2021 Full-Year Results

Shaping tomorrow, today

Results

Sonae

Maia, 17th March 2022

2021 Highlights

Key Performance Indicators

- **NAV** at the end of the year amounted to €4.0bn, representing an increase of 4.5% when compared to the previous year. **Total Shareholder return** (TSR) reached 61% in 2021, supported by a share price increase of 52%.
- **Consolidated turnover** surpassed €7bn at the end of 2021, implying an increase of 5% yoy, mainly fuelled by MC and Worten that posted once again strong operational performances and reinforced their leadership positions. NOS and ISRG also registered solid performances, with strong recoveries over the last quarters.
- **Aggregated online sales** reached €640m, representing a 33% yoy increase (+3x vs. 2019), demonstrating the group's successful digital journey.
- In terms of **profitability**, underlying EBITDA surpassed €600m and EBITDA reached €738m fuelled by significant capital gains and a strong recovery of equity accounted businesses. Sonae's **net result** (group share) surpassed both 2020 and 2019, reaching €268m at the end of the year.
- **Strong cash flow generation in 2021 of €681m,** supported by the solid operational displays of our businesses combined with value-accretive portfolio management operations.
- **Significant yoy net debt decrease of €540m to €563m**, ending the year with c.€1,400m of available liquidity (cash and available credit facilities), a solid debt maturity profile (average maturity above 4 years), and a low cost of debt (1.0%).

Portfolio Management Activity

- **In the last quarter of the year,** our financial services arm reached an agreement to sell its 50% stake in MDS to The Ardonagh Group for €100m, with an estimated capital gain of c.€74m (conclusion expected in the 1H22).
- **During the 3Q21:** (i) **Sonae** concluded the sale of a 24.99% stake in MC to CVC Strategic Opportunities, for upfront cash proceeds of €528m, and acquired 95.4% of the share capital and voting rights in Claybell Limited (owner of 100% of Gosh Food Limited, a UK-based player in the natural

and plant-based food industry); and (ii) **MC** concluded the sale of its 50% stake in Maxmat to the BME Group for net proceeds of €68m.

- **During the 1H21**: i) **Worten** announced its restructuring plan in Spain; ii) **Sonae** acquired an additional 10% stake in Sierra; and iii) **Universo** signed a partnership with Banco CTT for the next 5 years.
- **Bright Pixel** maintained its active portfolio management activity throughout the year, having concluded the sale of its participations in Bizdirect, Case on it and CB4 and the acquisition of several minority stakes in technology companies, while also witnessing improved valuations of its portfolio companies.

ESG Highlights

- Sonae's businesses reduced 16% their **Scope 1 and 2 GHG emissions** during 2021 vs. 2018, which is in line with the group's commitment of 54% reduction until 2030.
- 74% of our **plastic** packaging in 2021 was recyclable, another step towards our commitment to have 100% reusable, recyclable or compostable plastic by 2025.
- **Women in leadership positions represented 37%** at the end of 2021, clearly on track to achieve our commitment of 39% by 2023.
- 62%[1] of our Total Long-Term credit facilities are now linked to **Sustainable, Green or ESG performance**, which clearly illustrates our and our lenders' commitment to social and environmental sustainability.

The Board of Directors will propose at the Shareholders' AGM a 5% dividend increase to 5.11 euro cents per share, corresponding to a dividend yield of 5.1%[2].

[1] As of the date of this report, and 28% at the end of 2021.
[2] Considering the share price at year-end 2021.

CEO letter

2021 was a remarkable year for Sonae. A year in which we thrived under very challenging circumstances. Still facing severe restrictions caused by the pandemic and operating under extremely competitive environments, we continued to strengthen market shares across our portfolio of leading businesses. We did this by excelling in our dedication and attention to detail, by innovating the way we serve our customers, by boosting digitalisation across the group and, above all, by working together with a renewed sense of energy and ambition.

Overall, we continued to grow, surpassing €7 billion in consolidated turnover for the first time in our history, having also exceeded €600 million in aggregated online sales. We achieved this growth level while maintaining our strong operating profitability, with consolidated EBITDA increasing 18% yoy to over €730 million.

I am naturally proud of these results. But I am also proud of how we kept our focus on the future. Collectively, we invested more than €1 billion throughout the year to improve store networks, revamp digital touchpoints, future-proof logistical facilities, ensure the best next generation digital networks, and expand our portfolio of companies in new growth areas.

As part of this effort, we also maintained a disciplined and recurring approach to M&A activity, completing important strategic portfolio moves. These included the restructuring of our operation in Worten Spain, the disposals of both Maxmat and MDS, the sale of a 25% stake of MC to CVC, and the acquisitions of Gosh! (plant-based food) and Deporvillage (sports e-commerce). Bright Pixel continued to invest in leading-edge technology companies while showing impressive valuation increases in its portfolio, namely in its three unicorn investments. The ability we have shown in the last few years to actively manage our portfolio of companies gives me great confidence that we are being capable of better preparing the group for the future.

