
AMORIM

CORTICEIRA AMORIM CONSOLIDATED 30-09-2020 (non audited)

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

CONSOLIDATED MANAGEMENT REPORT

1. SUMMARY of ACTIVITY

The third quarter of 2020 was marked by the positive impact of the end of confinement after the first wave of the coronavirus pandemic and a strong return to economic activity. Both were supported by the fiscal, monetary and administrative measures implemented during the worst phase of the pandemic. The trend was stronger at the beginning of the quarter before gradually weakening. The holiday season drove tourism, principally benefiting those countries that attract the largest flows of summer visitors (northern hemisphere). The persistence of the pandemic, however, dampened the positive reaction that businesses had hoped for. As the health situation worsened and what became known as the second wave of the pandemic began, the end of the third quarter was characterised by a return of uncertainty.

The US is expected to have registered a sharp recovery in the third quarter, reflecting a robust positive contribution from consumption and residential and business investment. Even so, the US economy emerged smaller than it was a year ago and below its pre-pandemic level.

China, which was hit by the pandemic earlier, is estimated to have strengthened the pace of recovery observed since April.

The Euro Zone economy, in turn, is projected to have grown in the third quarter, recovering from the contraction observed in the previous six months. In year-on-year terms, the Euro Zone economy will have contracted, but its evolution was nevertheless a positive surprise, surpassing forecasts to become to emerge as the strongest quarterly growth registered since the European Monetary Union was created. Fiscal and administrative measures taken by the different EU executive bodies contributed to this result.

Portugal is projected to have expanded strongly in the third quarter, correcting the severe contraction registered in the previous two quarters due to the containment measures then in place.

After a second quarter affected by highly unfavourable market conditions, Corticeira Amorim's business activity improved from July to September, a period when it also benefited substantially from its geographical diversification. It is important to note that if, until the end of March, the Covid-19 pandemic had no negative impact on the company's turnover, the reduction in the second quarter was significant.

The third quarter showed an improvement compared with the second quarter. However, uncertainty and unpredictability remain high, making it difficult to assess the scale of the direct and indirect impact of the pandemic in the future. The evolution and spread of the virus, as well as a possible need to implement additional containment measures, will determine the impact of the pandemic on the global economy and on consumption patterns and, consequently, on Corticeira Amorim's business.

In regard to the measures adopted by Corticeira Amorim and the impact of the pandemic on the company, what was reported in the management report and accounts published on June 30 remains generally accurate:

- the temporary closure of some customers, but no uniform behaviour in the different markets where Corticeira Amorim operates. There were no significant interruptions in the Group's operations and, although some adjustments were made, commercial and production activities remained at normal levels.

- there has been an exceptional response from employees, who have ensured, even at the most difficult times, that the company continues to operate normally and that customers continue to be supported in the usual way. In this way, Corticeira Amorim has fulfilled its important responsibility to ensure that the wine sector supply chain is kept fully supplied, doing everything possible to maintain production and continue serving its customers, even during periods of confinement.

- Corticeira Amorim benefited from its geographical diversification, but the spread of the virus and the containment measures adopted by different countries had a significant impact on the world economy, leading to profound changes in consumption patterns and, consequently, affecting the Group's activities.

- the expenditure control measures the Group adopted had an impact on results, although logistical costs (specifically air freight) increased as the company sought to ensure business continuity and customer service. Other measures, including a revision of investments, management of working capital and maintaining a solid balance sheet, sought to mitigate the potential negative impacts that could arise depending on how long the pandemic lasts.

- another consequence of the current situation was the cancellation of all plans for celebrating the 150th anniversary of the Corticeira Amorim Group that had not already been implemented.

Operating activities - first nine months of 2020

In the first three quarters, Corticeira Amorim recorded a 5.2% reduction in sales, which totalled €571 million. Sales performed differently in the different quarters: +0.7% in 1Q20, -10.5% in 2Q20 and -5.5% in 3Q20. These variations reflect the differing impacts on the behaviour of companies and consumers as the pandemic evolved. These impacts continued in the third quarter, but were not as significant as in the second quarter.

The exchange rate effect (mainly due to a devaluation of the Chilean peso) penalised sales. Excluding this effect, sales would have fallen only 4.4%.

In terms of sales by Business Unit (BU), the Cork Stoppers BU, the unit that has the greatest weight in Corticeira Amorim's total sales, registered a 5.6% drop (a 6.0% decrease in the third quarter). The Floor and Wall Coverings BU succeeded in reversing a recent trend of decreasing sales, ending the first nine months with sales growth of 4.0%. The Raw Materials (-10.9%), Composite Cork (-7.8%) and Insulation Cork (-15.6%) BUs recorded reductions in sales in comparison with the same period of 2019.

