VAA - Vista Alegre Atlantis, SGPS, S.A.
Head Office: Lugar de Vista Alegre, Ílhavo
Registration and tax number: 500 978 654
Share capital: EUR 121,927,316.80
(Incorporated as a limited liability company under Portuguese law)

"VAA FIXED RATE GUARANTEED SENIOR SECURED NOTES 2019-2024 CLASS A"

€45,000,000 fixed rate notes 4.5% interest due 2024 (the "Class A Notes")

"VAA FIXED RATE GUARANTEED SENIOR SECURED NOTES 2019-2024 CLASS B"

€5,000,000 fixed rate notes 3.5% interest due 2024 (the "Class B Notes")

INFORMATION MEMORANDUM *(DOCUMENTO INFORMATIVO DE INCORPORACIÓN)* ON THE ADMISSION *(INCORPORACIÓN)* TO TRADING OF €45,000,000 FIXED RATE GUARANTEED SENIOR SECURED NOTES DUE 2024 (CLASS A NOTES) ON THE SPANISH ALTERNATIVE FIXED-INCOME MARKET (*MERCADO ALTERNATIVO DE RENTA FIJA*) ("MARF")

VAA – Vista Alegre Atlantis, SGPS, S.A. ("**Vista Alegre**", "**VAA**", "**Company**" or "**Issuer**"), a publicly traded limited liability company incorporated under Portuguese law as a holding company (*Sociedade Gestora de Participações Sociais sob a forma de Sociedade Anónima*), with registered office at Lugar de Vista Alegre, 3830-292 – Ílhavo, district of Aveiro, in Portugal, with a share capital of EUR 121,927,316.80 as of the date of this Information Memorandum, registered at the Commercial Registry Office of Aveiro under registration and tax number 500 978 654 and LEI Code 549300JDMB1312XATL10 (together with its subsidiaries, the "**VAA Group**" ,"**Vista Alegre Group**" or the "**Group**"), has requested admission to trading of the Class A Notes (*incorporación de valores)* on the Spanish Alternative Fixed-Income Market (*Mercado Alternativo de Renta Fija*) ("**MARF**") under the provisions of this information memorandum (*Documento Informativo de Incorporación*) (the "**Information Memorandum**").

MARF is a multilateral trading facility (MTF) and is not a regulated market in accordance with the provisions of Directive 2004/39/EC and Royal Decree Law 21/2017 of 29 December 2017, on urgent measures to adapt Spanish law to the European Union securities market legislation ("**RDL 21/2017**"). There is no guarantee that the price of the Class A Notes on MARF will be maintained. There is also no assurance that the Class A Notes will be widely distributed and actively traded on MARF and it is

not possible to ensure the development or liquidity of trading market for any Notes.

The Notes will be represented in dematerialised book-entry form ("*forma escritural*") registered by and held through Interbolsa, according to the provisions of section IX of this Information Memorandum.

An investment in the Notes involves certain risks.
Read section IV of the Information Memorandum on risk factors.

This Information Memorandum (*Documento Informativo de Incorporación*) is not a prospectus (*folleto informativo*) and has not been registered with the Spanish National Securities Market Commission ("CNMV"). The offering of the Notes does not constitute a public offering in accordance with the provisions of Article 35 of Royal Legislative Decree 4/2015, of 23 October, by which a recast text of the Securities Market Law ("RLD 4/2015") was approved, in accordance with Decree-Law no. 486/99, of 13 November, as amended from time to time (the "Portuguese Securities Code") or in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time), and, therefore, there is no obligation to approve, register and publish a prospectus (*folleto informativo*) with the CNMV or the Portuguese Securities Market Commission ("CMVM") or any other competent entity in the European Union. The issue of the Notes is intended exclusively for professional clients and eligible counterparties, in accordance with the provisions of Article 205 of the RLD 4/2015 and Article 39 of Royal Decree 1310/2005, of 4 November, which partially develops Law 24/1988, of 28 July, on the Securities Market, with respect to the admission of securities to trading on official secondary markets, public offerings or subscriptions and the prospectus required for this purpose ("Royal Decree 1310/2005") and, regarding investors resident in Portugal, the Portuguese Securities Code.

No action has been taken in any jurisdiction to permit a public offering of the Notes, or the possession or distribution of the Information Memorandum (*Documento Informativo de Incorporación*) or of any other offering material, in any country or jurisdiction where such action is required for said purpose.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, unless an exemption from the registration requirements of the Securities Act is available, and in accordance with all applicable securities laws of any state of the United States and of any other jurisdiction.

This Information Memorandum (*Documento Informativo de Incorporación*) is the one required by MARF's Circular 2/2018, of 4 December, on the inclusion and exclusion of securities on the Alternative Fixed-Income Market ("Circular 2/2018"). MARF has not made any verification or check in respect of this Information Memorandum (*Documento Informativo de Incorporación*) or over the rest of the documentation and information provided by the Issuer in compliance with said Circular 2/2018.

LEAD MANAGER

CAIXABANK, S.A.

REGISTERED ADVISOR

VGM ADVISORY PARTNERS, S.L.U.

The date of this Information Memorandum (*Documento Informativo de Incorporación)* is 21 October 2019.

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SECTION I

IMPORTANT INFORMATION

Neither the Issuer, nor CaixaBank, S.A. ("**CaixaBank**"), as Lead Manager and Dealer (the "**Lead Manager**") have authorised anyone to provide information to potential investors different from the information contained in this Information Memorandum and other publicly available information. Potential investors should not base their investment decision on information other than that contained in this Information Memorandum and alternative sources of public information.

The Lead Manager assumes no liability for the contents of the Information Memorandum. The Lead Manager has not verified the content of this Information Memorandum. The Lead Manager signed a contract with the Issuer in order to place the Notes, but neither the Lead Manager nor any other entity has made any commitment to underwrite the issue, without prejudice to the ability of the Lead Manager to acquire part of the Notes on their own behalf.

Investors in the Class A Notes should rely only on the information contained in this Information Memorandum. No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Memorandum, any other information supplied in connection with the Class A Notes, or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Lead Manager.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true, correct, complete and updated after the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented, or that there has been any adverse change, or any event reasonably likely to involve any adverse change, in the prospects or the financial or trading position of the Issuer since the date hereof or, if later, the date on which this Information Memorandum has been most recently amended or supplemented, or that any other information supplied in connection with the Notes is true, correct, complete and updated at any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Information Memorandum, nor any other information supplied in connection with the Notes (a) is intended to provide the basis of any credit or other evaluation, or (b) should be considered as a recommendation by the Issuer or the Lead Manager that any recipient of this Information Memorandum or of any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Information Memorandum, nor any other information supplied in connection with the offering of the Notes, constitutes an offer or invitation by or on behalf of the Issuer or the Lead Manager to any person to subscribe for or purchase any Notes.

The distribution of this Information Memorandum and the offering, sale and delivery of the Notes

in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. This Information Memorandum may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Issuer and the Lead Manager do not make any representation to any investor in the Notes regarding the legality of this investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time. No comment is made or advice is given by the Issuer and the Lead Manager in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional advisor.

Neither the delivery of this Information Memorandum, nor the offering, sale or delivery of any Notes, shall in any circumstances imply that the information contained in the Information Memorandum concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Lead Manager expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes, or to advise any investor in the Notes of any information coming to their attention.

This Information Memorandum is not a prospectus (*folleto informativo)* and has not been registered with the CNMV. The offering of the Notes does not constitute a public offering in accordance with the provisions of Article 35 of Royal Legislative Decree 4/2015, of 23 October, by which a recast text of the Securities Market Law ("RLD 4/2015") was approved, in accordance with Decree-Law no. 486/99, of 13 November, as amended from time to time (the "Portuguese Securities Code") or in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time), and, therefore, there is no obligation to approve, register and publish a prospectus (*folleto informativo*) with the CNMV or the Portuguese Securities Market Commission ("CMVM") or any other competent entity in the European Union . Admission (*incorporación)* to MARF has been requested. MARF is a multilateral trading facility (MTF) and not a regulated market in accordance with the provisions of Directive 2004/39/EC and RDL 21/2017 of 29 December. This Information Memorandum is the one required by Circular 2/2018. MARF has not made any verification or check with respect to this Information Memorandum or over the rest of the documentation and information provided by the Issuer in compliance with said Circular 2/2018. There is no guarantee that the price of the Class A Notes on MARF will be maintained. There is also no assurance that the Class A Notes will be widely distributed and actively traded on MARF because at this time there is no active trading market, it being currently under development. Nor is it possible to ensure the development or liquidity of trading markets for the issue.

The Notes will be represented in dematerialised book-entry form ("*forma escritural*") registered by and held through Interbolsa, according to the provisions of section IX of this Information Memorandum.

NO PRIIPS REGULATION KID

No KID under the PRIIPs Regulation has been prepared by the Issuer or the Lead Manager.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended for offer, sale or any other form of supply, nor should they be offered, sold or made available to retail investors in the European Economic Area ("**EEA**"). For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. As a result, there was no need to prepare any of the key information documents required by Regulation (EU) no. 1286/2014 of the European Parliament and of the Council, of 26 November 2014 (the "**PRIIPs Regulation**"), on the key information documents relating to packaged retail investment and insurance-based products for the purposes of offering or selling the Notes, or making them available, to retail investors in EEA. Therefore, any such activity could be illegal the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

SELLING RESTRICTIONS

No action has been or will be taken in any country or jurisdiction by the Issuer or the Lead Manager that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Information Memorandum comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

In particular:

EEA

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject to this Information Memorandum in relation thereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Spain

Neither the Notes nor the Information Memorandum have been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*). Therefore, neither Notes nor the Information Memorandum are intended for any public offer of the Notes in the Kingdom of Spain in compliance with the requirements of Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the Securities Market Law (the "**Securities Market Law**"), Royal Decree 1310/2005, of 4 November, on admission to listing and on issues and public offers of securities (as amended from time to time) and any other regulation developing them which may be in force from time to time. Accordingly, any offer, sale or distribution of the Notes, or any subsequent resale of the Notes, or distribution of copies of the Information Memorandum or any other document relating to the Notes in the Kingdom of Spain shall be made under circumstances which are exempted from the rules on public offerings pursuant to Article 35 of the Securities Market Law.

Portugal

The Lead Manager has represented and agreed that the Notes may not be and will not be offered to the public in Portugal under circumstances which are deemed to be a public offer under the Portuguese Securities Code (*Código dos Valores Mobiliários*) enacted by Decree-Law no. 486/99, of 13 November (as amended and restated from time to time) (or under any legislation which may replace or complement it in this respect from time to time) unless the requirements and provisions applicable to the public offering in Portugal are met and registration, filing, approval or recognition procedures with the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, "**CMVM**") are made.

In addition, the Lead Manager has represented and agreed that other than in compliance with all applicable provisions of the Portuguese Securities Code (or under any legislation which may replace or complement it in this respect from time to time), the Prospectus Regulation and any applicable CMVM Regulations and all relevant Portuguese securities laws and regulations, in any such case that may be applicable to it in respect of any offer or sale of Notes by it in Portugal or to individuals or entities resident in Portugal or having permanent establishment located in Portuguese territory, as the case may be, including compliance with the rules and regulations that require the publication of a prospectus, when applicable: (1) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold, re-sold, re offered or delivered and will not directly or indirectly take any action, offer, advertise, invite to subscribe, gather investment intentions, sell, re-sell, re-offer or deliver any Notes in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code (or under any legislation which may replace or complement it in this respect from time to time), notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in

Portugal or having permanent establishment located in Portuguese territory, as the case may be; (2) it has not distributed, made available or cause to be distributed, and will not distribute, make available or cause to be distributed, the Information Memorandum or any other offering material relating to the Notes to the public in Portugal; and (3) that any such distribution shall only be authorised and performed to the extent that there is full compliance with such laws and regulations. For the purposes of this paragraph, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as may be amended from time to time).

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

The Lead Manager has represented and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes: (1) as part of their distribution at any time; or (2) otherwise until 40 days after the completion of the distribution of the Notes, as certified to the Paying Agent or the Issuer by such Dealer within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S of the Securities Act, and such Dealer will have sent to each dealer to which it sells Notes during the restricted period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until 40 days after the commencement of the offering of the Notes, any offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

SECTION II

SUMMARY

A. DESCRIPTION OF THE ISSUER AND OF THE GUARANTORS

A.1. The Issuer

Legal and commercial name of the Issuer

The legal name of the Issuer is VAA – Vista Alegre Atlantis, SGPS, S.A. and the most frequent commercial name is Vista Alegre.

Registration and legal person number of the Issuer

Vista Alegre is a publicly traded limited liability company (*sociedade aberta de responsabilidade limitada*) with head office at Lugar de Vista Alegre, 3830-292 – Ílhavo, district of Aveiro, in Portugal, registered with the Commercial Registry Office, entity with all documents deposit in electronic format, under the registration and tax number 500 978 654, and with a fully subscribed and paid-up share capital in the amount of EUR 121,927,316.80.

Incorporation of the Issuer

Vista Alegre was incorporated on 1824 for an unlimited period of time.

Head office, legal form and legislation that governs the Issuer's activity

Vista Alegre has its head office at Lugar de Vista Alegre, 3830-292 – Ílhavo, district of Aveiro, in Portugal and its telephone number is (+351) 23 432 06 00.

Vista Alegre is a holding company under the legal form of a limited company, incorporated and operating under the laws of the Portuguese Republic and, under article number 2 (two) of its by-laws, its corporate purpose is the "management of holdings in other companies as an indirect way of carrying out economic activities, also being able to provide technical and management services pursuant to law".

Vista Alegre is governed by the Portuguese laws applicable to holding companies, particularly by the Portuguese Commercial Companies Code, the Portuguese Securities Code and Decree-Law no. 495/88, of 30 December (all as amended), and by its by-laws.

As of 31 December 2018, Vista Alegre's share capital is EUR 121,927,316.80, represented by 152,409,146 ordinary shares with a nominal value of EUR 0.80 (eighty cents) each, and is fully subscribed and paid-up.

A.2. The Guarantors

Bordalgest, S.A.

Bordalgest, S.A. ("**Bordalgest**") a limited liability company incorporated and validly existing under Portuguese law, with head office at Avenida Gago Coutinho, no. 78, district of Lisbon, Portugal, is registered with the Commercial Registry Office of Lisbon under registration and tax number 508 897 220.

Bordalgest, S.A. is a wholly owned subsidiary of the Issuer.

Cerexport – Cerâmica de Exportação, S.A.

Cerexport – Cerâmica de Exportação, S.A. ("**Cerexport**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Zona Industrial de Aveiro-Taboeira-Esgueira, district of Aveiro, Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 500 081 549.

Cerexport – Cerâmica de Exportação, S.A. is a wholly owned subsidiary of the Issuer.

Cerutil – Cerâmicas Utilitárias, S.A.

Cerutil – Cerâmicas Utilitárias, S.A. ("**Cerutil**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua do Palácio do Gelo, no. 1, Palácio do Gelo Shopping, piso 3, district of Viseu, Portugal, is registered with the Commercial Registry Office of Viseu under registration and tax number 502 325 569.

Cerutil – Cerâmicas Utilitárias, S.A. is a wholly owned subsidiary of the Issuer.

Faianças Artísticas Bordalo Pinheiro, S.A.

Faianças Artísticas Bordalo Pinheiro, S.A. ("**Bordalo Pinheiro**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua Rafael Bordalo Pinheiro, no. 53, district of Leiria, Portugal, is registered with the Commercial Registry Office of Leiria under registration and tax number 500 108 684.

The Issuer holds 86.24% of the share capital of Faianças Artísticas Bordalo Pinheiro, S.A.

Faianças da Capoa – Indústria de Cerâmica, S.A.

Faianças da Capoa – Indústria de Cerâmica, S.A. ("**Faianças da Capoa**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua do Buragal-Aradas, district of Aveiro, Portugal, is registered with the Commercial Registry Office of Aveiro under

registration and tax number 500 643 067.

Faianças da Capoa – Indústria de Cerâmica, S.A. is a wholly owned subsidiary of the Issuer.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. ("**Ria Stone**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Vista Alegre, district of Aveiro, Ílhavo (São Salvador), Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 510 229 808.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. is a wholly owned subsidiary of the Issuer.

Vista Alegre Atlantis, S.A.

Vista Alegre Atlantis, S.A. ("**VAA, S.A.**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Vista Alegre, district of Aveiro, Ílhavo (São Salvador), Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 500 889 139.

Vista Alegre Atlantis, S.A. is a wholly owned subsidiary of the Issuer.

B. BACKGROUND AND DEVELOPMENT OF THE ISSUER

History of the Issuer

Vista Alegre began as the Ferreira Pinto & Filhos company, authorised by a royal licence in 1824, devoted to the manufacture of porcelain and glass.

Just five years later, Vista Alegre received the title of Real Fábrica (Royal Factory), a recognition of its art and industrial success.

The Vista Alegre brand rapidly assumed an image of quality and distinctiveness in the utilitarian and decorative ceramics industry, having received for the first time a universal prize at the Paris Universal Exhibition in 1867. As the quality of ceramics produced by Vista Alegre increased, less attention was paid to glass and crystal, production of which was definitively discontinued in 1880.

On its centenary, Vista Alegre began a restructuring process aimed at transforming the company into a limited company by quotas, modernising the factory's structures and renewing its services. Parallel to the productive and technological development, there was also an artistic renewal, where renowned artists brought new ideas and models to its painting school. The items produced in this

period reached the level of excellence of their most notable industry peers.

From 1947 until 1968, international contacts, the training of specialised technical staff and the acquisition of other companies led Vista Alegre to the expected level of technical and industrial development, as well as the expansion of its products into new markets.

During the 1970s and 1980s, Vista Alegre maintained a strategy of sales and services focused on the domestic market, with surplus capacity being used to serve, quite selectively, a limited number of customers outside of Portugal. These exports comprised only a small proportion of its turnover.

In 1980, the Ferreira Pinto & Filhos company was transformed into a private limited company by quotas with the trading name Fábrica de Porcelana da Vista Alegre, Lda., and at the end of 1987 it became a publicly traded company listed on the Lisbon and Porto Stock Exchanges.

At the end of the 1980s, the Vista Alegre brand began to see a progressive decline in its growth, and the small dimension of its domestic market made a strategy of geographic diversification inevitable.

Thus Spain, as a natural extension of the Portuguese market, became a priority market and a subsidiary in Spain, Vista Alegre España, was established in 1986.

In the 1990s, there was an increase in the installed productive capacity, allowing the development of a consistent internationalisation policy, the main strategic drivers of which were not only the identification of markets with cultural affinities and/or geographic proximity but also, those markets which simultaneously presented the growth, size and competitiveness with the high potential necessary to match Vista Alegre's investment plan and scale on sales.

Subsequently, following the acquisition of Cerexport in 1997, the company entered the German market directly through a local company.

At the same time, a diversification of its business areas was carried out, including crockery for the *horeca* channel (hotels, restaurants, cafes), earthenware (through the acquisition of the company Faianças da Capôa), stoneware and porcelain ovenware, ceramic insulators and electrical material (Electro Cerâmica and Cerisol).

In the late 1990s, it acquired a manufacturing unit in Brazil and a minority stake of 25% in Royal Worcester & Spode Limited, a British company producing and marketing ceramic products.

In 2001, a business restructure and merger process brought together two large-scale business groups in the tableware and giftware segments – the VAA group (porcelain, earthenware and stoneware) and the Atlantis group (crystal and glass), creating the largest Portuguese tableware group and the

world’s sixth largest in this sector based on turnover. It was also under this process that VAA emerged, with the Company taking on its current name and corporate purpose.

Atlantis was founded in 1944, producing chandeliers in a small factory in Alcobaça and then diversifying into decoration and tableware.

In the 1970s, Atlantis' activities were segmented into two strands: (i) Full Lead Crystal (a higher quality and manually produced product) and (ii) sodium glass (automated manufacture of household products). Subsequently, the automated production was spun off to the Crisal company, which was sold in 2005 when Atlantis had already merged with Vista Alegre.

In the 1990s, Atlantis expanded its range of glass products of varying qualities and colours through mergers with companies engaged in the production and marketing of handmade glass articles, Neovidro – Indústria e Tecnologia do Vidro, S.A. and Nova Ivima – Indústria do Vidro, S.A. (company founded in 1885 and with a long tradition in the production of manual glass).

In 2001, the restructuring and merger of Vista Alegre with Atlantis, which aimed to take advantage of the potential synergies that would be associated with a single platform for the production and distribution of complementary “Table Art” brands, marked the beginning of an in-depth and complex process of strategic reorientation and restructuring for the VAA Group.

In a period marked by economic recession in Portugal, by rapid penetration of ceramic and glass products from Asia and Eastern European countries, as well as by changes in consumption habits and lifestyles, VAA also began to face economic and financial difficulties.

The increase in liabilities due to the use of bank Indebtedness to finance the restructuring and a sharp fall in revenues led to the need for a new strategic direction to reduce the number of business areas, focusing only on those with the best growth prospects.

In 2009, Visabeira Group acquired 81.78% stake in VAA through Cerutil. The Company, in serious financial difficulties, gained a new direction and momentum.

The following year, in July 2010, a share capital increase of VAA was carried out in order to implement the strategy drawn up for the Company’s recovery and future viability.

This transaction was clearly a key factor in the success of the Company's corporate restructuring. The inflow of funds aimed at restoring the Company's financial balance, fostering the expansion of its shareholder base and broadening its base for raising funds, creating the conditions for strengthening the Company's equity.

The strengthening of VAA's equity structure made it possible to finance the business development strategy and the implementation of the new guidelines for the Company's financial and operational restructuring, particularly regarding the necessary replacement and expansion investments (CAPEX).

In the context of the economic and financial restructuring of the VAA Group, which was made possible within the new shareholder framework, a set of initiatives was outlined and implemented to put in place the ambitious strategy set out by the management for the Company's recovery and future viability. This favoured cost rationalisation, brand rejuvenation, the capture of new target-markets and the intensive acceleration of the internationalisation process.

This repositioning was also largely achieved through collaborations and partnerships established with Portuguese and international artists, creators and designers, clearly showing the brand's global vision.

VAA's performance has been guided ever since by a clear commitment to productive investment (CAPEX), research and development of new products and processes, the redefinition of its commercial strategy, both in the domestic market, where a demanding cost-cutting plan and renewal of the image of its network of shops was outlined and implemented, and in international markets, which have been the object of renewed impetus.

More recently, in 2014, Ria Stone began operating. It is a VAA Group company founded as a result of a procurement process by the Swedish company IKEA, which wanted a strategically located production unit capable of ensuring the manufacture of a set of brand references, while complying with strict quality standards. Ria Stone was the company selected to carry out this challenge, having signed a 7-year contract with the multinational IKEA to supply 30 million stoneware tableware units to be sold internationally to IKEA stores.

The creation of Ria Stone is closely linked to technological innovation and has emerged as a reflection of an innovative solution through the design of a highly competitive and innovative production system based on a single-firing process. The economic prioritisation of these new products strongly matches Ria Stone's global strategy and that of the Group of which it is part.

As mentioned, Ria Stone inaugurated its production facilities, in 2014, with an overall investment (CAPEX) of around 25 million euros, resulting in the creation of over 150 new jobs in the Aveiro region.

This unit also technologically stands out for its adoption of innovative, state-of-the-art equipment, featuring isostatic presses, a fully automated warehouse, without any human intervention and also

automated glazing lines. It operates with two kilns (86 and 55 metres long), including conveyor belts that automatically carry articles to each section, simplifying the production processes.

The unit thus produces in a highly automated fashion, with a fully functional factory able to respond to high-production volumes with the necessary efficiency.

As a result of its historic evolution, VAA now has a technologically advanced production facility and intends to maintain its innovative spirit and strengthen its position in the different markets in which it operates, optimising its production for profit while honouring its history and tradition.

At the end of 2016, for strategic reasons of VAA and in the context of changes in this segment of the market, especially due to decreasing in the demand for this type of products, the earthenware segment was reallocated and merged into the oven stoneware segment.

In 2016, the VAA Group adopted a common insignia and a new visual identity through which the porcelain, crystal and glass articles produced at the VAA plant in Ílhavo and the Atlantis plant in Alcobaça were marketed under the brand name Vista Alegre, both in Portugal and in foreign markets.

In 2017, the existing contract between the Swedish IKEA and VAA Group's Ria Stone company (a contract that initially envisaged a tie-up until 2021) was extended for another 5 years until 2026 representing an additional investment of 18 million euro and creating circa 80 additional jobs. That same year, an international contract was signed with Hennessy in the crystal business segment for the supply of luxury bottles.

On 22 December 2017, the share capital of VAA was increased from 92,507,861.92 euros to 121,927,317.04 euros.

In 2018, VAA completed the acquisition of Cerutil and indirectly of Bordalo Pinheiro (through Bordalgest, which is wholly owned by Cerutil and which, in turn, has an 83.99% stake in Bordalo Pinheiro), as well as the sale of VA Grupo Vista Alegre Participações, SA ("**VA Grupo**"). The acquisition of Cerutil and Bordalo Pinheiro from Visabeira Indústria took place in exchange of the sale of the Group's non-operational real estate assets (VA Grupo), resulting in a €26.9M shareholder loan with a deferred payment.

These transactions aimed to concentrate all the stakes in the ceramics sector in VAA and enhance the Company's positioning in the context of the sector and competing companies, giving VAA greater size, to diversify and to allow for the exploitation of the centennial "Bordallo Pinheiro" brand. Cerutil and Bordalo Pinheiro contributed with €3.1M EBITDA to unaudited Pro Forma FY2018 VAA's

consolidated accounts (accounts as if Cerutil and Bordalo Pinheiro had been acquired by the Group as of 1 January 2018 and the sale of VA Grupo at the same date).

Brand Awareness

With almost 200 years of history, VAA continues to be internationally recognised for its innovative design and character, as evidenced by more than 30 prizes and awards received in 2018 and 2019. VAA has a museum that opened in 1964 and has presence in exhibitions at the Museum of Modern Art (MOMA) in New York. VAA works with partnerships with contemporary artists (Ross Lovegrove, Marcel Wanders, Jaime Hayon, Arik Levvy, Patrick Norguet, Sam Baron, Carsten Gollnick, Mendel Heit & Brunno Jahara, Sempé, Stéphane Parmentier, Corinne Le Corre, Rebecca Dautremer, Sacha) and world class brands such as Christian Lacroix, Pineda Covalin and Oscar de la Renta.

International Presence

Vista Alegre has a broad international presence, being strongly export-oriented with a focus on European markets but with sales in diverse countries such as Brazil and USA.

In 2018 Pro-Forma accounts[1], exports accounted for 70% of sales – France (11%), Spain (10%), the Netherlands (10%), Italy (9%), Germany (8%), rest of Europe (10%), Brazil (3%) and rest of the world (9%).

C. BUSINESS AREAS

Vista Alegre is best known for its luxury porcelain and lead crystal products. However, the Company produces, through 6 factories in Portugal, a wide range of products that are differentiated by their unique design and build quality.

Business lines

VAA is present in the following business lines, which are detailed below in section VII of this Information Memorandum:

- Porcelain
- Stoneware Tableware
- Stoneware Oven-to-Tableware
- Earthenware

[1] Non-audited consolidated accounts as if the acquisitions of Cerutil and Bordalo Pinheiro and the disposal of VA Grupo had occurred with reference to 1 January 2018.

- Crystal and Glass

In 2018, VAA Group had €106M of Pro-Forma sales and €20.5M of Pro-Forma EBITDA, making the Group the sixth largest ceramic producer globally by sales and third by EBITDA.

	Porcelain	Stoneware / Oven-to-Tableware	Stoneware / Tableware	Crystal & Glass	Earthenware
€105.6M Sales	€45.9M	€20.9M	€18.5M	€12.7M	€7.6M
€20.5M EBITDA	€9.1M	€2.6M	€6.5M	€0.6M	€1.7M

Source: Unaudited Pro-Forma figures prepared by reference to audited FY2018. The Pro-Forma assumes Cerutil and Bordalo Pinheiro as part of the perimeter from 1 January 2018 and the disposal of VA Grupo as of 1 January 2018

Exhibit 1: Contribution to 2018 Turnover and EBITDA and EBITDA Margin

	Turnover	EBITDA	EBITDA Margin
Porcelain	44%	44%	20%
Stoneware Tableware	17%	32%	35%
Stoneware Oven-to-Tableware	20%	13%	12%
Earthenware	7%	8%	23%
Crystal and Glass	12%	3%	5%

Source: Unaudited Pro-Forma figures prepared by reference to audited FY2018. The Pro-Forma assumes Cerutil and Bordalo Pinheiro as part of the perimeter from 1 January 2018 and the disposal of VA Grupo as of 1 January 2018

D. BACKGROUND ON GRUPO VISABEIRA

Visabeira was founded in 1980 by Fernando Campos Nunes with a focus on offering infrastructure and network engineering services for the telecom and energy sectors in Portugal. Mr. Nunes currently controls 99.45% of Grupo Visabeira SA. ("**Grupo Visabeira**").

Through sustained growth and business expansion, focused on optimizing resources, Visabeira Group creates value and anticipates the needs of its customers, taking into account the different markets in which it operates and always offering premium quality services. Grupo Visabeira organizes its activities through three intermediary holdings:

- Visabeira Global – Telecom, energy, construction and technology
- Visabeira Indústria – ceramics and glassware, kitchen furniture, biofuels (pellets) and energy systems
- Visabeira Tourism, Real Estate and Services – hotels, resorts and entertainment complexes, shopping mall and services

Visabeira Global represented 73% of the business volume, followed by Visabeira Indústria 19%, and Visabeira Tourism, Real Estate and Services 8%.

Grupo Visabeira is present in 16 countries, including France, Germany, Belgium, Spain, Denmark, Italy, United Kingdom, Angola and Mozambique, marketing services and products in 94 countries. In 2018, 53% of the business volume came from Europe, 32% from Portugal and 15% from Africa, America and Asia.

Grupo Visabeira holds a 94.1% of Vista Alegre Atlantis – 3.6% directly and 90.5% via Visabeira Indústria, which is 100% owned by Grupo Visabeira.

Grupo Visabeira continued to exceed historical highs in 2018 in the main economic indicators, ending the year with a consolidated turnover of 745 million euros, a 16.8% increase over the previous year, and an EBITDA of 142 million, an increase of 14.8% over the same period a year earlier.

Exhibit 2: Evolution of Turnover and EBITDA

€M	2017	2018
Turnover	638	745
EBITDA	124	142
EBITDA margin (%)	*19.4%*	*19.1%*

Source: Grupo Visabeira audited Consolidated Accounts as of 31 December 2018

As of 31 December 2018, Visabeira generated €142M of EBITDA in 2018 with a financial net debt of €663M which implies 4.7x Net Debt / EBITDA, should we exclude debt related to real estate assets which do not generate any EBITDA leverage ratio would be 3.8x.

As of 31 December 2018, Vista Alegre represented 14% of the business volume of Grupo Visabeira.

E. INFORMATION ON THE ISSUE

The following is a summary of certain aspects of the Terms and Conditions of the Notes of which prospective Noteholders should be aware. This summary is not intended to be exhaustive and may be subject to limitations and exceptions detailed later in this Information Memorandum. Therefore, any prospective Noteholders should read the detailed information set out in this document and reach their own views prior to making any investment decision. All information concerning the issue is outlined in section IX (*Terms and Conditions of the Notes*).

Name of the issue	VAA Fixed Rate Guaranteed Senior Secured Notes 2019-2024 Class A; VAA Fixed Rate Guaranteed Senior Secured Notes 2019-2024 Class B.
Issuer	VAA – Vista Alegre Atlantis, SGPS, S.A.
Currency	Euro (€).
Notes:	€45,000,000 in nominal value, corresponding to 450 Notes with a specified denomination of €100,000 each, admitted to trading in MARF (Class A Notes); €5,000,000 in nominal value, corresponding to 50 Notes with a specified denomination of €100,000 each, not admitted to trading (Class B Notes) (together, the "**Notes**", and each class referred to as "**Class of Notes**").
ISIN Code	Class A Notes: PTVAAAOM0001; Class B Notes: PTVAABOM0000.
Pricing date	11 October 2019.
Issue/Closing date	21 October 2019.
Maturity date	Class A Notes: 21 October 2024; Class B Notes: 21 October 2024.
Economic rights for the holder	The interest rate shall be a fixed interest rate equal to:

	Class A Notes: 4.5% per year; Class B Notes: 3.5% per year. The interest on the Notes will accrue daily on an Actual/360 basis and will be payable semi-annually in arrears on 30 July and 31 January in each year. See "Interest" in section IX.
Order of priority	The Notes are direct, unconditional, secured (subject to the provisions of Condition 9 of the Notes) and unsubordinated obligations of the Issuer, guaranteed by the Guarantors. The Notes benefit from the Security further detailed in Condition 3 and in the paragraph "Security of the Notes" in section X. The Notes rank *pari passu* among themselves and (save for certain obligations required to be preferred by law), rank, at least, *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer from time to time outstanding (subject to the provisions of Condition 9 of the Notes).
Credit rating of the Notes	Class A Notes: BBB-; Class B Notes: BBB-.
Guarantors	Bordalgest, S.A., Cerexport – Cerâmica de Exportação, S.A., Cerutil – Cerâmicas Utilitárias, S.A., Faianças Artísticas Bordalo Pinheiro, S.A., Faianças da Capoa – Indústria de Cerâmica, S.A., Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. and Vista Alegre Atlantis, S.A.
Security	The Notes have the benefit of the security further detailed in Condition 3 and in the paragraph "Security of the Notes" in section X. The security created pursuant to the Security Agreement includes as security for the entire and timely performance of all and each of the obligations under the Class A Notes and the Class B Notes: (i) a first ranking pledge granted by the Issuer over

all and each of the Shares of Ria Stone (including all and each of the Share Related Rights attached thereto); (ii) a promise of the Issuer to grant a first ranking pledge over any New Shares of Ria Stone (including all and each of the Share Related Rights attached thereto); (iii) an assignment by way of security granted by the Issuer over any New Shareholder Receivables; and (iv) a first ranking pledge granted by Ria Stone over the Operating Account held by Ria Stone.

The level of recovery on enforcement of the Security by the Noteholders will be limited to the maximum secured amount of the Security, which has been set at EUR 60,000,000.

See "Security of the Notes" in section X.

Obligations of the Issuer

Undertakings:

- Negative pledge
- Authorizations
- Compliance with the laws
- Litigation
- Financial Covenants:
- The Issuer shall ensure that in respect of each Relevant Period, Net Debt / EBITDA is equal to, or below:

	Net Debt / EBITDA
2019	31/12/2019: 3.75x
2020	30/06/2020: 3.25X 31/12/2020: 3.25X
2021	30/06/2021: 3.00x 31/12/2021: 3.00x
2022	30/06/2022: 2.75x 31/12/2022: 2.75x
2023	30/06/2023: 2.50x 31/12/2023: 2.50x

- The Issuer shall ensure that in respect of each Relevant Period, Equity / Equity + Consolidated Total Debt is equal to or higher than 23%

Net Debt / EBITDA and Equity / Equity + Consolidated Total Debt ratios shall be calculated for each Relevant Period.