Despite the high level of investment, we were able to significantly deleverage the group. Total free cash flow reached €681 million and net debt decreased more than €500 million to €563 million. More importantly, in 2021 we significantly increased the value of the company. Total NAV increased 4.5% to over €4 billion and total shareholder returns reached 61%, a remarkable result when compared to most European market indexes.

Notably, we achieved these results without ever compromising on our sustainability efforts. In fact, we are well on track to achieve our ambitious goal of carbon neutrality by 2040. In 2021, Sonae doubled the use of renewable energy and cut down scope 1 + 2 emissions by 16% (vs 2018). We also continued to make progress on gender diversity with 37% of leadership positions now occupied by women, closing in on our target of 39% by 2023. And, during difficult times, when people needed us most, we significantly increased the contributions to our communities (+58% yoy to €21m). Our commitment towards sustainability is evident in the significant increase of credit facilities linked to our ESG performance, which already represent over 60% of our long-term funding.

During 2021, we also undertook a thorough exercise to reflect on our purpose, our values and, our identity. It was a truly collaborative process, with contributions from dozens internal and external stakeholders. The outcome, announced in 2022, show a reinforced belief in our purpose, a reinvigoration of our values and a new corporate identity. Personally, it was inspiring to see how our legacy continues to resonate so strongly with people from all generations across different activities and geographies. And it was also very powerful to collectively acknowledge how this legacy must be projected into the future with renewed energy and drive.

As I write these words, Europe is facing war. A war inflicted on a sovereign country with no legitimate reason. A war causing suffering and casualties among millions of innocent people. Faithful to our principles and to the pledges made by multiple international organisations we belong to, we will do our part in upholding the values of democracy and peace, while helping those most affected by this conflict.

2022 will bring no less uncertainty and challenge than the last couple of years. But more than ever, I am confident that we are well prepared for the future. We have very strong companies with leading positions, managed by top-quality people. We also have a very stable financial position, enabling us to act on attractive opportunities that come our way. And we have a moral compass which will be key to drive a more sustainable future for the coming generations. We have our eyes set on the future, a future we want to lead, a future which celebrates and respects people, communities and the planet. We will continue on this path. Always shaping tomorrow, today.

Cláudia Azevedo, CEO

Sonae

Overview

Key Data

€m	31.12.20	31.03.21	30.06.21	30.09.21	31.12.21
NAV	3,843	3,868	3,695	3,967	4,015
Market capitalization	1,323	1,557	1,600	1,817	2,006
Net Debt	1,103	1,519	1,496	857	563

€m	4Q20 R	FY20 R	1Q21 R	2Q21	3Q21	4Q21	FY21
Turnover	1,884	6,673	1,608	1,614	1,792	2,009	7,023
Underlying EBITDA	183	576	110	136	169	187	603
Direct Result	75	114	-1	55	115	88	258
Net result group share	75	71	1	62	96	109	268
Sale of assets	0	335	5	39	606	14	663
M&A capex	-27	-237	-85	-6	-82	-22	-195
Free cash flow before dividends paid	169	252	-324	-5	715	295	681
Dividends paid	0	-166	0	-96	0	0	-96

	1Y	3Y	5Y	10Y
Total Shareholder return[1]	61%	14%	8%	13%

[1] Source: Bloomberg.

Note: R - Restated figures as Maxmat from MC and Bizdirect from Bright Pixel 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.

Sonae's NAV is based on market references, such as trading multiples of comparable peers, external valuations, funding rounds and market capitalisations. Valuations methods and details per business unit are available in Sonae's Investor Kit at www.sonae.pt.

At the end of 2021, Sonae's **NAV** amounted to €4.0bn, 1.2% above the NAV at the end of the previous quarter and 4.5% above the end of 2020, which apart from each BU's operational performance, reflects the portfolio management activity over the last 12 months. **Total Shareholder Return** (TSR) amounted to 61% in 2021, with a strong share price performance of more than 50% in a year marked by uncertainty and volatility in the capital markets.

Sonae maintained a very **active portfolio management activity** throughout 2021, with a significant impact on our NAV:

- Sonae sold 24.99% of MC to CVC funds for an initial upfront value of €528m;
- in Spain, Worten sold 17 stores to Media Markt and closed another 14 stores;
- Sonae acquired an additional 10% of Sierra;
- Sonae acquired 95.4% of Gosh Food, a reference UK player in the plant-based food sector;
- MC sold its 50% stake in Maxmat, with significant capital gains;
- Bright Pixel completed the sale of Bizdirect and CB4, while recognizing already 3 unicorn valuations in its portfolio;
- ISRG expanded its international and digital footprint with several acquisitions, and
- Universo reached an agreement to sell its 50% stake in MDS for €100m.

