



# 2021 First half Results

29<sup>th</sup> July 2021



## 1H21 Highlights

### Financial Performance

- Strong consolidated **turnover** growth of 5.5% driven by the solid performances of Sonae MC and Worten, which continued to conquer market share despite the challenging comparable period, and also encouraging signs from both Sonae Fashion and Sonae Sierra in 2Q21.
- **Online sales** increased 33% yoy in 1H21, with all our fully controlled businesses growing on top of last year's outstanding performances, clearly showing that our digital path is on the right track.
- Regarding **profitability**, both underlying EBITDA and EBITDA recorded double-digit increases, of 11.4% and 15.5% yoy respectively, supported by the strong turnover growth.
- Sonae's **net result** (group share) reached €62 M in 2Q21, clearly above both 2020 and 2019 figures.
- **Capital structure** remains strong and Sonae continues to have comfortable levels of financing costs and debt maturity profiles.

### Portfolio Management Activity

- In January, **Worten** reached an agreement with Media Markt for the sale of 17 stores and closed another 14 stores in mainland Spain, having announced a new strategy for that geography.
- In March, Sonae acquired an additional 10% stake in **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.
- In April, **Sonae FS** and Banco CTT signed a partnership agreement for the next 5 years, and thereby Sonae reinforced its commitment to the financial services sector.
- **Sonae IM** saw a third company in the portfolio reach a unicorn status in the beginning of 2021 – Feedzai – and, in 2Q21, sold part of its stake in Arctic Wolf for €36.4 M (gross cash-in), resulting in a capital gain of €12.3 M. Also in 2Q, Sonae IM reached an agreement to sell its entire stake in Bizdirect (completion already took place in the 3Q).
- In May, **Sonae MC** reached an agreement to sell its 50% stake in Maxmat, a transaction which should be completed in 3Q21.

## CEO Letter

The second quarter of 2021 was a positive and reassuring period for Sonae overall, despite the challenges that we are still facing in each of our businesses. It was a period in which we continued to take important steps towards our vision of being more digital, customer-centric, international and sustainable.

After a period of severe limitations to our operations, the easing of restrictions at the beginning of the second quarter allowed our businesses to see encouraging signs of recovery across several geographies and to demonstrate their very competitive and robust value propositions leveraged on unique customer insight and digital capabilities.

Up to the end of June, our balanced portfolio continued to show a very solid performance with consolidated turnover growing by 5.5%, online sales increasing by more than 30% and underlying EBITDA improving by 11.4%, compared to the same period of last year. We even reached operational and financial performances above those recorded in 2019. Our recent investment and portfolio strategy has better positioned us to face the future, and this is already visible in our latest performance.

As I write this CEO letter, we are still witnessing significant volatility in all our markets. Despite this context, I have no doubt that our teams will continue to show the same resilience, dedication and commitment as in previous months. I believe we are getting closer to a new normal and I remain confident that we are well prepared to take advantage of the opportunities that will arise.

I would like to leave a final word to MaxMat, Bizdirect and their teams. Both companies form an important part of our history, a history of which we are very proud. Both organisations have had an outstanding long-term track records and a clear identification with Sonae's mission and values. We believe that the transactions we announced recently will ensure that these businesses are well positioned to continue their successful paths. We wish everyone in both companies all the best for this new chapter in their lives.

Cláudia Azevedo, CEO

## Group Consolidated Performance

### 1. Brief Portfolio Update

During the 1H21, and in terms of **portfolio management activity**: (i) Worten announced its plan to optimise the Spanish operation; (ii) Sonae increased its shareholding in Sonae Sierra to 80%, following the exercise by Grosvenor of its put option right for a 10% stake; (iii) Sonae FS and Banco CTT signed a partnership agreement for the next five years, for the Universo operation; (iv) Sonae IM agreed to sell Bizdirect for €12 M; and (v) Sonae MC agreed to sell its 50% shareholding in Maxmat for €65 M.

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

During the 1H21, Sonae's consolidated performance was hit by a challenging context in Portugal, namely: (i) a lockdown period from mid-January until mid-April as stores with non-essential products were forced to close again; and (ii) a post-lockdown period from mid-April onwards with a gradual easing of restrictions and full reopening of all stores, including shopping centres, only in May, still with limits both in store capacity and opening hours. Moreover, it is relevant to recall that the last 2 weeks of March, April and May of 2020 were severely hit by the effects of Covid-19.

