



2021 First quarter Results

20th May 2021

1Q21 Highlights

Financial Performance

- Another solid quarter for Sonae's portfolio with the group posting 5.8% top line growth fuelled by the performances of Sonae MC, Worten and digital channels across businesses.
- Online sales jumped 2.3x when compared to 1Q20, proving once again the digital capabilities and value propositions of our businesses.
- In terms of profitability, Sonae's portfolio was able to deliver an improved underlying EBITDA by 14% yoy to €114 M.
- Sonae's net result (group share) stood at €1 M, significantly better than last year's figure, yet still impacted by Covid-19 restrictions.
- Maintenance of solid capital structure and comfortable financing conditions, with a low cost of debt and an average maturity of 3.7 years.

Portfolio Management Activity

- Worten reached an agreement with Media Markt for the sale of 17 stores and closed another 14 stores in Spain mainland, and announced the new strategy for that geography, focused on the digital channel, while maintaining an omnichannel proposition in the Canary Islands.
- Sonae acquired additional 10% of Sonae Sierra for €82 M, following the exercise of a put option by Grosvenor. The transaction was completed at an 8% discount to NAV (at the end of 1Q21). Sonae now holds 80% of Sonae Sierra.
- Already in April, Sonae FS and Banco CTT signed a partnership agreement for the next 5 years. With this partnership, Sonae reinforces its commitment to the financial services sector, while accelerating the growth of Universo and allowing for a synergetic diversification together with the other group businesses, as well as ensuring the mitigation of funding and credit risks.
- Sonae IM continues to deliver on its strong track record of value creation, having seen a third company in the portfolio reach a unicorn status in the beginning of 2021 – Feedzai. Regarding the other two unicorns, Outsystems announced a capital raise at an underlying valuation of USD9.5 bn, and, already in 2Q21, Sonae IM sold part of its stake in Arctic Wolf for €36.4 M (gross cash-in), implying a capital gain of €12.3 M.

CEO Letter

One year ago, I was writing for the first time about how Covid-19 impacted our lives. More than twelve months have now passed since the first signs of this pandemic. The way we work, how we shop, how we travel, how we learn and even how and where we live, will probably never be the same.

In Portugal, the start of 2021 was a dramatic period in terms of public health as we were confronted with a third wave of the pandemic that forced us once again into harsher lockdown measures. We faced a very adverse context, with many of our stores, cinema theatres and shopping centres closed (or practically closed) for 2.5 months. But, once again, the resilience, resourcefulness and digital readiness of our businesses were critical to overcome this context. We were able to continue to serve our customers across multiple channels, with a particular focus on our e-commerce platforms, and showed the resilience of our value chains and the solidity of our value propositions. And our customers recognized our commitment and dynamism.

During the 1Q21, under this challenging environment, our consolidated turnover grew 6% yoy, our online sales increased 2.3x and our underlying EBITDA improved 14% yoy. This evolution was underpinned by Sonae MC and Worten, which registered impressive performances, both offline and online, enough to offset the lower results of the businesses most affected by the lockdown. We maintained a comfortable capital structure with a low cost of debt, an average maturity of 4 years and no refinancing needs for the next 18 months.

The last few months were also marked by important changes in the portfolio and key milestones in the execution of our corporate strategy, such as the restructuring of our operation in Worten Spain, the increase of our stake in Sonae Sierra, the launch of a partnership between Sonae FS and Banco CTT, and strong valuation increases in Sonae IM's portfolio, namely in its three unicorn investments.

I would like to reiterate my gratitude to all our employees who have continued to show tremendous dedication to serve our customers but also a truly open mindset and enthusiasm to transform operating models and accelerate our path into the future. It is this relentless pursuit of innovation and growth that drives us at Sonae, and that has really set us apart since the outbreak of Covid-19.

I am also grateful to all other stakeholders that have placed their trust in us, including our shareholders, to whom we distributed in May 17th a dividend of 4.86 euro cents per share (a total of €97 M), corresponding to a 5.0% dividend increase and a dividend yield of 7.4%*, as approved by the AGM.

We are now ready to move forward and embrace the opportunities of a new normality. The last twelve months have put us to the test as never before, but we continued to lay the foundations for the future. Today we are a leaner, more digital, more resilient and more sustainable company. Many opportunities will arise in the aftermath of the pandemic and I am certain that Sonae will be well positioned to capture them.