EBITDA decreased by 2.0% to €94.9 million, less than the 5.2% drop in sales. The EBITDA-sales ratio increased from 16.1% to 16.6%. This mainly reflected a decrease in the consumption price of raw materials, sales price increases and operating efficiency gains. These offset the impact of the fall in turnover and the increase in operating costs (in particular transport costs and larger impairment costs).

The fall in associate company earnings was mainly due to the recognition during the equivalent period of 2019 of the positive impact resulting from the receipt of the final amount from the sale of US Floors (€2.4 million). Recognition of the Group's share of the earnings of the associate company Vinolok (€1.2 million compared with €0.7 million in the first nine months of 2019) helped compensate for this impact.

After earnings attributable to non-controlling interests, net profit totalled €48.5 million, a reduction of 10.8% compared with the first nine months of 2019. Excluding the above mentioned non-recurring event related to the sale of US Floors, net income would have fallen 6.8%.

2. OPERATING ACTIVITIES

Sales by the **The Raw Materials BU** fell 10.9%. The decrease reflected both a drop in sales to Group companies, due to their realigning inventory levels, and in sales to third parties.

EBITDA totalled €10.8 million, a reduction in comparison with the same period of the previous year (€16.0 million). The decrease in the EBITDA margin, from 10.3% to 7.8%, was mainly due to an increase in the price of cork consumption. In the comparing period the cork acquired in 2017 was consumed, which price was lower than the cork acquired in 2018. A comparison of the EBITDA-sales ratio for the first nine months of 2020 (7.8%) with that of the third quarter of 2019 (7.9%), when only cork purchased in 2018 was consumed, shows alignment in terms of the BU's profitability.

The final quantities acquired in the 2020 cork purchasing campaign were below expectations due to decreased demand. The price reduction was around 10%.

In terms of innovative projects, special mention should be given to the extension of CorkNova technology (eradication of TCA from natural cork discs) 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. An automation project is also under way with the aim of simplifying the preparation process (cork classification), a step that will result in important productivity gains.

The **Cork Stoppers BU** registered sales of €407.9 million, a reduction of 5.6% compared to the same period of 2019. Sales fell 6.0% in the third quarter. Sales were penalised by a drop in wine consumption in the HoReCa channel, the collapse of tourism, a drastic reduction in air travel and the temporary closure of some of the BU's customers. The negative impact of the current situation has not been offset by the growth registered in some countries in the department store segment, nor by the on-line channel.

The cork stoppers for sparkling wines segment was among those that registered the biggest reductions in sales (-10%). Sales reductions in the Champagne region and to cider producers were significant in this segment. The cork stoppers for still wines segment showed greater resilience (-4%), especially Neutrocork stoppers, of which sales grew 13%. Cork stopper sales in the spirits segment recovered in the third quarter after a significant drop in the first half. Sales for the first nine months were similar to those in the same period of 2019.

All major wine markets recorded reductions in sales except for the US and Argentina.

Sales of NDtech® service stoppers totalled 50 million units in the first nine months (9M19: 43 million units). It should be noted that implementation of a technology that will guarantee the eradication of TCA will enable Corticeira Amorim to differentiate itself even more from its competitors.

The BU's EBITDA remained at practically the same level as in the same period of 2019 at €78.3 million (€78.5 million in the first nine months of 2019). The EBITDA margin rose to 19.2% (9M19: 18.2%). Despite a reduction in business activity and an increase in operating expenses, the EBITDA margin increased, due mainly to improvements introduced in the operational area, specifically regarding raw material use in the grinding area, as well as the introduction of price increases.

The **Floor and Wall Coverings BU** posted sales totalling €86.2 million, an increase of 4.0% in comparison with the same period of 2019. Sales of Amorim WISE products rose to €9.6 million in the first nine months, more than the total sales for this range in the full 12 months of 2019 (12M19: €5.7 million). Sales of new products totalled €3.4 million, reflecting the launch of a new water-resistant, low-cost product that is expected to generate additional sales in this segment.

In terms of sales growth by geographical regions, North America and Portugal deserve highlighting.

The Floor and Wall Coverings BU registered a positive EBITDA of €10 million, despite it having been negatively affected by the recognition of impairments relating to accounts receivable. This compares with a negative EBITDA of €2.2 million recorded for the same period of 2019. The margin generated by the growth in sales together with rationalisation and

optimisation measures relating to administrative, industrial, logistics and commercial structures contributed to this evolution, as did the non recording of expenditures inherent to the Amorim WISE product launch (which affected the first nine months of 2019). An improvement in the mix of products sold, supported by an increase in sales of manufactured products higher than the increase in sales of trading products, was also noteworthy.

Sales by the **Composite Cork BU** totalled €72.6 million, a decrease of 7.8% compared to the same period of 2019 (€78.8 million). This was mainly due to a reduction in volumes sold and a less favourable sales mix.

