



1H20

RESULTS

BUILDING
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1. Highlights

Financial Performance

- **Very resilient performance across all businesses** in a very challenging context marked by the pandemic, enabling Sonae to deliver a top line growth of 6% in the 1H and a stable underlying EBITDA on a comparable basis. Growth fuelled by strong operational readiness measures and unprecedented online sales, enabling higher market shares across most businesses;
- **Consolidated net result** strongly impacted by Covid-19 in both quarters, mostly due to non-cash contingencies – provisions in the 1Q and lower real estate asset valuations in the 2Q;
- Maintenance of solid **capital structure** with total liquidity reinforced by more than €650 M of refinancing operations since the beginning of the year and extensive cash preservation initiatives across businesses.

Portfolio Management Activity

- In the 1Q20, **Sonae Sierra** created Sierra Prime, a leading retail real estate JV with APG, Allianz and Elo, which includes some of Sierra's most iconic assets. This was a key milestone in the company's capital recycling strategy and for its property and asset management business;
- In the 2Q20, **Sonae Fashion** acquired the remaining 50% stake in Salsa and is now better positioned to strategically support the company and bring it to a new level of growth;
- Already in the 3Q20, Sonae reinforced its position in **NOS** and announced the agreement to dissolve the partnership at ZOPT. When executed, these operations will ensure a standalone position of 33.45% in NOS.

2. CEO letter

The second quarter of 2020 was certainly one of the toughest quarters in Sonae's history. After a good start to the year, we were all hit by the Covid-19 pandemic in mid-March and it was during the second quarter that we felt most of the impacts to date of this unprecedented and challenging situation. As I have stated multiple times, our main concern since day one has been the health and safety of our people, customers and partners, while we continue to provide essential services to society and to support our communities. All our businesses have been severely impacted by this situation, but I am proud to say that our collective response has been quite outstanding. I feel truly honoured and privileged to lead such a resilient and generous team. These past few months have shown not only the cohesion and coordination of the top management team at Sonae, but also the strong commitment of our people to serve our customers and take great care of all our stakeholders.

Our portfolio showed a very resilient performance throughout the last few weeks. I would like to highlight the exceptional performances of both Sonae MC and Worten, which, in such a challenging context, were able to strengthen their leadership positions in the Portuguese market and grow turnover by more than 9% and 6% yoy in this second quarter of the year, respectively. But I would also like to stress the resilience of the remaining businesses in our portfolio, especially the ones which were forced to shut down during most of 2Q. Sonae Sierra faced a particularly challenging situation, namely in Portugal, with all shopping centres practically closed during the quarter and high uncertainty regarding rent collection driven by unprecedented legislation (despite the agreements that had already been reached with the vast majority of tenants). Overall, Sonae grew 5% yoy in the quarter and underlying EBITDA was practically stable vs last year in comparable terms. This is a remarkable performance considering that many of our operations were shut down for many weeks.

Under these challenging times, maintaining a solid financial position is essential to face the future with confidence. Since the beginning of 2020, we have been able to further reinforce our capital structure with several refinancing operations totalling more than €650 M and extensive cash preservation initiatives. This has enabled us to keep a healthy liquidity position and maintain our commitments to all stakeholders. Currently, all the companies in our portfolio hold conservative balance sheets, which will be important to face the upcoming months.

While we remained deeply committed to protecting our businesses and serving our customers, we have not lost sight of our environmental and social sustainability priorities. In the past few months, we have continued to reinforce our social responsibility initiatives in a number of areas, namely food donations and government support initiatives related to the fight against Covid-19, and we have continued to make significant progress towards our CO₂ emissions and plastics consumption goals.

The next few months will bring different types of challenges for our teams, and I am confident that Sonae will overcome these challenges. We have a resilient portfolio of businesses and a strong financial position, but most importantly the right people and the right values embedded across the organisation.

Cláudia Azevedo

CEO, Sonae

3. Covid-19 update

Sonae continues to monitor all the developments related to the Covid-19 outbreak and to adapt all its actions to the current circumstances, according to each business context and to the recommendations and rules established by the competent authorities. Since the beginning of the pandemic, and given the existing risks, a specific governance model was implemented early on to manage this crisis and prevention/contingency plans were developed to cover the entire organisation, from the operational areas to the central structures, across all of the Group's businesses.

Below is a summary of the main initiatives and impacts in several areas during the last months:

Employees

- At the operations level, measures continued to be implemented in order to ensure the health of our employees, partners and customers.
- Businesses that were closed during the state of emergency have been gradually reopening since mid-May and, as of this date, all operations are adjusted to the new normality, requiring special hygiene and social distancing measures.
- Regarding central offices, as well as in every job function in which this was possible, remote work continued to be prioritised. In June, a phased return to the offices was initiated in many businesses yet maintaining a low occupancy rate.

Community Support

Sonae continued to reinforce its social responsibility initiatives in the quarter, in particular:

- Wide support to institutions (hospitals, local councils and support centres) through the distribution of thousands of food and non-food goods and PPE (personal protective equipment) to the most vulnerable people, but also to health and security professionals. In addition, hundreds of computers were donated to schools so that children could follow classes remotely.
- Sonae group companies have actively participated in cooperation networks to support communities, namely international sourcing support made available to public institutions, having managed to purchase PPE in a time of great need and providing all the logistics for its transportation to Portugal and distribution to priority entities and institutions (e.g. hospitals). At the same time, portfolio companies participated in several fundraising initiatives amounting to a total of €1.2 M, with Sonae having donated more than 150 tons of essential products.

Business operations – Main highlights

Food retail | Sonae MC

- The food retail sector registered an increased level of demand before and after the state of emergency. After the lockdown, Sonae MC's sales returned to more typical levels, but still above the pre-Covid period, which demonstrates the recognition of its value proposition, as well as the cleanliness and safety environment felt in our stores.
- Sonae MC maintained a close dialogue with all stakeholders in the supply chain to strengthen its response capacity during the crisis, including the activation of alternative suppliers, namely at the national level, promoting market liquidity, especially for small producers. At the moment, all supply chain operations have been normalised.
- The unprecedented demand in the online channel, that required Sonae MC to increase significantly its response capacity and establish partnerships for home delivery, is already normalised. Nevertheless, sales continue to be higher than the pre-Covid period, which shows the quality of the service and a strong customer loyalty.
- The formats that had been forced to close during the state of emergency, namely Arenal in Spain, as well as the Go Natural restaurants, Bagga coffee shops and most of the Dr.Wells clinics in Portugal, have resumed their activity.

Shopping Centres | Sonae Sierra

- Sonae Sierra has now all shopping centres open in all its geographies, having implemented several measures in coordination with tenants to ensure the safety of visitors and employees (e.g. temperature checks, use of masks, increase of cleaning and of air circulation/renewal).
- The return phase has been successful, with footfall evolving in a positive trend (although still below pre-Covid levels) and tenant sales showing encouraging signs. During the lockdown, Sonae Sierra developed some initiatives to mitigate tenants' loss in sales, which it still keeps, such as: i) a virtual mall, in partnership with Dott and ii) a click & collect initiative, taking advantage of the parking space serving the shopping centres.
- Rental income has been impacted by the discounts and rent invoicing suspensions that the company had already agreed for the lockdown period with its tenants in order to support their operations and share the impacts of the pandemic and by the new legislative measures taken in Portugal.
- Despite the impacts of the recent legislation, the company has been updating several contingency scenarios, maintaining a solid liquidity, and continues to implement several measures to reduce/contain non-essential costs, as well as investments that are not critical.

Telecommunications | NOS

- As for telecom operations, traffic volumes remained very high during the 2Q, both fixed and mobile, with increases versus pre-Covid-19 levels. Despite this additional pressure, service levels remained intact with minimal disruption, a result of the significant investments made in past years to deploy the nationwide next generation network, both fixed and mobile, and the contingency measures implemented during this period.
- During this period, premium sports channels billing suspension was maintained up to end of May, being resumed in June with the return of the Portuguese football league. Also, roaming revenues continued to struggle due to limited international travel.
- Cinemas were closed due to the pandemic, with no revenues generated since mid-March. Already in July, NOS cinemas reopened under stricter health and safety measures – all the procedures were certified by an external entity (ISQ), that will also undertake quarterly audits to ensure safety standards are being complied with. Since then, theatres have been operating with a limited level of demand, also driven by the postponement of many movie launches.

Electronics | Worten

- The end of 2Q20 was marked by the lifting of previous lockdown measures in both Portugal and Spain, albeit at different paces. In Portugal, these measures were lifted from the beginning of May onwards, leading to the gradual reopening of Worten's Mobile and iServices stores (remaining stores – Worten Mega and Worten Super – continued open during confinement period, yet under a more restricted opening hour schedule). In Spain, these measures were lifted progressively in stages according to the pandemic status of each region, delaying the reopening of physical stores to the beginning of June (Spain Mainland stores and the six stores previously closed in the Canary Islands). To be noted that in Spain, the severe limitations to product categories that could be sold in stores, as defined by the Spanish Government, prompted Worten to close its stores, contrary to Portugal.
- As per stores reopening, footfall increased, and sales levels started to converge to pre-Covid levels. To ensure the safety of all customers and employees, stores' operating model was reviewed reinforcing protection measures (e.g., masks, acrylic panels, electronic signalling), thus leading to extraordinary costs during this period. Notwithstanding, this effect is partly mitigated by reinforced efficiency efforts underway, both at cost and investment levels.
- As expected, and as a direct result of the end of social confinement and stores reopening, the weight of online purchases in the electronics channel reached its peak and started to decrease despite still being currently at higher levels than the past. Thus, Worten's online sales have also decelerated, yet still registering record-breaking levels. All in all, and from an omnichannel perspective, Worten sales present a strong growth, both LfL and non LfL, translated into market share gains.

Fashion and Sports | Sonae Fashion and ISRG

- Regarding the sports and fashion retail businesses, and since the end of the state of emergency, stores have been reopening in different stages and depending on the pandemic evolution in each region where these are located.
- Focused on protecting people and promoting public health, Sonae Fashion joined the scientific and industrial community and successfully created and made available worldwide an innovative reusable mask (MOxAd-Tech). The project involved the clothing brand MO, the manufacturer Adalberto, the CITEVE technological centre and the University of Minho. In addition, the MOxAd-Tech mask has successfully passed all the tests carried out at the Instituto de Medicina Molecular João Lobo Antunes (iMM; Lisbon, Portugal), which makes it the first mask capable of inactivating the virus that causes Covid-19. This mask had already been certified as having antimicrobial protection and is now also capable of inactivating the SARS-CoV-2 virus which causes Covid-19.

Financing

In compliance with its internal policies and given the current high uncertainty context, Sonae has privileged the increase of the group's liquidity, the reduction of debt amortizations in the coming years and the expansion of maturities. Therefore, since the beginning of 2020, more than €650 M in debt facilities were reinforced, and as of the end of June, Sonae had €614 M of available credit lines and €595 M of cash. In this context, we do not foresee any significant financing needs in the short term and we believe we have the adequate liquidity levels, even under more adverse scenarios. In addition, we do not foresee any situation of debt covenant breach in the short term, either at Sonae MC or at Sonae SGPS.

At this stage, it is not possible to provide accurate estimates of the future economic, operational and financial impacts of this pandemic, as these depend on the economy relaunch, which in turn depends on the evolution of the pandemic contagion and the economic stimulus measures that are being implemented. However, Sonae has been directing all efforts to minimise the effects of this crisis, in line with the recommendations of the competent entities and in the best interest of all its stakeholders.

4. Sonae consolidated performance

Brief portfolio update

In the 1Q20, Sonae Sierra created Sierra Prime, a leading retail real estate JV with APG, Allianz and Elo, resulting in a dilution of its stake on a portfolio of leading Iberian assets (down to 25%), whilst maintaining the management of these assets.

In the 2Q20, Sonae acquired the remaining 50% in Salsa.

Already in the 3Q20, Sonae announced the agreement to terminate the partnership at ZOPT and the acquisition of a 7.38% stake in NOS.

Sonae corporate structure			
	Stake	Consolidation method	
Sonae MC	100%	Full consolidation	
Sonae Sierra	70%	Full consolidation	
NOS	23%	Equity method	
Worten	100%	Full consolidation	
ISRG	30%	Equity method	
Sonae Fashion	100%	Full consolidation	
Sonae FS	100%	Full consolidation	
Sonae IM	90%	Full consolidation	

Consolidated performance

Sonae's consolidated performance in 2Q20 was marked by two different moments:

- the lockdown period up to mid-May, marked by a strong impact in most of our businesses, positive in terms of sales performance for Sonae MC and Worten Portugal and negative, for Sonae Sierra, Worten Spain, and Sonae Fashion, that had to practically close down their operations during this period, and
- the post-lockdown period with the reopening of all stores and gradual easing of restrictions but still with some shopping centres with limited opening hours and therefore lower footfall.

From a **statutory point of view**, Sonae's consolidated **turnover** grew 5% yoy, to €1,584 M in the 2Q20, mainly driven by the strong contribution from Sonae MC, leading to a 6% yoy growth in the 1H to €3,136 M. In terms of **underlying EBITDA**, Sonae ended the 2Q20 with €129 M and €229 M in the 1H20, 7% and 5% below last year's figure, respectively, mainly explained by the deconsolidation of two core shopping centres (consequence of the Prime transaction) in Sonae Sierra's statutory accounts and the lockdown period's negative impact in Sonae Sierra and Sonae Fashion. **Excluding the impact of Sierra Prime, 1H20 Sonae's consolidated underlying EBITDA would have stayed flat yoy.**

2Q20 consolidated **EBITDA**, decreased 12% yoy to €128 M, due to the lower equity method results from Sonae Sierra and ISRG. Consequently, in the **1H20, consolidated EBITDA** fell 8% yoy to €256 M, despite the capital gain registered in the 1Q20 resulting from the Prime transaction at Sonae Sierra. **Sonae's Indirect Results** were mainly impacted by Sonae Sierra's asset revaluations as a result of the pandemic, which pushed **Sonae's Net Result** to a negative value of €16 M in the 2Q. All in all, at the end of 1H20, Sonae's Net result (group share) stood at -€75 M, highly influenced by total non-cash contingencies of €76 M already in the 1Q and Sonae Sierra's portfolio valuation decrease in the 2Q, both directly related to Covid-19.

Sonae consolidated results						
Million euros	1H19	1H20	yoy	2Q19	2Q20	yoy
Turnover	2,960	3,136	5.9%	1,511	1,584	4.8%
Underlying EBITDA	241	229	-5.3%	139	129	-7.5%
margin	8.2%	7.3%	-0.9 p.p.	9.2%	8.1%	-1.1 p.p.
Equity method results ⁽¹⁾	49	13	-73.2%	23	6	-73.5%
Non-recurrent items	-11	14	-	-18	-7	59.5%
EBITDA	279	256	-8.3%	145	128	-11.7%
margin	9.4%	8.2%	-1.3 p.p.	9.6%	8.1%	-1.5 p.p.
D&A	-103	-107	-3.7%	-52	-54	-2.8%
D&A - RoU	-60	-64	-6.2%	-34	-32	5.6%
Provisions and impairments	-3	-53	-	-2	-7	-
EBIT	114	32	-	56	35	-
Net financial results - lease liabilities	-36	-37	-3.4%	-17	-18	-5.6%
Net financial results - financing	-21	-18	14.6%	-11	-7	33.4%
EBT	57	-23	-	29	9	-
Taxes	-1	4	-	-5	-3	-
Direct results	56	-19	-	24	6	-
Indirect results	8	-65	-	9	-45	-
Net income	64	-84	-	32	-39	-
Non-controlling interests	-26	10	-	-13	23	-
Net income group share	38	-75	-	20	-16	-

(1) Equity method results: includes direct income by equity method results from Sonae Sierra statutory accounts, income related to investments consolidated by the equity method (mainly NOS/Zopt and ISRG) and discontinued operations results.

