



9M20

RESULTS

BUILDING
TOGETHER

1. Highlights

Financial Performance

- **Sonae's portfolio proved once again its resilience**, posting a 5.9% consolidated top line growth and a 10% underlying EBITDA margin in 3Q20 (up 20bps yoy), underpinned by solid market outperformances across businesses in a very challenging context
- **Online sales** of our fully consolidated businesses doubled yoy in the first nine months of 2020 and represented more than one third of the Group's top line growth, proving the digital capabilities and e-commerce value propositions of our businesses
- **Consolidated net result (group share) was slightly above last year in the quarter**, despite unfavourable non-recurrent effects and the negative impact of Covid-19 on the operating performances of several businesses
- **The group's capital structure remained solid**, with net debt decreasing €287 M in the last 12 months and liquidity increasing, with more than €650 M of refinancing operations completed since the beginning of the year and extensive cash preservation initiatives across businesses

Portfolio Management Activity

- During the 1H20, **Sonae Sierra** created Sierra Prime, a leading retail real estate JV with APG, Allianz and Elo, and **Sonae Fashion** announced the acquisition of the remaining 50% stake in Salsa
- 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)
 - **NOS** completed the sale of NOS Towering to Cellnex in exchange for total proceeds of €550 M (close to €375 M of which were already received in September)
- Already in the 4Q20, Arctic Wolf – a leader in cybersecurity operations –, following a Series E funding round of USD200 M with a valuation of USD1.3 bn, became **Sonae IM's** second unicorn, resulting in an equity accounted capital gain of almost €29 M

ESG highlights

- Sonae remained focused on monitoring all the developments related to the Covid-19 pandemic and reinforced measures to **protect its employees and communities**
- The Group published a revised version of its **Gender Equality Plan**, which includes ambitious targets regarding women in managerial positions
- Progress continued to be made towards decreasing the Group's CO₂ emissions by 54% up to 2030 (compared to 2018) and, already in November, **Sonae committed to reach carbon neutrality by 2040** – anticipating this target by 10 years

The Covid-19 outbreak continues to impact our activities. With the end of the initial lockdown and the gradual reopening of the economy since May, Sonae's businesses were less impacted in the 3Q when compared to the 2Q. Still, the pandemic left a number of significant impacts, such as changes in consumption patterns, a decrease in tourism and restrictions in gatherings/physical distancing, all of which continued to affect several of our businesses in this quarter.

2. CEO letter

Nine months into the year, the World continues to fight the Covid-19 pandemic. After a difficult second quarter marked by the lockdown measures, this third quarter was still a period in which many restrictions subsisted and impacted our day-to-day lives.

During these last few months, we have done everything in our power to protect the health and safety of our people, customers and partners. I remain grateful and humbled by the resilience and dedication of our teams, who have really gone the extra mile to continue to provide essential services to our customers and have shown great grit and resourcefulness in times of constant change.

In this pandemic context, Sonae continued to show a very resilient performance, driven by a unique knowledge of our customers, the digital readiness of our businesses and a Group-wide ability to quickly innovate and adapt to changing circumstances.

Sonae MC strengthened its leadership position in Portugal, leveraging the strength of the Continente loyalty program (which continued to provide new benefits and functionalities in an increasingly digital and personalized offering), and also the ability to rapidly scale its e-commerce delivery capacity and reinforce its position as the reference online grocery retailer in the country. Worten also continued to gain market share in Portugal underpinned by a world-class omnichannel approach and multiple new digital initiatives, having reached, for the first time ever, a higher market share online than offline. At Sonae Sierra, shopping centres remained under pressure but started to recover footfall and tenant sales, while the team worked together with tenants to find creative solutions to maximize their offline and online sales. Sonae Fashion and ISRG stores reopened and showed encouraging signs, while online sales remained at record levels – particularly at Mo, where the innovative MOxAd-Tech masks boosted e-commerce and international sales. Sonae FS resumed normalized levels of credit production and Universo reached 400 thousand digital clients. Sonae IM's solid operational performance was highly driven by the cybersecurity companies in the portfolio, and Arctic Wolf reached the unicorn status in Q4. Finally, NOS showed the resilience of its core telecommunications business and executed important deals that improve the company's financial strength and will enable a faster, more efficient and environmentally sustainable deployment and operation of mobile networks.

