The €11 million increase in interest-bearing debt offset the increase in cash and cash equivalents and unpaid dividends referred to in the previous paragraph.

At the end of June 2020, the Group's shareholder equity totalled €547 million. The financial autonomy ratio rose to 51.4%.

4. KEY CONSOLIDATED INDICATORS

		1H19	1H20	yoy	2Q19	2Q20	qoq
Sales		412,243	**391,577**	-5.0%	209,920	**187,916**	-10.5%
Gross Margin – Value		204,219	**203,775**	-0.2%	101,502	**98,112**	-3.3%
	1)	48.0%	**50.8%**	+ 2.8 p.p.	46.4%	**51.7%**	+ 5.3 p.p.
Operating Costs - current		153,929	**156,330**	1.6%	76,838	**77,238**	0.5%
EBITDA - current		68,287	**65,945**	-3.4%	33,503	**30,177**	-9.9%
EBITDA/Sales		16.56%	**16.84%**	+ 0.3 p.p.	16.0%	**16.1%**	+ 0.1 p.p.
EBIT - current		50,290	**47,445**	-5.7%	24,663	**20,874**	-15.4%
Non-current results	2)	-	**-1652**	n.s.	-	**-1652**	n.s.
Net Income		40,352	**34,272**	-15.1%	21,742	**14,396**	-33.8%
Earnings per share		0.303	**0.258**	-15.1%	0.173	**0.108**	-37.5%
Net Bank Debt		149,912	**115,625**	- 34,287	-	**-**	-
Net Bank Debt/EBITDA (x)	3)	1.20	**0.94**	-0.26 x	-	**-**	-
EBITDA/Net Interest (x)	4)	81.8	**107.0**	25.25 x	73.1	**103.9**	30.82 x

1) Related to Production
2) Figures refer to restructuring costs
3) Current EBITDA of the last four quarters
4) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)

5. OUTLOOK FOR THE SECOND HALF

Uncertainty as to the scale, dimension and duration of the current situation makes it difficult to assess the extent of direct and indirect impacts of Covid-19 in the future, this being largely dependent on how much the virus spreads and its impact on the global economy. As a consequence, we expect to see a worldwide drop in wine sales that affects all sparkling wines and Champagne most. Sales to the higher-end segments are likely to be hit hardest, as they are more liable to be affected by the contraction of sales through the restaurant channel. These wines will be bottled sooner or later, but the timing will be out of step with normal production and bottling cycles.

After a very challenging second quarter, a gradual recovery is expected in the second half of 2020. This, however, will be highly dependent on how the pandemic develops and the possible need for additional containment measures in the future. Over the medium term, Corticeira Amorim will seek to maintain its level of activity in order to leverage its growth.

6. BUSINESS RISKS AND UNCERTAINTIES

Corticeira Amorim is an international company (more than 90% of its sales are outside Portugal) that is responsible for a activity that is crucial to the sustainability of the entire cork industry, making it is essential to keep the supply chain operating, safe and secure.

Without the cork stoppers produced by Corticeira Amorim, which represent about 72% of the Group's sales, thousands of wine sellers and bottlers across the world could not operate. In the current context of the Covid-19 pandemic, wine is considered, across different regions, as an essential activity that affects thousands of winegrowers who permanently care for their vineyards and the wines stored in their cellars. This approach has enabled the supply chain to continue serving its customers and remain operational while, at the same time, minimising business risks.

Having already ensured its cork supply requirements for the coming year, Corticeira Amorim intends to continue responding without interruption to the needs of its customers across the world by means, in every instance, of the best and most appropriate practices. The Group's diversification policies and practices (not a single product, not a single market, not a single currency) guarantee additional stability.

7. OWN SECURITIES

During the first half of 2020, CORTICEIRA AMORIM did not acquire or dispose of any treasury shares.

As of June 30, 2020, CORTICEIRA AMORIM held no treasury shares.

8. SHAREHOLDERS' EQUITY

List of shareholders owning qualifying holdings, as of June 30, 2020:

Shareholder	Shares Held (quantity)	Participation (%)	Voting Rights (%)
Qualifying interests:			
Amorim Investimentos e Participações, S.A.	67,830,000	51.000%	51.000%
Great Prime, S.A.	13,725,157	10.320%	10.320%
Amorim, Soc. Gestora de Participações Sociais, S.A.	13,414,387	10.086%	10.086%
Freefloat (a)	38,030,456	28.594%	28.594%
Total	**133,000,000**	**100.000%**	**100.000%**

(a) Includes 3,045,823 shares (2.29%) held by investment funds managed by Santander Asset Management, SA, SGIIC (communication received by the company on June 6, 2019).

Shareholder Amorim Investimentos e Participações, SGPS, S.A. *(b)*	Shares held	% of Share capital with voting rights
Directly	67,830,000	51.000%
Total attributable	**67,830,000**	**51.000%**

(b) The voting shares in Amorim Investimentos e Participações, SGPS, SA are wholly owned by three companies, Amorim Holding Financeira, SGPS, SA (11.392%), Amorim Holding II, SGPS, SA (38.608%) and Amorim - Sociedade Gestora de Participações Sociais, SA (50%)) without any of them having a controlling interest in the company, thus ending the imputation chain, pursuant to Art. 20 of the Cod.VM. The share capital and voting rights of these three companies, in turn, are held, respectively, in the case of the first two, directly and indirectly (through Imoeuro SGPS, SA and Oil Investment, BV) by Mrs. Maria Fernanda Oliveira Ramos Amorim and daughters, and, in the case of the third, by Mr. António Ferreira de Amorim, wife and children.

Shareholder Great Prime S.A. (c)	Shares held	% of Share capital with voting rights
Directly	13,725,157	10.320%
Total attributable	**13,725,157**	**10.320%**

Maria Fernanda Oliveira Ramos Amorim	Shares held	% of Share capital with voting rights
Directly	-	-
Através da Shareholder Great Prime, S.A. *(c)*	13,725,157	10.320%
Total attributable	**13,725,157**	**10.320%**

(c) Great Prime, SA's share capital is wholly owned by three holding companies: API Amorim Participações Internacionais, SGPS, SA (19.80%), Vintage Prime, SGPS, SA (19.80%) and A Porta da Lua, SASA (60.40%), the latter wholly owned by Maria Fernanda Oliveira Ramos Amorim.

Shareholder Amorim, Sociedade Gestora de Participações Sociais, S.A. *(d)*	Shares held	% of Share capital with voting rights
Directly	13.414.387	10,086%
Total attributable	**13.414.387**	**10.086%**

(d) The capital of Amorim, Sociedade Gestora de Participações Sociais, S.A. is held by Mr. António Ferreira de Amorim and his wife and children, none of which holds a controlling interest in the company..

9. TRANSACTIONS BY DIRECTORS AND OFFICERS

In compliance with the provisions of paragraphs 6 and 7 of article 14 of CMVM Regulation No. 5/2008, it is stated that during the first half of 2020 no transactions of CORTICEIRA AMORIM shares were made by any of its directors.

No transactions were made of financial instruments related to the securities issued by the Company, either by its managers, by the companies that control CORTICEIRA AMORIM, or by people closely related to them.

10. LIST OF SHAREHOLDERS OWNING MORE THAN ONE TENTH OF THE COMPANY'S SHARE CAPITAL

I. Amorim Investimentos e Participações, S.A. held 67,830,000 Corticeira Amorim shares, corresponding to 51% of its share capital and to 51% of the voting rights;

II. Great Prime, S.A. held 13,725,157 Corticeira Amorim shares, corresponding to 10.32% of its share capital and to 10.32% of the voting rights;

III. Amorim, Soc. Gestora de Participações Sociais, S.A. held 13,414,387 Corticeira Amorim shares, corresponding to 10.086% of its share capital and to 10.086% of the voting rights.

These were the verified shareholdings as of June 30, 2020. They remained unchanged on the date of publication of this report.

11. SUBSEQUENT EVENTS

In accordance with the proposal of the Board of Directors, the Shareholders General Meeting held on June 26, 2020 decided to distribute a dividend of 18.5 euro cents per share. The respective payment was made on July 20, 2020.

Considering the consequences of the pandemic and the inherent worsening of the economic and social context in Portugal and across the world, and in view of the high degree of uncertainty regarding the resumption of normal economic activity, the Board of Directors of Corticeira Amorim decided not to propose in the current year the payment of an extraordinary dividend in December as has been its practice since 2012. This decision reflects the deliberately conservative management of its balance sheet that the Group has followed and takes into account the greater degree of prudence that the current adverse context requires.

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million.

Beside these events and until the date on which this report was published, there occurred no other important facts that could materially affect the financial position or future results of Corticeira Amorim or the subsidiary companies belonging to its consolidated group.

12. STATEMENT OF RESPONSIBILITY

In accordance with the requirements of Section 246.1(c) of the Portuguese Securities Market Act, the directors state that, to the best of their knowledge, the financial statements for the half year ended June 30, 2020 and all other accounting documents have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of CORTICEIRA AMORIM, SGPS, SA and the undertakings included in the consolidation taken as a whole. The directors further state that the Directors' Report faithfully describes the development, performance and position of CORTICEIRA AMORIM's business and the undertakings included in the consolidation taken as a whole. The Directors' Report contains a special section describing the main risks and uncertainties that could impact our business in the next six months.