- Information undertakings
- Lock-up Event if Net Debt/EBITDA is equal to or higher than:

	Net Debt / EBITDA
2019	31/12/2019: 3.50x
2020	30/06/2020: 3.00X 31/12/2020: 3.00X
2021	30/06/2021: 2.75x 31/12/2021: 2.75x
2022	30/06/2022: 2.50x 31/12/2022: 2.50x
2023	30/06/2023: 2.25x 31/12/2023: 2.25x

- *Pari passu* ranking
- Disposals
- Sole account
- Repayment of certain debt obligations

Events of Default:

- Non-payment
- Breach of other obligations or undertakings
- Cross-default
- Ownership of the Material Subsidiaries
- Insolvency proceedings and creditors'

	processes • Change of business • Breach of financial covenants • Repudiation • Unlawfulness and invalidity
Paying Agent	Banco BPI, S.A.
Notes Common Representative	Bondholders, S.L.
Applicable law	Portuguese Law.
Risk Factors	There are certain factors that may affect each Issuer's ability to fulfil its respective obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and risks relating to the structure of a particular Class of Notes. See "Risk Factors" in section IV. Investors should carefully consider these risk factors and all of the information in this Information Memorandum before deciding to acquire Notes.
Use of the proceeds	Proceeds will be used: (i) to repay the existing shareholders loan of €25M from Visabeira, which is mainly a deferred payment for the acquisition of Cerutil and Bordallo Pinheiro; (ii) to repay the existing senior financing at Vista Alegre for €5.0M; (iii) to repay the existing senior financing with security over Ria Stone for €9.1M; (iv) to repay the other financing within VAA Group; (v) to fund transaction expenses assumed to amount to €1.2M; and (vi) for general corporate purposes which will be mainly used for ongoing CAPEX. See "Use of Proceeds" in Section III.

F. FINANCIAL INFORMATION

A summary of the information contained in the audited individual and consolidated income

statement and statement of financial position of the Issuer and in the audited annual income statement and statement of financial position of the Guarantors for the financial years ended on 31 December 2017 and 31 December 2018 is included in section VII.

The Issuer's consolidated financial statements for the financial years ended on 31 December 2017 and 31 December 2018 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and are attached as Annex to this Information Memorandum.

Below is a summary of the information contained in the audited consolidated income statement and statement of financial position of the Issuer for the financial years ended on 31 December 2018 and 2017, as well as a summary of unaudited consolidated financial statements of results by nature of the Issuer for the six months period ended on 30 June 2019:

Consolidated Financial Statements of Results of the Issuer by Nature for the period ended on 31 December 2018 and 2017

T €

Headings	31-12-2018	31-12-2017
Sales and services provided	99,022	84,981
Cost of goods sold and material cosumed	-31,254	-26,068
Production variation	39	-447
Gross margin	**67,807**	**58,466**
Works for the company itself	2,555	1,148
External supplies and services	-21,902	-17,292
Personnel costs	-33,505	-28,995
Amortizations	-6,460	-6,414
Impairments	-3	-163
Provisions for the financial year	-20	372
Other operating expenses and losses	-1,415	-1,908
Impairment of non-repayable	-25	-54
Fair value increase/(decrease)	4	375
Other profit and operating income	4,293	2,168
Oerating income	**11,328**	**7,701**
Interest and similar expenses incurred	-2,542	-3,078
Interest and similar income obtained	8	22
Financial results	**-2,535**	**-3,056**
Income before taxes	**8,794**	**4,645**
Income tax	-1,568	-428
Net income for the financial year	**7,225**	**4,218**
Attributable:		
Shareholders	7,276	4,258
Non-controlling interests	-51	-40
Basic earnings per share (€)	**0.0474**	**0.0036**
Diluted earnings per share (€)	**0.0474**	**0.0036**

Consolidated Financial Position of the Issuer – 31 December 2018 and 2017

	T €	
	31-12-2018	31-12-2017
ASSETS		
Non-current assets		
Tangible fixed assets	127,299	89,715
Goodwill	4,711	4,711
Investment properties	1,439	19,013
Intangible fixed assets	1,631	1,403
Financial investments	182	172
Deferred taxes	5,535	4,941
Total non-current assets	**140,796**	**119,955**
Current assets		
Inventories	36,610	33,531
Accounts receivable and other	21,734	18,901
State and other public entities	2,573	629
Cash and bank deposits	11,145	4,800
Total current assets	**72,061**	**57,861**
TOTAL ASSETS	212,857	177,816
EQUITY		
Share capital	121,927	121,927
Treasury shares	-2	-2
Issue premiums	22,065	22,065
Other equity	38,182	38,182
Reserves and retained earnings	-139,938	-104,104
Net income for the financial year	7,276	4,258
Equity excluding non-controling interests	**49,510**	**82,326**
Non-controling interests	780	271
Total equity	**50,290**	**82,598**
LIABILITIES		
Non-current liabilities		
Long term bank loans	28,837	21,799
Long term shareholder loans	26,917	370
Subsídies	5,548	3,779
Provisions	238	369
Provisions for pensions	1,360	1,465
Deferred taxes	9,240	12,216
Total non-current liabilities	**72,139**	**39,997**
Current liabilities		
Short term bank loans	38,961	24,209
Accounts payable and other	48,703	29,325
State and other public entities	2,764	1,688
Total current liabilities	**90,428**	**55,221**
Total liabilities	**162,568**	**95,219**
TOTAL EQUITY AND LIABILITIES	212,857	177,816

Consolidated Financial Statements of Results by Nature of the Issuer for the six months period ended on 30 June 2019 (Unaudited)

T €

Headings	30-06-2019
Sales and services provided	57,428
Cost of goods sold and material cosumed	-20,767
Production variation	4,413
Gross margin	**41,074**
Works for the company itself	1,028
External supplies and services	-9,676
Personnel costs	-21,212
Amortizations	-5,415
Impairments	12
Provisions for the financial year	0
Other operating expenses and losses	-949
Impairment of non-repayable	0
Fair value increase/(decrease)	1
Other profit and operating income	1,281
Oerating income	**6,144**
Interest and similar expenses incurred	-1,947
Interest and similar income obtained	5
Financial results	**-1,942**
Income before taxes	**4,201**
Income tax	-519
Net income for the financial year	**3,682**
Attributable:	
Shareholders	3,606
Non-controlling interests	76
Basic earnings per share (€)	**0.0242**
Diluted earnings per share (€)	**0.0242**

SECTION III

USE OF PROCEEDS

The Issuer intends to use the bond issuance for:

- The repayment of existing shareholders loan of €25M from Visabeira, which is mainly a deferred payment for the acquisition of Cerutil and Bordallo Pinheiro. In turn, Visabeira Indústria intends to fully repay the Syndicated Loan agreement with Banco Comercial Português, S.A. ("**BCP**") and Caixa Geral de Depósitos, S.A. ("**CGD**") and request the full release of the respective security such as, but not limited to, the pledge over trademarks and assets held by VAA Group.
- The repayment of existing senior financing at Vista Alegre for €5.0M. Vista Alegre will then request the release of the respective security such as, but not limited to, the pledge over the brand and assets held by VAA Group within the Syndicated Loan agreement with BCP and CGD.
- The repayment of existing senior financing with security over Ria Stone for €9.1M with the inherent request of release of plant mortgage and equipment pledge.
- Repayment of other financing within VAA Group.
- Fund transaction expenses assumed to amount to €1.2M.
- Cash for general corporate purposes which will be mainly used for ongoing CAPEX.

Exhibit 1: Uses and Sources assuming a €50M bond

Sources (€M)		Uses (€M)	
Class A Notes	45.0	Shareholders Loans repayment	25.0
Class B Notes	5.0	Vista Alegre loans repayments / Release of Guarantees	5.0
		Ria Stone loans repayments / Release of Guarantees	9.1
		Other repayments	5.9
		Transaction expenses	1.2
		Cash	3.8
Total Sources	Max. 50.0	Total Uses	Max. 50.0

SECTION IV

RISK FACTORS

Before making a decision in relation to the subscription of the Notes, investors should carefully consider all the information contained in this Information Memorandum, as well as the following risk factors. Additional risks and uncertainties currently unknown or that the Issuer currently considers not significant may have an adverse effect on the Notes, the Issuer's activities, the development of its business, its operating results, financial position, income, assets and liquidity, and on the Issuer's future prospects or capacity to achieve its goals.

The order in which the risk factors are presented below does not indicate the likelihood of these risks occurring or the scope of any potential impairment these risks might cause to the business of the Issuer. The risks could be realised individually or cumulatively.

A - RISK FACTORS RELATING TO THE ISSUER

Financial risks

The Issuer's activities are exposed to a variety of financial risks including market risks, interest rate risk and liquidity risk.

The Issuer's risk management programme focuses on the unpredictability of financial markets, seeking to minimise potential adverse effects on the Issuer's financial performance, and may use various financial instruments to minimise the risks arising from its activity.

In VAA Group, the main financial liabilities are loans obtained from banks and shareholders, commercial payables and other accounts payable. Financial liabilities are incurred in order to finance the Group's operations, namely its working capital and investments in expansion and maintenance of production capacity. Financial assets derive from operations and are comprised of trade accounts receivable and other debtors and cash and short-term deposits. The Group also has available-for-sale investments, which are recorded at acquisition cost and of limited significance.

Despite its risk management policies, the Issuer cannot exclude the possibility of being impacted by some or a combination of the different financial risks listed below, or others currently not considered material or unknown, and of this adversely affecting its business and/or the results of its activities.

Market risks

Interest rate risk

The Issuer exposure to interest rate risk comes primarily from borrowings, since investments are usually financed in long-term and consequently the impact resulting from variations on the interest rates may affect the accounts.

The balance of the financial debt of the Group's subsidiaries was contracted mainly at an indexed interest rate, the main index being used at three and twelve-month Euribor. These rates started to decrease on October 2008 as a result of the successive cuts in the European Central Bank's interest rate in response to the international financial crisis, which has led to a downward trend in recent years, in 2015 reached negative values and in 2018 the downward trend continued.

Financial consolidated debt of VAA Group (values in thousand euros)

	31-12-2018	31-12-2017
Non-current liabilities		
Bank loans	18,588	17,475
Other loans	9,956	4,098
Financial leases	293	226
Shareholders loans	26,917	370
	55,754	22,169
Current liabilities		
Bank overdrafts	17,623	10,245
Financial leases	142	108
Other loans	3,210	5,736
Bank loans	17,986	8,119
	38,961	24,209
	94,715	**46,377**

Despite the implementation of an interest rate risk management policy which aims to optimise the cost of debt, reduce volatility in financial costs, and control and mitigate the risk of incurring losses as a result of interest rate changes, the Issuer cannot predict the evolution in interest rates or its impacts. Therefore, if interest rates increase more than expected or if obtaining new financing becomes more expensive than anticipated, this may adversely affect the Issuer's results or its activities.

Exchange risk

Vista Alegre has subsidiaries in Brazil, the United Kingdom, Mozambique, the United States of America, Mexico and India through which it markets in its respective markets in Reais, Pounds, Meticais, US Dollars, Mexican Pesos and Indian Rupees, respectively. In Brazil, where the impact is

more significant, exchange rate risk vis-à-vis the euro, the currency in which its imports of goods from Portugal are made, the Group holds a short position of around 4.56 million euros as of 31 December 2018. The Brazilian real depreciated 12.33% against the euro in 2018. A 10% change in the exchange rate would have an impact of around 456 thousand euros. In consolidated terms it presents a balance sheet risk by incorporating the respective accounts.

Regarding trade accounts receivable and trade payables, there are balances expressed in a currency other than the Euro, in particular US Dollars, but without relevant expression.

Liquidity risk

Treasury and investments are managed by a global and centralized organization, which allows reducing cash flow risks, avoiding exposure to variations that may affect the companies' results. The use of discount on export shipments allows a reduction of the average time of receipt with the inherent anticipation of receipts and a better treasury management by obtaining timely working capital necessary to finance the operating cycle, fundamental to sustained economic and financial growth. The Group has financing lines to support the payments to suppliers which have allowed a more efficient management of liquidity risk and cash flows.

The Issuer has implemented liquidity risk management policies with the objective of ensuring a stable debt maturity profile, reducing short-term debt, and extending its average debt maturity. To fulfil these objectives, the Issuer closely monitors the financial markets and carefully selects the most efficient alternative at any given point in time.

However, the Issuer is not able to predict future credit or funding conditions available on the market, particularly concerning liquidity. Limitations in accessing financing, due to lower loan capacity, from financing institutions or higher costs of funding may adversely impact on the Issuer's business or on the results of its activities.

Credit risk

Credit risk results primarily from the Issuer's and the VAA subsidiaries' activities, specifically credit risks to customers, including receivables and commitments, and its investment and hedging activities, including derivative financial instruments and deposits with financial institutions.

Vista Alegre Atlantis, SGPS, SA's subsidiaries are exposed to a variety of diversified risks, being aware of the importance of credit risk management and the protection of their treasury, recognizing the importance of credit insurance as an essential instrument both domestically and externally. Conscious of the importance of adopting active management of different financial risks in order to

minimize their potential negative impacts on cash flow, results and value of companies, it seeks to manage these risks effectively by formulating adequate hedging strategies. Credit risk is an important and complex aspect which is present in the daily life of the Group. Risk assessment translates a credit decision-making, based on sometimes incomplete information, within a scenario of uncertainties and constant changes. The definition of credit risk is a reflection of the variety, quality and origin of the information available to the credit analysts.

The Group leaves the analysis of credit of its counterparties to professionals who are specialized in debts recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. The coverage of this risk allows as well for compensation for the unpaid credits of clients, which represents for the domestic market 85% and for the foreign market, except for Angola, 90%. The last years were marked by an increase in the restrictions on the credit granting, and the credit limits were subject to significant unfavourable revisions. In view of this scenario, and in order to meet the credit risk coverage needs, in which the limits granted under the base policies are insufficient, VAA, S.A., Cerutil - Cerâmicas Utilitárias, S.A. and Faianças Artisticas Bordallo Pinheiro, S.A. have insured additional coverages that allow them to increase the partial coverage of its risks, up to twice the amount granted in the base policy, for customers within the domestic and foreign markets, as well as to obtain coverages for risks that have no value attributed in the said base policy; or obtain an amount greater than the double of the existing coverage, up to the limit of one hundred thousand euros, for customers located in foreign markets.

The greater restrictions on the external coverage of the credit granted imply an increased rigor and a greater requirement in the appraisal of the requests for the concession of internal credit. The detailed analysis of a client's credit risk is usually summarized in a credit report, which includes available and relevant information such as the client's character, management capacity, assets, history, financial information, credit guarantees and payment conditions for drawing up an opinion on a credit operation. The Group believes that it does not have significant credit risk concentrations, maintaining an active credit control for all its clients, overseen by the Financial Management.

Nevertheless, without prejudice of any mitigating actions and measures that the Issuer may implement from time to time, the Issuer’s exposure to credit risk may adversely affect its business and/or the results of its activities.

B - RISK FACTORS RELATING TO THE ISSUER’S ACTIVITIES

Issuer's business is subject to macroeconomic developments, and therefore the negative effect that the macroeconomic environment may have on reducing demand in the markets in which the Issuer

operates may have material adverse consequences on VAA's business, financial situation or operating results

The economy and the financial system have experienced a period of significant turbulence and uncertainty at the global level. The European Union and specifically some Euro zone countries, such as Portugal and Spain, have been particularly affected.

Oscillations in the macroeconomic environment affect consumer behaviour and interfere in the evolution of demand in the markets in which the Issuer operates. In addition, the level of investment (CAPEX) that has been made by the Company in recent years makes it vulnerable to developments in the macroeconomic environment. VAA cannot predict how the economic cycle will develop in the short term or in the coming years or whether there will be further deterioration of the global economic cycle in the countries where it operates.

During 2018-21, the Portuguese economy is expected to continue its growth although at a slower path, in line with the forecasts for the same period of the European Central Bank for the euro area.

The high cyclical synchronization between Portugal and the euro area is expected to persist during 2018-21, within a context of economic cycle maturity, reflecting slight progress in the convergence process of per capita growth of the Portuguese economy. It is foreseen that the gross domestic product will grow 1.8% in 2019 and 1.7% in 2020, reflecting, to a large extend, a progressively lower contribution of net exports of imported contents. The contribution of net domestic demand for imported content to GDP growth should also be reduced slightly over the projection horizon.

The consumer prices are expected to grow 1.5% in 2019, 1.5% in 2020, and 1.6% in 2021, translating some domestic inflation pressures caused by salary costs. After a very dynamic growth during 2017, the unemployment rate should continue its downward trajectory, although more moderate than in recent years. The unemployment rate is expected to be at around 5.3% at the end of the forecast period.

The Portuguese economy should maintain its financing capacity towards the exterior. The combined current and capital account balances are expected to be an average of 1.3% of the GDP in 2018-20, relatively unchanged compared with 2017, increasing to 1.6% at the end of the projection horizon. However, a change in composition is anticipated, once the reduction of the balance of goods and services will be offset by the evolution of the primary income and capital balance.

Currently, most of Issuer's sales and services provided are in foreign markets, with particular influence in European countries (such as Spain, Germany, France, Italy and United Kingdom) as well

as other countries such as Brazil, United States of America, Mexico, Mozambique and India, among others (having subsidiaries in Spain, United Kingdom, France, Brazil, United States of America, Mexico, Mozambique and India). Among other factors, any significant changes in the political framework, in monetary policies, in legislation or regulation, in the levels of consumer acceptance, in cost increases or reduced demand, on the economic situation in those foreign markets or in Portugal, may significantly limit the ability to generate revenues and may have adverse impacts on VAA's business, financial situation or operating results.

On 31 December 2018, the foreign market remained a strong driver of sales and provision of services, where exports accounted for 67% of the consolidated global sales and services provided by the Issuer, more precisely 66.5 million euros (statutory accounts).

In 2017, the foreign market was highlighted as a strong driver of sales and services provision, with emphasis on the reach of new markets, mainly in Europe and Asia, where exports reached 64% of the consolidated global sales and services provided by the Issuer, more precisely 54.5 million euros (statutory accounts).

In addition, the imposition of anti-dumping tariffs on Chinese firms has provided a multi-year window for European firms to invest in technology and design to better align themselves with their customers and consumers and move up the value chain. Firms that fail to take advantage of this opportunity to recalibrate their business models and achieve higher operation margins and cash generation, will remain exposed to the threat of Chinese firms and be less capable to deal with the cyclical nature of the industry. In July 2019, the "anti-dumping for ceramics products from China" policy was renewed for the next 5 years.

An unfavourable domestic and international economic environment in those markets may have material adverse consequences on Issuer's business, financial situation or operating results.

VAA may not be able to achieve positive operating profits and cash flows in the future, which associated in particular with its negative Working Capital may determine VAA's inability to face its debt service as well as to carry out its investment plan with potentially adverse and significant consequences on VAA's business, financial situation and/or operating results

The development and implementation of the strategy defined for the Issuer has involved high levels of investment (CAPEX), having the resulting financing needs been taken care of, in particular because of the capital increase transactions carried out. VAA regularly surveys and monitors the markets in which it operates to measure the impacts of possible changes in its sales and services, seeking to

implement management measures that avoid degradation of its profitability; however, VAA cannot guarantee the future profitability of the respective investments (CAPEX).

Additionally, on 31 December 2018, as far as the working capital of the Group is concerned (which shows a negative situation of, approximately 18.4 million euros), the VAA Board of Directors believes that it will be sufficient for its current needs, in particular taking into consideration that the variation in the working capital and the increase in indebtedness compared to the 31 December 2017 is largely due to the strong level of investment made during 2018, as well as to the corporate reorganization process carried out with the purchase of the companies Cerutil – Cerâmicas Utilitárias, S.A., Bordalgest, S.A. and Faianças Artísticas Bordalo Pinheiro, S.A. and with the sale of VA Grupo – Vista Alegre Participações, S.A.

Regarding the debt of VAA, at the beginning of 2019, there was a rescheduling of the maturity of some bank loans (replacing current bank indebtedness by non-current bank Indebtedness), particularly, those affected to ongoing investment projects, which as of 31 December 2018 were deemed as current liabilities, from which the following should be highlighted: (i) a financing to Ria Stone of approximately EUR 5.5 million which will be reimbursed in 16 quarterly equal instalments between 2021 and 2024; (ii) an interim financing to support the investment in Cerutil in the form of a 1.5 million euro credit, of which approximately 1.4 million euro were used until 31 December 2018, which will be converted into medium and long term debt (loan for a period of 72 months with a pledge on equipment) in 2019, upon completion of the investment; (iii) a Ria Stone financing of approximately 1.4 million euro in 31 December 2018, related to the advanced investment incentive (already approved) which will be reimbursed when the incentive is received (having this incentive a medium and long term maturity).

Besides the aforementioned rescheduling of bank loan maturity of approximately 8.3 million euro, there are 4.2 million euro related to AICEP's long-term funding (already approved), which will be used by VAA Group for reimbursement of short-term bank liabilities. On the other hand, VAA Group is still able to resort to external financing if it proves necessary for its activity and projected investments (although at the moment there is no additional indebtedness expected).

VAA seeks to carry out adequate and efficient liquidity and cash flow risk management to promote the financing of the assets through terms and at rates appropriate to their needs, as well as the timely settlement of their financial commitments. In this respect, efforts have been made to contract financing with a longer maturity date to allow the permanent capital to be strengthened. However, given the nature of the Issuer's businesses, which contain a large fixed-cost component, any variation

in sales margins may have a significant effect on the businesses' profitability and cash flows.

Failure to generate operational results and positive cash-flows in the future, particularly associated with the negative Working Capital, may result in VAA's inability to face its debt service (including debt to the Visabeira Group) and to carry out its investment plan, with potentially adverse and significant consequences on VAA's business, financial situation and/or operating results.

VAA has a significant level of indebtedness, which may lead to operational and treasury constraints (with a possible negative impact on VAA's ability to implement its strategy and on its activity and financial situation), namely in the event of a future default in the debt service associated with such indebtedness

VAA also has a significant level of indebtedness, associated with the large investments (CAPEX) that it has made in recent years.

In 1H2019, VAA continued the CAPEX program amounting to a total of 11.2 million euros which increased gross financial debt as expected, up to 98.6 million euros. In turn, as of 31 December 2018, consolidated financial short-term indebtedness amounted to 39 million euros, and the medium to long-term to 55.8 million euros. The financial indebtedness increase of the last quarter of 2018 is largely due to the effect of the recent acquisitions of Cerutil and Bordalo Pinheiro and the sale of VA Grupo. Financial indebtedness as of 31 December 2018 includes the amount of 26.9 million euros payable to the shareholder Visabeira Indústria.

On 31 December 2017, consolidated financial short-term indebtedness amounted to 24.2 million euros and the medium to long-term debt to 22.2 million euros. The share capital increase carried out in December 2017 in the amount of 29,419,455.12 euros and with a share premium of 22,064,591.34 euros allowed the reduction of these financial indebtedness levels vis-à-vis 2016, with a strengthening of equity.

VAA's debt may still require a significant portion of the cash flows generated by its activities, by decision of the VAA management, to be allocated to the periodic amortization of principal and the payment of interest thereon, thereby limiting its ability to develop its business and to plan for or react to changes in its business and industry, thus increasing VAA's vulnerability to adverse economic and industry conditions. In addition, the terms governing VAA's indebtedness impose commitments that limit its performance and may restrict VAA's flexibility and have a negative impact on its ability to implement its strategy and to distribute dividends.

In view of the foregoing and particularly the associated debt service, the level of indebtedness

constitutes an operational and cash-flow constraint and may continue to adversely affect VAA's business and financial situation, namely in the event of a future default in the debt service.

VAA may not be able to maintain the funding and credit support from the Visabeira Group that it currently benefits and/or obtain further funding, which may have negative material effects on the implementation of VAA's strategic plan or its financial situation or operational results

Although the Visabeira Group has been supporting VAA in terms of credit concession, it is not contractually obliged to grant credit to VAA or to do so under market conditions. Therefore, there is no guarantee that the Visabeira Group will continue to provide financing to VAA, to support its financing from third parties or that early maturity clauses in existing financing agreements will not be triggered.

If the Visabeira Group ceases to provide financing to VAA or does not do so at market rates, the Company may be obliged to seek alternative sources of financing from third parties in the form of bank loans or recourse to capital markets, which may have to be carried out with terms less favourable than those financing sources currently existing. VAA cannot give any guarantee that it will be able to raise the required funding on acceptable or optimal terms or that it will even be able to raise them. Failure to maintain the current funding and support referred above, as well as the non-obtaining of funding from third parties, will have negative material effects on the implementation of VAA's strategic growth and consequently on its financial situation or operational results.

VAA may not be able to generate sufficient cash flows and/or obtain the funding it needs to implement the defined strategic guidelines, and therefore it may be forced to reduce or defer the necessary investments (CAPEX) with a negative impact on its activity, financial situation and results

VAA expects to finance a portion of the necessary investments (CAPEX) with the cash flows generated by its activities, bank loans, shareholder funding and/or other means of financing. However, should the Issuer's operations fail to generate sufficient cash flows, VAA may have to make more extensive use of external sources to finance certain investments (CAPEX), namely through bank loans or capital markets. VAA cannot give any assurance that it will be able to raise the necessary funding for the necessary investments (CAPEX) on acceptable or optimal terms or that it will even be able to raise them. In addition, financial market conditions may adversely affect VAA's ability to obtain financing. If VAA is unable to raise such funding, it may be forced to reduce or defer the required investments (CAPEX), which may have material adverse consequences on VAA's business, financial situation or operating profits.

VAA may not be able to avoid significant concentrations of credit risk, which may have a significant impact on the Issuer's activity and on its financial condition and/or operational results

The Issuer is exposed to several diversified risks, and the importance of credit risk management and the protection of its cash flow is recognised, as well as the importance of credit insurance, both in the domestic and foreign markets. Being aware of the importance of adopting an active management of the diverse financial risks to minimize their potential negative impacts on cash flow, results and on the value of the companies that comprise it, the Issuer seeks to manage these risks by formulating hedging strategies.

Credit risk is an important and complex aspect that is present in VAA's business. Risk assessments imply credit decision-making, based on sometimes incomplete information, in a scenario filled with uncertainties and constant changes. The definition of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst.

The greater restrictions on the external hedging of the granted credit imply a greater exigency and limitation in the appraisal of requests for granting internal credit.

If the Issuer cannot avoid significant concentrations of credit risk, these may have significant adverse effects on its business, financial situation and/or operating results.

The specific risks associated with the Crystal and Glass segment introduce an additional degree of variability to the assumptions considered by the Issuer for the recovery of the performance of this segment (with negative EBITDA in the recent years), which may have a significant impact on Issuer's performance

The Crystal and Glass segment has had an importance of 13% in the total consolidated Issuer sales and services on 31 December 2018 (statutory accounts). This segment is subject to relevant risks *vis-à-vis* the remaining Issuer's segments, due to the consumers preferences evolution (forcing VAA to adapt to a demand in this segment focused in premium products) and negative EBITDA of recent years (which has recently been recovering, thus minimizing such risks). The recovery of performance in this segment is due to new contracts and technological innovation regarding the productive process, thus allowing the foresight of an improvement in the operational performance of this segment in the next years with the reversal of that negative cycle.

A potential failure in VAA's adaptation to premium demand and a failure in the recovery of the Crystal and Glass segment's performance may have significant adverse consequences on the Issuer's business, financial situation and/or operational results.

In the first half 2019, this segment grew 15% in turnover compared with the first half 2018, with an EBITDA margin of 8.4% that compares with -2% in the homologous period.

The Issuer operates in a highly competitive market and the increased competition, coupled with a recovering macroeconomic environment and possible changes in the European regulatory environment, could adversely affect its sales, services and results

The Issuer operates in markets characterized by high competitiveness, facing traditional players in Portugal and the rest of Europe, as well as the entry of Asian and Eastern European producers, which compete mainly in the lower segments.

The entry of Asian producers and their competitive pressure may increase in the European market in case the European Union's anti-dumping measures applicable to the porcelain segment regarding some products coming from China change, notably in the context of a review of the expiry of such measures initiated by the European Commission at the request of the European Federation of Industries of Porcelain and Table Earthenware and Ornamentation ("FEPF"). In July 2019, the "anti-dumping for ceramics products from China" policy was renewed for the next 5 years.

The increase in competition that has been verified, coupled with a still recovering macroeconomic environment in the main markets where the Issuer operates and the potential changes to European regulatory framework, namely on anti-dumping matters, may negatively affect its sales, service provision and profits.

The business carried out by VAA needs constant investments (CAPEX), and therefore if VAA does not have the necessary funds, the development of its business and the strategic guidelines may suffer changes or delays with long-term impact

The Issuer carries out its business in markets based on high levels of competition and in constant development, both in technological terms and because of changes in consumer habits and design trends, and also because of the legislative or regulatory changes imposing constraints regarding products or production processes, which require the maintenance of constant and recurring investments (CAPEX). VAA is thus required to have enhanced capabilities to keep up with changes and to maintain adequate levels of competitiveness, which, in turn, necessarily obliges it to allocate financial resources.

However, VAA cannot guarantee that the funds required for these investments (CAPEX) and the implementation of the strategic guidelines for the development of the Issuer will be obtained or that such investments will have the desired conditions.

If VAA does not have the necessary funds, business development objectives or business plans may need to be changed or deferred and strategic guidelines may not be successfully pursued, which may adversely affect VAA's business, financial situation and operating profits, with long-term impact.

VAA cannot guarantee the loyalty of its customer base, with its results and financial situation being dependent on its ability to maintain high levels of customer loyalty (notably IKEA), mainly through the quality and competitiveness of its portfolio and the implementation of ongoing investment projects

VAA's success depends on its ability to maintain high customer loyalty levels by providing its customers with a wide range of competitive, innovative and top-quality products, particularly Issuer's relations with customers with whom it has significant contracts (highlighting a greater concentration in IKEA customer which represents 21% of VAA's consolidated turnover and corresponds to the total sales and services of the table stoneware segment as of 31 December 2018). The agreement entered into with the customer IKEA may be resolved under certain circumstances, namely (i) in case of a change in shareholder structure of Ria Stone, (ii) if Ria Stone is declared insolvent, or (iii) if Ria Stone breaches any of the terms of the agreement the breach of which is serious or significant.

The various current investment projects (CAPEX) aimed at improving the productive processes with innovation and diversification of the industrial equipment, making available to the customers a wider range of products while maintaining the quality of the product portfolio are some of the aspects taken into consideration by VAA to maintain high levels of loyalty within its customer base. The success of VAA's customer retention is thus very dependent on the degree of implementation of such projects (including, among others, the projects intended to Ria Stone's factory expansion in the table stoneware segment).

Failure to maintain high customer loyalty levels, to provide competitive, diversified and superior quality products, or in implementing its investment projects (CAPEX), or even the resolution of the significant contracts mentioned above, may adversely affect VAA's business, financial situation and operating profits.

VAA is exposed to changes in consumer habits and design trends, and therefore it may have to adjust its strategy accordingly

VAA may need to adjust its strategy on a commercial basis to offset the reduction in margins for its products as a result of changes in consumer habits and design trends, given that consumers have been showing a growing preference for more practical, functional, innovative products with a strong

focus on design, which have a shorter life cycle and are marketed at lower prices and margins than current Issuer's products.

VAA operates in a constantly evolving sector in terms of innovation and design, which implies the need to maintain an ability to keep up with technological changes to maintain its competitiveness, otherwise such incapability may adversely affect its business, financial situation and operational results

The technologies used in the ceramic industry are in constant change and rapid development. In order to remain competitive, VAA has to adapt to the technological changes that make it possible to meet new needs and consumption habits, especially in terms of innovation and design. In the event that VAA is not able to keep up with current and future technological changes in the industry in an effective and timely manner, it may suffer material adverse effects on its business, financial situation and operating profits.

VAA has contracted, under licence, the use of information systems to make its business function properly, and any failure in such services may have a material adverse effect on its financial situation and operational results

In the VAA Group, shared services processes are supported by SAP, a tool licenced to a company within Grupo Visabeira, S.A. The VAA Group uses this tool to ensure the most efficient processing of information, in order to optimize resources and use best practices when carrying out processes. Another complementary programme, used under licence granted to VAA, is the store management programme (billing) called "Retail Management".

Any failure or malfunction of the above information systems (particularly in those external to VAA) may have a material adverse effect on the Issuer's business, financial situation and/or operating profits.

Information technology (IT) system failures could affect VAA's operations, which could have an impact on its business, financial situation and operational results

VAA's IT systems are critical for supporting all its business activities. Potential failures in VAA's IT systems may result from technical faults, human error, lack of system capacity, security breaches or software for which VAA has acquired licences over which it has no control. The introduction of new technologies and the development of new uses, such as social media, expose VAA to new threats. In addition, the cyber-attacks and hacking attempts of which companies may be victims are increasingly targeted and carried out by specialists. Any failure or malfunction of VAA's IT systems may have a

material adverse effect on VAA's business, financial situation and operating profits.

VAA may not be able to monetize investments (CAPEX) in innovation and marketing

Innovation and marketing are critical success factors to create value for VAA brands, which are key strategic pillars for the development of the Company's activity. Thus, to maintain and increase the value of VAA's brands, VAA will have to continue to invest in these areas, even though such investments (CAPEX) have uncertain future returns. If investments (CAPEX) in innovation and marketing do not provide the expected future profitability, this may have a material adverse effect on VAA's business, financial situation and operating profits.

VAA faces risks associated with protecting its brands, and the inability to preserve the reputation and value of the trademarks and associated intellectual property rights may adversely affect its position

VAA has the Vista Alegre brand as the Group's image, as well as other brands such as Atlantis, Casa Alegre and Cook&Serve. Notwithstanding that brand dependence is mitigated by its customers' own brand component, such as the IKEA contract (where the risk associated with any of the above-mentioned brands has no effect on the operational performance of the customer's own brand sales since they are self-contained businesses, i.e. none of the abovementioned brands are used), and other proprietary brands of everyday products. VAA cannot guarantee that their trademarks will not be adversely affected by events beyond their control, including those relating to counterfeiting, and that any failure to properly preserve the reputation and value of the trademarks and associated intellectual property rights may adversely affect VAA's business, financial situation and operating profits.

The potential execution of the pledge over equipment and the pledge over the brands constituted to guarantee a relevant part of VAA's indebtedness may adversely affect VAA's production, sales and services and profitability

There is (i) a pledge over equipment, industrial and other belonging to VAA, essential for VAA's production activity, as collateral of VAA's indebtedness (in the amount of 5.4 million Euros on 31 December 2018), as well as (ii) a pledge over the four brands of VAA Group essential to VAA's commercial activity, as a collateral in the context of the Syndicated Loan entered into with Caixa Geral de Depósitos, S.A. and Banco Comercial Português, S.A. (with the global outstanding principal amount of 30.9 million Euros as of 31 December 2018).

Although VAA expects that these loans may be fully repaid with the proceeds of the issue of the

Notes and, consequently, to be able to obtain the release of these pledges following such repayment, as of the date hereof in a situation of default of the guaranteed obligations provided for in said financing contracts and consequent execution of said equipment and/or brands pledges, VAA may not be able to maintain normal levels and conditions neither of production nor of sales, and may be restricted to continue to operate said brands in the current terms, which may substantially affect VAA's business, production and sales and services, the recognition of Issuer's identity and its reputation with consumers, as well as its financial situation and operational results.

VAA is exposed to risks inherent to the fair value of investment properties and fixed tangible assets, and the respective negative changes may have a negative impact on its financial situation

Investment properties, which correspond to real estate assets held for income or for capital appreciation, or both, and not for use in the production or supply of goods and services or for administrative purposes, are recorded at fair value, determined by a valuation carried out by an independent specialized entity. Changes in the fair value of investment properties are recognized in the consolidated income statement for the year in which they are generated, in the caption increase/decrease in fair value.

As of 31 August 2018, VAA Group sold to Visabeira Imobiliária the stake held in VA Grupo – Vista Alegre Participações, S.A., company which held exclusively various real estate assets not directly related with VAA's operations, which were valued at their respective fair value. The sale of VA Grupo – Vista Alegre Participações, S.A. determined the reduction of those assets' relevance in the VAA context, representing 0.7% of the assets on 31 December 2018. In any case, the evolution of the real estate market shall have an impact regarding these assets, since a market downturn may determine a reduction on these real estate assets' market value, determining the need to recognize impairments.

In turn, tangible assets comprising the pieces of "Espólio Cultural" of Vista Alegre's museum are relevant, as they represent a VAA non-operational asset worth 5.8 million euros, as of 31 December 2018. The evolution of the art market shall have an impact regarding these assets, since a market downturn may determine a reduction on the pieces of "Espólio Cultural" of Vista Alegre's market value, determining the need to recognize impairments.