Cláudia Azevedo, CEO

* Share price at year-end of 2020.

Group Consolidated Performance

1. Brief Portfolio Update

During the 1Q21, and in terms of **portfolio activity**:

- (i) **Worten** announced its plan to optimise the Spanish operation, with the agreement to sell 17 stores to Media Markt Saturn S.A.U and close an additional 14 stores, while maintaining its successful omnichannel strategy in the Canary Islands and focusing the mainland operation on the digital channel; and
- (ii) Sonae increased its shareholding in **Sonae Sierra** to 80%, after the purchase of a 10% stake held by Grosvenor, for €82 M, following the exercise by Grosvenor of its put option right.

Already in the beginning of April, Sonae FS and Banco CTT signed a partnership agreement for the next five years, whereby Sonae FS will continue to be the single point of contact in the management, support and monitoring of Universo card customers throughout the customer lifecycle and value chain, while CTT will take the associated funding and credit risk.

Portfolio and accounting method		
Company	Stake	Consolidation method
Sonae MC	100%	Full consolidation
Worten	100%	Full consolidation
Sonae Sierra	80%	Full consolidation
Sonae Fashion	100%	Full consolidation
Sonae FS	100%	Full consolidation
Sonae IM	90%	Full consolidation
NOS	31%	Equity method
ISRG	30%	Equity method

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

2. Consolidated Performance

P&L

Sonae's consolidated performance continued to be significantly impacted by the pandemic. It is relevant to recall that, while the last 2 weeks of March 2020 were severely hit by the effects of Covid-19, in the 1Q21 Portugal saw another strong lockdown and stores with non-essential products were forced to close again. Under this context, consolidated turnover **increased by 5.8% yoy to €1.6 bn**, once again mainly anchored by the positive performances of Sonae MC and Worten, which more than offset the negative yoy performances of Sonae Sierra and Sonae Fashion.

Following the top line trend, **underlying EBITDA** increased 14.1% to €114 M in the 1Q21, again mainly driven by the growth of both Sonae MC and Worten that more than compensated the impact from restrictions in other businesses.

Regarding EBITDA, it reached €128 M, in line with last year, backed by improved net result of both NOS/Zopt and ISRG when compared to 2020, which offset the capital gain recorded in the 1Q20 related to the Sierra Prime transaction.

In such a challenging environment, the **Direct Result** stood at **-€1.0 M**, significantly above last year, when a high level of Covid-19 provisions were registered. Indirect result mainly reflected the revaluation of Sonae IM's portfolio, leading **Sonae's Net result (group share)** to positive ground at **€0.6 M**.

€M	1Q20	1Q21	yoy
Turnover	1,552	1,641	5.8%
Underlying EBITDA	100	114	14.1%
margin	6.4%	6.9%	0.5 p.p.
Equity method results ⁽¹⁾	7	14	105.6%
o.w. Sonae Sierra	9	5	-48.9%
o.w. NOS	-1	7	-
Non-recurrent items	22	0	-99.2%
EBITDA	128	128	0.0%
margin	8.3%	7.8%	-0.4 p.p.
D&A, Prov. and Impairments	-131	-104	20.6%
EBIT	-3	24	-
Net Financial results	-29	-28	5.7%
Taxes	7	2	-67.8%
Direct result	-25	-1	96.2%
Indirect result	-20	4	-
Net result	-45	3	-
Non-controlling interests	-13	-3	79.1%
Net result group share	-59	1	-

(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.

Cash Flow, Net Debt evolution and Financial Structure

Sonae's total **capex** in 1Q21 was €126 M, significantly higher when compared to the 1Q20, mainly due to the acquisition of the additional stake in Sierra for €82 M, as operational capex stood at €41 M and below 1Q20, with our businesses continuing to invest in their value propositions as well as their digital paths.

In terms of **operational cash flow** and during the last 12 months, Sonae's diversified portfolio released €205 M, mainly fuelled by the improvement of its consolidated profitability, optimized measures of working capital and lower operational capex.