Capital Structure

In what concerns Sonae's capital structure, **total net debt reduced €498 M yoy to €1,257 M**, underpinned by the cash-in from Sonae Sierra's Prime transaction in the 1Q20 (€188 M, net of dividends paid to Grosvenor), and the consequent debt deconsolidation of these assets from Sonae's balance sheet.

The group's **gearing at book value** stood at 0.4x and **market value** gearing at 0.9x, as the negative share price performance during the last 12 months offset the decrease in average net debt during the same period.

Sonae's **financing conditions** sustained a low cost of debt of 1.2% during 1H20 (c.1.0% excluding Sonae Sierra), and the average maturity profile surpassed 4 years.

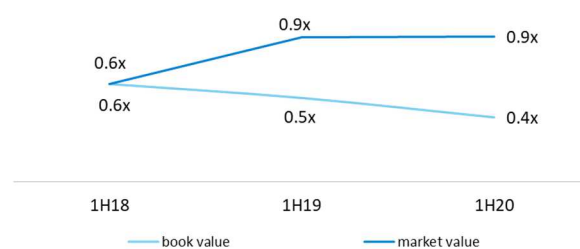
Moreover, and since the end of 2019, Sonae has already refinanced more than €650 M in long term facilities. As already stated in the 1Q20 release, with these operations, Sonae has increased the average debt maturity, the diversification of relationship banks and significantly reinforced its capital structure. The increased resilience of the balance sheet in the current adverse context allows Sonae to face the coming months with greater confidence and to pursue the group's strategic objectives in better conditions.

Moreover, all the companies in the portfolio continued to hold **conservative and solid balance sheets**. Both Sonae MC and NOS were able to post comfortable ratios of net debt to EBITDA (post-IFRS16), Sonae MC with 3.3x and NOS with 1.8x. Sonae Sierra's loan-to-value decreased to 25% and at the holding level, loan-to-value stood at 11%.

In terms of **capex** and in a quarter mainly characterized by lockdown, Sonae's companies spent €52 M, 28% below 2Q19, reaching €113 M at the end of 1H20. The deviation in 1H also reflects Arenal's acquisition by Sonae MC in 2019.

Sonae net invested capital			
Million euros	1H19	1H20	yoy
Net invested capital	5,956	4,839	-18.7%
Shareholders funds	3,008	2,401	-20.2%
Net debt (exc. lease liabilities)	1,755	1,257	-28.4%
Lease liabilities	1,193	1,182	-1.0%

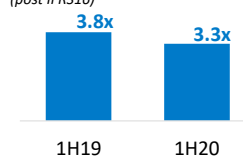
Gearing evolution



Ratios

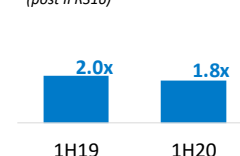
Sonae MC

Net Debt/ und. EBITDA
(post IFRS16)



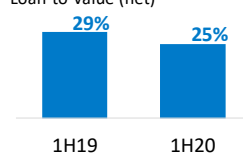
NOS

Net Debt/ EBITDA
(post IFRS16)



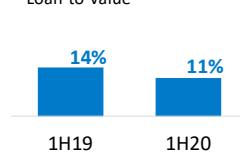
Sonae Sierra

Loan-to-value (net)



Holding

Loan-to-value



Sonae Capex			
Million euros	1H19	1H20	yoy
Capex	189	113	-40.4%
Sonae MC	155	89	-42.5%
Sonae Sierra	5	2	-
Worten	10	8	-20.5%
Sonae Fashion	6	6	4.8%
Sonae FS	<1	<1	51.3%
Sonae IM	15	6	-62.8%

5. Business by business results

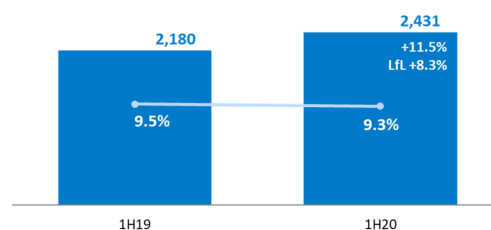
5.1. Sonae MC¹

For Sonae MC, the 2Q20 showed the same trends witnessed at the end of the 1Q20. Under such a challenging environment, Sonae MC was able to deliver strong sales growth, good momentum in the ecommerce operation and a strengthened leadership position. In the 2Q20, **turnover** grew by 9% yoy to €1,237 M, with a LfL sales growth above 6% and a very good performance in the i) hypers due to their broad offering, wide spaces and perceived safe environment, ii) proximity supermarkets, as customers are closer to home for their everyday needs and iii) the online business that continued to post double-digit growth during the 2Q and remained at high levels even after the end of the lockdown. New growth businesses, after a challenging start to the 2Q with most of the stores closed, have started to recover in June but still with lower footfall when compared to last year's figures, as people are still cautious over going out to acquire non-essential goods and services.

This 2Q top line performance led to a turnover of €2,431 M at the end of the 1H20, implying a 11.5% yoy growth and a LfL of 8.3%, in an environment of accelerating food inflation (2% in the 1H20). These figures reflect an extraordinary impact of the Covid-19 clearly showing the superior value proposition of Sonae MC's food retail formats, especially important in a sector where the limit of 5 customers per 100 sqm in stores continues.

Regarding **underlying operating profitability**, the incremental impact from Covid-19 on the costs side, particularly in the 2Q, led to a slightly lower margin when compared to last year. The direct and indirect costs related with the pandemic, were namely the costs with hygiene, safety measures and staff bonuses to reward exceptional work in the frontline during the lockdown period coupled with the changes in channel and product mix that weighed down on gross margins. All in all, underlying EBITDA margin stood at 9.3% vs 9.5% in the 1H19.

Turnover and underlying EBITDA margin (€M)



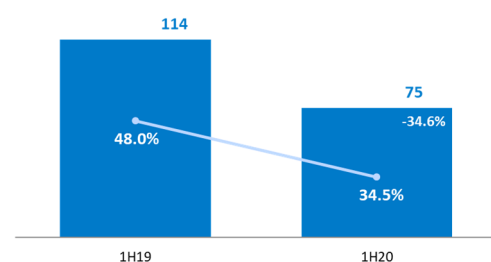
5.2. Sonae Sierra

Covid-19 had a material impact in the commercial real estate sector during the 2Q, particularly in shopping centres, thereby negatively impacting all of Sonae Sierra's business units.

From an **operational point of view**, Sierra's European portfolio, which today has a significant bias towards core / dominant assets, recorded (i) a decrease of c.70% of footfall when compared to the 2Q19 figures, reflecting the lockdown period which covered most of Q2 for almost all assets of Sierra's portfolio; and (ii) an average occupancy rate of 96.6% at the end of June, only slightly below last year's figure (97.4%).

On a **proportional accounting basis**, Sonae Sierra's 2Q20 net result was -€56 M, split between Direct results of -€3 M and Indirect results of -€53 M, the latter mainly related with property revaluations during the quarter, as asset values saw an

Turnover and EBIT margin (€M)



¹ For more information please see Sonae MC 1H20 results report in www.sonae.pt.

increase in yields and operational impacts from the pandemic. All in all, the 2Q20 net loss more than offset the net result of 1Q20, leading to a 1H20 net loss of €8 M.

Regarding **NAV**, Sonae Sierra ended the 2Q20 with €947 M, 7% down when compared to the end of 1Q20, mainly reflecting the decrease in investment property values, asset impairments and FX losses from Brazil.

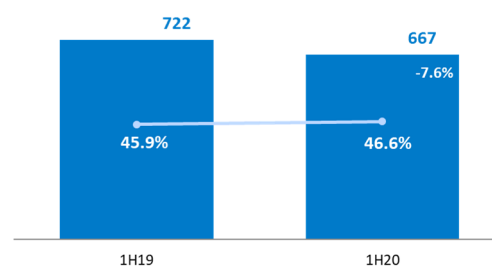
5.3. NOS

NOS published its 2Q20 results on July 22nd. This 2Q was a quarter with a stronger operational and financial impact from Covid-19 when compared to 1Q20, as a result of the more extensive period under lockdown, with all business segments being significantly affected.

NOS **turnover** in the 2Q20 declined 12% yoy to €321 M, leading to a 1H20 turnover of €667 M, -7.6% yoy. This performance in the 2Q reflected the cinema theatre closures, a significant decline in roaming revenues, the suspension of premium sports channel billing (in April and May) and the more challenging B2B environment. The Cinema and Audiovisuals business was the most impacted on a relative basis (more than 40% yoy) given the complete closure of theatres since March 16th. **EBITDA** followed the same trend and decreased by 7.8% in the 2Q to €158 M and 6.3% versus 1H19 to €311 M in the 1H20. All in all, **2Q20 net result** declined 5% yoy to €45 M in the 2Q20, as a result of the decline in EBITDA that more than offset the accounting capital gain of €6 M resulting from the sale of NOS International Carrier Services and at the end of 1H20, net result stood at €35 M, strongly impacted by the non-recurrent items linked to Covid-19 already registered in the 1Q20.

Nevertheless, NOS' financial balance sheet remains solid, having ended the 1H20 with a net financial debt to EBITDA of 1.8x. This position will be further strengthened with the sale of NOS Towering to Cellnex, which was already approved by the Portuguese Competition Authority in the 3Q20.

Turnover and EBITDA margin (€M)

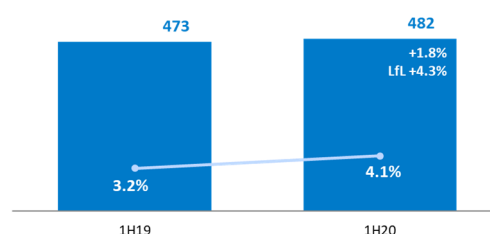


5.4. Worten

Worten had a **strong 2Q both in terms of top line and profitability** in spite of the very different business contexts in Portugal and Spain.

As already stated in the 1Q release, during the lockdown period, in Portugal, all stores remained open except Worten Mobile and iServices stores located in shopping centres – and then gradually reopened in May. Due to more restrictive confinement rules and a more acute impact of the outbreak, in Spain mainland all stores were temporarily closed, although still supporting the online operation, while in the Canary Islands 6 stores were closed, 2 of which were adapted to serve online orders – in both regions, stores opened in the beginning of June. The online demand continued to deliver double-digit sales growth, being the main driver of the top line performance.

Turnover and underlying EBITDA margin (€M)



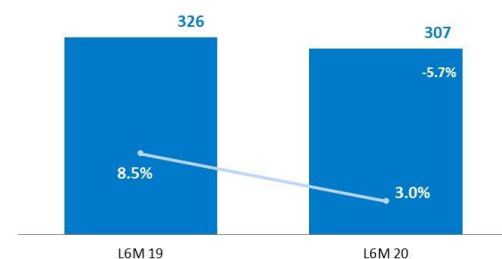
In this context, despite closures in Spain and as a result of the online surge, **turnover** grew 6% yoy (9% in like-for-like stores), reaching €250 M in the 2Q20 and €482 M in the 1H20.

Highlight to the categories of IT and entertainment that registered a strong growth, easily understood in view of the current situation. Regarding profitability, Worten's **underlying EBITDA** improved yoy from €7 M (3.0% margin) to €12 M (4.7% margin) in the 2Q, boosted by the top line performance, namely in Portugal, and the closure of 14 loss-making stores in Spain over the last 12 months. Already in July, three more loss-making stores were closed in Spain Mainland.

5.5. ISRG

After a strong performance in 2019, the first months of ISRG's fiscal year were severely impacted by the Covid-19 outbreak as sales started to slow down since the beginning of March and, from mid-March onwards, all the company's stores were closed both in Portugal and in Spain (representing a shutdown period in half of the quarter²). In what concerns profitability and following the negative sales trend, 1Q EBITDA decreased to negative ground and implied that the company's equity method contribution to Sonae's results was negative at €6 M in the quarter.

Turnover and EBITDA margin (€M)



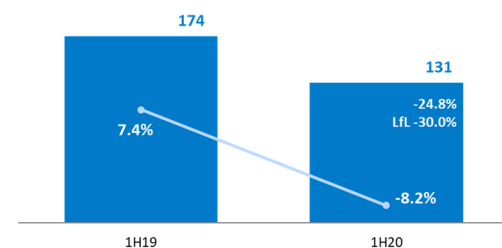
The reopening performance of ISRG stores since June in both geographies has been quite positive and encouraging.

5.6. Sonae Fashion

For Sonae Fashion, the 2Q was atypical and severely hit by the closure of all stores as the lockdown measures were in place for the most part of the quarter. Since mid-May, stores began to reopen but continued to be impacted by legal requirements and by limited footfall in shopping centres.

In spite of the adverse context and during the lockdown, Sonae Fashion implemented a comprehensive set of measures to find alternative ways to sell and to increase brand engagement across all of its brands. Part of the severe impact in top line was offset by a very positive performance of the online business that more than doubled last year's figures in the 2Q. Zippy and MO are worth highlighting with 5x and 6x increases in online sales, respectively, having reached the FY19 online sales figure in just one quarter. In addition, performance since reopening has delivered encouraging results to face the rest of the year.

Turnover and underlying EBITDA margin (€M)



Overall, Sonae Fashion **turnover** in the 2Q20 stood at €53 M, decreasing 32% yoy, leading to a 25% yoy decline in the 1H to €131 M. Regarding profitability, following the sales trend, and considering that the stores were closed for more than 2.5

² 1Q of ISRG refers to the period from the 2nd of February to the 2nd of May.

months and the extra costs directly related with the Covid-19, **underlying EBITDA** was down by €24 M yoy to negative ground and stood at -€11 M at the end of 1H20.

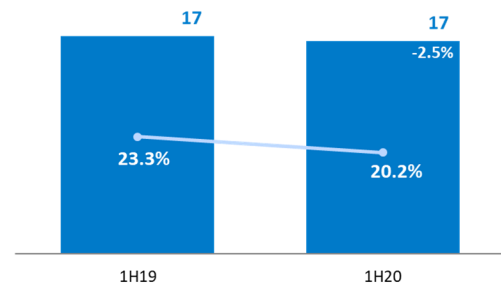
5.7. Sonae FS

Although not being among the most affected businesses in our portfolio, Sonae FS' activity slowed down in the months of the lockdown, namely concerning new credit cards and personal loans approvals. Nevertheless, since mid-May Sonae FS' operational performance already showed signs of recovery and its activity has returned to historical levels, especially in Universo purchases, coupled with the recovery of activity in Spain with the reopening of retail stores.

In spite of the deceleration of the credit card payments market as a whole (-15% yoy until the end of June), the Universo card was able to register an estimated record market share of 18.1% in April, 16.4% in May and 14.2% at the end of June, guaranteeing an average of 14.7% for 1H20 compared to 12.5% in 1H19. This represents a record market share since its creation and in the lockdown period, fuelled by the strong boost of online purchases in sectors like grocery, clothing and home appliances, significantly above historical figures. At the end of June, there were 886k active Universo cards, +85k vs last year.