Overall, in the third quarter Sonae was able to grow turnover by 6% and improved its underlying EBITDA by more than 8% versus last year, which enabled us to surpass last year's underlying EBITDA at the end of September. We continued to preserve our balance sheet by deploying multiple cash preservation initiatives across businesses and also by refinancing important debt facilities. In total, the Group's consolidated net debt decreased €287 M to €1,233 M in the last 12 months and all businesses remain with conservative leverage levels.

During this pandemic context, we also decided to reinforce our commitment to our People and our Planet. We published a revised gender equality plan, with specific and ambitious goals for women in managerial positions. And, already in November, we committed to reach carbon neutrality by 2040, anticipating our previous pledge by ten years.

As I write these words, and since the beginning of October, we have witnessed an increase in Covid-19 infections all over the World, and governments are again resuming harsher restrictions, including renewed lockdowns in some countries. This new surge will certainly test us again. But, having endured the first wave as we did and given the extensive preparation of our teams in the last few months, I am certain that our businesses will be able to meet our customers' needs and that Sonae will continue to create value for all its stakeholders.

Cláudia Azevedo

CEO, Sonae

3. Sonae consolidated performance

Brief portfolio update

During 3Q20: (i) Sonae announced the agreement to terminate the partnership at ZOPT and the acquisition of a 7.38% stake in NOS; and (ii) NOS concluded the agreement to sell NOS Towering to Cellnex.

Already in 1H20, Sonae Sierra created Sierra Prime, and Sonae Fashion announced the acquisition of the remaining 50% stake in Salsa.

Sonae corporate structure		
	Stake	Consolidation method
Sonae MC	100%	Full consolidation
Sonae Sierra	70%	Full consolidation
NOS	31%	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

Note: 23% stake in NOS is consolidated by equity method and 7.38% acquired by Sonae is a financial investment.

Consolidated performance

From a **statutory point of view**, Sonae's consolidated **turnover and underlying EBITDA strongly increased in the 3Q20**, more than offsetting the lower figures in the 2Q. In a period with relevant restrictions and poor tourism activity, Sonae's businesses were quick to adapt to this unprecedented environment and were able to increase their market shares.

In the 3Q20, **consolidated turnover** grew 6% yoy, to €1,773 M supported by the strong contributions from Sonae MC and Worten, leading also to a 6% growth in the 9M20 to €4,908 M. In terms of **underlying EBITDA**, Sonae ended the 3Q20 with a margin of 10%, representing an 8.6% yoy growth to €177 M. This performance, was once again explained by the strong results of both Sonae MC and Worten, which enabled Sonae to maintain last year's underlying EBITDA figure at the end of 9M20, in spite of the deconsolidation of two core shopping centres (consequence of the Prime transaction) in Sonae Sierra's

statutory accounts in the 1Q20 and the lockdown period's negative impact in the 2Q. **On a pro-forma basis, excluding Sierra Prime assets in 3Q19, Sonae's underlying EBITDA would have increased by 14% yoy in 3Q20.**

3Q20 consolidated EBITDA, decreased by 13% yoy to €180 M, and consequently, **consolidated EBITDA** fell 10% yoy to €436 M in the **9M20**, due to the lower equity method results from Sonae Sierra and ISRG, both due to Covid-19 impacts, and significant non-recurrent items both last year and this year related with Sonae IM's portfolio management activity. **Sonae's Indirect Results** were once again mainly impacted by Sonae Sierra's asset revaluations as a result of the pandemic. **Sonae's Net result (group share) in the 3Q stood 2% above last year's figure and reached €51 M**, although still below last year in the 9M20, mainly influenced by non-cash contingencies registered in the 1Q and Sonae Sierra's portfolio devaluation in the 2Q, both directly related to Covid-19.