Mozelos, July 29, 2020

The Board of Directors of CORTICEIRA AMORIM, S.G.P.S., S.A.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position

thousand euros

	Notes	June 30, 2020	December 31, 2019	June 30, 2019
Assets				
Tangible assets	8	279,168	278,600	263,680
Intangible assets	9	10,103	10,852	8,401
Right of use	10	6,278	6,037	6,848
Goodwill	9	13,592	13,744	13,621
Biological assets		0	0	203
Investment property	11	5,343	5,387	5,413
Investments in associates and joint ventures	12	23,385	22,366	11,566
Other financial assets		1,800	1,550	1,635
Deferred tax assets	13	15,172	14,396	12,736
Other debtors		3,327	3,906	4,536
Non-current assets		358,168	356,836	328,641
Inventories	14	364,132	397,840	387,093
Trade receivables		179,992	165,484	200,726
Income tax assets		5,918	11,773	11,826
Other debtors	15	71,107	36,967	63,034
Other current assets	15	4,073	3,108	1,925
Cash and cash equivalents	16	79,104	22,144	24,215
Current assets		704,326	637,316	688,819
Total Assets		1,062,494	994,152	1,017,459
Equity				
Share capital	17	133,000	133,000	133,000
Other reserves	17	350,441	301,515	309,026
Net Income		34,272	74,947	40,352
Non-Controlling Interest	18	28,886	30,081	34,072
Total Equity		546,599	539,543	516,450
Liabilities				
Interest-bearing loans	19	51,197	59,126	58,512
Other financial liabilities	21	26,346	23,269	29,951
Provisions	25	3,581	3,777	39,586
Post-employment benefits		1,724	1,687	1,637
Deferred tax liabilities	13	48,411	50,370	7,121
Non-current liabilities		131,259	138,228	136,807
Interest-bearing loans	19	143,531	124,108	115,615
Trade payables	20	138,643	132,086	164,562
Other financial liabilities	21	46,148	43,040	44,945
Dividend attributed	17	24,605	0	0
Other liabilities	21	23,487	15,235	23,693
Income tax liabilities	13	8,221	1,911	15,387
Current liabilities		384,636	316,380	364,202
Total Liabilities and Equity		1,062,494	994,152	1,017,459

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated income statement by nature

thousand euros

2Q20 (non audited)	2Q19 (non audited)		Notes	1H20	1H19
187,916	209,920	Sales	7	391,577	412,243
91,653	106,685	Costs of goods sold and materials consumed		197,637	217,707
1,850	-1,733	Change in manufactured inventories		9,835	9,684
33,726	31,471	Third party supplies and services		65,415	63,216
35,327	37,674	Staff costs		73,304	74,664
-249	496	Impairments of assets	22	1,251	-45
1,639	2,777	Other income and gains		5,221	4,766
770	1,135	Other costs and losses		3,080	2,863
30,177	33,502	Operating Cash Flow (current EBITDA)		65,945	68,287
9,303	8,840	Depreciation	8, 9, 10, 11	18,500	17,997
20,874	24,663	Operating Profit (current EBIT)		47,445	50,290
-1,652	0	Non-recurrent results	23	-1,652	0
549	320	Financial costs		1,230	1,056
31	35	Financial income		170	45
-246	1,467	Share of (loss) / profit of associates and joint-ventures	12	1,302	4,412
18,458	25,844	Profit before tax		46,037	53,691
3,646	2,914	Income tax	13	10,078	10,908
14,812	22,931	Profit after tax		35,959	42,783
416	1,188	Non-controlling Interest	21	1,687	2,431
14,396	21,742	Net Income attributable to the equity holders of Corticeira Amorim		34,272	40,352
0.108	0.163	Earnings per share - Basic e Diluted (euros per share)		0.258	0.303

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated statement of comprehensive income

thousand euros

2Q20 (non audited)	2Q19 (non audited)		Notes	1H20	1H19
14,812	22,930	Net Income		35,959	42,783
		Itens that may be reclassified through income statement:			
32	323	Change in derivative financial instruments fair value	13	-66	126
-46	-1,614	Change in translation differences and other	13	-1,830	286
856	25	Share of other comprehensive income of investments accounted for using the equity method	13	-283	-26
-154	-148	Other comprehensive income	13	66	-138
688	-1,413	Other comprehensive income (net of tax)		-2,113	249
15,500	21,517	Total Net compreensive income		33,846	43,032
		Attributable to:			
14,949	20,746	Corticeira Amorim Shareholders		32,856	40,620
551	771	Non-controlling Interest		990	2,412

(this statement should be read with the attached notes to the consolidated financial statements)
(items in this Statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 13)

Consolidated statement of cash flow

thousand euros

2Q20 (non audited)	2Q19 (non audited)		Notes	1H20	1H19
		OPERATING ACTIVITIES			
211,365	198,809	Collections from customers		396,765	386,518
-152,806	-148,244	Payments to suppliers		-304,764	-306,639
-29,256	-33,620	Payments to employees		-65,320	-67,501
29,303	16,945	Operational cash flow		26,681	12,378
-3,163	-1,817	Payments/collections - income tax		-3,206	-2,706
16,773	12,785	Other collections/payments related with operational activities		39,106	23,763
42,913	27,913	CASH FLOW FROM OPERATING ACTIVITIES		62,581	33,435
		INVESTMENT ACTIVITIES			
		Collections due to:			
453	282	Tangible assets		780	841
0	1	Intangible assets		0	1
-30	104	Financial investments		504	2,509
146	69	Other assets		248	198
-19	81	Interests and similar gains		52	131
0	0	Dividends		0	0
		Payments due to:			
-11,364	-11,469	Tangible assets		-19,800	-22,795
-429	0	Right of use		-727	0
-5	-440	Financial investments		-20	-505
-436	-223	Intangible assets		-647	-425
0	-16	Other assets		0	-16
-11,682	-11,610	CASH FLOW FROM INVESTMENTS		-19,611	-20,060
		FINANCIAL ACTIVITIES			
		Collections due to:			
9,927	13,794	Loans		49,926	23,144
3,827	2,328	Government grants		3,850	2,377
0	0	Transactions with non-controlling interest		68	0
506	728	Others		1,058	1,418
		Payments due to:			
-35,010	8,850	Loans		-44,246	0
-542	-516	Interests and similar expenses		-1,082	-1,184
0	0	Transactions with non-controlling interest		0	0
0	-24,605	Dividends paid to company's shareholders		0	-24,605
-144	-210	Dividends paid to non-controlling interest		-144	-210
-183	-2,018	Government grants		-658	-2,018
-124	-117	Others		-220	-213
-21,743	-1,766	CASH FLOW FROM FINANCING		8,552	-1,291
9,487	14,537	Change in Cash		51,521	12,084
88	-69	Exchange rate effect		-375	157
0	0	Perimeter variation		0	0
17,583	-40,967	Cash at beginning	16	-23,988	-38,740
27,158	-26,499	Cash at end	16	27,158	-26,499

(this statement should be read with the attached notes to the consolidated financial statements)

Consolidated Statement of Changes in Equity

thousand euros

	Notes	Share capital	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
		Attributable to owners of Corticeira Amorim, SGPS, S.A.								
Balance sheet as at January 1, 2019		133,000	38,893	6	-4,060	21,495	199,642	77,389	31,871	498,234
Profit for the year	17	-	-	-	-	2,977	74,412	-77,389	-	0
Dividends	17	-	-	-	-	-	-24,605	-	-210	-24,815
Consolidated Net Income for the period	17 e 18	-	-	-	-	-	-	40,352	2,431	42,783
Change in derivative financial instruments fair value	3	-	-	126	-	-	-	-	0	126
Change in exchange differences	17 e 18	-	-	-	76	-	-	-	210	286
Other comprehensive income of associates	12	-	-	-	-159	-	133	-	0	-26
Other comprehensive income		-	-	-	-	-	92	-	-230	-138
Total comprehensive income for the period		0	0	126	-83	0	225	40,352	2,412	43,032
Balance sheet as at June 30, 2019		133,000	38,893	132	-4,143	24,471	249,674	40,352	34,072	516,450
Balance sheet as at January 1, 2020		133,000	38,893	212	-4,127	24,471	242,068	74,947	30,081	539,543
Profit for the year	17	-	-	-	-	2,129	72,818	-74,947	-	0
Declared dividend	17	-	-	-	-	-	-24,605	-	-144	-24,749
Alterações de perímetro	18	-	-	-	-	-	-	-	70	70
Alterações da percentagem de interesse mantendo controlo	18	-	-	-	-	-	-	-	-2,111	-2,111
Consolidated Net Income for the period	17 e 18	-	-	-	-	-	-	34,272	1,687	35,959
Change in derivative financial instruments fair value	3	-	-	-66	-	-	-	-	-	-66
Change in exchange differences	17 e 18	-	-	-	-1,174	-	-	-	-656	-1,830
Other comprehensive income of associates	12	-	-	-	-1,201	-	918	-	-	-283
Other comprehensive income		-	-	-	-	-	107	-	-41	66
Total comprehensive income for the period		0	0	-66	-2,375	0	1,025	34,272	990	33,846
Balance sheet as at June 30, 2020		133,000	38,893	146	-6,502	26,600	291,306	34,272	28,886	546,599

(this statement should be read with the attached notes to the consolidated financial statements)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTION

At the beginning of 1991, Corticeira Amorim, S.A. was transformed into CORTICEIRA AMORIM, S.G.P.S., S.A., the holding company for the cork business sector of the Amorim Group. In this report, CORTICEIRA AMORIM will be the designation of CORTICEIRA AMORIM, S.G.P.S., S.A., and in some cases the designation of CORTICEIRA AMORIM, S.G.P.S. together with all of its subsidiaries.

CORTICEIRA AMORIM is mainly engaged in the acquisition and transformation of cork into a numerous set of cork and cork related products, which are distributed worldwide through its network of sales company.

CORTICEIRA AMORIM is a Portuguese company with a registered head office in Mozelos, Santa Maria da Feira. Its share capital amounts to 133 million euros, which are publicly traded in the Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

Amorim - Investimentos e Participações, S.G.P.S, S.A. held, as of December 31, 2019 and June 30, 2020, 67,830,000 shares of CORTICEIRA AMORIM, corresponding to 51.00% of the capital stock. CORTICEIRA AMORIM consolidates in Amorim – Investimentos e Participações, S.G.P.S., S.A., which is its controlling and Mother Company. Amorim – Investimentos e Participações, S.G.P.S., S.A. is owned by Amorim family.

These financial statements were approved in the Board Meeting of July 29, 2020. Shareholders have the capacity to modify these financial statements even after their release.

Except when mentioned, all monetary values are stated in thousand euros (Thousand euros = K euros = K€).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements as of June 30, 2020 were prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard 34 - Interim Financial Reporting, and include the statement of financial position, the income statement, the income statement and other comprehensive income, the statement of changes in equity and the condensed statement of cash flows, as well as the selected explanatory notes. The remaining notes were excluded because they have not suffered any changes in their standards which may affect the understanding of the financial statements.

The accounting policies adopted in the preparation of the consolidated financial statements of CORTICEIRA AMORIM are consistent with those used in the preparation of the financial statements presented for the year ended December 31, 2019.