All in all, Sonae FS **turnover** fell €1.6 M yoy to €7.6 M in the 2Q20, being able to remain flat yoy in the 1H20 with a turnover of €17 M. The **underlying EBITDA** followed the same top line trend, decreasing less than €1 M both in the 2Q and in the 1H, when compared to the same period of last year and reaching €1.3 M in the 2Q20 and €3.4 M in the 1H20.

Turnover and underlying EBITDA margin (€M)



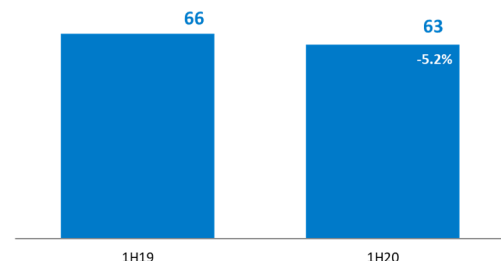
5.8. Sonae IM

Within Sonae IM's portfolio companies, a positive note to cybersecurity companies which have proven to be more resilient to the Covid-19 crisis and increased their top line by double digit in the semester.

As for the investment activity, the main priority has been monitoring and supporting portfolio companies and some follow-on investments have been done. Despite a slowdown in M&A activity in the months of March and April, as travel bans and event cancellations prevented the maintenance of deal generation activities, the end of the 2Q20 showed some encouraging signs with the M&A activity starting to pick up. During the 2Q20, Sonae IM made an early stage investment in a company with a distinctive short video technology.

Sonae IM's 1H turnover reached €63 M, 5.2% below the value registered in 1H19 and 1H underlying EBITDA stood in negative ground but with a significant improvement in relation to last year. In the 2Q20, turnover improved 4% yoy and underlying EBITDA was positive.

Turnover (€M)



6. Corporate information

6.1. Main corporate events in the 2Q20

April 8th

Sonae informed about bond issue and refinancing of medium and long-term debt.

April 10th

Sonae announced that Wonder Investments SGPS informed that it has executed the contractual right to sell its 50% stake in IVN – Serviços Partilhados SA which trades under the trademark “Salsa” to Sonae Fashion.

April 17th

Sonae informed on transaction by person discharging managerial responsibilities.

April 30th

Sonae informed on Resolutions taken at Sonae’s Shareholders’ Annual General Meeting.

April 30th

Sonae informed on dividend payment.

May 5th

Sonae informed on qualified shareholding.

May 18th

Sonae informed on refinancing of medium and long-term debt.

May 21st

Sonae informed about notification from PriceWaterhouseCoopers, Sociedade de Revisores Oficiais de Contas, Lda.

6.2. Subsequent events

August 4th

Sonae informed about bond issue and refinancing of medium and long-term debt.

August 5th

Sonae informed about sale and leaseback operation.

August 19th

Sonae informed about an agreement to dissolve the partnership at ZOPT and a shareholding in NOS SGPS, SA

7. Sonae Balance sheet

Sonae statement of financial position			
Million euros	1H19	1H20	yoy
TOTAL ASSETS	8,699	7,806	-10.3%
Non current assets	7,091	6,176	-12.9%
Net fixed assets	2,050	2,084	1.6%
Net Rights of Use	1,082	1,043	-3.6%
Goodwill	822	675	-17.9%
Investment properties	975	336	-65.6%
Other investments	2,015	1,642	-18.5%
Deferred tax assets	83	343	-
Others	64	53	-16.9%
Current assets	1,608	1,631	1.4%
Stocks	670	567	-15.4%
Trade debtors	132	121	-9.0%
Liquidity	525	597	13.6%
Others	280	346	23.7%
SHAREHOLDERS' FUNDS	3,008	2,401	-20.2%
Equity holders	2,006	1,921	-4.2%
Attributable to minority interests	1,002	479	-52.2%
LIABILITIES	5,690	5,405	-5.0%
Non-current liabilities	3,570	3,307	-7.4%
Bank loans	1,474	1,079	-26.8%
Lease liabilities	1,099	1,077	-2.0%
Other loans	565	550	-2.7%
Deferred tax liabilities	290	464	60.2%
Provisions	40	42	4.3%
Others	102	94	-8.0%
Current liabilities	2,120	2,098	-1.0%
Bank loans	279	238	-14.7%
Lease liabilities	95	104	10.5%
Other loans	6	15	147.9%
Trade creditors	1,122	1,132	0.9%
Others	619	610	-1.5%
SHAREHOLDERS' FUNDS + LIABILITIES	8,699	7,806	-10.3%

8. Additional information

8.1. Methodological notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

Note: Sonae implemented the following changes in its reporting structure:

- (i) Adoption of the IFRS16 accounting standard in 2019;
- (ii) Discontinued operations: Saphety and WeDo following the sale from Sonae IM in 1Q19 and 3Q19, respectively; Temasa following the sale from Sonae Fashion and Deeply as an asset available for sale.

8.2. Sonae Sierra statutory accounts

Sonae Sierra consolidated results		
Million euros	2Q20	1H20
Turnover	23	50
Underlying EBITDA	3	7
margin	11%	14%
Equity method results	1	10
Non-recurrent items	-2	57
EBITDA	2	75
Provisions and impairment losses	-5	-5
D&A	-1	-1
EBIT	-4	68
Net financial results	-1	-4
EBT	-5	64
Taxes	0	-1
Direct results	-6	63
Indirect results	-52	-72
Net income	-58	-9
Non-controlling interests	2	1
Net income group share	-56	-8

9. Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) EBT	Direct results before taxes.
EoP	End of period.
Financial net debt	Net debt excluding shareholders' loans.
Gearing (book value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
Gearing (market value)	Average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares on the last day of each quarter.
Indirect results	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Lease Liabilities	Net present value of payments to use the asset.
Like for Like sales (Lfl)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to Value (LTV) - Holding	Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).
Loan to Value (LTV) – Sonae Sierra	Net debt / (Investment properties + properties under development), on a proportional basis.
INREV Net asset value (NAV) Sonae Sierra	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net invested capital	Total net debt + total shareholders' funds.
Online sales	Total e-commerce sales, including online marketplaces.
Open Market Value (OMV)	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
Other loans	Bonds, leasing and derivatives.
Right of use (RoU)	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.
RoIC	Return on invested capital.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.



1H20

FINANCIAL STATEMENTS

**BUILDING
TOGETHER**

**Condensed Consolidated
Financial Statements**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020 AND 2019 AND 31 DECEMBER 2019

(Amounts expressed in euro)

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

ASSETS	Notes	30 Jun 20	30 Jun 19	31 Dec 2019
NON-CURRENT ASSETS:				
Property, plant and equipment	7	1,688,337,971	1,688,351,702	1,688,284,139
Intangible assets	8	395,322,518	362,085,975	401,667,381
Right of use assets	9	1,042,756,597	1,081,541,819	1,060,191,250
Investment properties		335,678,952	974,850,481	347,859,459
Goodwill		674,547,683	821,982,555	678,895,512
Investments in joint ventures and associates	10	1,560,464,212	1,954,852,534	1,607,581,376
Other investments	11	81,908,222	60,181,633	79,248,786
Deferred tax assets	12	343,490,149	83,046,154	331,385,376
Other non-current assets		53,044,417	63,857,988	53,982,880
Total Non-Current Assets		6,175,550,721	7,090,750,841	6,249,096,159
CURRENT ASSETS:				
Inventories		567,167,216	670,325,555	663,919,735
Trade receivables and other current assets		353,524,815	335,668,647	309,556,149
Income tax assets		44,125,906	43,235,071	42,283,336
Other tax assets		39,258,704	33,478,041	42,600,020
Investments	11	1,835,624	726,237	665,213
Cash and bank balances		594,771,902	524,381,568	609,830,153
Total Current Assets		1,600,684,167	1,607,815,119	1,668,854,606
Assets classified as held for sale	5	29,826,424	-	1,126,364,434
TOTAL ASSETS		7,806,061,312	8,698,565,960	9,044,315,199
EQUITY AND LIABILITIES				
EQUITY:				
Share capital		2,000,000,000	2,000,000,000	2,000,000,000
Own shares		(93,340,758)	(99,861,142)	(99,806,645)
Legal reserve		277,452,299	268,028,145	268,028,145
Reserves and retained earnings		(188,065,073)	(200,025,062)	(201,594,204)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		(74,756,306)	37,975,148	165,221,904
Equity attributable to the equity holders of the Parent Company		1,921,290,162	2,006,117,089	2,131,849,200
Equity attributable to non-controlling interests	13	479,474,197	1,002,181,940	974,714,342
TOTAL EQUITY		2,400,764,359	3,008,299,029	3,106,563,542
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	14	1,629,212,413	2,039,342,248	1,592,307,452
Lease liabilities	9	1,077,086,722	1,098,513,515	1,088,290,449
Other non-current liabilities		94,269,448	102,451,279	89,970,758
Deferred tax liabilities	12	464,138,462	289,705,452	472,289,494
Provisions	15	42,112,466	40,393,875	42,652,254
Total Non-Current Liabilities		3,306,819,511	3,570,406,369	3,285,510,407
CURRENT LIABILITIES:				
Loans	14	252,238,129	284,512,030	196,268,470
Lease liabilities	9	104,468,931	94,530,215	102,781,525
Trade payables and other current liabilities		1,602,119,650	1,624,800,230	1,847,952,492
Income tax liabilities		26,780,646	29,536,936	13,464,954
Other tax liabilities		84,923,051	79,498,982	100,751,716
Provisions	15	26,331,674	6,982,169	4,405,596
Total Current Liabilities		2,096,862,081	2,119,860,562	2,265,624,753
Liabilities directly associated with assets classified as held for sale	5	1,615,361	-	386,616,497
TOTAL LIABILITIES		5,405,296,953	5,690,266,931	5,937,751,657
TOTAL EQUITY AND LIABILITIES		7,806,061,312	8,698,565,960	9,044,315,199

The accompanying notes are part of these condensed consolidated financial statements.

1H20 Results Report

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 AND 2019

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

(Amounts expressed in euro)	Notes	2 nd Quarter 2020	2 nd Quarter 2019 Restated	30 Jun 20	30 Jun 19 Restated Note 4
Sales	6	1,518,934,410	1,418,602,910	2,990,207,331	2,773,592,545
Services rendered	6	65,154,214	92,718,547	145,615,280	186,726,574
Changes in value of investment properties		(12,015,453)	6,461,135	(12,015,453)	6,461,135
Income or expense relating to investments	16	99,019	(16,946,682)	21,939,256	(17,054,347)
Financial income		14,301,132	2,640,187	17,460,752	5,965,712
Other income		25,566,822	27,696,042	49,868,357	50,870,940
Cost of goods sold and materials consumed		(1,110,705,112)	(1,012,719,733)	(2,230,745,574)	(1,994,785,457)
(Increase) /Decrease in production		880,276	476,124	1,302,199	(1,717,334)
External supplies and services		(149,822,470)	(153,812,143)	(310,334,715)	(307,318,770)
Employee benefits expense		(213,085,583)	(217,761,707)	(437,462,262)	(430,455,734)
Depreciation and amortisation expenses	6, 7, 8 and 9	(86,072,121)	(86,527,346)	(170,441,601)	(162,956,522)
Impairment losses		(8,118,650)	(614,880)	(8,968,101)	(1,339,022)
Provisions	15	(7,817,509)	(2,167,699)	(26,997,774)	(2,214,845)
Financial expense		(31,645,267)	(30,627,065)	(64,160,800)	(62,649,774)
Other expenses		(13,278,328)	(15,764,656)	(29,844,982)	(33,646,135)
Share of results of joint ventures and associates	10.2	(31,189,697)	29,530,347	(23,696,231)	56,888,557
Profit/(Loss) before taxation from continuing operations		(38,814,317)	41,183,381	(88,274,318)	66,367,523
Income tax expense		271,395	(6,425,816)	6,049,057	(3,924,650)
Profit/(Loss) after taxation from continuing operations		(38,542,922)	34,757,565	(82,225,261)	62,442,873
Profit/(Loss) from discontinued operations after taxation	4	(255,563)	(2,318,907)	(2,033,879)	1,722,066
Consolidated profit/(Loss) for the period		(38,798,485)	32,438,658	(84,259,140)	64,164,939
Attributable to equity holders of the Parent Company:					
Continuing operations		(15,768,680)	21,864,569	(72,722,427)	36,633,692
Discontinued operations		(255,563)	(2,193,242)	(2,033,879)	1,341,456
		(16,024,243)	19,671,327	(74,756,306)	37,975,148
Attributable to non-controlling interests					
Continuing operations		(22,774,242)	12,892,996	(9,502,834)	25,809,181
Discontinued operations		-	(125,665)	-	380,610
	13	(22,774,242)	12,767,331	(9,502,834)	26,189,791
Profit/(Loss) per share					
From continuing operations					
Basic	18	(0.008157)	0.011449	(0.038070)	0.019241
Diluted	18	(0.007514)	0.011486	(0.035499)	0.019770
From discontinued operations					
Basic	18	(0.000131)	(0.001160)	(0.001065)	0.000705
Diluted	18	(0.000123)	(0.001081)	(0.000996)	0.000657

The accompanying notes are part of these condensed consolidated financial statements.

1H20 Results Report

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2020 AND 2019

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

(Amounts expressed in euro)	Notes	2nd Quarter 2020	2nd Quarter 2019 Restated	30 Jun 20	30 Jun 19 Restated Note 4
Net Profit / (Loss) for the period		(38,798,485)	32,438,658	(84,259,140)	64,164,939
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		2,039,159	(3,408,888)	10,230,834	318,207
Share of other comprehensive income of joint ventures and associates	10.2	(15,305,021)	1,143,774	(79,402,415)	1,328,569
Changes in cash flow hedging reserve		(492,832)	(809,870)	(94,754)	(378,526)
Income tax relating to items that may be reclassified subsequently to profit or loss		187,182	61,247	(41,232)	61,247
Others		(202,890)	489,231	(76,237)	266,309
		(13,774,402)	(2,524,506)	(69,383,804)	1,595,806
Items that were reclassified subsequently to profit or loss:		-	-	-	-
Items that won't be reclassified subsequently to profit or loss:					
Changes value of financial assets at fair value	11	(2,058,885)	-	(2,058,885)	-
		(2,058,885)	-	(2,058,885)	-
Total other comprehensive income for the period		(15,833,287)	(2,524,506)	(71,442,689)	1,595,806
Total comprehensive income for the period		(54,631,772)	29,914,152	(155,701,829)	65,760,745
Attributable to:					
Equity holders of parent company		(28,197,676)	15,401,757	(125,306,577)	36,792,259
Non controlling interests		(26,434,096)	14,512,395	(30,395,252)	28,968,486

The accompanying notes are part of these consolidated financial statements.