Sonae consolidated results						
Million euros	9M19	9M20	yoy	3Q19	3Q20	yoy
Turnover	4,634	4,908	5.9%	1,674	1,773	5.9%
Underlying EBITDA	404	406	0.3%	163	177	8.6%
margin	8.7%	8.3%	-0.5 p.p.	9.7%	10.0%	0.2 p.p.
Equity method results ⁽¹⁾	76	23	-69.9%	27	10	-64.0%
Non-recurrent items	5	8	56.8%	16	-7	-
EBITDA	486	436	-10.1%	206	180	-12.6%
margin	10.5%	8.9%	-1.6 p.p.	12.3%	10.2%	-2.2 p.p.
D&A	-155	-159	-2.4%	-53	-53	0.0%
D&A - RoU	-91	-95	-4.4%	-31	-31	-0.9%
Provisions and impairments	-11	-55	-	-8	-1	-
EBIT	229	128	-	115	96	-
Net fin. res. - lease liabilities	-54	-55	-2.8%	-18	-18	-1.6%
Net fin. res. - financing	-32	-27	13.9%	-11	-9	12.4%
EBT	143	45	-68.4%	86	68	-21.2%
Taxes	-10	-6	-	-9	-9	-
Direct results	133	40	-70.2%	77	59	-23.6%
Indirect results	-2	-76	-	-10	-11	-6.8%
Net income	131	-36	-	67	48	-
Non-controlling interests	-43	12	-	-17	3	-
Net income group share	88	-24	-	50	51	1.6%

(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 decreased €287 M to €1,233 M over the last 12 months and €25 M when compared to the end of 1H20**. This evolution was driven by the strong cash generation profile of Sonae's portfolio of businesses, even under the pandemic context, and also by a number of important events: (i) in the 1Q20, the cash-in from Sonae Sierra's Prime transaction (€188 M, net of dividends paid to Grosvenor), and the consequent debt deconsolidation of these assets from Sonae's balance sheet; (ii) in the 2Q, the distribution of €93 M in dividends; and (iii) in the 3Q20, the acquisition of a 7.38% stake in NOS and the remaining 50% stake in Salsa, as well as the sale-and-leaseback transactions of several food retail assets at Sonae MC (in the total amount of €49 M in the 9M20).

The group's **gearing at book value** stood at 0.4x and **market value** gearing at 0.9x, similar levels to 3Q19, as the negative share price performance during the last 12 months offset the decrease in average net debt during the same period.

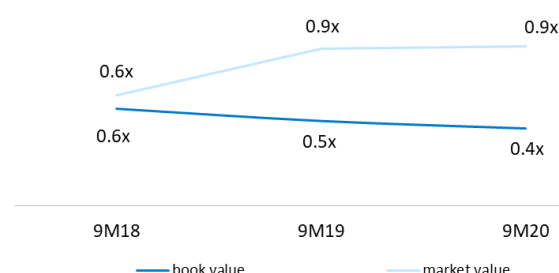
Financing conditions remained practically unchanged in the 3Q20, with a cost of debt of ca. 1.2% during 9M20 (ca. 1.0% excluding Sonae Sierra), and the average maturity profile kept above 4 years. Since the end of 2019, Sonae has already refinanced more than €650 M in long term facilities.

Moreover, all the companies in the portfolio continued to hold **conservative and solid balance sheets**: Sonae MC's registered a 3.0x net debt to underlying EBITDA ratio; NOS' capital structure was further strengthened by the towers sale and reached a ratio of 1.4x; Sonae Sierra's loan-to-value stood at 26% and, at the holding level, loan-to-value stood at 12%.

In terms of **capex**, Sonae's companies continued to spend less in operational terms when compared to last year, while in the 3Q20 there were two important portfolio moves: the acquisition of the remaining 50% stake in Salsa and the acquisition of a 7.38% stake in NOS.

Sonae net invested capital			
Million euros	9M19	9M20	yoy
Net invested capital	5,753	4,798	-16.6%
Shareholders funds	3,039	2,372	-22.0%
Net debt (exc. lease liabilities)	1,519	1,233	-18.9%
Total Net Debt	2,714	2,426	-10.6%
Lease liabilities	1,194	1,193	-0.1%

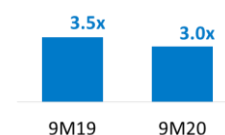
Gearing evolution



Ratios

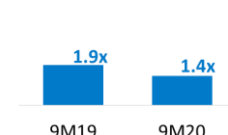
Sonae MC

Net Debt/ und. EBITDA
(post IFRS16)