NAV detail

Company (€m)	Ownership	30.09.21	31.12.21	Var.	Major drivers
MC	75%	1,781	**1,870**	5.0%	Higher multiples and earnings
Worten	100%	318	**244**	-23.3%	Lower multiples and earnings
Zeitreel	100%	123	**124**	1.2%	Higher earnings and lower multiples
Sierra	80%	730	**740**	1.4%	Increased INREV NAV
ISRG	30%	210	**213**	1.4%	Higher earnings
Universo	100%	56	**51**	-9.3%	Lower multiples
Bright Pixel	90%	291	**356**	22.0%	Increased NAV
NOS	31%	551	**538**	-2.5%	Lower share price
Other investments		196	**175**	-11.1%	MDS transaction valuation
Holding Real Estate		171	**176**	3.0%	
Holding Structure		-125	**-131**	4.9%	
Holding Net Debt		-314	**-318**	1.2%	
Minorities		-22	**-23**	2.5%	
Total		**3,967**	**4,015**	1.2%	

Notes: Other investments include Gosh and MDS (transaction to be completed in 1H22); Holding net debt in Sept.21 is equal to the EoP figure and in Dec.21 is equal to a normalized average net debt.

Almost all our **consolidated businesses** registered top line and underlying EBITDA growth, in spite of a year still impacted by lockdowns and restrictions, especially in the 1H. At the end of 2021, our consolidated turnover surpassed €7bn and the underlying EBITDA stood at €603m, mainly anchored on the performances of MC and Worten in Portugal. This positive operational performance, coupled with a recovery of our equity accounted businesses, as well as significant capital gains from the portfolio activity, led to a **Direct result** well above last year of €258m. Indirect result stood at €73m in 2021, mainly driven by the upward evolution in the value of Bright Pixel's portfolio, and Sonae's **Net result (group share)** reached €268m, above both 2020 and 2019 figures.

€m	2020	2021	var.
EBITDA (inc. rents and taxes)	399	402	0.8%
Working cap. and others	38	32	-16.8%
Operational capex	-264	-279	-5.8%
Operational cash flow	**173**	**155**	-10.7%
Net financial activity	-32	-32	-2.0%
M&A capex	-237	-195	17.8%
Sale of assets	335	663	98.0%
Dividends received	13	91	-
FCF bef. dividends paid	**252**	**681**	-

In terms of **operational cash flow**, Sonae's portfolio released €155m during 2021. In relation to portfolio management activities, Sonae invested €195m and received €663m of cash proceeds from asset sales mainly related with the minority stake sale in MC. All in all, Sonae's **FCF (before dividends paid)** in 2021 stood at €681m, which after the dividend payment (in May 2021), led to a more than €500m decrease in consolidated net debt, to €563m. At the end of 2021, Sonae held c.€1,400m of available liquidity (cash and available credit facilities), a low cost of debt (1.0%) and a solid debt maturity profile (with an average maturity above 4 years). Additionally, during 2021 and up to the date of this report, a significant amount of refinancing operations (€995m) were completed with improved pricing conditions and longer tenors.

It is also worth highlighting that the company's commitment to its sustainability strategy is also reflected in its ability to raise ESG-linked debt. At the end of 2021, 28% of its Total Long-Term credit facilities were linked to Sustainable, Green or ESG indicators, proportion which, has at the date of this report, reached the mark of 62% (92% Sonae SGPS, 56% MC and 18% Sierra), and illustrates the recognition of such strategy by our lenders, which are also committed to the same purpose.

Portfolio Performance

1. Fully consolidated companies

2021 was another year marked by COVID-19, but Sonae's businesses performed well above their respective markets. Vaccination programs across geographies allowed for a significant recovery in activity, especially in the second half of the year.

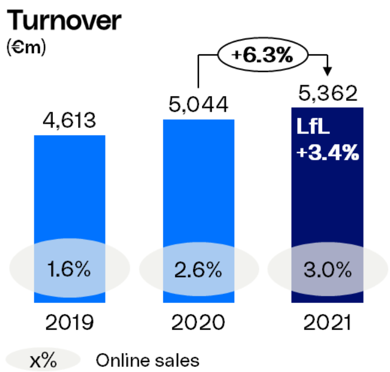
	Turnover			UnEBITDA margin		Turnover			UnEBITDA margin	
€m	2020 R	2021	yoy	2020 R	2021	4Q20 R	4Q21	yoy	4Q20 R	4Q21
MC	5,044	5,362	*6.3%*	10.1%	10.0%	1,358	1,479	*8.9%*	10.9%	10.3%
Worten	1,161	1,175	*1.2%*	6.4%	6.6%	386	372	*-3.6%*	8.8%	7.1%
Sierra	94	98	*4.6%*	12.2%	15.8%	21	26	*22.0%*	5.1%	14.7%
Zeitreel	344	345	*0.5%*	3.8%	7.9%	112	115	*2.6%*	10.2%	15.3%
Universo	35	31	*-11.1%*	23.8%	-23.3%	9	11	*28.0%*	22.4%	6.6%
Bright Pixel	55	61	*11.5%*	-2.7%	-3.7%	15	18	*25.5%*	2.4%	-2.8%
Total	**6,673**	**7,023**	***5.3%***	**8.6%**	**8.6%**	**1,884**	**2,009**	***6.7%***	**9.7%**	**9.3%**

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

MC – food retail[3]

MC published its trading performance for the full year of 2021 on January 25th. In a year still marked by the uncertainty of the pandemic, but with a gradual normalization of consumption, the company was once again able to deliver a strong top line performance, while reinforcing its leadership position.