Negative changes in fixed tangible assets and in fair value of investment properties may have a negative impact on VAA's business, financial situation and operating profits.

VAA is exposed to reputational risks, particularly emerging from rumours that may affect its image

and customer relationships

Reputational risk is inherent to VAA's business. Any negative publicity or negative public opinion may adversely affect the Issuer's ability to maintain and attract customers, as well as manage the relationship with other stakeholders, engage in financing, and generally implement its business plan, causing a materially adverse effect on VAA's business, financial situation and operating profits.

VAA may have difficulties in recruiting and retaining qualified staff, which may have an impact on the execution of its business strategy

VAA's ability to successfully implement its business strategy depends, among other factors, on its ability to recruit and retain members of its board of directors and the most qualified and competent employees for each role in Portugal and in other countries where it undertakes its activity. Although the Group's human resources policy is geared towards achieving these objectives, it is not possible to guarantee that there will be no future limitations in this area. The inability to attract and retain members of its board of directors and the most qualified and competent employees for each role may limit or delay the execution of its business strategy, which may have a negative effect on VAA's business, financial situation and operating profits.

VAA is subject to strategy risks and may not be able to successfully execute the strategic guidelines of its established operational and financial strategy

VAA is exposed to strategic risks, and there is the possibility of it making inadequate strategic decisions, failing to implement decisions or lacking capacity to respond to the evolution of market conditions.

VAA's ability to successfully execute the strategic guidelines it has defined is dependent on several factors, including its ability to implement its business strategy, increase its product portfolio and operate successfully in the various markets where it is present, the ability to adapt its range of products to the needs of consumers and to maintain its economic and financial balance. The ability to implement strategic guidelines is also subject to several additional risks, including those referred to in this section IV. In addition, many of these risk factors are related to matters that are beyond VAA's control. In this regard, VAA cannot guarantee that it will be able to successfully execute its operational and financial strategy and achieve the set targets within the defined deadlines, which may have adverse impact on VAA's business, financial situation and operating results.

VAA may be a party to mergers and/or acquisitions, partnerships and/or divestitures, which may have medium and long-term effects

VAA may participate in mergers, acquisitions and/or asset sales in Portugal or elsewhere should such opportunities arise. VAA intends to evaluate each potential investment based on extensive financial and market analysis, which may include certain assumptions. There can be no assurance that such transactions are made in a timely and efficient manner or that VAA will not suffer losses because of such transactions. Additional investments or divestitures may have an adverse and substantial effect on VAA's business, financial situation, prospects or operating profits.

VAA incurs risks associated with changes in interest rates which may have a negative impact on the Company's results and financial situation

VAA's remunerated indebtedness is subject to changes in interest rates, and this risk is not covered by hedging instruments. In addition, if interest rates deteriorate more than forecasted, or if obtaining new sources of financing proves to be more expensive than in the past, its business, financial situation and operating profits may be adversely and significantly affected. Therefore, adverse changes in interest rates may have a negative impact on the Company's results and financial situation.

VAA incurs risks associated with changes in exchange rates which may have a negative impact on the Company's results and its financial situation vis-à-vis exports to countries outside the Euro Zone

VAA's business is subject to variations in the euro's exchange rate against other currencies, which are due, on the one hand, to its export activity to other countries, and, on the other, to the subsidiaries' activity in other countries.

Although exports to non-euro countries are a relatively small part of their total sales and services, VAA seeks to mitigate this risk, particularly by carrying out its exports in euros, as changes in exchange rates may have material adverse consequences on VAA's business, financial situation and operating results.

The subsidiaries' activity in Brazil, Mozambique, the United States of America, Mexico and India, through which VAA sells in the respective markets in a currency other than the euro, gives rise to a consolidated balance risk originated by the incorporation of the respective financial statements.

VAA is subject to operational risks, and any potential failure to implement the risk management and control policies of the Group could have a material adverse effect on VAA's financial situation

In the normal course of VAA's activity and because of its organizational structure, the Group is subject to certain operational risks, including service interruptions or service delays, fraud attributable to third parties, omissions, errors, and delays in the implementation of the requirements

for risk management. These risks are monitored by VAA on an ongoing basis through administrative and information systems, among others, and some operational risks are covered by insurance policies. However, it cannot be guaranteed that continuous monitoring and prevention of these risks will be sufficient (and that VAA will not be subject to the payment of higher insurance premiums), particularly in circumstances outside the Company's control. Failure to implement the Group's risk management and control policies may have a negative effect on VAA's business, financial situation and operating results.

Issuer's assets may be damaged by natural or man-made catastrophes and VAA and its responsible people may incur in civil, criminal or contravention liability arising therefrom and not covered by insurance, as well as seeing its reputation affected, which may have a negative impact on VAA's business plan, activity, financial situation and results

Issuer's assets include land, buildings (factories, warehouses, retail stores and offices), industrial equipment, vehicles and other related equipment.

These assets may be damaged by natural phenomena or natural catastrophes (for instance, floods, strong winds and earthquakes) as well as by flaws in the maintenance and operation of the equipment, acts of vandalism, theft, terrorism, explosions, by other natural and/or man-made catastrophes (for instance, forest fires).

Despite the fact that VAA seeks to take preventive measures against such catastrophes and keep disaster recovery strategies and/or assure the insurance coverage levels deemed adequate from a commercial standpoint, in case some damage occurs, and it be substantial, VAA may incur losses and damage not covered by its existing insurance policies, which may affect negative and significantly, its activity, financial situation and operational results.

VAA and its responsible people may also incur civil, criminal or contravention liability related to the damage caused to third parties by said natural and/or man-made catastrophes and by any failure in the maintenance and operation of its assets.

These liabilities may lead to VAA paying indemnities which are not covered by its insurance policies or which exceed the amount covered in such policies. Such payments may affect, negative and significantly VAA's business, financial situation and operational results. Such facts may also represent another kind of risk for VAA, namely reputational risk, and may have a negative impact in the confidence of the population in businesses like that of VAA, which may have a negative impact on the development of VAA's business plan.

Production activities are subject to environmental, health and safety regulations, and are able to cause industrial accidents and environmental, safety and/or other risks with material impact

The Issuer's production activity is subject to various laws and regulations regarding safety and environmental protection, and there are several aspects of its activities, including those of an industrial nature, subject to laws and regulations for the control of hazardous activities. These laws and regulations require the Issuer to obtain and maintain licences and permits and to implement health and safety programmes and procedures to control risks associated with its industrial activity, as well as to manage its day-to-day operations.

VAA incurs and will continue to incur investment (CAPEX) expenses and operating expenses and other costs in the normal course of business to comply with applicable environmental and safety rules and regulations. Although significant capital expenditures to comply with environmental regulations are not currently anticipated outside the normal course of business, VAA cannot guarantee that such expenses (which may be significant) will not occur or be required in the future.

Changes in health and safety legislation or regulations may have future implications for the design of industrial units or other facilities, and may adversely affect VAA's operating performance or profitability, with significant consequences for VAA’s business, financial situation and operating profits.

The Issuer’s production activity involves an underlying risk of industrial accidents occurring. Employees or third parties may suffer bodily harm because of such accidents. Although VAA believes that its industrial units are adequately constructed and considers that they are subject to rigorous safety and quality control testing, and that their design, manufacturing and construction process is controlled, there is no guarantee that no accidents will occur during the production process.

Additionally, industrial units and other facilities may be subject to damage occurring outside the normal scope of the activity, including as a result of natural disasters and natural or man-made catastrophes. Such accidents or events may cause serious damage to industrial units and other facilities, requiring major repairs or replacement of expensive equipment, meaning that the operating and production capacity of such facilities may be limited for a period of time. The insurance coverage that exists at any time may become unavailable or insufficient to cover losses or liabilities related to some of these risks.

In addition, these events can give rise to environmental, health and pollution hazards, and cause damages to the neighbouring populations. VAA may also be required to pay compensation, penalties

or fines, to clean up environmental damage, or to close industrial plants or other facilities to comply with environmental or health and safety regulations.

The occurrence of any of these events may adversely reflect on VAA's business, financial situation and operating results.

Changes to tax laws and regulations and increased taxes or reduced tax benefits could have an adverse effect on VAA's business

VAA may be adversely affected by changes in legislation and other tax regulations applicable in Portugal, the European Union and other countries where it operates, as well as by the competent tax authorities changing their interpretation of such legislation and regulations. Significant changes in tax legislation in Portugal, in the European Union or in those third countries where VAA does business, or difficulties in implementing or complying with new tax laws and regulations may have a significant adverse impact on VAA's business, financial situation and operating profits.

VAA is a party to litigation (and may be subject to certain litigation) the negative outcome of which may have a negative impact on VAA's financial situation and results

As a consequence of the normal course of business, VAA is currently, and may in the future, be part in lawsuits, claims and disputes related to its activities. These disputes may include environmental claims, licence appeals, employment claims, contractual disputes, personal injury or property damage claims arising out of or related to products marketed by VAA or lawsuits filed by regulatory and tax authorities, among others.

VAA cannot guarantee that it will be successful in any of these litigations or that it has taken adequate precautions or has taken out adequate insurance against any loss.

Certain litigation may have material adverse financial consequences for VAA, which may not have adequate own funds to cover any losses associated with litigation that are not covered by insurance. In addition, any negative outcome of any litigation VAA is involved in may adversely affect its reputation and economic and financial standing.

Particularly, a lawsuit is currently pending against the subsidiary Faianças da Capôa, in an amount of approximately 4 million euros.

Additionally, the Issuer has in its consolidated statement of financial position as of 31 December 2018 a provision regarding its actuarially estimated responsibility for the payment of the pension complement of a former director, based on the actuarial calculation made by Futuro, Sociedade Gestora de Fundos de Pensões, S.A., in the amount of approximately 737 thousand euros. In

December 2014, the Supreme Court of Justice sentenced VAA to pay a complement to the pension of that former director.

From February 2018, the date in which the above mentioned former director has reached the normal retirement age and taking into consideration the analysis of Vista Alegre Group's legal advisors, the amount of the pension granted to the former director was reduced under certain legal provisions.

In May 2018, the former director posed an enforcement request regarding the payment of the gap between the amount which VAA was sentenced to pay and the amount effectively paid by VAA from February 2018 onwards, which Vista Alegre has opposed, and is now awaiting the judicial decision.

The negative outcome of the abovementioned disputes may have a negative impact on VAA's financial situation and operating profits.

VAA may incur future costs related to defined benefit retirement plans and may need to make additional contributions to such plans in the future, which may exert an adverse pressure on VAA's cash flows

The Issuer has several defined benefit pension plans in place, some managed by the pension fund (Futuro - Sociedade Gestora de Fundos de Pensões, S.A.) and others by the Group itself. The liabilities arising from the defined benefit plan managed by the Group are directly assumed by the Group and are actuarially estimated at the date of annual accounts closing by an external specialised entity. The remaining liabilities arising from defined retirement benefit plans are covered by an autonomous pension fund managed by a specialised entity (Futuro - Sociedade Gestora de Fundos de Pensões, S.A.).

The most critical risks related to the accounting of retirement benefit plans are often associated with the return of the benefit plan's assets and the discount rate used to assess the present value of the liabilities to be paid in the future to the respective beneficiaries.

In addition, the amount recorded in the consolidated accounts for retirement benefits is based on certain mortality assumptions; beneficiaries of the benefit plans may live longer than expected and, as such, benefit from the plan beyond the provision made for this purpose. Thus, liabilities related to retirement benefit plans may exert adverse pressure on VAA's cash flows. If the level of coverage of benefit plan liabilities is insufficient, VAA may need to make additional contributions in the future, which may adversely affect its business, financial situation and operating results.

VAA may face labour stoppages that interfere with its operations and activity and consequently negatively impact its results

Despite VAA's belief that it maintains satisfactory employment relationships with its employees, VAA is subject to the risk of conflicts and disputes with its employees, or trade unions, which may result in a decrease or disruption of its operational activity and consequently adversely and materially affect VAA's business, financial situation and operating profits.

Although no significant labour disputes or stoppages have occurred in the recent past at VAA, it is not possible to guarantee that no strikes or work stoppages or any other similar trade union action will occur at any of VAA's facilities in the future. Any labour stoppage or other labour dispute may materially and adversely affect VAA's business, financial situation and operating profits.

VAA, as a holding company, has as its sole corporate scope the management of stakes in other companies as an indirect form of economic activity, so that the fulfilment of the obligations assumed by the Company depends on the access to the cash flows generated by their subsidiaries

VAA, as a holding company, has as its main assets equity stakes, and thus depends on the possible distribution of dividends by its subsidiaries, the payment of interest on and repayment of loans granted, and other cash flows distributed by these companies.

The ability of these investees to make funds available to VAA will depend in part on their ability to generate positive cash flows. The ability of these companies, on the one hand, to distribute dividends, and on the other, to pay interest and repay loans granted by VAA, is subject, among other things, to statutory and tax restrictions, to their respective profits, to available reserves, to their financial structure and to compliance with contractual obligations and restrictions.

If VAA or those with whom VAA shares information do not comply with legal obligations regarding personal data, VAA may be subject to the payment of substantial fines and its reputation may be affected which may generate losses in the future

The use of personal data in the context of VAA's activity and its partners' is regulated both at a European Union level and at a national level. These legal and regulatory provisions may be interpreted and applied differently over time and in different jurisdictions and may be interpreted and applied in terms that adversely affect VAA's business. Since 25 May 2018, the General Data Protection Regulation ("**GDPR**") has entered into force and is directly applicable in Portugal. A significant increase in the resources needed to comply with this new regulation, and any others that may be implemented in the future, may have an adverse effect on VAA's activity. VAA Group is currently in the process of implementing policies and procedures for the processing of personal data to comply with all the rules and obligations of the GDPR. If VAA breaches any of the obligations

described in the GDPR, it may be subject to fines in up to EUR 20,000,000.00 or up to 4% of its worldwide annual turnover for the previous financial year, depending on which amount is the highest. Any changes to the applicable legal provisions may impose more demanding compliance requirements and impose significant penalties in the event of non-compliance. If VAA or those with whom VAA shares information do not comply with such legal and regulatory provisions, VAA's reputation may be affected and may generate future losses.

VAA may be exposed to unidentified risks or to an unexpected level of risk, which, in the absence of effective risk management systems, may have material adverse consequences on VAA's business, financial situation or operational results

In addition to the risks specified above, the Issuer is also exposed to several currently unidentified risks, including liquidity risks, commodity and accessory goods price risks (such as gas, electricity, litharge and paper for packaging) and others, not identified at present moment.

Although management methodologies have been implemented for each type of risk to which the Issuer is exposed, in the face of exceptionally adverse scenarios, the policies and the procedures used by VAA to identify, monitor and manage risks may prove to not be fully effective, which may have material adverse consequences on VAA's business, financial situation or operational results.

C - RISKS RELATING TO THE NOTES

Credit ratings may not reflect all risks, are not recommendations to buy or to hold securities and may be subject to revision, suspension or withdrawal at any time

The agency Axesor assigned the Notes a credit rating of BBB-. The rating of the rating agency is a way to measure risk. In the market, investors demand higher returns on higher risk and should assess the likelihood of a downward variation in the credit quality of the Issuer or the Notes (if any is assigned), which could lead to a loss of liquidity in the Notes purchased in the market and a loss in value. The rating reflects only the view of the rating agency at the time of the evaluation and takes into consideration the credit rating of the Issuer, as well as the structural characteristics and other aspects of the Issue. However, the rating may not reflect the potential impact of risks related to structure, market and other factors in the valuation of the Notes.

The credit rating can be revised upward or downward, suspended or even withdrawn by the rating agency. The downward revision, suspension or withdrawal of the credit rating by the rating agencies could alter the price of the Notes for the perception of the markets and hinder the Issuer's access to debt markets and impact on its ability to achieve financing.

Therefore, any change in creditworthiness, or the perception of it, could also adversely affect the market value of the Notes. Credit ratings of the Notes are not a recommendation.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Information Memorandum or in any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its specific financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency; and

(iv) thoroughly understand the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way of reducing risk or enhancing yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

There is no active trading market for the Notes, in which case the ability to sell the Notes may be limited

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to

sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The Issuer cannot assure the Noteholders as to the liquidity of any market in the Notes, their ability to sell the Notes or the prices at which they will be able to sell their Notes. Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, the Issuer's operating results and the market for similar securities.

Although the Issuer has requested admission (*incorporación*) to trading of the Class A Notes on MARF, the Issuer cannot guarantee that the Class A Notes will be or will remain listed. Although no assurance is made as to the liquidity of the Class A Notes as a result of their admission on MARF, the failure to be approved for admission or the exclusion (whether or not for an alternative admission to listing on another stock exchange) of the Class A Notes from the MARF market may have a material effect on a Noteholder's ability to resell the Class A Notes, as applicable, in the secondary market.

Payment procedures in respect of the Notes

Payment in respect of the Notes will be (i) credited, according to the procedures and regulations of Interbolsa, as operator of the Portuguese central securities clearing system (*Central de Valores Mobiliários*), to TARGET2 payment current accounts held in the payment system of TARGET2 by financial intermediaries for the purposes of the Portuguese Securities Code, and which are entitled to hold control accounts with Interbolsa on behalf of the Noteholders (each, an "**Affiliate Member of Interbolsa**") whose accounts with Interbolsa are credited with such Notes, thereafter (ii) credited by such Affiliate Members of Interbolsa from the respective above mentioned payment current accounts to the accounts of the Noteholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be.

The Noteholders must rely on the procedures of Interbolsa and of Euroclear or Clearstream, Luxembourg to receive payment under the Notes and the Issuer, the Paying Agent and the Lead Manager will have no responsibility or liability for Interbolsa's or of Euroclear's or Clearstream, Luxembourg's records relating to payments made in respect of beneficial interests in the Notes.

Risks relating to the Notes cleared through Clearing Systems

Under Portuguese law, income derived from the Notes integrated in and held through (i) Interbolsa, as management entity of the Portuguese Centralised System (*sistema centralizado*, the *Central de Valores Mobiliários*) or (ii) an international clearing system operated by a managing entity established in a member state of the European Union other than Portugal (e.g. Euroclear or

Clearstream, Luxembourg) or (iii) a European Economic Area Member State provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes in relation to tax matters existing within the EU Member States or (iv) other centralised systems not covered above provided that, in this last case, the Portuguese government authorises the application of the Decree-Law no. 193/2005, of 7 November, as amended ("**Decree-Law no. 193/2005**") held by non-resident investors (both individual and corporate) are eligible for the debt securities special tax exemption regime, approved by Decree-Law no. 193/2005, which establishes a withholding tax exemption, provided that certain procedures and certification requirements are complied with. Failure to comply with these procedures and certifications will result in the application of Portuguese domestic withholding tax.

The Issuer will not gross up payments in respect of any such withholding tax in any of the cases indicated in Condition 7 (*Taxation*), including failure to deliver or incorrect completion regarding the evidence of non-residence status required under the Decree-Law no. 193/2005. Accordingly, holders of Notes must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Risks related to the Security

Under or pursuant to the terms of the Security Agreement and prior to or on the date of this Information Memorandum: (i) the Issuer pledged the Shares (including all and each of the Share Related Rights attached thereto) in favour and for the benefit of the Notes Common Representative (on behalf of the Noteholders, including, for the avoidance of doubt, the Class A Noteholders and the Class B Noteholders); (ii) the Issuer promised to pledge any New Shares of Ria Stone (including all and each of the Share Related Rights attached thereto); (iii) the Issuer assigned by way of security any New Shareholder Receivables; and (iv) Ria Stone pledged the Operating Account opened and maintained by Ria Stone with a bank having a minimum credit rating of "BBB" or equivalent by at least one of any rating agency authorised under Regulation (EC) No 1060/2009 on credit rating agencies, as amended from time to time (together the "Security"). Under the Security Agreement, each of the Guarantors has unconditionally and irrevocably guaranteed the obligations of the Issuer under the Notes. The guarantees provided by Bordalgest, Cerutil and Bordalo Pinheiro under the Security Agreement may be deemed by a court to fall under the scope of the rules prohibiting financial assistance pursuant to the terms of article 322 of the Portuguese Commercial Companies Code and be declared null and void in respect of the proportion of the proceeds used to refinance the existing shareholders loan of €25M from Visabeira.

According to the terms of the Security Agreement, the Noteholders will only be able to receive proceeds from any enforcement of Security (if any) at such time when all the Notes have been declared due and payable in accordance with Condition 10. Enforcement of the Security will depend on a decision of the majority of the Noteholders in their capacity as secured creditors and will bind all Noteholders, whether or not they have voted against the approved decision(s).

The value of the Security and, accordingly, the level of recovery on the enforcement of the Security may be affected by, among other things, a decline in the value of the relevant assets and no assurance can be given that the values of the relevant assets will not decline in the future.

In addition, the level of recovery on enforcement of the Security by the Noteholders will be limited to the maximum secured amount of the Security, which has been set at EUR 60,000,000.

Security over Ria Stone Operating Account

A first ranking pledge is to be granted by Ria Stone over the Operating Account held by Ria Stone as from the Signing Date. Such Operating Account will be used to credit amounts arising under and in connection with an Agreement on Sales and Purchase Volumes entered into between Ria Stone and IKEA Supply AG, which is effective as of the date hereof, and any amounts arising under and in connection with other supply agreements which have been or may be in the future entered into by Ria Stone and its customers and its balance will consequently depend on the terms and conditions (including amounts and payment and maturity dates) set out between the parties to such agreements.

The pledge will cover amounts effectively credited in the Operating Account, which will be subject to proper and timely satisfaction of Ria Stone's counterparties' payment obligations under such agreements, namely IKEA Supply AG, as of the date hereof, and to such agreements becoming/remaining in place. Also, notwithstanding the pledge, Ria Stone will be entitled to use the amounts credited in the Operating Account in the course of its day to day business operations.

Modification and waiver

The conditions of the Notes contain provisions for the calling of meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Compliance with offer and distribution restrictions

Investors are referred to, and are required to inform themselves about and to observe, the offer and

distribution restrictions and the agreements, acknowledgements, representations, warranties and undertakings detailed in the applicable Terms and Conditions, which investors will be deemed to accept and make upon submission of a subscription order.

Costs

Investors must inform themselves about any commissions, charges, taxes, expenses or other amounts that they may have to pay or bear as a result of submitting, or having had submitted on their behalf, a subscription order and/or as a result of such subscription order being accepted by the Issuer, including any commissions charged by custodians or intermediaries. Accordingly, investors shall consult in advance the price lists or other cost agreements in force with any such parties.

Investors shall have no rights against the Issuer or the Lead Manager in respect of any costs related to the offer for subscription or the effective subscription of the Notes.

The value of the Notes may be adversely affected by movements in market interest rates

As the Notes are fixed rate instruments, investment in the Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Notes, this will adversely affect the value of the Notes.

Interest rate risk and foreign exchange controls

The Issuer will pay the principal and interest on the Notes in Euro (the "Selected Currency"), which poses certain risks relating to currency conversions if the financial investments of an investor are primarily denominated in a currency (the "Investor's Currency") different from the Selected Currency. Such risks include the risk that exchange rates may change significantly (including due to the depreciation of the Selected Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Selected Currency may impose or modify foreign exchange controls. An appreciation of the Investor's Currency relative to the Selected Currency would decrease (i) the Investor Currency-equivalent yield of the Notes, (ii) the Investor Currency equivalent value of the principal payable on the Notes, and (iii) the Investor Currency-equivalent market value of the Notes.

Governments and monetary authorities of the relevant jurisdictions may impose (as has happened in the past) rates likely to adversely affect the applicable foreign exchange rate. Accordingly, investors may receive less interest or principal than expected, or not even receive principal or interest.

Applicable law and changes to applicable law

The Notes are governed by Portuguese law, and thus some aspects of the applicable legal regime may differ from the ones that apply to similar debt securities under the laws of incorporation of certain investors.

It cannot be ensured that legal (including tax) or regulatory changes will not occur, or that any changes in the interpretation or application of legal standards will not have an adverse effect on the rights and obligations of the Issuer and/or of the investors in the Notes. Any such changes could materially impact the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

If the Issuer redeems the Notes early, the optional redemption amount payable and/or prevailing market rates may not enable an investor to reinvest the redemption proceeds at an effective yield as high as the yield on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

SECTION V

STATEMENT OF LIABILITY

1. Person responsible for the information contained in the Information Memorandum

(a) Mr. Paulo Jorge Lourenço Pires and Mrs. Alexandra da Conceição Lopes, on behalf of the Issuer, as members of the Issuer's Board of Directors, are responsible for the entire content of this Information Memorandum; and

(b) Mrs. Alexandra da Conceição Lopes is expressly authorised to provide any public or private documents as may be necessary for the proper processing of the Notes issued by virtue of the resolutions adopted at the meeting of 14 October 2019.

2. Statement of the person responsible for the content of the Information Memorandum

On behalf of the Issuer, Mr. Paulo Jorge Lourenço Pires and Mrs. Alexandra da Conceição Lopes hereby declare that the information contained in this Information Memorandum is, to their knowledge and after acting with reasonable care to ensure its completeness, in full accordance with the facts and contains no omissions likely to affect its content.

SECTION VI

FUNCTIONS OF THE REGISTERED ADVISOR OF MARF

(a) VGM Advisory Partners, S.L.U. is a limited liability company incorporated on 24 July 2013, before the notary public of Madrid, duly registered in the Commercial Register of Madrid, Volume 31259, Page 114, Sheet M-562699, and in the Registered Advisors Market Register pursuant to market Operative Instruction 4/2014, 17 February 2014 (*Instrucción Operativa 4/2014 de 17 de febrero de 2014*) ("**VGM**" or the "**Registered Advisor**").

VGM is designated as the Registered Advisor of the Issuer and has therefore assumed the compromise to cooperate with the Issuer on (i) the admission (*incorporación*) of the Class A Notes issued; (ii) compliance with any obligations and responsibilities that apply to the Issuer with respect to its participation in MARF; (iii) the preparation and presentation of financial and business information required thereunder and (iv) review of the information to ensure that it complies with the applicable standards. Thus, VGM will collaborate with the Issuer helping it comply with the obligations and responsibilities to be assumed by it when incorporating the issue on MARF, acting as specialised interlocutor between MARF and the company and facilitating its insertion and development in the new trading regime of the securities trading.

VGM shall provide the MARF with the periodic reports required by it and MARF may, in turn, seek any information deemed necessary in connection with the Registered Advisor's role (and obligations as Registered Advisor) and take any measures to check the information provided.

The Issuer must have, at all times, a designated Registered Advisor listed in the "Registered Advisors Market Register".

(b) As Registered Advisor, VGM has, with respect to the admission (*incorporación*) of the Class A Notes to trading on MARF:

(i) confirmed that the Issuer complies with the requirements set out under the MARF regulations for admission (*incorporación*) of the Class A Notes to trading; and

(ii) assisted the Issuer in the preparation of the Information Memorandum, reviewed all information furnished to the market in connection with the application for admission (*incorporación*) of the Class A Notes on MARF, and confirmed that the information contributed by the Issuer complies, to the best of its knowledge, with the requirements of the applicable laws and contains no omission likely to confuse potential investors.

(iii) Once the Class A Notes are admitted, VGM will:

(1) review the information prepared and sent by the Issuer to MARF periodically or on an ad hoc basis, and verify that the content meets the requirements and time limits provided for in the rules;

(2) advise the Issuer on the events that might affect the performance of the obligations it has assumed to admit the Class A Notes to trading on MARF and on the best way to treat such events to avoid breaching those obligations;

(3) inform the MARF of any facts that would constitute a breach by the Issuer of its obligations in the event of a potential material breach by the Issuer which had not been cured by its advice, and

(4) manage, attend to and answer any queries and requests for information from MARF in relation to the Issuer's situation, the evolution of its activity, the performance of its obligations and such other market data deemed relevant.

(c) To this effect, the Registered Advisor shall perform the following actions:

(i) maintain regular and necessary contact with the Issuer and analyse any exceptional situations that may occur in the evolution of the market price, trading volume and other relevant trading indicators of the Class A Notes of the Issuer;

(ii) sign such statements, in general, as may be required under the regulations, as a result of the admission (*incorporación*) of the Class A Notes on the MARF and in relation to the information required from companies listed on said market; and

(iii) forward to the MARF, as soon as possible, information received in response to inquiries and requests for information that the latter may issue.

(d) Any breach, by the Registered Advisor, of the requirements demanded of it, or of the tasks to be carried out by it, may lead to the adoption, by the applicable organs of MARF, of any of the following actions:

(i) The issue of a written warning, leading to the adoption by the Registered Advisor of corrective measures for non-compliant actions. This action may be taken by the Managing Director or the Market Supervision Committee;

(ii) suspension of the Registered Advisor, which would result in the Registered Advisor being banned from being appointed for this role by new issuers. This action does not,

however, affect previous appointments and, therefore, the Registered Advisor in question may continue to act as such for other issuers; and/or

(iii) exclusion of the entity from the Registered Advisors Registry.

Actions (ii) and (iii) must be agreed upon by the Board of Directors following a report issued by the Securities Incorporation Commission and after hearing the person concerned. Such actions shall be notified to the CNMV on the day of their adoption and published on MARF's website.

SECTION VII

INFORMATION ON THE ISSUER, THE GUARANTORS AND THE GROUP

A. Description of the Issuer and of the Guarantors

A.1. The Issuer

Legal and commercial name of the Issuer

The legal name of the Issuer is VAA – Vista Alegre Atlantis, SGPS, S.A. and the most frequent commercial name is Vista Alegre.

Registration and legal person number of the Issuer

Vista Alegre is a publicly traded limited liability company (*sociedade aberta de responsabilidade limitada*) with head office at Lugar de Vista Alegre, 3830-292 – Ílhavo, district of Aveiro, in Portugal, registered with the Commercial Registry Office, entity with all documents deposit in electronic format, under the registration and tax number 500 978 654, and with a fully subscribed and paid-up share capital in the amount of EUR 121,927,316.80.

Incorporation of the Issuer

Vista Alegre was incorporated on 1824 for an unlimited period of time.

Head office, legal form and legislation that governs the Issuer's activity

Vista Alegre has its head office at Lugar de Vista Alegre, 3830-292 – Ílhavo, district of Aveiro, in Portugal and its telephone number is (+351) 23 432 06 00.

Vista Alegre is a holding company under the legal form of a limited company, incorporated and operating under the laws of the Portuguese Republic and, under article number 2 (two) of its by-laws, its corporate purpose is the "management of holdings in other companies as an indirect way of carrying out economic activities, also being able to provide technical and management services pursuant to law".

Vista Alegre is governed by the Portuguese laws applicable to holding companies, particularly by the Portuguese Commercial Companies Code, the Portuguese Securities Code and Decree-Law no. 495/88, dated 30 December 1988 (all as amended), and by its by-laws.

As of 31 December 2018, Vista Alegre's share capital is EUR 121,927,316.80, represented by 152,409,146 ordinary shares with a nominal value of EUR 0.80 (eighty cents) each, and is fully subscribed and paid-up.

A.2. The Guarantors

Bordalgest, S.A.

Bordalgest, S.A. ("**Bordalgest**") a limited liability company incorporated and validly existing under Portuguese law, with head office at Avenida Gago Coutinho, no. 78, district of Lisbon, Portugal, is registered with the Commercial Registry Office of Lisbon under registration and tax number 508 897 220.

Bordalgest, S.A. is a wholly owned subsidiary of the Issuer.

Cerexport – Cerâmica de Exportação, S.A.

Cerexport – Cerâmica de Exportação, S.A. ("**Cerexport**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Zona Industrial de Aveiro-Taboeira-Esgueira, district of Aveiro, Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 500 081 549.

Cerexport – Cerâmica de Exportação, S.A. is a wholly owned subsidiary of the Issuer.

Cerutil – Cerâmicas Utilitárias, S.A.

Cerutil – Cerâmicas Utilitárias, S.A. ("**Cerutil**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua do Palácio do Gelo, no. 1, Palácio do Gelo Shopping, piso 3, district of Viseu, Portugal, is registered with the Commercial Registry Office of Viseu under registration and tax number 502 325 569.

Cerutil – Cerâmicas Utilitárias, S.A. is a wholly owned subsidiary of the Issuer.

Faianças Artísticas Bordalo Pinheiro, S.A.

Faianças Artísticas Bordalo Pinheiro, S.A. ("**Bordalo Pinheiro**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua Rafael Bordalo Pinheiro, no. 53, district of Leiria, Portugal, is registered with the Commercial Registry Office of Leiria under registration and tax number 500 108 684.

The Issuer holds 86.24% of the share capital of Faianças Artísticas Bordalo Pinheiro, S.A.

Faianças da Capoa – Indústria de Cerâmica, S.A.

Faianças da Capoa – Indústria de Cerâmica, S.A. ("**Faianças da Capoa**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Rua do Buragal-Aradas, district of Aveiro, Portugal, is registered with the Commercial Registry Office of Aveiro under

registration and tax number 500 643 067.

Faianças da Capoa – Indústria de Cerâmica, S.A. is a wholly owned subsidiary of the Issuer.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. ("**Ria Stone**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Vista Alegre, district of Aveiro, Ílhavo (São Salvador), Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 510 229 808.

Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. is a wholly owned subsidiary of the Issuer.

Vista Alegre Atlantis, S.A.

Vista Alegre Atlantis, S.A. ("**VAA, S.A.**"), a limited liability company incorporated and validly existing under Portuguese law, with head office at Vista Alegre, district of Aveiro, Ílhavo (São Salvador), Portugal, is registered with the Commercial Registry Office of Aveiro under registration and tax number 500 889 139.

Vista Alegre Atlantis, S.A. is a wholly owned subsidiary of the Issuer.

B. Background and Development of the Issuer

History of the Issuer

Vista Alegre began as the Ferreira Pinto & Filhos company, authorised by a royal licence in 1824, devoted to the manufacture of porcelain and glass.

Just five years later, Vista Alegre received the title of Real Fábrica (Royal Factory), a recognition of its art and industrial success.

The Vista Alegre brand rapidly assumed an image of quality and distinctiveness in the utilitarian and decorative ceramics industry, having received for the first time a universal prize at the Paris Universal Exhibition in 1867. As the quality of ceramics produced by Vista Alegre increased, less attention was paid to glass and crystal, production of which was definitively discontinued in 1880.

On its centenary, Vista Alegre began a restructuring process aimed at transforming the company into a limited company by quotas, modernising the factory's structures and renewing its services. Parallel to the productive and technological development, there was also an artistic renewal, where renowned artists brought new ideas and models to its painting school. The items produced in this period reached the level of excellence of their most notable industry peers.

From 1947 until 1968, international contacts, the training of specialised technical staff and the acquisition of other companies led Vista Alegre to the expected level of technical and industrial development, as well as the expansion of its products into new markets.

During the 1970s and 1980s, Vista Alegre maintained a strategy of sales and services focused on the domestic market, with surplus capacity being used to serve, quite selectively, a limited number of customers outside of Portugal. These exports comprised only a small proportion of its turnover.

In 1980, the Ferreira Pinto & Filhos company was transformed into a private limited company by quotas with the trading name Fábrica de Porcelana da Vista Alegre, Lda., and at the end of 1987 it became a publicly traded company listed on the Lisbon and Porto Stock Exchanges.

At the end of the 1980s, the Vista Alegre brand began to see a progressive decline in its growth, and the small dimension of its domestic market made a strategy of geographic diversification inevitable.

Thus Spain, as a natural extension of the Portuguese market, became a priority market and a subsidiary in Spain, Vista Alegre España, was established in 1986.

In the 1990s, there was an increase in the installed productive capacity, allowing the development of a consistent internationalisation policy, the main strategic drivers of which were not only the identification of markets with cultural affinities and/or geographic proximity but also, those markets which simultaneously presented the growth, size and competitiveness with the high potential necessary to match Vista Alegre's investment plan and scale on sales.

Subsequently, following the acquisition of Cerexport in 1997, the company entered the German market directly through a local company.