Regarding portfolio management, during the last 12 months Sonae reinforced its shareholder positions in NOS (7.38%), Salsa (50%) and more recently Sonae Sierra (10%), for a total M&A investment of €317 M (also including Sonae IM investments). This strong investment in our portfolio was partially offset by (i) €71 M of cash in from asset sales, mainly related with Sonae IM and Sonae MC sale and leaseback transactions, and (ii) by dividends received of €8 M in the period. All in all, Sonae's FCF (before dividends paid), for the last 12 months and on a comparable basis, stood at -€64 M.

After the end of the partnership with BNPP PF, Sonae FS changed the business model of its Universo credit card operation and started building its backbook in December 2020. This backbook reached €122 M at the end of 1Q21, impacting Sonae's overall debt level. Given the partnership agreed with Banco CTT in April, by which the new partner will be responsible for the funding and credit risk activities, this amount is no longer on Sonae's balance sheet.

Therefore, and in comparable terms, Sonae's consolidated net debt reached €1,397 M, a yoy €164 M increase, driven by the several acquisitions executed in the last 12 months – in particular the reinforced stakes in NOS, Sonae Sierra and Salsa. Sonae continues to hold a solid capital structure with a comfortable financing position (low cost of debt of 1.1% and an average maturity profile of 3.7 years).

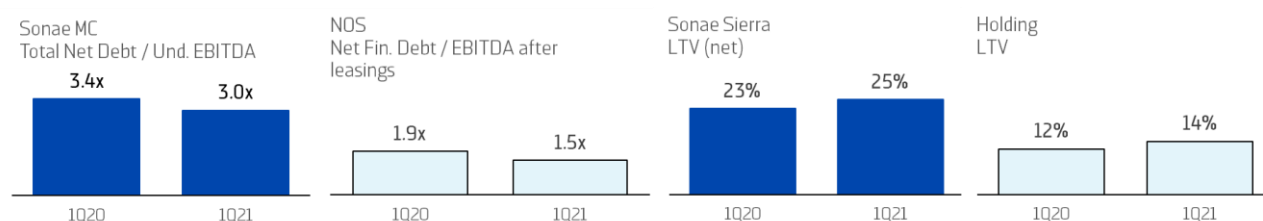
As for the leverage profile of our main businesses, Sonae MC reached a 3.0x total net debt to underlying EBITDA ratio (vs. 3.4x in 1Q20), NOS a ratio of Net financial debt to EBITDA (after leaseings) of 1.5x, and Sonae Sierra's loan-to-value stood at 25%. Finally, loan-to-value at the holding level reached 14%[†].

€M	1Q20	1Q21	yoy
Total capex	60	126	-
Operational capex	55	41	-26.2%
Sonae MC	46	29	-37.1%
Worten	4	8	-
Sonae Fashion	4	2	-52.6%
Sonae IM	1	1	0.7%
Sonae FS	0	0	-
Sonae Sierra	0	0	-
Financial/M&A capex	5	85	-

€M	L12M Dec20	L12M Mar21	var.
EBITDA (inc. rents and taxes)	413	423	2.5%
Working cap. and others*	25	31	24.2%
Operational capex	-264	-250	5.5%
Operational cash flow	174	205	17.8%
Net financial activity	-32	-30	6.7%
M&A capex	-237	-317	-33.6%
Sale of assets	335	71	-78.9%
Dividends received	13	8	-37.9%
FCF bef. dividends (comp.)	252	-64	-

* Excludes Sonae FS backbook that impacted working capital in the difference between the end of 2020 (€32 M) and the end of the quarter (€122 M). This credit portfolio was transferred to Banco CTT in the beginning of April, under the securitization program.

€M	1Q20	YE20	1Q21
Net invested capital	4,975	4,751	5,059
Shareholders funds	2,550	2,440	2,357
Lease liabilities	1,193	1,208	1,183
Net debt	1,233	1,103	1,519
Comparable	1,233	1,071	1,397
Sonae FS backbook	0	32	122



[†] Holding Net debt excludes Sonae FS backbook

Portfolio Performance

1. Fully consolidated companies

Sonae's fully consolidated portfolio faced once again a challenging quarter and delivered a very solid performance, mainly driven by Sonae MC and Worten, the two businesses which kept the majority of their stores open during the lockdown period.