1H20 Results Report

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2020 AND 2019

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

(Amounts expressed in euro)	Notes	Reserves and Retained Earnings											Non controlling Interests (Note 13)	Total Equity
		Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Cash-flow Hedging Reserve	Option Premium Convertible Bonds	Other Reserves and Retained Earnings	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total		
Attributable to Equity Holders of Parent Company														
Balance as at 1 January 2019		2,000,000,000	(104,204,112)	251,937,767	4,160,385	2,146,500	123,615	22,313,000	(236,806,688)	(208,063,188)	221,653,131	2,161,323,598	1,127,493,090	3,288,816,688
Impact of IFRS 16 application		-	-	-	-	-	-	-	(90,211,649)	(90,211,649)	(14,097,181)	(104,308,830)	(2,040,966)	(106,349,796)
Balance as at 1 January 2019 - Restated		2,000,000,000	(104,204,112)	251,937,767	4,160,385	2,146,500	123,615	22,313,000	(327,018,337)	(298,274,837)	207,555,950	2,057,014,768	1,125,452,124	3,182,466,892
Total comprehensive income for the period		-	-	-	(1,202,155)	-	(309,214)	-	328,480	(1,182,889)	37,975,148	36,792,259	28,968,486	65,760,745
Appropriation of consolidated net profit of 2018														
Transfer to legal reserves and retained earnings		-	-	16,090,378	-	-	-	-	191,465,572	191,465,572	(207,555,950)	-	-	-
Dividends distributed		-	-	-	-	-	-	-	(83,964,892)	(83,964,892)	-	(83,964,892)	(156,805,803)	(240,770,695)
Income distribution from investment funds		-	-	-	-	-	-	-	-	-	-	(94,082)	(94,082)	(94,082)
Obligation fulfilled by share attribution to employees		-	-	-	-	-	-	-	(962,430)	(962,430)	-	(962,430)	(12,458)	(974,888)
Partial cancellation of Cash Settled Equity Swap	24	-	4,342,970	-	-	-	-	-	3,742,908	3,742,908	-	8,085,878	-	8,085,878
Acquisitions of affiliated companies		-	-	-	-	-	-	-	-	-	-	-	5,236,670	5,236,670
Capital increase		-	-	-	-	-	-	-	-	-	-	-	1,075,006	1,075,006
Impact of IFRS 16 application		-	-	-	-	-	-	-	(13,767,460)	(13,767,460)	-	(13,767,460)	(650,859)	(14,418,319)
Others		-	-	-	-	-	-	-	2,918,966	2,918,966	-	2,918,966	(987,144)	1,931,822
Balance as at 30 June 2019		2,000,000,000	(99,861,142)	268,028,145	2,958,230	2,146,500	(185,599)	22,313,000	(227,257,193)	(200,025,062)	37,975,148	2,006,117,089	1,002,181,940	3,008,299,029
Balance as at 1 January 2020		2,000,000,000	(99,806,645)	268,028,145	(7,400,437)	4,137,942	(673,747)	-	(197,657,962)	(201,594,204)	165,221,904	2,131,849,200	974,714,342	3,106,563,542
Total comprehensive income for the period		-	-	-	8,678,351	(2,071,259)	(6,273)	-	(57,151,090)	(50,550,271)	(74,756,306)	(125,306,577)	(30,395,252)	(155,701,829)
Appropriation of consolidated net profit of 2019														
Transfer to legal reserves and retained earnings		-	-	9,424,154	-	-	-	-	155,797,750	155,797,750	(165,221,904)	-	-	-
Dividends distributed	13	-	-	-	-	-	-	-	(88,485,183)	(88,485,183)	-	(88,485,183)	(82,475,010)	(170,960,193)
Obligation fulfilled by share attribution to employees		-	-	-	-	-	-	-	(540,773)	(540,773)	-	(540,773)	1,502	(539,271)
Partial cancellation of Cash Settled Equity Swap		-	6,465,887	-	-	-	-	-	(2,800,319)	(2,800,319)	-	3,665,568	-	3,665,568
Capital decrease	13	-	-	-	-	-	-	-	-	-	-	-	(25,952,884)	(25,952,884)
Loss of control of subsidiaries	5	-	-	-	-	-	-	-	-	-	-	-	(356,522,582)	(356,522,582)
Others		-	-	-	-	-	-	-	107,927	107,927	-	107,927	104,081	212,008
Balance as at 30 June 2020		2,000,000,000	(93,340,758)	277,452,299	1,277,914	2,066,683	(680,020)	-	(190,729,650)	(188,065,073)	(74,756,306)	1,921,290,162	479,474,197	2,400,764,359

The accompanying notes are part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020 AND 2019
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	2nd Quarter 2020	2nd Quarter 2019	30 jun 2020	30 jun 2019
OPERATING ACTIVITIES					
Net cash generated from operating activities (1)		169,441,611	143,292,296	(9,153,444)	36,479,736
INVESTMENT ACTIVITIES					
Receipts arising from:					
Investments	5	1,007,143	14,631,365	269,703,299	34,710,076
Property, plant and equipment and intangible assets		788,325	2,946,568	8,371,760	3,879,592
Interests and similar income		439,725	782,091	942,418	1,340,120
Loans granted		-	655,472	2,368,303	655,472
Dividends		1,144,354	84,679,900	5,091,371	85,489,900
Others		23,828,998	11,240,924	23,828,998	24,067,898
		27,208,545	114,936,320	310,306,149	150,143,058
Payments arising from:					
Investments		(1,433,623)	(16,716,254)	(7,844,372)	(83,576,353)
Property, plant and equipment and intangible assets		(57,762,744)	(69,254,183)	(128,435,988)	(160,709,910)
Loans granted		(218,835)	(741,753)	(2,383,044)	(1,603,006)
Others		(16,493,582)	(11,794,798)	(36,143,732)	(16,335,228)
		(75,908,783)	(98,506,988)	(174,807,136)	(262,224,497)
Net cash used in/ generated by investment activities (2)		(48,700,238)	16,429,332	135,499,013	(112,081,439)
FINANCING ACTIVITIES					
Receipts arising from:					
Loans, bonds and finance leases	14	1,801,098,465	2,173,668,254	3,430,685,363	4,427,722,037
Capital increases, additional paid in capital and share premiums		-	127,506	19,050,000	3,956,767
		1,801,098,465	2,173,795,760	3,449,735,363	4,431,678,804
Payments arising from:					
Lease contracts		(33,921,059)	(35,229,317)	(80,660,691)	(62,939,785)
Loans, bonds and finance leases	14	(1,802,005,467)	(2,120,711,294)	(3,335,109,241)	(4,200,241,629)
Interests and similar charges		(9,013,006)	(12,815,676)	(14,669,765)	(20,075,692)
Dividends	13	(100,524,936)	(154,882,665)	(175,047,024)	(244,762,717)
		(1,947,464,468)	(2,323,638,952)	(3,607,835,519)	(4,528,019,823)
Net cash used in financing activities (3)		(146,366,003)	(149,843,192)	(158,100,156)	(96,341,019)
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(25,624,631)	9,878,436	(31,754,587)	(171,942,722)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(4,539)	43,068	162,519	(172,623)
Effect of discontinued operations		-	-	(131,653)	(676,276)
Cash and cash equivalents at the beginning of the period		616,840,941	514,015,773	623,269,608	696,297,516
Cash and cash equivalents at the end of the period		591,220,849	523,851,141	591,220,849	523,851,141

The accompanying notes are part of these financial statements.

SONAE, SGPS, SA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020

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

(Amounts stated in euro)

1. Introduction

SONAE, SGPS, SA (“Sonae Holding”) has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies. Sonae’s operations and operating segments are described in Note 6.

2. Covid-19 update

Sonae continues to monitor all the developments related to the Covid-19 outbreak and to adapt all its actions to the current circumstances, according to each business context and to the recommendations and rules established by the competent authorities. Since the beginning of the pandemic, and given the existing risks, a specific governance model was implemented early on to manage this crisis and prevention/contingency plans were developed to cover the entire organisation, from the operational areas to the central structures, across all of the Group's businesses.

Below is a summary of the main initiatives and impacts in several areas during the last months:

Employees

- At the operations level, measures continued to be implemented in order to ensure the health of our employees, partners and customers.
- Businesses that were closed during the state of emergency have been gradually reopening since mid-May and, as of this date, all operations are adjusted to the new normality, requiring special hygiene and social distancing measures.
- Regarding central offices, as well as in every job function in which this was possible, remote work continued to be prioritised. In June, a phased return to the offices was initiated in many businesses yet maintaining a low occupancy rate.

Community Support

Sonae continued to reinforce its social responsibility initiatives in the quarter, in particular:

- Wide support to institutions (hospitals, local councils and support centres) through the distribution of thousands of food and non-food goods and PPE (personal protective equipment) to the most vulnerable people, but also to health and security professionals. In addition, hundreds of computers were donated to schools so that children could follow classes remotely.
- Sonae group companies have actively participated in cooperation networks to support communities, namely international sourcing support made available to public institutions, having managed to purchase PPE in a time of great need and providing all the logistics for its transportation to Portugal and distribution to priority entities and

institutions (e.g. hospitals). At the same time, portfolio companies participated in several fundraising initiatives amounting to a total of €1.2 M, with Sonae having donated more than 150 tons of essential products.

Business operations – Main highlights

Food retail | Sonae MC

- The food retail sector registered an increased level of demand before and after the state of emergency. After the lockdown, Sonae MC's sales returned to more typical levels, but still above the pre-Covid period, which demonstrates the recognition of its value proposition, as well as the cleanliness and safety environment felt in our stores.
- Sonae MC maintained a close dialogue with all stakeholders in the supply chain to strengthen its response capacity during the crisis, including the activation of alternative suppliers, namely at the national level, promoting market liquidity, especially for small producers. At the moment, all supply chain operations have been normalised.
- The unprecedented demand in the online channel, that required Sonae MC to increase significantly its response capacity and establish partnerships for home delivery, is already normalised. Nevertheless, sales continue to be higher than the pre-Covid period, which shows the quality of the service and a strong customer loyalty.
- The formats that had been forced to close during the state of emergency, namely Arenal in Spain, as well as the Go Natural restaurants, Bagga coffee shops and most of the Dr.Wells clinics in Portugal, have resumed their activity.

Shopping Centres | Sonae Sierra

- Sonae Sierra has now all shopping centres open in all its geographies, having implemented several measures in coordination with tenants to ensure the safety of visitors and employees (e.g. temperature checks, use of masks, increase of cleaning and of air circulation/renewal).
- The return phase has been successful, with footfall evolving in a positive trend (although still below pre-Covid levels) and tenant sales showing encouraging signs. During the lockdown, Sonae Sierra developed some initiatives to mitigate tenants' loss in sales, which it still keeps, such as: i) a virtual mall, in partnership with Dott and ii) a click & collect initiative, taking advantage of the parking space serving the shopping centres.
- Rental income has been impacted by the discounts and rent invoicing suspensions that the company had already agreed for the lockdown period with its tenants in order to support their operations and share the impacts of the pandemic and by the new legislative measures taken in Portugal.
- Despite the impacts of the recent legislation, the company has been updating several contingency scenarios, maintaining a solid liquidity, and continues to implement several measures to reduce/contain non-essential costs, as well as investments that are not critical.

Telecommunications | NOS

- As for telecom operations, traffic volumes remained very high during the 2Q, both fixed and mobile, with increases versus pre-Covid-19 levels. Despite this additional pressure, service levels remained intact with minimal disruption, a result of the significant investments made in past years to deploy the nationwide next generation network, both fixed and mobile, and the contingency measures implemented during this period.
- During this period, premium sports channels billing suspension was maintained up to end of May, being resumed in June with the return of the Portuguese football league. Also, roaming revenues continued to struggle due to limited international travel.
- Cinemas were closed due to the pandemic, with no revenues generated since mid-March. Already in July, NOS cinemas reopened under stricter health and safety measures – all the procedures were certified by an external entity (ISQ), that will also undertake quarterly audits to ensure safety standards are being complied with. Since then, theatres have been operating with a limited level of demand, also driven by the postponement of many movie launches.

Electronics | Worten

- The end of 2Q20 was marked by the lifting of previous lockdown measures in both Portugal and Spain, albeit at different paces. In Portugal, these measures were lifted from the beginning of May onwards, leading to the gradual reopening of Worten's Mobile and iServices stores (remaining stores – Worten Mega and Worten Super – continued open during confinement period, yet under a more restricted opening hour schedule). In Spain, these measures were lifted progressively in stages according to the pandemic status of each region, delaying the reopening of physical stores to the beginning of June (Spain Mainland stores and the six stores previously closed in the Canary Islands). To be noted that in Spain, the severe limitations to product categories that could be sold in stores, as defined by the Spanish Government, prompted Worten to close its stores, contrary to Portugal.
- As per stores reopening, footfall increased, and sales levels started to converge to pre-Covid levels. To ensure the safety of all customers and employees, stores' operating model was reviewed reinforcing protection measures (e.g., masks, acrylic panels, electronic signalling), thus leading to extraordinary costs during this period. Notwithstanding, this effect is partly mitigated by reinforced efficiency efforts underway, both at cost and investment levels.
- As expected, and as a direct result of the end of social confinement and stores reopening, the weight of online purchases in the electronics channel reached its peak and started to decrease despite still being currently at higher levels than the past. Thus, Worten's online sales have also decelerated, yet still registering record-breaking levels. All in all, and from an omnichannel perspective, Worten sales present a strong growth, both LfL and non LfL, translated into market share gains.

Fashion and Sports | Sonae Fashion and ISRG

- Regarding the sports and fashion retail businesses, and since the end of the state of emergency, stores have been reopening in different stages and depending on the pandemic evolution in each region where these are located.
- Focused on protecting people and promoting public health, Sonae Fashion joined the scientific and industrial community and successfully created and made available worldwide an innovative reusable mask (MOxAd-Tech). The project involved the clothing brand MO, the manufacturer Adalberto, the CITEVE technological centre and the University of Minho. In addition, the MOxAd-Tech mask has successfully passed all the tests carried out at the Instituto de Medicina Molecular João Lobo Antunes (iMM; Lisbon, Portugal), which makes it the first mask capable of inactivating the virus that causes Covid-19. This mask had already been certified as having antimicrobial protection and is now also capable of inactivating the SARSCoV-2 virus which causes Covid-19.

Financing

In compliance with its internal policies and given the current high uncertainty context, Sonae has privileged the increase of the group's liquidity, the reduction of debt amortizations in the coming years and the expansion of maturities. Therefore, since the beginning of 2020, more than €650 M in debt facilities were reinforced, and as of the end of June, Sonae had €614 M of available credit lines and €595 M of cash. In this context, we do not foresee any significant financing needs in the short term and we believe we have the adequate liquidity levels, even under more adverse scenarios. In addition, we do not foresee any situation of debt covenant breach in the short term, either at Sonae MC or at Sonae SGPS. At this stage, it is not possible to provide accurate estimates of the future economic, operational and financial impacts of this pandemic, as these depend on the economy relaunch, which in turn depends on the evolution of the pandemic contagion and the economic stimulus measures that are being implemented. However, Sonae has been directing all efforts to minimise the effects of this crisis, in line with the recommendations of the competent entities and in the best interest of all its stakeholders.

ZOPT

The impacts on ZOPT through participation in NOS were already felt in the results of the first semester of 2020, with a drop-in revenues, consolidated EBITDA and operational cash-flows of - 7.6% (-54.9 million euro); - 6.3% (- 20.8 million euro) and - 6.6% (-7.5 million euro), respectively, which shows a reduction in activity in:

- (i) Cinemas and Audiovisuals: complete closure of NOS' theatres on 16 March and postponement of a number of movie premieres, slightly offset by cinema rentals negotiations;

- (ii) Roaming and international calls: reflecting travel restrictions and the way the virus is spread in some regions, NOS had a negative impact on both revenues and international roaming and traffic costs;
- (iii) Equipment sales: with the closure of shopping centers and travel restrictions, there was a reduction in the sale of mobile phones and equipment, which is partially offset by the increase in online sales (in the long run there may be a positive effect on the evolution customer take-up of digital channels);
- (iv) Mobile data revenues: quarantine and isolation situations imply an increase in the use of wireless networks, reducing the use of mobile data; and,
- (v) Drop in revenues related to premium sports and advertising content.