Changes in accounting policies and disclosures

The standards and interpretations that became effective as of 1 January 2020 are as follows:

- IFRS 3 (amendment), "Business Combinations" (effective for annual periods beginning on or after 1 January 2020). The intention of changing the standard is to overcome the difficulties that arise when an entity determines whether it has acquired a business or a set of assets.

- IAS 1 e IAS 8 (amendment), "Definition of material" (effective for periods beginning on or after January 1, 2020). The intent of amending the standard is to clarify the definition of material and to align the definition used in international financial reporting standards.

- **"Reform of the interest rate reference indices"** (issued on September 26, 2019, to be applied in financial years beginning on or after January 1, 2020). This reform aims to change the standards of financial instruments, provided for in IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures.

- Improvements to international financial reporting standards (issued on March 29, 2018, to be applied to annual periods beginning on or after January 1, 2020). These improvements involve the revision of several standards.

These standards and amendments had no material impact on the consolidated financial statements of Corticeira Amorim.

At the date of approval of these financial statements, there are no standards and interpretations endorsed by European Union, whose mandatory application occurs in future economic years.

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, have not been endorsed by the European Union, until the date of approval of these financial statements:

- IFRS 17 (new), "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021). The general objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts between entities that issue them globally.

- IAS 1 (amendment), "Presentation of Financial Statements". Classification of Liabilities as Current or Non-Current.

- Improvements to international financial reporting standards 2018-2020 (issued on May 14, 2020, to be applied to annual periods beginning on or after January 1, 2022). These improvements involve the revision of several standards.

- IFRS 16 (amendment), "Leases" (issued on May 28, 2020, to be applied in years beginning on or after June 1, 2020). The general purpose of this change is to allow tenants, as a practical expedient, to treat the changes / concessions related to COVID-19 as not being a modification to the lease. The change does not affect lessor.

- IFRS 4 (amendment), "Insurance Contracts" (issued on June 25, 2020, to be applied in annual periods beginning on or after January 1, 2021). This amendment seeks to address concerns arising from the application of IFRS 9 before the new IFRS 17.

Corticeira Amorim is evaluating the impact resulting from these changes and will apply these standards in the year in which they become effective, or in advance when permitted.

3. FINANCIAL RISK MANAGEMENT

Corticeira Amorim's activity is exposed to a variety of financial risks inherent to its functions, so its monitoring and mitigation is carried out throughout the year. The spread of the Covid-19 pandemic and the measures taken to contain it, had a significant impact on the financial risks to which Corticeira Amorim may be subject, forcing it to strengthen its monitoring and control.

(a) Market Risk

Regarding market risk, although impacted by the pandemic (exchange rate risk, interest rate and raw material prices), were not significantly affected by the current context, with the follow-up procedures reported on December 31, 2019. The volatility of international markets they require scrupulous compliance with the procedures that were already defined, in order to avoid the possible impact of adverse events.

(b) Credit Risk

In terms of credit risk, there were no significant changes in the procedures adopted, reinforcing the collection measures that existed previously. Corticeira Amorim is attentive to the issue of customer paymets of accounts receivable, but in a universe of almost 30,000 customers worldwide, the risk is significantly shared. Credit risk is naturally reduced due to the dispersion of sales by a very high number of customers, spread across all continents, with no one representing more than 3% of total sales.

Corticeira Amorim's cash and cash equivalents is spread over another 90 subsidiaries. As of June 30, 2020, there was a significant increase in this item, in order to face any liquidity risk (see next point). At the level of credit risk quality, associated with Cash and cash equivalents, on June 30, 2020, Corticeira Amorim selected (a) financial institutions whose rating does not compromise the realization of these assets. It should be noted that of the total cash and cash equivalents (79 M €), around 20 M € are deposited in a financial institution (with public capital) with the following ratings: Moody's Baa3 / P-3; Fitch: BBB- / F3. Additionally, there are about 30 M € deposited in a financial institution (with private capital) with the following ratings: Moody's Baa1 / P-2; Fitch: BBB + / F2.

(c) Liquidity Risk

CORTICEIRA AMORIM financial department regularly analyses future cash flows so that it can deliver enough liquidity for the group to provide operating needs, and also to comply with credit lines payments. Excess of cash is invested in interest bearing short-term deposits. This police offer the necessary flexibility to conduct its business.

Liquidity risk hedging is achieved by the existence of non-used credit line facilities and, eventually bank deposits. Due to the Covid-19 pandemic, Corticeira Amorim reinforced those lines and programs that were previously available and contracted new financing. Accordingly, Corticeira Amorim ended the semester with unused credit lines and commercial paper issuance programs totaling € 211 million (on December 31, 2019 the comparable figure was € 188 million). If we add Cash and Cash Equivalents, the Liquidity Reserve at the end of the semester was 290 M € (210 M € on 31 December 2019).

The Covid-19 pandemic is not expected to threaten Corticeira Amorim's liquidity.

(d) Capital risk

CORTICEIRA AMORIM key objective is to assure business continuity, delivering a proper return to its shareholders and the correspondent benefits to its remaining stakeholders. A careful management of the capital employed in the business, using the proper combination of capital in order to reduce its costs, obtains the fulfilment of this objective. In order to achieve the proper combination of capital employed, the Board can obtain from the General Shareholders Meeting the approval of the necessary measures, namely adjusting the dividend pay-out ratio, the treasury stock, raising capital through new shares issue, sale of assets or other type of measures.

The key indicator for the said combination is the Equity/Assets ratio. CORTICEIRA AMORIM establishes as a target a level of not less than 40% of Equity/Assets ratio attending the company features and of the economic sector that she belongs. Corticeira Amorim is a solid company with an adequate and balanced capital structure (financial autonomy on June 30, 2020 of 51.4%), responsible for a fundamental activity for the sustainability of the entire cork industry. Without the corks produced by Corticeira Amorim, thousands of cellars and bottlers could not operate in the most varied geographies. It is not estimated that any significant adverse effects of the Covid-19 pandemic would jeopardize the continuity of Corticeira Amorim's operations.

4. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the Group's management to make judgments and estimates that affect the statement of financial position and the reported results. These estimates are based on the best information and knowledge about past and/or present events and on the operations that the Company considers it may implement in the future. However, at the date of completion of such operations, their results may differ from these estimates.

Changes to these estimates that occur after the date of approval of the consolidated financial statements will be corrected in the income statement in a prospective manner, in accordance with IAS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors".

The estimates and assumptions that imply a greater risk of giving rise to a material adjustment in assets and liabilities are described below:

- Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in return from its involvement with that entity and can take possession of them through the power it holds over this entity.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates, and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power.

Other assumptions and estimates could lead to the Group's consolidation perimeter being different, with direct impact on the consolidated financial statements.

- Impairment of non-current assets, excluding goodwill

The determination of a possible impairment loss can be triggered by the occurrence of various events, such as the availability of future financing, the cost of capital or other market, economic and legal changes or changes with an adverse effect on the technological environment, many of which are beyond the Group's control.

The identification and assessment of impairment indicators, the estimation of future cash flows, and the calculation of the recoverable value of assets involve a high degree of judgment by the Board.

- Impairment of goodwill

Goodwill is annually subjected to impairment tests or whenever there are indications of a possible loss of value in accordance with the criteria described in Note 2 b). The recoverable values of the cash-generating units to which goodwill is allocated are determined based on the calculation of current use values. These calculations require the use of estimates by management.

- Intangible and tangible assets

The life of an asset is the period during which the Company expects that an asset will be available for use and this should be reviewed at least at the end of each financial year. The determination of the useful lives of assets, the amortisation/depreciation method to be applied, and the estimated losses resulting from the replacement of equipment before the end of its useful life due to technological obsolescence is crucial in determining the amount of amortisation/depreciation to be recognised in the consolidated income statement each period.

These three parameters are defined using management's best estimates for the assets and businesses concerned, and taking account of the practices adopted by companies in the sectors in which the Group operates.

- Provisions

The Group periodically reviews any obligations arising from past events, which should be recognised or disclosed. The subjectivity involved in determining the probability and amount of internal resources required to meet obligations may give rise to significant adjustments, either due to changes in the assumptions made, or due to the future recognition of provisions previously disclosed as contingent liabilities.

- Deferred income tax assets

Deferred income tax assets are recognised only when there is strong assurance that there will be future taxable income available to use the temporary differences or when there are deferred tax liabilities whose reversal is expected in the same period in which the deferred tax assets are reversed. The assessment of deferred income tax assets is undertaken by management at the end of each period taking account of the expected future performance of the Group.

- Expected credit loss

The credit risk on the balances of accounts receivable is assessed at each reporting date, through the use of a collection matrix, which is based on the history of past collections adjusted for the future expectation of evolution of collections, to determine the non-receipt rate. Expected credit losses on accounts receivable are adjusted by the evaluation made, which may differ from the actual risk incurred in the future.

- Fair value of financial assets and liabilities

When the fair value of a financial asset or liability is calculated, on an active market, the respective market price is used. When there is no active market, which is the case with some of Corticeira Amorim financial assets and liabilities, valuation techniques generally accepted in the market, based on market assumptions, are used.

The Group applies evaluation techniques for unlisted financial instruments, such as derivatives, financial instruments at fair value and instruments measured at amortised cost. The most frequently used valorisation models are models of discounted cash flows and option models, which incorporate, for example, interest rate and market volatility curves.

For certain types of more complex derivatives, more advanced valuation models are used containing assumptions and data that are not directly observable in the market, for which the Group uses the proprietary model specified in Note 3.

- Revenue - return rights / quantity discounts

Some contracts give the customer the right to return goods and volume rebates. The right of return and volume discounts give rise to variable remuneration. When estimating the variable consideration, Corticeira Amorim determined that the use of a combination of the most probable quantity method and the value method expected is most appropriate. Before including any amount of variable consideration in the transaction price, Corticeira Amorim considers whether the amount of the variable consideration is restricted. Corticeira Amorim determined that the variable compensation estimates are not limited based on their historical experience, forecast of business and economic conditions. In addition, uncertainty over variable consideration will be resolved in a short period of time.

5. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company		Head Office	Country	1H20	2019
Raw Materials					
Amorim Natural Cork, S.A.		Vale de Cortiças - Abrantes	PORTUGAL	100%	100%
Amorim Florestal, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal II, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal III, S.A.		Ponte de Sôr	PORTUGAL	100%	100%
Amorim Florestal España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Florestal Mediterrâneo, S.L.		Cádiz	SPAIN	100%	100%
Amorim Tunisie, S.A.R.L.		Tabarka	TUNISIA	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.		Skhirat	MOROCCO	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.		Lisboa	PORTUGAL	100%	100%
SIBL - Société Industrielle Bois Liége		Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)		Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière		Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers					
Amorim Cork, SGPS, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
ACIC USA, LLC		Califórnia	U.S.AMERICA	100%	100%
Agglotap, S.A.		Girona	SPAIN	91%	91%
All Closures In, S.A.		Paços de Brandão	PORTUGAL	75%	75%
Amorim Cork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Australasia Pty Ltd.		Adelaide	AUSTRALIA	100%	100%
Amorim Bartop, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Champcork, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Amorim Cork América, Inc.		Califórnia	U.S.AMERICA	100%	100%
Amorim Cork Beijing Ltd.		Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD		Plovdiv	BULGARIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG		Mainzer	GERMANY	100%	100%
Amorim Cork España, S.L.		San Vicente Alcántara	SPAIN	100%	100%
Amorim Cork Itália, SPA		Conegliano	ITALY	100%	100%
Amorim Cork South Africa (Pty) Ltd.		Cape Town	SOUTH AFRICA	100%	100%
Amorim France, S.A.S.		Champfleury	FRANCE	100%	100%
Amorim Top Series France, S.A.S.		Merpins	FRANCE	100%	100%
Amorim Top Series, S.A.		Vergada	PORTUGAL	75%	75%
Amorim Top Series Scotland, Ltd		Dundee	SCOTLAND	100%	100%
Biocape - Importação e Exportação de Cápsulas, Lda.		Mozelos	PORTUGAL	60%	60%
Bouchons Prioux		Epernay	FRANCE	91%	91%
Chapuis, S.L.		Girona	SPAIN	100%	100%
Corchera Gomez Barris	(c)	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(b)	Mendoza	ARGENTINA	50%	50%
Corpack Bourrasse, S.A.		Santiago	CHILE	70%	70%
Elfverson & Co. AB	(f)	Paryd	SWEDEN	75%	53%
Equipar, Participações Integradas, Lda.		Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé		Tosse	FRANCE	70%	70%
FP Cork, Inc.		Califórnia	U.S.AMERICA	100%	100%
Francisco Oller, S.A.		Girona	SPAIN	94%	94%
Hungarocork, Amorim, RT		Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	(c)	Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.		Viena	AUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.		Girona	SPAIN	100%	100%
Portocork América, Inc.		Califórnia	U.S.AMERICA	100%	100%
Portocork France, S.A.S.		Bordéus	FRANCE	100%	100%
Portocork Internacional, S.A.		Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l		Milão	ITALY	100%	100%
Sagrera et Cie		Reims	FRANCE	91%	91%
S.A. Oller et Cie		Reims	FRANCE	94%	94%
S.C.I. Friedland		Céret	FRANCE	100%	100%
S.C.I. Prioux		Epernay	FRANCE	91%	91%
Socori, S.A.		Rio Meão	PORTUGAL	70%	70%
Socori Forestal, S.L.		Cáceres	SPAIN	70%	70%
Société Nouvelle des Bouchons Trescases	(b)	Perpignan	FRANCE	50%	50%
Trefinos Australia		Adelaide	AUSTRALIA	91%	91%
Trefinos Italia, s.r.l		Treviso	ITALY	91%	91%
Trefinos USA, LLC		Fairfield, CA	U.S.AMERICA	91%	91%
Trefinos, S.L.		Girona	SPAIN	91%	91%
Victor y Amorim, S.L.	(c)	Navarrete - La Rioja	SPAIN	50%	50%
Vinolok a.s	(b)	Jablonec nad Nisou	CZECH REP.	50%	50%
Wine Packaging & Logistic, S.A.	(b)	Santiago	CHILE	50%	50%

Company		Head Office	Country	1H20	2019
Floor & Wall Coverings					
Amorim Cork Flooring, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV		Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	(a)	Delmenhorts	GERMANY	100%	100%
Amorim Subertech, S.A.		S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG		Zug	SWITZERLAND	100%	100%
Amorim Flooring Austria GesmbH		Viena	AUSTRIA	100%	100%
Amorim Flooring Investments, Inc.		Hanover - Maryland	U.S.AMERICA	100%	100%
Amorim Flooring North America Inc.		Hanover - Maryland	U.S.AMERICA	100%	100%
Amorim Flooring Rus, LLC		Moscovo	RUSSIA	100%	100%
Amorim Flooring Sweden AB		Mölndal	SWEDEN	84%	84%
Amorim Flooring UK, Ltd.		Manchester	UN. KINGDOM	100%	100%
Amorim Japan Corporation		Tóquio	JAPAN	100%	100%
Cortex Korkvertriebs, GmbH		Fürth	GERMANY	100%	100%
Dom KorKowy, Sp. Zo. O.	(c)	Kraków	POLAND	50%	50%
Korkkitrio Oy		Tampere	FINLAND	51%	51%
Timberman Denmark A/S	(g)	Hadsund	DENMARK	100%	100%
Composite Cork					
Amorim Cork Composites, S.A.		Mozelos	PORTUGAL	100%	100%
Amorim (UK), Ltd.		Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Cork Composites, LLC		São Petersburgo	RUSSIA	100%	100%
Amorim Cork Composites, GmbH		Delmenhorts	GERMANY	100%	100%
Amorim Cork Composites, Inc.		Trevor - Wisconsin	U.S.AMERICA	100%	100%
Amorim Deutschland, GmbH	(a)	Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.		Corroios	PORTUGAL	100%	100%
Amorim Sports, Lda.	(e)	Mozelos	PORTUGAL	70%	100%
Amosealtex Cork Co., Ltd.	(b)	Xangai	CHINA	50%	50%
Chinamate (Shaanxi) Natural Products Co., Ltd.		Shaanxi	CHINA	100%	100%
Chinamate Development Co. Ltd.		Hong Kong	CHINA	100%	100%
Compruss – Investimentos e Participações, Lda.		Mozelos	PORTUGAL	100%	100%
Corkeen Europe	(d)	Mozelos	PORTUGAL	85%	-
Corkeen Global	(d)	Mozelos	PORTUGAL	100%	-
Corticeira Amorim - France, SAS		Lavardac	FRANCE	100%	100%
Florconsult – Consultoria e Gestão, Lda.		Mozelos	PORTUGAL	100%	100%
Postya - Serviços de Consultadoria, Lda.		Funchal - Madeira	PORTUGAL	100%	100%
Insulation Cork					
Amorim Cork Insulation, S.A.		Vendas Novas	PORTUGAL	100%	100%
Holding					
Corticeira Amorim, SGPS, S.A.		Mozelos	PORTUGAL	100%	100%
Ginpar, S.A. (Générale d' Invest. et Participation)		Skhirat	MOROCCO	100%	100%
Amorim Cork Research, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Services, Lda.		Mozelos	PORTUGAL	100%	100%
Amorim Cork Ventures, Lda.		Mozelos	PORTUGAL	100%	100%
Corecochic - Corking Shoes Investments, Lda.	(b)	Mozelos	PORTUGAL	50%	50%
Gröwancork - Estruturas isoladas com cortiça, Lda.	(b)	Mozelos	PORTUGAL	25%	25%
TDCork - Tapetes Decorativos com Cortiça, Lda.	(b)	Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.		Montijo	PORTUGAL	100%	100%

(a) – One single company: Amorim Deutschland, GmbH

(b) – Equity method consolidation.

(c) – CORTICEIRA AMORIM directly or indirectly controls the relevant activities – line-by-line consolidation method.

(d) - Company set-up in 2020.

(e) - Decrease in the percentage of interest.

(f) - Increase in the percentage of interest.

(g) - Percentage of 80% interest with 100% interest being recognized as a result of put and call option agreements on the remaining interest

The percentages indicated are the percentages of interests and not of control.

For entities consolidated by the full consolidation method, the percentage of voting rights held by "Non-Controlling Interests" is equal to the percentage of share capital held.

6. EXCHANGE RATES USED IN CONSOLIDATION

Exchage rates		June 30, 2020	Average jan-jun 20	Average jan-jun 19	December 31, 2019
Argentine Peso	ARS	78.9640	71.0509	53.8506	67.1031
Australian Dollar	AUD	1.6344	1.6775	1.6109	1.5995
Lev	BGN	1.9558	1.9558	1.9558	1.9558
Brazilian Real	BRL	6.1118	5.4104	4.4134	4.5157
Canadian Dollar	CAD	1.5324	1.5033	1.4855	1.4598
Swiss Franc	CHF	1.0651	1.0642	1.1124	1.0854
Chilean Peso	CLP	924.200	895.575	786.305	842.430
Yuan Renminbi	CNY	7.9219	7.7509	7.7355	7.8205
Czech Koruny	CZK	26.7400	26.3333	25.6705	25.4080
Danish Krona	DKK	7.4526	7.4648	7.4661	7.4715
Algerian Dinar	DZD	144.503	136.775	133.320	133.159
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	0.9124	0.8746	0.8778	0.8508
Hong Kong Dollar	HKD	8.7046	8.5519	8.7688	8.7329
Forint	HUF	356.580	345.261	325.297	330.530
Yen	JPY	120.660	119.267	122.006	121.940
Moroccan Dirham	MAD	10.8972	10.7598	10.7594	10.7212
Zloty	PLN	4.4560	4.4120	4.2976	4.2568
Ruble	RUB	79.6300	76.6692	72.3651	69.4519
Swedish Krona	SEK	10.4948	10.6599	10.5891	10.4468
Tunisian Dinar	TND	3.2071	3.1482	3.2767	3.1262
Turkish Lira	TRL	7.6761	7.1492	6.3578	6.6843
US Dollar	USD	1.1198	1.1020	1.1195	1.1234
Rand	ZAR	19.4425	18.3112	16.1757	15.7773

7. SEGMENT REPORT

CORTICEIRA AMORIM is organised in the following Business Units (BU): Raw Materials, Cork Stoppers, Floor and Wall Coverings, Composite Cork and Insulation Cork.