€M	Turnover			Und. EBITDA margin	
	1Q20	1Q21	yoy	1Q20	1Q21
Sonae MC	1,194	1,273	6.6%	8.1%	8.6%
Worten	232	272	17.4%	3.5%	6.4%
Sonae Sierra	27	22	-17.8%	17.0%	13.7%
Sonae Fashion	78	61	-21.7%	1.2%	-
Sonae FS	9	4	-52.3%	22.4%	-
Sonae IM	26	24	-8.5%	-5.7%	0.4%
Total	1,552	1,641	5.8%	6.4%	6.9%

Sonae MC†

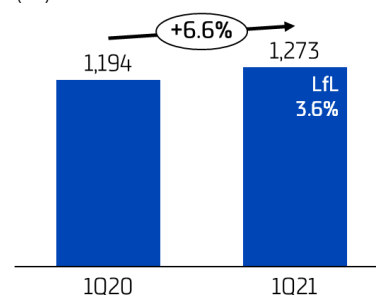
With the worsening of the pandemic situation in Portugal, the start of the year was marked by a new lockdown period that was in place during 2.5 months of the quarter.

This new lockdown benefited Sonae MC's food formats but restricted the performance of the non-food formats as most of them were closed during the period. Nevertheless, customers continued to recognise Sonae MC's strong value propositions, food formats outperformed non-food, online sales more than doubled yoy and the 1Q21 was overall positive in terms of sales growth leading to another quarter of market share gains.

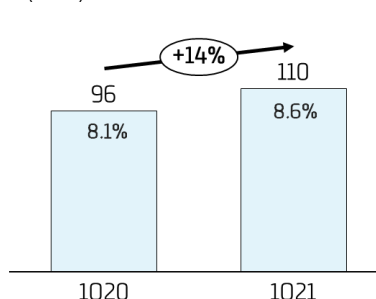
All in all, Sonae MC registered a turnover growth of 6.6% versus 1Q20 and a LfL sales growth of 3.6%, mainly underpinned by the performance of Continente formats which recorded a LfL sales growth of 4%, reaching a total turnover of €1.3 bn in the 1Q21. This figure is especially positive taking into account the negative calendar effect and the difficult comparison with the 1Q20, which registered a sales peak at the end of March as a result of the stock piling with emergency supplies after the first signs of the pandemic.

In terms of store network expansion, Sonae MC maintains its objective of expanding its proximity format, Continente Bom Dia, with investments progressing according to plan. In the 1Q21, the company opened 2 additional stores of this format out of a total of 9 new stores, representing an additional +4k square meters of sales area. At the end of 1Q21, total capex stood at €29 M, €17 M below when compared to 1Q20.

Turnover
(€M)



Underlying EBITDA
(€M, %)



† For more information please see Sonae MC 1Q21 results in www.sonae.pt

Regarding profitability, underlying EBITDA increased, driven by a strong top line evolution despite being penalized by costs related to Covid-19. At the end of the 1Q21, underlying EBITDA stood at €110 M with an 8.6% margin, +55 basis points above 1Q20.

Finally, Sonae MC's net debt at the end of 1Q21 stood at €530 M (€164 M below last year) with a yoy FCF increase of €37 M in the 1Q21, and with a ratio of 3.0x total net debt/underlying EBITDA, representing a solid capital structure.

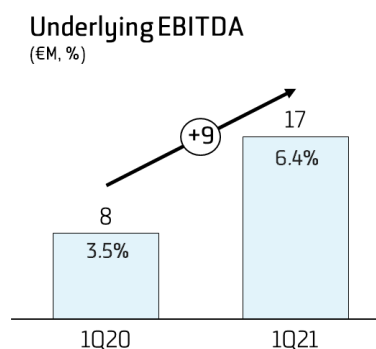
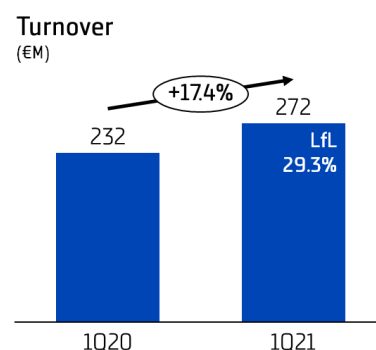
Worten

Despite the pandemic context and the confinement constraints in place, the electronics market grew, both in Portugal and Spain, mainly driven by the online channel.