In fact, MC's efforts to address changing consumer needs and preferences throughout the different phases of the pandemic continued to pay off, with consumers recognizing the distinctiveness of the company's value proposition. Overall, **total turnover** grew c.6.3% yoy with a 3.4% LfL figure, reaching €5,362m at the end of 2021, underpinned both by the food and non-food formats, including the successful online business. This solid performance was achieved in an environment of low food inflation (below 1%), although with some acceleration at the end of the year (1.6% in the 4Q21). Looking at the quarter, total turnover grew 8.9% yoy with a 6.3% LfL figure, impacted by a good holiday season period.

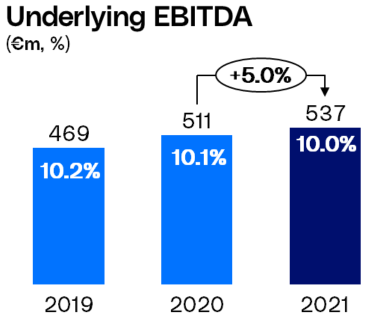


In cumulative terms and over the last 2 years, which were severely impacted by the pandemic, MC strengthened its role in the Portuguese food retail market and grew more than 16%. Online sales grew 2.3 times in two years, representing already 3.0% of total turnover.

In terms of **expansion plan**, MC opened 64 new company-operated stores (including 12 additional Continente Bom Dia stores), representing an additional 25k square meter of sales area, and refurbished 17 food retail units. Overall, in 2021, total capex stood at €200m.

[3] Please note that Maxmat was sold in 3Q21 and, for comparison purposes, it was excluded from 2019, 2020 and 2021 figures. For more information please see MC FY21 results in www.sonae.pt

Regarding **profitability**, underlying EBITDA improved 5.0% yoy to €537m, with a broadly stable margin of 10%, despite some cost pressure of specific inputs, such as energy, backed by the company's continuous efficiency efforts and productivity gains.



In terms of **free cash flow**, the strong operating results and the €68m cash received from the sale of the 50% stake in Maxmat led to a cash flow generation of €243m, an increase of €42m when compared to 2020. Therefore, even after the dividend payment of €140m in the 2Q21, the company reduced its net financial debt by €103m to €379m, reaching an all-time low total net debt / underlying EBITDA of 2.7x.

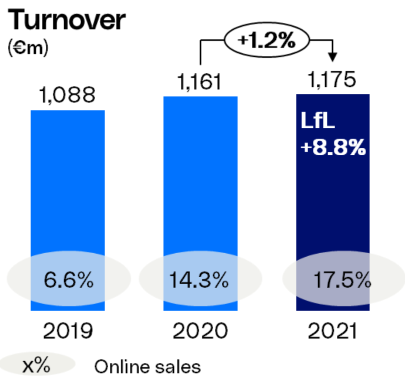
In 2021, MC made important advances **in terms of ESG performance, with all teams remaining strongly committed to the company's sustainability agenda.** In the period, MC continued progressing in the fields of renewable energy production (+67% yoy), decarbonization programs and recyclability of its products plastic packaging (+1.9pp to 74.7%).

The company maintained its support to local communities, reinforcing donations to those in a more vulnerable situation to €20m (+69% yoy). MC also kept pushing for a more diverse and inclusive company, which materialized, among other initiatives, in a growing percentage of women in leadership roles (+2.2pp to 38.8%). MC's accomplishments have been well recognized in the public domain, for instance in the Global Commitment Annual Report and in the distinction awarded by the Portuguese Association for Diversity and Inclusion.

Worten – electronics retail

2021 was another positive year for Worten. After an impressive response to the pandemic in 2020, and a restructuring process in Spain mainland in the beginning of the year, the company delivered solid results on the back of its leading omnichannel proposition, which includes the leading marketplace in Portugal and growing services business.

In 2021, Worten was able to deliver a strong LfL growth of 8.8% (+3.1% in 4Q21), fuelled by the operations in both Portugal and Spain across all channels. Total online sales were the main driver of growth, recording an extraordinary performance, reaching more than €200m, growing almost 3x in 2 years and representing already 17.5% of total turnover.



