



AMORIM

CORTICEIRA AMORIM

Consolidated Financial
Statement
September 30, 2019

First nine months 2019 (9M19) (Non-audited)
Third quarter 2019 (3Q19) (Non-audited)

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

Consolidated Management Report



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

From August onwards, the climate for risk deteriorated during the third quarter of 2019, which was marked by increased acrimony between the US and China, leading to the termination of their trade talks. Uncertainty about the evolution of the process by which the UK plans to leave the European Union grew and investors increasingly opted for safe assets.

The US economy remained strong, but at a decelerating pace. The European economy underwent a slow-down. This was most notable in the industrial sector, with both production and order books contracting. The European Central Bank presented a comprehensive package of monetary policy measures, including a return to asset purchases. The ECB's future emphasis will be on fiscal policy, with the bank insisting that political leaders take the lead in combatting the economic slowdown.

Corticeira Amorim reported a 3.2% increase in consolidated sales for the first nine months, which totalled €602.6 million. A positive evolution of exchange rates contributed to this growth. Excluding this effect, sales growth would have been +2.2%. In terms of sales by Business Unit (BU), the Cork Stoppers (+5.3%), Composite Cork (+2,2%) and Insulation (+18.1%) BUs all made positive contributions.

EBITDA decreased to €96.8 million, a reduction of 10.7% compared with the same period of 2018. The EBITDA-sales ratio also fell in comparison with the same period of last year (from 18.6% to 16.1%). In a climate of increased pressure on the gross margin due to the higher price of the cork consumed by the Group, measures aimed at achieving operational efficiency gains, rigorous cost control and lower impairments continue to be implemented.

The adoption of IFRS 16 - Leasing standards did not have a significant impact on Corticeira Amorim's financial statements. As of September 30, 2019, the main impacts were: a €1.1 million increase in EBITDA, a €1.1 million increase in depreciations and a €4.6 million increase in debt.

Remunerated debt totalled €161.3 million at the end of September 2019, compared with €139.0 million at the end of 2018. Excluding the effect of adopting IFRS 16, this debt would have totalled €156.7 million at the end of September. Dividend payments, investments in tangible assets and working capital and the acquisition of stakes in subsidiary companies (mainly 50% of Vinolok and 10% of Bourrassé) largely accounted for the increase in debt.

After earnings attributable to non-controlling interests, net income totalled €54.4 million, a reduction of 7.1% compared with the €58.6 million recorded for the same period of 2018.

2. OPERATING ACTIVITIES

The **Raw Materials BU** recorded sales of €155.1 million, an increase of 15% on the same period of 2018. This reflected increased activity and higher sales prices. The BU's sales are mainly targeted at others companies within the Corticeira Amorim group.

EBITDA totalled €16.0 million, lower than in the first three quarters of 2018 (9M18: €24.2 million). Pressure on margins reflected the consumption of raw material cork acquired at higher prices as well as the lower yield of the cork consumed and increased operational costs. The BU's new disc production technology, which has been in operation since September, is expected to improve cork yields and margins.

The 2019 cork-purchasing campaign was completed by the end of the third quarter, with prices falling by about 6% to 7%. More cork was purchased than in the 2018 campaign, but the amount acquired was below expectations, due mainly to the weather.

The **Cork Stoppers BU** reported sales of €432.2 million, an increase of 5.3% compared with the same period of the previous year.

Sales increased across all sectors (still wines: 3%; sparkling wines: 8%; spirits: 11%). Led by the US and Italy, sales in terms of geographical markets were balanced. In the French market, sales reflected the weak harvest of 2017, particularly in regard to Bordeaux wines. Sales of NDTech® service stoppers rose to 43 million units in the first three quarters (9M18: 37 million units).

The BU's EBITDA rose to €78.5 million (+3.1% compared with the same period of 2018). The EBITDA margin remained stable at 18.2% (9M18: 18.5%). Increased raw material yields and efficiency gains practically offset increases in the prices of raw material cork and operating expenses.

The BU completed SAP (Systems, Applications and Products) implementation in its spirits and sparkling wine segments during the first half without any significant disruption to business activities. SAP implementation in the still wine segment was completed on November 1.

The BU registered non-recurring costs of €0.4 million related to restructuring and the acquisition of new subsidiary companies.

Sales by the **Composite Cork BU** totalled €78.8 million, an increase of 2.2% in comparison with the first nine months of 2018. The increase was supported by a favourable EUR/USD exchange rate and increased sale prices across the market.