At the same time, a diversification of its business areas was carried out, including crockery for the *horeca* channel (hotels, restaurants, cafes), earthenware (through the acquisition of the company Faianças da Capôa), stoneware and porcelain ovenware, ceramic insulators and electrical material (Electro Cerâmica and Cerisol).

In the late 1990s, it acquired a manufacturing unit in Brazil and a minority stake of 25% in Royal Worcester & Spode Limited, a British company producing and marketing ceramic products.

In 2001, a business restructure and merger process brought together two large-scale business groups in the tableware and giftware segments – the VAA group (porcelain, earthenware and stoneware) and the Atlantis group (crystal and glass), creating the largest Portuguese tableware group and the world's sixth largest in this sector based on turnover. It was also under this process that VAA emerged, with the Company taking on its current name and corporate purpose.

Atlantis was founded in 1944, producing chandeliers in a small factory in Alcobaça and then diversifying into decoration and tableware.

In the 1970s, Atlantis' activities were segmented into two strands: (i) Full Lead Crystal (a higher quality and manually produced product) and (ii) sodium glass (automated manufacture of household products). Subsequently, the automated production was spun off to the Crisal company, which was sold in 2005 when Atlantis had already merged with Vista Alegre.

In the 1990s, Atlantis expanded its range of glass products of varying qualities and colours through mergers with companies engaged in the production and marketing of handmade glass articles, Neovidro – Indústria e Tecnologia do Vidro, S.A. and Nova Ivima – Indústria do Vidro, S.A. (company founded in 1885 and with a long tradition in the production of manual glass).

In 2001, the restructuring and merger of Vista Alegre with Atlantis, which aimed to take advantage of the potential synergies that would be associated with a single platform for the production and distribution of complementary "Table Art" brands, marked the beginning of an in-depth and complex process of strategic reorientation and restructuring for the VAA Group.

In a period marked by economic recession in Portugal, by rapid penetration of ceramic and glass products from Asia and Eastern European countries, as well as by changes in consumption habits and lifestyles, VAA also began to face economic and financial difficulties.

The increase in liabilities due to the use of bank Indebtedness to finance the restructuring and a sharp fall in revenues led to the need for a new strategic direction to reduce the number of business areas, focusing only on those with the best growth prospects.

In 2009, Visabeira Group acquired 81.78% stake in VAA through Cerutil. The Company, in serious financial difficulties, gained a new direction and momentum.

The following year, in July 2010, a share capital increase of VAA was carried out in order to implement the strategy drawn up for the Company's recovery and future viability.

This transaction was clearly a key factor in the success of the Company's corporate restructuring. The inflow of funds aimed at restoring the Company's financial balance, fostering the expansion of its shareholder base and broadening its base for raising funds, creating the conditions for strengthening the Company's equity.

The strengthening of VAA's equity structure made it possible to finance the business development strategy and the implementation of the new guidelines for the Company's financial and operational restructuring, particularly regarding the necessary replacement and expansion investments (CAPEX).

In the context of the economic and financial restructuring of the VAA Group, which was made possible within the new shareholder framework, a set of initiatives was outlined and implemented to put in place the ambitious strategy set out by the management for the Company's recovery and future viability. This favoured cost rationalisation, brand rejuvenation, the capture of new target-markets and the intensive acceleration of the internationalisation process.

This repositioning was also largely achieved through collaborations and partnerships established with Portuguese and international artists, creators and designers, clearly showing the brand's global vision.

VAA's performance has been guided ever since by a clear commitment to productive investment (CAPEX), research and development of new products and processes, the redefinition of its commercial strategy, both in the domestic market, where a demanding cost-cutting plan and renewal of the image of its network of shops was outlined and implemented, and in international markets, which have been the object of renewed impetus.

More recently, in 2014, Ria Stone began operating. It is a VAA Group company founded as a result of a procurement process by the Swedish company IKEA, which wanted a strategically located production unit capable of ensuring the manufacture of a set of brand references, while complying with strict quality standards. Ria Stone was the company selected to carry out this challenge, having signed a 7-year contract with the multinational IKEA to supply 30 million stoneware tableware units to be sold internationally to IKEA stores.

The creation of Ria Stone is closely linked to technological innovation and has emerged as a reflection of an innovative solution through the design of a highly competitive and innovative production system based on a single-firing process. The economic prioritisation of these new products strongly matches Ria Stone's global strategy and that of the Group of which it is part.

As mentioned, Ria Stone inaugurated its production facilities, in 2014, with an overall investment (CAPEX) of around 25 million euros, resulting in the creation of over 150 new jobs in the Aveiro region.

This unit also technologically stands out for its adoption of innovative, state-of-the-art equipment, featuring isostatic presses, a fully automated warehouse, without any human intervention and also automated glazing lines. It operates with two kilns (86 and 55 metres long), including conveyor belts that automatically carry articles to each section, simplifying the production processes.

The unit thus produces in a highly automated fashion, with a fully functional factory able to respond

to high-production volumes with the necessary efficiency.

As a result of its historic evolution, VAA now has a technologically advanced production facility and intends to maintain its innovative spirit and strengthen its position in the different markets in which it operates, optimising its production for profit while honouring its history and tradition.

At the end of 2016, for strategic reasons of VAA and in the context of changes in this segment of the market, especially due to decreasing in the demand for this type of products, the earthenware segment was reallocated and merged into the oven stoneware segment.

In 2016, the VAA Group adopted a common insignia and a new visual identity through which the porcelain, crystal and glass articles produced at the VAA plant in Ílhavo and the Atlantis plant in Alcobaça were marketed under the brand name Vista Alegre, both in Portugal and in foreign markets.

In 2017, the existing contract between the Swedish IKEA and VAA Group's Ria Stone company (a contract that initially envisaged a tie-up until 2021) was extended for another 5 years until 2026 representing an additional investment of 18 million euro and creating circa 80 additional jobs. That same year, an international contract was signed with Hennessy in the crystal business segment for the supply of luxury bottles.

On 22 December 2017, the share capital of VAA was increased from 92,507,861.92 euros to 121,927,317.04 euros.

In 2018, VAA completed the acquisition of Cerutil and indirectly of Bordalo Pinheiro (through Bordalgest, which is wholly owned by Cerutil and which, in turn, has an 83.99% stake in Bordalo Pinheiro), as well as the sale of VA Grupo Vista Alegre Participaçoes, SA ("**VA Grupo**"). The acquisition of Cerutil and Bordalo Pinheiro from Visabeira Indústria took place in exchange of the Group's Real Estate assets (VA Grupo), resulting in a €26.9M shareholder loan with a deferred payment.

These transactions aimed to concentrate all the stakes in the ceramics sector in VAA and enhance the Company's positioning in the context of the sector and competing companies, giving VAA greater size, to diversify and to allow for the exploitation of the centennial "Bordallo Pinheiro" brand. Cerutil and Bordalo Pinheiro contributed with €3.1M EBITDA to unaudited Pro Forma FY2018 VAA's consolidated accounts (accounts as if Cerutil and Bordalo Pinheiro had been incorporated to the Group as of 1 January 2018).

Brand Awareness

With almost 200 years of history, VAA continues to be internationally recognised for its innovative

design and character, as evidenced by more than 30 prizes and awards received in 2018 and 2019. VAA has a museum that opened in 1964 and has presence in exhibitions at the Museum of Modern Art (MOMA) in New York. VAA works with partnerships with contemporary artists (Ross Lovegrove, Marcel Wanders, Jaime Hayon, Arik Levvy, Patrick Norguet, Sam Baron, Carsten Gollnick, Mendel Heit & Brunno Jahara, Sempé, Stéphane Parmentier, Corinne Le Corre, Rebecca Dautremer, Sacha) and world class brands such as Christian Lacroix, Pineda Covalin and Oscar de la Renta.

International Presence

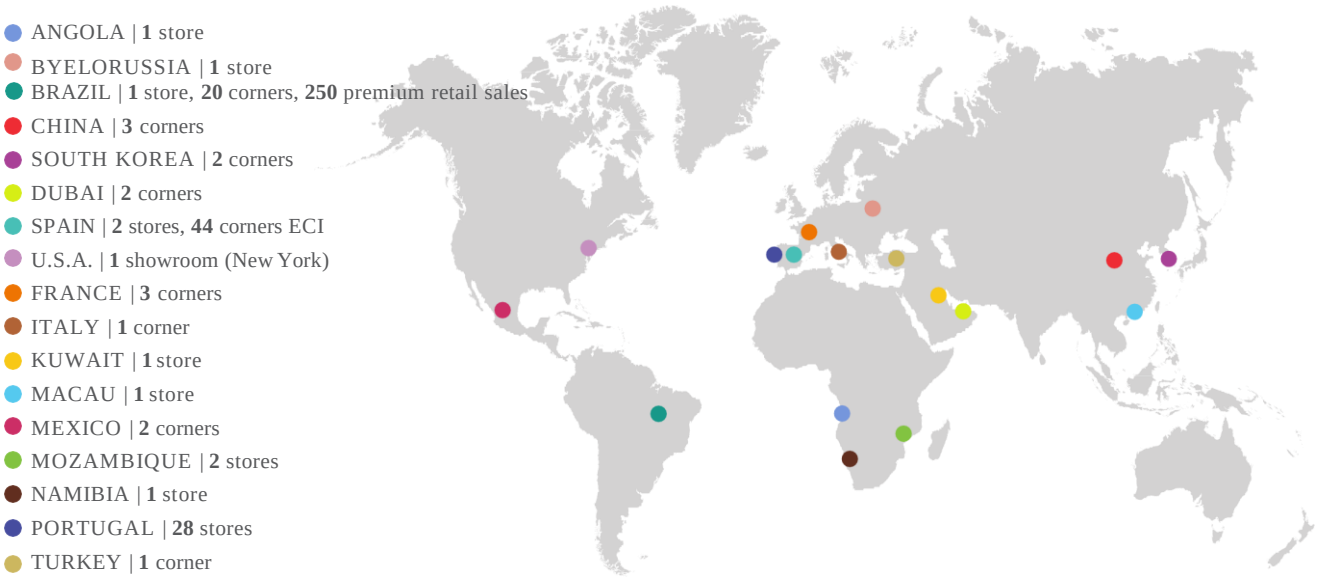
Vista Alegre has a broad international presence, being strongly export-oriented with a focus on European markets but with sales in diverse countries such as Brazil and USA.

In 2018 Pro-Forma accounts, exports accounted for 70% of sales – France (11%), Spain (10%), the Netherlands (10%), Italy (9%), Germany (8%), rest of Europe (10%), Brazil (3%) and rest of the world (9%).

VAA plans to further increase its international presence by:

- Consolidating its position in markets where it is already established
- Opening new flagship stores in main cities
- Enhancing local commercial teams
- Creating great consumer experiences and social network activity
- Increasing product portfolio and entering new segments
- Developing the online sales channel
- Partnering with luxury restaurants and hotel chains
- Reinforcing commercial efforts in South Korea, China, Russia and the Middle East

Exhibit 3: Current Global Presence as of 30 June 2019



Competitive Position

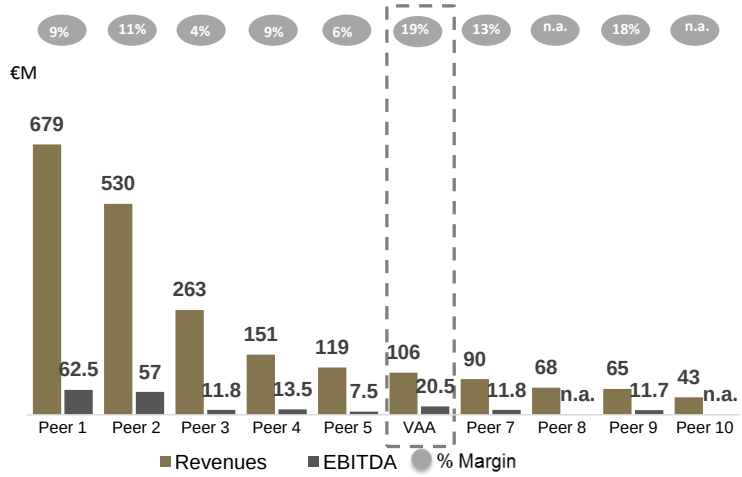
In 2018, VAA Group had €106M of Pro-Forma sales[2] and €20.5M of Pro-Forma EBITDA[3], making the Group the sixth largest ceramic producer globally by sales and third by EBITDA.

Vista Alegre uses three distribution channels – retail, Horeca and private label – covering own stores, corners, independent stores, online, corporate business, decorators, hotels, restaurants, airlines, yacht and cruise ships.

In line with ever-changing preferences and consumers' shift towards more sophisticated purchases that value more design and quality, VAA has remained faithful to its core values and principles to deliver high quality products, combining tradition and modernity.

VAA's product portfolio spans across several different offerings and has a high potential for a brand extension to lifestyle complementary products.

Exhibit 4: Peer Benchmarking by Revenues

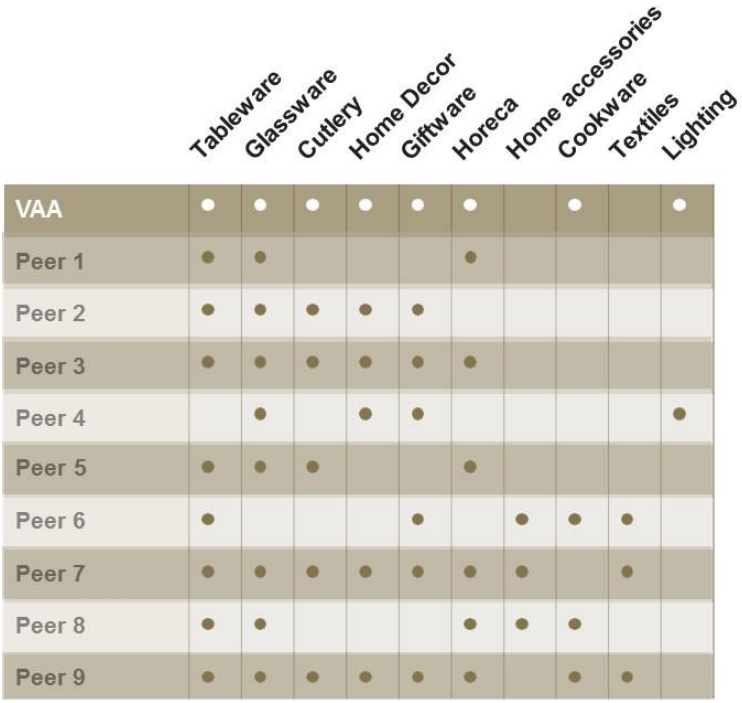


Source: FY2018 Company information and Bloomberg. Figures exclude, where possible, business segments that are not comparable to VAA. Peers include Libbey, Fiskars, Villeroy & Boch, Baccarat, BHS Tabletop, Portmeirion, Noritake, Churchill China and Degrenne. Pro-Forma revenues and EBITDA for VAA Group. VAA unaudited Pro-Forma figures prepared by reference to FY2018.

Exhibit 5: Peer Benchmarking by Product

[2]Non-audited consolidated sales as if the acquisitions of Cerutil and Bordalo Pinheiro had occurred with reference to 1 January 2018 and the sale of VA Grupo at the same date.

[3] Non-audited consolidated EBITDA as if the acquisitions of Cerutil and Bordalo Pinheiro had occurred with reference to 1 January 2018 and the sale of VA Grupo at the same date. EBITDA defined as (i) operating result before amortizations, provisions, impairment and increases/reductions of fair value, plus (ii) €0.578M charges borne by the Group in the process of capital increase carried out in the second half of 2018, which was to be abandoned on December 2018.



Source: FY2018 Company information. Peers include Libbey, Fiskars, Villeroy &Boch, Baccarat, BHS Tabletop, Portmeirion, Noritake, Churchill China and Degrenne.

The Table and Ornamental Ceramic Industry

The table and ornamental ceramic market is expected to grow around 6.6% Compound Annual Growth Rate ("CAGR") until 2021 whereas production in Europe is expected to grow at approximately 1.4% per year until 2020. This growth is expected to be accompanied by more complex and demanding customer preferences[4].

The USA is the main importer of such products with 45% of global imports (2016), while China is the lead exporter with 58%. Portugal has increased its exports at around 12% per year from 2012 to 2016.

Demand has increased most noticeable for home decoration and giftware products. The increase of tourism also represents and increasing demand in the hotel tableware products.

Consumers are more willing to follow recent and ever-changing trends for interior design and to purchase unique pieces. Consumers' preferences have shifted towards more sophisticated products in terms of design. Top design is a "must have" to compete against the price focused companies and countries.

Partnerships with key clients and brands are driving the improvement in operational performance.

With the contracts already in place (Hennessy and Remy Martin in crystal, Zara Home and Cervera in earthenware, Club Med in porcelain china, and IKEA in stoneware), VAA counts with annual contracted revenues above €50M.

Exhibit 6: Long-term contracts with established retailers and brands

Client	Start Date	End Date	Product	Factory	Comments	Value (€M)
IKEA	2014	2026	Tableware	Riastone	Contract until Dec 2026	250
Hennessy	2018	n.a.	Crystal	Alcobaça	Annual renewal Expected product life time >10 years	16
Remi Martin	2019	n.a.	Crystal	Alcobaça	Annual renewal	12

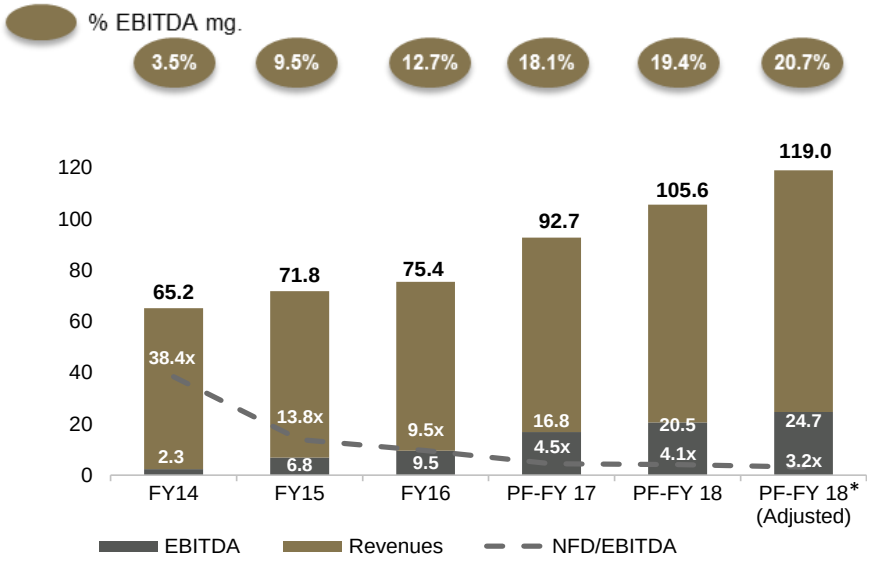
Additionally, on 12 September 2019, Vista Alegre announced that it had made a formal agreement to create a line with the brand MasterChef in the amount of €13.7M.

Vista Alegre Group has repositioned itself, increasing its capacity in the higher margin businesses and investing in innovation in the production processes to increase automation and reduce energy costs.

[4] Source: Technavio, Global Ceramics Market: 2017-2021

The successful turnaround story is highlighted by the fact that Vista Alegre is now the sixth largest ceramic producer globally and is third by EBITDA among its peers. Sales have increased at a CAGR of 12.8% for the period FY14- PF-FY 18 and EBITDA margins have increased steadily to over 19% as of Pro-Forma FY2018.

Exhibit 7: Evolution of consolidated turnover, EBITDA, EBITDA margin and Net Financial Debt/EBITDA (values in million euros)



Note:1) FY18 EBITDA is (i) operating result before amortizations, provisions, impairment and increases/reductions of fair value, plus (ii) €0.578M charges borne by the Group in the process of capital increase carried out in the second half of 2018, which was to be abandoned on December 2018. Pro-Forma FY17 and Pro-Forma FY18 as if Cerutil and Bordalo Pinheiro had been incorporated as of 1 January 2017; 2) Pro-Forma FY18 Adjusted includes also i) the increase in Ria Stone's production capacity by 60% (to serve the IKEA contract); ii) the improvement of the Cristal & Glass segment operational performance supported by the upgrade in equipment and the ongoing contract with Hennessy, as the investments were already concluded by 31 December 2018.

* Forward looking statement

Strategic plan based on innovation

Under an increasingly competitive environment, VAA has been continuously investing with a specific focus on innovation in order to improve its production processes and sustain a standard of quality and design that seeks to one up other market participants. VAA has a Kaizen culture across all the organization with a truly continuous improvement mindset.

VAA emphasizes a great commitment on merging artisanal methods with state-of-the-art production technology, for which it invests in Research and Development and Innovative projects.

In 2014, VAA completed the development of Ria Stone factory, a fully automated production facility through a disruptive and innovative method of production that uses a single firing process.

In 2015, VAA carried out Decorglass, an R&D project focusing on the limitations of glass decoration techniques and development of a new glass range of products.

In 2016, VAA modernized Vista Alegre Ilhavo's Porcelain factory to allow for better storage, management and logistics. Additionally, it implemented new technologies in the production of porcelain that resulted in quality productivity and energy efficiency, and new R&D projects M2G2 and Casa in order to develop new stoneware products with higher added value.

In 2018, VAA introduced a series of new technologies that a) improved processes by reducing cycle time and increasing control and flexibility; b) optimized layout and pull flow production system; c) improved processes by merging different stages into one; d) created unique product shapes, and e) permitted process automation and energy efficiency.

This year, VAA has continued focusing in innovation by a) introducing digital decoration in single firing process in Ria Stone factory; b) integrating and automating internal logistics (AIV-Automotive Intelligence Vehicle); c) conducting R&D and innovation projects in products and processes; d) introducing Industry 4.0 with an online and reliable process control, and e) introducing smart warehouse management for reliability and efficiency.

Going forward, VAA is working on new projects to complete in 2020 such as digital decoration evolution, energy efficiency (state-of-the-art equipment with green generation, efficient kilns with ultra-light structures and hot air recuperation for burners, and renewable energies, i.e. photovoltaic panels), and the circular economy, i.e. optimization of raw materials and waste reduction.

Production Facilities

Product Line	Location	Space (sqm)	Capacity (pieces/yr)	Brands	Comments
Porcelain & complements	Ílhavo	37,370	12,500,000	Vista Alegre	• Foundation – 1824 (195 Years) • Vista Alegre heritage (Factory, Museum, Chapel, Theatre, Hotel, Neighbourhoods) • Wide range of products (Tableware, Giftware, Hotelware, Figurines, Hand painted and collectable products and others)
Stoneware / Oven-to-Tableware	Taboeira (Aveiro)	13,360	5,500,000	Casa Alegre Clients brand	• Single Firing Production Process • Ovenware and Tableware in same factory • Multifunction product: Oven-to-Table
	Sátão (Viseu)	13,000	5,000,000		

Stoneware / Tableware	Ílhavo	27,700	48,500,000	IKEA	• State-of-Art Factory (Best in Class) • Single Firing Production Process • Full Automated process • Manufacturing Cycle Time – 14hr
Earthenware	Calda da Rainha	12,800	1,800,000	Bordallo	• Foundation – 1884 (134 years) • Traditional and unique products • Artistic and hand made products
Crystal & Glass	Alcobaça	17,580	1,500,000	Vista Alegre Casa Alegre Clients Brands	• Hand Made and High-end Crystal products • Technical products (luxury bottles)
		121,810	**74,800,000**		

CAPEX Program

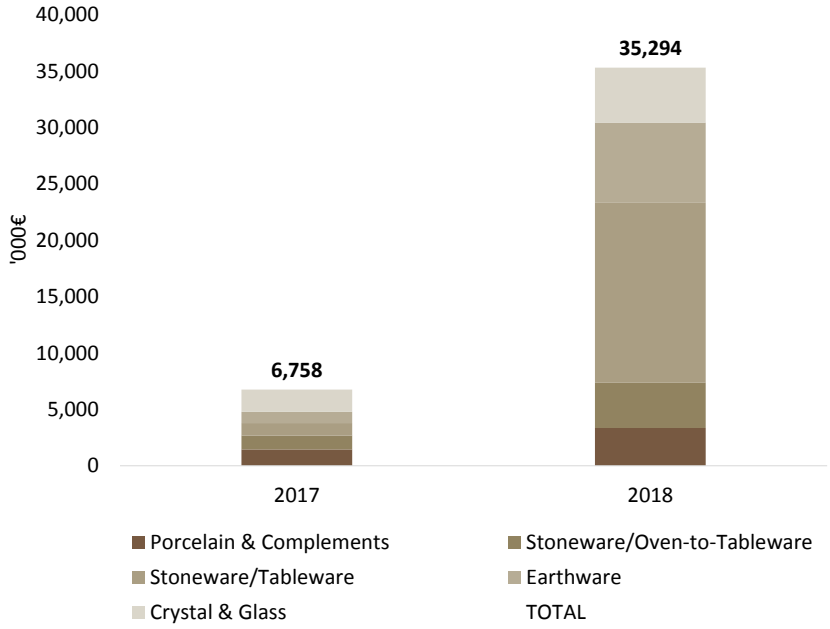
Over the recent years, VAA has invested with targeted benefits in order to increase the capacity across the highest margin business lines, to lower energy, labour and waste costs and to enhance design capabilities through technology.

VAA has invested in innovation to:

- Improve their ability to engineer final products to a higher standard
- Enhance their time-to-market and flexibility to better reflect customers demand for "fast-fashion" or "fast-design". Some examples include: single-firing, digital and isocup printing, isostatic pressing, single-pass technology
- Reduced production costs
    - Single-firing reduces waste ratio from 50% to 10-5%
    - Energy consumption reduction
    - Automation reducing reliance on labour
    - Reducing defects in crystalware
    - Reconfiguration manufacturing layout across earthenware and stoneware to optimize timing

- VAA is now able to serve across Europe within 14 days, which is a competitive advantage vs Chinese imports which need longer manufacturing and delivery periods and involve much larger orders.
- VAA is able to deliver its products to IKEA FCA (Free Carrier) in 7 days, which allows IKEA to have those products available, depending of the store location, within a period of 7 to 14 days.

Exhibit 8: Recent and Ongoing CAPEX



Note: Unaudited Pro-Forma consolidated CAPEX as if Cerutil and Bordalo Pinheiro had been acquired as of 1 January 2017 and VA Grupo had been sold at the same time

Vista Alegre Group CAPEX in 2018 was more than 5x the CAPEX of 2017. Most of this CAPEX (92%) was for expansion, i.e. to increase capacity and innovation programs for production that have delivered growth and improvement in margins.

Exhibit 9: Maintenance vs. Expansion CAPEX (values in thousand euros)

	2017	2018
Statutory accounts		
Maintenance Capex	2,917	2,368
Expansion Capex	2,791	27,686
Total	**5,708**	**30,054**
Pro-Forma accounts(*)	1,051	35,294

Maintenance Capex	2,982	2,368
Expansion Capex	3,776	32,926
Total	**6,758**	**35,294**

(*) Unaudited Pro-Forma consolidated accounts as if Cerutil and Bordalo Pinheiro had been acquired as of 1 January 2017 and VA Grupo had been sold at the same time

VAA counts with CAPEX support from European Funds, namely the Agência para o Investimento e Comércio Externo de Portugal ("AICEP" – Portuguese Trade & Investment Agency). AICEP is an independent public entity of the Government of Portugal, with the goal of attracting foreign investment to Portugal and supporting the internationalization of Portuguese companies. AICEP provides European funds financing of up to 45% of CAPEX dedicated to improving competitiveness and export capacity. This financing is long-term at 0% cost. Additionally, subject to the completion of certain pre-determined performance criteria, approximately 50% of the subsidies can be converted in non-reimbursable (grants). The conversion of the subsidy into a grant depends on obtaining a Project Merit Indicator equal to or higher than that of the application. It is calculated by the weighted average of criteria such as turnover, qualified employment and GAV (Gross Value Added). As of December 2018, out of €19.4M, €3.7M of AICEP financing had already been converted into grants.

VAA had €10.9M of loans with AICEP as of December 2018[5] at 0% interest rate. Out of the €19.4M received from AICEP, €3.7M[6] have already been converted into grants and further €6.1M are expected to come at the completion of a predetermined criteria. Hence, net debt is expected to be reduced by these amounts.

Exhibit 10: Historic CAPEX Programs (values in million euros)

5 Up to 31 December 2018, AICEP had financed €19.4M of CAPEX. These amounts had been partially repaid / amortized and €3.7M converted into grants. Subsequently, outstanding balance amounted to €10.9M

[6] Already converted into grants amounts are no longer accounted as financial debt

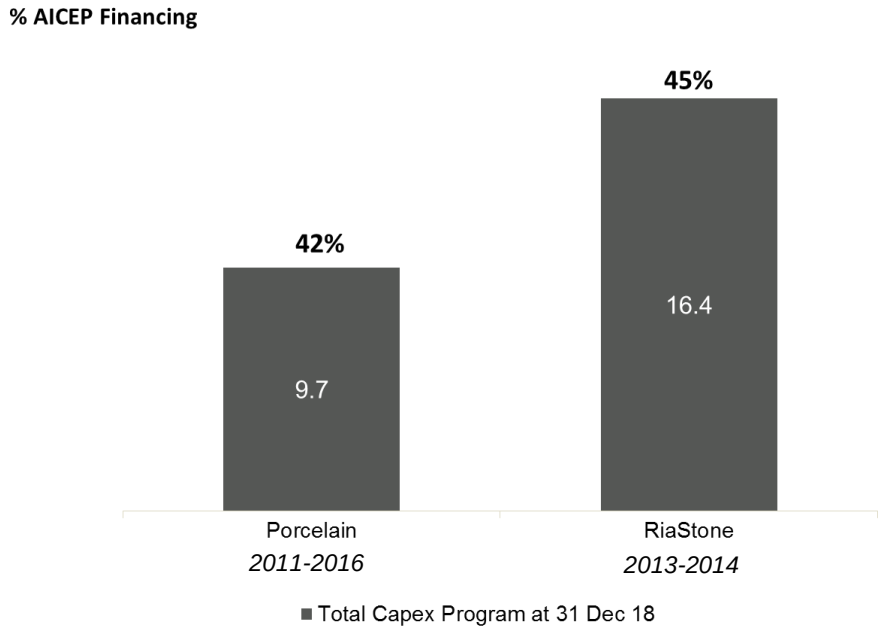
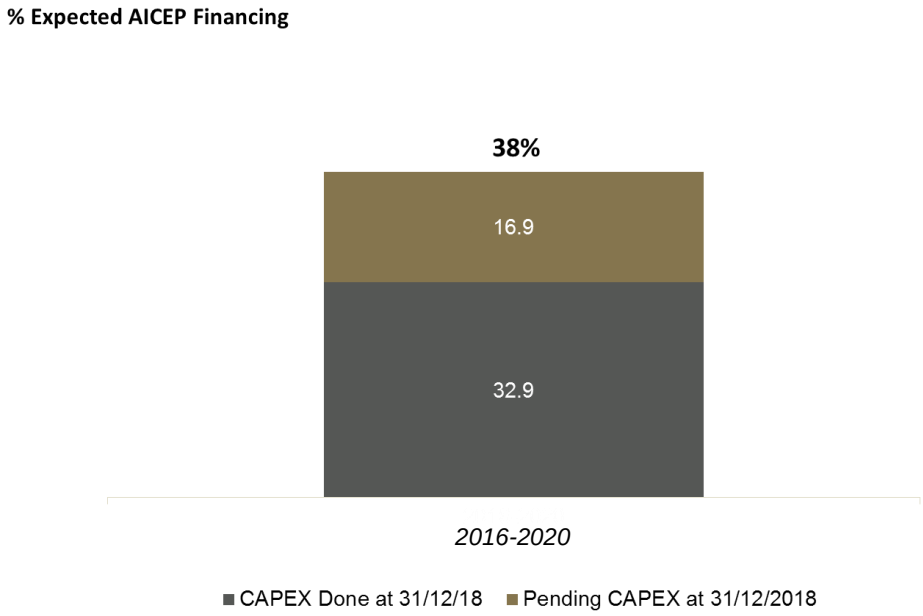


Exhibit 11: Ongoing CAPEX Programs (values in million euros)



Capital Structure Overview

On 22 December 2017, the share capital of VAA was increased from 92,507,861.92 euros to 121,927,317.04 euros, comprising the issuance of 367,743,189 common shares, book-entry and bearer shares, with a nominal value of 0.08 Euros each, of which:

- 10,600,331 shares were subscribed by means of a public subscription offering with a subscription reserved to VAA – Vista Alegre Atlantis, SGPS, S.A.' shareholders, in the exercise of their pre-emptive rights (excluding the legal pre-emptive right of the shareholders Visabeira Indústria SGPS, S.A., Grupo Visabeira, S.A., FCR Portugal Ventures Grandes Projetos de Investimento, Caixa Geral de Depósitos, S.A. and Fundo de Capital de Risco Grupo CGD – Caixa Capital and limited the pre-emptive right of the shareholder Cerutil for the subscription of the shares regarding the cash increase) ("**Tranche A**");
- 357,142,858 shares were subscribed by Cerutil in cash contributions through the conversion of Cerutil credits to VAA – Vista Alegre Atlantis, SGPS, S.A. in the amount of 50,000,000.12 euros ("**Tranche B**").

VAA Group had €10.9M of loans with AICEP as of December 2018[7] at 0% interest rate. Out of the €19.4M received from AICEP, €3.7M[8] have already been converted into grants and further €6.1M are expected to be also converted into grants come at the completion of a predetermined criteria. Hence, net debt is reduced by this amount (€6.1 M) to calculate a Pro-Forma Net Debt (see table below).

Net debt as of December 2018 included financing of recent expansion capex which yielded no revenues in 2018. Therefore, for consistency purposes a Pro-Forma Adjusted EBITDA of €24.7 is used, which includes:

- €3.9M from Riastone expansion which is contracted with IKEA and only came on stream in January 2019
- €0.2M from Hennessy contract which started to operate in January 2018

Exhibit 12: Capital Structure as of December 2018

[7] Up to 31 December 2018, AICEP had financed €19.4M of CAPEX. These amounts had been partially repaid / amortized and €3.7M converted into grants. Subsequently, outstanding balance amounted to €10.9M.
[8] Already converted into grants. Amount is no longer accounted as financial debt.

Capital Structure as of Dec 2018 (€M)			
	Long-Term	Short-Term	Total
Bank Financing	18.6	18.0	36.6
Other Loans	10.0	3.2	13.2
Financial Leases	0.3	0.1	0.4
Credit Lines	0.0	17.6	17.6
Third Party Financing	**28.8**	**39.0**	**67.8**
Shareholders Loans	26.9	0.0	26.9
Gross Debt	**55.8**	**39.0**	**94.7**
Cash & Cash Equivalents			(11.1)
Net Debt			**83.6**
AICEP (Grants)			(6.1)
Transaction Expenses			1.0
Proforma Net Debt			**78.5**
FY18 Pro-Forma Adjusted EBITDA			24.7
PF Net Debt/EBITDA			**3.2x**

Note: FY18 Pro-Forma Adjusted EBITDA is the Pro-Forma EBITDA 2018 adjusted to include i) the increase in Ria Stone's production capacity by 60% (to serve the IKEA contract); ii) the improvement of the Cristal & Manual Glass segment operational performance supported by the upgrade in equipment and the ongoing contract with Hennessy. Pro-Forma Adjusted EBITDA and AICEP Grants and Transaction Expenses are not audited.

C. Background on Grupo Visabeira

Visabeira was founded in 1980 by Fernando Campos Nunes with a focus on offering infrastructure and network engineering services for the telecom and energy sectors in Portugal. Mr. Nunes currently controls 99.45% of Grupo Visabeira, S.A. ("**Grupo Visabeira**")

Through sustained growth and business expansion, focused on optimizing resources, Visabeira Group creates value and anticipates the needs of its customers, taking into account the different markets in which it operates and always offering premium quality services. Grupo Visabeira organizes its activities through three intermediary holdings:

- Visabeira Global – Telecom, energy, construction and technology.
- Visabeira Indústria – ceramics and glassware, kitchen furniture, biofuels (pellets) and energy systems.
- Visabeira Tourism, Real Estate and Services – hotels, resorts and entertainment complexes, shopping mall and services.