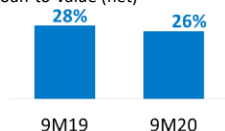
NOS

Net Fin Debt/ EBITDA
(post IFRS16)



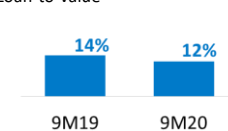
Sonae Sierra

Loan-to-value (net)



Holding

Loan-to-value



Sonae Capex			
Million euros	9M19	9M20	yoy
Total capex	275	376	36.5%
Operational capex	201	165	-17.8%
Sonae MC	164	138	-16.0%
Worten	16	14	-12.2%
Sonae Fashion	12	9	-31.6%
Sonae IM	2	2	-13.2%
Sonae FS	0	1	-
Sonae Sierra	1	1	-
Financial/M&A capex	75	211	-

4. Business by business results

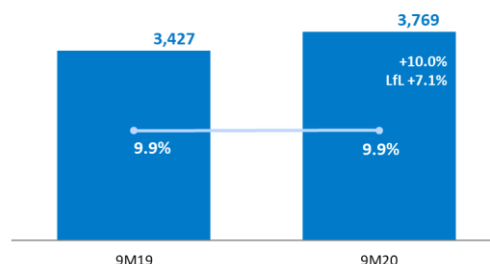
4.1. Sonae MC¹

During the 3Q, Sonae MC continued to show a strong top line performance, including the sustained good momentum of its online business, being able to once again improve its market leadership in the Portuguese food retail sector. In a quarter with the market returning to more normal levels in terms of growth, Sonae MC has outperformed and once again proved that the clear recognition of its strong value proposition, coupled with its rapid response to quickly and effectively adjust its operating model to such a challenging and disruptive environment, were key to a strong performance.

Sonae MC's **turnover** grew by 10% yoy to €3.8 bn and LfL surpassed 7% in the 9M20, mainly fuelled by the effects of stockpiling early in the period and the shift away from out-of-home consumption during the lockdown, as sales growth in the 3Q were penalised by a weaker summer, although still performing at a very solid pace: 7.4% and 4.8%, on a yoy basis and in LfL terms, respectively. This performance was mainly explained by the robust performance in both hypers and supers coupled with the unprecedented behaviour of the leading online business, which already registers high double digit yoy growth at the end of 9M20.

9M20 **underlying EBITDA** increased to €374 M, implying a double-digit growth and being able to reach a broadly stable margin of 9.9%, as incremental Covid-19-related direct costs (ca. €20 M in 9M) were more than offset by the contribution from a higher top line, and from operational improvements achieved during the same period. In the 3Q, the dilution of fixed costs contributed to an improved operating profitability by 40 b.p. to 11.1%.

Turnover and underlying EBITDA margin (€M)

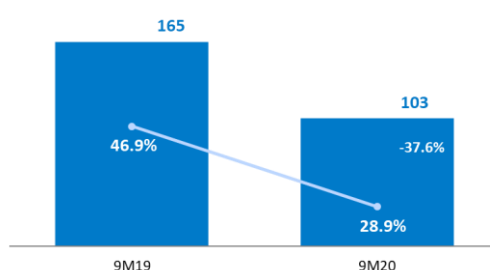


4.2. Sonae Sierra

After the general lockdown in 2Q, Sonae Sierra recorded generally positive operating trends during 3Q, albeit still below pre-pandemic levels. Both tenant sales and footfall showed signs of recovery over the 3Q period, with September sales being 14% below 2019 levels and footfall 22% below last year, with Italy and Spain recording the strongest performances across the portfolio. Additionally, the occupancy rate in the European portfolio continued to be stable at 96.4% (vs. 96.6% in June).

Similarly to 2Q, **Direct Result** in the period was negative by €2.8 M, reflecting the impact from the rental law introduced in Portugal and agreements around discounts reached with tenants in the other geographies, which was the main driver for the YTD rental income reduction of 40%. Additionally, and given the uncertain market environment, Sonae Sierra conducted external valuations to its European assets in September, having recorded a €9 M negative impact. All in all, the 9M20 **net results** stood at -€20 M.

Turnover and EBIT margin (€M)



¹ For more information please see Sonae MC 9M20 results report in www.sonae.pt.