In this context, and leveraging an efficient and convenient response, Worten's total turnover jumped to €272 M at the end of 1Q21, growing by 17.4% versus 1Q20, on the back of a solid LfL sales growth of +29.3%. The online operation continues to represent a double-digit weight in total turnover, growing 2.5x yoy, with the marketplace being a key contributor. In Portugal, Worten posted a robust LfL sales performance of +28.2% as a result of a solid growth offline and, more importantly, online. This performance clearly shows Worten's strong value proposition as an omnichannel player in the Iberian market, having registered yet another quarter with market share growth in Portugal.

In Spain, a strategic repositioning was rolled out with the aim of focusing on e-commerce in Mainland, while retaining a leading omnichannel presence in the Canary Islands. As such, during the 1Q21, Worten closed 14 stores in the Mainland and sold 17 stores to Media Markt. These stores were open until the end of February and the repositioning was implemented as planned.

Regarding profitability, the underlying EBITDA grew from €8.2 M to €17.3 M at the end of 1Q21, with a margin improvement from 3.5% to 6.4%, mainly driven by the strong sales growth in Portugal.



Sonae Sierra

Sonae Sierra's 1Q21 results continue to be affected by the Covid-19 pandemic and the consequent lockdowns across the geographies where it operates. As a result, total discounts across its European portfolio totalled 38%, with Portugal being the country most severely hit, as discounts were in the order of 47% of rents. Considering the last 12 months, total discounts in Portugal amount to 64% of rents, which compares to 28% in the remaining European countries.

Proportional basis - management accounts			
M€	1Q20	1Q21	yoy
Turnover	46	31	-32.7%
Direct results	11	5	-58.0%
Indirect results	37	-1	-
Net results	48	3	-93.2%

As is usual practice, Sonae Sierra does not conduct asset revaluations in Q1 and Q3, which typically provides more stability to Net Result. Therefore, and reflecting exceptional cost reductions, Sonae Sierra's net result stood at € 3M. Furthermore, at the end of 1Q21, Sonae Sierra's NAV, according to the INREV methodology, stood at €897 M which represents a 0.5% reduction compared to YE20, mainly affected by adverse BRL FX impact, which totally offsets the result of the period.

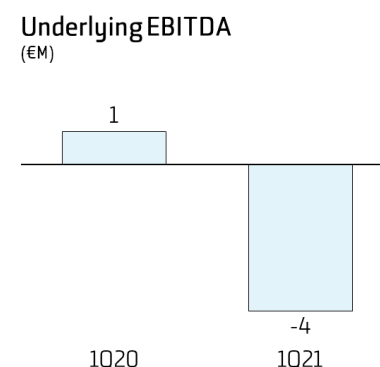
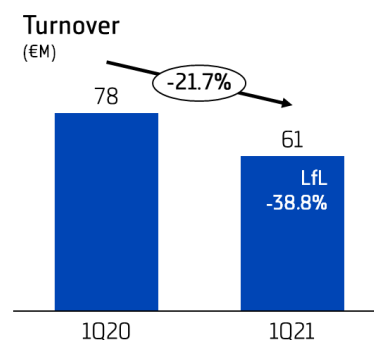
As the restrictions on traffic and opening hours are being gradually lifted, Sonae Sierra is placing a significant focus, in close collaboration with its tenants, to ensure that the entire shopping centre ecosystem is well equipped and best placed to rapidly return to normality whilst meeting the highest possible health & safety standards in an omnichannel environment.

Sonae Fashion

Sonae Fashion was once again severely hit by the pandemic context and was one of the portfolio businesses with a more challenging start to the year. Constraints to store operations were felt across most countries (from circulation restrictions to lockdowns), but mostly in Portugal, where a full lockdown started in January 15th, leading Sonae Fashion stores to remain closed for almost 2.5 months. From March 15th onwards restrictions started to be lifted, first with sales at the wicket and later with smaller high street stores allowed to open (most stores were only allowed to operate after mid-April, with very positive post-reopening sales).