NOS is committed to support their customers during the current COVID-19 public health crisis. At a time when many Portuguese are changing their habits and routines and working remotely, keeping customers connected is the main objective of NOS. To this end, NOS facilitate access to services, through data offers, suspension of monthly payment of premium sports channels, reinforcement of the ability to implement business services and guaranteeing a safe and secure service in our stores, in order to safeguard customers, employees and partners. The NOS Telecommunications Network supports a set of basic services of our society, which include our National Health System. In this context of global health emergency, the maintenance of Portuguese communications is a fundamental task.

On the other hand, the projections made for the Portuguese economy, led to a reassessment of projections and estimates, resulted in the following impacts recognised in the first semester of 2020:

- (i) due to the significant drop in revenue related to premium sports channels, an impairment for the financial investment of Sport TV in the amount of 2.2 million euro was recognised;
- (ii) taking into account the estimated negative impacts with the spread of the new coronavirus COVID-19 , and the destabilization of the Angolan economy with the drop in oil demand and prices, impairments were recognised for the value of dividends and other accounts receivable from the Angolan subsidiary Finstar, in the amount of 4.6 million euro;
- (iii) a review of the impairment tests was also carried out, with no evidence of impairment being concluded, either in Goodwill or in other types of assets;
- (iv) reinforcement of expected credit losses from accounts receivable, in the amount of approximately 21.2 million euro, resulting from the incorporation, in the projection model of future collections, of the new projections released by the Bank of Portugal for the growth of the GDP and unemployment rate for the next 3 years, and identification of customers particularly affected by the current crisis, namely, in the cinema business;
- (v) recognition of expected credit losses from all penalties billed to customers and not provisioned, in the amount of approximately 7.0 million euro, as a consequence of the foreseeable sharp reduction in their collection;
- (vi) loss recognition for onerous contracts related to premium sports content, in the amount of 10.8 million euro;
- (vii) and losses related to the acquisition of various security materials to combat the spread of the new coronavirus COVID-19, in the amount of approximately 2.4 million euro.

3. Principal accounting policies

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are described below. These policies have been consistently applied in comparative periods.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”. As such, they do not include all the information to be disclosed in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the previous year.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.

New accounting standards and their impact in these consolidated financial statements:

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2020:

With mandatory application during the year 2020:		Effective date (for financial years beginning on or after)
IFRS 3 (amendment)	Business combinations (Change of business definition)	01 Jan 2020
IFRS 9, IAS 39 and IFRS 7 (amendment)	Reform of reference interest rates (Introduction of exemptions from hedge accounting so that the reform of reference interest rates does not lead to the termination of hedge accounting)	01 Jan 2020
IAS 1 and IAS 8 (amendment)	Presentation of financial statements and accounting policies, changes in accounting estimates and errors (Update of material definition in the application of the standards to the financial statements as a whole)	01 Jan 2020
	Concetual structure - Changes in the reference to other IFRS (Amendment to some IFRS regarding cross references and clarifications on the application of the new definitions of assets / liabilities and expenses / income)	01 Jan 2020

These standards were first applied by the Group in 2020, however there were no significant impacts on these financial statements.

The following standards, interpretations, amendments and revisions were not at to the date of approval of these consolidated financial statements endorsed by the European Union:

With mandatory application after 2020		Effective date (for financial years beginning on or after)
IFRS 17	Insurance contracts (New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features).	01 Jan 2023
IAS 1 (amendment)	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	01 Jan 2022
IAS 3 (amendment)	Business activity concentrations: References for the conceptual framework	01 Jan 2022
IAS 16 (amendment)	Property, Plant and Equipment: Previous earnings to expected usage	01 Jan 2022
IAS 37 (amendment)	Provisions, Contingent Liabilities and Contingent Assets: Compliance costs of onerous contracts	01 Jan 2022
	Annual improvements 2018- 2020	01 Jan 2022
IFRS 16 (amendment)	Leases: Rent Concessions related with Covid-19	Q3/ Q4 2020
IFRS 4 (amendment)	Insurance contracts- deferral of IFRS 9	01 Jan 2021

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 30 June 2020 since their application is not mandatory, lying in the process of analysing expected effects of those standards.

4. Restatement of Financial Statements

In 2019, the Group disposed of the We Do Group and Saphety and considered as discontinued activities some operations that are in the process of liquidation. To maintain the comparability of the financial statements and as required by IFRS 5, changes to the consolidated income statements by nature for the period ended 30 June 2019 were made to reflect in a single caption (Consolidated net profit for the period from discontinued operations), on the income statement face, the post-tax profit or loss from discontinued operations.

The impacts on the consolidated financial statements at 30 June 2019 are as follows:

Amounts in euro	30 Jun 2019		
	Before the restatement	Discontinued operations	After the restatement
Sales	2,774,313,127	(720,582)	2,773,592,545
Services rendered	210,950,147	(24,223,573)	186,726,574
Changes in value of investment properties	6,461,135	-	6,461,135
Income or expenses related to investments	(17,054,358)	11	(17,054,347)
Other income and financial income	6,791,779	(826,067)	5,965,712
Other income	51,999,950	(1,129,010)	50,870,940
Cost of good sold and materials consumed	(1,994,010,721)	(774,736)	(1,994,785,457)
(Increase) /Decrease in production	(1,582,269)	(135,065)	(1,717,334)
External supplies and service	(316,365,525)	9,046,755	(307,318,770)
Employee benefits expense	(446,420,464)	15,964,730	(430,455,734)
Depreciation and amortisation expenses	(166,479,106)	3,522,584	(162,956,522)
Provisions and impairment losses	(3,715,745)	161,878	(3,553,867)
Financial expenses	(63,909,187)	1,259,413	(62,649,774)
Other expenses	(33,858,938)	212,803	(33,646,135)
Share of results of joint ventures and associates	56,888,557	-	56,888,557
Profit (loss) from continuing operations, before tax	64,008,382	2,359,141	66,367,523
Income tax expense	(4,362,293)	437,643	(3,924,650)
Consolidated profit (loss) for the period from continuing operations	59,646,089	2,796,784	62,442,873
Profit/(Loss) from discontinuing operations, after tax	4,518,850	(2,796,784)	1,722,066
Consolidated profit /(loss) for the period from continuing operations	64,164,939	-	64,164,939

5. Changes in the consolidation scope

In February 2020, Sonae Sierra diluted its stake in its subsidiary Sierra B.V. from 50.1% to 25.1%. Sierra B.V. participates in the companies that own 4 assets in Portugal (Colombo, Vasco da Gama, Cascaishopping and Norteshopping) and two assets in Spain (Plaza Mayor and, the asset inaugurated in February 2020, Designer Outlet, both in Malaga). These entities were classified as held for sale in 2019. Sonae Sierra maintained the management service contracts for all assets.

The effects of these transactions on the consolidated financial statements can be analysed as follows:

Amounts in euro	At the disposal date
Non-current assets and liabilities held for sale	1,097,147,948
Other assets/liabilities with movements after 31 December 2019	(18,026,817)
Capital decrease after 31 December 2019	(47,287,831)
Dividends distributed after 31 December 2019	8,062,901
Transfer to joint ventures and associates (Note 10.2)	(69,591,682)
Non-controlling interests	(356,522,582)
Liabilities directly related to assets classified as held for sale	(385,591,820)
Total net assets disposed	228,190,118
Gain/(Loss) on disposal (Note 16)	34,542,798
Disposal price	262,732,916
Expenses incurred with the disposal (Note 16)	(14,080,734)
Net receipt	248,652,182
Effective receipts	248,917,737
Amounts receivable in future	(265,555)
	248,652,182

The change in the period ended 30 June 2020 in the assets and non-current liabilities held for sale is related to this operation.

6. Segment information

Sonae has in its portfolio 8 business segments:

- Sonae MC is a food retail unit with insignis Continente, Continente Modelo, Continente Bom Dia, Go Natural, Well's, Arenal, and franchising stores Meu Super; and also covers the Maxmat and the operational assets of Sonae RP;
- Worten is one of the Iberian electronic players;
- Sonae Fashion with a network of own stores of clothing stores, combined with a franchising network store;
- Iberian Sports Retail Group (ISRG), a partnership with a network of sports stores in Spain and Portugal;
- Sonae FS aims to boost retail financial services;
- Sonae IM has the objective of building and managing a portfolio of technology-based companies related to retail and telecommunications;
- Sonae Sierra is the subsidiary dedicated to the activity of development and management of shopping malls; and
- NOS is the partnership that the group holds through Zopt dedicated to telecommunications.

These operating segments have been identified taking into consideration that each of these segments have separate identifiable revenues and costs, separate financial information is produced, and its operating results are reviewed by management on which it makes decisions.

Financial information per business segment

The main operating segment information as at 30 June 2020 and 2019 can be detailed as follows:

30 Jun 2020	Turnover	Depreciation and amortisation ⁽³⁾	Provisions and impairment losses ⁽³⁾⁽⁴⁾	EBIT ⁽³⁾	Financial results ⁽³⁾	Income tax ⁽³⁾
Sonae MC	2,430,833,247	(123,069,189)	(601,303)	95,116,051	(39,689,912)	(11,595,369)
Worten	481,850,693	(20,053,494)	(2,230,226)	(27,136,888)	(3,211,539)	4,455,616
Sonae Fashion	130,553,349	(18,429,156)	(604,847)	(58,548,207)	(2,641,000)	9,958,792
Sonae Sierra	49,610,910	(1,540,994)	(5,182,994)	30,885,149	(4,284,801)	(454,721)
NOS	-	-	-	10,555,528	-	-
ISRG	-	-	-	(3,321,634)	-	-
Sonae IM	62,870,853	(3,736,301)	(275,163)	(5,346,038)	(453,854)	1,075,048
Sonae FS	16,922,308	(423,774)	-	(466,090)	125,867	194,740
Other, eliminations and adjustments ⁽¹⁾	(36,818,749)	(3,188,693)	(1,250)	(9,561,562)	(4,659,716)	(123,187)
Total consolidated - Direct	3,135,822,611	(170,441,601)	(8,895,783)	32,176,309	(54,814,955)	3,510,919

30 Jun 2019 - Restated	Turnover	Depreciation and amortisation ⁽³⁾	Provisions and impairment losses ⁽³⁾	EBIT ⁽³⁾	Financial results ⁽³⁾	Income tax ⁽³⁾
Sonae MC	2,179,817,902	(117,098,487)	(270,881)	86,852,047	(37,343,623)	(4,366,151)
Worten	473,192,143	(19,160,182)	(144,641)	(10,385,062)	(3,471,171)	(305,490)
Sonae Fashion	173,581,529	(17,941,924)	(2,141,704)	(12,160,783)	(2,763,273)	2,879,082
Sonae Sierra	85,977,097	(1,525,032)	(706,275)	40,537,118	(5,944,471)	(3,385,662)
NOS	-	-	-	20,656,000	-	-
ISRG	-	-	-	2,884,854	-	-
Sonae IM	66,306,182	(3,663,114)	(226,150)	(3,318,382)	79,916	899,499
Sonae FS	17,354,969	(633,365)	-	3,183,280	53,267	328,530
Other, eliminations and adjustments ⁽¹⁾	(35,910,703)	(2,934,418)	-	(14,489,302)	(7,294,707)	3,214,542
Total consolidated - Direct	2,960,319,119	(162,956,522)	(3,489,651)	113,759,770	(56,684,062)	(735,650)

	30 June 2020			30 June 2019 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt ⁽²⁾	Investment (CAPEX)	Invested capital	Financial net debt ⁽²⁾
Sonae MC	89,221,961	2,444,940,022	1,652,606,044	155,268,322	2,420,527,938	1,728,500,000
Worten	8,097,690	117,409,447	-	10,189,296	166,033,301	-
Sonae Fashion	6,490,229	342,096,244	-	6,186,652	364,450,543	-
Sonae Sierra	1,694,124	945,943,306	23,699,078	5,152,355	2,017,018,361	299,878,549
NOS	-	649,434,463	-	-	657,491,188	-
ISRG	-	78,389,885	-	-	77,465,385	-
Sonae IM	5,739,060	190,891,338	17,354,915	15,413,893	212,160,104	46,582,123
Sonae FS	484,305	7,728,372	-	320,125	16,354,088	-
Other, eliminations and adjustments ⁽¹⁾	889,616	62,647,793	745,056,454	(3,442,315)	24,614,063	872,855,250
Total consolidated	112,616,985	4,839,480,870	2,438,716,491	189,088,328	5,956,114,971	2,947,815,922

- 1) Include Sonae individual accounts;
- 2) These captions are accompanied by management in more aggregated form, and not allocated to individual operating segments identified above;
- 3) Reconciled information in note 19;
- 4) These provisions do not include the provisions related to Covid-19 mentioned in note 19.

The caption "Others, eliminations and adjustments" can be analyzed as follows:

	Investment		Invested capital	
	30 Jun 2020	30 Jun 2019 Restated	30 Jun 2020	30 Jun 2019 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	889,616	(3,442,315)	122,879,230	106,195,113
Cash settled equity swap	-	-	(60,231,437)	(81,581,050)
	889,616	(3,442,315)	62,647,793	24,614,063

All performance measures are reconciled to the financial statements in Note 19.

Glossary:

Net Invested capital = Net debt + Shareholder funds;

Net Financial Debt = Bonds + bank loans + other loans + financial leases - cash, bank deposits, current investments, excluding other long-term investments + lease liabilities;

Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, i.e., companies other than Sonae SGPS are included in the consolidated financial statements as of 31 December 2019;

Investments (CAPEX) = Gross investments in Property, Plant and equipment and intangible assets and investments in acquisitions.

7. Property, plant and equipment

During the six months period ended 30 June 2020, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Others tangible assets	Tangible assets in progress	Total tangible assets
Gross costs:					
Opening balance as at 1 January 2020	1,348,619,669	1,648,025,471	260,385,129	28,714,268	3,285,744,537
Investment	1,693,109	3,627,265	1,675,778	80,345,604	87,341,756
Disposals	(566,886)	(16,109,993)	(5,257,519)	(420,612)	(22,355,010)
Exchange rate effect	(349)	(9,571)	(64,801)	-	(74,721)
Assets available for sale	(14,022)	(358,026)	(186,706)	(18,733)	(577,487)
Transfers	6,685,851	65,141,047	7,621,722	(82,068,026)	(2,619,406)
Closing balance as at 30 June 2020	1,356,417,372	1,700,316,193	264,173,603	26,552,501	3,347,459,669
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2020	431,417,270	977,594,714	188,271,095	177,319	1,597,460,398
Depreciation of the period	11,583,125	59,768,179	11,332,259	-	82,683,563
Impairment losses of the period	7,682	99,954	-	-	107,636
Disposals	(217,405)	(14,530,586)	(5,091,447)	-	(19,839,438)
Exchange rate effect	(99)	(6,050)	(45,517)	-	(51,666)
Depreciation of assets available for sale	-	(263,269)	(131,613)	-	(394,882)
Transfers	(107,451)	(531,200)	(205,262)	-	(843,913)
Closing balance as at 30 June 2020	442,683,122	1,022,131,742	194,129,515	177,319	1,659,121,698
Carrying amount as at 30 June 2020	913,734,250	678,184,451	70,044,088	26,375,182	1,688,337,971

The investment includes the acquisition of assets of approximately 80 million euro (93 million euro in 2019), associated with the opening and remodelling of stores of Sonae retail operating segments.