Regarding **NAV**, Sonae Sierra ended the 3Q with €918 M, 3% down when compared to the end of 1H20, mainly reflecting the decline in asset valuations and FX losses from its Brazilian and Colombian investments.

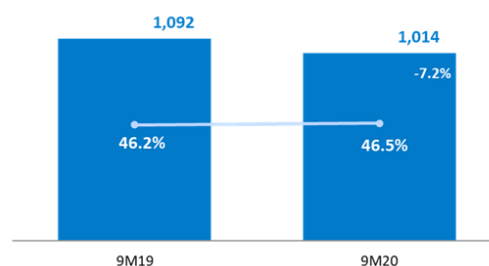
4.3. NOS

NOS published its 3Q20 results on November 4th. For NOS, the third quarter was still a period marked by the impacts of the pandemic on both operational and financial results, although less significant compared to the second quarter.

During 3Q the impacts from restrictions imposed were felt in the telco business, with the decline in roaming revenues due to travel limitations, but mostly in the cinema and audiovisuals business, with the still low number of spectators as the re-opening of movie theatres only occurred in July. This scenario resulted in a **revenue** decrease of 6% yoy in the 3Q and 7% in accumulated terms, to €347 M and €1,014 M respectively. Regarding profitability, **EBITDA** followed the top line trend decreasing 7% yoy to €161 M in the 3Q and 6.5% in the 9M. **Net results** were down 7.9% to €44.1 M in 3Q20 but FCF before dividends amounted to €382 M in the quarter and €470 M at the end of 9M, mainly impacted by the cash-in from the tower sale deal to Cellnex which contributed to further reinforce the company's financial situation.

Already in 4Q20, NOS signed a set of agreements with Vodafone regarding the sharing of mobile network support infrastructure and active mobile network elements. These pioneer agreements will allow NOS to invest more efficiently and capture value through synergies.

Revenues and EBITDA margin (€M)

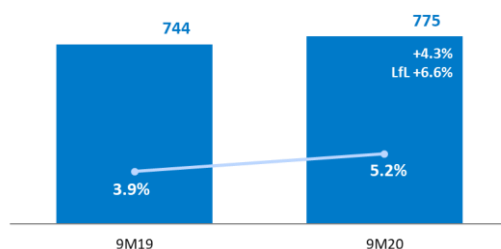


4.4. Worten

During 3Q20, Worten posted a very robust performance, growing 8.5% in total top line and more than 10% in LfL terms.

By leveraging both physical and online stores, to deliver convenient omnichannel solutions, and its marketplace, to further extend its product offer, Worten delivered outstanding online sales growth, more than doubling the volume versus last year. Stores sales also showed resilience as, despite some pressure on footfall, conversion and average ticket were successfully improved. With such sound results online, while maintaining a good performance offline, Worten's leadership in Portugal was further reinforced, with its online market share already surpassing its offline market share. Similar to the previous quarter, IT and small domestic appliances continued on high demand, driving sales growth. In Spain, Worten continues to persistently implement its plan to reach positive profitability in the near term, closing three additional loss-making stores in 3Q20 in the mainland.

Turnover and underlying EBITDA margin (€M)



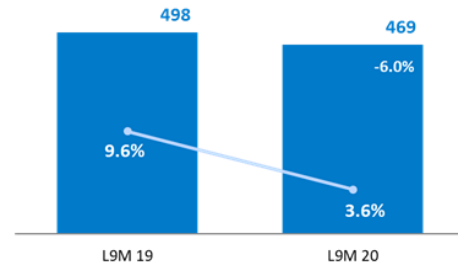
All in all, strong **sales** performance in the quarter enabled Worten to reach a 9M20 turnover of €775 M, +4.3% versus last year. Worten performed clearly ahead of last year, posting an **underlying EBITDA** increase of €7 M (+48% yoy) in the quarter and €11 M in 9M20 (+39% yoy), to reach a margin of 6.9% and 5.2%, respectively.

4.5. ISRG

For ISRG, the 2Q20 was marked by the reopening of all the stores across Iberia from mid-May onwards and by the focus in trying to recover from the lockdown impact.