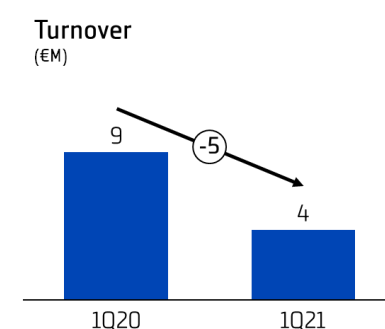
Nevertheless, online sales continued to register strong growth by doubling yoy in the quarter, leveraging a larger customer base, enhanced digital tools and processes, and a growing willingness to shop online, which helped to partially offset sales lost due to the closing of stores. Additionally, B2B businesses (wholesale and franchising) showed resilience, leading sales to a strong 1Q21 roughly aligned with 2020. Overall, this demanding context had a major impact on Sonae Fashion's activity in the first quarter of the year. Still, total turnover decreased only to €61 M in 1Q21, a negative 39% LFL against a demanding comparable last year and, according to our estimates, above the market performance.

Regarding profitability, underlying EBITDA decreased yoy to negative ground in 1Q21, at -€4 M, leveraging additional cost reduction measures that partially mitigated the sales evolution of the quarter.



Sonae FS

Sonae FS went through a structural change of the Universo card business model. After several years working with BNPP PF as a partner for credit granting, Sonae FS decided to assume the role of credit grantor for the Universo card. In this new role, Sonae FS signed a 5-year partnership agreement with Banco CTT on the 1st of April. With this partnership, Sonae FS remains as the single point of contact in the management of all customers throughout their life cycles, while Banco CTT will be responsible for financing the credit associated with the Universo Card and for the respective inherent credit risk (through a securitization program in which Banco CTT will be the only subscribing entity).

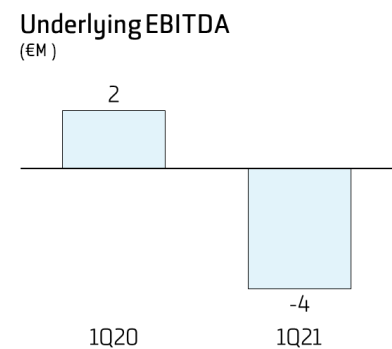


Due to the business model change, the credit backbook only started being generated in December 2020. Since revenues are indexed to the backbook, Sonae FS' turnover naturally shows a discontinuity that will be mitigated over the coming

months with the growth of the credit stock. Nevertheless, it is worth highlighting that Universo's market share in the first quarter was 16.2% (+1.5 p.p. above 4Q20) and its digital strategy led to 470k digital clients at the end of the 1Q21 (+42k vs the end of 2020).

In any case, it should be noted that the company's activity continued to be affected by a reduction in private consumption in a lockdown context, resulting in decreases especially in business lines such as ATM withdrawals, personal loans and store purchases.

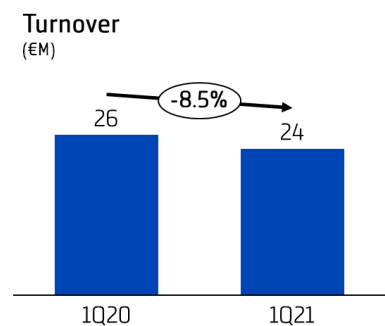
Overall, in the 1Q21, turnover stood at €4 M, decreasing by €5 M versus 1Q20, and profitability evolved from €2 M in 1Q20 to -€4 M in 1Q21.



Sonae IM

Sonae IM continues to be among the businesses least impacted by the pandemic, proving the resilience of the technology companies in the portfolio.

During the first quarter, and with regard to portfolio changes, Sonae IM added a new company to the portfolio, Sellforte (retail technology). Sellforte is based in Finland and has an AI-powered marketing optimization platform that helps CMOs and other C-level decision-makers to make advised decisions based on their own marketing, sales, and promotion data. Besides this new investment, Sonae IM made some follow-on investments in its portfolio companies.



The last months were also marked by important achievements in some minority investments: i) Feedzai, indirectly held by Armilar Funds, announced a series D round with an implicit valuation that turned the company into a unicorn; ii) Outsystems – that reached a unicorn valuation back in 2018 – announced a 150 million USD capital raise, co-led by Abdiel Capital and Tiger Global, at an underlying valuation of 9.5 billion USD, which is a strong sign of the company's recent track record and future prospects; and iii) already in 2Q21, and following a secondary market transaction, Sonae IM sold part of its stake in Arctic Wolf, resulting in a gross capital gain of circa 12.3 million euros and a gross cash-in of 36.4 million euros.