There are no differences between the measurement of profit and loss and assets and liabilities of the reportable segments, associated to differences in accounting policies or centrally allocated cost allocation policies or jointly used assets and liabilities.

For purposes of this Report, the Business approach was selected as the primary segment. This is consistent with the formal organization and evaluation of business. Business Units correspond to the operating segments of the company and the segment report is presented the same way they are analysed for management purposes by the board of CORTICEIRA AMORIM.

The following table shows the main indicators of the said units, and, whenever possible, the reconciliation with the consolidated indicators:

thousand euros

1H20	Raw Materials	Cork Stoppers	Floor & Wall	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	5,530	275,055	57,431	48,511	4,990	61	0	391,577
Other BU Sales	94,626	4,594	1,498	1,685	1,010	1,746	-105,159	-
Total Sales	100,156	279,649	58,929	50,196	6,000	1,807	-105,159	391,577
EBITDA (current)	8,747	54,357	1,033	4,058	-13	-1,927	-310	65,945
Assets (non-current)	38,113	199,649	37,055	46,398	4,333	903	31,718	358,168
Assets (current)	171,531	364,107	67,783	56,508	9,552	53,643	-18,798	704,326
Liabilities	55,725	176,365	44,113	28,965	2,123	14,537	194,067	515,895
Capex	2,727	11,612	1,755	2,475	420	64	0	19,052
Year Depreciation	-2,097	-11,034	-3,266	-1,786	-268	-48	0	-18,500
Gains/Losses in associated companies	0	1,307	0	3	0	-9	0	1,302

1H19	Raw Materials	Cork Stoppers	Floor & Wall	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	8,936	290,631	55,959	50,753	5,727	237	0	412,243
Other BU Sales	97,949	5,047	143	2,597	1,271	900	-107,907	-
Total Sales	106,885	295,678	56,101	53,351	6,998	1,137	-107,907	412,243
EBITDA (current)	12,200	55,660	-2,053	6,126	-353	-1,928	-1,366	68,287
Assets (non-current)	33,706	178,855	38,383	40,831	4,180	1,457	31,228	328,641
Assets (current)	208,295	363,881	63,192	53,894	10,961	1,605	-13,009	688,819
Liabilities	62,910	189,433	41,706	35,849	2,449	17,784	150,878	501,009
Capex	2,808	13,055	1,998	5,147	206	113	0	23,327
Year Depreciation	-2,133	-10,491	-3,323	-1,684	-300	-67	0	-17,997
Gains/Losses in associated companies	0	1,911	2,356	150	0	-5	0	4,412

Adjustments = eliminations inter-BU and amounts not allocated to BU.

EBITDA = Profit before net financing costs, depreciation, non-controlling interests, income tax and non-recurrent results.

Provisions and asset impairments were considered the only relevant non-cash material cost.

The decision to report EBITDA figures allows a better comparison of the different BU performances, disregarding the different financial situations of each BU. This is also coherent with the existing Corporate

Departments, as the Financial Department is responsible for the bank negotiations, being the tax function the responsibility of the Holding Company.

Cork Stoppers BU main product is the different types of existing cork stoppers. The main markets are the bottling countries, from the traditional ones like France, Italy, Germany, Spain and Portugal, to the new markets like USA, Australia, Chile, South Africa and Argentina.

Raw Materials BU is, by far, the most integrated in the production cycle of CORTICEIRA AMORIM, with 90% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining Business Units produce and sell a wide range of products that use the raw material left over from the production of stoppers, as well as the cork raw material that is not susceptible to be used in the production of stoppers. Main products are cork floor tiles, cork rubber for the automotive industry and antivibratic systems, expanded agglomerates for insulation and acoustic purposes, technical agglomerates for civil construction and shoe industry, as well as granulates for agglomerated, technical and champagne cork stoppers.

Major markets for flooring and insulation products are in Europe and for composites products the USA. Major production sites are in Portugal, where most of the invested capital is located. Products are distributed in practically all major markets through a fully owned network of sales companies. About 70% of total consolidated sales are achieved through these companies.

Capex was concentrated in Portugal. Assets in foreign subsidiaries totalize 417 M€, and are mostly composed by inventories (149 M€), trade receivables (126 M€) and tangible fixed assets (70 M€).

Sales by markets:

thousand euros

Markets	1H20		1H19	
European Union	250,294	63.9%	272,767	66.2%
From which: Portugal	22,862	5.8%	29,786	7.2%
Other European countries	15,831	4.0%	15,744	3.8%
United States	80,336	20.5%	74,902	18.2%
Other American countries	22,272	5.7%	22,929	5.6%
Australasia	18,756	4.8%	19,984	4.8%
Africa	4,088	1.0%	5,916	1.4%
TOTAL	391,577	100%	412,243	100%

The value of sales relates in its entirety, as in 2019, to contracts covered by IFRS 15 - Revenue from contracts with customers.

8. TANGIBLE ASSETS

thousand euros

	Land and Buildings	Machinery	Other	Tangible Fixed Assets in Progress	Total Tangible Assets
Gross Value	273,001	429,431	35,482	40,365	778,279
Depreciation and impairments	-163,982	-326,056	-30,777	0	-520,815
Opening balance after IFRS 16 adoption (Jan 1, 2019)	109,019	103,375	4,705	40,365	257,464
ACQUISITION OF A SUBSIDIARY	0	0	0	0	0
INCREASE	3,038	7,989	1,112	10,306	22,445
PERIOD DEPREC. AND IMPAIRMENTS	-3,074	-11,690	-982	0	-15,746
SALES AND OTHER DECREASES	166	-547	-63	0	-444
TRANSFERS AND RECLASSIFICATIONS	622	2,140	-207	-2,737	-182
TRANSLATION DIFFERENCES	94	21	8	20	143
Gross Value	277,086	437,529	35,756	47,954	798,325
Depreciation and impairments	-167,221	-336,241	-31,183	0	-534,645
Closing balance (Jun 30, 2019)	109,865	101,288	4,573	47,954	263,680
Gross Value	282,493	469,983	38,047	30,416	820,940
Depreciation and impairments	-166,386	-344,808	-31,146	0	-542,340
Opening balance (Jan 1, 2020)	116,107	125,175	6,901	30,416	278,600
INCREASE	3,160	5,615	758	8,872	18,405
PERIOD DEPREC. AND IMPAIRMENTS	-3,096	-12,735	-906	0	-16,737
SALES AND OTHER DECREASES	0	-1,043	-392	-77	-1,512
TRANSFERS AND RECLASSIFICATIONS	2,431	4,297	86	-5,988	826
TRANSLATION DIFFERENCES	-230	-124	-23	-35	-412
Gross Value	287,458	474,558	38,152	33,188	833,356
Depreciation and impairments	-169,086	-353,373	-31,728	0	-554,188
Closing balance (Jun 30, 2020)	118,372	121,185	6,424	33,188	279,168

Impairment losses recognized were recognised on the "Depreciation/Amortization" line in the consolidated income statement by nature.

Expenses to place the assets in the required location and condition related with tangible fixed assets had no impact.

No interest was capitalised during the period.

9. INTANGIBLE ASSETS AND GOODWILL

thousand euros

	Intangible Assets	Goodwill
Gross Value	14,424	14,090
Depreciation and impairments	-6,839	-103
Opening balance (Jan 1, 2019)	7,585	13,987
ACQUISITION OF A SUBSIDIARY	0	0
INCREASE	897	0
PERIOD DEPREC. AND IMPAIRMENTS	-608	3
SALES AND OTHER DECREASES	-29	0
TRANSFERS AND RECLASSIFICATIONS	555	0
TRANSLATION DIFFERENCES	1	-369
Gross Value	15,834	13,721
Depreciation and impairments	-7,432	-100
Closing balance (Jun 30, 2019)	8,401	13,621
Gross Value	18,613	13,847
Depreciation and impairments	-7,761	-103
Opening balance (Jan 1, 2020)	10,852	13,744
INCREASE	647	0
PERIOD DEPREC. AND IMPAIRMENTS	-695	0
SALES AND OTHER DECREASES	0	0
TRANSFERS AND RECLASSIFICATIONS	-701	0
TRANSLATION DIFFERENCES	0	-152
Gross Value	18,559	13,695
Depreciation and impairments	-8,456	-103
Closing balance (Jun 30, 2020)	10,103	13,592

Intangible Assets essentially include software, autonomous product development projects and innovative solutions.

With the exception of goodwill, there are no intangible assets of indefinite life.

Detail of goodwill according to the following table:

thousand euros

2019	Opening Balance	Increase	Decrease	Translation differences	End Balance
Bourrassé	9,745				9,745
Elfverson	4,242			-341	3,901
Korkkitrio	0	98			98
Goodwill	13,987	98	0	-341	13,744

milhares de euros

1H20	Opening Balance	Increase	Decrease	Translation differences	End Balance
Bourrassé	9,745				9,745
Elfverson	3,901			-152	3,749
Korkkitrio	98				98
Goodwill	13,744	0	0	-152	13,592

As referred to in b) in Note 2 of the annual report, impairment tests are performed annually. For the tests are projected cash-flows, based on the budget and plans ratified by management. In the interim report of June 30, the business plans and the potential effect of the Covid-19 pandemic on previously approved plans were reviewed.

In the annual impairment tests the growth assumptions took into account the expected growth in the wine, champagne and sparkling wine market, as well as the evolution of the subsidiaries' market share in this business. In the tests, growth rates of 14% and 22% were used for Bourrassé and Elfverson, respectively, for the period 2020-2022 and 2% for the following years. The discount rate used was 6.98%.

The result of the annual impairment tests showed that the recoverable amounts are sufficiently higher than the accounting values, even in the case of unfavourable developments in the main variables. Even in a scenario of loss of 25% of sales, inherent to Covid-19, the group would not recognize impairment losses in the goodwill recorded.

At the date of approval of the accounts for June 30, it was analyzed that, even projecting a variation in sales and profitability in the second half, similar to the first half, the Group would not recognize impairment in the goodwill recognized over Bourrassé and Elfverson.