Under this context, consolidated turnover **increased by 5.1% yoy to €1.6 bn in the 2Q21**, mainly anchored on the positive contributions from Sonae MC, Sonae Fashion and Sonae Sierra, leading to a 5.5% growth in the 1H21 to €3.2 bn. In terms of **underlying EBITDA and following the top line trend in the 2Q21, Sonae was able to show an increase of 9.9% yoy to €136 M**, mainly driven by the recovery of Sonae Fashion and the impact of the Spanish restructuring process at Worten. At the end of the 1H21, underlying EBITDA reached €246 M, +11.4% yoy. Regarding EBITDA, it reached €165 M in the 2Q21, a significant improvement when compared to 2Q20, mainly backed by the operational recovery of the businesses harmed by the Covid-19 restrictions last year, higher net result of ISRG when compared to 2020, and the capital gain from the dilution of Sonae IM' stake in Arctic Wolf. This performance fuelled 1H21 EBITDA to €292 M, +15.5% yoy.

€M	1H20 R	1H21	yoy	2Q20 R	2Q21	yoy
Turnover	3,054	3,222	5.5%	1,536	1,614	5.1%
Underlying EBITDA	221	246	11.4%	124	136	9.9%
margin	7.2%	7.6%	0.4 p.p.	8.1%	8.4%	0.4 p.p.
Equity method results*	18	36	-	9	19	-
Non-recurrent items	14	10	-28.0%	-7	10	-
EBITDA	253	292	15.5%	126	165	31.2%
margin	8.3%	9.1%	0.8 p.p.	8.2%	10.2%	2.0 p.p.
D&A	-106	-104	1.8%	-53	-52	3.1%
D&A - RoU	-63	-64	-1.0%	-32	-32	-0.9%
Prov and imp.	-53	-19	64.9%	-7	0	-
EBIT	31	106	-	34	82	-
Net Financial results	-55	-53	3.3%	-25	-25	0.8%
Taxes	5	2	-67.7%	-2	-1	44.1%
Direct result	-19	54	-	6	55	-
Indirect result	-67	15	-	-47	10	-
Net result	-86	69	-	-41	66	-
Non-controlling int.	10	-7	-	23	-4	-
Net result group share	-76	62	-	-18	62	-

Notes: R - Restated figures as Maxmat from Sonae MC and Bizdirect from Sonae IM were considered as assets held for sale and all periods in 2020 and 2021 were restated to consider these assets as discontinued operations.

\* Equity method results: include 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.

Overall, **Direct Result increased almost €50 M in the 2Q21 to €55 M and more than €70 M in the 1H21, due to the high level of Covid-19 extra costs and provisions registered back in the 1Q20. Indirect result stood on positive ground in the 2Q21, mainly reflecting the evolution in the value of Sonae IM's portfolio, which coupled with the dividends received from the direct stake in NOS (€10.6 M), more than offset the decrease in the value of Sonae Sierra's investment properties. All in all, Sonae's Net result (group share) reached €62 M in the 2Q21 and in the 1H21.**

## Cash Flow, Net Debt evolution and Financial Structure

Sonae's total **capex** in 1H21 reached €186 M, with our businesses continuing to invest in their value propositions as well as in their digital paths, and included the acquisition of the additional stake in Sierra for €82 M.

In terms of **operational cash flow**, Sonae's portfolio released a total of €123 M during the last 12 months.

In terms of **portfolio management activity**, Sonae reinforced its shareholder positions in several of its companies over the last 12 months (NOS (7.38%), Salsa (50%), Sonae Sierra (10%)), for a total of €323 M (also including Sonae IM investments), which was partially offset by €109 M of cash proceeds from asset sales, mainly related with Sonae IM and Sonae MC sale and leaseback transactions, and the €20 M of dividends received in the period.

All in all, Sonae's FCF (before dividends paid), for the last 12 months stood at -€101 M at the end of June 2021.

Sonae's **consolidated net debt reached €1,496 M**, +€239 M yoy, mainly driven by the several acquisitions over the last 12 months and the dividend payment of last May.

All in all, Sonae continues to hold a solid capital structure with a comfortable financing position (low cost of debt stable at 1.1% and an average maturity profile of 3.6 years).