In terms of segments, sales growth in the areas of resilient and engineering flooring and sports surfaces stood out, reflecting the BU's efforts to develop and launch new products. Sales decreased in the heavy construction, multi-purpose seals and gaskets and office products segments.

The BU maintains, and will continue to maintain, its principle focus on the circular economy, specifically the reuse and recycling of waste produced by other industries, as well geographic expansion (in the UK, Latin America and central Europe).

On September 30, EBITDA totalled €9.0 million, while the EBITDA margin rose to 11.4% (9M18: 10.7%) as a result of increased final product prices, improved cork grinding yields and the evolution of exchange rates.

Sales by the **Floor and Wall Coverings BU** fell 1.4% to €82.9 million. Trends in sales to North America and China remained negative, but were partially offset by increased sales to Scandinavia, Italy and Portugal.

The BU recorded a negative EBITDA of €2.2 million, reflecting spending related to the launch of the new line of WISE products (essentially development and marketing expenses). These factors had a bigger impact in the first half, with EBITDA in the third quarter being only marginally negative (-€0.2 million). The BU's negative performance also reflects a need for additional efficiency measures. It will be necessary to maintain the pace of implementing increased efficiency measures in areas such as logistics and industrial operations to reverse this negative trend. The measures involved non-recurring costs of €0.4 million related to restructuring.

Key factors for reversing the downward trend in the BU's results include repositioning the brand, rationalising the product portfolio, product development and measures for increasing productivity and operational efficiency.

Sales by the **Insulation BU** totalled €10.5 million, an increase of 18.1% compared with the same period of 2018. Greater activity levels, price increases, a favourable exchange rate and granulate sales to other BUs supported the increase.

Cork is the only raw material used by this BU and its profitability was significantly affected by the increased price of purchasing cork. In the third quarter, as expected, an inversion was registered in the impact of raw material prices on the BU's EBITDA (3Q19: +€0.3 million).

Non-recurring costs related to restructuring were registered in the amount of €0.2 million.

3. PROFIT AND LOSS ACCOUNT AND FINANCIAL POSITION

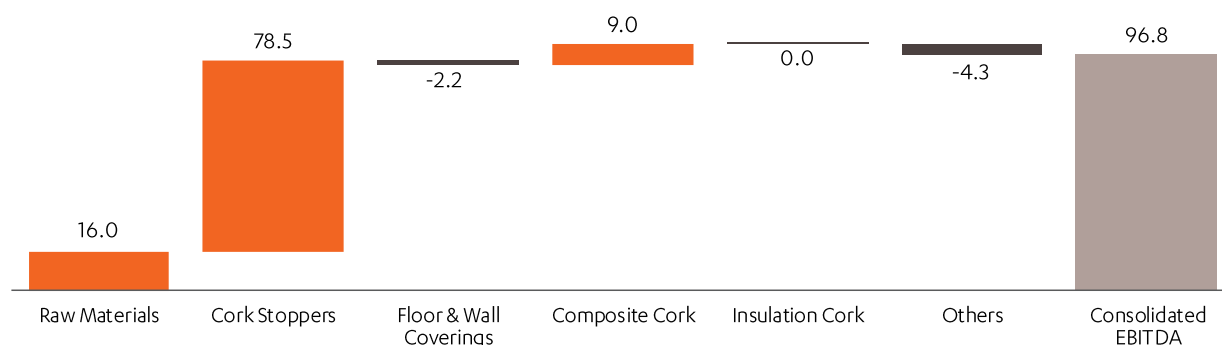
The increase in sales resulted largely from increased prices, the evolution of exchange rates and, to a lesser extent, increased sales volumes. Excluding the impact of exchange rate fluctuations, sales would have increased by 2.2%. The change in the gross margin as a percentage of production, which fell from 49.2% to 48.1%, reflects an increase in production costs mainly due to the higher cost of raw materials.

In terms of operating costs, the increase of about €4.5 million in staff costs (+4.4%) was almost entirely due to the increase in the average number of employees that was required to support the growth in business activity and the moving in-house of secondary market purchases. The cost of external supplies and services increased 3.5%. This reflects an increase in maintenance and repair

and advertising costs. This was partially offset by a reduction in energy, subcontracting and rent costs. Impairments increased by €0.4 million.

The negative change in other operating income/expenses with an impact on EBITDA rose to about €1.1 million. 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 negative in the amount of approximately €0.5 million (9M18: +€0.2 million).

Due to the decrease in profitability and the other changes previously referred to, EBITDA decreased by 10.7% to €96.8 million. The EBITDA-sales ratio was 16.1% (9M18: 18.6%).