10. RIGHT OF USE

	thousand euros
	Right of use
Gross Value	10,202
Depreciation and impairments	-3,473
Opening balance after IFRS 16 adoption (Jan 1, 2019)	6,729
ACQUISITION OF A SUBSIDIARY	0
INCREASE	1,091
PERIOD DEPREC. AND IMPAIRMENTS	-972
SALES AND OTHER DECREASES	0
TRANSFERS AND RECLASSIFICATIONS	0
TRANSLATION DIFFERENCES	0
Gross Value	11,293
Depreciation and impairments	-4,445
Closing balance (Jun 30, 2019)	6,848
Gross Value	10,187
Depreciation and impairments	-4,150
Opening balance (Jan 1, 2020)	6,037
INCREASE	739
PERIOD DEPREC. AND IMPAIRMENTS	-769
SALES AND OTHER DECREASES	0
TRANSFERS AND RECLASSIFICATIONS	271
TRANSLATION DIFFERENCES	0
Gross Value	10,516
Depreciation and impairments	-4,238
Closing balance (Jun 30, 2020)	6,278

11. INVESTMENT PROPERTY

	thousand euros
	Investment Property
Gross Value	22,071
Depreciation and impairments	-16,589
Opening balance (Jan 1, 2019)	5,481
ACQUISITION OF A SUBSIDIARY	0
INCREASE	0
PERIOD DEPREC. AND IMPAIRMENTS	-520
SALES AND OTHER DECREASES	-11
TRANSFERS AND RECLASSIFICATIONS	462
TRANSLATION DIFFERENCES	0
Gross Value	22,050
Depreciation and impairments	-16,637
Closing balance (Jun 30, 2019)	5,413
Gross Value	22,116
Depreciation and impairments	-16,730
Opening balance (Jan 1, 2020)	5,387
INCREASE	15
PERIOD DEPREC. AND IMPAIRMENTS	-316
SALES AND OTHER DECREASES	0
TRANSFERS AND RECLASSIFICATIONS	258
TRANSLATION DIFFERENCES	0
Gross Value	22,121
Depreciation and impairments	-16,778
Closing balance (Jun 30, 2020)	5,343

The amount of 5,343 K€, referred as Investment Property (December 31, 2019: 5,387 K€), is due, mainly, to land and buildings that are not used in production.

The fair value of the Investment Properties in the case of the land and building in Corroios (determined on the basis of an independent valuation) is close to the value recorded in the accounts. This item also includes a property (Interchampagne with a value of 1,410 K€) with a recent valuation that corresponds to the book value. At the end of December 31, 2019, management made an analysis of these valuations and considered that they remained up to date.

These properties are not generating income and conservation and repair costs are insignificant.

12. INVESTIMENTS IN ASSOCIATES AND JOINT-VENTURES

thousand euros

	1H20	2019	1H19
Opening Balance	22,366	9,537	9,537
In / Out	0	11,000	0
Results	1,302	2,708	2,056
Dividends	0	-500	0
Exchange Differences	-1,201	-1,071	-159
Other	918	693	133
End Balance	23,385	22,366	11,566
Equity method	1,302	2,708	2,056
Gains on disposal of associates	0	2,874	2,356
Share of (loss)/profit of associates and joint-ventures	1,302	5,581	4,412

The associates and joint-ventures are entities through which the group operates in the markets in which they are based, acting as distribution channels of products.

Gain on the disposal of associates in the last year due to the final recognition of the contingent amount receivable from the sale of US Floors, occurred in 2016, which was received in that year.

thousand euros

	1H20			
	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	5,320	1,715	7,035	585
Wine Packaging & Logistic	1,154	0	1,154	0
Corchos Argentina	3,141	0	3,141	-239
Vinolok	11,650	0	11,650	961
Others	405	0	405	-5
End Balance	21,670	1,715	23,385	1,302

thousand euros

	1H19			
	Share in net assets	Goodwill	Total	Contribution to net income
Trescases	5,259	1,715	6,974	1,274
Wine Packaging & Logistic	1,308	0	1,308	0
Corchos Argentina	2,891	0	2,891	637
Others	393	0	393	144
End Balance	9,851	1,715	11,566	2,056

In addition to the above, the Group has significant influence on a set of other individually immaterial associates.

13. DEFERRED TAX / INCOME TAX

- **Deferred tax and income tax**

The difference between the tax due for the current period and prior periods and the tax already paid or to be paid of these periods is booked as "deferred tax" in the consolidated income statement and amounts to 1,847 K€ (31/12/2019: 1, 331 K€).

On the consolidated statement of financial position this effect, excluding tax contingencies, amounts to 15,172 K€ (31/12/2019: 14,396 K€) as asset, and to 7,141 K€ (31/12/2019: 7,676 K€) as liability.

According to IFRIC 23, the deferred tax liability item now includes provisions for tax contingencies in the amount of 41.3 M€. In September 2019, the IFRS Interpretation Commitee issued a document in which it concluded that a company is required to present liabilities relating to uncertainty over income ta treatment in current tax or deferred tax. Corticeira Amorim considers that taking into account the previous treatment (in which these liabilities were presented as non-current) and the fact that these contingencies do not imply a transfer of economic resources in the short term, it would be more appropriate to present it under the caption Deferred tax.

Deferred tax related with items directly registered in equity was -11 K€ (debt balance) and relates to hedge accounting. No other deferred tax values related with other equity movements were booked.

It is conviction of the Board that, according to its business plan, the amounts registered in deferred tax assets will be recovered as for the tax carry forward losses.

thousand euros

	1H20	2019	1H19
Related with Inventories and third parties	7,662	6,760	5,950
Related with tax losses carry forward	2,884	2,650	2,257
Related with Fixed Tangible Assets / Intang. / Inv. Prop	1,102	1,102	1,247
Related with other deductable temporary differences	3,523	3,884	3,281
Deferred Tax Assets	15,172	14,396	12,736
Related with Fixed Tangible Assets	3,835	4,217	3,952
Related with other taxable temporary differences	3,305	3,459	3,169
Tax contingencies	41,270	42,694	0
Deferred Tax Liabilities	48,411	50,370	7,121
Current Income Tax	-11,925	-13,283	-10,352
Deferred Income Tax	1,847	1,331	-556
Income Tax	-10,078	-11,951	-10,908

Tax relating to components of other comprehensive income is as follows:

thousand euros

	1H20		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			
Change in derivative financial instruments fair value	-77	11	-66
Change in translation differences	-1,830	0	-1,830
Share of other comprehensive income of investments accounted for using the equity method	-283	0	-283
Other comprehensive income	66	0	66
Other comprehensive income	-2,124	11	-2,113

thousand euros

	1H19		
	before tax	tax	after tax
Itens that could be reclassified through income statement:			
Change in derivative financial instruments fair value	104	22	126
Change in translation differences	286	0	286
Share of other comprehensive income of investments accounted for using the equity method	-26	0	-26
Other comprehensive income	-138	1	-138
Other comprehensive income	226	22	249

- ## Income tax (Stament of Financial Position)

thousand euros

	1H20	2019	1H19
Income tax - minimum advances	13	9	24
Income tax - advances / to be recovered	5,744	11,603	11,604
Income tax - withholding	162	162	198
Income tax - special payment (RERD)	2,093	2,093	2,587
Income tax - special payment (RERD) impairment	-2,093	-2,093	-2,587
Income tax - special payment (PERES)	5,383	5,383	5,383
Income tax - special payment (PERES) impairment	-5,383	-5,383	-5,383
Income tax (assets)	5,918	11,773	11,826
Income tax - Estimation and others	8,221	1,911	1,924
Income tax (liabilities)	8,221	1,911	15,387

In 2013, Corticeira Amorim made the payment instituted by DL 151-A / 2013 (RERD) in the amount of 4.3 M€, a payment that does not imply the abandonment by Corticeira Amorim of defending the respective processes. In 2016, a final decision was made on one of the paid processes relating to stamp taxes, which was partially won by Corticeira Amorim, which received 1.2 M€ of the amount paid of 1.7 M€. In 2019, the final decision of another process was won by Corticeira Amorim, which implied the receipt of 0.5 M€. In this way, the amount that remains open for ongoing proceedings paid under the RERD is 2.1 M€.

At the end of 2016, a special Plan for the Reduction of Indebtedness to the State (PERES) was approved by Decree-Law no. CORTICEIRA AMORIM decided to partially adhere to that measure. In December 2016, approximately 7.4 M€ were paid in respect of Stamp Tax / VAT (2 M€) and Income Tax (IRC) in the amount of 5.4 M€.

To be noted that CORTICEIRA AMORIM was not a debtor to the social security and to the tax authority. Those amounts were subject to court litigation. The disputs that were chosen to adhere are old cases whose values of interest on late payments and fines to be paid, in case of loosing, would be high.

RERD and PERES allowed for the payment of the capital without any payment regarding late payment interests and other costs. Due to the fact that adhesion to RERD and PERES does not imply a mandatory abandonment of the court cases and those processes are still in court, CORTICEIRA AMORIM will continue to fight for its rights.

The liability amount under this caption includes the estimate of income tax payable by some foreign subsidiaries when the tax return for the year 2019 is presented.

<u>Provisions for tax contingencies</u>

In the year ended December 31, 2019, the main movement in tax contingencies corresponds to the reclassification of contingencies to deferred taxes (Note 25) resulting from the application of IFRIC 23 (note 2 point a) of the annual report), with the item ending with 42.7 million euros. As of June 30, 2020, the value of the item is 41.3 M €.

During the year, the provisions in the Balance Sheet decreased by 1.4 M€. This variation is essentially due to the receipt of final declarations from SIFIDE 2018 and the calculation for the purposes of estimating SIFIDE 2019.

CORTICEIRA AMORIM's claims are pending, both in the judicial phase and in the non-contentious phase, and which may adversely affect CORTICEIRA AMORIM, refer to the financial years 1997, 1998, 1999 and 2003 to 2015.The most recent fiscal year analysed by Portuguese tax authorities was 2016.

These tax cases are basically related with questions like non-remunerated guarantees given between group companies, group loans (stamp tax), interest costs of holding companies (SGPS), and with the acceptance as tax costs of losses related with the closing of subsidiaries.