8. Intangible assets

During the six months period ended 30 June 2020, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets:					
Opening balance as at 1 January 2020	241,856,153	466,224,251	77,751,740	32,889,599	818,721,743
Investment	-	1,021,371	332,460	18,293,887	19,647,718
Disposals	(15,146)	(4,378,476)	(5,872)	(298,495)	(4,697,989)
Exchange rate effect	(136,380)	(6,070)	(1,032)	-	(143,482)
Assets available for sale	(313,954)	(919,434)	-	(79,544)	(1,312,932)
Transfers	20,951	21,741,713	7,891	(21,920,802)	(150,247)
Closing balance as at 30 June 2020	241,411,624	483,683,355	78,085,187	28,884,645	832,064,811
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2020	50,033,645	323,803,172	43,217,545	-	417,054,362
Depreciation of the period	1,257,267	20,220,512	2,484,741	-	23,962,520
Impairment losses of the period	-	213,135	-	-	213,135
Disposals	(12,622)	(3,902,876)	-	-	(3,915,498)
Exchange rate effect	(136,380)	(4,683)	(562)	-	(141,625)
Depreciation of assets available for sale	(297,127)	(588,342)	-	-	(885,469)
Transfers	20,650	434,228	(10)	-	454,868
Closing balance as at 30 June 2020	50,865,433	340,175,146	45,701,714	-	436,742,293
Carrying amount as at 30 June 2020	190,546,191	143,508,209	32,383,473	28,884,645	395,322,518

As at 30 June 2020 the Investment related to intangible assets in progress includes 18.3 million euro related to IT projects and development software. Within that amount it is included 7.6 million euro of capitalizations of personnel costs related to own work.

9. Rights of use

During the period of three months ended on 30 June 2020, the detail and the movement in the value of the rights of use, as well as in the respective depreciations, was as follows:

	Land and Buildings	Vehicles	Others tangible assets	Total tangible assets
Cost				
Opening balance as at 1 January 2020	1,435,043,433	99,076,538	1,072,141	1,535,192,112
Additions	43,283,789	3,409,744	1,042,068	47,735,601
Effect of foreign currency exchange differences	(134,333)	(12,148)	(3,943)	(150,424)
Write-offs and decreases	(7,546,328)	(3,909,192)	(352,096)	(11,807,616)
Closing balance as at 30 June 2020	1,470,646,561	98,564,942	1,758,170	1,570,969,673
Accumulated depreciation and impairment				
Opening balance as at 1 January 2020	441,004,350	33,252,081	744,431	475,000,862
Depreciation of the period	51,773,555	11,856,011	204,747	63,834,313
Effect of foreign currency exchange differences	(98,638)	(8,348)	(986)	(107,972)
Write-offs and transfers	(7,340,223)	(3,109,016)	(64,888)	(10,514,127)
Closing balance as at 30 June 2020	485,339,044	41,990,728	883,304	528,213,076
Carrying amount as at 30 June 2020	985,307,517	56,574,214	874,866	1,042,756,597

Liabilities related to rights of use are recorded under non-current and current lease liabilities of 1.077 million euro and 104 million euro respectively (1.088 million euro and 103 million euro at 31 December 2019).

In the consolidated income statement, 63.8 million euro were recognised for depreciation of the period (61.1 million euro in 30 June 2019) and 36.9 million of euro of interest relating to the adjusted debt (35.8 million in 30 June 2019).

10. Joint ventures and associated companies

10.1 DETAIL OF BOOK VALUE OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The value of investments in joint ventures and associates can be analysed as follows:

Investments in joint ventures and associates	30 Jun 2020	31 Dec 2019
Investments in joint ventures	797,214,925	976,280,761
Investments in associates	763,249,287	631,300,615
Total	1,560,464,212	1,607,581,376

The detail per company of investments in joint ventures is as follows:

COMPANY	30 Jun 2020	31 Dec 2019
Sonae MC		
Sohi Meat Solutions - Distribuição de Carnes, SA	3,645,281	3,356,985
Maremor Beauty & Fragances, S.L.	126,460	120,649
Sonae Sierra		
Arrábidasshopping- Centro Comercial, S.A.	27,605,265	29,991,113
1) DOC Malaga Holdings S.L	-	2,070,074
Gaiashopping I- Centro Comercial, S.A.	28,717,538	35,358,528
Madeirashopping- Centro Comercial, S.A.	15,491,288	15,670,288
1) Norte Shopping Retail and Leisure Centre B.V.	-	32,206,931
Pantheon Plaza B.V.	5,078,712	4,994,201
Park Avenue Development of Shopping Centres S.A.	(447,149)	(461,277)
Parque Atlântico Shopping - Centro Comercial, S.A.	15,856,677	17,754,571
Proyecto Cúcuta S.A.S.	5,445,273	8,467,686
Pud Srl	5,682,267	5,695,813
SC Aegean B.V.	4,890,604	4,907,766
1) Shopping Centre Colombo Holding B.V.	-	63,277,363
Sierra Central S.A.S.	93,593	57,222
Sierra Balmain Asset Management sp. zo.o.	(267,344)	1,708,766
Sierra LM, SGPS, S.A.	777,670	774,000
1) VdG Holding BV	-	28,429,747
Via Catarina- Centro Comercial, S.A.	9,791,671	10,043,274
L.C. Malheiro II, SGPS, SA	1,825,775	1,818,083
2) North Tower B.V.	(1,484)	-
1) Goodwill related to assets available for sale that will be recognized as associates	-	38,550,000
NOS		
ZOPT, SGPS, SA (consolidated)	649,434,463	642,224,343
Sonae IM		
Unipress - Centro Gráfico, Lda	586,462	604,053
Sonae FS		
MDS SGPS, S.A. (consolidated)	21,317,104	25,936,780
Sonae SGPS		
Mktplace- Comércio Eletronico, SA	1,564,799	2,723,802
Investments in joint ventures	797,214,925	976,280,761

- 1) Joint Venture "Sierra Prime" resulting from the dilution of the percentage of Sierra BV (Nota 5);
- 2) Joint venture constituted in the period.

Financial Investment in NOS

The value on the income statement related to Zopt results from net income of NOS, the net income of Zopt and the impact on results of the process of allocating the fair value to the assets and liabilities acquired by Zopt.

With regard to ZOPT's financial participations in Finstar and ZAP Media (Finstar consolidated), the Board of Directors of ZOPT is certain that the patrimony seizure to Mrs. Isabel dos Santos, in the specific case of the shares held by her in Finstar and ZAP Media (where she holds 70% of the capital), does not change the control profile, in this case joint control as defined in IFRS 11, it is not expected to have relevant consequences for the operational management of companies, in addition to restrictions on the distribution of dividends in these companies

At 4 April 2020, SONAECOM, was informed by its subsidiary ZOPT of the communication received from the Lisbon Central Criminal Instruction Court ('Court') to proceed to the preventive arrest of 26.075% of NOS' share capital, corresponding to half the shareholding in NOS held by ZOPT and, indirectly, by the companies Unitel International Holdings, BV and Kento Holding Limited, controlled by Mrs. Isabel dos Santos. Under the terms of the communication, the arrested shares (134,322,268.5 shares) are deprived of the right to vote and the right to receive dividends, which must be deposited with Caixa Geral de Depósitos, S.A. at the order of the court. The other half of ZOPT's participation in NOS' share capital, corresponding to an identical percentage of 26.075% - and which, at least in line with the criterion used by the Court, embodies the 50% held in ZOPT by SONAECOM - was not subject to arrest, nor the rights attached to it were subject to any limitation.

Although ZOPT has not been notified of the grounds for preventive arrest, based on the preliminary information they have, it is the understanding of the board of directors of ZOPT and SONAECOM that the measure of arrest imposed is illegitimate and offends several fundamental rights of ZOPT, no being legally liable to determine the deprivation of voting rights, not even to inhibit the holder of the arrested shares from continuing to exercise those rights, which deprivation we understand for this reason, be null and without any effect. At 12 June 2020, ZOPT was notified of the order issued by the Lisbon Central Criminal Investigation Court, which authorizes it to exercise the voting right corresponding to the 26.075% of NOS share capital preventively seized under the aforementioned Court order. For this reason, the boards of directors of ZOPT and SONAECOM consider that the conditions of control of ZOPT over NOS are met, and the measure does not have material effects on the control of this company.

In the beginning of April, NOS announced that it had entered into an agreement with Tofane Global, SAS for the sale of the entire share capital of NOS International Carrier Services SA to iBasis, a wholly-owned subsidiary of Tofane and another, for the provision of Group companies. NOS for international voice and SMS wholesale services, which were previously provided by NOS ICS. The conclusion of this agreement was subject to non-opposition by the Competition Authority. Completion of this agreement occurred on 29 June 2020. The sale price amounts to 9.6 million euro and the receipt of 5.5 million euro will take place over 5 years.

During the period ended at 30 June 2020, resulting from the sale of NOS ICS and the respective classification of the company as a discontinued operating unit, the comparative periods, in the consolidated income statement, were restated.

ZOPT Group Provision

The evolution in provisions occurred during the first semester of 2020 compared to 31 December 2019 was as follows:

Action by MEO against NOS Madeira and NOS Açores and by NOS SA against a MEO

At the beginning of March 2020, the parties were notified of the scheduled judicial due diligence for 17 April 2020, with a view to scheduling the acts to be carried out at the final hearing, establishing the number of sessions and their likely duration, as well as the designation of the respective dates and, also, attempted conciliation. However, in view of the contingency period in which we find ourselves, this judicial process was cancelled. It is the understanding of the Board of Directors, corroborated by the attorneys accompanying the process, that it is, in formal and substantive terms, likely that NOS SA will be able to win the lawsuit, due to MEO already having been convicted for the same offences by ANACOM, however, it is not possible to determine the outcome of the action.

Action brought by DECO

The process has already been redistributed and the previous hearing was scheduled for April 2020. However, in view of the contingency period in which we find ourselves, the above-mentioned judicial procedure was cancelled and rescheduled for September 2020. The Board of Directors is convinced that the arguments used by the author are not justified, which is why it is believed that the outcome of the proceeding should not result in significant impacts for the Group's financial statements.

Contractual Penalties

In 2020, due to the foreseeable sharp reduction in the collection of these penalties, as a direct consequence of the slowdown in the Portuguese economy due to the measures adopted to combat the new coronavirus COVID-19, NOS recognised expected credits losses to all penalties billed to customers and not provisioned, in the amount of approximately 7 million euro.

At 30 June 2020, the amounts billed and to be received from these indemnities amount to 110.7 million euro.

Other commitments Grupo Zopt

Disposal of NOS Towering, S.A

At 14 April 2020, NOS Comunicações, SA and Cellnex Telecom, SA entered into an agreement whose purpose is to transfer to Cellnex the shares representing the entire share capital of NOS Towering, SA, encompassing the disposal of approximately 2,000 sites (towers and rooftops).

On the same date, the parties entered into a long-term agreement to whereby Cellnex will provide the NOS Group with active network hosting over the passive infrastructure acquired, for a period of 15 years, automatically renewed for equal periods. In addition, this agreement foresees a perimeter increase of up to 400 additional sites over the next 6 years.

The execution of these agreements is subject to the verification of the usual conditions in this type of transaction, notably, if applicable, the non-opposition by the Competition Authority.

The potential value of the agreements to be reached over a 6-year period is 550 million euro, with an upfront payment of approximately 375 million euro. The expected impact on pro forma operating cash flow for NOS in year 1 is approximately 22 million euro.

This agreement will enable NOS to continuously optimize and expand its state-of-the-art mobile network, while reinforcing its ability to invest in the long-term value of the company. By joining forces with Cellnex in Portugal, through this strategic partnership, NOS ensures the supply of current and future needs of its passive mobile infrastructure. In addition to this agreement, NOS will continue to pursue other investment efficiency opportunities.

The approval of this transaction, which constitutes a sale and lease back.

Liquidity and interest rate risk

Prudent liquidity risk management implies maintaining an adequate level of cash and cash equivalents to meet assumed liabilities, associated with the negotiation of credit lines with financial institutions.

For this reason, during the first quarter of 2020, NOS contracted 280 million euro in new credit lines, of which 100 million euro were used to settle credit lines that were due in 2020, subsequently refinanced, and 180 million euro reinforced the availability of liquidity.

At 30 June 2020, the average maturity of the group's financing is 2.7 years, with no non-compliance with the covenants due to the reduction in results projected for this year, being expected.

Credit Risk

Credit risk is essentially related to credit for services provided to customers, monitored on a regular business basis and for which expected credit losses are determined considering: i) the customer's risk profile; ii) the average receipt period; iii) the client's financial condition; and iv) future perspective of the evolution of the collections.

In the semester ended at 30 June 2020, as a direct consequence of the slowdown in the Portuguese economy due to the measures adopted to combat the new coronavirus COVID-19, the company recognized extraordinary expected credit losses of 28.2 million euro, incorporating, in the projection model of future collections, the new projections released by Banco de Portugal for GDP growth and Unemployment rate for the next 3 years.

In terms of the projection of future impacts at NOS, these will depend on the extent, namely timing, of the spread of the virus and the respective containment measures, making it difficult to predict the scale of the impact, in the knowledge, however, that it will occur in the areas mentioned above. NOS' capital structure is within the 2x Net Financial Debt / EBITDA After Leasings Payments (EBITDA - Leasings Payments (Capital and Interest)) threshold, so the Board of Directors of NOS believes that the company will overcome the negative impacts caused by this crisis, without jeopardizing business continuity, this conviction is demonstrated with the maintenance of the shareholders' remuneration policy with the payment of dividends on 3 July 2020.

The detail per company of investments in associates is as follows:

COMPANY	30 Jun 2020	31 Dec 2019
Sonae MC		
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	377,712	960,282
Sonae Sierra		
3shoppings - Holding, SGPS, S.A.	12,506,022	12,749,317
Aliance Sonae Shopping Centers, S.A.	83,639,226	118,535,408
Area Sur Shopping, S.L.	6,764,065	7,469,872
Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIDPPSH")	10,555,184	15,784,000
Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	103,259,314	153,438,522
Le Terrazze - Shopping Centre 1 Srl	6,956,032	7,196,941
Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	15,353,403	16,112,511
Sierra Portugal Real Estate ("SPF")	21,094,598	21,655,244
Olimpo Real Estate SOCIMI, S.A.	7,702,170	7,932,798
Olimpo Real Estate Portugal, SIGI, S.A.	2,520,823	2,528,224
Serra Shopping- Centro Comercial, S.A.	1,028,214	1,050,037
Sierra Cevital Shopping Center, Spa	-	38,543
Sierra Portugal Feeder 1	2,232,038	3,491,812
Trivium Real Estate Socimi, S.A.	30,913,253	30,707,669
Zenata Commercial Project	1,969,133	2,041,966
1) Mercado Urbano – Gestão Imobiliária, S.A.	1,234,830	-
2) Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV")	229,023,079	-
Sonae SGPS		
Iberian Sports Retail Group (ISRG)	78,389,885	81,540,597
Sonae IM		
Armilar Venture Partners - Sociedade de Capital de Risco, SA (Armilar)	1	1
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	94,349,318	94,176,915
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III)	33,119,007	32,707,854
Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização (AVP I+I)	16,223,369	17,056,948
Secucloud GMBH	3,640,882	3,731,809
Probe.ly - Soluções de Cibersegurança, Lda	346,883	342,497
Alfaros SARL	10,379	10,379
Suricate Solutions	25,843	25,843
Others	14,624	14,626
Investment in associates companies	763,249,287	631,300,615

- 1) Associate acquired in the period; and
- 2) Joint venture "Sierra Prime" resulting from the dilution of percentage of Sierra BV (Note 5).