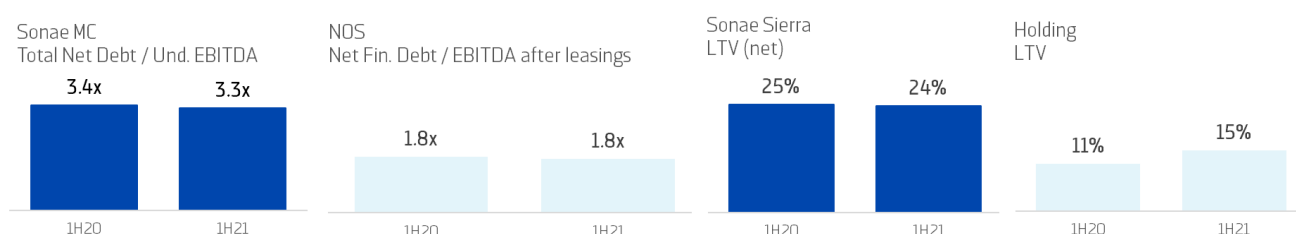
In what concerns the leverage profile of our main businesses, Sonae MC posted a 3.3x total net debt to underlying EBITDA ratio (vs. 3.4x in 1H20), NOS a ratio of Net financial debt to EBITDA (after leaseings) of 1.8x, and Sonae Sierra's loan-to-value stood at 24%. Finally, loan-to value at the holding level reached 15%.

€M	1H20	1H21	yoy
<b>Total capex</b>	113	186	65.4%
<b>Operational capex</b>	107	94	-11.7%
Sonae MC	88	68	-23.0%
Worten	8	17	-
Sonae Fashion	6	6	-12.5%
Sonae IM	1	1	-28.3%
Sonae FS	0	1	103.4%
Sonae Sierra	0	0	6.0%
<b>Financial/M&amp;A capex</b>	6	92	-

€M	L12M Dec20	L12M Jun21	var.
EBITDA (inc. rents and taxes)	399	428	7.2%
Working cap. and others	38	-53	-
Operational capex	-264	-252	4.6%
<b>Operational cash flow</b>	173	123	-28.9%
Net financial activity	-32	-29	7.2%
M&A capex	-237	-323	-36.1%
Sale of assets	335	109	-67.4%
Dividends received	13	20	49.7%
<b>FCF bef. Dividends</b>	252	-101	-

€M	1H20	YE20	1H21
<b>Net invested capital</b>	4,839	4,751	5,039
Shareholders funds	2,401	2,440	2,358
Lease liabilities	1,182	1,208	1,185
<b>Net debt</b>	1,257	1,103	1,496
<b>Comparable*</b>	1,257	1,071	1,496

\* excluding Sonae FS backbook of €32 M at YE20.



\* Average holding net debt excludes Sonae FS' credit book.

## Portfolio Performance

### 1. Fully consolidated companies

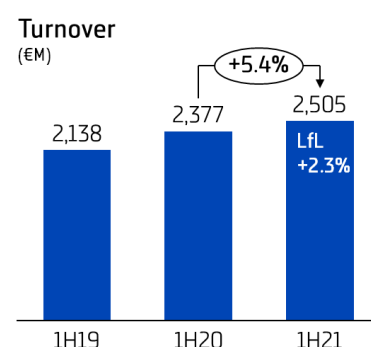
Sonae's fully consolidated portfolio continues to be affected by the pandemic context with lockdown and restrictions during the last 6 months. In Portugal, lockdown measures were in place from mid-January until mid-April and since then some restrictions have been lifted but there are still significant limitations to the normal activity of our businesses. Therefore, and under such challenging period, once again the first 6 months of 2021 showed a resilient and solid performance of our portfolio.

€M	Turnover			Und. EBITDA margin			Turnover			Und. EBITDA margin	
	1H20 R	1H21	yoy	1H20 R	1H21		2Q20 R	2Q21	yoy	2Q20 R	2Q21
Sonae MC	2,377	2,505	5.4%	9.2%	9.4%		1,205	1,258	4.4%	10.3%	10.2%
Worten	482	518	7.5%	4.1%	6.0%		250	246	-1.6%	4.7%	5.7%
Sonae Sierra	50	46	-7.2%	14.4%	14.1%		23	24	5.4%	11.3%	14.5%
Sonae Fashion	131	135	3.7%	-	1.1%		53	74	41.5%	-	7.3%
Sonae FS	17	11	-37.5%	20.2%	-		8	6	-19.0%	17.4%	-
Sonae IM	26	29	10.8%	-	-		13	15	12.2%	0.9%	-
<b>Total</b>	<b>3,054</b>	<b>3,222</b>	<b>5.5%</b>	<b>7.2%</b>	<b>7.6%</b>		<b>1,536</b>	<b>1,614</b>	<b>5.1%</b>	<b>8.1%</b>	<b>8.4%</b>

Note: R - Restated as Maxmat from Sonae MC and Bizdirect from Sonae IM were considered as assets held for sale and all periods in 2020 and 2021 were restated to consider these assets as discontinued operations.