At the end of each year, an analysis of the tax cases is made. The procedural development of each case is important to decide new provisions, or reverse or reinforce existing provisions. Provisions correspond to situations that, for its procedural development or for doctrine and jurisprudence newly issued, indicate a probability of an unfavourable outcome for CORTICEIRA AMORIM and, if that happens, a cash outflow can be reasonably estimated. Note that during the year there were no developments worthy of note in the processes mentioned above.

The value of tax processes to date for the 2019 accounts amounted to 8.1 M€, being fully provisioned.

In addition to the tax provisions referred to above, CORTICEIRA AMORIM has recorded a provision to cover the tax benefits to apply for 2019 and applied in previous years. The certification requirement by ANI of SIFIDE projects, the requirement for maintenance of jobs over five years in RFAI projects as well as other constraints to the realization of benefits, has led CORTICEIRA AMORIM to record provisions in order to take account of future breaches of such requirements. It should be noted that the determination of the tax benefits can not be concluded, since its constraints extend over several years, in particular as regards the maintenance of jobs.

There are no tax proceedings that have not been provisioned, thus, contingent liabilities are zero.

CORTICEIRA AMORIM has a large number of other favourable processes. They refer, in essence, to payments related with autonomous taxation, inspection fees and tax benefits. The value of these processes amounts to 1.0 M€, which is not recorded as part of its assets. Total contingent assets amounts to 10.5 M€ (including amounts paid under the RERD and PERES).

14. INVENTORIES

thousand euros

	1H20	2019	1H19
Goods	11,595	18,169	18,912
Raw materials	185,767	218,654	203,095
Finished and semi-finished goods	138,652	134,078	137,843
Work in progress	35,734	34,431	34,812
Finished and semi-finished goods impairments	-5,998	-5,764	-5,373
Raw materials impairments	-1,617	-1,728	-2,197
Inventories	364,132	397,840	387,093

thousand euros

Impairment losses	1H20	2019	1H19
Initial Balance	7,492	6,659	6,659
Increases	779	1,887	2,190
Decreases	655	1,054	1,279
End Balance	7,616	7,492	7,571

Raw materials essentially include reproduction cork ("amadia") and virgin cork from pruning the tree ("falcas") (Raw Material BU), products and work in progress essentially include boiled cork and discs (Raw Materials BU) and finished products essentially include a variety of types of cork stoppers (Cork Stoppers BU), coverings (Floor and Wall Coverings BU) and composite products (Composite Cork BU).

Increases in impairment are booked on Costs of goods sold and materials consumed in the income statement.

15. OTHER DEBTORS AND OTHER ASSETS

- **Other debtors**

thousand euros

	1H20	2019	1H19
Advances to suppliers	35,952	6,078	34,380
Hedge accounting assets	923	111	85
VAT	18,454	21,336	16,988
Stamp tax/VAT - special payment (PERES)	2,051	2,051	2,051
Stamp tax/VAT - special payment (PERES) impairment	-2,051	-2,051	-2,051
Others	15,778	9,442	11,581
Other debtors	71,107	36,967	63,034

As of December 31, 2020 and 2019, there were no overdue in the amounts of VAT.

Other non-current debtors include advances to suppliers (3,327 K€), which will only be fulfilled for more than 12 months.

- **Other assets**

thousand euros

	1H20	2019	1H19
Accrued income	325	292	169
Deferred costs	3,749	2,817	1,756
Other assets	4,073	3,108	1,925

16. CASH AND EQUIVALENTS

thousand euros

	1H20	2019	1H19
Cash	221	368	312
Bank Balances	70,200	13,829	10,715
Term deposits	7,854	7,759	12,989
Others	829	187	199
Cash and cash equivalents as for stament of financial position	79,104	22,144	24,215
Overdrafts	-51,946	-46,131	-50,715
Cash and cash equivalents as for cash flow statement	27,158	-23,988	-26,499

17. CAPITAL E RESERVES

- ## Share Capital

As of June 30, 2020, the share capital is represented by 133,000,000 ordinary registered shares, conferring dividends, with a par value of 1 Euro.

The Board of CORTICEIRA AMORIM is authorised to raise the share capital, one or more times, respecting the conditions of the commercial law, up to 250,000,000€.

- ## Treasury stock

As of June 30, 2020, CORTICEIRA AMORIM held no treasury stock.

No purchases were registered during the first of 2020.

- ## Legal reserve and share premium

Legal reserve and share premium are under the legal reserve rule and can only be used for (art. 296 CSC - Portuguese commercial law):

- Offset losses in the financial position that cannot be offset by the use of other reserves;
- Offset losses of prior year that cannot be offset by the profit of the year nor the use of other reserves;
- Incorporation in share capital.

Legal reserve and share premium values are booked in Corticeira Amorim, SGPS, S.A. separate accounts.

- ## Other reserves

Value is composed from other reserves account and prior year's results of Corticeira Amorim, SGPS, S.A. books, as well as non-distributed cumulative results of Corticeira Amorim, SGPS, S.A. subsidiaries.

- **Dividends**

In the Shareholders' General Meeting of June 26, 2020, a dividend distribution of 0.185 euros per share was approved. The respective payment was made on July 20, 2020.

thousand euros

	1H20	2019	1H19
Approved dividends	24,605	35,910	24,605
Dividends paid	0	35,910	24,605

18. NON-CONTROLLING INTEREST

thousand euros

	1H20	2019	1H19
Initial Balance	30,081	31,871	31,871
In	70	562	0
Out	-2,111	-4,397	-230
Results	1,687	4,514	2,431
Dividends	-144	-1,901	-210
Exchange Differences	-656	-380	210
Others	-41	-188	0
End Balance	28,886	30,081	34,072

The amount of Dividends corresponds to the amounts paid by the entities to non-controlling interests.

Out value is essentially related to the acquisition of 30% of Elfverson.

19. INTEREST BEARING DEBT

At year-end, current interest bearing loans was as follows:

thousand euros

	1H20	2019	1H19
Overdrafts and bank loans	70,942	67,426	74,936
Leasing	2,589	1,683	1,680
Commercial paper	70,000	55,000	39,000
Interest-bearing loans - current	143,531	124,108	115,615

Non-current interest bearing loans was as follows:

	1H20	2019	1H19
Bank loans	27,620	34,507	33,205
Reimbursable grants	47	47	70
Leasing	3,531	4,572	5,237
Commercial paper	20,000	20,000	20,000
Interest-bearing loans - non-current	51,197	59,126	58,512

From non-current and current interest bearing debt, 166,029 K€ carries floating interest rates. Remaining 28,699 K€ carries fixed interest rate. Average cost, during 1H20, for all the credit utilized was 0.91% (2019: 1.07%).

On March 5, 2015, Corticeira Amorim entered into a loan agreement with the EIB in the amount of 35 M €, ten years, with a four-year grace period. This loan allowed Corticeira Amorim to expand substantially its maturity curve at a competitive price.

In 2019 Corticeira Amorim contracted a commercial paper program with guarantee of subscription by a bank entity. The program has an effective maturity of 3 years, so the emissions made during the first two years are classified as non-current. Only Corticeira Amorim has the option to revoke the program when the first year of the contract has passed.

As of June 30, 2020, CORTICEIRA AMORIM had credit lines with contractual clauses that include covenants generally used in these type of contracts, namely: cross-default, pari-passu and in some cases negative pledge.

As of June 30, 2020, three foreign subsidiaries have a 7 million euro loan mortgage guarantee on assets. These assets are booked on Statement of financial position of those subsidiaries.

CORTICEIRA AMORIM uses two credit lines on June 30, 2020 (for a total of 7.0 M€) with associated financial covenants. These included ratios accomplishment that allowed for an accompaniment of the financial position of the company, namely:

- interest coverage rate;
- fixed charge coverage ratio;

The above ratios are not restrictive and the requirements contained in the contracts that formalized the referred financing were largely and fully complied with. In the event of non-compliance, there would be a possibility that this would lead to the early repayment of the debts.

In addition, it is important to inform that the capacity to ensure debt service was further enhanced by the existence, as of June 30, 2020, of 211 million euros of credit lines approved, but not used, credit lines and 79 million euros of cash and cash equivalents.

20. TRADE PAYABLES

thousand euros

	1H20	2019	1H19
Trade payables - current account	49,142	63,220	65,112
Trade payables - confirming	59,208	59,994	70,152
Trade payables -invoices pending	30,293	8,872	29,298
Trade payables	138,643	132,086	164,562

From the total values, 52% comes from Cork Stoppers BU (2019: 53%) and 26% from Raw Materials BU (2019: 21%).

21. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

- **Other financial liabilities**

thousand euros

	1H20	2019	1H19
Repayable grants	15,781	12,568	13,759
Agreement to acquire non-controlling interests	10,088	10,007	15,283
Other	477	695	909
Other financial liabilities - non current	26,346	23,269	29,951
Repayable grants	2,377	2,464	3,684
Agreement to acquire non-controlling interests	4,996	4,955	4,956
Accrued costs - supplies and services	5,438	3,545	6,469
Accrued costs - others	9,199	8,337	8,654
Other deferred income - others	81	93	104
VAT	9,636	8,470	8,744
State and social security - withholding and others	4,526	5,907	5,160
Other	9,895	9,269	7,173
Other financial liabilities - current	46,148	43,040	44,945

In Other financial liabilities is included a value of 18 K€ (Dec. 2019: 234 K€), which refers to exchange rate hedge derivatives.

The agreement to acquire non-controlling interests results from the purchase of S.A.S. ETS CHRISTIAN BOURRASSÉ, in which 60% of the share capital was first acquired, for the amount of 29 M €. The agreement provides for the subsequent acquisition by 2022 of the remaining 40% ("agreement for acquisition of non-controlling interests") at a price which, based on the value already paid for the first 60%, will also depend on the evolution of BOURRASSÉ's performance in next years. The first tranche of 10% was acquired during the month of July 2019, and in July 2020 the second tranche corresponding to + 10% of Bourrassé will be acquired.

- **Other liabilities**

thousand euros

	1H20	2019	1H19
Non-repayable - grants	3,138	3,081	3,443
Accrued costs - staff costs	20,350	12,154	20,250
Other liabilities - current	23,487	15,235	23,693

22. IMPAIRMENTS OF ASSETS

thousand euros

	1H20	1H19
Receivables	1,133	-20
Tangible, intangible assets and others	119	-25
Impairments of assets and non-current costs	1,251	-45

Receivables include customers and other debtors.