The main sales increases were in the Sport Surfaces and Home Improvement Retail segments, the principal reductions in the Footwear and Construction Speciality Retail segments.

Two recently created partnerships: Amorim Sports (sports surfaces) and Corkeen (playgrounds) had a positive contribution. The sales of new products was positive (+€5.0 million) and showed a higher level of profitability than the average for remainder of the BU's portfolio.

EBITDA for the first nine months totalled €7.1 million. The EBITDA margin fell to 9.8% (9M19: 11.4%), affected by the reduction in activity. Higher cork yields, increased efficiency and reduced operating costs (travel, marketing, maintenance) prevented the decline from being more significant.

Sales by the **Insulation BU** totalled €8.8 million, a reduction of 15.6% in comparison with the same period of 2019 and mainly the result of a reduction in volumes sold. Containment measures in some important markets such as France and the migration from ERP to SAP in June also had a negative impact on sales.

EBITDA for the first nine months totalled €0.6 million compared with -€38,000 in the same period of the previous year. The EBITDA-sales ratio was 6.9% (9M19: -0.4%). The improvement in EBITDA was driven by the consumption of cork purchased at lower prices, lower personnel costs (reduced overtime) and reduced supplies and external services. Cork is the only raw material used by the BU, making its EBITDA extremely sensitive to price changes and cork yields

3. PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

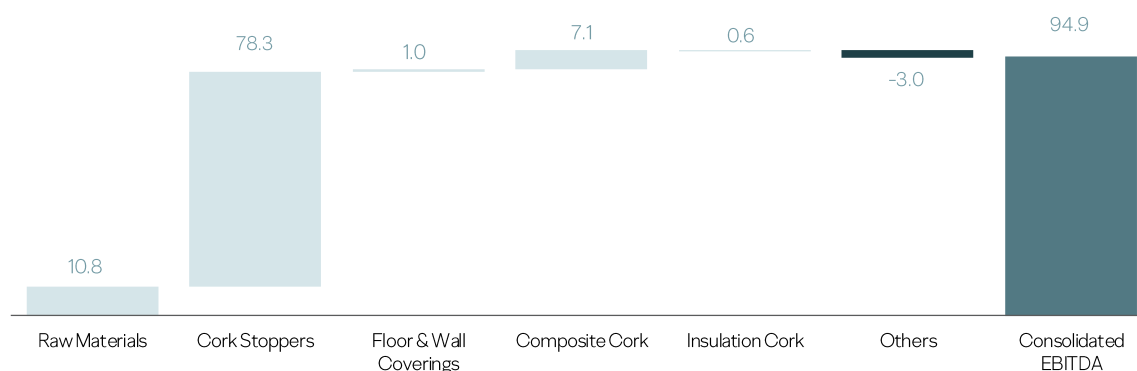
Corticeira Amorim's sales were impacted by the Covid-19 pandemic, with Floor and Wall Coverings being the only BU where sales grew in the first nine months. As previously mentioned, the exchange rate effect penalised sales, but sales were not affected by the change in the consolidation perimeter.

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

In terms of operating expenses, the reduction of about €1.2 million in personnel expenses in comparison with the same period of 2019 (-1.1%) was mainly due to a decrease in the amount of overtime worked and a reduction in the number of employees. Supplies and external service costs were up 0.7% on the first nine months of 2019. The increase in transport costs (+10.5% due to an increase in air freight) was partly offset by a reduction in publicity and advertising costs (-35.3%) and in spending on travel and accommodation (-47.3%). The impairments recorded (+€0.9 million) were mainly in the accounts receivable category, with about half of the increase relating to the impairment of a Floor and Wall Coverings BU customer in Belgium.

In terms of the other income/cost items that affect EBITDA, a favourable balance totalling about €1.7 million was recorded. The impact of exchange rate differences on assets receivable and liabilities payable together with the respective exchange rate risk hedges included under other operating income/gains was negative in the amount of approximately €0.8 million (9M19: -€0.5 million).

EBITDA decreased by 2.0% to €94.9 million. The EBITDA-sales ratio was 16.6% (9M19: 16.1%).



Over the nine-month period, €1.7 million in non-recurring results resulting from compensation for restructuring were recognised. These expenditures were recognised by the Cork Stoppers (€843,000), Composite Cork (€550,000) and Floor and Wall Coverings (€259,000) BUs.