#### Sonae MC†

After the first quarter with another lockdown in Portugal, the second quarter saw a gradual easing of the restrictions, consumers sought to return to more usual consumption patterns and there was no food inflation according to INE (-0.1%). In addition, the 2Q21 compares with a completely different 2Q20, as last year there was a full lockdown in Portugal with a peak in demand, while some of the new growth businesses were closed or had to deal with severe restrictions. Nevertheless, in the 2Q21, Sonae MC registered a very good performance with turnover growth of 4.4% yoy and a LfL of +1.3%, mainly fuelled by the new growth businesses recovery. With this performance, Sonae MC was able to continue reinforcing its leadership position with another market share increase, as turnover grew by 5.4% yoy to €2.5 bn in the 1H21 with an implied LfL increase of 2.3%.



Once again, an important highlight to the online business, which continued to grow in the quarter, even comparing with an atypical peak in 2Q20. When compared to 2Q19, sales doubled in this channel and in the 1H21, total online sales jumped 45% yoy.

In terms of store network expansion, Sonae MC continued to expand its proximity format, Continente Bom Dia, and launched the first cashierless store offered by an European retailer - Continente Labs. In the 1H21, the company opened 6

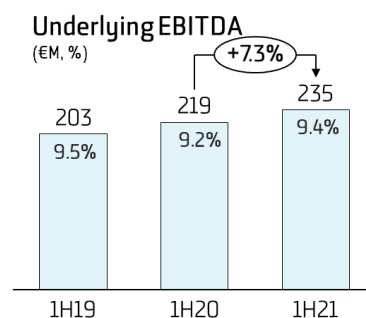
† Please note that Maxmat has been reclassified as asset held for sale and, for comparison purposes, it was excluded from 2019, 2020 and 2021 figures. For more information please see Sonae MC 1H21 results in [www.sonae.pt](http://www.sonae.pt)

additional Continente Bom Dia stores out of a total of 20 new company-operated stores, representing an additional 9k square meters of sales area. At the end of 1H21, total capex stood at €68 M.

In terms of profitability, the underlying EBITDA in the 1H21 improved by 7.3% yoy, to €235 M, representing a margin of 9.4% (+17bps above last year), resulting from the robust turnover growth and a sustained operational profitability profile.

Sonae MC's free cash flow stood at -€42 M at the end of the 1H21, mainly reflecting working capital seasonal effects. In terms of net debt at the end of June, Sonae MC reached €664 M, mainly impacted by the dividend payment of €140 M in the 2Q21 and total net debt / underlying EBITDA stood at 3.3x.

Finally, Sonae MC reached an agreement to sell its 50% stake in Maxmat for €65 M and an estimated capital gain of c.€40 M. Completion is expected in the 3Q21.

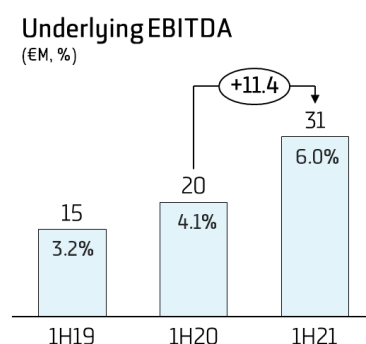
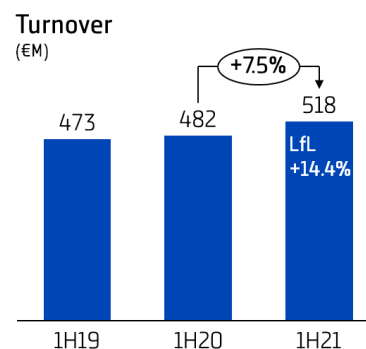


## Worten

For the first 6 months of 2021, Worten's operation was still under a pandemic context, characterized by a mandatory confinement period during 1Q21 and significant changes in store opening hours, especially during weekends, throughout the semester. In addition, total sales in 2Q21 were negatively impacted by the restructuring of Worten's operation in Spain, completed during 1Q21.

Notwithstanding this challenging context, Worten delivered a very positive sales performance in 2Q21, totalling €246 M, achieving more than 4% growth when compared to 2Q19 and almost in line with 2Q20, with the latter benefitting from extraordinary sales resulting from the first and most stringent confinement period of last year. On a LfL basis, Worten posted sound growth of 15% in 2Q21, with positive performances arising both from the online and offline operations. The marketplace and services operations also contributed positively to growth.

In 1H21, Worten turnover increased 7.5% yoy, with a LfL of 14.4%, reaching €518 M. Sales performance benefitted from a growing electronics market, with Worten surpassing it and reinforcing its market share, consolidating its undisputed leadership position. Highly convenient solutions and continuously improving service levels allowed Worten to reinforce the weight of the online channel. Consequently, Worten delivered a 29% yoy increase of online sales at the end of 1H21.