10.2 MOVEMENT OCCURRED IN THE PERIOD

During the period ended at 30 June 2020, movements in investments in joint ventures and associates are as follows:

	30 Jun 2020		
	Proportion on equity	Goodwill	Total investment
Investments in joint ventures			
Balance as at 1 January	409,263,098	567,017,663	976,280,761
Transfer to Associates	(125,984,114)	(38,550,000)	(164,534,114)
Increases during the period	340,600	-	340,600
Equity method:			
Effect in gains or losses in joint controlled	1,201,291	-	1,201,291
Distributed dividends	(9,278,785)	-	(9,278,785)
Effect in equity capital and non-controlling interests	(6,794,828)	-	(6,794,828)
	268,747,262	528,467,663	797,214,925

	30 Jun 2020		
	Proportion on equity	Goodwill	Total investment
Investments in associates companies			
Initial balance as at 1 January	610,439,640	20,860,975	631,300,615
Transfer from joint ventures	125,984,114	38,550,000	164,534,114
Change of method by percentage dilution (Note 5)	69,591,682	-	69,591,682
Acquisitions during the period	1,273,178	-	1,273,178
Capital reduction in associated companies	(2,132,697)	-	(2,132,697)
Period disposals	(38,543)	-	(38,543)
Equity method			
Effect in gains or losses in associated companies	(24,912,179)	-	(24,912,179)
Distributed dividends	(3,759,296)	-	(3,759,296)
Effect in equity capital and non-controlling interests	(72,607,587)	-	(72,607,587)
	703,838,312	59,410,975	763,249,287

The effect on equity and non-controlled interests results fundamentally from the exchange rate conversion effect of companies with a different functional currency than the euro.

As at 30 June 2020, the value of transfers from joint ventures to associates and change of method by dilution of percentage is related to the operation in Sonae Sierra that diluted its participation in the subsidiary Sierra B.V. from 50.1% to 25.1% (Note 5).

Dividend distributions related to Investments in Joint Ventures refer to Sonae Sierra's joint ventures and associates.

11. Others investments

Other non-current investments, their head offices and book value as at 30 June 2020 and 31 December 2019, are as follows:

Company	Head Office	Statement of financial position	
		30 Jun 2020	31 Dec 2019
Sonae MC			
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	9,976	9,976
Inesco - Insular de Hipermerc., SA	Ponta Delgada	2,672,520	2,672,520
Sportessence - Sport Retail, SA	Ponta Delgada	2,672,520	2,672,520
Other financial assets		19,642,231	15,526,748
Financial assets at fair value through profit or loss		22,324,727	20,881,764
Sonae IM			
Arctic Wolf Networks, Inc	Delaware	12,101,193	12,101,193
Ometria, Ltd.	Londres	8,095,985	8,095,985
Sixgill Ltd	Israel	5,415,162	5,415,162
CelllWise	Singapura	5,357,593	5,357,593
ViSenze	Singapura	3,459,140	5,260,238
CB4	Israel	4,368,720	4,368,720
Case on IT	Madrid	2,930,744	2,930,744
Daisy Intelligence	Canadá	2,406,623	2,406,623
Reblaze	St. Louis	2,352,438	2,352,438
Nextail Labs, SL	Madrid	2,300,000	2,300,000
ciValue	Yokneam (Israel)	1,970,097	1,970,097
StyleSage, Inc.	Delaware	1,848,578	1,848,578
Jscrambler	Porto	1,250,000	1,250,000
Whitefantasy	Évora	640,804	640,804
Fyde	Califórnia	0	443,687
Sales Layer	Valência	2,500,358	-
Replay	Porto	600,000	-
Other financial assets		1,986,060	1,625,160
Financial assets at fair value through other comprehensive income		59,583,495	58,367,022
		81,908,222	79,248,786

At 30 June 2020, "Other financial assets" related to "Financial assets at fair value through profit or loss", 9,795,310 euros (9,823,569 euros at 31 December 2019), related to amounts deposited in an Escrow Account and which are invested in units in a higher rated monetary investment fund, which arise as guarantees for contractual liabilities assumed on the sale of the Brazil Retail segment and for which provisions have been set up in the applicable situations.

During the period ended 30 June 2020 Sonae IM acquired shareholdings in the following companies:

- Sales Layer is a company based in Spain with a cloud based product information management solution (Product Information Management or PIM), which helps brands and retailers to transform their catalogs into a digital, enriched and multichannel control center. Sonae IM recently led its Series A investment round;
- Replai a technology company based on artificial intelligence related to the world of sports. Supported by leaders of technology companies (Whatsapp, Unbabel and others), Replay uses unsupervised artificial intelligence to produce, adapt and monetize short videos in scale. Replay enables sports leaders to take this industry to the forefront of global entertainment by adapting the best moments from live broadcasts.

At 30 June 2020, the movements in "Other Investments" made up as follows:

	June 2020	
	Non current	Current
Other investments:		
Fair value (net of impairment losses) as at 1 January	79,248,786	-
Acquisitions in the period	5,130,352	-
Disposals in the period	(396,490)	-
Increase/(decrease) in fair value through other comprehensive income	(2,058,885)	-
Transfers to available for sale	(15,541)	-
Fair value (net of impairment losses) as at 30 June	81,908,222	-
Derivative financial instruments		
Fair value as at 1 January	-	588,747
Increase/(decrease) in fair value	-	1,193,119
Fair value as at 30 June	-	1,781,866
Financial instruments others		
Fair value as at 1 January	-	76,466
Increase/(decrease) in fair value	-	(22,707)
Fair value as at 30 June	-	53,758
	81,908,222	1,835,624

12. Deferred taxes

Deferred tax assets and liabilities as at 30 June 2020 and 31 December 2019 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Difference between fair value and historical cost	4,468,688	4,468,688	92,982,314	102,130,077
Temporary differences on property, plant and equipment and intangible assets	1,085,067	1,208,423	80,901,179	78,169,489
Temporary difference of negative goodwill and equity method	-	-	22,290,073	21,804,204
Provisions and impairment losses not accepted for tax purposes	16,816,947	15,808,902	-	-
Valuation of hedging derivatives	111,188	107,345	25,287	67,639
Amortisation of Goodwill for tax purposes in Spain	-	-	30,828,303	27,919,963
Revaluation of property, plant and equipment	-	-	636,991	684,588
Tax losses carried forward	45,497,935	31,966,592	-	-
Tax Benefits	5,216,387	6,732,857	-	-
Rights of use	264,327,912	267,892,456	235,092,554	240,187,489
Others	5,966,025	3,200,113	1,381,761	1,326,045
	343,490,149	331,385,376	464,138,462	472,289,494

As at 30 June 2020 and 31 December 2019, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate to be used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

13. Non-controlling interest

During the period ended 30 June 2020, the movement in non-controlling interests are detailed as follows:

	30 June 2020						
	Sonae MC	Worten	Sonae Fashion	Sonae IM - Sonaecom, SGPS, SA	Sonae Sierra	Others	Total
Opening balance as at 1 January 2020	54,885,160	478,103	28,838,691	109,174,875	782,072,434	(734,921)	974,714,342
Distributed dividends	(5,231,349)	-	-	(2,721,573)	(74,522,088)	-	(82,475,010)
Change in currency translation reserve	-	-	-	308,146	1,477,036	-	1,785,182
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	(335,685)	(22,084,011)	-	(22,419,696)
Capital decrease	(2,000,000)	-	-	-	(23,952,884)	-	(25,952,884)
Loss of control of subsidiaries	-	-	-	-	(356,522,582)	-	(356,522,582)
Changes in hedging reserves	(214,342)	-	-	-	84,630	-	(129,712)
Others	(39,855)	(1)	125,696	(34,094)	(74,342)	(14)	(22,610)
Profit for the period attributable to non-controlling interests	2,024,509	(370,108)	(7,008,121)	(242,575)	(3,755,298)	(151,240)	(9,502,833)
Closing balance as at 30 June	49,424,123	107,994	21,956,266	106,149,094	302,722,895	(886,175)	479,474,197

14. Loans

As at 30 June 2020 and 31 December 2019, loans are made up as follows:

	30 Jun 2020		31 Dec 2019	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA - commercial paper	154,500,000	320,000,000	143,350,000	285,000,000
Sonae SGPS, SA 2016/2023	10,000,000	40,000,000	10,000,000	40,000,000
Sonae MC, SGPS, SA - commercial paper	8,500,000	265,000,000	13,500,000	266,000,000
Sonae MC affiliated /2014/2023	-	50,000,000	-	50,000,000
Sonae MC affiliated /2015/2023	-	20,000,000	-	20,000,000
Sonae MC affiliated /2017/2025	3,333,333	13,333,333	3,333,333	16,666,667
Sonae MC /2018/2031	-	55,000,000	-	55,000,000
Sonae MC affiliated /2020/2025	-	55,000,000	-	-
Sonae Holding affiliated /2014/2021	-	20,000,000	-	20,000,000
Sonae Holding affiliated /2019/2023	-	50,000,000	-	50,000,000
Sonae Holding affiliated - commercial paper	5,000,000	35,000,000	5,000,000	27,500,000
Sonae Sierra SGPS, SA - commercial paper	-	25,000,000	-	25,000,000
Sonae Sierra / 2018/2022	-	10,000,000	-	10,000,000
Sonae Sierra affiliated /2016/2021	41,300,000	-	-	41,300,000
Sonae Sierra affiliated /2015/2023	5,200,000	115,700,000	5,200,000	118,300,000
Others	6,790,089	6,550,412	8,776,056	6,566,657
	234,623,422	1,080,583,745	189,159,389	1,031,333,324
Bank overdrafts	3,551,052	-	2,698,070	-
Up-front fees beard with the issuance of borrowings	(445,800)	(1,338,888)	(407,610)	(1,226,479)
Bank loans	237,728,674	1,079,244,857	191,449,849	1,030,106,845
Bonds				
1) Bonds Sonae SGPS/ 2015/2022	-	-	-	100,000,000
1) Bonds Sonae SGPS/ 2016/2023	-	-	-	60,000,000
Bonds Sonae SGPS/ 2019/2026	-	50,000,000	-	50,000,000
Bonds Sonae SGPS/ 2020/2027	-	160,000,000	-	-
2) and 3) Bonds Sonae MC / December 2015/2024	-	50,000,000	-	50,000,000
2) Bonds Sonae MC / May 2015/2022	-	75,000,000	-	75,000,000
2) and 3) Bonds Sonae MC / December 2019/2024	-	30,000,000	-	30,000,000
1) and 2) Bonds Sonae MC / June 2016/2021	-	-	-	95,000,000
2) Bonds Sonae MC / September 2016/2021	3,000,000	3,000,000	3,000,000	3,000,000
2) Bonds Sonae MC / April 2020/2027	-	95,000,000	-	-
Bonds Sonae Sierra / 2018/2025	10,000,000	40,000,000	-	50,000,000
Bonds Sonae Sierra / 2018/2023	-	25,000,000	-	25,000,000
Bonds Sonae Sierra / 2018/2023	-	25,000,000	-	25,000,000
Up-front fees beard with the issuance of borrowings	(153,665)	(4,978,464)	(153,665)	(2,670,667)
Bonds	12,846,335	548,021,536	2,846,335	560,329,333
Other loans	516,185	1,790,921	908,663	1,706,802
Derivates	962,499	-	773,784	-
Debt other loans	1,478,684	1,790,921	1,682,447	1,706,802
Obligations under finance leases	184,437	155,099	289,839	164,472
	252,238,129	1,629,212,413	196,268,470	1,592,307,452

- 1) Bond loan amortized in advance at the issuer's option;
- 2) Formerly known as Sonae Investimentos, SGPS; and
- 3) Bond maturity extended to 2024.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology.

The interest rate at 30 June 2020 on bond loans and bank loans averaged approximately 1.15% (1.30% at 31 December 2019). Most of the bond loans and variable-rate bank loans are indexed to Euribor.

The derivatives are recorded at fair value.

The loans face value, maturities and interests are as follows (including obligations under financial leases):

	30 Jun 2020	31 Dec 2019
N+1 ^{a)}	251,875,096	196,055,960
N+2	150,679,810	378,265,906
N+3	529,686,454	350,293,255
N+4	420,419,835	431,409,483
N+5	294,600,145	239,721,238
After N+5	240,143,521	196,514,715
	1,887,404,861	1,792,260,558

a) Includes amounts used from commercial paper programs when classified as current.

The maturities presented above were estimated according to the contractual clauses of the loans and considering Sonae's best expectation as to its amortization date.

As at 30 June 2020, Sonae has, as detailed below, cash and bank balance equivalents in the amount of 595 million euro (610 million euro as at 31 December 2019) and available credit lines as follows:

	30 Jun 2020		31 Dec 2019	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities				
Sonae MC	92,235,860	265,000,000	124,000,000	284,000,000
Sonae Sierra	54,969,346	-	54,719,947	-
Holding & Others	66,830,994	135,000,000	55,777,214	67,500,000
	214,036,200	400,000,000	234,497,161	351,500,000
Agreed credit facilities				
Sonae MC	94,000,000	530,000,000	129,000,000	550,000,000
Sonae Sierra	54,969,346	-	54,719,947	25,000,000
Holding & Others	149,000,000	490,000,000	207,750,000	380,000,000
	297,969,346	1,020,000,000	391,469,947	955,000,000

15. Provision and impairment losses

Movements in “Provisions and impairment losses” during the period ended 30 June 2020 are as follows:

Caption	Balance as at 01 Jan 2020	Increase	Decrease	Transfer to help for sale	Balance as at 30 Jun 2020
Accumulated impairment losses on investments	4,501,208	17,706	-	-	4,638,914
Impairment losses on property, plant and equipment	114,081,043	117,649	(2,248,070)	(166,738)	111,783,884
Impairment losses on intangible assets	30,008,630	213,135	(1,150,892)	(246,909)	28,823,964
Accumulated impairment losses on other current debtors	26,630,737	2,398,047	(1,307,496)	(935,219)	26,786,069
Non - current provisions	42,652,254	2,615,782	(3,155,570)	-	42,112,466
Current provisions	4,405,596	24,011,884	(2,061,607)	(24,199)	26,331,674
	222,279,468	29,374,203	(9,923,635)	(1,373,065)	240,476,971

The increase in current provisions relates mainly to development projects in Sonae Sierra, which were made prudent in the context of the Covid 19 pandemic.

Impairment losses are deducted from the value of the corresponding asset.