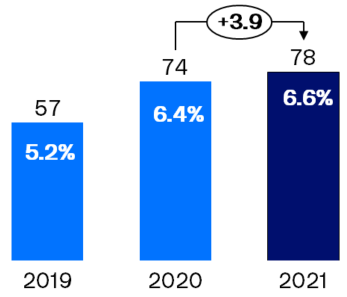
In terms of **top line performance**, it is also important to note a 1.2% increase, when compared to 2020 (a year with 32 stores still operating in Spain mainland) and 8.0.% growth compared to 2019 (a year with no pandemic impact and 38 stores still operating in Spain mainland).

Worten has been making an important journey with its marketplace by entering in new retail categories and plans to keep growing. Moreover, its services area has been expanding and, after the acquisition of iServices in 2020, Worten acquired, in 2021, Zaask, an online platform for contracting home services and Satfiel, a specialist in repair household appliances, electronic and informatic devices.

In terms of profitability, Worten's positive sales performance and the repositioning process in Spain contributed to an **improved underlying EBITDA in 2021 of €78m**, €4m above last year and €21m above 2019, with a margin of 6.6%.

Regarding **ESG performance**, Worten was able to reach 20% of renewable energy consumption and has conditions to reach 100% in 2022. Energy consumption reduced 9.8% overall, mostly driven by a decrease in electricity consumption (-10.9%).

Underlying EBITDA
(€m, %)



Worten was also particularly active in reducing the use of plastic and in increasing the use of recycled plastic. Overall, the use of plastic was reduced by 29% yoy and the use of recycled plastic increased to 6% (from 0% in 2020). These efforts were supported by several projects, with *Worten Transforma* programme contributing once again positively, with the collection of more than 5,100 tonnes of equipment.

Sierra – real estate

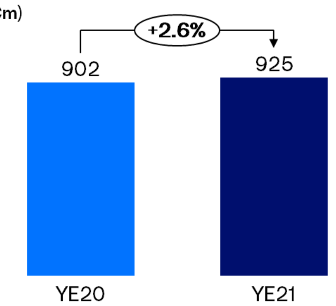
In 2021, Sierra continued to be impacted by the pandemic context. However, the ease of lockdowns and other restrictions throughout the year, in most of the European geographies where it operates, and the consequent improvement of consumer confidence, enabled Sierra's activity to start recovering, with different initiatives implemented to attract visitors to shopping centres. As a result, Sierra registered operational progresses in this recovery path, with both tenant sales and footfall, at the end of the year, reaching levels close to 2019, and occupancy maintaining a high rate of 96.2% (in Portugal 98.7%).

Proportional basis - Management accounts						
€m	2020	2021	yoy	4Q20	4Q21	yoy
Total income	129	151	16.8%	26	43	67.7%
Direct result	3	30	-	-3	7	-
Indirect result	-44	-15	-	-19	2	-
Net result	-42	15	-	-22	9	-

On a proportional accounting basis, **Sierra net results reached a positive value of €15m in 2021** (vs. -€42m in 2020), with a €9m contribution from 4Q21. This net result is split between a positive €30.4m Direct result (€7.1m in the 4Q21) and a -€15.3m Indirect Result (€1.7m in the 4Q21).

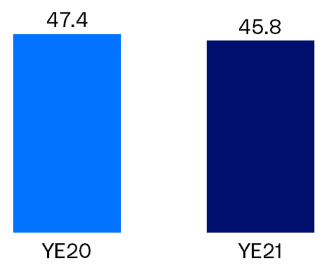
As a result, **Sierra's NAV** at the end of 2021, according to the INREV methodology, **stood at €925m, +2.6% when compared to the end of 2020,** fuelled by its Net Result and a favourable FX impact.

NAV INREV
(€m)



In what concerns the leverage profile, Sierra's **loan-to-value (gross) decreased 1.6 pp,** when compared to the last year, to 45.8%, in line with financial targets defined.

LTV
(%, gross)



In terms of **ESG performance,** Sierra achieved a key milestone, being the first real estate company in Portugal to issue sustainability-linked bonds in January 2022. For more than two decades, Sierra has integrated sustainability into its corporate strategy, maintaining it as a central pillar of positioning across all its business areas. For this reason, the Company has been recognized by GRESB Real Estate Assessment as a Green Star for 13 consecutive years. Additionally, both Sierra Prime and Iberia Coop funds achieved the highest possible rating of 5 stars in 2021.

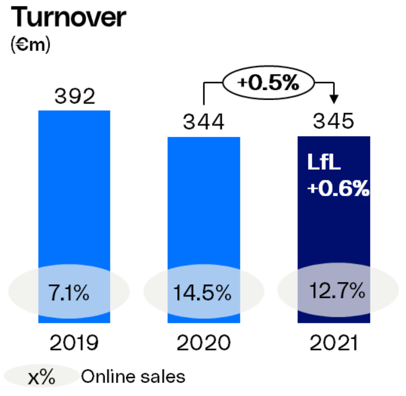
Also as a result of this long-term commitment, Sierra has been delivering on its targets by reducing its electricity consumption (-2% yoy), its GHG emissions (-2% yoy, scope 1+2) and water consumption (-13% yoy) while increasing the level of waste recycled (64% in 2021, +3pp yoy). In terms of gender diversity, the company has also shown an important evolution and reached 39% of women in leadership positions by the end of 2021.