The non-recurring costs recorded (€1.0 million) reflect the recognition of the transaction and restructuring costs of subsidiary companies.

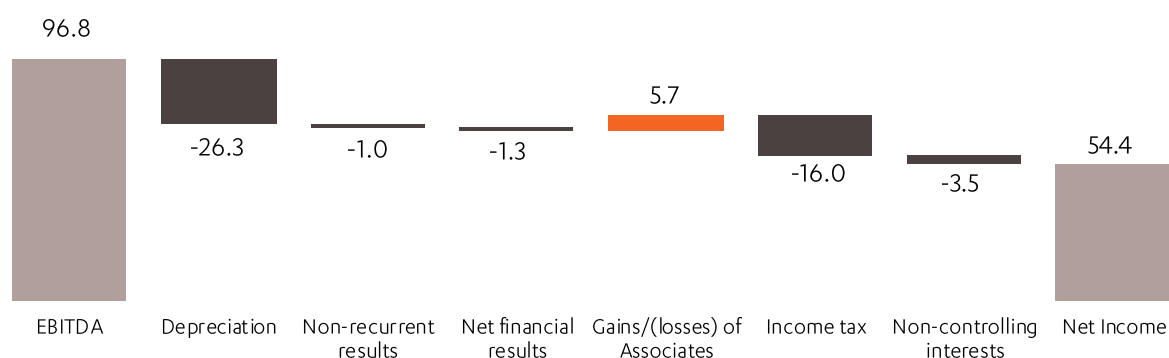
Financial expenses in the first three quarters totalled €1.3 million, a significant variation compared with the same period of 2018 (€2.2 million). The expenses reflect the updating of Bourrassé's financial liabilities. Due to a revision of Bourrassé's forecast earnings, the impact of the 2019 update is positive. In spite of the higher level of interest rate costs due to the increase in average debt, this resulted in a decrease in financial expenses in comparison with the first nine months of 2018.

Income from associate companies totalled €5.7 million. The increase in relation to the same period of 2018 (9M18: €2.1 million) reflects the recognition as earnings of the final part of the contingent amount receivable from the sale of US Floors (€2.4 million) as well as an improvement in the contribution from Trescasses (€1 million) and the inclusion of the contribution from Vinolok (€0.7 million).

In regard to taxation, the Group benefitted from the reversal of provisions, mainly resulting from the final inspection that allowed the use of tax losses at a Spanish subsidiary and the recognition of investment tax benefits from 2018, the value of which was only determined in 2019. As usual, it will only be possible to estimate the amount investment tax benefits (RFAI e SIFIDE) at the close of the financial year.

After estimated tax of €16 million and the allocation of profits to non-controlling interests, net income attributable to CORTICEIRA AMORIM shareholders totalled €54.4 million, a decrease of 7.1% compared with the income of €58.6 million recorded on September 2018.

Earnings per share were €0.409 (9M18: €0.441).



In terms of the financial position, total net assets at the end of September 2019 amounted to €1.043 billion. Compared to December 2018 (€966 million), changes included inventories (+€21 million), other debtors (+€13 million resulting mainly from advances to suppliers and VAT receivable) and investment in associate companies (+€13 million resulting mainly from the acquisition of Vinolok).

The change in the second balance sheet item (equity and liabilities) reflects the recognition of net income for the period (+€54.4 million), dividends distributed (-€24.6 million), the increase in remunerated debt (+€28 million) and corporate income tax (+€18 million).

At the end of September 2019, net interest-bearing debt totalled €161.3 million (12M18: €139.0 million). Excluding the impact of adopting IFRS 16, as mentioned above, net interest-bearing debt would have totalled €156.7 million. EBITDA generated by business activities was used in capital investment, working capital requirements and to pay for acquisitions (mainly Vinolok and the 10% of the acquisition of Bourrassé that was included in the purchase agreement).

Equity totalled €529.1 million at the end of September 2019. The financial autonomy ratio rose to 50.7%.