This top line positive performance and the restructuring process in Spain contributed to an improved underlying EBITDA, that reached €31 M at the end of the 1H21 with a margin of 6.0%, growing 1.9 pp vs 1H20.

## Sonae Sierra

2021 continues to be a challenging year for the shopping centre segment as the Covid-19 pandemic and the consequent lockdown restrictions across different countries continue to impact performance. Nevertheless, there have been positive signs of a return to normality every time restrictions are eased, as there continues to be consumer demand for quality shopping centre destinations.

In fact, from an operational point of view, during 1H21, the Sonae Sierra's European portfolio recorded: (i) a 11.6% yoy increase in tenant sales, with Portugal being the only country underperforming mainly due to lockdowns from mid-January until end of April and (ii) a decrease of 12.3% yoy in rents (LfL basis), and significantly higher discounts in Portugal, as a result of the new rental regime for 2021 and Sierra's proactive support to its tenant base. In terms of occupancy rate, Sonae Sierra continues to deliver a very high and stable rate of 96.6% at the end of the 1H21.

On a proportional accounting basis, in 1H21 Sonae Sierra reported a net loss of €4.6 M, split between a positive €10.8 M Direct result, and a -€15.4 M of Indirect Result mainly due to the property revaluations in the quarter, having a more significant impact than in the European portfolio which showed very strong signs of stabilising

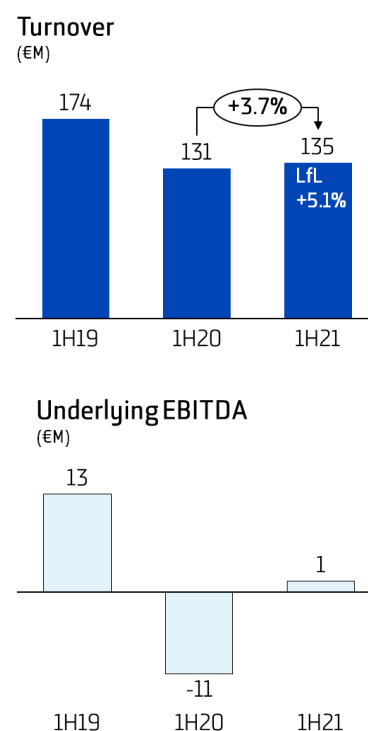
Proportional basis - management accounts						
M€	1H20	1H21	yoy	2Q20	2Q21	yoy
Total income	75	66	-11.4%	28	35	23.6%
Direct result	8	11	-	-3	6	-
Indirect result	-16	-15	3.9%	-53	-14	73.5%
Net result	-8	-5	43.7%	-56	-8	86.0%

Regarding INREV NAV, Sonae Sierra recorded €911 M at the end of June, +1% when compared to the end of 2020, with the net loss referred to above, being more than offset by the positive FX impact in Brazil.

## Sonae Fashion†

After a lockdown period in Portugal, during most of the 1Q21, Sonae Fashion started to gradually reopen its stores on April 19<sup>th</sup>, although with limitations both in terms of capacity and trading hours (which have been increasingly worse in the final stretch of the quarter). Nevertheless, the sector's performance this quarter showed encouraging signs of recovery and Sonae Fashion proved once again to be a good performer in a challenging context, gaining market share in its key markets, according to our estimates for the period.

Within this demanding context, 2Q21 total turnover reached €74 M, +41.5% yoy (LfL of +61.5%), boosted by all brands and both online and offline operations. This was a very solid performance, particularly when compared to 2019, a year without restrictions, as Sonae Fashion was able to record a top line figure almost in line with 2Q19 figure (€78 M). In year-to-date terms, Sonae Fashion's performance is also encouraging as top line stood at €135 M, +3.7% yoy and a LfL of +5.1%, particularly taking into account that in the 1H21 stores were closed for 11 weeks - which compares to 7 weeks of full lockdown in 1H20. An important highlight to online sales which continued to deliver high growth rate, having reached 17% of total turnover.



† Sonae Fashion' stores were closed in Portugal: in 2020 from March 17<sup>th</sup> till May 4<sup>th</sup> (7 weeks) and shopping centres stores until June 1<sup>st</sup> (11 weeks); in 2021 from Jan 15<sup>th</sup> till April 5<sup>th</sup> (11 weeks) and shopping centres stores until April 19<sup>th</sup> (13 weeks).



