

INSIDE INFORMATION

SONAE INDÚSTRIA, SGPS, S.A.

ANNOUNCES AGREEMENTS ON CERTAIN FINANCING TRANSACTIONS

Sonae Indústria, SGPS, S.A. ("**Sonae Indústria**") informs that it has closed agreements for the execution of two significant financing transactions which allow for a material improvement of its debt maturity profile and strengthening of its capital structure, and provide a stronger financial platform to support the execution of Sonae Indústria's strategic plan for the years to come.

The first of these transactions involves the refinancing of 90 million euros of existing senior secured debt with four creditor banks, the terms of which extend its final maturity for a five year period as from closing date (3.9 years average life) with a lower all in cost of debt when compared with the debt being refinanced.

The second transaction consists of the issuance of Subordinated Bonds, contractually and legally subordinated to all of Sonae Indústria senior debt and with a much longer repayment profile than all other existing financing facilities. These Subordinated Bonds are repayable in full at the end of the ten year period (December 2029). The Subordinated Bonds pay annual interest of 7.00% per annum.

Efanor Investimentos ("Efanor"), Sonae Indústria's majority shareholder, will subscribe in full the first tranche of 50 million Euros of Subordinated Bonds.

As a result of these transactions, Sonae Indústria reduces its senior bank debt by 50 million Euros.

A second tranche of up to 15 million Euros of Subordinated Bonds will be offered to the market in 2020 in the form of a private placement with eligible counterparties and professional clients. The final size of this tranche will depend on investor interest. The second tranche will be fully fungible with the first tranche. Any net proceeds of the second tranche will be used exclusively for the repayment of senior debt.

Additionally, new unsecured bilateral financing agreements totaling 15 million Euros are being finalised and are expected to be concluded during the next few weeks further improving Sonae Indústria's liquidity and debt maturity profile.

Chris Lawrie, Sonae Industria CFO stated "The completion of these financing deals materially reinforces Sonae Indústria's financial position bringing additional strength to its capital structure and ultimately improving Sonae Indústria financial flexibility to execute its strategic goals and to extract the full potential from its assets. The support provided by our major shareholder is a clear show of confidence in the future of the business."

Maia, 20 December 2019

Sonae Indústria Board of Directors