Sonae IM's turnover in the 1Q21 stood at €24 M, a decrease of €2 M when compared to last year, mainly explained by lower transactional activity of third-party products in spite of being partially offset by a strong performance of the cybersecurity area, which continued to record double-digit growth. As for profitability, there were relevant improvements in cybersecurity companies, with underlying EBITDA increasing €1.6 M when compared to the 1Q20.

2. Equity consolidated companies

The equity method results line in Sonae's P&L is mainly related with: (i) the equity method contribution line of Sonae Sierra' statutory accounts, which corresponds to the shopping centres in which the company holds minority stakes, (ii) Sonaecom's indirect 26% stake in NOS, and (iii) ISRG's net result.

€M	1Q20	1Q21	yoy
Sonae Sierra	9	5	-48.9%
NOS/Zopt	-1	7	-
ISRG	3	5	76.1%

During 1Q21, all of these businesses were once again impacted by the pandemic context, although results were overall better than in the 1Q20.

NOS

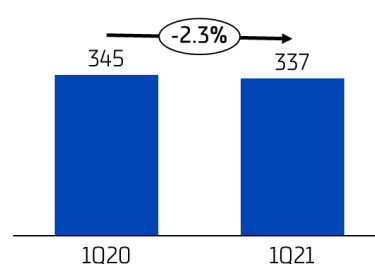
NOS already published its 1Q21 results on May 11th. During the 1Q21, the telco division proved once again its resilience and delivered a healthy performance, while the media and entertainment division was seriously hit as cinema theatres were closed throughout the period.

In terms of revenues, the core telecom business recorded a solid growth of 0.8% yoy to €336 M but was not able to offset the negative impact in cinemas, as Media and Entertainment (M&E) revenues declined 55.4% yoy. As a result, consolidated turnover decreased by 2.3% yoy to €337 M at the end of the 1Q21.

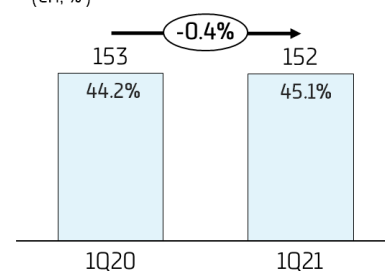
Regarding profitability, Telco EBITDA increased 1.2% yoy to €143.5 M and consolidated EBITDA stood practically in line with 1Q20 at €152 M. Net income recorded a significant improvement yoy in the 1Q21 to €30.5 M, implying a higher equity method contribution to Sonae's accounts, mostly due to the high level of negative non-recurrent items registered in 1Q20, the majority of which related to the reinforcement of operating provisions related with the pandemic.

Free Cash Flow before dividends reached €21.2 M in 1Q21, 38.8% below 1Q20, mainly reflecting the higher capex and lease payments during the period. NOS once again posted a solid and conservative capital structure, with a Net Financial Debt / EBITDA (after lease payments) of 1.5x, an all-in average cost of debt of 1.6% and an average maturity profile of 2.3 years.

Turnover (€M)



EBITDA
(€M, %)

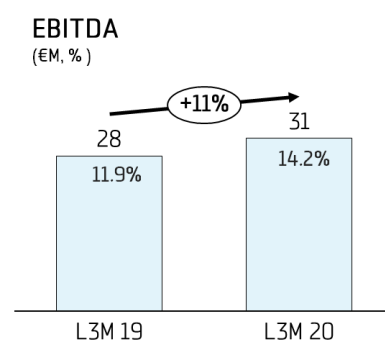
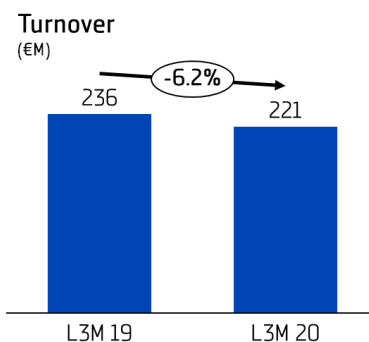


ISRG[§]

For ISRG, the last quarter of 2020 saw sales decreasing only by 6% yoy, a much better performance than in previous quarters, which had been more impacted by Covid-19 restrictions. Nevertheless, the L3M 20 was also affected by some restrictions associated with the pandemic, both in Portugal and Spain, ending with the shutdown of all stores in Portugal in the last weeks of the quarter (January 2021).