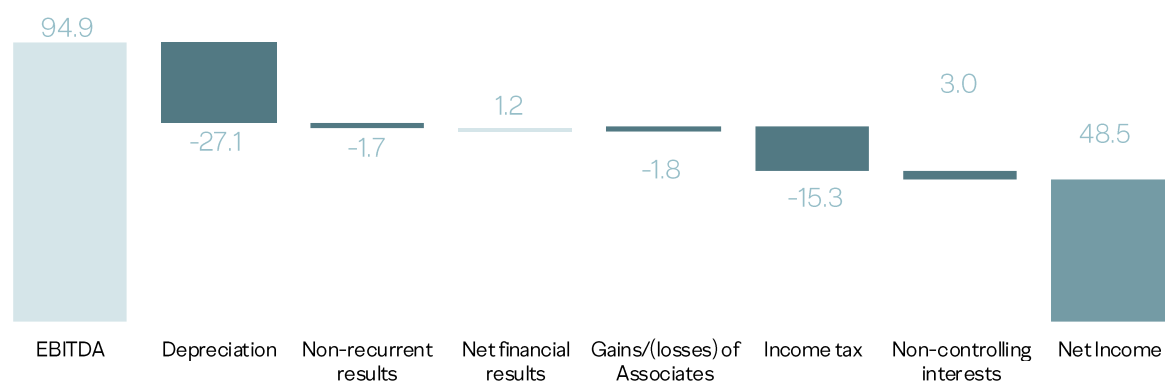
Financial results improved compared to the same period of 2019 (-€1.2 million versus -€1.3 million) mainly due to the amount of interest earned.

Income from associate companies for the nine-month period totalled €1.8 million. The reduction in relation to the same period of 2019 (9M19: €5.7 million) was mainly due to the recognition as earnings in 2019 of the final part of the contingent amount receivable from the sale of US Floors (€2.4 million). The reduction was partly offset by recognition of the Group's share of the earnings of the associate company Vinolok (€1.3 million), which only began to contribute to results from July.

In regard to income tax, it will not be possible to estimate the amount of investment tax benefits (RFAI and SIFIDE) for 2020 at the end of the year. The eventual tax gain will be recorded only when the 2020 accounts are closed. In the mean time, the definitive decision relating to SIFIDE benefits in 2018 have been booked and the final tax for 2019 recognised.

After tax on earnings of €15.3 million and the allocation of profits to non-controlling interests, the total net income attributable to Corticeira Amorim shareholders was €48.5 million, a reduction of 10.8% on the income of €54.4 million recorded for the first nine months of 2019.

Earnings per share were €0.365, compared with €0.409 in the same period of 2019.



In regard to the Group's financial position, total assets increased by €34 million in comparison with December 2019. In terms of individual items, the increase in other debtors (€14 million) and cash and cash equivalents (€21 million) items were of particular note. The changes in the remaining items were residual.

The change in equity (+€21 million) mainly reflects the earnings for the period (+€48.5 million) and the dividends paid.

Liabilities increased by €13 million. The increases of €18 million relating to suppliers (seasonal effect) and €17 million relating to tax on earnings (based on the estimated tax due) along with the €22 million reduction in gross interest-bearing debt are also of note.

At the end of September 2020, the Group's shareholder equity totalled €560 million. The financial autonomy ratio was 54.5%.

4. KEY CONSOLIDATED INDICATORS

		9M19	9M20	yoy	3Q19	3Q20	qoq
Sales		602,625	571,421	-5.2%	190,383	179,843	-5.5%
Gross Margin – Value		295,344	290,765	-1.6%	91,125	86,990	-4.5%
	1)	48.1%	51.4%	+ 3.3 p.p.	45.8%	52.8%	+ 7.0 p.p.
Operating Costs - current		224,872	223,013	-0.8%	70,943	66,683	-6.0%
EBITDA - current		96,806	94,886	-2.0%	28,519	28,941	1.5%
EBITDA/Sales		16.06%	16.61%	+ 0.5 p.p.	15.0%	16.1%	+ 1.1 p.p.
EBIT - current		70,472	67,752	-3.9%	20,182	20,307	0.6%
Non-current results	2) -	1,039	-1652	n.s.	1,039	0	n.s.
Net Income		54,410	48,511	-10.8%	14,057	14,239	1.3%
Earnings per share		0.409	0.365	-10.8%	0.106	0.107	1.3%
Net Bank Debt		161,282	117,805	- 43,477	-	-	-
Net Bank Debt/EBITDA (x)	3)	1.32	0.96	-0.36 x	-	-	-
EBITDA/Net Interest (x)	4)	91.3	114.8	23.44 x	126.9	137.5	10.63 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. SUBSEQUENT EVENTS

Up to the date of publication of this report, no other important facts occurred that could materially affect the financial position or the future results of Corticeira Amorim or the subsidiary companies that belong to its consolidated group.