4. KEY CONSOLIDATED INDICATORS



		9M19	9M18	yoy	3Q19	3Q18	yoy
Sales		602,625	583,758	3.2%	190,383	183,893	3.5%
Gross Margin – Value		295,344	297,666	-0.8%	91,125	90,689	0.5%
	1)	48.1%	49.2%	-1.1 p.p.	45.8%	47.1%	-1.32 p.p.
Operating Costs - current		224,872	212,857	5.6%	70,943	66,823	6.2%
EBITDA - current		96,806	108,419	-10.7%	28,519	30,995	-8.0%
EBITDA/Sales		16.1%	18.6%	-2.5 p.p.	15.0%	16.9%	-1.9 p.p.
EBIT - current		70,472	84,809	-16.9%	20,182	23,866	-15.4%
Non-current results	2)	-1039	681	N/A	-1039	-	N/A
Net Income		54,410	58,590	-7.1%	14,057	17,375	-19.1%
Earnings per share		0.409	0.441	-7.1%	0.112	0.138	-19.1%
Net Bank Debt		161,282	104,702	56,580	-	-	-
Net Bank Debt/EBITDA (x)	3)	1.32	0.77	0.55 x	-	-	-
EBITDA/Net Interest (x)	4)	91.3	123.5	-32.19 x	126.9	99.6	27.27 x

1) Related to Production

2) Figures refer to restructuring and acquisition of associated companies costs (9M19) and the reversal of provisions for Amorim Argentina, Amorim Revestimentos restructuring and transaction costs for associated companies acquisition (9M18)

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. PROPOSAL FOR THE DISTRIBUTION OF FREE RESERVES

Considering that:

- the company's individual balance sheet, as on the thirtieth of September, two thousand and nineteen, shows: distributable reserves in the amount of € 89,725,547.71 (eighty nine million, seven hundred and twenty five thousand, five hundred and forty seven euros and seventy one cents); and legal reserves in the amount of € 24,471,407.00 (twenty four million, four hundred and seventy one thousand, four hundred and seven euros;
- the distribution of distributable reserves is permissible provided that the company's equity, as shown in the aforementioned interim balance sheet, is not less than the sum of the share capital and reserves whose distribution to shareholders is not permitted by law or by the articles of association;
- solid growth in business activity and results over the past few years, as well as the outlook for the current year, has enabled Corticeira Amorim to generate positive operating cash flows consistent with its business activities, thus making it possible to distribute distributable reserves to shareholders without jeopardizing the maintenance of the efficient capital structure of the Corticeira Amorim Group,

it is proposed that:

- the shareholders opt to approve the distribution of distributable reserves in the amount of €11,305,000.00 (eleven million, three hundred and five thousand euros), equivalent to a gross value of €0.085 (eight and a half euro cents) per share, to be distributed to the shareholders in proportion to their holdings, payable within a maximum of 20 (twenty) days.



6. SUBSEQUENT EVENTS

At the date of publication of this report, no material events have occurred that could materially affect the financial position or the future results of CORTICEIRA AMORIM or of any of the affiliated companies included in the consolidated group.

Mozelos, November 4, 2019

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

FINANCIAL STATEMENTS



CONSOLIDATED STATEMENT OF FINANCIAL POSITION



thousand euros

	September 30, 2019 (non audited)	December 31, 2018 (non audited)
Assets		
Tangible assets	269,219	259,433
Intangible assets	8,071	7,585
Right of use	6,274	-
Goodwill	13,928	13,987
Biological assets	-	240
Investment property	5,459	5,481
Investments in associates and joint ventures	22,753	9,537
Other financial assets	1,690	1,632
Deferred tax assets	12,862	13,346
Other debtors	4,536	4,844
Non-current assets	344,792	316,084
Inventories	426,807	406,090
Trade receivables	178,477	174,483
Income tax assets	14,393	8,915
Other debtors	48,338	35,703
Other current assets	3,019	3,103
Cash and cash equivalents	27,182	21,695
Current assets	698,219	649,989
Total Assets	1,043,011	966,074
Equity		
Share capital	133,000	133,000
Other reserves	312,948	255,974
Net Income	54,410	77,389
Non-Controlling Interest	28,761	31,871
Total Equity	529,119	498,234
Liabilities		
Interest-bearing loans	58,973	39,503
Other financial liabilities	25,374	30,263
Provisions	39,233	43,081
Post-employment benefits	1,658	1,621
Deferred tax liabilities	7,225	7,737
Non-current liabilities	132,463	122,205
Interest-bearing loans	129,491	121,200
Trade payables	165,690	165,008
Other financial liabilities	45,816	41,039
Other liabilities	20,182	16,464
Income tax liabilities	20,250	1,924
Current liabilities	381,429	345,635
Total Liabilities and Equity	1,043,011	966,074