Following the top line trend, Sonae Fashion was able to post an improved underlying EBITDA both in the 2Q21 and in the 1H21. After a negative 1Q21, mostly due to the new lockdown in Portugal, underlying EBITDA reached €5.4M in the 2Q21 and €1.5 M in the 1H21.

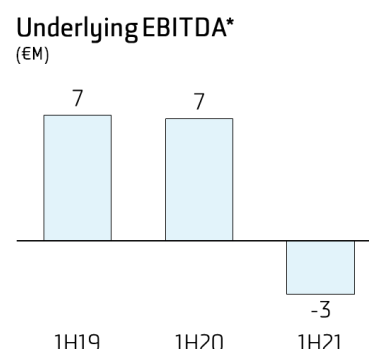
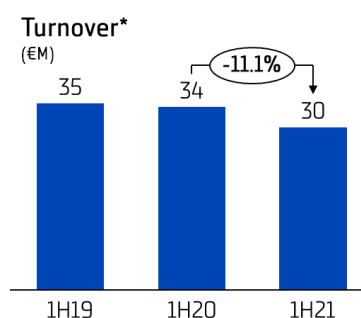
## Sonae FS

For Sonae FS, the beginning of the second quarter was marked by the launch of the partnership with Banco CTT, as already announced.

In fully consolidated operations, the gradual lifting of the lockdown restrictions in 2Q resulted in a resumption of activity, with purchases, transfers and payments items growing and exceeding values registered not only last year but also in 2019. With regards to Universo's market share, it stood at 15.0% at the end of May, which compares to 14.8% last year. In addition, the company continued its strong efforts to expand its digital footprint, surpassing 500k clients at the end of June, +39k when compared to the end of March.

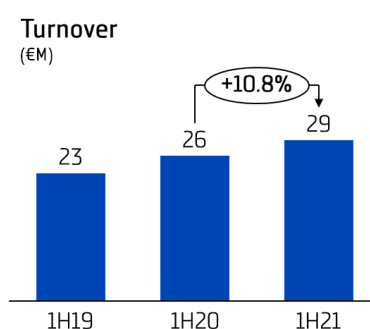
Regarding MDS, the company continues to show a strong commercial performance across all channels and geographies. This results in very strong growth, high single-digit in Portugal and double-digit in Brazil, and a significant improvement in operating profitability.

Similarly to the first quarter, proportional results (considering 50% of MDS) continued to register a year-on-year decrease, as a result of both the pandemic context and the business model change with Banco CTT, which will be mitigated over time as the credit portfolio is gradually built. Overall, 1H21 turnover stood at €30.1 M and underlying EBITDA followed the same trend reaching -€2.9 M in the 1H21.



## Sonae IM

During the last 3 months and regarding portfolio activity, Sonae IM: (i) sold part of its stake in Arctic Wolf for a gross amount of €36.4 M, with a gross capital gain of around €12.3 M, (ii) entered in the share capital of Portainer.io, one of the most popular container management platforms globally and (iii) reached an agreement, jointly with the remaining shareholders, to sell the entire share capital of Bizdirect to Claranet (completion in the 3Q21), generating total proceeds of €12.2 M and a capital gain of €5.4M. Following the announcement of the agreement on June 1<sup>st</sup>, Bizdirect was already considered as a discontinued operation both in this year and last years' figures.



Moreover, and with cash invested of c.€140 M in the current portfolio, it continues to be important to highlight the company's impressive achievements on its minority investments portfolio, namely regarding Feedzai, Arctic Wolf and Outsystems, the 3 companies that reached unicorn valuations. Regarding Arctic Wolf, the company recently announced a

\* Proportional figures include Sonae FS and 50% of MDS.

new financing round of \$150 M by some of the existing and new investors, at an underlying valuation of \$4.3 bn. Despite being a relatively small transaction, it is a good sign of the company's strong evolution and potential.

Overall, in 2021 Sonae IM's turnover increased by 11% yoy to €28.7 M, benefitting from the performance of the cybersecurity portfolio, and underlying EBITDA improved compared to last year.

## 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. During the last quarter, NOS, Sonae Sierra and ISRG have been showing positive signs of recovery, despite the still very challenging context in the different geographies.

€M	1H20	1H21	yoy	2Q20	2Q21	yoy
Sonae Sierra	10	11	6.9%	1	6	-
NOS/Zopt	11	18	66.7%	12	11	-7.7%
ISRG	-3	3	-	-6	-1	-

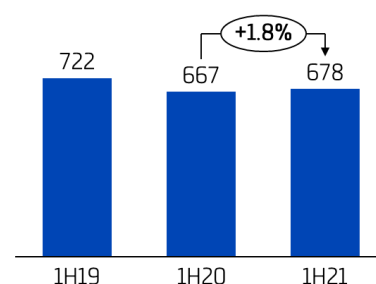
### NOS

NOS published its 2Q21 results on July 21<sup>st</sup>. In this 2Q21, NOS continued to post solid operating performance in the Telco segment and the cinema & audiovisual segment was marked by the reopening of cinemas theatres on 19 April.