Mozelos, November 2, 2020

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

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FINANCIAL STATEMENTS

Consolidated statement of financial position

thousand euros

	September 30, 2020 (non audited)	December 31, 2019	September 30, 2019 (non audited)
Assets			
Tangible assets	280,918	278,600	269,219
Intangible assets	10,413	10,852	8,071
Right of use	6,118	6,037	6,274
Goodwill	13,592	13,744	13,928
Investment property	5,424	5,387	5,459
Investments in associates and joint ventures	23,729	22,366	22,753
Other financial assets	1,587	1,550	1,690
Deferred tax assets	13,200	14,396	12,862
Other debtors	3,327	3,906	4,536
Non-current assets	358,308	356,836	344,792
Inventories	395,802	397,840	426,807
Trade receivables	163,164	165,484	178,477
Income tax assets	11,122	11,773	14,393
Other debtors	51,427	36,967	48,338
Other current assets	4,610	3,108	3,019
Cash and cash equivalents	43,576	22,144	27,182
Current assets	669,701	637,316	698,219
Total Assets	1,028,009	994,152	1,043,011
Equity			
Share capital	133,000	133,000	133,000
Other reserves	352,745	301,515	312,948
Net Income	48,511	74,947	54,410
Non-Controlling Interest	26,209	30,081	28,761
Total Equity	560,465	539,543	529,119
Liabilities			
Interest-bearing loans	53,776	59,126	58,973
Other financial liabilities	21,968	23,269	25,374
Provisions	3,667	3,777	39,233
Post-employment benefits	1,769	1,687	1,658
Deferred tax liabilities	47,899	50,370	7,225
Non-current liabilities	129,079	138,228	132,463
Interest-bearing loans	107,605	124,108	129,491
Trade payables	150,257	132,086	165,690
Other financial liabilities	42,128	43,040	45,816
Other liabilities	19,247	15,235	20,182
Income tax liabilities	19,229	1,911	20,250
Current liabilities	338,465	316,380	381,429
Total Liabilities and Equity	1,028,009	994,152	1,043,011

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

Consolidated income statement

thousand euros

3Q20 (non audited)	3Q19 (non audited)		9M20 (non audited)	9M19 (non audited)
179,843	190,383	Sales	571,421	602,625
77,787	101,238	Costs of goods sold and materials consumed	275,423	318,945
-15,067	1,980	Change in manufactured inventories	-5,232	11,664
28,959	30,536	Third party supplies and services	94,374	93,753
32,045	31,847	Staff costs	105,350	106,511
-309	1,426	Impairments of assets	943	1,381
4,670	2,834	Other income and gains	9,891	7,600
2,024	1,630	Other costs and losses	5,104	4,492
28,941	28,519	Operating Cash Flow (current EBITDA)	94,886	96,806
8,634	8,337	Depreciation	27,134	26,334
20,306	20,182	Operating Profit (current EBIT)	67,752	70,472
0	-1,039	Non-recurrent results	-1,652	-1,039
137	230	Financial costs	1,367	1,285
7	-45	Financial income	177	0
536	1,315	Share of (loss)/profit of associates and joint-ventures	1,838	5,727
20,712	20,183	Profit before tax	66,749	73,875
5,198	5,083	Income tax	15,276	15,991
15,514	15,100	Profit after tax	51,473	57,884
1,275	1,043	Non-controlling Interest	2,961	3,474
14,239	14,058	Net Income attributable to the equity holders of Corticeira Amorim	48,511	54,410
0.107	0.106	Earnings per share - Basic e Diluted (euros per share)	0.365	0.409

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

Consolidated statement of comprehensive income

thousand euros				
3Q20 (non audited)	3Q19 (non audited)		9M20 (non audited)	9M19 (non audited)
15 514	15 101	Items that may be reclassified through income statement:	51 473	57 884
	-673	Change in derivative financial instruments fair value	-42	-547
24	1,357	Change in translation differences and other	-2,718	1,643
-3,505	-852	Share of other comprehensive income of investments accounted for using the equity method	-475	-878
-192	-168	Other comprehensive income	-16	-305
-1,138	-336	Other comprehensive income (net of tax)	-3,251	-87
14,375	14,765	Total Net comprehensive income	48,221	57,797
		Attributable to:		
13,270	13,976	Corticeira Amorim Shareholders	46,126	54,596
1,105	790	Non-controlling Interest	2,095	3,201