With physical stores still facing some restrictions, total turnover posted a 7% decline in the quarter, in spite of the impressive performance from the online operation with 3x growth versus same period of last year. In terms of profitability, EBITDA followed the sales trend, by falling in the quarter, and implied that the company's equity method contribution to Sonae's results was almost nil in the quarter.

Turnover and EBITDA margin (€M)

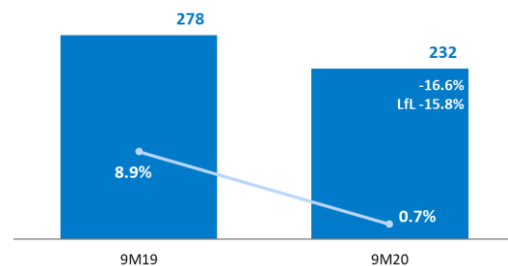


4.6. Sonae Fashion

After a very difficult 2Q, marked by the lockdown, the third quarter was still very challenging, limited by the pandemic evolution and the deterioration of macroeconomic conditions. Despite this context, and in a quarter with still strong downward pressure on sales in the sector, Sonae Fashion was able to increase its market share.

Sales performance across brands and categories was distinct, reflecting different price positionings, dependency of shopping centres' footfall and demand for essential items. The online channel kept the strong momentum witnessed in the 2Q and more than doubled its performance in 3Q20 vs 3Q19.

Turnover and underlying EBITDA margin (€M)



All in all, Sonae Fashion has clearly showed that its reaction and flexible adaption to the new context empowered its brand engagement across all of its brands and registered an impressive LfL sales growth of 12% and only a 3% decrease of its turnover in the 3Q. At the end of 9M20, Sonae Fashion's **turnover** was €232 M, 16.6% below last year. Regarding profitability, Sonae Fashion recorded a positive underlying EBITDA of €12 M in the 3Q20, surpassing the negative figure registered in the 2Q, and allowing **underlying EBITDA** to recover in accumulated terms to €2 M.

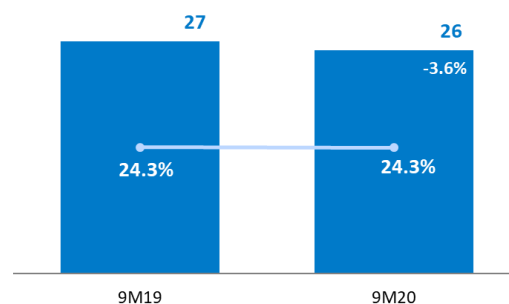
4.7. Sonae FS

After a smooth 2Q due to the lockdown, Sonae FS was able to show some signs of recovery in the 3Q, although still impacted by the limitations of the pandemic and the consequent impact in private consumption.

In particular, the Universo card performance was encouraging during the 3Q with card production already staying above historical figures and the activity rate reaching pre-pandemic values in September. In addition, the digital journey of Universo accelerated and an important milestone was reached at the end of September, with the number of customers using homebanking or the Universo app already surpassing 400 k (+51% yoy). In terms of market share, Universo continues to be in the top3 of the overall credit market with 13.4% at the end of 9M20, more than 1% above last year's figure.

Overall, regarding top line performance, **Sonae FS turnover** stood at €9 M in the 3Q20, ending the 9M20 with a turnover of €26 M, almost in line with last year's figure. This slight drop in top line in the 3Q was compensated by significant cost savings and Sonae FS was able to post an **underlying EBITDA** of €2.9 M in the 3Q, +€0.4 M vs 3Q19, and a 9M20 figure of €6.3M and a margin of 24.3%.

Turnover and underlying EBITDA margin (€M)

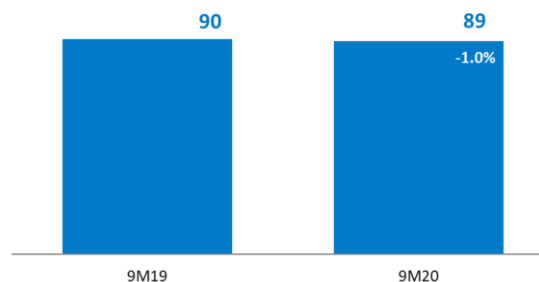


4.8. Sonae IM

Sonae IM recorded a very solid quarter with positive performances across controlled companies and with important evolutions in other portfolio companies.