Visabeira Global represented 73% of the business volume, followed by Visabeira Indústria 19%, and Visabeira Tourism, Real Estate and Services 8%.

Grupo Visabeira is present in 16 countries, including France, Germany, Belgium, Spain, Denmark,

Italy, United Kingdom, Angola and Mozambique, marketing services and products in 94 countries. In 2018, 53% of the business volume came from Europe, 32% from Portugal and 15% from Africa, America and Asia.

Grupo Visabeira holds a 94.1% of VAA – 3.6% directly and 90.5% via Visabeira Indústria, which is 100% owned by Grupo Visabeira.

Grupo Visabeira continued to exceed historical highs in 2018 in the main economic indicators, ending the year with a consolidated turnover of 745 million euros, a 16.8% increase over the previous year, and an EBITDA of 142 million euros, an increase of 14.8% over the same period a year earlier.

Exhibit 13: Evolution of Turnover and EBITDA

€M	2017	2018
Turnover	638	745
EBITDA	124	142
EBITDA margin (%)	*19.4%*	*19.1%*

Source: Grupo Visabeira audited Consolidated Accounts as of 31 December 2018

As of 31 December 2018, Grupo Visabeira generated €142M of EBITDA with a financial net debt of €663M which implies 4.7x Net Debt / EBITDA, should we exclude debt related to real estate assets which do not generate any EBITDA leverage ratio would be 3.8x.

As of 31 December 2018, VAA represented 14% of the business volume of Grupo Visabeira.

D. Main shareholders of the Issuer

As of 31 December 2018, the capital of the Issuer is EUR 121,927,316.80 fully subscribed and paid-up, represented by 152,409,146 ordinary shares with the nominal value of EUR 0.80 (eighty cents) euros each. These shares are admitted to trading on Euronext Lisbon.

As of 31 December 2018, the entities that held a qualifying holding in VAA were the following:

Shareholder	Shares	
	No of shares	% voting rights
Grupo Visabeira, SGPS, SA		
Directly (Proprietary protfolio)	5,548,417	3.64%
Through Visabeira Indústria, SGPS, SA	137,937,896	90.50%
Total attributable to Grupo Visabeira, SGPS, SA	*143,486,313*	94.15%
Caixa Geral de Depósitos, SA:		
Directly (Proprietary protfolio)	4,188,830	2.75%
Through FCR Grupo CGD CAPITAL	987,364	0.65%
Total attributable to Caixa Geral Depósitos, SA	*5,176,194*	3.40%
Free Float	3,746,530	2.46%
Sub-totals	**152,409,036**	**100.00%**
Treasury shares	110	0.00%
Vista Alegre Atlantis total shares	**152,409,146**	**100.00%**

E. Management Team

Currently, the following persons exercise functions as members of the Board of Directors of the Issuer:

Nuno Miguel Rodrigues Terras Marques, Chairman

- 20 years of experience
- Degree in Electrotechnical Engineering
- Master in Business Administration
- Specialization in Management Control & Performance Evaluation
- Previously CEO of Visabeira Global and Managing Director at Constructel France and Constructel Belgique

Paulo Jorge Lourenço Pires, Vice-Chairman and CEO

- 23 years of experience
- Responsibility: Operations manager
- Works for VAA since 1997
- Previously General Ceramic Production Manager for Ria Stone
- Previously worked at General Electric – Continuous Improvement Manager
- Degree in Manufacturing Engineering

- Advanced Management Program for Executives

Paulo José Antunes Soares, Executive Board Member

- 21 years of experience
- Responsibility: Head of International Sales & Expansion
- Previously VAA Commercial Director responsible for the Retail, Horeca and B2B channels
- Previously Commercial Director at Cristal de Sèvres
- Previously Export Sales Director at Crisal
- Degree in Business, Specialization in Marketing

Nuno José Antunes Barra, Executive Board Member

- 21 years of experience
- Responsibility: Marketing & Design management
- Previously CMO at Visabeira Group
- Prior to that, worked as consultant at KPMG and PwC
- Degree in Economics, MBA with Marketing and international business specialization

Teodorico Figueiredo Pais, Executive Board Member

- 27 years of experience
- Responsibility: Porcelain and Cristal Operational Manager
- Works for VAA since 1995
- Degree in Ceramics and Glass Engineer
- MBA in Business and Administration

Alexandra da Conceição Lopes, Executive Board Member

- 19 years of experience
- Responsibility: Financial, Accounting, Tax, Legal and HR management
- Works for VAA since 2013
- Works for Visabeira Group since 1999
- Previously Manager for Operational Efficiency and Cost Reduction

- Degree in Economics
- Post-graduation in Management

Alda Alexandra Abrantes Costa, Executive Board Member

- 27 years of experience
- Responsibility: Internal audit, Process improvement
- Works for VAA since 1994
- Previously Financial Manager
- Degree in Business Organisation and Management, MBA

João Manuel Pisco de Castro, Non-Executive Board Member

- 43 years of experience
- Works for VAA since 2014 (Vice Chairman of VAA Board of Directors for the year from 2014 to 2018).
- Works for Visabeira Group since 1989.
- Director of Beiragás, S.A. (2000-2003); Director's Advisor (1995-2000); Director-delegate in the Azores (1993-1995); Regional Director of Lisbon (1989-1993). Working for Telefones de Lisboa e Porto (TLP) (1985-1989) he was responsible for the Repartição do Centro de Exploração de Carcavelos; and responsible for the Direção de Produção (1983-1985).
- Teacher at Escola Salesiana do Estoril (1981-1983); managing partner and teacher at Externato das Neves, Viana do Castelo (1977-1981); teacher at the Externato do Forte, Vila Nova de Cerveira, 1976.
- Master's Degree in Business Management (MBA) and degree in Electrical Engineering, Telecommunications and Electronics.

Nuno Maria Pinto de Magalhães Fernandes Thomaz, Non-Executive Board Member

- Began his professional career as a Broker of BVL in Pedro Caldeira – Sociedade Corretora, S.A.. He also worked as sales trader at BCI (Grupo Santander), Sales and Negotiation Director of Carnegie Portugal and was responsible for the capital markets of South Europe in Carnegie London.
- Worked in the Grupo Finibanco, Banco de Negócios Argentaria and was Vice-Chairman in the

Banif Ascor, Founder and Director of Banif Investment Bank.

- Between 2004 and 2005 was Secretary of State for Maritime Affairs. Between 2005 and 2006 was CEO of Orey Financial and in 2007 assumed the leadership of ASK (financial boutique) of which he was co-founder and CEO. In 2011, he was appointed by the Government to the Working Group on Economic Diplomacy.
- Between 2011 and 2016 served as member of the Board and Vice-Chairman of the Executive Committee of Caixa Geral de Depósitos.
- Director of SOGEPOC SGPS, S.A., Senior Partner of Core Capital – Sociedade Capital de Risco, S.A., Chairman of Centromarca – Associação Portuguesa de Empresas de Produtos de Marca, Corporate Director of NAU Securities.
- Business Administration and Management and postgraduate course from Harvard Business School, being registered in the Securities and Futures Authority.

Jorge Paulo Sacadura Almeida Coelho, Non-Executive Board Member

- Works for VAA since 2018.
- Managing Partner of Horizone, Lda., Managing Partner of Green Horizone, Lda., Managing Partner of Sociedade Agro-Industrial Terras de Azurara, Lda., Chairman of the Strategic Advisory Board of the Mota-Engil Group, Member of the Supervisory Board of Mota-Engil Angola, Member of the Advisory Board of AICEP, Member of the Advisory Board of Banco de Investimento Global (BIG), Chairman of the General Shareholders Meeting of Mota-Engil Indústria e Inovação, Chairman of the General Shareholders Meeting of AIRV (Business Association of the Viseu Region), President of the Strategic Business Council of Sintra, and a member of the Board of the Higher Institute of Economics and Management.
- Member of the Portuguese parliament and President of the Oeiras municipal parliament in the legislatures of 1991-1995 and 2001-2006. He was a Deputy Minister of the Portuguese Government (1995-1997). Between 1997 and 1999, he held the positions of Minister of the Presidency and Internal Affairs of the Portuguese Government, and member of the Supreme Council of National Defence and of the Supreme Council of Internal Security.
- Between 1999 and 2001, held the positions of Minister of State and Social Infrastructure of the Portuguese Government, President of the European Conference of Ministers of Transport, and President of the Council of Ministers of Transport during the Portuguese Presidency of the

European Union. Mr. Coelho was a member of the Council of State between 2005 and 2008.

- Holds a degree in Business Organisation and Management from the Higher Institute of Economics and Management (1983).

Cristina Isabel Sousa Lopes, Non-Executive Board Member

- Works for VAA since 2018.
- Works for Visabeira Group since 2007 (currently Director of Palácio do Gelo Shopping and is in charge of the Collection and Litigation Departments).
- Degree in Business Management from the Viseu School of Technology – Polytechnic Institute of Viseu (2007).

F. Organizational structure of the Group

In August 2018 VAA completed the acquisition of Cerutil and indirectly of Bordalo Pinheiro (through Bordalgest, which is wholly owned by Cerutil and which, in turn, has an 83.99% stake in Bordalo Pinheiro), as well as the sale of VA Grupo. The acquisition of Cerutil and Bordalo Pinheiro from Visabeira Indústria took place in exchange of the Group's non-operational real estate assets (VA Grupo Vista Alegre Participações, SA) and a €26.9M shareholder loan as a deferred payment.

On 28 September 2018 there was a share capital increase in the amount of EUR 1,400,000 in which Bordalgest increased its shareholding in Bordalo Pinheiro from 83.99% to 86.14%. This share capital increase was made to finance the ongoing investment and the increase of capacity of the plant.

These transactions aimed to concentrate all the stakes in the ceramics sector in VAA and enhance the Company's positioning in the context of the sector and competing companies, giving VAA greater size, to diversify and to allow for the exploitation of the centennial "Bordallo Pinheiro" brand. Cerutil and Bordalo Pinheiro contributed with €3.1M EBITDA to Pro Forma FY2018 VAA's consolidated accounts. (accounts as if Cerutil and Bordalo Pinheiro had been acquired by the Group as of 1 January 2018 and the sale of VA Grupo had occurred at the same date).

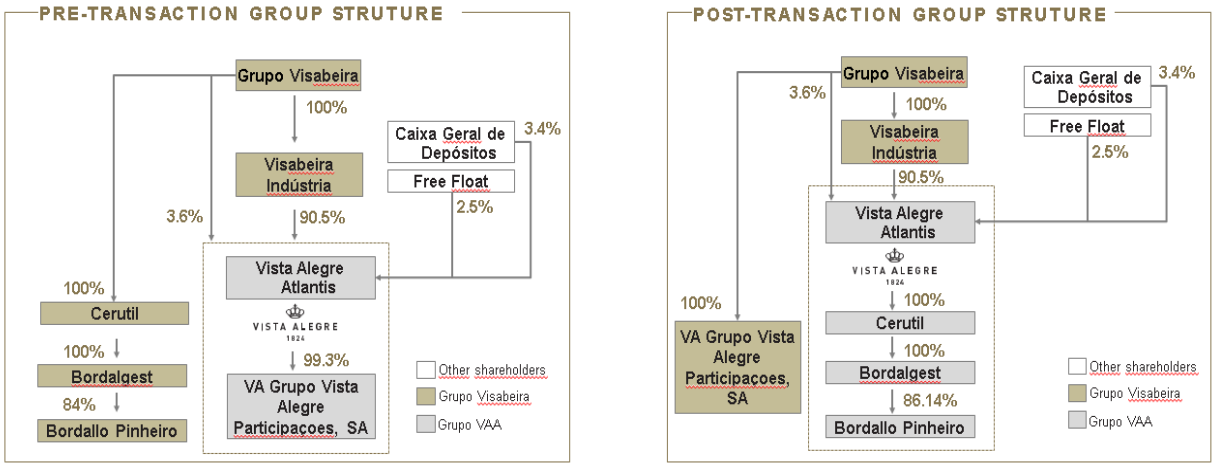


Exhibit 14: Pre and Post-transaction Group Structure

G. Industry and activity of the Group

Vista Alegre is best known for its luxury porcelain and lead crystal products. However, the Company produces, through 6 factories in Portugal, a wide range of products that are differentiated by their unique design and build quality.

VAA is present in the following business lines:

- Porcelain
- Stoneware Tableware
- Stoneware Oven-to-Tableware
- Earthenware
- Crystal and Glass

In 2018, VAA Group had €106M of Pro-Forma sales and €20.5M of Pro-Forma EBITDA, making the Group the sixth largest ceramic producer globally by sales and third by EBITDA.

	Porcelain	Stoneware / Oven-to-Tableware	Stoneware / Tableware	Crystal & Glass	Earthenware
€105.6M Sales	€45.9M	€20.9M	€18.5M	€12.7M	€7.6M
€20.5M EBITDA	€9.1M	€2.6M	€6.5M	€0.6M	€1.7M

Source: Unaudited Pro-Forma figures prepared by reference to audited FY2018. The Pro-Forma assumes Cerutil and Bordalo Pinheiro as part of the VAA Group perimeter from 1 January 2018, as well as the sale of VA Grupo at the same date

Exhibit 15: Contribution to 2018 Turnover and EBITDA and EBITDA Margin

	Turnover	EBITDA	EBITDA Margin
Porcelain	44%	44%	20%
Stoneware Tableware	17%	32%	35%
Stoneware Oven-to-Tableware	20%	13%	12%
Earthenware	7%	8%	23%
Crystal and Glass	12%	3%	5%

Source: Unaudited Pro-Forma figures prepared by reference to audited FY2018. The Pro-Forma assumes Cerutil and Bordalo Pinheiro as part of the VAA Group perimeter from 1 January 2018, as well as the sale of VA Grupo at the same date

BUSINESS AREAS

Porcelain

The porcelain business area includes the domestic/decorative sub-segments intended primarily for the home, both for table and decoration, and the hotel sub-segment for the catering industry.

All of these sub-segments are extremely competitive, with VAA's main competitors being large European groups of the medium and medium-high ranges. In the mid-low segment, VAA competes with Asian producers that in recent years have been placing large quantities of products at very low prices in the European and United States markets.

The Vista Alegre brand enjoys high national and international recognition and is considered a prestigious porcelain brand, as a result of its global scale and geographically diversified profile and the several prizes and awards it has received. Its porcelain factory is considered one of the most advanced and best equipped in the industry.

There are also Vista Alegre brand objects in several museums around the world, including the National Museum of Ancient Art, the Espírito Santo Silva Foundation Museum, the Victoria and Albert Museum (London) and the Metropolitan Museum of Art (New York), in addition to the Vista Alegre Museum itself.

Vista Alegre porcelain articles are made from high-quality raw materials, possessing glazes with excellent whiteness, translucency and resistance. The quality of the products of this segment is continuously monitored and tested throughout the production process, and laboratory tests are

performed to gauge mechanical resistance, washing, glazing wear, metal marking and abrasion to ensure the quality of the products. Similarly, innovation and research and technological development projects are undertaken internally to enable the best techniques to be developed to improve the quality of the articles and their materials.

VAA produces its porcelain products at the Ílhavo plant, which covers 37,370m² and has an installed capacity of 12,500,000 articles/year.

VAA has been investing in the exploitation of new market segments, namely in the horeca and promotional channels, in Portugal and Spain.

In the mid-low segment, VAA markets porcelain products under the EMA brand.

Porcelain represents approximately 44% of VAA's Group sales and 44% of VAA's EBITDA as of 31 December 2018 according to the unaudited Pro-Forma Financial Information prepared with reference to 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Grupo perimeter as of 1 January 2018. EBITDA margin of Porcelain in the same period was 20%.

Portugal is still the main geographic market for the porcelain business area, representing around 45% of the consolidated turnover as of 31 December 2018 unaudited Pro-Forma figures (compared to 55% on 31 December 2017 statutory accounts), followed by Netherlands with 14% at 31 December 2018 unaudited Pro-Forma figures (compared to less than 1% on 31 December 2017 statutory accounts), and Spain with 10% at 31 December 2018 unaudited Pro-Forma figures (compared to 14% on 31 December 2017 statutory accounts), where VAA stands out due to its two own brand stores. It is also present in the territory through its El Corte Inglés shops.

Crystal and Glass

VAA operates in the production and marketing of (handmade and semi-automatic) Crystal and Glass articles under the Atlantis brand and outsourced customer brands.

The manufacturing facilities are in Alcobaça, in a factory complex covering 17,580m² and an annual installed capacity of 1,500,000 articles, where Crystal and Glass have been manufactured since 1970. The crystal produced stands out for being of superior lead with a strong handmade component, using the mould and the blowing tube.

Although the production of crystal is currently carried out in an electric furnace that allows the production of molten crystal with a high degree of purity and quality, the production process continues to use blowing techniques and a strong crafting component.

The use of labour with high know-how, a demanding control process and a focus on design have ensured the high quality of Vista Alegre products and their positioning in the highest value segment on the market.

The development of this business area has been based on design, with the objective of following the market trends and renewing the catalogue with articles in a contemporary style through the contribution of Portuguese and foreign designers. Likewise, the association with luxury brands allows the development of articles with higher added value and a greater technical component, which serve as inspiration for the manufacture of new articles with bolder designs, once the manufacturing techniques are mastered.

From June 2016, VAA began to market all its products under the Vista Alegre brand, although there are still Atlantis branded and packaged products in circulation. It also trades under the Casa Alegre brand, which likewise belongs to VAA.

It should be noted that, since 2003, the Alcobaça factory has produced crystal under the Sèvres brand. Due to the difficulty of applying crystal to everyday uses and the appearance of alternative products with much lower prices, such as high-quality automatic and coloured crystal and high-quality automatic glass, the sales and provision of services for handmade crystal have declined in Europe and the United States of America. Vista Alegre is developing automated processes of production, facilitating the entry into the segment of luxury products, with greater added value and technical accuracy, namely perfumery and premium bottles.

In Portugal, the continuous and rapid reduction of sales and provision of services for handmade crystal has forced VAA to redefine its industrial policy in this business area, focusing more on partnerships with renowned international brands (Remy Martin, Martell, Havana Club and Hennessy). Similarly, and keeping the handmade component that gives it the added-value and prestige for which it is nowadays recognized, VAA has tried to innovate in its manufacturing processes to achieve greater flexibility in the Crystal and Glass segment, in terms of the design across the whole range of articles that the Company markets.

In this sense, the flexibility on production delivering to other brands and a greater reach to new market segments, namely the luxury crystal container segment, has led the business to a greater importance in the turnover mix and efficiency, boosting exports and improving profitability through greater use of the available industrial capacity.

At the productive level, the project for reconstructing the crystal kiln (oven) channels, started at the

end of 2009, stands out. This allowed a significant improvement in usage levels for crystal products. Likewise, between 2011 and 2013, significant investments (CAPEX) were also made in manual glass, in addition to crystal, financed under QREN - Incentive System Qualification and Internationalisation of SMEs, with emphasis on the purchase of new equipment to improve the application of fine materials (such as gold) in crystal articles, with a positive and immediate impact on business profits.

This segment represents approximately 12% of VAA's Group sales and services and 3% EBITDA on 31 December 2018 according to the unaudited Pro-Forma Financial Information prepared with reference to 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Group perimeter as of 1 January 2018. EBITDA margin of Crystal and Glass in the same period was 5%.

According to unaudited Pro-Forma 2018 figures, the Portuguese market accounted for around 42% of VAA 's total consolidated sales and services of Crystal and Glass products. It is also relevant that the French market stood at 35%, and the Spanish at 6% (which compares with 44%, 29% and 8% respectively in each of these markets on 31 December 2017 statutory figures).

Stoneware / Oven-to-Tableware

VAA's oven stoneware is produced at a factory located in Taboeira (Aveiro) and, through the acquisition of Cerutil, it also produces in a production unit in Sátão (Viseu).

From its beginnings, VAA has manufactured oven stoneware pieces at the Taboeira factory. Site accounts 13,360m² with an installed capacity of 5,500,000 articles/year. This sub-segment has high levels of competitiveness. However, VAA maintains stable sales and a provision of services in this highly competitive segment, leveraged on its product quality levels, brand prestige, and a maintenance of good customer relationships as well as market knowledge.

Cerutil owns a manufacturing unit in Sátão, with over 13,000 m² of production area, in an optimized layout that represents a national reference in the manufacture of table and oven stoneware. Using the most advanced technologies, Cerutil produces for several international markets: France, England, Germany, Italy and the United States.

VAA's stoneware production manufacturing processes are based on a single-firing, emphasizing the saving of energy resources while ensuring the quality of products.

Among the external markets, the sales and services for European markets should be especially noted, with special relevance to Germany (where such sales and services reached 24% according to unaudited Pro-Forma 2018 figures and 59% according to statutory 2017 figures) and the Netherlands (where such sales and services reach 15% according to unaudited Pro-Forma 2018 figures and 4%

according to statutory 2017 figures).

This segment represents about 20% of VAA's Group sales and services and 13% EBITDA at 31 December 2018 according to the unaudited Pro-Forma Financial Information prepared with reference to 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Group perimeter as of 1 January 2018. EBITDA margin of Stoneware / Oven-to-Tableware in the same period was 12%.

Furthermore, since table stoneware is on the rise in households and in hotels in several markets, the beginning of production of these articles in this segment was justified. Thus, since the beginning of 2017, it is worth mentioning the entrance of Taboeira factory into the tableware segment with stoneware articles for the table and not just the oven.

The major customers of the articles produced at the Taboeira factory are IKEA, the German companies Zwilling and Brand Loyalty and the British company TCC.

As a consequence of the guidelines implemented by Visabeira and, being innovation one of the main drivers of change across all companies' industrial processes, the company was successful on the stoneware processing by means of innovation and thus, achieving lower production costs, improving flexibility on production and quality in end-product (i.e. Study of the use of coloured pastes and transparent glazing, providing more attractive colours, higher strength and durability). This project, still under development, is funded under the Portugal 2020 community funds project.

Stoneware / Tableware

VAA's table stoneware is produced at a factory located on the Mota Industrial Estate (Ílhavo).

VAA set up the Ria Stone company, which, starting in 2014, began the production and sale of pieces of table stoneware intended for one specific customer, IKEA. Ria Stone is installed in an area of 40,000 m² in a building of 16,000 m² and has a production capacity of 30,000.000 articles per year.

Ria Stone is one of the consequences from the measures undertaken by Visabeira, in line with achieving more innovative production techniques, large contracted and stable revenues, boosting the international diversification of the company by selling more than 90% of its production to international markets.

More recently in 2018 and 2019, VAA expanded Ria Stone's plant proved its success by means of a further 10.000 m² size/increase to accommodate an extension and increase of contracted sales with large counterparties, through long-term contracts in production capacity to 18,500,000 articles a year, with a total plant area of about 27,700 m².

The sole customer of this business line is IKEA, which allows direct export to countries such as Germany, Spain, France, Italy, United Kingdom and Sweden.

According to 2018 unaudited Pro-Forma accounts, over 97% of the consolidated production in this segment was meant for external markets. The main market in this segment was Italy, accounting for 25% of sales and services, followed by the French market with 25%, the Spanish market with 21%, and the German market with 15% (compared to 22%, 24%, 20% and 17%, respectively, on 31 December 2017 statutory accounts).

This segment accounts for approximately 17% of VAA's sales and services and 32% EBITDA at 31 December 2018 according to the unaudited Pro-Forma Financial Information prepared with reference to 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Group perimeter as of 1 January 2018. The EBITDA margin of Stoneware / Tableware in the same period was 35%, representing the business line with the highest EBITDA margin.

Earthenware

VAA made the earthenware (tableware, giftware and special editions) into an autonomous business area with the incorporation of Bordalo Pinheiro on 31 August 2018, with 60% of consolidated sales and services in the Portuguese market, as of 31 December 2018, according to the (unaudited) Pro-Forma Financial Information prepared with reference to 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the perimeter as of 1 January 2018.

The earthenware is produced by Bordalo Pinheiro, a company with a strong notoriety that incorporates the creativity and critical thinking of its founder Raphael Bordallo Pinheiro and adopts a modern business approach, playing a fundamental role in relaunching Portuguese ceramics.

This new segment represents 7% of VAA’s total consolidated sales and services and 8% EBITDA as of 31 December 2018 according to the (unaudited) Pro-Forma Financial Information prepared respectively on 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Group perimeter as of 1 January 2018. EBITDA margin of Earthenware in the same period was 23%.

VAA now also owns production units in Portugal located in Caldas da Rainha and Aradas in this business area.

Real Estate

Regarding “Real Estate”, and as a result of the sale of the subsidiary VA Grupo, this segment no longer has any relevance in the VAA Group‘s activity.

Multichannel Distribution

VAA counts with a diversified multichannel distribution, selling 57% with Own Brand (45% through Retail and 12% to Horeca) and 43% with Private Label to key clients according to the unaudited Pro-Forma Financial Information prepared respectively on 31 December 2018 as if Cerutil and Bordalo Pinheiro were part of the VAA Group perimeter as of 1 January 2018.

- Retail channel comprises a network of 46 own stores (32 in Portugal), penetration of multi-brand specialty and department stores (i.e. corners in El Corte Inglés) and the eCommerce channel. Outside Portugal, the largest retail presence is in Brazil with a flagship store and 250 points of sale in premium multi-brand locations. In Spain, there are two stores and 41 multi-brand points of sale.
- The Private Label channel offers a "contracted" line of revenues with high visibility involving quality clients such as IKEA, Hennessy and Rémy Martin. Stoneware Tableware activity is focused on Private Label with an EBITDA margin of 35%.
- Horeca channel includes hotels, restaurants and cafes. This one serves primarily for Porcelain products, but Stoneware Oven-to-Tableware and some Crystal & Glass are also sold through this channel. The Company recently signed a three-year deal for porcelain to supply Club Med with tableware for 40 resorts located across 26 countries. Additionally, VAA is working on expanding Earthenware into this channel.

The Table and Ornamental Ceramic Industry

The table and ornamental ceramic market is expected to grow around 6.6% CAGR until 2021 whereas production in Europe is expected to grow at approximately 1.4% per year until 2020. This growth is expected to be accompanied by more complex and demanding customer preferences[9].

The USA is the main importer of such products with 45% of global imports (2016), while China is the lead exporter with 58%. Portugal has increased its exports at around 12% per year from 2012 to 2016.

Demand has increased most noticeable for home decoration and giftware products. The increase of tourism also represents an increasing demand in the hotelware tableware products.

Consumers are more willing to follow recent and ever-changing trends for interior design and to purchase unique pieces. Consumers' preferences have shifted towards more sophisticated products

[9] Source: Technavio, Global Ceramics Market: 2017-2021

in terms of design. Top design is a “must have” to compete against the price focused companies and countries.

H. Financial information of the Issuer and the Guarantors

Below is a summary of the information contained in the audited individual and consolidated income statement and statement of financial position of the Issuer and in the audited annual income statement and statement of financial position of the Guarantors for the financial years ended on 31 December 2017 and 31 December 2018, including a summary of consolidated financial statements of results by nature of the Issuer for the six months period ended on 30 June 2019:

Issuer

Consolidated Financial Statements of Results by Nature for the years ended on 31 December 2018 and 2017

T €

Headings	31-12-2018	31-12-2017
Sales and services provided	99,022	84,981
Cost of goods sold and material cosumed	-31,254	-26,068
Production variation	39	-447
Gross margin	**67,807**	**58,466**
Works for the company itself	2,555	1,148
External supplies and services	-21,902	-17,292
Personnel costs	-33,505	-28,995
Amortizations	-6,460	-6,414
Impairments	-3	-163
Provisions for the financial year	-20	372
Other operating expenses and losses	-1,415	-1,908
Impairment of non-repayable	-25	-54
Fair value increase/(decrease)	4	375
Other profit and operating income	4,293	2,168
Oerating income	**11,328**	**7,701**
Interest and similar expenses incurred	-2,542	-3,078
Interest and similar income obtained	8	22
Financial results	**-2,535**	**-3,056**
Income before taxes	**8,794**	**4,645**
Income tax	-1,568	-428
Net income for the financial year	**7,225**	**4,218**
Attributable:		
Shareholders	7,276	4,258
Non-controlling interests	-51	-40
Basic earnings per share (€)	**0.0474**	**0.0036**
Diluted earnings per share (€)	**0.0474**	**0.0036**

Consolidated Financial Statements of Results by Nature for the years ended on 31 December 2018 – Pro-forma (Unaudited)

T €

Headings	31-12-2018
Sales and services provided	105,591
Cost of goods sold and material cosumed	-31,079
Production variation	97
Gross margin	**74,609**
Works for the company itself	2,851
External supplies and services	-22,885
Personnel costs	-37,604
Amortizations	-6,822
Impairments	-455
Provisions for the financial year	-20
Other operating expenses and losses	-1,460
Impairment of non-repayable	-25
Fair value increase/(decrease)	4
Other profit and operating income	4,420
Oerating income	**12,612**
Interest and similar expenses incurred	-1,978
Interest and similar income obtained	699
Financial results	**-1,280**
Income before taxes	**11,332**
Income tax	-2,178
Net income for the financial year	**9,154**

Consolidated Financial Position – 31 December 2018 and 2017

	T €	
	31-12-2018	31-12-2017
ASSETS		
Non-current assets		
Tangible fixed assets	127,299	89,715
Goodwill	4,711	4,711
Investment properties	1,439	19,013
Intangible fixed assets	1,631	1,403
Financial investments	182	172
Deferred taxes	5,535	4,941
Total non-current assets	**140,796**	**119,955**
Current assets		
Inventories	36,610	33,531
Accounts receivable and other	21,734	18,901
State and other public entities	2,573	629
Cash and bank deposits	11,145	4,800
Total current assets	**72,061**	**57,861**
TOTAL ASSETS	212,857	177,816
EQUITY		
Share capital	121,927	121,927
Treasury shares	-2	-2
Issue premiums	22,065	22,065
Other equity	38,182	38,182
Reserves and retained earnings	-139,938	-104,104
Net income for the financial year	7,276	4,258
Equity excluding non-controling interests	**49,510**	**82,326**
Non-controling interests	780	271
Total equity	**50,290**	**82,598**
LIABILITIES		
Non-current liabilities		
Long term bank loans	28,837	21,799
Long term shareholder loans	26,917	370
Subsídies	5,548	3,779
Provisions	238	369
Provisions for pensions	1,360	1,465
Deferred taxes	9,240	12,216
Total non-current liabilities	**72,139**	**39,997**
Current liabilities		
Short term bank loans	38,961	24,209
Accounts payable and other	48,703	29,325
State and other public entities	2,764	1,688
Total current liabilities	**90,428**	**55,221**
Total liabilities	**162,568**	**95,219**
TOTAL EQUITY AND LIABILITIES	212,857	177,816

Consolidated Financial Statements of Results by Nature for the six months period ended on 30 June 2019 (Unaudited)

T €

Headings	30-06-2019
Sales and services provided	57,428
Cost of goods sold and material cosumed	-20,767
Production variation	4,413
Gross margin	**41,074**
Works for the company itself	1,028
External supplies and services	-9,676
Personnel costs	-21,212
Amortizations	-5,415
Impairments	12
Provisions for the financial year	0
Other operating expenses and losses	-949
Impairment of non-repayable	0
Fair value increase/(decrease)	1
Other profit and operating income	1,281
Oerating income	**6,144**
Interest and similar expenses incurred	-1,947
Interest and similar income obtained	5
Financial results	**-1,942**
Income before taxes	**4,201**
Income tax	-519
Net income for the financial year	**3,682**
Attributable:	
Shareholders	3,606
Non-controlling interests	76
Basic earnings per share (€)	**0.0242**
Diluted earnings per share (€)	**0.0242**

Individual Financial Statements of Results by Nature for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
Services provided	720,000	720,000
Sales and services provided	**720,000**	**720,000**
External supplies and services	-1,894,091	-172,480
Personnel costs	-495,878	-387,966
Amortizations	-13,934	-2,373
Provisions for the financial year	129,416	200,937
Other operating expenses and losses	-77,811	-33,874
Impairment of non-repayable	-26,679	79,437
Other profit and operating income	18,263,664	3,533
Oerating income	**16,604,687**	**407,213**
Financial results	**-240,587**	**-334,608**
Income before taxes	**16,364,100**	**72,605**
Income tax	97,628	308,771
Net income for the financial year	**16,461,728**	**381,376**
Shares number	152,409,036	1,524,091,353
Basic earnings per share (€)	**0.1080**	**0.0003**
Diluted earnings per share (€)	**0.1080**	**0.0003**

Individual Financial Position – 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Tangible fixed assets	188,023	90,974
Financial investments in subsidiaries	181,394,900	137,383,464
Financial investments - others	109,945	136,625
Deferred taxes	165,851	215,298
Total non-current assets	**181,858,719**	**137,826,361**
Current assets		
Inventories		
Accounts receivable and other	28,365,851	24,089,706
State and other public entities	60,168	2,350
Cash and bank deposits	1,658,032	102,367
Total current assets	**30,084,051**	**24,194,423**
TOTAL ASSETS	211,942,770	162,020,784
EQUITY		
Share capital	121,927,317	121,927,317
Treasury shares	-1,854	-1,854
Issue premiums	22,064,591	22,064,591
Other equity	38,181,653	38,181,653
Reserves and retained earnings	-36,585,706	-36,967,082
Net income for the financial year	16,461,728	381,376
Equity excluding non-controling interests	**162,047,730**	**145,586,002**
Non-controling interests		
Total equity	**162,047,730**	**145,586,002**
LIABILITIES		
Non-current liabilities		
Long term bank loans	579,340	0
Long term shareholder loans	26,916,822	0
Provisions	737,116	956,878
Total non-current liabilities	**28,233,278**	**956,878**
Current liabilities		
Short term bank loans	1,016,630	1,000,000
Accounts payable and other	20,622,208	14,413,389
State and other public entities	22,923	64,515
Total current liabilities	**21,661,762**	**15,477,904**
Total liabilities	**49,895,040**	**16,434,782**
TOTAL EQUITY AND LIABILITIES	211,942,770	162,020,784

Guarantors

Financial Statements of Results by Nature of Bordalgest for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
External supplies and services	-8,230	-7,769
Other operating expenses and losses	-226	-202
Other profit and operating income	0	5,675
Oerating income	**-8,456**	**-2,296**
Interest and similar expenses incurred	-16,868	-317
Interest and similar income obtained	10,915	45,491
Financial results	**-5,953**	**45,174**
Income before taxes	**-14,408**	**42,878**
Income tax	0	-9,004
Net income for the financial year	**-14,408**	**33,874**
Shares number	200,000	200,000
Earnings per share	-0.07	0.17

Financial Position of Bordalgest as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Financial investments in subsidiaries	2,975,062	1,713,856
Total non-current assets	**2,975,062**	**1,713,856**
Current assets		
Accounts receivable and other	903,158	242,626
Shareholder loans	0	591,137
State and other public entities	16,541	16,541
Cash and bank deposits	969	947
Total current assets	**920,668**	**851,251**
TOTAL ASSETS	3,895,730	2,565,107
EQUITY		
Share capital	1,000,000	1,000,000
Legal reserves	19,751	18,057
Retained earnings	372,680	340,500
Net income for the financial year	-14,408	33,874
Total equity	**1,378,023**	**1,392,432**
LIABILITIES		
Non-current liabilities		
Long term bank loans	378,458	756,917
Total non-current liabilities	**378,458**	**756,917**
Current liabilities		
Short term bank loans	378,458	378,458
Short term shareholder loans	1,752,795	0
Suppliers	5,535	24,650
Accounts payable and other	2,460	3,646
State and other public entities	0	9,004
Total current liabilities	**2,139,249**	**415,758**
Total liabilities	**2,517,707**	**1,172,675**
TOTAL EQUITY AND LIABILITIES	3,895,730	2,565,107