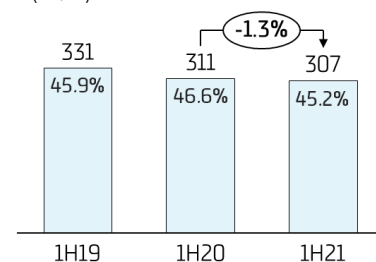
Turnover amounted to €341 M in 2Q21, +6.2% yoy, the first quarter with growth since 4Q19, supported by a positive evolution of more than 5% in telco and a nearly 50% growth in the Cinema & Audiovisuals segment. In the case of telco, the yoy comparison benefitted from the fact that last year the invoicing of the premium sports channel was suspended during the months of April and May and roaming revenues dropped significantly. However, even excluding these two effects, telco revenues would have grown by 2% yoy. The Cinema & Audiovisuals segment benefitted from the opening of movie theatres in mid-April, which were closed for most of 2Q20. In 1H21, turnover stood at €678 M, implying a 1.8% yoy increase.

As for profitability, 2Q21 EBITDA decreased 2.2% yoy, due to an increase in direct costs, as last year these were unusually low and in accumulated terms, 1H21 EBITDA stood at €307 M, -1.3% yoy. Net income decreased by €2 M yoy, to €43 M in the 2Q21, and more than doubled compared to last year to €74 M in the 1H21. FCF (ex-dividend and own shares) decreased yoy due to both higher capex and leasing liabilities, standing at €30 M in 2Q21.

Turnover (€M)



EBITDA  
(€M, %)



NOS continues to show a conservative capital structure, with a Net financial debt / EBITDA after lease payments of 1.8x vs 1.5x at the end of the 1Q21, well within its target leverage profile.

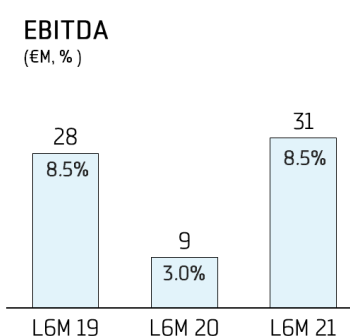
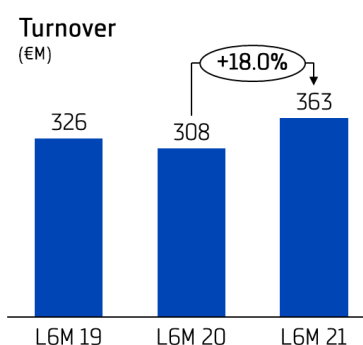
## ISRG\*\*

For ISRG, the 1Q21 (February-April) represented a significant recovery both regarding last year and the year before, with all the banners presenting an encouraging positive evolution. The online channel played a critical role in this quarter, with a double digit increase and more than offsetting the evolution of the offline channel that continued to be harmed by the pandemic restrictions, namely in Portugal. Overall, the L6M 21 showed a very good performance both above last year and 2019 figures.

Regarding profitability, the top line improvement in the quarter was able to fuel a significant improvement at EBITDA level (+€18 M) to -€1 M. This performance implied a better equity method contribution to Sonae's results but still negative in this quarter by €1.4 M (+€3.2 M in the 1H21).

Moreover, the performance in both May and June continue to show encouraging signs in both geographies and across all channels.

Finally, by the end of June, ISRG entered into a conditional agreement to acquire 80% of Deporvillage SL by €140.4 M, funded by the group's cash and bank facilities. Deporvillage, founded in 2010, is an online only retailer focussing on the sale of specialist sports equipment mainly for cycling, running and outdoor with sales of €118 M and profit before tax of €7.7 M in 2020. Post completion, the 2 founders will keep a 20% stake in the business, as well as their management roles (Chief Executive Officer and Chief Purchasing Officer). This acquisition will enhance ISRG's specialization in key sports categories, while significantly increasing its digital capabilities in the sports equipment market and complementing the ongoing positive developments in its existing banners, namely Sprinter and SportZone.



\*\* Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L6M 20 ended last May 1<sup>st</sup>.

## Corporate Information

### Main announcements in the 1H21

#### January 13<sup>th</sup>

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

#### January 29<sup>th</sup>

Sonae informed on Sonae MC 2020 Trading Statement.