23. NON-RECURRENT RESULTS

As for the non-recurring amounts, they are related to restructuring expenses of Cork Stoppers BU, Composite Cork BU and Floor and wall covering BU in Portugal.

thousand euros

	1H20	1H19
Restructuring costs	-1,652	0
Non-current results	-1,652	0

24. RELATED-PARTY TRANSACTIONS

CORTICEIRA AMORIM consolidates directly in AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. with head-office at Mozelos (Santa Maria da Feira, Portugal), Amorim Group holding company.

As of June 30, 2020, financial stake of AMORIM – INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. in CORTICEIRA AMORIM was 51%, corresponding to 51% of the voting rights.

CORTICEIRA AMORIM related party transactions are, in general, due to the rendering of services through some of AIP subsidiaries (Amorim Serviços e Gestão, S.A., Amorim Viagens e Turismo, S.A., OSI – Sistemas Informáticos e Electrotécnicos, Lda.). Total sales of these subsidiaries to the remaining CORTICEIRA AMORIM companies totalled 6,425 K€ (Jun. 2019: 5,885 K€).

Sales from Quinta Nova, S.A., AMORIM - INVESTIMENTOS E PARTICIPAÇÕES, S.G.P.S., S.A. subsidiary to CORTICEIRA AMORIM subsidiaries reached 2 K€ (Jun. 2019: 21 K€). Purchases totaled 58 K€ (Jun. 2019: 243 K€).

Cork acquired during 1H2020, from companies held by the main indirect shareholders of CORTICEIRA AMORIM, amounted to 928 K€ (Jun. 2019: 533 K€).

Balances at year-end 2019 and June 30, 2020 are those resulting from the usual payment terms (from 30 to 60 days) and so are considered to be immaterial.

Services are usually traded with related parties on a "cost plus" basis in the range of 2% to 5%.

25. PROVISIONS

thousand euros

	1H20	2019	1H19
Tax contingencies	705	707	37,459
Guarantees to customers	722	936	582
Others	2,154	2,133	1,544
Provisions	**3,581**	**3,777**	**39,586**

In the year ended December 31, 2019, the movement in Income tax contingencies corresponds to the reclassification of contingencies to deferred taxes (Note 15) resulting from the issue of IFRIC 23 (note 2 point a)), in the amount of 40.2 million euros.

Claims by the tax authorities are related with income tax, stamp tax and marginally VAT.

Trade receivables guarantees are essentially from Floor and wall coverings BU and are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Other contingencies

Other contingencies include provisions for termination of employment and ongoing law suits.

26. ATIVITY DURING THE YEAR

CORTICEIRA AMORIM sales are composed by a wide range of products that are sold through all the five continents, over 100 countries. Due to this notorious variety of products and markets, it is not considered that this activity is concentrated in any special period of the year. Traditionally first half, specially the second quarter, has been the best in sales; third and fourth quarter switch as the weakest one.

27. OTHER INFORMATION

a) Net profit per share calculation used the average number of issued shares deducted by the number of average owned shares. The non-existence of potential voting rights justifies the same net profit per share for basic and diluted

	1H20	1H19
Total issued shares	133,000,000	133,000,000
Average nr. of treasury shares	0	0
Average nr. of outstanding shares	133,000,000	133,000,000
Net Profit (thousand euros)	34,272	40,352
Net Profit per share (euros)	0.258	0.303

b) Guarantees

During its operating activities CORTICEIRA AMORIM issued in favour of third-parties guarantees amounting to 1,806 K€ in June 2020 (Dec. 2019: 1,624 K€).

thousand euros

Beneficiary	Amount	Purpose
Government agencies	900	Capex grants / subsidies
Other	906	Miscellaneous guarantees
TOTAL	1,806	

c) Financial Assets and Liabilities

Financial Assets are mainly registered in the Loans and Other Receivables caption. As for Financial Liabilities they are included in the Amortized Liabilities caption.

Detail is as follows:

thousand euros

	Financial assets at amortized cost	Financial assets at fair value	Derivatives as hedging	Derivatives not designated as hedging	Total
Trade receivables	165,484				**165,484**
Other debtors (note 15)	30,778		111		**30,889**
Other financial assets		1,550			**1,550**
Cash and cash equivalents (note 16)	22,144				**22,144**
Total as of December 31, 2019	**218,405**	**1,550**	**111**	**0**	**220,066**
Trade receivables	179,992				**179,992**
Other debtors (note 15)	34,232		923		**35,154**
Other financial assets		1,800			**1,800**
Cash and cash equivalents (note 16)	79,104				**79,104**
Total as of June 30, 2020	**293,328**	**1,800**	**923**	**0**	**296,050**

thousand euros

	Loans and payables	Accounts payable	Agreement to acquire non-controlling interests	Derivatives as hedging	Derivatives not designated as hedging	Dividend attributed	Total
Interest-bearing loans (note 19)	183,234						**183,234**
Trade payables (note 20)		132,086					**132,086**
Other financial liabilities (note 21)	15,032	36,081	14,962	23	212		**66,310**
Total as of December 31, 2019	**198,266**	**168,167**	**14,962**	**23**	**212**	**0**	**381,630**
Interest-bearing loans (note 19)	194,728						**194,728**
Trade payables (note 20)		138,643					**138,643**
Other financial liabilities (note 21)	18,158	39,017	15,084	23	212		**72,494**
Dividend attributed						24,605	**24,605**
Total as of June 30, 2020	**212,886**	**177,660**	**15,084**	**23**	**212**	**24,605**	**430,470**

Corticeira Amorim understands that the fair value of the classes of financial instruments presented does not differ significantly from its book value, taking into account the contractual conditions of each of these financial instruments.

Current assets and liabilities, given their short-term nature, have an accounting value similar to fair value

Non-current net debt is mostly payable at a variable rate. The only fixed-rate was contracted during the year 2015. As there were no significant changes in the reference interest rates, the rate does not differ substantially from the current market conditions, and therefore the fair value does not differ significantly from the value Accounting.

In the case of Other financial liabilities (mainly grants with no interest bearing measured at fair value at initial recognition), given the initial adjustment differential for recognizing in income, maturities and current interest rate levels, difference between book value and fair value is not significant.

d) Reconciliation of Alternative Performance Measures

According to the guidelines of the ESMA (European Sales and Marketing Association) of October 2015 on Alternative Performance Measures (APM), Corticeira Amorim presents below a table to reconcile APMs that are not directly readable in the primary financial statements.

Management report	Consolidated Financial Statements
Gross Margin	Sales - Cost of goods sold and materials consumed + Change in manufactured inventories
Gross Margin %	Gross margin / (Sales + Change in manufactured inventories)
Operational costs	Third party supplies and services + Staff costs + Impairments of assets - Other income and gains + Other costs and losses + Depreciation
Working capital	Inventories + Trade receivables - Trade payables + other operating assets - other operating liabilities
Invested capital	Goodwill + Tangible fixed assets + intangible assets + right of use + working capital + investment properties + Investments in associates and joint ventures + other operating assets / (liabilities)
Net interest-bearing debt / consolidated debt	Current and non-current Interest-bearing loans - cash and cash equivalents
Financial autonomy	Equity / Total assets

28. SUBSEQUENT EVENTS

In accordance with the proposal of the Board of Directors, the Shareholders General Meeting held on June 26, 2020 decided to distribute a dividend of 18.5 euro cents per share. The respective payment was made on July 20, 2020.

Considering the consequences of the pandemic and the inherent worsening of the economic and social context in Portugal and across the world, and in view of the high degree of uncertainty regarding the resumption of normal economic activity, the Board of Directors of Corticeira Amorim decided not to propose in the current year the payment of an extraordinary dividend in December as has been its practice since 2012. This decision reflects the deliberately conservative management of its balance sheet that the Group has followed and takes into account the greater degree of prudence that the current adverse context requires.

As foreseen in the acquisition contract, an additional 10% of Bourrassé was purchased in July for €5 million.

Beside these events and until the date on which this report was published, there occurred no other important facts that could materially affect the financial position or future results of Corticeira Amorim or the subsidiary companies belonging to its consolidated group.

Mozelos, July 29, 2020

The Board of CORTICEIRA AMORIM, S.G.P.S., S.A.

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Limited Review Report on the Consolidated Financial Statements

Introduction

We have performed a limited review on the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 30 June 2020 (showing a total of 1.062.494 thousand euros and a total equity of 546.599 thousand euros, including a net profit attributable to equity holders of the Group of 34.272 thousand euros), the Consolidated Statement of Income by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the six months period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Management responsibilities

Management is responsible for the preparation of consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34), and for the design and maintenance of an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the accompanying consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. These standards require that our work is performed in order to conclude whether anything has come to our attention that causes us to believe that the consolidated financial statements are not prepared in all material respects in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34).

A limited review of financial statements is a limited assurance engagement. The procedures performed consisted primarily of making inquiries and performing analytical procedures, and evaluating the evidence obtained.

The procedures performed in a limited review are substantially less in scope than those performed in an audit conducted in accordance with International Standards of Audit (ISA). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of Corticeira Amorim, S.G.P.S., S.A. as at 30 June 2020, have not been prepared, in all material respects, in accordance with International Financial Reporting Standards as endorsed by the European Union, for the purpose of interim financial reporting (IAS 34).

Porto, 17 September 2020

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
Registered with the Portuguese Securities Market Commission under licence nr. 20160766

About Corticeira Amorim SGPS, S.A.:

Having started its activity in the 19th century, Corticeira Amorim has become the largest cork product processing company in the world, generating a turnover of more than 780 million euros in more than 100 countries, through a network of dozens of subsidiary companies.

Investing millions of euros annually in R&D, Corticeira Amorim is a company committed to promoting this unique raw material, developing a varied portfolio of 100% natural products that are used by some of the most technological and demanding industries in the world, such as wine & spirits, aerospace, automotive, construction, sports, interior design and fashion industries.

Corticeira Amorim's approach to the choice of raw materials and its sustainable production processes are the basis of a unique interdependence between the industry and an important ecosystem, the montado - a paradigmatic example in terms of sustainable social, economic and environmental development.

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