Consolidated statement of cash flow

		thousand euros	
3Q20	3Q19		
(non audited)	(non audited)	9M20	9M19
(non audited)	(non audited)	(non audited)	(non audited)
208,990	216,217	Collections from customers	605,755 602,735
-147,909	-156,977	Payments to suppliers	-452,673 -463,616
-37,424	-34,446	Payments to employees	-102,744 -101,947
23,657	24,794	Operational cash flow	50,337 37,172
1,782	-3,663	Payments/collections - income tax	-1,424 -6,369
12,927	-2,638	Other collections/payments related with operational activities	52,032 21,125
38,365	18,493	CASH FLOW FROM OPERATING ACTIVITIES	100,945 51,928
INVESTMENT ACTIVITIES			
Collections due to:			
8	267	Tangible assets	787 1,108
0	-1	Intangible assets	0 0
-8	14	Financial investments	496 2,523
52	24	Other assets	300 222
70	82	Interests and similar gains	122 213
175	250	Dividends	175 250
Payments due to:			
-10,389	-12,043	Tangible assets	-30,189 -34,838
-192	0	Right of use	-919 0
-5,032	-11,688	Financial investments	-5,052 -12,192
-222	-472	Intangible assets	-869 -897
-16	-130	Other assets	-16 -145
-15,555	-23,696	CASH FLOW FROM INVESTMENTS	-35,166 -43,756
FINANCIAL ACTIVITIES			
Collections due to:			
0	25,419	Loans	49,926 48,563
566	305	Government grants	4,416 2,682
0	0	Transactions with non-controlling interest	68 0
506	722	Others	1,564 2,140
Payments due to:			
-9,270	0	Loans	-53,516 0
-339	-308	Interests and similar expenses	-1,421 -1,492
0	-5,042	Transactions with non-controlling interest	0 -5,042
-24,605	210	Dividends paid to company's shareholders	-24,605 -24,605
-779	-1,647	Dividends paid to non-controlling interest	-923 -1,647
0	-258	Government grants	-658 -2,276
-128	-81	Others	-347 -294
-34,050	19,320	CASH FLOW FROM FINANCING	-25,498 18,029
-11,240	14,117	Change in Cash	40,281 26,201
-36	-69	Exchange rate effect	-411 88
0	0	Perimeter variation	0 0
27,158	-26,499	Cash at beginning	-23,988 -38,740
15,706	-12,451	Cash at end	15,706 -12,451

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

Consolidated statement of changes in equity

thousand euros

Attributable to owners of Corticeira Amorim, SGPS, S.A.								Non-controlling interests	Total Equity
Share capital	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income			
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	-	-	-	-	2,977	74,412	-77,389	-	0
Dividends	-	-	-	-	-	-24,605	-	-2,777	-27,382
Changes in the percentage of interest retaining control	-	-	-	-	-	4,003	-	-3,533	470
Consolidated Net Income for the period	-	-	-	-	-	-	54,410	3,474	57,884
Change in derivative financial instruments fair value	-	-	-547	-	-	-	-	-	-547
Change in exchange differences	-	-	-	1,647	-	-	-	-4	1,643
Other comprehensive income of associates	-	-	-	-1,010	-	132	-	-	-878
Other comprehensive income	-	-	-	-	-	-36	-	-269	-305
Total comprehensive income for the period	0	0	-547	637	0	96	54,410	3,201	57,797
Balance sheet as at September 30, 2019 (non audited)	133,000	38,893	-541	-3,423	24,471	253,548	54,410	28,762	529,119
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	-	-	-	-	2,129	72,818	-74,947	-	0
Declared dividend	-	-	-	-	-	-24,605	-	-720	-25,325
Perimeter variation	-	-	-	-	-	-	-	70	70
Changes in the percentage of interest retaining control	-	-	-	-	-	3,272	-	-5,316	-2,044
Consolidated Net Income for the period	-	-	-	-	-	-	48,511	2,961	51,472
Change in derivative financial instruments fair value	-	-	-42	-	-	-	-	-	-42
Change in exchange differences	-	-	-	-2,082	-	-	-	-636	-2,718
Other comprehensive income of associates	-	-	-	-1,804	-	1,329	-	-	-475
Other comprehensive income	-	-	-	-	-	214	-	-230	-16
Total comprehensive income for the period	0	0	-42	-3,886	0	1,543	48,511	2,095	48,221
Balance sheet as at September 30, 2020 (non audited)	133,000	38,893	170	-8,013	26,600	295,096	48,511	26,209	560,465

(this statement should be read with the attached 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 September 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 November 2, 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 September 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.

3. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company	Head Office	Country	3Q20	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 III, 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	ESPAÑA	100%	100%
Amorim Florestal Mediterrâneo, S.L.	Cádiz	ESPAÑA	100%	100%
Amorim Tunisie, S.A.R.L.	Tabarka	TUNÍSIA	100%	100%
Comatral - C. de Maroc. de Transf. du Liège, S.A.	Skhirat	MARROCOS	100%	100%
Cosabe - Companhia Silvo-Agrícola da Beira S.A.	Lisboa	PORTUGAL	100%	100%
SIBL - Société Industrielle Bois Liège	Jijel	ARGÉLIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	TUNÍSIA	100%	100%
Société Tunisienne d'Industrie Bouchonnière	Tabarka	TUNÍSIA	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	E. U. AMÉRICA	100%	100%
Agglotap, S.A.	Girona	ESPAÑA	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	AUSTRÁLIA	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	E. U. AMÉRICA	100%	100%
Amorim Cork Beijing Ltd.	Beijing	CHINA	100%	100%
Amorim Cork Bulgaria EOOD	Plovdiv	BULGÁRIA	100%	100%
Amorim Cork Deutschland GmbH & Co KG	Mainzer	ALEMANHA	100%	100%
Amorim Cork España, S.L.	San Vicente Alcántara	ESPAÑA	100%	100%
Amorim Cork Itália, SPA	Conegliano	ITÁLIA	100%	100%
Amorim Cork South Africa (Pty) Ltd.	Cape Town	ÁFRICA DO SUL	100%	100%
Amorim France, S.A.S.	Champfleury	FRANÇA	100%	100%
Amorim Top Series France, S.A.S.	Merpins	FRANÇA	100%	100%
Amorim Top Series, S.A.	Vergada	PORTUGAL	75%	75%
Amorim Top Series Scotland, Ltd	Dundee	ESCÓCIA	100%	100%
Biocape - Importação e Exportação de Cápsulas, Lda.	Mozelos	PORTUGAL	60%	60%
Bouchons Prioux	Epernay	FRANÇA	91%	91%
Chapuis, S.L.	Girona	ESPAÑA	100%	100%
Corchera Gomez Barris	(c) Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	(b) Mendoza	ARGENTINA	50%	50%
Corpack Bourrasse, S.A.	(f) Santiago	CHILE	80%	70%
Elfverson & Co. AB	(f) Paryd	SUÉCIA	75%	53%
Equipar, Participações Integradas, Lda.	Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé	(f) Tosse	FRANÇA	80%	70%
FP Cork, Inc.	Califórnia	E. U. AMÉRICA	100%	100%
Francisco Oller, S.A.	Girona	ESPAÑA	94%	94%
Hungarocork, Amorim, RT	Budapeste	HUNGRIA	100%	100%
Indústria Corchera, S.A.	(c) Santiago	CHILE	50%	50%
Korken Schiesser Ges.M.B.H.	Viena	ÁUSTRIA	69%	69%
Olimpiadas Barcelona 92, S.L.	Girona	ESPAÑA	100%	100%
Portocork América, Inc.	Califórnia	E. U. AMÉRICA	100%	100%
Portocork France, S.A.S.	Bordéus	FRANÇA	100%	100%
Portocork Internacional, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
Portocork Itália, s.r.l	Milão	ITÁLIA	100%	100%
Sagrera et Cie	Reims	FRANÇA	91%	91%
S.A. Oller et Cie	Reims	FRANÇA	94%	94%
S.C.I. Friedland	Céret	FRANÇA	100%	100%
S.C.I. Prioux	Epernay	FRANÇA	91%	91%
Socori, S.A.	(f) Rio Meão	PORTUGAL	80%	70%
Socori Forestal, S.L.	(f) Cáceres	ESPAÑA	80%	70%
Société Nouvelle des Bouchons Trescases	(b) Perpignan	FRANÇA	50%	50%
Trefinos Australia	Adelaide	AUSTRÁLIA	91%	91%
Trefinos Italia, s.r.l	Treviso	ITÁLIA	91%	91%
Trefinos USA, LLC	Fairfield, CA	E. U. AMÉRICA	91%	91%
Trefinos, S.L.	Girona	ESPAÑA	91%	91%
Victor y Amorim, S.L.	(c) Navarrete - La Rioja	ESPAÑA	50%	50%
Vinolok a.s	(b) Jablonec nad Nisou	REP. CHECA	50%	50%
Wine Packaging & Logistic, S.A.	(b) Santiago	CHILE	50%	50%

Company	Head Office	Country	3Q20	2019
Floor & Wall Coverings				
Amorim Cork Flooring, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	HOLANDA	100%	100%
Amorim Deutschland, GmbH	(a) Delmenhorts	ALEMANHA	100%	100%
Amorim Subertech, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Flooring (Switzerland) AG	Zug	SUIÇA	100%	100%
Amorim Flooring Austria GesmbH	Viena	ÁUSTRIA	100%	100%
Amorim Flooring Investments, Inc.	Hanover - Maryland	E. U. AMÉRICA	100%	100%
Amorim Flooring North America Inc.	Hanover - Maryland	E. U. AMÉRICA	100%	100%
Amorim Flooring Rus, LLC	Moscovo	RÚSSIA	100%	100%
Amorim Flooring Sweden AB	Möndal	SUÉCIA	84%	84%
Amorim Flooring UK, Ltd.	Manchester	REINO UNIDO	100%	100%
Amorim Japan Corporation	Tóquio	JAPÃO	100%	100%
Cortex Korkvertriebs, GmbH	Fürth	ALEMANHA	100%	100%
Dom KorKowy, Sp. Zo. O.	(c) Kraków	POLÓNIA	50%	50%
Korkkitrio Oy	Tampere	FINLÂNDIA	51%	51%
Timberman Denmark A/S	(g) Hadsund	DINAMARCA	100%	100%
Composite Cork				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim (UK), Ltd.	Horsham West Sussex	REINO UNIDO	100%	100%
Amorim Cork Composites, LLC	São Petersburgo	RÚSSIA	100%	100%
Amorim Cork Composites, GmbH	Delmenhorts	ALEMANHA	100%	100%
Amorim Cork Composites, Inc.	Trevor - Wisconsin	E. U. AMÉRICA	100%	100%
Amorim Deutschland, GmbH	(a) Delmenhorts	ALEMANHA	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	MARROCOS	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.