CONSOLIDATED INCOME STATEMENT



3Q19	3Q18		9M19	9M18
(non audited)	(non audited)		(non audited)	(non audited)
190,383	183,892	Sales	602,625	583,758
101,238	93,988	Costs of goods sold and materials consumed	318,945	307,141
1,980	785	Change in manufactured inventories	11,664	21,050
30,536	29,394	Third party supplies and services	93,753	90,582
31,847	31,032	Staff costs	106,511	101,995
1,426	563	Impairments of assets	1,381	912
2,834	3,175	Other income and gains	7,600	8,910
1,630	1,882	Other costs and losses	4,492	4,668
28,519	30,994	Operating Cash Flow (current EBITDA)	96,806	108,418
8,337	7,129	Depreciation	26,334	23,609
20,182	23,866	Operating Profit (current EBIT)	70,472	84,809
-1,039	0	Non-recurrent results	-1,039	681
230	459	Financial costs	1,285	2,215
-45	17	Financial income	0	61
1315	782	Gain on the disposal of associates	5,727	2,130
20,183	24,206	Profit before tax	73,875	85,466
5,083	5,593	Income tax	15,991	21,895
15,100	18,613	Profit after tax	57,884	63,571
1,043	1,237	Non-controlling Interest	3,474	4,980
14,058	17,376	Net Income attributable to the equity holders of Corticeira Amorim	54,410	58,590
0.106	0.131	Earnings per share - Basic e Diluted (euros per share)	0.409	0.441

CONSOLIDATED STATEMENT OF COMPREHENSIVE



thousand euros

3Q19 <small>(non audited)</small>	3Q18 <small>(non audited)</small>		9M 2019 <small>(non audited)</small>	9M 2018 <small>(non audited)</small>
15,101	18,613	Net Income	57,884	63,571
Items that may be reclassified through income statement:				
-673	227	Change in derivative financial instruments fair value	-547	-518
1,357	61	Change in translation differences and other	1,643	-606
-852	-1,578	Share of other comprehensive income of investments accounted for using the equity method	-878	-2,853
-168	127	Other comprehensive income	-305	729
-336	-1,162	Other comprehensive income (net of tax)	-87	-3,248
14,765	17,450	Total Net comprehensive income	57,797	60,323
Attributable to:				
13,976	16,238	Corticeira Amorim Shareholders	54,596	55,133
790	1,212	Non-controlling Interest	3,201	5,190

CONSOLIDATED STATEMENT OF CASH FLOW



thousand euros

3Q19 (non audited)	3Q18 (non audited)		9M 2019 (non audited)	9M 2018 (non audited)
OPERATING ACTIVITIES				
216,217	219,965	Collections from customers	602,735	590,034
-156,977	-199,566	Payments to suppliers	-463,616	-483,786
-34,446	-44,666	Payments to employees	-101,947	-102,420
24,794	-24,267	Operational cash flow	37,172	3,828
-3,663	-4,883	Payments/collections - income tax	-6,369	-5,867
-2,638	42,424	Other collections/payments related with operational activities	21,125	55,992
18,493	13,274	CASH FLOW FROM OPERATING ACTIVITIES	51,928	53,953
INVESTMENT ACTIVITIES				
Collections due to:				
267	45	Tangible assets	1,108	263
-1	-1	Intangible assets	0	42
14	100	Financial investments	2,523	950
24	47	Other assets	222	188
82	118	Interests and similar gains	213	267
250	250	Dividends	250	250
Payments due to:				
-12,043	-16,313	Tangible assets	-34,838	-38,047
-11,688	-472	Financial investments	-12,192	-5,133
-472	-418	Intangible assets	-897	-1,258
-130	0	Other assets	-145	0
-23,696	-16,643	CASH FLOW FROM INVESTMENTS	-43,756	-42,478
FINANCIAL ACTIVITIES				
Collections due to:				
25,419	0	Loans	48,563	0
305	295	Government grants	2,682	2,292
722	1,687	Others	2,140	3,132
Payments due to:				
0	7,963	Loans	0	15,484
-308	-447	Interests and similar expenses	-1,492	-1,379
-5,042	0	Transactions with non-controlling interest	-5,042	0
210	769	Dividends paid to company's shareholders	-24,605	-24,605
-1,647	-1,114	Dividends paid to non-controlling interest	-1,647	-1,114
-258	-265	Government grants	-2,276	-1,190
-81	-112	Others	-294	-356
19,320	8,774	CASH FLOW FROM FINANCING	18,029	-7,736
14,117	5,405	Change in Cash	26,201	3,739.0
-69	-15	Exchange rate effect	88	-174
-26,499	-7,173	Cash at beginning	-38,740	-5,348
-12,451	-1,783	Cash at end	-12,451	-1,783

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



thousand euros

Attributable to owners of Corticeira Amorim, SGPS, S.A.