In the 3Q, Sonae IM's **turnover** grew by 11% yoy allowing turnover to reach €89 M in accumulated terms and staying almost flat when compared to 9M19. Importantly, the **underlying EBITDA**, despite still in negative ground, presented a relevant yoy progress. In particular, the cybersecurity companies continued to present a top line double-digit growth, coupled with a sustainable positive EBITDA, and were the main drivers for the consolidated figures' positive evolution.

Turnover (€M)



Regarding the **investment activity** and, on top of follow-on investments on its portfolio of companies, Sonae IM entered in the 3Q in the share capital of two new companies, one cybersecurity company and one early stage venture. Also in the 3Q Sonae IM received a gross capital distribution of €21 M as a result of the redemption of participation units held in the AVP II Fund, which represents a value improvement of 37% when compared to the distribution occurred in 2018, and increases the cumulative return on Armilar Funds to 2.3x cash on cash.

Already in the 4Q, **Arctic Wolf**, a leader in cybersecurity operations, announced it has raised USD200 M in Series E funding at a valuation of USD1.3 bn. This funding round was led by Viking Global Investors, with additional participation from DTCP and existing investors, and allowed Sonae IM to record a **capital gain of almost €29 M**, accounted directly in its equity.

5. Corporate information

5.1. Main corporate events in the 3Q20

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

September 15th

Sonae informed about on Plan for gender equality 2021

5.2. Subsequent events

October 20th

Sonae informed on Cash Settled Equity Swap extension.

6. Sonae Balance sheet

Sonae statement of financial position			
Million euros	9M19	9M20	yoy
TOTAL ASSETS	8,773	7,968	-9.2%
Non current assets	7,010	6,251	-10.8%
Net fixed assets	2,042	2,075	1.6%
Net Rights of Use	1,070	1,040	-2.8%
Goodwill	784	671	-14.4%
Investment properties	975	332	-66.0%
Other investments	2,002	1,748	-12.7%
Deferred tax assets	69	332	-
Others	66	54	-19.0%
Current assets	1,764	1,717	-2.7%
Stocks	657	589	-10.4%
Trade debtors	124	131	5.2%
Liquidity	666	687	3.3%
Others	317	311	-2.0%
SHAREHOLDERS' FUNDS	3,039	2,372	-22.0%
Equity holders	2,037	1,920	-5.7%
Attributable to minority interests	1,003	452	-55.0%
LIABILITIES	5,734	5,596	-2.4%
Non-current liabilities	3,555	3,412	-4.0%
Bank loans	1,430	1,106	-22.7%
Lease liabilities	1,095	1,087	-0.7%
Other loans	562	620	10.2%
Deferred tax liabilities	326	467	43.2%
Provisions	33	33	2.3%
Others	109	100	-8.4%
Current liabilities	2,179	2,184	0.2%
Bank loans	230	205	-11.1%
Lease liabilities	99	107	7.6%
Other loans	6	17	183.9%
Trade creditors	1,247	1,236	-0.8%
Others	596	619	3.8%
SHAREHOLDERS' FUNDS + LIABILITIES	8,773	7,968	-9.2%

7. Additional information

7.1. 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.

7.2. Sonae Sierra statutory accounts

Sonae Sierra consolidated results		
Million euros	3Q20	9M20
Turnover	23	72
Underlying EBITDA	3	10
margin	14%	14%
Equity method results	2	12
Non-recurrent items	0	57
EBITDA	5	80
Provisions and impairment losses	-5	-10
D&A	-1	-2
EBIT	-1	68
Net financial results	-2	-7
EBT	-3	61
Taxes	0	-1
Direct results	-3	60
Indirect results	-9	-81
Net income	-12	-21
Non-controlling interests	1	1
Net income group share	-12	-20

8. 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.

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.

Media and Investor Contacts

Patrícia Vieira Pinto

Head of Investor Relations

pavpinto@sonae.pt

Tel.: + 351 22 010 4794

Maria João Oliveira

External Communication

mjfoliveira@sonae.pt

Tel.: + 351 22 010 4745

Sonae

Lugar do Espido Via Norte

4471-909 Maia

Portugal

Tel.: +351 22 948 7522

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