Financial Statements of Results by Nature of Cerexport for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
External supplies and services	-1,925	-1,803
Amortizations	-174,567	-3,618,927
Other operating expenses and losses	-20,205	-21,853
Other profit and operating income	221,090	220,990
Oerating income	**24,392**	**-3,421,593**
Interest and similar expenses incurred	-18,367	-17,600
Financial results	**-18,367**	**-17,600**
Income before taxes	**6,025**	**-3,439,193**
Income tax	-1,585	-530
Net income for the financial year	**4,440**	**-3,439,723**
Attributable:		
Shareholders	4,440	-3,439,723
Basic earnings per share (€)	**0.0172**	**-13.3323**
Diluted earnings per share (€)	**0.0172**	**-13.3323**

Financial Position of Cerexport as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Investment properties	3,634,264	3,808,832
Total non-current assets	**3,634,264**	**3,808,832**
Current assets		
Accounts receivable and other	113,291	562,285
State and other public entities	0	1,000
Cash and bank deposits	8,617	5,537
Total current assets	**121,909**	**568,822**
TOTAL ASSETS	3,756,173	4,377,654
EQUITY		
Share capital	1,290,000	1,290,000
Reserves and retained earnings	-386,416	3,053,307
Net income for the financial year	4,440	-3,439,723
Total equity	**908,023**	**903,585**
LIABILITIES		
Non-current liabilities		
Provisions	1,648,712	1,648,712
Deferred taxes	683,565	712,488
Total non-current liabilities	**2,332,276**	**2,361,199**
Current liabilities		
Short term shareholder loans	436,345	640,000
Accounts payable and other	66,813	460,226
State and other public entities	12,715	12,645
Total current liabilities	**515,873**	**1,112,871**
Total liabilities	**2,848,149**	**3,474,070**
TOTAL EQUITY AND LIABILITIES	3,756,173	4,377,654

Financial Statements of Results by Nature of Cerutil for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
Sales and Services provided	10,483,853	7,330,131
Cost of goods sold and material cosumed	-4,995,673	-2,690,506
Production variation	-33,896	153,219
Sales and services provided	**5,454,284**	**4,792,844**
Works for the company itself	248,006	0
Subsidies	116	0
Income with associated companies	0	174,167,280
External supplies and services	-1,170,654	-941,575
Personnel costs	-2,977,165	-2,609,635
Amortizations	-256,521	-307,446
Impairment of stock	-282,896	-37,704
Impairment of other debtors	15,200	660
Other operating expenses and losses	-265,859	-188,000
Other profit and operating income	252,478	38,047
Oerating income	**1,016,988**	**174,914,472**
Interest and similar expenses incurred	-380,764	-639,606
Interest and similar income obtained	1,931,229	1,328,368
Financial results	**1,550,466**	**688,762**
Income before taxes	**2,567,454**	**175,603,233**
Income tax	-346,344	-13,207,864
Net income for the financial year	**2,221,110**	**162,395,369**
Attributable:		
Shares number	600,000	2,230,000
Earnings per shares	3.70	72.82

Financial Position of Cerutil as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Tangible fixed assets	5,947,475	2,251,335
Financial investments in subsidiaries	1,075,957	1,075,657
Deferred taxes	278,439	11,820
Total non-current assets	**7,301,871**	**3,338,812**
Current assets		
Inventories	1,252,388	1,577,888
Clients	3,014,809	1,633,127
Related parties loans	0	3,434,010
Shareholders loans	7,220,736	135,830,924
Accounts receivable and other	724,571	1,394,355
Deferrals	50,577	44,377
State and other public entities	228,648	132,508
Cash and bank deposits	587,443	89,107
Total current assets	**13,079,172**	**144,136,297**
TOTAL ASSETS	20,381,043	147,475,109
EQUITY		
Share capital	3,000,000	11,150,000
Legal reserves	600,000	260,104
Other reserves	673,148	709,851
Revaluation surpluses	1,242,404	0
Reserves and retained earnings	170,446	5,243,075
Net income for the financial year	2,221,110	162,395,369
Early dividends	0	-81,000,000
Total equity	**7,907,108**	**98,758,400**
LIABILITIES		
Non-current liabilities		
Long term bank loans	133,802	25,694,299
Other non-current creditors	159,986	319,971
Deferred taxes	516,515	165,608
Total non-current liabilities	**810,302**	**26,179,878**
Current liabilities		
Short term bank loans	4,132,035	2,715,997
Short term shareholder loans	901,813	2,657,048
Suppliers	4,013,003	1,788,043
Accounts payable and other	2,442,692	15,149,585
Deferrals	106,164	157,566
State and other public entities	67,926	68,592
Total current liabilities	**11,663,632**	**22,536,831**
Total liabilities	**12,473,935**	**48,716,709**
TOTAL EQUITY AND LIABILITIES	20,381,043	147,475,109

Financial Statements of Results by Nature of Faianças Artísticas Bordalo Pinheiro for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
Sales and Services provided	6,430,789	6,087,094
Cost of goods sold and material cosumed	-1,020,205	-871,207
Production variation	-382,005	-163,570
Sales and services provided	**5,028,579**	**5,052,317**
Works for the company itself	387,173	0
Subsidies	153	6,438
External supplies and services	-940,025	-893,334
Personnel costs	-3,304,414	-2,852,608
Amortizations	-324,908	-330,266
Impairments	-108,667	5,211
Other operating expenses and losses	-92,001	-99,223
Other profit and operating income	292,311	131,544
Oerating income	**938,201**	**1,020,079**
Interest and similar expenses incurred	-112,020	-112,611
Interest and similar income obtained	9,570	0
Financial results	**-102,450**	**-112,611**
Income before taxes	**835,752**	**907,467**
Income tax	-56,163	-92,327
Net income for the financial year	**779,588**	**815,140**
Attributable:		
Shares number	397,181,444	257,181,444
Earnings per shares	0.0020	0.0032

Financial Position of Faianças Artísticas Bordalo Pinheiro as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Tangible fixed assets	12,345,632	5,831,034
Intangible fixed assets	53,086	938
Deferred taxes	180,786	110,828
Total non-current assets	**12,579,504**	**5,942,799**
Current assets		
Inventories	1,317,514	1,652,770
Clients	746,413	1,653,444
Shareholders loans	1,752,795	0
Accounts receivable and other	243,143	148,251
Deferrals	66,646	26,777
State and other public entities	184,877	38,666
Other financial investments	238	398
Cash and bank deposits	125,246	583,923
Total current assets	**4,436,871**	**4,104,228**
TOTAL ASSETS	17,016,376	10,047,027
EQUITY		
Share capital	3,971,814	2,571,814
Other equity	175,000	175,000
Legal reserves	167,922	127,165
Other reserves	1,151,257	1,219,783
Retained earnings	-275,475	-1,106,306
Revaluation surpluses	-177,583	0
Net income for the financial year	779,588	815,140
Total equity	**5,792,524**	**3,802,598**
LIABILITIES		
Non-current liabilities		
Long term bank loans	6,532,456	1,463,290
Long term shareholder loans	0	591,137
State and other public entities	0	75,082
Deferred taxes	238,608	310,059
Total non-current liabilities	**6,771,064**	**2,439,568**
Current liabilities		
Short term bank loans	184,326	244,286
Suppliers	2,241,456	1,643,010
Accounts payable and other	1,282,632	1,337,493
Deferrals	666,460	481,869
State and other public entities	77,914	98,203
Total current liabilities	**4,452,788**	**3,804,861**
Total liabilities	**11,223,852**	**6,244,429**
TOTAL EQUITY AND LIABILITIES	17,016,376	10,047,027

Financial Statements of Results by Nature of Faianças da Capôa for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
External supplies and services	-1,675	-2,569
Amortizations	-127,766	-133,564
Other operating expenses and losses	-10,470	-10,245
Other profit and operating income	162,492	162,492
Oerating income	**22,581**	**16,114**
Interest and similar income obtained	1,871	0
Financial results	**1,871**	**0**
Income before taxes	**24,452**	**16,114**
Income tax	-5,727	-3,850
Net income for the financial year	**18,725**	**12,264**
Attributable:		
Shareholders	18,725	12,264
Basic earnings per share (€)	**0.1440**	**0.0943**
Diluted earnings per share (€)	**0.1440**	**0.0943**

Financial Position of Faianças da Capôa as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Investment properties	2,489,830	2,617,596
Financial investments - others	51,138	51,138
Total non-current assets	**2,540,968**	**2,668,734**
Current assets		
Accounts receivable and other	545,344	516,046
State and other public entities	0	1,000
Cash and bank deposits	8,425	2,313
Total current assets	**553,769**	**519,359**
TOTAL ASSETS	3,094,737	3,188,093
EQUITY		
Share capital	650,000	650,000
Other equity	2,025,523	2,025,523
Issue premiums	3,003,949	3,003,949
Legal reserves	122,531	121,918
Reserves and retained earnings	-3,244,366	-3,256,018
Net income for the financial year	18,725	12,264
Total equity	**2,576,362**	**2,557,636**
LIABILITIES		
Non-current liabilities		
Deferred taxes	466,857	492,570
Total non-current liabilities	**466,857**	**492,570**
Current liabilities		
Accounts payable and other	42,165	128,638
State and other public entities	9,353	9,249
Total current liabilities	**51,518**	**137,887**
Total liabilities	**518,375**	**630,457**
TOTAL EQUITY AND LIABILITIES	3,094,737	3,188,093

Financial Statements of Results by Nature of Ria Stone for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
Sales and Services provided	18,549,211	18,486,323
Cost of goods sold and material cosumed	-7,963,760	-7,868,451
Production variation	-35,683	-226,457
Sales and services provided	**10,549,767**	**10,391,416**
Works for the company itself	1,011,945	0
Subsidies	102,821	127,519
External supplies and services	-2,241,726	-1,869,512
Personnel costs	-3,487,231	-3,185,304
Amortizations	-1,932,695	-1,815,681
Other operating expenses and losses	-330,233	-248,002
Other profit and operating income	898,670	759,064
Oerating income	**4,571,318**	**4,159,499**
Interest and similar expenses incurred	-318,965	-673,238
Interest and similar income obtained	441,125	432,108
Financial results	**122,160**	**-241,130**
Income before taxes	**4,693,478**	**3,918,370**
Income tax	-1,270,963	172,346
Net income for the financial year	**3,422,515**	**4,090,715**
Shares number	4,550,000	4,550,000
Earnings per share	0.75	0.90

Financial Position of Ria Stone as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Tangible fixed assets	39,873,571	26,005,424
Deferred taxes	155,215	504,415
Total non-current assets	**40,028,786**	**26,509,839**
Current assets		
Inventories	586,898	617,314
Clients	1,488,399	1,342,375
Shareholders loans	9,924,132	4,605,807
Accounts receivable and other	540,250	597,879
Deferrals	599,350	463,505
State and other public entities	633,995	437,321
Cash and bank deposits	2,279,159	3,041,817
Total current assets	**16,052,183**	**11,106,018**
TOTAL ASSETS	56,080,969	37,615,857
EQUITY		
Share capital	4,550,000	4,550,000
Other equity	1,276,107	1,276,107
Legal reserves	350,403	145,867
Retained earnings	5,693,923	1,807,743
Revaluation surpluses	3,429,011	3,429,011
Net income for the financial year	3,422,515	4,090,715
Total equity	**18,721,959**	**15,299,445**
LIABILITIES		
Non-current liabilities		
Long term bank loans	6,818,723	5,606,002
Deferred taxes	995,519	995,519
Total non-current liabilities	**7,814,242**	**6,601,521**
Current liabilities		
Short term bank loans	13,687,824	7,065,862
Suppliers	7,726,337	3,649,251
Accounts payable and other	3,712,906	1,706,859
Deferrals	4,314,750	3,198,213
State and other public entities	102,951	94,706
Total current liabilities	**29,544,768**	**15,714,891**
Total liabilities	**37,359,010**	**22,316,412**
TOTAL EQUITY AND LIABILITIES	56,080,969	37,615,857

Financial Statements of Results by Nature of Vista Alegre Atlantis SA for the years ended on 31 December 2018 and 2017

Headings	31-12-2018	31-12-2017
		€
Sales and Services provided	73,438,240	60,984,717
Cost of goods sold and material cosumed	-23,141,436	-18,058,562
Production variation	50,369	139,932
Sales and services provided	**50,347,173**	**43,066,087**
Works for the company itself	1,203,519	1,147,507
External supplies and services	-16,082,862	-13,831,786
Personnel costs	-25,371,061	-24,016,943
Amortizations	-3,499,250	-3,204,698
Impairments	-1,984	-165,008
Provisions for the financial year	1,193	-658
Other operating expenses and losses	70,000	230,000
Impairment of non-repayable	-1,482,612	-1,317,852
Fair value increase/(decrease)	4,000	-357,300
Other profit and operating income	1,032,894	1,026,204
Oerating income	**6,221,011**	**2,575,554**
Financial results	**-2,155,252**	**-1,425,988**
Income before taxes	**4,065,758**	**1,149,566**
Income tax	-366,007	-213,424
Net income for the financial year	**3,699,752**	**936,142**
Attributable:		
Shareholders	3,699,752	936,142
Basic earnings per share (€)	**1.8499**	**0.4681**
Diluted earnings per share (€)	**1.8499**	**0.4681**

Financial Position of Vista Alegre Atlantis SA as of 31 December 2018 and 2017

	31-12-2018	31-12-2017
		€
ASSETS		
Non-current assets		
Tangible fixed assets	59,570,315	53,665,545
Goodwill		
Investment properties	1,439,000	1,435,000
Intangible fixed assets	1,397,393	1,403,415
Financial investments in subsidiaries	156,622	155,078
Financial investments - others		
Deferred taxes	3,287,639	2,457,182
Total non-current assets	**65,850,969**	**59,116,219**
Current assets		
Inventories	30,820,228	30,376,480
Accounts receivable and other	27,474,833	24,984,489
Other financial assets	1,250	1,250
State and other public entities	288,155	140,150
Cash and bank deposits	5,595,245	944,375
Total current assets	**64,179,711**	**56,446,744**
TOTAL ASSETS	130,030,680	115,562,964
EQUITY		
Share capital	10,000,000	10,000,000
Reserves	19,400,697	19,404,577
Retained earnings	-198,765	-670,024
Net income for the financial year	3,699,752	936,142
Total equity	**32,901,683**	**29,670,696**
LIABILITIES		
Non-current liabilities		
Long term bank loans	14,165,648	16,154,191
Provisions	237,924	307,924
Provisions for pensions	473,425	507,911
Deferred taxes	5,990,116	6,037,843
Total non-current liabilities	**20,867,113**	**23,007,868**
Current liabilities		
Short term bank loans	20,084,024	15,587,844
Accounts payable and other	54,479,430	45,285,351
Deferrals	1,011,869	684,552
State and other public entities	686,561	1,326,652
Total current liabilities	**76,261,884**	**62,884,399**
Total liabilities	**97,128,997**	**85,892,268**
TOTAL EQUITY AND LIABILITIES	130,030,680	115,562,964

I. Description of VAA Group's major financing arrangements

Debt that the Group intends to be able to repay with the proceeds of the Issue

Shareholder Loans

Shareholder loan granted by Visabeira Indústria, SGPS, S.A., in the outstanding amount of 26,916,822.18 euros, as of 30 June 2019, which results from several credit assignments between different companies of the Vista Alegre Group, mainly due to the acquisition process of Cerutil and its subsidiaries Bordalgest and Bordalo Pinheiro for the amount of 48.5 million euros, and to the sale of VA Grupo for the amount of 21.7 million euros, concentrating thus all the shareholder debt on the parent company (Visabeira Indústria, SGPS, S.A.).

Syndicated Loan granted by Banco Comercial Português, S.A.("BCP") and Caixa Geral de Depósitos, S.A. ("CGD") to Vista Alegre Atlantis, S.A. (outstanding amount 5 million euros) and Visabeira Indústria, SGPS, S.A. (outstanding amount 25 million euros)

This loan had, as of 30 June 2019, a total outstanding amount of 4.98 million euros in relation to Vista Alegre Atlantis, S.A. and of c. 25 million euros in relation to Visabeira Indústria, SGPS, S.A., to be reimbursed in 36 quarterly instalments, of principal and interest, the final instalment being due on 25 November 2026. The loan is secured by (i) a financial pledge of the bank accounts of the Borrowers/Credited to the Lenders/Creditors, (ii) a pledge of shareholder's loans ("Suprimentos") and supplementary capital contribution ("Prestações Suplementares") of Vista Alegre Atlantis, S.A.; (iii) a mortgage of real estate owned by Vista Alegre Atlantis, S.A. in favour of the banks, in parity and in the proportion of fifty percent for each one, (iv) a pledge on trademarks, in favour of the banks, in parity and in the proportion of fifty percent for each one and (v) joint liability of subsidiaries.

Loans granted by CGD to Ria Stone

(i) Interim financing, in the total amount of 5.7 million euros, repaid in 20 successive and equal quarterly instalments of principal and interest, maturing on 27 May 2020. The outstanding amount as of 30 June 2019 is of 1.25 million euros. The Loan is secured by (i) a guarantee ("Aval") from Grupo Visabeira, S.A. and VAA –Vista Alegre Atlantis, SGPS, S.A.; (ii) a plant mortgage and (iii) an equipment pledge.

(ii) Long term loan with an outstanding amount as of 30 June 2019 of 7.84 million euros with reimbursement between 2021 and 2024. The loan is guaranteed by (i) a guarantee ("Aval") from Grupo Visabeira, S.A. and VAA – Vista Alegre Atlantis, SGPS, S.A., (ii) a second mortgage on the plant building and (iii) a promissory pledge on equipment of the innovation and

production expansion project.

Other loans

Short term loans and other financial debt of the Group in the amount of €5.9 million euros.

Debt to remain outstanding after the Issue

Funding by Novo Banco, SA to Vista Alegre Atlantis, S.A.

(i) Funding in an outstanding amount of 4.8 million euros, to be reimbursed in 33 consecutive and equal quarterly instalments of capital and interest, with the final due date of October 2020, guaranteed by a pledge of bank account, with a commitment to credit any receivables from certain clients (including the client Moët Hennessy) in said bank account.

(ii) Funding in an outstanding amount of 5 million euros, repayable in 20 consecutive and equal quarterly instalments of capital and interest, maturing on September 2024, secured by a pledge of equipment.

Loan by CGD to Ria Stone

Funding in the total outstanding amount of 1.87 million euros to be settled in full on September 2019.

Loan by CGD to Vista Alegre

Funding in the total outstanding amount of 1 million euros to be settled in full on September 2019, including interest.

Financing from CGD to Cerutil

Revolving financings in the form of factoring, confirming agreements and shipment discounts in the aggregate plafond of 1.521 thousand euros, with outstanding amount of 1 million euros as of 30 June 2019.

Cerutil has constituted a generic mortgage over a factory facility in favour of CGD to secure any amounts (including, without limitation, in the form of bank loans, credit facilities, cheques, factoring agreements, warrants, bond issues, bank guarantees, among others) granted by CGD, up to the amount of c. 1.6 million euros.

Financing by Agência para o Investimento e Comércio Externo de Portugal, EPE ("AICEP") to Vista Alegre Atlantis S.A., Ria Stone, Cerutil and Bordalo Pinheiro.

Financings in the aggregate outstanding amount of 13.3 million euros as of 30 June 2019. These

financings usually share common characteristics such as reimbursement, grace period and term, as follows: the reimbursable incentive is allocated for a total period of 7 years, which includes a grace period of 3 years. The term is from: (i) the date on which the first payment of the refund incentive is made to the company; or (ii) from the end of the fiscal year following the entry into force of this agreement; whichever is earlier. The companies undertook to present a bank guarantee upon conclusion of each investment project, under the terms and conditions stipulated in the Payment Standard applicable to Projects approved under QREN Incentive Systems. Some of these bank guarantees have been issued, and some of those already cancelled, upon conclusion of the respective investment projects, while others have not yet been issued, as the respective investment projects have not yet been concluded.

Loan by Caixa Económica Montepio Geral to Vista Alegre Atlantis S.A.

Loan in the outstanding amount as of 30 June 2019 of 1.33 million euros to be paid in monthly instalments of capital and interest and final due date on 28 October 2021.

Financing by Caixa Crédito Agrícola Mútuo to Faianças Artísticas Bordalo Pinheiro, S.A.

Commercial paper line up to the amount of 3.85 million euros, of which 3.85 million euros were already used. The term date of the line is 15 October 2025. This financing is secured by a pledge of equipment related to Bordalo Pinheiro's expansion.

Loans by Banco do Brasil to VAA - Vista Alegre Atlantis, SGPS, S.A.

(i) Loan to improve cash flow, with biannual reimbursements of 500 thousand euros. The outstanding amount as of 30 June 2019 was of 1 million euros. The due date is 27 April 2020. The loan is guaranteed by customer's receivables.

(ii) Loan in the amount of 1.25 million euros to improve cash flow. The outstanding amount as of 30 June 2019 was of 1.25 million euros. The loan is due on 2021 and is guaranteed by customer's receivables.

Financing by Banco BIC to Cerutil

Financing in the total amount of 1.5 million euros, having 1.441 thousand euros been drawn on 30 June 2019. This financing is granted by a pledge of equipment related to Cerutil's "Portugal 2020" recent investment.

Loan by Fundo para a Revitalização e Modernização do Tecido Empresarial, SGPS, S.A.("FRME") to Bordalgest, S.A.

Loan in the amount of 1.13 million euros, 599 thousand of which are still due as of 30 June 2019, with monthly instalments of 31.5 thousand euros. The date of the last repayment is 29 December 2020.

Loan by Fundo Imobiliário Especial de Apoio às Empresas ("FIEAE"), managed by Turismo Fundos, to Faianças Artísticas Bordalo Pinheiro, S.A.

Loan in the amount of 1.2 million euros to be settled on 2 September 2020, resulting from the Unilateral Promise of Purchase of "Beco do Cupido" (Caldas da Rainha).

Loans by IKEA Supply AG to Ria Stone

(i) Loan in the amount of 2.4 million euros intended to finance equipment for Ria Stone, made available in stages between 22 March 2013 and 31 January 2015. At the end of June 2019, the outstanding amount was of 419 thousand euros. The date of the last repayment is 25 January 2020.

(ii) Loan in the amount of 740 thousand euros for the financing for Ria Stone's equipment, made available in stages between 23 June 2015 and 31 May 2015. At the end of June 2019, the outstanding amount was of 40 thousand euros. The date of the last repayment is 25 January 2020.

(iii) Loan in the amount of 550 thousand euros in order to finance equipment for Ria Stone, made available in stages between entre 29 August 2013 and 31 January 2015. The outstanding amount as of 30 June 2019 is of 21 thousand euros. The date of the last repayment is 20 December 2019.

(iv) Loan in the amount 2.5 million euros in order to finance the equipment within the scope of innovation and expansion of the productive capacity of the Ria Stone plant, made available between 8 March 2018 and 11 October 2018. The date of the last repayment will occur on 20 April 2025.

These loans amount to 3.01 million euros as of 30 June 2019 and are secured by a pledge of equipment belonging to Ria Stone, as defined in the loan agreement.

Exhibit 18: Debt Breakdown of the Group as of 30 June 2019 (values in thousand euros) as extracted from the unaudited financial statements

Bank Loans	New Bond Use of Funds	Plafond	Available	Debt	2019	2020	2021	2022	>= 2023
Receivables finance	2,318	7,098		7,098	2,318	4,155	625		
New investment		11,895	1,582	10,313	145	796	1,566	1,566	6,239
Anticipation of incentives	2,870	2,870		2,870	2,870				
General	4,998	6,339		6,339	426	854	771	858	3,431
Investment	1,501	1,778		1,778	986	792			
Ria Stone's expansion	7,840	7,840		7,840			1,470	1,960	4,410
Working capital		1,000	507	493	493				
	19,527	38,820	2,089	36,731	7,238	6,597	4,433	4,384	14,080

Other Loans	New Bond Use of Funds	Plafond	Available	Debt	2019	2020	2021	2022	>= 2023
Investment	250	26,462	8,629	17,834	2,029	2,620	1,848	3,160	8,177
Acquisition of Bordallo Pinheiro		853		853	269	583			
Other		369		369	73	144	152		
	250	27,684	8,629	19,055	2,371	3,347	2,000	3,160	8,177

Shareholders loans	New Bond Use of Funds	Plafond	Available	Debt	2019	2020	2021	2022	>= 2023
General	24,960	26,917		26,917		6,729	6,729	6,729	6,729
	24,960	26,917		26,917		6,729	6,729	6,729	6,729

Other	New Bond Use of Funds	Plafond	Available	Debt	2019	2020	2021	2022	>= 2023
Working Capital	162	36,926	19,293	17,633	17,633				
	162	36,926	19,293	17,633	17,633				
Amortized cost		-1,749		-1,749	-79	-129	-214	-311	-1,016
TOTAL	44,900	128,597	30,010	98,587	27,163	16,545	12,948	13,962	27,970

Exhibit 19: Indicative Debt Breakdown of the Group as of 30 June 2019 assuming a bond issuance of 50 million euros and as extracted from the unaudited financial statements (values in thousand euros)[10]

Bond	Debt	2019	2020	2021	2022	>=2023
Class A notes						
Class B notes						
Subtotal	50,000					
Bank Loans	Debt	2019	2020	2021	2022	>= 2023
Receivables finance	4,780		4,155	625		
New investment	10,313	145	796	1,566	1,566	6,239
General	1,341					1,341
Investment	277		277			
Working capital	493	493				
Subtotal	17,204	638	5,228	2,191	1,566	7,579
Other Loans	Debt	2019	2020	2021	2022	>= 2023
Investment	17,584	1,779	2,620	1,848	3,160	8,177
Acquisition of Bordallo Pinheiro	853	269	583			
Other	369	73	144	152		
Subtotal	18,805	2,121	3,347	2,000	3,160	8,177
Shareholders loans	Debt	2019	2020	2021	2022	>= 2023
General	1,957					1,957
Subtotal	1,957					1,957
Others	Debt	2019	2020	2021	2022	>= 2023
Working Capital	17,471	17,471				
Subtotal	17,471	17,471				
Amortized cost	-1,749	-79	-129	-214	-311	-1,016
TOTAL	103,687	20,151	8,447	3,978	4,415	16,697

[10] Exhibit 19 table is an estimate of what may be the total outstanding debt of the Group after the issue of the Notes and repayments of debt made using the proceeds of the Notes, considering the outstanding debt as of 30 June 2019 and assuming i) that Notes in an amount of €50,000,000 are issued and paid to the Issuer and ii) that the Issuer succeeds in repaying the debt as currently envisaged in the "Use of Proceeds" section below, It does not consider any event after such date, debt repayments or any other change in the outstanding amount or maturity profile). No assurance is given by the Issuer on whether or not this estimate will, in fact, be verified in the future exactly as shown.

J. Declaration on the absence of significant changes in the Information Memorandum (*Documento Informativo de Incorporación*) of the Issuer

Since publication of the last audited consolidated financial statements as of and for the year ended 31 December 2018, until the date of this Information Memorandum, there has been no material adverse changes in the prospects of VAA Group.

SECTION VIII

INDEPENDENT AUDITOR

A. Name and address of the Issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body)

The Issuer's statutory and independent auditor is Deloitte & Associados, SROC S.A., with registered office at Avenida Engenheiro Duarte Pacheco, no. 7, 1070-100 Lisbon, in Portugal, registered with the professional body *Ordem dos Revisores Oficiais de Contas* as SROC no. 43 and registered at the CMVM under the no. 20161389, represented by Dr. Miguel Nuno Machado Canavarro Fontes, ROC no. 1397.

B. If auditors have resigned, been removed from their duties or have not been re-appointed during the period covered by the historical financial information, indicate the details if material

The Issuer´s auditor has not resigned nor been removed from its duties during the financial years 2018 and 2017. Deloitte & Associados, SROC S.A. has been designated as the Issuer's auditor in the year of 2017, for an initial 2 years period, which have been renewed by 2019 up until the end of the year of 2020.

SECTION IX

TERMS AND CONDITIONS OF THE NOTES

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended for offer, sale or any other form of supply, nor should they be offered, sold or made available to retail investors in the European Economic Area ("**EEA**"). For these purposes, "retail investor" means a person who meets either or both of the following definitions: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. As a result no key information documents required by Regulation (EU) no. 1286/2014 of the European Parliament and of the Council, of 26 November 2014 (the "**PRIIPs Regulation**"), on the key information documents relating to packaged retail investment and insurance-based products was prepared for the purposes of offering or selling the Notes, or making them available, to retail investors in EEA. Offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET

Solely for the purposes of manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

DESCRIPTION OF THE NOTES

The following are the terms and conditions of the Notes (the "**Conditions**" or "**Terms and Conditions**").

The following are the Terms and Conditions of the Class A EUR 45,000,000 Fixed Rate Guaranteed Senior Secured Notes due 2024 with ISIN no. PTVAAAOM0001 ("**Class A Notes**") and the Class B EUR 5,000,000 Fixed Rate Guaranteed Senior Secured Notes due 2024 with ISIN no. PTVAABOM0000

("**Class B Notes**" together with the Class A Notes, the **"Notes"**) of VAA – Vista Alegre Atlantis, SGPS, S.A. ("**Issuer**"), issued on 21 October 2019 ("**Issue Date**").

Pursuant to the Terms and Conditions of the Notes, the Issuer will issue the Class A Notes at a price equal to one hundred per cent. (100%) of their aggregate nominal amount of the Class A Notes (the "**Issue Price**").

The Class A Notes and Class B Notes will be placed by the Lead Manager pursuant to a dealer agreement entered into by and between the Issuer and the Lead Manager on or about the Issue Date.

The Notes have the benefit of a Paying Agency Agreement (such Paying Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Paying Agency Agreement**") dated 17 October 2019 and made and agreed between the Issuer and Banco BPI, S.A. (the "**Paying Agent**"). Copies of the Paying Agency Agreement are available for inspection during normal business hours at the specified office of the Paying Agent. The Noteholders are deemed to have notice of all the provisions of the Paying Agency Agreement. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Paying Agency Agreement.

Any reference to **holders of Notes** or **Noteholders** shall mean the persons in whose name the Notes are registered in the individual securities account held with an Affiliate Member of Interbolsa (as defined below) in accordance with Portuguese law and the relevant Interbolsa procedures and, for the purposes of Condition 7 (Taxation), the effective beneficiary of the income attributable thereto.

1. FORM, DENOMINATION, TITLE AND USE OF PROCEEDS

The Notes are held in the CVM (as defined below) in dematerialised book-entry ("*forma escritural*") and registered form ("*nominativas*") and in the denomination of EUR 100,000 (one hundred thousand euros) each and tradable in integral multiples of EUR 100,000 (one hundred thousand euros).

Title to the Notes is evidenced by registration in the relevant individual securities accounts held with an Affiliate Member of Interbolsa (as defined below) in accordance with the provisions of the Portuguese Securities Code (as defined below) and the applicable Interbolsa regulations. No physical document of title will be issued in respect of the Notes.

One or more certificates in relation to the Notes may be delivered to the relevant Noteholder by the Affiliate Member of Interbolsa with whom the relevant Notes are held in a securities account upon the request of the relevant Noteholder and in accordance with the procedures

of such Affiliate Member of Interbolsa and pursuant to article 78 of the Portuguese Securities Code.

Class A Notes and Class B Notes will be registered in the relevant issue account of the Issuer with Interbolsa and will be held in control accounts opened by each Affiliate Member of Interbolsa on behalf of the Noteholders. The control account of a given Affiliate Member of Interbolsa will reflect at all times the aggregate principal amount of Notes held in the individual securities' accounts of the Noteholders having an account with that Affiliate Member of Interbolsa. Each Noteholder shall be treated as the absolute owner for all purposes of any Note registered in the respective individual securities account held with Affiliate Members of Interbolsa. The Issuer and the Paying Agent (to the fullest extent permitted by applicable laws) deem and treat the person or entity registered in individual securities account held with Affiliate Members of Interbolsa as the holder of any Note and the absolute owner for all purposes.

The net proceeds arising from the issue of Class A Notes and Class B Notes will be used by the Issuer (i) to refinance part of existing corporate debt; (ii) to pay existing shareholder loans resulting from the deferred payment of the acquisition of Cerutil and Bordalo Pinheiro; (iii) to fund transaction expenses; and (iv) for general corporate purposes.

2. TRANSFERS OF THE NOTES

The transferability of the Notes is not restricted.

Subject as set out below, title to Notes will pass upon registration of transfers in the relevant individual securities accounts held with Affiliate Members of Interbolsa in accordance with the provisions of the Portuguese Securities Code and the relevant procedures of Interbolsa. Subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law, Notes may be transferred to any person who wishes to hold such Notes and holders of Notes will only be able to transfer such Notes in accordance with such laws, regulations and procedures.

3. STATUS OF THE NOTES

The Class A Notes and the Class B Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 9 of the Notes) secured obligations of the Issuer. The Notes benefit from the Security further detailed in Condition 3 and in the paragraph “Security of the Notes” in section X. The Notes rank *pari passu* among themselves and (save for certain

obligations required to be preferred by law), rank, at least, *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer from time to time outstanding (subject to the provisions of Condition 9 of the Notes).

The Class A Notes and the Class B Notes are guaranteed by each of the Guarantors under the terms of the Security Agreement.

The Class A Notes and the Class B Notes are secured by security created in favour and for the benefit of the Noteholders, under the terms of the Security Agreement.

The security created pursuant to the Security Agreement includes as security for the entire and timely performance of all and each of the obligations under the Class A Notes and the Class B Notes:

(a) a first ranking pledge granted by the Issuer over all and each of the shares of Ria Stone (including all and each of the Share Related Rights attached thereto);

(b) a promise of the Issuer to grant a first ranking pledge over any New Shares of Ria Stone (including all and each of the Share Related Rights attached thereto);

(c) an assignment by way of security granted by the Issuer over any New Shareholder Receivables; and

(d) a first ranking pledge granted by Ria Stone over the Operating Account held by Ria Stone.

4. INTEREST

4.1. Interest Rate and Interest Payment Dates

a. *Interest Payment Dates*

Class A Notes and Class B Notes bear interest from (and including) the Issue Date ("**Interest Commencement Date**") until their Maturity Date and such interest will be payable semi-annually in arrears on 30 July and 31 January in each year (each an "**Interest Payment Date**"). The First Interest Payment Date shall be on 31 January 2020.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). Interest on the Notes for the first Interest Period will accrue on a daily basis and will be calculated on an Actual/360 basis by reference to the period from (and including) the Issue

Date and the First Interest Payment Date.

b. *Interest Rate*

The rate of interest ("**Rate of Interest**") payable from time to time in respect of the Notes corresponds to the Fixed Rate for each Class of Notes.

The **Fixed Rate** shall be 4.5 per cent. for the Class A Notes and 3.5 per cent. for the Class B Notes.

c. *Calculation of Interest Amounts*

The Paying Agent will calculate the amount of interest payable on Class A Notes and Class B Notes for the relevant Interest Period (each an "**Interest Amount**"). Each Interest Amount shall be calculated by applying the Rate of Interest to each Note, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent, half of any such cent being rounded upwards or otherwise in accordance with applicable market convention.

d. *Notification of Interest Amounts*

The Paying Agent will cause each Interest Amount for each Class of Notes for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer 20 (twenty) days before each Interest Payment Date and notice thereof to be given by the Issuer to the Noteholders of the relevant Class of Notes in accordance with Condition 12 (Notices) as soon as possible after its determination.

e. *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.1 (Interest Rate and Interest Payment Dates) by the Paying Agent shall (in the absence of negligence, wilful default, bad faith, manifest error or proven error) be binding on the Issuer and all holders of Class A Notes and Class B Notes and (in the absence of negligence, wilful default or bad faith) no liability to the Issuer or the holders of Notes shall attach to the Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.2. Accrual of interest

Each Class A Note and Class B Note will cease to bear interest from the date of its redemption

unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of: (i) the date on which all amounts due in respect of such Note have been paid; and (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Paying Agent and notice to that effect has been given to the holders of Notes in accordance with Condition 12 (Notices).