Zeitreel – fashion

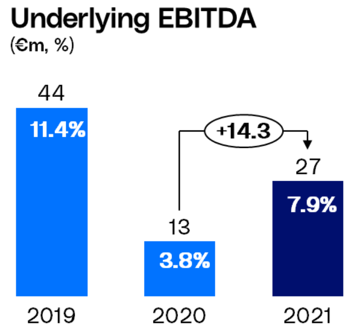
After a challenging 2020, and contrary to initial expectations, 2021 was still a year in which the pandemic had a relevant impact in the fashion business (with our fashion brands facing more severe restrictions to retail operations than in the previous year).

Looking back, 2021 was comprised by two distinct periods: a challenging 1H with stores closed in Portugal for 11 weeks (and multiple constraints in international markets) and a slowly improving 2H with COVID-19 related restrictions (namely, store capacity and trading hours) being gradually, but not completely, lifted.

4Q21 showed a solid recovery across all brands and key channels (even compensating for the delay of fall-winter sales season to 2022 in the Portuguese market) leading total turnover to increase 2.6% yoy (+7.2% LfL) to €115m. This last quarter's performance enabled the company to reach **total turnover** of €345m in 2021, slightly above 2020 figures. These results had a specially positive contribution of the international B2B business (wholesale and franchising) that delivered a strong growth and showed relevant developments across all brands – Salsa opened several "woman jeans corner" concepts at leading multibrand partners; MO managed to secure a new international category management partner; and Zippy and Losan leveraged a joint wholesale approach with two brands and stronger value proposition, reaching double-digit growth vs. 2020.



In terms of **profitability**, Zeitreel was able to deliver a solid underlying EBITDA of €27m, an increase of €14m when compared to last year. It is important to highlight that this profitability improvement was achieved in a challenging context, namely with increases in relevant cost lines such as utilities and wages, and with serious disruptions across the supply chain.



Zeitreel's **ESG performance** was positive considering all the restrictions suffered during 2021. The company was particularly active in initiatives to reduce the use of plastic, focusing on packaging, which was reduced by 17% yoy. In addition, Zeitreel continues to be at the forefront of gender diversity promotion with 54% of women in leadership positions (and with 85% women in total). The company also kept promoting high-quality and more specialised training to its teams with 71,633 hours of training in the year, representing a yoy increase of 61.3%.

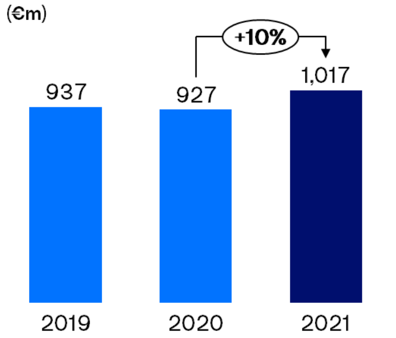
Universo – financial services

2021 was an important year for Universo, as it marked the change of its business model, from commission-based to an interest driven model. Additionally to this structural change and its impact in revenue recognition, 2021 was also the second year of impact of the pandemic, with reduction of consumer confidence, the increase in savings rates, and the lower than expected production volume, especially in the first months of the year. Nevertheless, the gradual easing of the restrictions and some macro recovery throughout the year led to improved levels of production and activity.

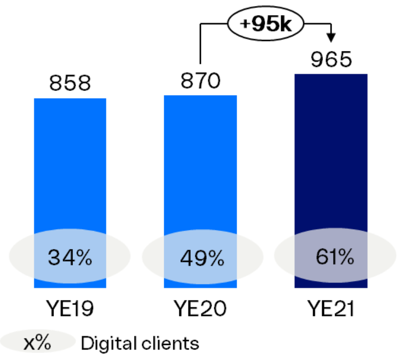
In 2021, the **production** level increased 10% yoy, reaching €1bn, fuelled by a recovery of the private consumption that affected positively business lines such as stores purchases, transfers, payments and personal loans. As in what concerns client base, Universo has been making a positive journey, with an increase of 95k, vs. 2020, reaching 965k at the end of 2021. Moreover, the company continued to expand its digital footprint, reinforcing the weight of **digital clients** to c. 61% of the total customer base.

Regarding the **business unit performance**, it continues to show a discontinuity when compared to previous years, due to the change in the business model, that requires a credit portfolio to be built. During the 4Q21, Universo's **turnover** already surpassed by 28.0% last year's figures, mainly due to the improvement of the macroeconomic context. At the end of 2021, total turnover reached €31m, still €4m below 2020.