#### March 1<sup>st</sup>

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 5<sup>th</sup>

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

#### March 17<sup>th</sup>

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 5<sup>th</sup>. 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.

#### April 1<sup>st</sup>

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

#### April 30<sup>th</sup>

Sonae informed on resolutions taken at Sonae's AGM and about dividend payment.  
Sonae also informed about Sonae MC Annual Report 2020.

#### May 25<sup>th</sup>

Sonae informed that Sonae MC has reached an agreement to sell its 50% in Modelo – Distribuição de Materiais de Construção S.A. ("Maxmat").

#### June 1<sup>st</sup>

Sonaecom, a Sonae subsidiary, informed that Sonae IM, together with the remaining shareholders, reached an agreement with Claranet Portugal, S.A. to sell the entire share capital and voting rights of Digitmarket – Sistemas de Informação S.A. ("Bizdirect").



## Subsequent events

### July 15<sup>th</sup>

The Portuguese Competition Authority concluded the analysis of the sale of 50% Modelo – Distribuição de Materiais de Construção S.A. to an entity fully owned by BME Group, having adopted the decision of non-opposition regarding the respective merger control operation

### July 16<sup>th</sup>

Sonaecom, a Sonae subsidiary, informed that the transaction between Sonae IM and Claranet, regarding the sale of the entire share capital and voting rights of Digitmarket – Sistemas de Informação S.A. ("Bizdirect"), has been completed, following the approval from the competent competition authority and the verification of the conditions precedent agreed between the parties.

## Consolidated Balance Sheet

M€	1H20	2020	1H21
<b>TOTAL ASSETS</b>	<b>7,806</b>	<b>8,149</b>	<b>7,873</b>
<b>Non current assets</b>	<b>6,176</b>	<b>6,328</b>	<b>6,246</b>
Net fixed assets	2,084	2,108	2,058
Net Rights of Use	1,043	1,054	1,023
Goodwill	675	671	667
Investment properties	336	319	317
Other investments	1,642	1,776	1,780
Deferred tax assets	343	358	362
Others	53	41	39
<b>Current assets</b>	<b>1,631</b>	<b>1,821</b>	<b>1,627</b>
Stocks	567	636	578
Trade debtors	121	148	114
Liquidity	597	767	551
Others	346	271	383
<b>SHAREHOLDERS' FUNDS</b>	<b>2,401</b>	<b>2,440</b>	<b>2,358</b>
Equity holders	1,921	1,993	1,989
Attributable to minority interests	479	447	368
<b>LIABILITIES</b>	<b>5,405</b>	<b>5,709</b>	<b>5,515</b>
<b>Non-current liabilities</b>	<b>3,307</b>	<b>3,404</b>	<b>3,502</b>
Bank loans	1,079	1,007	1,162
Lease liabilities	1,077	1,100	1,080
Other loans	550	690	675
Deferred tax liabilities	464	479	474
Provisions	42	47	19
Others	94	81	92
<b>Current liabilities</b>	<b>2,098</b>	<b>2,305</b>	<b>2,013</b>
Bank loans	238	177	215
Lease liabilities	104	107	105
Other loans	15	16	15
Trade creditors	1,132	1,339	1,019
Others	610	666	659
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>7,806</b>	<b>8,149</b>	<b>7,873</b>

## Sonae Sierra' statutory accounts

€M	1H20	1H21	yoy	2Q20	2Q21	yoy
Turnover	50	46	-7.2%	23	24	5.5%
Underlying EBITDA	7	7	-9.1%	3	3	35.0%
<i>margin</i>	14.4%	14.1%	-0.3 p.p.	11.3%	14.5%	3.2 p.p.
Equity method results	10	11	6.9%	1	6	-
Non-recurrent items	57	0	-	-2	0	-
EBIT	68	17	75.4%	-4	10	-
Net Financial results	-4	-4	2.7%	-1	-2	-86.6%
Taxes	-1	-1	2.5%	0	0	-
Direct result	63	12	-81.1%	-6	7	-
Indirect result	-72	-15	79.7%	-52	-14	74.0%
Net result	-9	-3	69.8%	-58	-6	-
Non-controlling interests	1	-2	-	2	-1	-
Net result group share	-8	-5	43.6%	-56	-8	86.0%

## 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.

In the 2Q21, Maxmat from Sonae MC and Bizdirect from Sonae IM were considered as assets held for sale and all periods in 2020 and 2021 were restated to consider these assets as discontinued operations in the P&L.

## 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 the remaining 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 from other related income (including dividends); 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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