	Share capital	Paid-in Capital	Hedge Accounting	Translation Difference	Legal reserve	Other reserves	Net income	Non-controlling interests	Total Equity
Balance sheet as at January 1, 2018	133,000	38,893	468	-1,045	18,770	167,353	73,027	29,524	459,991
Profit for the year	-	-	-	-	2,725	70,303	-73,027	-	0
Dividends	-	-	-	-	-	-24,605	-	-1,118	-25,723
Perimeter variation	-	-	-	-	-	-1,928	-	-511	-2,439
Consolidated Net Income for the period	-	-	-	-	-	-	58,590	4,980	63,571
Change in derivative financial instruments fair value	-	-	-518	-	-	-	-	-	-518
Change in translation differences	-	-	-	-347	-	-	-	-259	-606
Other comprehensive income of associates	-	-	-	-2,929	-	76	-	-	-2,853
Other comprehensive income	-	-	-	-	-	260	-	469	729
Total comprehensive income for the period	0	0	-518	-3,276	0	336	58,590	5,190	60,323
Balance sheet as at September 30, 2018 (non audited)	133,000	38,893	-50	-4,321	21,495	211,459	58,590	33,086	492,151
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
Perimeter variation	-	-	-	-	-	-	-	-	0
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 translation 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

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I - 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, and is represented by 133 million shares, which are publicly traded in the Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.

The company Amorim - Investimentos e Participações, S.G.P.S, S.A. held, on December 31, 2018 and September 30, 2019, 67,830,000 shares of CORTICEIRA AMORIM corresponding to 51.00 % of its share capital. CORTICEIRA AMORIM is included in the consolidation perimeter of Amorim - Investimentos e Participações, S.G.P.S., S.A., this being its controlling parent company. Amorim - Investimentos e Participações, S.G.P.S. is fully owned by Amorim family.

These financial statements were approved in the Board Meeting of November 4, 2019. 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€ = € K).

II - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES



The consolidated financial statements as of September 30, 2019 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 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, 2018, except for the adoption of the new standards whose application became effective on December 1, January 2019 and the application of IFRS 16 implied the changes referred to in the following paragraphs.

IFRS 16 was issued in January 2016 and replaced IAS 17 Leases, IFRIC 4 Determine if an Agreement contains a Lease, SIC 15 Operational Leases - Incentives and SIC 27 Evaluation of the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles applicable to the recognition, measurement, presentation and disclosure of leases and requires tenants to account for all leases in their balance sheets in accordance with a single model similar to that currently provided for in IAS 17 for finance leases.

The standard provides for two exemptions of recognition for tenants - lease contracts where assets have little value, and short-term lease contracts (ie contracts with a duration of 12 months or less).

At the commencement date of the lease, the lessee will recognize the liability for future lease payments (ie the lease liability) and the asset representing the right to use the asset during the lease period (ie the asset under right of use). Tenants will have to recognize separately the financial cost related to the lease liability and the cost of depreciation or amortization of the asset under the right of use.

Under the rule, tenants will have to remeasure the lease liability when certain events occur (for example, a change in the lease period, a change in lease payments as a consequence of a change in a payments). Tenants will recognize the amount of this remeasurement in the lease liability as an adjustment to the right-of-use asset.

The lessor's accounting in accordance with IFRS 16 remains substantially unchanged from the accounting currently provided for in IAS 17. The lessor continues to classify all leases using the same IAS 17 classification principle and distinguishing between two types of lease: operating leases and financial institutions.

IFRS 16, which enters into force for periods beginning on or after January 1, 2019 requires lessors and lessees disclosures that are more extensive than those required by IAS 17.

Transition to IFRS 16

The Group adopted IFRS 16 using the modified retrospective method: recognition of the cumulative effect, in the first period of application of the standard, without restatement of comparatives, as an adjustment to equity in the opening balance sheet of the period in which the standard is adopted. The Group applied the standard to all contracts that were previously identified as leases under IAS 17 and IFRIC 4. As a result, the Group did not apply the standard to contracts that were not previously identified as containing a lease.

The Group has decided to apply the exemptions provided for in the standard for leases whose lease term ends within the next 12 months from the initial application date, and for lease contracts for which the underlying asset has little value. The Group has lease agreements for certain types of administrative equipment (such as personal computers, printing machines and photocopiers) which the Group considers to be of little value.

The main impacts of adopting IFRS 16 were an increase in EBITDA of €1.1 M, an increase in depreciation of €1.2 M and an increase of € 4.6M in debt at September 30, 2019.

III - COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT



Company	Head Office	Country	3Q 19	2018
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 Liège	Jijel	ALGERIA	51%	51%
Société Nouvelle du Liège, S.A. (SNL)	Tabarka	TUNISIA	100%	100%
Société Tunisienne d'Industrie Bouchonnaire	Tabarka	TUNISIA	55%	55%
Vatrya - Serviços de Consultadoria, Lda.	Funchal - Madeira	PORTUGAL	100%	100%
Cork Stoppers				
Amorim & Irmãos, SGPS, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
ACI Chile Corchos, S.A.	Santiago	CHILE	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 & Irmãos, 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%	-
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	Santiago	CHILE	50%	50%
Corchos de Argentina, S.A.	Mendoza	ARGENTINA	50%	50%
Corpack Bourrasse, S.A.	Santiago	CHILE	70%	60%
Elfverson & Co. AB	Paryd	SWEDEN	53%	53%
Equipar, Participações Integradas, Lda.	Coruche	PORTUGAL	100%	100%
S.A.S. Ets Christian Bourassé	Tosse	FRANCE	70%	60%
FP Cork, Inc.	Califórnia	U. S. AMERICA	100%	100%
Francisco Oller, S.A.	Girona	SPAIN	94%	92%
Hungarocork, Amorim, RT	Budapeste	HUNGARY	100%	100%
Indústria Corchera, S.A.	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%	92%
S.C.I. Friedland	Céret	FRANCE	100%	100%
S.C.I. Prioux	Epernay	FRANCE	91%	91%
Socori, S.A.	Rio Meão	PORTUGAL	70%	60%
Socori Forestal, S.L.	Cáceres	SPAIN	100%	100%
Société Nouvelle des Bouchons Trescases	Perpignan	FRANCE	50%	50%
TKCork – Advanced Cork Technology, S.A.	Santa Maria Lamas	PORTUGAL	100%	100%
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.	Navarrete - La Rioja	SPAIN	50%	50%
Vinolok a.s	Jablonec nad Nisou	CZECH REPUBL.	50%	-
Wine Packaging & Logistic, S.A.	Santiago	CHILE	50%	50%

Company	Head Office	Country	3Q 19	2018
Floor & Wall Coverings				
Amorim Revestimentos, S.A.	S. Paio de Oleiros	PORTUGAL	100%	100%
Amorim Benelux, BV	Tholen	NETHERLANDS	100%	100%
Amorim Deutschland, GmbH	Delmenhorts	GERMANY	100%	100%
Amorim Flooring, 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	Mölnådal	SWEDEN	84%	52%
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.	Kraków	POLAND	50%	50%
Korkkitrio Oy	Tampere	FINLAND	51%	-
Timberman Denmark A/S	Hadsund	DENMARK	90%	100%
Composite Cork				
Amorim Cork Composites, S.A.	Mozelos	PORTUGAL	100%	100%
Amorim (UK), Ltd.	Horsham West Sussex	UN. KINGDOM	100%	100%
Amorim Comp Cork, Lda.	Mozelos	PORTUGAL	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	Delmenhorts	GERMANY	100%	100%
Amorim Industrial Solutions - Imobiliária, S.A.	Corroios	PORTUGAL	100%	100%
Amorim Sports & Playgrounds, Lda.	Mozelos	PORTUGAL	100%	100%
Amosealtex Cork Co., Ltd.	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%
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 Isolamentos, 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%
Corecotic - Corking Shoes Investments, Lda.	Mozelos	PORTUGAL	50%	50%
Gröwancork - Estruturas isoladas com cortiça,	Mozelos	PORTUGAL	25%	25%
TDCork - Tapetes Decorativos com Cortiça, Lda.	Mozelos	PORTUGAL	25%	25%
Soc. Portuguesa de Aglomerados de Cortiça, Lda.	Montijo	PORTUGAL	100%	100%
Supplier Portal Limited	Hong Kong	CHINA	100%	100%

- (a) One single company: Amorim Deutschland, GmbH & Co. KG.
- (b) Equity method consolidation.
- (c) CORTICEIRA AMORIM controls the operations of the company - line-by-line consolidation method.
- (d) Decrease in the percentage of interest.
- (e) Increase in the percentage of interest.
- (f) Company set-up in 2019.
- (g) Company acquired in 2019.

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.