Total Production
(€m)



# of Universo clients
(000)



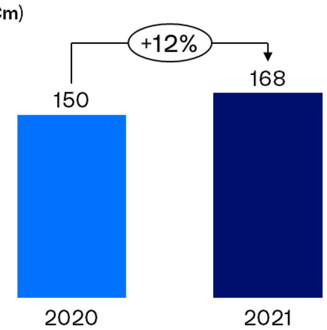
Finally, in December 2021, the company reached an agreement (completion expected during the 1H22) to sell its 50% stake in MDS to The Ardonagh Group, generating total proceeds of €100m and an estimated capital gain of €74m.

Bright Pixel – investment in technology

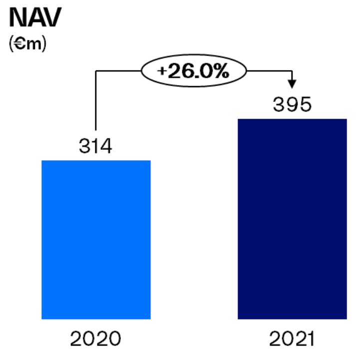
During 2021, and in a challenging investment context, Bright Pixel was able to: invest in a group of new minority stakes (namely from retail tech and cybersecurity sectors), make some follow-on investments, make 3 exits and some partial sales, and witness a third company in the portfolio reach a unicorn status.

Bright Pixel **acquired** minority stakes in Sellforte, Portainer.io and Citcon, as already announced in previous quarters, and, in the 4Q21, entered in SafeBreach, a cybersecurity company pioneer in the Breach and Attack Simulation market and a globally widely used continuous security validation platform.

Active Cash invested
(€m)



In terms of **divestments**, and during 2021, Bright Pixel sold part of its stake in Arctic Wolf, the entire stake in Bizdirect, CB4 and Case on It, resulting in total gross proceeds of €48m and a gross capital gain of €23m.



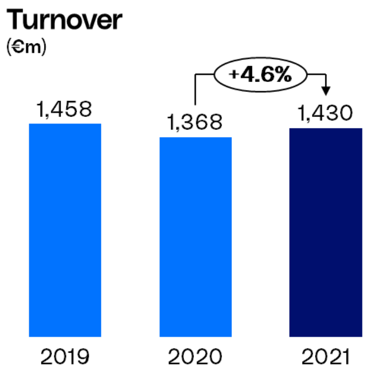
Overall, **cash invested in active portfolio**, at the end of 2021, stood at €168m and the corresponding NAV reached €395m, representing a strong improvement during the year which reflects the new investments made, coupled with the impressive achievements in minority stake companies, namely Arctic Wolf, Feedzai and Safetypay.

In terms of **operational performance**, Bright Pixel continues to record an improved top line (+11.5% yoy), fuelled by the performance of the cybersecurity portfolio.

2. Equity consolidated companies

NOS – telecommunications

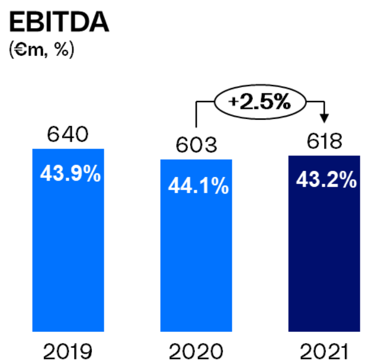
NOS published its FY21 results on March 3rd. The results of the year were marked by a solid performance across all segments.



It is important to highlight that, in the 4Q21, NOS was able to acquire the largest fraction of the 5G spectrum released in Portugal, further reinforcing its position as a leader in the digital revolution. In November, NOS was the first operator to launch a commercial 5G offering in the country.

In 4Q21, **turnover** increased 8.8% yoy. For the Media & Entertainment segment this was the best quarter since the beginning of the pandemic due to less restrictions and more successful movies exhibited and distributed. This resulted in a turnover increase of 4.6% yoy, in 2021, to €1.4bn.

In terms of **profitability,** in 4Q21 EBITDA increased 6.3% yoy, being the second consecutive quarter with yoy EBITDA growth since 4Q19. Overall, EBITDA reached €618m in 2021, representing a 2.5% yoy increase, with a 43.2% margin.



Net income totalled €24m in 4Q21 and €144m in the FY21, 57% above last year, implying a higher equity contribution to Sonae's results.

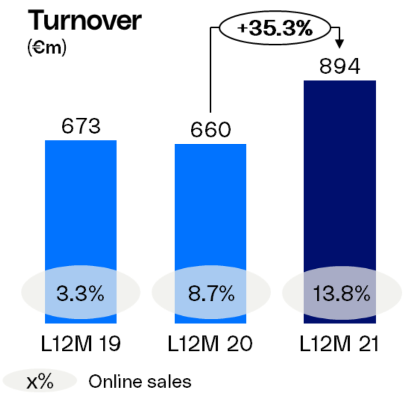
FCF (ex-dividend, financial investments and own shares) in the quarter stood at -€140m, mainly due to the payment of the 5G license of €151m. In 2021, FCF showed a yoy decline impacted by two non-recurrent events: the cash-in from the tower sale deal to Cellnex in the 3Q20, and the cash-out relating to the license spectrum payment in 4Q21. After adjusting for these two items, FCF increased by 1% to €71.5m.