5. PAYMENTS

5.1. Method of payment

Payment in respect of Class A Notes and Class B Notes will be (i) credited, according to the procedures and regulations of Interbolsa, as operator of the Portuguese central securities clearing system (Central de Valores Mobiliários), to TARGET2 payment current accounts held in the payment system of TARGET2 by financial intermediaries for the purposes of the Portuguese Securities Code, and which are entitled to hold control accounts with Interbolsa on behalf of holders of Class A Notes and Class B Notes (each, an "**Affiliate Member of Interbolsa**") whose accounts with Interbolsa are credited with such Notes, thereafter (ii) credited by such Affiliate Members of Interbolsa from the respective above mentioned payment current accounts to the accounts of the Noteholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be.

Without prejudice to the applicable provisions specified in this Terms and Conditions, all payments to be made by the Issuer in connection with the Notes will be net and therefore be made free of any deductions, set offs or counterclaims.

5.2. Notification of non-payment

If the Issuer determines that it will not be able to pay the full amount of principal and/or interest in respect of Class A Notes or Class B Notes on the relevant due date, the Issuer will, in accordance with Condition 12 (Notices), forthwith give notice to the Noteholders of its inability to make such payment.

5.3. Notification of late payment and late payment interest

If the Issuer expects to pay the full amount in respect of Class A Notes or Class B Notes at a date later than the date on which such payments are due, the Issuer, notwithstanding its obligations in respect of interest on overdue payments, will, in accordance with Condition 12 (Notices), give notice of such late payment to the Noteholders of the relevant Class of Notes.

Upon the late payment by the Issuer of any amounts due in respect of the Notes, the Issuer shall pay interest on such overdue amount and until its full payment, at a rate per annum of 2 (two) per cent. above the Rate of Interest applicable to the latest Interest Period, in accordance with Condition 4.1 (Interest Rate and Interest Payment Dates).

5.4. Payments subject to applicable laws

Payments in respect of principal and interest on Class A Notes and Class B Notes are subject in all cases to any fiscal or other applicable laws and regulations, but without prejudice to the provisions of Condition 7 (Taxation).

5.5. Payment Day

If the date for payment of any amount in respect of any Class A Note or Class B Note is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

6. REDEMPTION AND PURCHASE

6.1. Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, the Notes will be redeemed by the Issuer at their principal amount outstanding on the following dates:

i. In respect of the Class A Notes, on 21 October 2024; and

ii. In respect of the Class B Notes, on 21 October 2024,

Each the ("**Maturity Date**") in respect to the relevant Class of Notes.

Redemption of principal on the Class B Notes will be made in annual equal instalments on each January Interest Payment Date, commencing on the Interest Payment Date falling in 31 January 2022 up until the Maturity Date. The table below shows the amortization schedule for Class B Notes:

31 January 2022	25%
31 January 2023	25%
31 January 2024	25%

21 October 2024	25%

6.2. Redemption for tax reasons at the option of the Issuer

Each of the Class A Notes and Class B Notes may be redeemed, each Class in whole but not in part, at the option of the Issuer, at any time, on giving not less than 30 nor more than 60 days' notice to the Paying Agent and in accordance with Condition 12 (Notices), to the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the relevant Class of Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (Taxation) as a result of (i) a transfer of the Notes of the relevant Class by a Noteholder pursuant to Condition 2 (Transfers of the Notes), or (ii) any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 7 (Taxation)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Paying Agent a certificate signed by two authorised persons of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. For the avoidance of doubt, the Paying Agent shall have no obligation to (i) confirm that the persons signing the certificate are authorised representatives of the Issuer; and (ii) investigate if any conditions required in order for the redemption of the Notes under this Condition 6.2 have actually occurred.

If redeemed pursuant to this Condition 6.2 (Redemption and Purchase - Redemption for Tax Reasons at the Option of the Issuer) the Notes will be redeemed at their principal amount outstanding with interest accrued to (but excluding) the date on which the Notes are

redeemed.

6.3. Purchases

Subject to applicable provisions of Portuguese law, the Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire Notes at any price in the open market or otherwise provided that, in determining whether Noteholders have given any request, demand, authorisation, direction, notice, consent or waiver, including without limitation the casting of votes in a Meeting of Noteholders, Notes owned by the Issuer or any of its Subsidiaries shall be deemed not outstanding for purposes thereof. Such Notes may be held, resold or, at the option of the Issuer, cancelled. For the avoidance of doubt, any Notes acquired by the Issuer or any of its Subsidiaries and not cancelled pursuant to this Condition 6.3. shall not entitle the Issuer or the relevant Subsidiary to vote at any meetings of Noteholders.

6.4. Redemption at the option of Noteholders (*Change of Control*)

If a Change of Control occurs, the Notes may be redeemed at the option of the Noteholders and, for such purposes, the Issuer shall, upon becoming aware of the occurrence thereof, give notice of the Change of Control (a "**Change of Control Put Event Notice**") to the Noteholders in accordance with Condition 12 (*Notices*) and the Notes Common Representative specifying the Change of Control.

For these purposes, a "**Change of Control**" means the event by which any person or group of persons acting in concert gains control over the Issuer by means of acquiring shares that represent more than 50% of the voting rights and/or being attributed with more than 50% of the voting rights and/or having the power to appoint the majority of the members of its board of directors.

If a Change of Control occurs, each Noteholder may, having given not less than 15 (fifteen) nor more than 30 (thirty) days' notice to the Issuer as from the date on which the Change of Control has been notified by the Issuer to the Class A and Class B Noteholders and the Class A Notes Common Representative and Class B Notes Common Representative or, in the absence of such notice, as from the date on which any Noteholder become aware of the occurrence of the Change of Control, request the Issuer to redeem all of the Notes then outstanding held by such Noteholder at 100 per cent. of their nominal amount on the 30th (thirtieth) day as from the date of delivery of the relevant request to the Issuer, with interest accrued to (but excluding) the relevant redemption date.

To exercise the right to require redemption of the Notes under this Condition 6.4, the relevant Noteholder must deliver to the Issuer at any time during normal business hours, a duly completed and signed notice of exercise in the form attached hereto as Schedule I requesting the relevant Notes to be repaid as provided for in this Condition 6.4 (a "**Put Notice**"). The relevant Noteholder shall specify/complete/provide such information as required in such form of put notice, including a certificate of ownership and blocking issued by the relevant Affiliate Member of Interbolsa acting as custodian in respect of the Notes held by such Noteholder. Any Put Notice given by a Noteholder pursuant to this Condition 6.4 shall be irrevocable.

6.5. Cancellation

All Class A Notes and Class B Notes which are redeemed will forthwith be cancelled in accordance with Interbolsa regulations. All Class A Notes and Class B Notes so cancelled and any Class A Notes and Class B Notes purchased and cancelled pursuant to Condition 6.3 (Purchases) above shall be cancelled by Interbolsa and cannot be held, reissued or resold.

7. TAXATION

7.1. Withholding

All payments in respect of Class A Notes and Class B Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law. In that event, without prejudice to the provision set out in Condition 6.2 (Redemption and Purchase – Redemption for Tax Reasons at the Option of the Issuer) above, the Issuer will pay such additional amounts as necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction, except that no additional amounts shall be payable in relation to any payment in respect of any Note:

(i) to, or to a third party on behalf of, a Noteholder who is liable to the Taxes in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or

(ii) to, or to a third party on behalf of, a Noteholder that may qualify for the application of Decree-Law 193/2005, of 7 November, as amended, and in respect of whom the

information (which may include certificates) required in order to comply with said Decree-Law 193/2005, of 7 November, and any implementing legislation, is not timely received or which does not timely comply with the formalities in order to benefit from tax treaty benefits, when applicable; or

(iii) to a third party on behalf of, a Noteholder who is resident or domiciled in a Tax Haven (or Account Holder of the payment account in a Tax Haven) as well in a jurisdiction with which the Portuguese Republic does not have a double tax treaty in force or a tax information exchange agreement; or

(iv) to, or to a third party on behalf of a Noteholder who is (i) a Portuguese resident legal entity subject to Portuguese corporation tax (with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions), or (ii) a legal entity not resident in Portugal acting with respect to the holding of the Notes through a permanent establishment in Portugal (with the exception of entities that benefit from a waiver of Portuguese withholding); or

(v) presented for payment by or on behalf of a Noteholder where the income on the Notes is paid to accounts opened in the name of one or several accountholders acting on behalf of undisclosed third entities; or

(vi) presented for payment by or on behalf of a Noteholder for or on account of any withholding or deduction arising under or in connection with the Foreign Account Tax Compliance Act, the Common Reporting Standard which is a part of the Standard on automatic exchange of financial information in tax matters approved by the OECD Council on 15 July 2014 and, where applicable, the Council Directive 2011/16/EU on administrative cooperation in the field of taxation.

Nevertheless, any document required or reasonably requested by the Issuer to make payments under these Terms and Conditions without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate should be provided.

7.2. Additional Amounts

Any reference in these Terms and Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

8. LIMITATION

The Notes will become void unless presented for payment within 20 (twenty) years (in the case of principal) and 5 (five) years (in the case of interest) in each case from the date on which such payment first becomes due, subject in each case to the provisions of Condition 5 (Payments). As a consequence thereof, the Notes and interest not presented for payment within the above-mentioned terms of 20 (twenty) years and 5 (five) years, as applicable, shall be considered abandoned in favour of the Portuguese State, according to Decree-Law 187/70, of 30 April, as amended.

9. GENERAL UNDERTAKINGS

The Issuer shall make the following undertakings on its own behalf (and, if applicable, also in relation to its Material Subsidiaries), as long as any of the Class A Notes and Class B Notes remains outstanding:

9.1. Negative Pledge

A. Subject to paragraph (B) below, the Issuer shall not (and shall ensure that no Material Subsidiary will) create, assume or permit to subsist any Security Interest over any of its assets in respect of any Financial Indebtedness for Borrowed Money (whether actual or contingent).

B. Paragraph (A) above does not apply to:

(i) any lien arising by operation of law; or

(ii) Security Interests created by the Issuer before the Issue Date, save for any Security Interests granted by the Issuer in connection with any of the existing debt obligations described in Condition 9.11 which shall be repaid by the Issuer and the relevant Security Interests released as provided for in Condition 9.11; or

(iii) Security Interests that the Issuer has to create as a result of a promise obligation assumed before the Issue Date, or as a result of a legal or contractual obligation to replace, reinforce or extend existing securities; or

(iv) Security Interests constituted over fixed assets and/or non-current assets to be acquired or to be benefited by the Issuer and/or Material Subsidiary, provided such securities are created as guarantee of payment of the respective acquisition price or as guarantee of repayments of eventual financing granted for that

purpose, even if such acquisition does not configure itself as a mere substitution of existing assets (not constituting a mere substitution of assets the investment in fixed assets that are obsolete or deteriorated).

"**Security Interest**" means a mortgage, charge, pledge, lien or any other security interest securing in rem (*garantias reais*) any obligation of any person or any other agreement or arrangement having a similar effect. For the avoidance of doubt "Security Interest" do not encompass personal guarantees (*garantias pessoais*).

9.2. Authorisations

The Issuer has obtained and shall comply with the terms of, and all that is necessary to maintain in full force and effect, any authorisations, approvals, licenses, resolutions, exemptions, notarizations, registrations and consents required pursuant to Portuguese law to enable it to lawfully enter into and perform its obligations under the Terms and Conditions of the Notes and to ensure the legality, validity, enforceability or admissibility in evidence in the Republic of Portugal of the Terms and Conditions, and/or the Notes.

9.3. Compliance with laws

The Issuer and each Material Subsidiary shall comply in all respects with all laws applicable to the Issuer and/or each Material Subsidiary (including all taxation laws, anti-corruption Laws, anti-money laundering, counter-terrorism financing and economic or trade sanctions laws or regulations) if failure to comply would have a Material Adverse Effect.

9.4. Litigation

The Issuer will notify the Noteholders of any actions, arbitrations, suits or proceedings commenced against or materially affecting the Issuer, any of its Material Subsidiaries or assets that are essential for the conduct of the business of the Issuer or the relevant Material Subsidiary which, if adversely determined to the Issuer or any of its Material Subsidiaries would, individually or in aggregate, result in a Material Adverse Effect.

9.5. Financial Covenants

The Issuer shall ensure that in respect of each Relevant Period:

i. its Net Debt To EBITDA Ratio is equal to, or below:

	Net Debt / EBITDA

2019	31/12/2019: 3.75x
2020	30/06/2020: 3.25X 31/12/2020: 3.25X
2021	30/06/2021: 3.00x 31/12/2021: 3.00x
2022	30/06/2022: 2.75x 31/12/2022: 2.75x
2023	30/06/2023: 2.50x 31/12/2023: 2.50x

ii. its Equity to Equity plus Consolidated Total Debt Ratio is equal to or higher than 23 (twenty-three) per cent.

The above ratios shall be calculated for each Relevant Period.

9.6. Information undertakings

The Issuer shall supply to the Class A Notes Common Representative and the Class B Notes Common Representative and shall disclose as a relevant fact on MARF's website in accordance with the provisions of Condition 12 (Notices) any of the following:

(i) Notice of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;

(ii) Within 60 (sixty) days, but in any event, no later than the date on which it is legally obliged to disclose such accounts on CMVM's website, its semi-annual consolidated financial statements;

(iii) Within 90 (ninety) days, but in any event, no later than the date on which it is legally obliged to disclose such accounts on CMVM's website, its annual audited consolidated financial statements;

(iv) A Compliance Certificate within 60 (sixty) or 90 (ninety) days depending on the Relevant Period ending on June or December, respectively, and no later than the date on which the Issuer is legally obliged to disclose relevant accounts on CMVM's website. Such certificate to be signed by two (2) of the Issuer's directors, attorneys or senior officers on its behalf with the necessary powers and authority to bind the Issuer;

(v) Notice of the breach or default by the Issuer (or its Material Subsidiaries) of the terms of any agreement to which it is a party which is binding on it (or its Material Subsidiaries) or assets that are essential for the conduct of the business of the Issuer or the relevant Material Subsidiary whenever such breach or default results in the Issuer being unable to perform any of its obligations under the Notes;

(vi) Upon reasonable request, such further information relating to the Notes, the financial condition, the business or operation condition of the Issuer or its Material Subsidiaries, to the extent such information is previously disclosed generally to the public.

For the avoidance of doubt, the obligation to disclose the financial statements of the Issuer shall be deemed satisfied if made available at the CMVM's or MARF's website.

9.7. Lock-up Event

In case a Lock-up Event is triggered, the Issuer shall ensure that:

i. any balance standing to the credit of the Operating Account held by Ria Stone shall be maintained in such Operating Account, no movement, withdrawal or debit therefrom being previously authorised by the Class A Notes Common Representative and the Class B Notes Common Representative, except a) payments to ensure the ongoing operations of Ria Stone and b) payments of financial and operating debts due at the Issuer perimeter level provided there is no liquidity within such Group level;

ii. no dividends or equity remuneration in any form (including repayment of shareholder loans and capital reduction) is proposed by the Issuer's Board of Directors.

Lock-up Event means the Net Debt To EBITDA Ratio is equal to or higher than:

	Net Debt / EBITDA
2019	31/12/2019: 3.50x
2020	30/06/2020: 3.00X 31/12/2020: 3.00X
2021	30/06/2021: 2.75x 31/12/2021: 2.75x
2022	30/06/2022: 2.50x 31/12/2022: 2.50x

2023	30/06/2023: 2.25x 31/12/2023: 2.25x

9.8. *Pari Passu* Ranking

The Issuer shall ensure that the Class A Notes and Class B Notes will constitute direct, unconditional, secured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and, at least, *pari passu* in right of payment with all other present and future unsecured obligations of the Issuer subject to any laws affecting the rights of creditors generally.

9.9. Disposals

(a) The Issuer undertakes not to sell, lease, transfer or otherwise dispose (whether in a single transaction or series of transactions) of all or any of its assets or rights, present or future or promise to do so, even conditionally or at a future date;

(b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal which is a Permitted Disposal.

9.10. Sole Account

The Issuer shall ensure, and in its capacity of sole shareholder of Ria Stone will give all the necessary binding instructions for such purpose to Ria Stone, that (i) all of the bank accounts held by Ria Stone other than the Operating Account are closed within 2 (two) months as from the Issue Date; (ii) the Operating Account is the only bank account held by Ria Stone and all payments due to Ria Stone are credited in the Operating Account; (iii) Ria Stone does not request the suspension, cancellation or other form of temporary or permanent termination of the Operating Account; (iv) no Security Interest is created in respect of the Operating Account except as authorised in the Security Agreement; (v) the Operating Account is maintained with a bank having a minimum credit rating of "BBB" or equivalent by at least one of any rating agency authorised under Regulation (EC) No 1060/2009 on credit rating agencies, as amended from time to time ("**Minimum Credit Rating**"), and, if the Operating Account is with a bank that ceases to have a Minimum Credit Rating, to immediately inform the Noteholders and transfer all funds standing to the credit of the Operating Account to a bank that meets the Minimum Credit Rating, within 20 (twenty) Business Days as from the date the relevant bank ceased to have the Minimum Credit Rating and the Issuer shall ensure, at all times, that any amounts transferred to the previous Operating Account are immediately transferred to the

new Operating Account held with a bank that meets the Minimum Credit Rating.

9.11. Repayment of certain debt obligations

a) ***Loans granted by CGD to Ria Stone:*** The Issuer shall ensure that the existing debt of Ria Stone with CGD in the amount of EUR 9.1 million will be repaid within 2 (two) months as from the Issue Date in order to release existing securities and guarantees; and

b) ***Syndicated loan granted by BCP and CGD to the Issuer:*** The Issuer shall ensure that the existing debt of VAA with BCP and CGD in the amount of EUR 4.9 million will be repaid within 2 (two) months as from the Issue Date in order to release existing securities and guarantees within 2 (two) months from the Issue Date; and

c) ***Shareholder loan granted by Visabeira Indústria, SGPS, S.A.:*** The Issuer shall ensure that the shareholder loan in the amount of EUR 24.6 million granted by Visabeira Indústria, SGPS, S.A. will be repaid within 2 (two) months as from the Issue Date.

10. EVENTS OF DEFAULT

If any or more than one of the following events (each an "**Event of Default"**) shall occur and be continuing:

a) ***Non-Payment:*** the Issuer fails to pay any amount of principal or interest due in respect of the Class A Notes or the Class B Notes, as applicable, and the default continues for a period of 5 (five) Business Days in the case of principal and 10 (ten) Business Days in the case of interest; or

b) ***Breach of Other Obligations or Undertakings:*** the Issuer fails to perform or observe any of its other obligations, undertaking or covenant under these Terms and Conditions, other than those referred to in paragraph (a), and such failure continues unremedied for a period of 30 (thirty) days after any Noteholder has given written notice to the Issuer requiring the failure to be remedied; or

c) ***Cross-Default:*** if (i) any Financial Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary becomes due and payable prior to the stated maturity thereof following the occurrence of any event of default (howsoever described); or (ii) any Financial Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary is not paid on the due date of payment (as extended by any applicable grace period); or (iii) following the occurrence of any event of default (howsoever described), any guarantee or indemnity in respect of Financial Indebtedness for Borrowed Money given

by the Issuer or any Material Subsidiary is not honoured when due (as extended by any applicable grace period); or (iv) any security interest, present or future, over the assets of the Issuer or any Material Subsidiary for any Financial Indebtedness for Borrowed Money becomes enforceable following the occurrence of any event of default (howsoever described) and steps are taken to enforce the same, provided that an event described in this subparagraph (c) shall not constitute an Event of Default if the Financial Indebtedness for Borrowed Money, guarantee, indemnity or security interest, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness for Borrowed Money guarantee, indemnity or security interest in respect of which any of the events specified above has occurred and is continuing, does not exceed EUR 2,000,000 (or its equivalent in any other currency or currencies); or

d) ***Ownership of the Material Subsidiaries***: the Issuer ceases to (i) own or control, at any time, whether directly or indirectly, the majority of the share capital and voting rights of the Material Subsidiaries or to have the powers to appoint the majority of the members of the board of directors of the Issuer Material Subsidiaries; and (ii) own or control, whether directly or indirectly, the entire share capital and voting rights of Ria Stone or to have the powers to appoint the majority of the members of the board of directors; or

e) ***Insolvency Proceedings and Creditors' Processes:*** Any corporate action or legal proceedings is taken in relation to:

(i) the suspension of payments to creditors in general, a moratorium of indebtedness, winding-up, dissolution, or non-solvent reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Material Subsidiary; or

(ii) a composition, compromise, assignment or arrangement with the generality of the creditors of the Issuer or any Material Subsidiary; or

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary; or

(iv) enforcement of any Security over the majority of the assets of the Issuer or any Material Subsidiary; or

(v) any analogous procedure or step is taken in any jurisdiction;

in the event that it is not discharged within 90 (ninety) days, provided that, no such event shall constitute an Event of Default if it is being contested in good faith by appropriate means the Issuer or the relevant Material Subsidiary, as the case may be, and the Issuer or such Material Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or

f) ***Change of Business:*** Save for the purposes of a Permitted Transaction (i) the Issuer ceases or (ii) the Issuer and its Material Subsidiaries taken as a whole, in each case, cease to carry on the whole or substantially the whole of the business conducted by it or them; or

g) ***Breach of Financial Covenants:*** Any requirement of Condition 9.5 (Financial Covenants) is not satisfied, provided that no Event of Default under this will occur as a result of failure to comply with any financial covenants specified in Condition 9.5 (Financial Covenants) if such failure is cured by any direct or indirect shareholder of the Issuer contributing an amount of equity sufficient to cure the relevant breach and such is evidenced in a Compliance Certificate delivered after a period of ninety (90) days from the date of the delivery of the Compliance Certificate evidencing the breach of Condition 9.5 (Financial Covenants); or

h) ***Repudiation:*** The Issuer repudiates the Terms and Conditions or any of the Security or declares an intention to repudiate the Terms and Conditions or any Security; or any Security created by the Security Agreement becomes inexistent, invalid, ineffective, unenforceable or unlawful (without being adequately replaced within a reasonable period of time); or

i) ***Unlawfulness and Invalidity:*** to the extent such event has a Material Adverse Effect, it becomes unlawful for the Issuer (or its Material Subsidiaries) to perform any of its obligations under the Notes or any material obligations of the Issuer under the Notes cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the relevant Noteholders under the Notes,

then (i) the holder of any Class A Note or Class B Note may declare such Note, or (ii) the Noteholders may, by means of an Extraordinary Resolution in respect of each Class of Notes, declare each of the relevant Notes – in each case by written notice addressed to the Issuer and delivered to the Issuer and to the Paying Agent – immediately due and payable, whereupon, in

the case of (i) above, such Note and, in the case of (ii) above, each of the relevant Class of Notes, shall become immediately due and payable at their principal amount together with accrued interest without presentment, demand, protest or other notice of any kind.

11. PAYING AGENT

11.1 The name of the Paying Agent for Class A Notes and Class B Notes, as well as and its initial specified office is set out below:

Paying Agent

BANCO BPI, S.A.

Address: Rua da Saudade, nº 132 – 4º, 4150-682 Porto

Email: paying.agent@bancobpi.pt

Fax: (+351) 22 207 5878

11.2 The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agent, under the terms and conditions set forth in the Paying Agency Agreement, provided that there will at all times be a Paying Agent having a specified office in such place of registration and complying with any requirements that may be imposed by the rules and regulations of Interbolsa.

In acting under the Paying Agency Agreement, the Paying Agent acts solely as agent of the Issuer and does not assume any obligation to, or relationship of agency or trust with, any Noteholders.

12. NOTICES

Notices to Noteholders shall be valid if (i) mailed to them at their respective addresses recorded in the respective register of Noteholders of the Affiliate Members of Interbolsa through which the Notes are held; or (ii) in respect of the Class A Notes, if made available at the official website of MARF as a relevant fact (www.bmerf.es); or (iii) if made available at the CMVM's website (www.cmvm.pt); or (iv) by publication in the Issuer's website (www.vistaalegre.com).

Any notice shall be deemed to have been given on the day after being so mailed, published in the official website of MARF, CMVM, or of the Issuer, as the case may be.

If a notice is published using more than one of the options mentioned above, such notice shall

be deemed to have been given on the date of first publication or, if applicable, on the day after being mailed.

13. MEETINGS OF NOTEHOLDERS

A) Class A Notes

13.1 Meetings of the Class A Noteholders to consider any matter affecting their interests in respect of Class A Notes, including the modification, abrogation, variation or amendment of any of these Terms and Conditions by Extraordinary Resolution and including the appointment or dismissal of a common representative are governed by the Portuguese Commercial Companies Code.

13.2 Meetings may be convened by the Class A Notes Common Representative or by the chairman of the general meeting of shareholders of the Issuer before the appointment of, or in case of refusal to convene the meeting by, the Class A Notes Common Representative, and shall be convened if requested by Class A Noteholders holding not less than 5 (five) per cent. of the principal amount of the Class A Notes for the time being outstanding.

13.3 The quorum required for a meeting convened to pass (i) a resolution other than an Extraordinary Resolution will be any person or persons holding or representing any of the Class A Notes then outstanding, independent of the principal amount thereof, or (ii) an Extraordinary Resolution will be any person or persons holding or representing at least fifty per cent. (50%) of the principal amount of the Class A Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Class A Notes then outstanding, independent of the principal amount thereof.

13.4 The majorities required to pass a resolution shall be the following:

(i) a resolution other than an Extraordinary Resolution shall be passed by the majority of the votes cast at the relevant meeting; or

(ii) an Extraordinary Resolution, including without limitation a resolution relating to the modification of abrogation of certain provisions of these Terms and Conditions, shall be passed by a majority of at least fifty per cent. (50%) of the principal amount of the Class A Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting; or

(iii) a resolution that decides on the increase of charges to the Class A Noteholders shall be passed by unanimity.

13.5 Resolutions passed at any meeting of the Class A Noteholders will be binding on all Class A Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

13.6 A written resolution signed by all Class A Noteholders, pursuant to article 54 of the Portuguese Commercial Companies Code shall take effect as if it were a resolution or an Extraordinary Resolution, as the case may be, without the requirements for prior call of a meeting of Class A Noteholders or appointment of a common representative.

B) Class B Notes

13.7 Meetings of the Class B Noteholders to consider any matter affecting their interests in respect of Class B Notes, including the modification, abrogation, variation or amendment of any of these Terms and Conditions by Extraordinary Resolution and including the appointment or dismissal of a common representative are governed by the Portuguese Commercial Companies Code.

13.8 Meetings may be convened by the Class B Notes Common Representative or by the chairman of the general meeting of shareholders of the Issuer before the appointment of, or in case of refusal to convene the meeting by, the Class B Notes Common Representative, and shall be convened if requested by Class B Noteholders holding not less than 5 (five) per cent. of the principal amount of the Class B Notes for the time being outstanding.

13.9 The quorum required for a meeting convened to pass (i) a resolution other than an Extraordinary Resolution will be any person or persons holding or representing any of the Class B Notes then outstanding, independent of the principal amount thereof, or (ii) an Extraordinary Resolution will be any person or persons holding or representing at least fifty per cent. (50%) of the principal amount of the Class B Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Class B Notes then outstanding, independent of the principal amount thereof.

13.10 The majorities required to pass a resolution shall be the following:

(i) a resolution other than an Extraordinary Resolution shall be passed by the majority of the votes cast at the relevant meeting; or

(ii) an Extraordinary Resolution, including without limitation a resolution relating to the modification of abrogation of certain provisions of these Terms and Conditions, shall be passed by a majority of at least fifty per cent. (50%) of the principal amount of the Class B

Notes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting; or

(iii) a resolution that decides on the increase of charges to the Class B Noteholders shall be passed by unanimity.

13.11 Resolutions passed at any meeting of the Class B Noteholders will be binding on all Class B Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

13.12 A written resolution signed by all Class B Noteholders, pursuant to article 54 of the Portuguese Commercial Companies Code shall take effect as if it were a resolution or an Extraordinary Resolution, as the case may be, without the requirements for prior call of a meeting of Class B Noteholders or appointment of a common representative.

14. ENFORCEMENT OF SECURITY

14.1 The enforcement of the Security or any matter relating to the Security will be subject to the decision of Noteholders of all Classes, in their capacity of secured creditors, and to the terms of the Security Agreement. Such decision by the Noteholders will be taken at a meeting convened by the Notes Common Representative (if it is the entity appointed to represent the holders of the Class A Notes and Class B Notes) or by the chairman of the general meeting of shareholders of the Issuer and shall be convened if requested by Noteholders holding not less than 5 (five) per cent. of the principal amount of the Notes for the time being outstanding.

14.2 The quorum required for a decision by the Noteholders in accordance with Condition 14.1 to be passed will be any person or persons holding or representing at least fifty per cent. (50%) of the principal amount of the Notes then outstanding or, at any adjourned meeting, any person or persons holding or representing any of the Notes then outstanding, independent of the principal amount thereof.

14.3 The majority required for a decision regarding the enforcement of security or any matter relating to the Security will be of at least fifty per cent. (50%) of the principal amount of the Notes of all Classes then outstanding or, at any adjourned meeting, two-thirds of the votes cast at the relevant meeting.

14.4 Decisions approved by the Noteholders in accordance with conditions 14.1, 14.2 and 14.3 will be binding on all Noteholders, whether or not they have voted against the approved decision(s).

15. NOTES COMMON REPRESENTATIVE

Pursuant to, and in accordance with, the relevant provisions of the Portuguese Commercial Companies Code, the Class A Notes Common Representative and the Class B Notes Common Representative may be appointed under the terms and conditions of the issue, which shall establish the respective terms, and the Class A and Class B Noteholders shall have, respectively, the right to remove the Class A Notes Common Representative and the Class B Notes Common Representative with or without cause, and to appoint a new common representative as well as to amend the conditions of the initial appointment.

In light of the above, Bondholders, S.L. is hereby appointed as the Class A Notes Common Representative and the Class B Notes Common Representative. The dismissal or substitution of the Class A Notes Common Representative or the Class B Notes Common Representative, pursuant to the relevant provisions of the Portuguese Commercial Companies Code, shall be made through a resolution other than an Extraordinary Resolution passed at a Meeting of Class A or Class B Noteholders, respectively, pursuant to these Terms and Conditions and the relevant provisions of the Portuguese Commercial Companies Code. Any Class A or Class B Noteholder may also request a court to dismiss (for cause) the Class A Notes Common Representative or the Class B Notes Common Representative, respectively.

16. GOVERNING LAW AND SUBMISSION TO JURISDICTION

16.1 Governing law

Class A Notes and Class B Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Portuguese law.

16.2 Submission to jurisdiction

The judicial courts of Lisbon, Portugal, are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with Class A Notes and Class B Notes.

17. DEFINITIONS

In these Terms and Conditions, the following defined terms have the meanings set out below:

Affiliate means, with respect to a specified person or entity, any other person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the specified person or entity;

Affiliate Member of Interbolsa means any authorised financial intermediary entitled to hold control accounts with Interbolsa on behalf of Noteholders and includes any depository banks appointed by Euroclear and Clearstream, Luxembourg, for the purposes of holding accounts on behalf of Euroclear and Clearstream, Luxembourg;

Business Day means a day which is both (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and in Madrid; and (ii) a Target Settlement Day;

Clearstream, Luxembourg means Clearstream Banking société anonyme, Luxembourg;

Common Representative Services Agreement means the agreement dated on or about 17 October 2019 and made and agreed between the Issuer and Bondholders, S.L. as common representative as amended and/or supplemented and/or restated from time to time;

Compliance Certificate means the certificate to be issued by the Issuer setting out the calculations as to compliance with Clause 9.5 (Financial Covenants);

CMVM means the *Comissão do Mercado de Valores Mobiliários,* the Portuguese Securities Market Commission.

Consolidated Cash and Equivalents means, in respect of the Issuer and its Subsidiaries, at any time, the aggregate of the following:

(a) cash at bank and at hand;

(b) time deposits;

(c) securities, which are not convertible into other form of security, issued or unconditionally guaranteed, by the government of any Specified Sovereign or issued by any agency thereof and guaranteed or backed by the full faith and credit of the government of any Specified Sovereign, in each case maturing within one (1) year of the date of acquisition and with investment grade rating;

(d) commercial paper issued by any corporation organised under the laws of a Specific Sovereign maturing no more than one (1) year from the date of acquisition thereof and, at the time of acquisition which is not convertible into any other form of security and is not issued or guaranteed by the Issuer and its Subsidiaries; and

(e) certificates of deposit or bankers' acceptances issued by any commercial bank with investment grade rating, other than those referred to in paragraph (c) above, organised under the laws of

a Specified Sovereign and maturing within one (1) year from the date of acquisition thereof;

Consolidated EBIT means, in respect of the Relevant Period, the consolidated operating profit in respect of the Group;

Consolidated EBITDA means, in respect of any Relevant Period, the Consolidated EBIT before provisions, depreciation and amortisation;

Consolidated Net Debt means, at any time, the Consolidated Total Debt less Consolidated Cash and Equivalents;

Consolidated Total Debt means, in respect of the Group excluding any intercompany loans, shareholders loans, or any other form of indebtedness between companies within the Group, at any time, without double counting, the aggregate of the following:

(a) moneys borrowed;

(b) any amount raised pursuant to any note sale facility or the issue of bonds, notes, debentures or any similar instrument;

(c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(d) any amount arising from any deferred payment agreement or any forward sale or purchase agreement when arranged primarily as a method of raising finance or financing the acquisition of an asset; and

(e) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (d) above.

CVM means the Portuguese Centralised System of Registration of Securities (Central de Valores Mobiliários) managed by Interbolsa;

Day Count Fraction means, in respect of the calculation of an amount of interest for any Interest Period the actual number of days in the Interest Period divided by 360 (i.e. Actual/360);

Dealer Agreement means the agreement dated on or about 17 October 2019 and made and agreed between the Issuer and the Lead Manager as dealer as amended and/or supplemented and/or restated from time to time;

Equity means consolidated shareholders equity, including any form of equity contribution such as preferred equity or shareholders loans and minority interest;

Equity To Equity plus Debt ratio means, on any date, the ratio of (i) Equity to (ii) Equity plus Consolidated Total Debt;

Euroclear means Euroclear Bank S.A./N.V.;

Extraordinary Resolution means a resolution concerning a Reserved Matter or concerning any other matter in respect of which the Portuguese Commercial Companies Code and/or the Terms and Conditions of the relevant Class of Notes requires an Extraordinary Resolution to be passed;

Financial Indebtedness for Borrowed Money means any present or future indebtedness (whether being principal, premium, interest or other amounts), other than Intra-Group Indebtedness, for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities (not including for the avoidance of doubt, preference shares or other equity securities), as well as any borrowed money or any liability under or in respect of any bank loan or acceptance of credit and any guarantee or indemnity in respect of any such indebtedness, without double counting;

First Interest Payment Date means 31 January 2020;

Group means the Issuer and its Subsidiaries (and "**member of the Group"** shall be construed accordingly);

Guarantors means Bordalgest, S.A., Cerexport – Cerâmica de Exportação, S.A., Cerutil – Cerâmicas Utilitárias, S.A., Faianças Artísticas Bordalo Pinheiro, S.A., Faianças da Capoa – Indústria de Cerâmica, S.A., Vista Alegre Atlantis, S.A. and Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.;

Interest Payment Date means the First Interest Payment Date and 31 January and 30 July in each year thereafter until the Maturity Date;

Interbolsa *means* Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, *S.A., as operator of the* Central de Valores Mobiliários;

Intra-Group Indebtedness means unsecured money borrowed by one entity within the Group from another entity within the Group;

Issue Date means 21 October 2019;

Issue Documents means the Terms and Conditions, the Notes, the Security Agreement, the Paying Agency Agreement, the Common Representative Services Agreement and the Dealer Agreement;

MARF means the multilateral trading facility (MTF) known as the Alternative Fixed Income Market (*Mercado Alternativo de Renta Fija*);

Material Adverse Effect means a material adverse effect on:

a) the ability of the Issuer to perform its obligations under the Terms and Conditions in relation to the relevant Class of Notes; or

b) the validity or enforceability of the Issue Documents (to the extent they affect the rights and remedies of the Noteholders of the relevant Class of Notes) or the rights or remedies of the Noteholders under the Terms and Conditions of the relevant Class of Notes;

Material Subsidiary means the Guarantors and any other Subsidiary(ies) of the Issuer whose total assets or revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated accounts of the Issuer relate, are equal to) not less than 5 (five) per cent. of the consolidated total assets or consolidated revenues of the Issuer, all as calculated by reference to the then most recent financial statements of that Subsidiary (consolidated or, as the case may be, unconsolidated) and the most recent consolidated financial statements of the Issuer.