4. EXCHANGE RATES USED IN CONSOLIDATION

Exchange rates		September 30, 2020	Average 9M 20	Average 2019	December 31, 2019
Argentine Peso	ARS	89.2560	75.9479	53.8506	67.1031
Australian Dollar	AUD	1.6438	1.6627	1.6109	1.5995
Lev	BGN	1.9558	1.9558	1.9558	1.9558
Brazilian Real	BRL	6.6308	5.7100	4.4134	4.5157
Canadian Dollar	CAD	1.5676	1.5218	1.4855	1.4598
Swiss Franc	CHF	1.0804	1.0680	1.1124	1.0854
Chilean Peso	CLP	919.5900	901.0465	786.3046	842.4300
Yuan Renminbi	CNY	7.8659	7.9720	7.7355	7.8205
Czech Koruny	CZK	27.2330	26.3835	25.6705	25.4080
Danish Krona	DKK	7.4466	7.4580	7.4661	7.4715
Algerian Dinar	DZD	151.2325	141.1940	133.3196	133.1591
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	0.9124	0.8851	0.8778	0.8508
Hong Kong Dollar	HKD	9.0810	8.7230	8.7688	8.7329
Forint	HUF	365.5300	348.1272	325.2967	330.5300
Yen	JPY	123.7600	120.9108	122.0058	121.9400
Moroccan Dirham	MAD	10.8285	10.8071	10.7594	10.7212
Zloty	PLN	4.5462	4.4220	4.2976	4.2568
Ruble	RUB	91.7763	79.9599	72.3651	69.4519
Swedish Krona	SEK	10.5713	10.5582	10.5891	10.4468
Tunisian Dinar	TND	3.2394	3.1746	3.2767	3.1262
Turkish Lira	TRL	9.0990	7.5991	6.3578	6.6843
US Dollar	USD	1.1708	1.1250	1.1195	1.1234
Rand	ZAR	19.7092	18.8094	16.1757	15.7773

5. 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							
9M20	Raw Materials	Cork Stoppers	Floor & Wall	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	7,746	401,100	84,042	71,105	7,361	68	0	571,421
Other BU Sales	130,483	6,828	2,175	1,537	1,488	2,589	-145,099	-
Total Sales	138,229	407,928	86,217	72,641	8,849	2,657	-145,099	571,421
EBITDA (current)	10,802	78,316	1,026	7,105	613	-2,741	-236	94,885
Assets (non-current)	37,918	201,726	36,549	47,186	4,226	892	29,812	358,308
Assets (current)	196,491	350,211	67,912	56,992	9,562	4,249	-15,716	669,701
Liabilities	65,217	166,105	42,810	29,254	2,513	25,214	136,430	467,544
Capex	3,977	17,852	3,040	3,561	429	71	0	28,930
Year Depreciation	-3,114	-16,127	-4,793	-2,643	-385	-71	0	-27,134
Gains/Losses in associated companies	0	1,859	0	-4	0	-17	0	1,838

9M19	Raw Materials	Cork Stoppers	Floor & Wall	Composite Cork	Insulation Cork	Holding	Adjustm.	Consolidated
Trade Sales	11,418	426,010	81,418	75,022	8,706	52	0	602,625
Other BU Sales	143,643	6,156	1,466	3,774	1,778	1,702	-158,519	-
Total Sales	155,061	432,167	82,884	78,796	10,483	1,754	-158,519	602,625
EBITDA (current)	16,002	78,463	-2,248	8,972	-38	-2,838	-1,508	96,806
Assets (non-current)	35,724	192,865	37,789	43,151	4,253	1,419	29,592	344,792
Assets (current)	230,900	352,040	67,567	57,231	10,297	1,686	-21,503	698,219
Liabilities	68,599	181,293	46,283	39,352	2,456	21,524	154,387	513,892
Capex	5,779	19,059	3,130	7,939	403	23	0	36,333
Year Depreciation	-3,042	-15,564	-4,781	-2,431	-424	-93	0	-26,334
Gains/Losses in associated companies	0	2,458	2,369	162	0	-6	0	4,983

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.

6. 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.

Mozelos, November 2, 2020

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