IV - EXCHANGE RATES USED IN CONSOLIDATION



Exchange rates		September 30, 2019	Average 9M 2019	Average 2018	December 31, 2018
Argentine Peso	ARS	62.7616	49.8812	32.9179	43.1452
Australian Dollar	AUD	1.6126	1.6077	1.5797	1.6220
Lev	BGN	1.9558	1.9557	1.9557	1.9557
Brazilian Real	BRL	4.5288	4.3646	4.3085	4.4440
Canadian Dollar	CAD	1.4426	1.4935	1.5294	1.5605
Swiss Franc	CHF	1.0847	1.1179	1.1550	1.1269
Chilean Peso	CLP	793.700	769.766	756.762	794.630
Yuan Renminbi	CNY	7.7784	7.7135	7.8081	7.8751
Czech Krone	CZK	25.8160	25.7017	25.6470	25.7427
Danish Krona	DKK	7.4662	7.4644	7.4532	7.4673
Algerian Dinar	DZD	131.256	133.653	137.334	135.454
Euro	EUR	1.0000	1.0000	1.0000	1.0000
Pound Sterling	GBP	0.8857	0.8835	0.8847	0.8945
Hong Kong Dollar	HKD	8.5423	8.8050	9.2530	8.9819
Forint	HUF	334.830	323.073	318.890	320.980
Yen	JPY	117.590	122.570	130.396	125.850
Moroccan Dirham	MAD	10.6193	10.7889	11.0770	10.9595
Zloty	PLN	4.3782	4.3011	4.2615	4.3014
Ruble	RUB	70.7557	73.0853	74.0416	79.7153
Swedish Krona	SEK	10.6958	10.5679	10.2583	10.2548
Tunisian Dinar	TND	3.1200	3.3226	3.1079	3.4273
Turkish Lira	TRL	6.1491	6.3390	5.7077	6.0588
US Dollar	USD	1.0889	1.1236	1.1810	1.1450
Rand	ZAR	16.5576	16.1320	15.6186	16.4594

V - SEGMENT REPORT

CORTICEIRA AMORIM is organized 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

9M2019	Raw Material	Cork Stopper	Floor & Wall	Compo site	Insulati on	Holding	Adjustm.	Consolid ated
Trade Sales	11,418	426,010	81,418	75,022	8,706	52	-	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

9M2018	Raw Material	Cork Stopper	Floor & Wall	Compo site	Insulati on	Holding	Adjustm.	Consolid ated
Trade Sales	15,960	404,114	81,860	74,126	7,665	33	-	583,758
Other BU Sales	118,850	6,111	2,225	2,965	1,211	1,989	-133,352	-
Total Sales	134,810	410,225	84,086	77,091	8,876	2,022	-133,352	583,758
EBITDA (current)	24,204	76,080	2,648	8,227	945	-3,623	-62	108,419
Assets (non-current)	25,014	162,300	39,419	35,263	4,004	839	26,062	292,900
Assets (current)	223,829	332,382	61,175	46,433	10,248	2,858	1,167	678,091
Liabilities	61,558	190,152	41,314	36,945	2,397	29,571	116,903	478,840
Capex	4,207	27,620	3,230	4,653	376	53	0	40,138
Year Depreciation	-2,521	-14,292	-4,146	-2,163	-409	-77	0	-23,609
Gains/Losses in associated companies	0	1,339	808	0	0	-18	0	2,130

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

EBITDA = Profit before interests, depreciation, equity method, non-controlling interests and income tax.

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

Segments assets do not include DTA (deferred tax asset) and non-trade group balances.

Segments liabilities do not include DTL (deferred tax liabilities), bank loans and non-trade group balances.

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



AMORIM

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 kinds 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 95% of its sales to others BU, specially to Cork Stoppers BU. Main products are bark and discs.

The remaining BU produce and sell a vast number of cork products made from cork stoppers waste. 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.

VI - ACTIVITY DURING THE YEAR

CORTICEIRA AMORIM business are spread through a large basket of products, throughout the five continents and more than a hundred countries; so, it is not considered that its activity is subjected to any particular form of seasonality. Anyway it has been registered a higher first half activity, mainly during the second quarter; third and fourth usually exchange as the weakest quarter.

Mozelos, November 4, 2019

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



About Corticeira Amorim SGPS, S.A.:

Tracing its roots back to the 19th century, Amorim has become the world's largest cork and cork-derived company in the world, generating more than Euro 763 million in sales to more than 100 countries through a network of dozens of fully owned subsidiaries.

With a multi-million Euro R&D investment per year, Amorim has applied its specialist knowledge to this centuries-old traditional culture, developing a vast portfolio of 100% sustainable products that are used by blue-chip clients in industries as diverse and demanding as wines & spirits, aerospace, automotive, construction, sports, interior and fashion design.

Amorim's responsible approach to raw materials and sustainable production illustrates the remarkable interdependence between industry and a vital ecosystem - one of the world's most balanced examples of social, economic and environmental development.



AMORIM

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Registration and Corporate Tax ID No:
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