Any Noteholder shall be entitled to request at any time a certificate signed by two directors of the Issuer, or by its duly authorised attorneys, confirming on behalf of the Issuer that a certain Subsidiary of the Issuer is or is not or was or was not at any particular time after the Issue Date, in accordance to relevant financial statements of that Subsidiary (consolidated or, as the case may be, unconsolidated) and consolidated financial statements of the Issuer, a Material Subsidiary. Any such certificate shall be delivered to the Noteholder within 30 days and shall be made available for inspection by the remaining Noteholders, at their request. Any such certificate shall (unless the contrary be proven) be sufficient evidence of the Issuer's confirmation.

Any reference to "financial statements" or "accounts" in these Terms and Conditions refer to such "financial statements" or "accounts" as approved by the relevant company's shareholders meeting;

MiFID II means Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments, amending Directives 2002/92/EC and 2011/61/EC;

Net Debt To EBITDA Ratio means, on any date, the ratio of (i) Consolidated Net Debt to (ii) Consolidated EBITDA;

New Shareholder Receivables: means any and all rights arising in favour of VAA to receive any monies or any other assets from Ria Stone, as applicable, including interest (accrued or capitalised), as a result of the provision of ancillary contributions (*prestações acessórias*), supplementary contributions (*prestações suplementares*), shareholder loans (*suprimentos*), other shareholder

subordinated loans, other forms of equity, quasi-equity or other forms of financing in cash or in kind provided to Ria Stone, as applicable, made after the Signing Date;

New Shares*:* means any and all new shares representing the share capital (*capital social*) of Ria Stone issued or distributed by Ria Stone and owned by the Issuer after the Signing Date as a result of a share capital increase either by incorporation of reserves (*aumento de capital por incorporação de reservas*) or by new cash or in kind entries (*aumento de capital por novas entradas em dinheiro ou em espécie*) which, added to the Shares, make up 100% (one hundred per cent.) of the share capital and voting rights of Ria Stone;

Noteholder means the holder of the individual securities account of an Affiliate Member of Interbolsa where the Notes are registered;

Operating Account means the account of Ria Stone held at Caixa Geral de Depósitos, S.A. with IBAN number PT50 0035 0372 00024578730 84;

Paying Agency Agreement means the agreement dated 17 October 2019 and made and agreed between the Issuer and the Paying Agent as amended and/or supplemented and/or restated from time to time;

Paying Agent means Banco BPI, S.A.;

Portuguese Commercial Companies Code means the *Código das Sociedades Comerciais* as approved by Decree Law 262/86, of 2 September, as amended*;*

Permitted Disposal means:

(i) disposals made in the ordinary course of the Issuer's trading for fair market consideration and negotiated on an arm's length basis;

(ii) disposal of non-operating assets, i.e., assets not related to the exploration of the main business segments;

(iii) disposal of share capital of the Material Subsidiaries, to the extent not triggering an Event of Default under the terms and for the purposes of Condition 10;

(iv) disposal of assets in exchange for other assets comparable or superior as to type value and quality;

(v) disposal by a member of the Group to any other member of the Group on an arm's length basis; and

(vi) the disposal by the Issuer and/or any member of the Group of all or substantially of its assets (including the shares of Subsidiaries) for fair market value and executed under normal market terms and conditions to the extent that the aggregate of the consideration for all disposals of the Group made under this limb (vi) is not greater than €1,000,000 in any financial year of the Issuer.

Permitted Transaction means:

(i) A transaction on terms previously approved by an Extraordinary Resolution; or

(ii) Any transaction, irrespectively of its type or nature, involving shares or assets of the Issuer which results in a Successor in Business of the Issuer, provided that the Successor in Business, when assuming such capacity, replaces the Issuer, including for the purposes of the complying with the obligations undertaken in the Notes and the Issue Documents;

Relevant Jurisdiction means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes;

Relevant Period means each period of 12 (twelve) months ending on the last day of June and on the last day of December in respect of each financial year, as relevant;

Reserved Matter means, in addition to any other matter that, in accordance with Portuguese law has the quorum and majority requirement of an Extraordinary Resolution, any proposal:

(i) to change any date fixed for payment of principal, interest or fees in respect of the relevant Class of Notes;

(ii) to reduce the amount of principal, interest or fees due on any date in respect of the relevant Class of Notes or to alter the method of calculating the amount of any payment in respect of relevant Class of the Notes on redemption or maturity;

(iii) to change the currency in which amounts due in respect of the relevant Class of Notes are payable;

(iv) to amend or modify the Fixed Rate;

(v) to change the maturity of the relevant Class of Notes;

(vi) to assert to or sanction any modification, abrogation, variation or amendment of any provision of the Terms and Conditions or the relevant Class of Notes;

(vii) for the acceleration of the obligations under all the relevant Class of Notes, without prejudice to the situations set out in Condition 10 (Events of Default);

(viii) for the redemption of the obligations under the relevant Class of Notes prior to their maturity date;

(ix) to amend the definition of Extraordinary Resolution;

(x) to amend Condition 13 (Meetings of Noteholders) and

(xi) to amend this definition;

Resolution means a resolution adopted at a duly convened meeting of holders of relevant Class of Notes and approved in accordance with the applicable provisions;

Ria Stone means Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.;

Security Agreement means the agreement so designated executed on or about the Signing Date between the Issuer, the Guarantors and the Notes Common Representative;

Signing Date means 17 October 2019;

Shares means the nominative share certificates, with a total nominal value of €4,550,000.00, including the inherent economic and voting rights of the same, held by the Issuer in Ria Stone on the date hereof and representing 100% (one hundred per cent) of its share capital and voting rights;

Share Related Rights means, in relation to each Share or New Share, all relevant economic, voting, social and any rights including, without limitation, (i) subscription rights (*direitos de subscrição*), incorporation rights (*direitos de incorporação*) and any other rights that grant to the Issuer the right to, at any time, subscribe or receive shares of the relevant company even if in the context of any reorganisation, merger, spin-off or recapitalisation; (ii) all equity rights, including right to redemption of share capital; (iii) all dividends, profits and interest paid or payable in relation to the Shares or New Shares; (iv) any voting rights attaching to the Shares or New Shares and the right to participate in general shareholders meetings, and (v) all other rights (including any pre-emption rights), money or property (excluding dividends, profits and interest) attaching, accruing or offered in relation to the Shares or New Shares at any time by way of redemption, substitution, exchange, bonus or preference, pursuant to option rights or otherwise;

Specified Sovereign means any member state of the European Union and/or any member of the Organisation for Economic Co-operation and Development as of the Issue Date;

Subsidiary means any entity that from time to time of which the Issuer (i) owns, directly or indirectly,

more than 50 (fifty) per cent. of the share capital or similar rights of ownership, or (ii) owns or is able to exercise, directly or indirectly, more than 50 (fifty) per cent. of the voting rights, or (iii) has the right to appoint the majority of the members of the board of directors and in each case such entity is within the accounting consolidation perimeter of the Issuer in accordance with the accounting principles rules approved by the European Union;

Successor in Business means, in relation to the Issuer, any company which replaces the Issuer and, as a result of such replacement:

(i) acquires or owns, directly or indirectly, the whole or substantially the whole of the rights, assets or undertakings owned, directly or indirectly, by the Issuer immediately prior thereto; and

(ii) carries on, directly or indirectly, the whole or substantially the whole of the business carried on, directly or indirectly, by the Issuer immediately prior thereto,

provided that such company is not a Sanctioned Person.

TARGET Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open; and

Tax Haven means any country, territory or region that provides a more favourable tax regime according to article 63-D of the Portuguese General Tax Law (*Lei Geral Tributária*) and the Ministerial Order no. 150/2004 of 13 February, each as amended, supplemented or replaced from time to time, as well a non-cooperative jurisdiction included in the list published by the European Union on 6 November 2018 (American Samoa, Guam, Samoa, Trinidad and Tobago, US Virgin Islands) as supplemented, updated or amended from time to time.

SCHEDULE I

FORM OF PUT NOTICE

VAA – Vista Alegre Atlantis, SGPS, S.A.

ISIN: [•]

(**Class** [•] **Notes**)

To: VAA – Vista Alegre Atlantis, SGPS, S.A.

Att: [•]

Lugar de Vista Alegre

3830-292 Ílhavo, Portugal

(the **Issuer**)

By delivery of this duly completed notice to the Issuer[11] the undersigned holder of Notes, in the amount referred to below, irrevocably exercises, under Condition 6.4 of the respective Terms and Conditions of the Notes (the **Conditions**), its option to have its Notes below redeemed on the 30th (thirtieth) day from delivery of this Notice (the **Settlement Date**). It is hereby acknowledged that if such 30th (thirtieth) day is not a Business Day as defined in the Conditions, the Noteholder shall not be entitled to payment until the next following Business Day (and the Settlement Date shall be pushed forward accordingly) and shall not be entitled to further interest or other payment in respect of such delay.

This notice relates to Notes in the aggregate nominal amount of €[•], as per the attached certificate of ownership and blocking issued by [•], as an Affiliate Member of Interbolsa, through which the Notes are held.[12]

We confirm we have instructed our Affiliate Member of Interbolsa to, following the contact of your Affiliate Member of Interbolsa, which shall take place within 5 (five) Lisbon business days from the date hereof, regarding the DVP-settlement of the put option, through the systems of Interbolsa, on the Settlement Date.

[11] This shall be delivered in hand or by post to the address of the Issuer specified above, at the attention as specified above.

[12] The certificate to be attached shall be issued in accordance with articles 72 and 78 of the Portuguese Securities Code, and confirm that the Notes will remain blocked until settlement of the put option exercised by the Noteholder.

The relevant contact details of our Affiliate Member of Interbolsa are:[13]

[*Affiliate Member of Interbolsa*]

[*relevant contact department and person(s)*]

[*Email address*]

[*Telephone*]

This notice is not valid unless all of the paragraphs requiring completion and additional requirements set out in the template footnotes, in accordance with the template put option notice attached to the Terms and Conditions of the Notes, are duly completed / complied with.

This notice is governed by Portuguese law and any disputes relating thereto shall be decided by the courts of Lisbon, Portugal.

Signature of Noteholder:[14]

By: _____

Name: [•]

Title (in case signatories act on behalf of a legal entity): [•]

[13] Noteholders to confirm with their Affiliate Member of Interbolsa and include the relevant details herein.

[14] The signature of a Noteholder / a representative thereof shall be certified by a notary public or a lawyer or recognised bank or be supported by such other evidence as the Issuer may reasonably require.

SECTION X

SECURITY OF THE NOTES

The Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 9 of the Notes) secured obligations of the Issuer. The Notes benefit from the Security, as further detailed below. The Notes rank pari passu among themselves and (save for certain obligations required to be preferred by law) rank, at least, pari passu with all other present and future unsubordinated and unsecured obligations of the Issuer from time to time outstanding (subject to the provisions of Condition 9 of the Notes).

The Notes are secured by security created in favour and for the benefit of the Noteholders, under the terms of the Security Agreement entered into on or about the Signing Date between the Issuer, the Guarantors and the Notes Common Representative (the "**Security Agreement**").

Under the Security Agreement, each of the Guarantors unconditionally and irrevocably guarantees the obligations of the Issuer under the Notes. The guarantees provided by Bordalgest, Cerutil and Bordalo Pinheiro under the Security Agreement may be deemed by a court to fall under the scope of the rules prohibiting financial assistance pursuant to the terms of article 322 of the Portuguese Commercial Companies Code and be declared null and void in respect of the proportion of the proceeds used to refinance the existing shareholders loan of €25M from Visabeira.

The security created pursuant to the Security Agreement also includes as security for the entire and timely performance of all and each of the obligations under the Notes:

(a) a first ranking pledge granted by the Issuer over all and each of the Shares of Ria Stone (including all and each of the Share Related Rights attached thereto);

(b) a promise of the Issuer to grant a first ranking pledge over any New Shares of Ria Stone (including all and each of the Share Related Rights attached thereto);

(c) an assignment by way of security granted by the Issuer over any New Shareholder Receivables;

(d) a first ranking pledge granted by Ria Stone over the Operating Account held by Ria Stone.

In the Security Agreement, Ria Stone undertakes to credit the Operating Account all and any amounts arising under and in connection with an Agreement on Sales and Purchase Volumes entered into between Ria Stone and IKEA Supply AG and any amounts arising under and in connection with other supply agreements entered into by Ria Stone and its customers.

Ria Stone will nevertheless be entitled to fully use all amounts deposited in the Operating Account.

According to the terms of the Security Agreement, the Noteholders will only be able to receive proceeds from any enforcement of Security (if any) at such time when all the Notes have been declared due and payable in accordance with Condition 10. Enforcement of the Security will depend on a decision of the majority of the Noteholders in their capacity as secured creditors and will bind all Noteholders, whether or not they have voted against the approved decision(s).

The level of recovery on enforcement of the Security by the Noteholders will be limited to the maximum secured amount of the Security, which has been set at EUR 60,000,000.

SECTION XI

ADMISSION (*INCORPORACIÓN*) OF THE SECURITIES

1. Request for admission *(incorporación)* of the Class A Notes on the Alternative Fixed Income Market (MARF). Deadline for admission to trading

Admission to trading has been requested for the Class A Notes described in this Information Memorandum on the multilateral trading facility (MTF) known as the Alternative Fixed Income Market (*Mercado Alternativo de Renta Fija* or "**MARF**"). Said listing will take place within thirty (30) days of the Closing Date.

MARF adopts the legal structure of a multilateral trading facility (MTF), under the terms provided for in Articles 26 et seq. of the RLD 21/2017, constituting an alternative, unofficial, market for the trading of fixed-income securities.

Vista Alegre has requested the admission of the Class A Notes on MARF with the aim of providing the issue with liquidity through a multilateral trading facility.

This Information Memorandum follows the applicable proceedings on admission to trading and removal of MARF set out in its own Regulations and other applicable regulations.

Neither MARF, the National Securities Market Commission (*Comisión Nacional del Mercado de Valores* or CNMV), CMVM, nor the Lead Manager have approved or made any verification or test in relation to the contents of the Information Memorandum, the financial statements of the Issuer, the rating report or the risk of the issuance presented under the terms of the Circular 2/2018. The intervention of MARF does not constitute a statement, acknowledgement or confirmation of the completeness, comprehensibility and consistency of the information included in the documentation provided by the Issuer.

It is recommended that the investor fully and carefully read this Information Memorandum prior to any investment decision.

The Issuer declares that it is aware of and knows the requirements and conditions necessary for admission *(incorporación)* and exclusion of securities on MARF, under the current legislation and the requirements of its governing bodies, and expressly agrees to comply therewith.

The Issuer further declares that it has met all the requirements for the registration and settlement of a transaction in Interbolsa. Operations settlement will be made through

Interbolsa.

2. Costs of all legal, financial, and audit services and other costs for the Issuer, placement costs and, if necessary, underwriting costs, originated by the Issue and by the placement and admission (*incorporación*) of the Class A Notes

The estimated cost of the issuance and admission (*incorporación*) to trading on MARF of the Class A Notes amounts to a total of EUR 1.2M (including stamp duty tax).

SECTION XII

TAXATION

Prospective purchasers of the Notes are advised to consult their tax advisers as to the tax consequences, under the tax laws of the country in which they are resident, of a purchase of Notes, including, but not limited to, the consequences of receipts deriving from interest, as well as from the sale or redemption of the Notes.

The following descriptions are general summaries of certain taxation matters based on applicable law and practice currently in effect in the relevant jurisdictions. Nothing in this section constitutes tax, legal or financial advice, and the summaries contained herein are of a general nature and do not cover all aspects of taxation in the jurisdictions that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications for them of an investment in the Notes.

Portuguese Taxation

The economic advantages derived from interest, amortisation, reimbursement premiums and other types of remuneration arising from Notes issued by private entities are qualified as investment income for Portuguese tax purposes and are considered to be Portuguese sourced income, generally subject to taxation in Portugal.

General Tax Regime applicable to Debt and Equity securities

Resident individuals

Investment income (including dividends and interest) obtained from the Notes by a Portuguese resident individual are subject to individual income tax. If payment of investment income is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income, unless the individual elects to aggregate his taxable income, subject to tax at the current progressive income tax rates of up to 48 per cent. In the latter case, additional income tax will be due on the part of the taxable income exceeding €80,000, as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. Investment is deemed a payment on account of the final tax due. Income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and, as a result, the tax rates applicable to such beneficial owner(s) will apply.

Capital gains obtained by Portuguese resident individuals on the repayment or transfer of Notes are taxed at a special rate of 28 per cent. levied on the excess of such gains (and gains on other securities) over the losses on securities, unless the individual elects to aggregate that same balance

to his taxable income, subject to tax at the current progressive rates of up to 48 per cent. In the latter case, additional income tax will be due on the part of the taxable income exceeding €80,000, as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €50,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. The amount of accrued interest on the date of the transfer qualifies as interest, rather than capital gains, for tax purposes.

Legal persons resident in Portugal and those non-resident but with a permanent establishment to which the income derived from the Notes is attributable

Investment income derived from the Notes and capital gains derived from the transfer of the Notes by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal, to which the income or gains are attributable, are included in their taxable income and are subject to corporate income tax at a 21 per cent. rate, or at a 17 per cent. rate on the first €15,000 in the case of small and medium-sized enterprises, to which a municipal surcharge ("*derrama municipal*") may be added of up to 1.5 per cent. of the taxable income. A state surcharge ("*derrama estadual*") also applies, at 3 per cent. on taxable profits in excess of €1,500,000 up to €7,500,000, 5 per cent. on taxable profits in excess of €7,500,000 up to €35,000,000 and 9 per cent. on taxable profits in excess of €35,000,000.

As a general rule, withholding tax at a rate of 25 per cent. applies on interest and other investment income, which is deemed a payment on account of the final tax due.

Interest payments made to financial institutions, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and collective investment undertakings incorporated and operating under the laws of Portugal, and some other exempt entities, are not subject to withholding tax.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and, as a result, the tax rates applicable to such beneficial owner(s) will apply.

Non-resident individuals and legal persons without a permanent establishment to which the income derived from the Notes is attributable

Without prejudice to the Debt Securities Taxation Act further described below, the general tax regime on debt and equity securities applicable to non-resident entities is the following:

Investment income obtained by non-resident individuals without a permanent establishment in Portugal to which the income is attributable is subject to withholding tax at a rate of 28 per cent., which is the final tax on that income. Investment income obtained by non-resident legal persons without a permanent establishment in Portugal to which the income is attributable is subject to

withholding tax at a rate of 25 per cent., which is the final tax on that income.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and, as a result, the tax rates applicable to such beneficial owner(s) will apply.

A withholding tax rate of 35 per cent. applies in the case of investment income payments made to non-resident individuals or non-resident legal persons without a permanent establishment in Portugal to which the income is attributable and which are resident in a country, territory or jurisdiction subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) No. 150/2004, of 13 February, as amended from time to time.

Under the tax treaties entered into by Portugal, which are in full force and effect on the date of this Information Memorandum, the applicable withholding tax rate may be reduced to 15, 12, 10 or 5 per cent., depending on the applicable treaty and provided that the relevant formalities (including certification of residence, by the tax authorities, of the beneficial owners of the interest and other investment income) are met. The reduction may apply at source or through the refund of the excess tax paid. The forms currently applicable for these purposes are available for viewing and downloading at www.portaldasfinancas.gov.pt.

Capital gains derived from the transfer of the Notes by non-resident individuals without a permanent establishment in Portugal to which the gains are attributable are exempt from Portuguese capital gains taxation, unless the non-resident individual is resident in a country, territory or jurisdiction subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) no. 150/2004, of 13 February, as amended from time to time, are exempt from personal income tax. Capital gains derived by non-resident individuals that are not entitled to said exemption will be subject to taxation at a 28 per cent. flat rate. Under the tax treaties entered into by Portugal, such capital gains are usually not subject to Portuguese personal income tax, but the applicable rules should be confirmed on a case-by-case basis. The amount of accrued interest on the date of the transfer qualifies as interest, rather than capital gains, for tax purposes.

Capital gains derived from the transfer of Notes by a legal person non-resident in Portugal for tax purposes and without a permanent establishment in Portugal to which the gains are attributable are exempt from Portuguese capital gains taxation, unless the share capital of the non-resident entity is more than 25 per cent. directly or indirectly held by Portuguese resident entities or the beneficial owner is resident in a country, territory or jurisdiction subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) No. 150/2004, of 13 February, as amended from time to time. The 25 per cent. threshold referred above will not be applicable when the following cumulative requirements are met by the seller: (i) the seller is an

entity resident in the European Union, or in a European Economic Area State which is bound to cooperate with Portugal under an administrative cooperation agreement in tax matters similar to the exchange of information schemes for tax matters existing within the EU Member States, or in any country with which Portugal has a double tax treaty in force that foresees the exchange of information; (ii) such entity is subject to and not exempt from a tax referred to in article 2 of Council Directive 2011/96/EU, of 30 November 2011, or a tax of a similar nature with a rate not lower than 60 per cent. of the Portuguese corporate income tax rate; (iii) it holds at least 10 per cent. of the share capital or voting rights of the entity subject to disposal, for at least one uninterrupted year; and (iv) it does not participate in an artificial arrangement or a series of artificial arrangements put into place with the main purpose, or one of the main purposes, of obtaining a tax advantage. Although the abovementioned cumulative requirements are in full force and effect since 31 March 2016 and apply to securities in general, the law is not clear on the application thereof for holders of debt representative securities, as some of the alluded requirements appear not to apply to debt representative securities.

If the exemption does not apply, the gains will be subject to corporate income tax at a rate of 25 per cent. Under the tax treaties entered into by Portugal, such capital gains are usually not subject to Portuguese corporate income tax, but the applicable rules should be confirmed on a case-by-case basis.

Debt Securities Taxation Act

Resident Individuals

Investment income obtained from Notes by a Portuguese resident individual is subject to individual income tax. If payment of investment income is made available to Portuguese resident individuals, withholding tax applies at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include this income in his taxable income, subject to tax at progressive rates of up to 48 per cent. In the latter case, additional income tax will be due on the part of the taxable income exceeding €80,000, as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000; and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. In this case, the tax withheld will be creditable against the recipient's final tax liability. The relevant tax shall be withheld by the relevant direct registering entity.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and, as a result, the tax rates applicable to such beneficial owner(s) will apply.

Capital gains obtained by Portuguese resident individuals on the transfer of Notes are taxed at a special rate of 28 per cent. levied on the positive difference between such gains and gains on other securities, and losses on securities, unless the individual chooses to aggregate his taxable income,

subject to tax at the current progressive rates of up to 48 per cent. In the latter case, additional income tax will be due on the part of the taxable income exceeding €80,000, as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. Interest accrued on the date of the transfer qualifies as interest, rather than capital gains, for tax purposes.

Legal persons resident in Portugal and those non-resident but with a permanent establishment to which the income derived from the Notes is attributable

Investment income derived from Notes and capital gains obtained from the transfer of Notes by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the income or gains are attributable are included in their taxable income and are subject to Corporate Income Tax at a rate of 21 per cent., or at a 17 per cent. tax rate on the first €15,000 in the case of small and medium-sized enterprises, to which a municipal surcharge (*derrama municipal*) may be added of up to 1.5 per cent. of the taxable income. A state surcharge (*derrama estadual*) also applies, at 3 per cent. on taxable profits in excess of €1,500,000 up to €7,500,000, 5 per cent. on taxable profits in excess of €7,500,000 up to €35,000,000 and 9 per cent. on taxable profits in excess of €35,000,000.

As a general rule, withholding tax at a rate of 25 per cent. applies on investment income, which is deemed a payment on account of the final tax due. The relevant tax shall be withheld by the relevant direct registering entity. Payments to financial institutions subject to tax in Portugal, pension funds, retirement and/or education savings funds, share savings funds, venture capital funds and collective investment undertakings incorporated under the laws of Portugal, as well as some other exempt entities, are not subject to Portuguese withholding tax.

Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and, as a result, the tax rates applicable to such beneficial owner(s) will apply.

Non-resident individuals

Pursuant to the Debt Securities Taxation Act, investment income paid on, as well as capital gains derived from, a repayment, sale or other disposition of the Notes to non-resident beneficial owners will be exempt from Portuguese income tax, provided that the debt securities are integrated in (i) a centralised system for securities managed by an entity resident for tax purposes in Portugal (such as the CVM, managed by Interbolsa), or (ii) an international clearing system operated by a managing entity established in an EU Member State other than Portugal or in a European Economic Area Member State, provided, in this case, that such State is bound to cooperate with Portugal under an administrative cooperation arrangement in tax matters similar to the exchange of information schemes for tax matters existing within the EU Member States, or (iii) integrated in other centralised

systems not covered above, provided that, in this last case, the Portuguese Government authorises the application of the Debt Securities Taxation Act, and the beneficiaries are:

(i) central banks or governmental agencies; or

(ii) international bodies recognised by the Portuguese State; or

(iii) entities resident in countries or jurisdictions with whom Portugal has a double tax treaty or a tax information exchange agreement in force; or

(iv) other entities without headquarters, effective management or permanent establishment in Portuguese territory to which the relevant income is attributable and which are not resident in a country, territory or jurisdiction subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order ("*Portaria*") No. 150/2004, of 13 February, as amended from time to time.

For the purposes of application at the source of this tax exemption regime, the Debt Securities Taxation Act requires the completion of certain procedures and the provision of certain information. Under these procedures (which are aimed at verifying the non-resident status of the Noteholder), the Noteholder is required to hold the Notes through an account held with one of the following entities:

(i) a direct registering entity, with which the debt securities accounts integrated in the centralised system are opened;

(ii) an indirect registering entity, which, although not assuming the role of the "direct registering entity", is its client; or

(iii) an international clearing system, which proceeds, in the international market, to clear, settle or transfer securities integrated in centralised systems or in their own registration systems.

The special regime approved by the Debt Securities Taxation Act sets out the detailed rules and procedures to be followed to provide proof of non-residence by the beneficial owners of the instruments to which it applies.

Under these rules, the direct registering entity is required to obtain and retain proof, in the form described below, that the beneficial owner is a non-resident entity entitled to the exemption. As a general rule, proof of non-residence should be provided to, and received by, the direct registering entities prior to the relevant date for payment of any interest and, in the case of domestically cleared Notes, prior to the transfer of any Notes, as the case may be.

The following is a general description of the rules and procedures pertaining to the proof required for the exemption to apply at source, as they stand at the date of this Information Memorandum.

(a) *Domestically Cleared Notes*

The beneficial owner of the Notes must provide proof of non-residence in Portuguese

territory, substantially in the terms set forth below:

(i) if the beneficial owner of the Notes is a central bank, a public law entity or agency, or an international organisation recognised by the Portuguese State, it must provide (a) a declaration of tax residence issued by the beneficial owner of the Notes, duly signed and authenticated; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below;

(ii) if the beneficial owner of the Notes is a credit institution, a financial company, a pension fund or an insurance company domiciled in any of the Organisation for Economic Co-operation and Development ("**OECD**") countries or in a country with which Portugal has entered into a double taxation treaty and which is subject to a special supervision regime or administrative registration, it must provide: (a) its official tax identification document; or (b) a declaration issued by the entity responsible for its supervision or registration, or by the relevant tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (c) proof of non-residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided only once, its periodic renewal not being necessary, and the beneficial owner should immediately inform the direct registering entity of any change in the required conditions that may prevent the tax exemption from applying, pursuant to the terms of paragraph (iv) below;

(iii) if the beneficial owner of the Notes is either an investment fund or other type of collective investment scheme domiciled in any OECD country, or in a any country or jurisdiction with which Portugal has entered into a double tax treaty or tax information exchange agreement in force, it shall make proof of its non-resident status by providing the following documents: (a) a declaration issued by the entity responsible for its supervision or registration, or by the relevant tax authorities, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below. The respective proof of non-residence in Portugal is provided only once, its periodic renewal not being necessary, and the beneficial owner should inform the direct registering entity immediately of any change in the required conditions that may prevent the tax exemption from applying;

(iv) Other investors will be required to make proof of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; or (b) a document issued by the relevant Portuguese consulate certifying residence abroad; or (c) a document, specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country, certifying residence. For these purposes, an identification document (such as a passport or an identity card) or a document by means of which it is only indirectly possible to determine the respective tax residence (such as a work or

permanent residency permit) is not acceptable. The rules on the authenticity and validity of the required documents specifically state that the Noteholder must provide an original or a certified copy of such documents and, as a rule, if these documents do not refer to a specific year and do not expire, they must have been issued within the 3 (three) years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following 3 (three) months. The Noteholder must inform the registering entity immediately of any change in the required conditions that may annul the tax exemption, the relevant residence certificate or equivalent document. This document must be issued up to 3 (three) months after the date on which the withholding tax would have been applied and will be valid for a 3 (three) year period, starting on the date the document in question is issued.

In the cases referred to in paragraphs (i), (ii) and (iii) above, proof of non-residence is required to be provided only once; however, the beneficial owner of the Notes is required to immediately inform the registering entity of any changes that may have an impact on its entitlement to the tax exemption.

(b) *Internationally Cleared Notes*

If the Notes are registered in an account held with an international clearing system, the entity managing such system is required to provide to the direct registering entity, or its representative, prior to the relevant date for payment of any interest, the number and identification of the relevant securities, as well as the respective income, and, when applicable, the tax withheld, itemised by type of beneficial owner, as follows:

(i) Portuguese resident entities or permanent establishments of non-resident entities to which the income is attributable which are not exempt from tax and are subject to withholding tax;

(ii) entities resident in a country, territory or jurisdiction subject to a clearly more favourable tax regime included in the "low tax jurisdictions" list approved by Ministerial Order (*Portaria*) No. 150/2004, of 13 February, as amended by Ministerial Order (*Portaria*) No. 292/2011, of 8 November, and by Ministerial Order (*Portaria*) No. 345-A/2016, of 30 December, which are not exempt from tax and are subject to withholding tax;

(iii) other non-Portuguese resident entities.

In addition, the managing entity of the international clearing system must provide the direct registering entity, in relation to each income payment, with at least the following information concerning each of the beneficiaries identified in (i), (ii) and (iii) above: name and address, tax identification number, if applicable, identification of the securities held and amount thereof, and amount of income.

No Portuguese exemption shall apply at source under the special regime approved by the Debt Securities Taxation Act if the above rules and procedures are not followed. Accordingly, the general Portuguese tax provisions shall apply as described above.

If the conditions for an exemption to apply are met, but, due to inaccurate or insufficient information, tax is withheld, a special refund procedure is available under the regime approved by the Debt Securities Taxation Act. The refund claim is to be submitted to the direct registering entity of the Notes within 6 (six) months of the date on which the withholding took place. A special form is yet to be approved for this purpose.

After the abovementioned 6 (six) month period, any refund of withholding tax must be claimed from the Portuguese tax authorities through the submission of an official form available at http://www.portaldasfinancas.gov.pt, within 2 (two) years from the end of the year in which the relevant tax was withheld. The refund is to be made within 3 (three) months, after which interest is due.

Administrative cooperation in the field of taxation

Council Directive 2014/107/EU of 9 December 2014, which amended Council Directive 2011/16/EU of 15 February 2011, implemented a new automatic exchange of information system under the administrative cooperation framework in the field of taxation, which is based on the format established by the OECD known as the Common Reporting Standard ("**CRS**").

Council Directive 2014/107/EU, of 9 December 2014, on the mandatory automatic exchange of information in the field of taxation was transposed into Portuguese law through Decree-Law no. 64/2016, of 11 October. Under such law, as amended from time to time, the Issuer will be required to collect information regarding certain accountholders and to report this information to the Portuguese tax authorities – under forms which, in turn, will report such information to the tax authorities of the relevant EU Member States or States which have signed the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information for the Common Reporting Standard.

In view of the regime enacted through Decree-Law no. 64/2016, of 11 October, which was amended by Law no. 98/2017, of 24 August, and by Law no. 17/2019, of 14 February, all information regarding the registration of the financial institution, the procedures to comply with the reporting obligations arising therefrom, and the forms to be used for such purposes was provided by the Ministry of Finance, through Order (*Portaria*) no. 302-B/2016, of 2 December, Order (*Portaria*) no. 302-C/2016, of 2 December 2016, Order (*Portaria*) no. 302-D/2016, of 2 December, and Order (*Portaria*) no. 302-E/2016, of 2 December, all as amended from time to time.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as

FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes.

A number of jurisdictions (including Portugal) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs, as currently in effect, a foreign financial institution operating in an IGA jurisdiction would generally not be required to withhold, under FATCA or an IGA, from payments that it makes. Certain aspects of the application of FATCA and IGA provisions to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date falling six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register would generally be grandfathered for purposes of FATCA withholding, unless materially modified after such date.

However, if additional Notes not distinguishable from previously issued Notes are issued after the grandfathering period has expired and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Portugal signed its IGA with the United States on 6 August 2015 and has implemented, through Law no. 82-B/2014, of 31 December, the legal framework for the reciprocal exchange of information with the United States on financial accounts subject to disclosure. The IGA entered into force on 10 August 2016 and, through Decree-Law no. 64/2016, of 11 October, amended by Law no. 98/2017, of 24 August, and by Law no. 17/2019, of 14 February, and Ministerial Order (*Portaria*) no. 302-A/2016, of 2 December, as amended by Ministerial Order (*Portaria*) no. 169/2017, of 25 May, the Portuguese Government approved the complementary regulation required to comply with FATCA. Under this legislation, the Issuer is required to obtain information regarding certain accountholders and to report such information to the Portuguese tax authorities, which, in turn, will report the information to the IRS.

Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

The proposed financial transaction tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive on a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in financial instruments (including secondary market transactions) under certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State, or (b) where the financial instrument subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may also decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SECTION XIII

THIRD PARTY INFORMATION, STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

No statement or report attributed to an expert is included in the Information Memorandum. No statement or report attributed to a third party is included in the Information Memorandum.

SECTION XIV

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum:

- The by-laws of the Issuer, which are available at the Commercial Registry Office of Aveiro (Portugal); and
- The audited consolidated financial statements (including the auditor's report thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2017 and 31 December 2018, which are included in the Annex of this Information Memorandum.

So long as any of the Notes remain outstanding, copies of the documents incorporated in it by reference and the Information Memorandum itself will be available for inspection during normal business hours at the registered office of the Issuer (without charge) and may also be obtained from the website of the Issuer (www.vistaalegre.com) and in the case of the Information Memorandum from the website of the Alternative Fixed Income Market (www.bmerf.es).

For the avoidance of doubt, the content of the Issuer's website or of any other website referred to in this Information Memorandum does not form a part of the Information Memorandum, except the content of the list of documents incorporated by reference.

In Lisbon, on 21 October 2019.

For and on behalf of:

VAA - VISTA ALEGRE ATLANTIS, SGPS, S.A.

_____

Name: Paulo Jorge Lourenço Pires

Capacity: Vice-Chairman of the Board of Directors

_____

Name: Alexandra da Conceição Lopes

Capacity: Member of the Board of Directors

ANNEX

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEARS ENDED ON 31 DECEMBER 2017 AND 31 DECEMBER 2018

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