Regarding profitability, this was also a quarter of recovery with EBITDA reaching €31 M, €3 M above last year, mainly due to the company's cost saving measures during the period.

ISRG's performance allowed for an equity method contribution to Sonae's results of €4.6 M.



[§] Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L3M 20 ended last January 30th.

Corporate Information

Main announcements in the 1Q21

January 13th

Sonae informed on the reorganisation of the Spanish operation of its subsidiary Worten – Equipamentos do Lar, S.A.

January 29th

Sonae informed on Sonae MC 2020 Trading Statement.

March 1st

Sonae - SGPS, SA informed about the completion of the transaction by its subsidiary Worten Equipamentos do Lar, S.A. with Media Markt Saturn S.A.U.

March 5th

Sonae informed about communication received from Grosvenor Investments (Portugal) S.Àr.L.

March 17th

Completion of the purchase of 10% of the share capital of Sonae Sierra held by Grosvenor Investments (Portugal) S.Àr.L., for the price of €82.16 million, following the exercise by Grosvenor of its put option right, as announced to the market on March 5th. The main impact of this transaction on the Group's consolidated financial statements will be the transfer of Reserves from "Non-Controlling Interests" to "Equity Holders of the Parent Company", since Sonae already holds a controlling shareholding of 70% in Sonae Sierra.

Subsequent Events

April 1st

Sonae informed on partnership between Sonae Financial Services and Banco CTT and informed on Annual Report 2020.

April 30th

Sonae informed on resolutions taken at Sonae's AGM and about dividend payment.

Sonae also informed about Sonae MC Annual Report 2020.

Following a secondary market transaction, Sonae IM sold part of its stake in Arctic Wolf, resulting in a gross capital gain of circa 12.3 million euros and a gross cash-in of 36.4 million euros.

Consolidated Balance Sheet

M€	1Q20	2020	1Q21
TOTAL ASSETS	7,924	8,149	8,107
Non current assets	6,254	6,328	6,252
Net fixed assets	2,088	2,108	2,088
Net Rights of Use	1,055	1,054	1,026
Goodwill	680	671	663
Investment properties	348	319	319
Other investments	1,692	1,776	1,755
Deferred tax assets	337	358	353
Others	53	41	47
Current assets	1,670	1,821	1,855
Stocks	623	636	617
Trade debtors*	119	148	253
Liquidity	625	767	711
Others	302	271	274
SHAREHOLDERS' FUNDS	2,550	2,440	2,357
Equity holders	2,035	1,993	1,992
Attributable to minority interests	515	447	365
LIABILITIES	5,374	5,709	5,751
Non-current liabilities	3,420	3,404	3,587
Bank loans	1,170	1,007	1,253
Lease liabilities	1,083	1,100	1,079
Other loans	562	690	679
Deferred tax liabilities	469	479	471
Provisions	41	47	19
Others	95	81	86
Current liabilities	1,954	2,305	2,163
Bank loans	149	177	303
Lease liabilities	109	107	105
Other loans	4	16	12
Trade creditors	1,084	1,339	1,139
Others	607	666	604
SHAREHOLDERS' FUNDS + LIABILITIES	7,924	8,149	8,107

* includes Sonae FS backlog in 2020 and 1Q21.

Sonae Sierra' statutory accounts

€M	1Q20	1Q21	yoy
Turnover	27	22	-17.8%
Underlying EBITDA	5	3	-33.7%
<i>margin</i>	<i>17.0%</i>	<i>13.7%</i>	<i>-3.3 p.p.</i>
Equity method results	9	5	-48.9%
Non-recurrent items	59	0	-
EBIT	72	7	-90.4%
Net Financial results	-3	-2	35.8%
Taxes	0	0	75.9%
Direct result	69	5	-
Indirect result	-20	-1	-
Net result	49	4	-
Non-controlling interests	-1	0	-
Net result group share	48	3	-

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.

Sonae adopted the IFRS16 accounting standard in 2019.

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.
Indirect results	Includes S. 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 NAV S. Sierra	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market multiple approach to each one of Sonae's businesses - average net debt - minorities (book value)
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net financial debt	Net debt excluding shareholders' loans.
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.
Total Net Debt	Net Debt + lease liabilities
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.



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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