16. Income or expenses related to investments

Income or expenses related to investments for the periods ended 30 June 2020 and 2019 can be detailed as follows:

	30 Jun 2020	30 Jun 2019 Restated
Dividends	100,000	100,239
Sierra Fund % Dilution (Note 5)	20,462,064	-
Loss generated on sales of the financial contribution regarding Sonae Sierra segment	-	(17,269,517)
Others	1,476,053	127,921
Gains / (losses) on the sale of investments in subsidiaries, joint ventures and associates	21,938,117	(17,141,596)
Others	(101,746)	2,162
Impairment of investments in subsidiaries	-	(15,152)
Impairment reversal on financial investments	2,885	-
Impairment reversal/(losses) on investments	2,885	(15,152)
Total income and (expenses) related to investments	21,939,256	(17,054,347)

17. Related parties

Balances and transactions with related entities can be detailed as follows:

Transactions	Turnover and other income		Purchases and services obtained	
	30 Jun 2020	30 Jun 2019 Restated	30 Jun 2020	30 Jun 2019 Restated
Parent Company	139,273	131,927	239,210	241,985
Jointly controlled companies	20,698,166	23,929,623	147,285,278	146,032,042
Associated companies	34,926,497	40,283,854	2,572,463	2,179,102
Other related parties	25,623,206	25,466,923	4,303,821	5,003,157
	81,387,142	89,812,327	154,400,772	153,456,286

Transactions	Interest income		Interest expenses	
	30 Jun 2020	30 Jun 2019 Restated	30 Jun 2020	30 Jun 2019 Restated
Parent Company	-	-	-	-
Jointly controlled companies	208,208	229,035	193,218	212,464
Associated companies	235,067	895,972	2,638,662	2,475,670
Other related parties	17,325	-	58,765	120,130
	460,599	1,125,007	2,890,645	2,808,264

Balances	Accounts receivable		Accounts payable	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Parent Company	38,250	38,875	220,809	466,133
Jointly controlled companies	15,428,434	7,429,858	81,931,935	80,692,278
Associated companies	17,271,840	15,222,656	5,055,410	3,205,693
Other related parties	11,996,565	16,061,643	3,608,108	7,768,566
	44,735,090	38,753,032	90,816,262	92,132,670

Balances	Loans			
	Obtained		Granted	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Jointly controlled companies	-	-	15,538,655	15,785,680
Associated companies	63	287	11,488,500	19,218,261
Other related parties	-	-	-	2,160,000
	63	287	27,027,155	37,163,940

The related parties include subsidiaries and jointly controlled companies or associated companies of Sonae Sierra SGPS, SA, ZOPT SGPS, SA, Sonae Indústria, SGPS, SA and Sonae Capital, SGPS, SA, as well as other shareholders of subsidiaries or jointly controlled companies by Sonae, and other subsidiaries of the parent company Efanor Investimentos, SGPS, SA.

18. Earning per share

Earnings per share for the periods ended 30 June 2020 and 2019 were calculated taking into consideration the following amounts:

	30 Jun 2020		30 Jun 2019 Restated	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	(72,722,427)	(2,033,879)	36,633,692	1,341,456
Effect of dilutive potential shares	-	-	-	-
Interest related to convertible bonds (net of tax)	-	-	3,746,214	-
Net profit taken into consideration to calculate diluted earnings per share	(72,722,427)	(2,033,879)	40,379,906	1,341,456
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,910,236,308	1,910,236,308	1,903,965,803	1,903,965,803
Effect of dilutive potential ordinary shares from convertible bonds	128,667,482	128,667,482	128,667,482	128,667,482
Outstanding shares related with share based payments	10,630,179	3,885,211	10,630,179	10,630,179
Shares related to performance bonus that can be bought at market price	(985,164)	(1,588,454)	(768,694)	(768,694)
Weighted average number of shares used to calculate diluted earnings per share	2,048,548,805	2,041,200,547	2,042,494,770	2,042,494,770
Earnings per share				
Basic	(0.038070)	(0.001065)	0.019241	0.000705
Diluted	(0.035499)	(0.000996)	0.019770	0.000657

19. Presentation of consolidated income statements

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and Underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes the contribution of Sonae Sierra, net of taxes that result from: (i) valuation of investment properties; (ii) gains (losses) with the sale of financial investments, joint ventures or associates; (iii) impairment losses relating to non-current assets (including Goodwill) and (iv) provisions for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decreases in Goodwill, (iii) negative Goodwill (net of taxes) related to acquisitions in the financial year, (iv) provisions (net of tax) for possible future liabilities, and impairments related to noncore investments, businesses and discontinued assets (or to be discontinued / repositioned), (v) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (vi) other irrelevant issues

The value of EBITDA, Underlying EBITDA and EBIT are calculated in the direct income component, i.e. excluding the indirect contributions.

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 30 June 2020 and 2019 can be summarized as follows:

	30 Jun 2020			30 Jun 2019 Restated		
	Consolidated	Indirect Income	Direct Income	Consolidated	Indirect income	Direct income
Turnover	3,135,822,611	-	3,135,822,611	2,960,319,119	-	2,960,319,119
Value created on investment properties	(12,015,453)	(12,015,453)	-	6,461,135	6,461,135	-
Investment income						
Dividends and others adjustments	100,160	-	100,160	100,239	-	100,239
Others	794,022	-	794,022	(17,154,586)	-	(17,154,586)
Others income						
Reversal of impairment losses	280,359	-	280,359	371,594	-	371,594
Reversal of provisions for warranty extensions	823,895	-	823,895	1,365,816	-	1,365,816
Others	48,764,103	-	48,764,103	48,155,695	-	48,155,695
Total income	3,174,569,696	(12,015,453)	3,186,585,149	2,999,619,012	6,461,135	2,993,157,877
Total expenses	(2,954,990,460)	1,864,046	(2,956,854,506)	(2,750,008,409)	-	(2,750,008,409)
Depreciation and amortisation	(170,441,601)	-	(170,441,601)	(162,956,522)	-	(162,956,522)
Impairments of inventories - Covid-19	(44,100,000)	-	(44,100,000)	-	-	-
Losses on property, plant and equipment and intangible assets	(1,291,679)	-	(1,291,679)	(482,301)	-	(482,301)
Impairment losses and provisions						
Provisions for warranty extensions	(249,211)	-	(249,211)	(226,094)	-	(226,094)
Others	(35,716,663)	(26,820,880)	(8,895,783)	(3,489,651)	-	(3,489,651)
Profit before financial results and results of joint ventures and associates and non-recurrent items	(32,219,918)	(36,972,287)	4,752,369	82,456,035	6,461,135	75,994,900
Non-recurrent items	14,341,880	-	14,341,880	(16,293,007)	(5,031,033)	(11,261,974)
Financial profit/(loss)	(46,700,048)	8,114,907	(54,814,955)	(56,684,062)	-	(56,684,062)
Share of results of joint ventures and associated undertakings						
Associates and joint ventures of Sonae Sierra	(27,668,741)	(37,812,312)	10,143,571	35,071,139	5,450,411	29,620,728
Armillar Venture Funds	(200,018)	(200,018)	-	(997,904)	(997,904)	-
ZOPT	10,555,528	-	10,555,528	20,656,000	-	20,656,000
Others	(6,383,001)	-	(6,383,001)	2,159,322	-	2,159,322
Profit before income tax	(88,274,318)	(66,869,710)	(21,404,608)	66,367,523	5,882,609	60,484,914
Income Tax	6,049,057	2,538,138	3,510,919	(3,924,650)	(3,189,000)	(735,650)
Profit/(Loss) from continued operations	(82,225,261)	(64,331,572)	(17,893,688)	62,442,873	2,693,609	59,749,264
Profit/(Loss) from discontinued operations	(2,033,879)	(900,000)	(1,133,879)	1,722,066	5,031,033	(3,308,967)
Profit/(Loss) for the period	(84,259,140)	(65,231,572)	(19,027,567)	64,164,939	7,724,642	56,440,297
Attributable to equity holders of Sonae	(74,756,306)	(62,636,561)	(12,119,745)	37,975,148	1,014,230	36,960,918
Non-controlling interests	(9,502,834)	(2,595,012)	(6,907,822)	26,189,791	6,710,412	19,479,379
"Underlying" EBITDA (b)			228,557,377			241,457,319
EBITDA (a)			256,081,476			279,322,428
EBIT (c)			32,176,308			113,759,770

- (a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + share of results in joint ventures and associated undertakings (Sonae Sierra direct results, Zopt and other participated) + provisions for extensions of guarantee + unusual results
- (b) "Underlying" EBITDA = EBITDA – effect of the equity method – non-recurrent results;
- (c) EBIT = EBT - financial results – dividends;
- (d) EBT = Direct results before taxes;
- (e) Direct income = Results excluding contributions to indirect results;
- (f) Indirect income = Includes Sonae Sierra's results, net of taxes, arising from: (i) investment properties valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses for non-current assets (including Goodwill) and; (iv) provision for assets at risk. Additionally and with regard to the portfolio of Sonae, it includes: (i) impairment of real estate assets for retail, (ii) decrease in goodwill, (iii) provisions (net of tax) for possible future liabilities and impairments related with non-core financial investments, businesses, discontinued assets (or be discontinued/ repositioned);(iv) valuation results based on the methodology "mark-to-market" of other current investments that will be sold or traded in the near future and (v) other irrelevant issues.

20. Subsequent events

20.1 BOND ISSUE AND MEDIUM AND LONG TERM REFINANCING

On 4 August, Sonae, SGPS, S.A., informed that its subsidiary Sonae MC, SGPS, S.A. (Sonae MC) issued a bond loan, by private subscription, in the amount of 50,000,000 euros, without guarantees and with maturity on 30 July 2025, and its admission to trading on the Euronext Lisbon Access market, under the name "SONAE MC 07/2020 - 2025.

Sonae, SGPS, S.A. also announces that Sonae MC has completed three additional medium and long-term refinancing operations totalling 122,500,000 euros. These operations were carried out under very competitive market conditions, once again underscoring the stalwart nature of the Company and its robust capital structure.

20.2 OPERATION OF SALE AND LEASEBACK

On 5 August, Sonae - SGPS, SA informed that its subsidiary Sonae MC SGPS, SA (Sonae MC) concluded the sale and leaseback of 4 food retail assets located in Portugal. As a result of this operation, which totalled 34 million euro, Sonae MC's freehold level of retail assets now stands at 41%.

20.3 ACQUISITION OF NOS SHARES

On 19 August, Sonae – SGPS, SA informed to have signed, with Banco BPI, SA, a sale and purchase agreement for the purpose of acquiring, in an over-the-counter transaction, 38,000,000 (thirty eight million) shares representing 7.38% (seven point thirty eight percent) of the share capital and voting rights of the public company NOS, SGPS, SA ("NOS"), at market price.

As a result of this transaction, Sonae shall be attributed the voting rights pertaining to 306,644,537 (three hundred and six million, six hundred and forty four thousand and five hundred and thirty seven) NOS shares, corresponding to a shareholding of 59.52% (fifty nine point fifty two percent) of the share capital and voting rights of NOS, through a direct shareholding of 7.38% (seven point thirty eight percent) and an indirect shareholding of 268,644,537 (two hundred and sixty eight million, six hundred and forty four thousand and five hundred and thirty seven) NOS shares, representing 52.15% (fifty two point fifteen percent) of NOS share capital and voting rights by means of the joint control exercised through its subsidiary, the public company Sonaecom, SGPS, SA ("Sonaecom"), over the company ZOPT, SGPS, S.A. ("ZOPT").

Sonae additionally informs that, on the date of execution of the dissolution of ZOPT, as announced to the market on 19 August by Sonaecom, a controlling shareholding in NOS of 33.45% (thirty three point forty five percent) of said company's share capital and voting rights will continue to be attributable to Sonae through the direct holding of the aforementioned shareholding of 7.38% (seven point thirty eight percent), and by the maintenance of the indirect ownership of the voting rights pertaining to half of the aforesaid shareholding of 52.15% (fifty two point fifteen percent) that, as a result of the proportional distribution of assets between ZOPT shareholders, will still be attributable to Sonae's subsidiary Sonaecom.

21. Approval of financial statements

The financial statements were approved by the Board of Directors in a meeting held on 26 August 2020.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Margaret Lorraine Trainer

Marcelo Faria de Lima

Carlos António Rocha Moreira da Silva

Fuencisla Clemares

Philippe Cyriel Elodie Haspeslagh

Maria Cláudia Teixeira de Azevedo

João Pedro Magalhães da Silva Torres Dolores



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APPENDIX

BUILDING
TOGETHER

Qualified holdings

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of the Sonae - SGPS, S.A., calculated according to article 20 of the Portuguese Securities Code, as required by article 8 paragraph 1, subparagraph c), of the Portuguese Securities Market Commission (CMVM) Regulation no. 05/2008:

Shareholder	Nr. of shares	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, S.A. (I)			
Directly	200,100,000	10.0050%	10.0050%
By Pareuro, BV (controlled by Efanor Investimentos, SGPS, S.A.)	849,533,095	42.4767%	42.4767%
By Maria Margarida CarvalhaisTeixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.A.)	14,901	0.0007%	0.0007%
By Maria Cláudia Teixeira de Azevedo (Director of Efanor Investimentos, SGPS, S.A.)	724,707	0.0362%	0.0362%
By Duarte Paulo Teixeira de Azevedo (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.A.)	1,053,075	0.0527%	0.0527%
By Ângelo Gabriel Ribeirinho dos Santos Paupério (Director of Sonae, SGPS, S.A. and Efanor Investimentos, SGPS, S.A.)	444,625	0.0222%	0.0222%
By Migracom, S.A. (company controlled by Efanor Investimentos, SGPS, S.A.. and Sonae, SGPS, S.A.'s Director Duarte Paulo Teixeira de Azevedo)	3,198,524	0.1599%	0.1599%
By Linhacom, SGPS, S.A. (company controlled by Efanor Investimentos, SGPS, S.A.. and Sonae, SGPS, S.A.'s Director Maria Cláudia Teixeira de Azevedo)	189,314	0.0095%	0.0095%
By Enxomil - Consultoria e Gestão, SA (company controlled by Efanor Investimentos, SGPS, S.A.. and Sonae, SGPS, S.A.'s Director Ângelo Gabriel Ribeirinho dos Santos Paupério)	2,021,855	0.1011%	0.1011%
By Enxomil - Sociedade Imobiliária, SA (company controlled by Efanor Investimentos, SGPS, S.A.. and Sonae, SGPS, S.A.'s Director Ângelo Gabriel Ribeirinho dos Santos Paupério)	662,987	0.0331%	0.0331%
By Carlos António Rocha Moreira da Silva (Director of Efanor Investimentos, SGPS, S.A.)	22,000	0.0011%	0.0011%
Total attributable to Efanor Investimentos, SGPS, S.A.	1,057,965,083	52.8983%	52.8983%
Banco BPI, S.A.	96,034,789	4.8017%	4.8017%
Total attributable to Banco BPI, S.A. (II)	96,034,789	4.8017%	4.8017%
Criteria Caixa, S.A.	40,019,035	2.0010%	2.0010%
Total attributable to Criteria Caixa, S.A.	40,019,035	2.0010%	2.0010%

Source: communications received by the Company regarding qualified shareholdings up to 30th June 2020.

(I) As from 29th November 2017, Efanor Investimentos SGPS, SA ceased to have any controlling shareholder pursuant to the set forth in articles 20 and 21 of the Portuguese Securities Code.

*** Total number of voting rights attributed to Banco BPI, S.A. as per article 20 of the Portuguese Securities Code. Banco BPI is part of CaixaBank group, which holds 100% of Banco BPI's share capital, according to the disclosure made by Banco BPI to the market on the 5th April 2019 at www.cmvm.pt.

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code.

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise.

Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the progress of the business and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 26 of August 2020

The Board of Directors

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

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Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SON PL