Regarding the company's **capital structure,** in 2021 Net financial debt/EBITDA after lease payments was slightly below 2.0x, a conservative leverage profile. In addition, the company's Board of Directors approved a proposal to the next AGM of a dividend payment of 27.8 euro cents per share, in line with the last year.

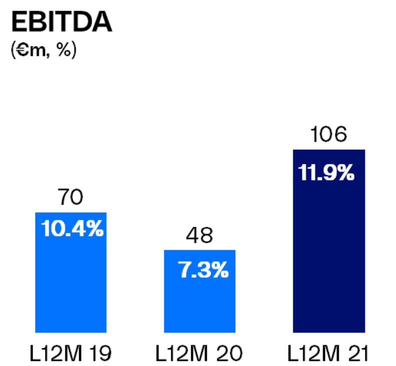
In terms of **ESG**, NOS reinforced its commitment to the fight against climate change, submitting its Science Based Targets for the first time (with 2019 as the base year) and validated by SBTi in December 2021. In fact, NOS has stepped up its ambition to reduce scope 1+2 emissions by 90% by 2030 (80% by 2025), and scope 3 emissions by 30% by 2030. Additionally, the company was again recognized by CDP in the fight against climate change, with an A- rating (Leadership level), and was again awarded with the “Advanced” rating by VigeoEiris. This year, NOS was also invited for the first time to participate in the S&P Global Corporate Sustainability Assessment and was included in the Bloomberg Gender-Equality Index for 2022.

ISRG – sports retail[4]

For ISRG, the 3Q21 (Aug-Oct) was another strong quarter in terms of operational performance reflecting the progressive relief of restrictions related with the pandemic.



As previously reported, by the end of June, ISRG acquired 80% of Deporvillage, an online sports equipment retailer, and, in July, expanded into a new geography by acquiring Sports Unlimited Retail that operates in the Netherlands under the Perry Sport and Aktiesport banners. Additionally, in August, ISRG acquired 50.1% of Bodytone International Sport, a Spanish producer and international distributor of fitness equipment.



Over the last 12 months, ISRG delivered an impressive performance in another challenging context: **top line** grew 35% yoy, mainly due to a strong recovery of store sales and footfall from a 2020 significantly affected by the pandemic. A key driver of growth was the company’s online channel which already represents c. 14% of total turnover, backed by the contribution of newly acquired businesses and a double-digit yoy increase in the original banners.

In terms of **profitability**, ISRG also displayed a strong performance, with EBITDA already surpassing €100m, one of the group’s medium-term targets announced back in 2018.

Overall, ISRG’s performance resulted in a better equity method contribution to Sonae’s results, with a positive value in the L12M’21 of €17m (€7m in the quarter).

The company’s performance in the last quarter of its fiscal year maintained this trend and drove total revenues above €1bn for the first time ever.

[4] Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L12M 21 ended last October 30th.

Corporate information

Main announcements in the 4Q21

October 27th
Sonae MC, SGPS, S.A. informed about the recomposition of the Board of Directors.
NOS SGPS, SA informed about the end of 5G auction.

November 3rd
Sonae SGPS, S.A. informed on Portuguese Competition Authority decision.

December 23rd
Sonae SGPS, S.A. informs that its subsidiary SFS – Gestão e Consultoria, SA has reached an agreement to sell its 50% share capital in MDS SGPS, SA

December 28th
Sonae SGPS, S.A. informs on transaction by Person Discharging Managerial Responsibilities

Subsequent events

January 25th
Sonae SGPS, S.A. informs on Sonae MC 2021 Trading Statement

February
Sonaecom received a gross amount of €35.2m from Armilar Ventures Funds III, following the conclusion of the sale of Safetypay to Paysafe, which was pending some regulatory approvals.

March 16th
Completion of the purchase of 10% of the share capital of Sierra held by Grosvenor Investments (Portugal) S.Àr.L, for the price of €83.5 million, which represents an implicit discount of c.10% over Sierra's NAV at the end of 2021, following the exercise by Grosvenor of its put option right. Following completion of this transaction, Sonae now holds 90% of the share capital and voting rights in Sierra. 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 in Sierra.

Outlook and dividend proposal

Outlook

2022 is expected to be a year of clear recovery from the pandemic, given all the progress made in vaccination programs around the World. However, another unforeseen event is now having a severe impact on the lives of millions of people and will undoubtedly have serious consequences for the global economy. The war in Ukraine is already producing multiple effects in the macroeconomic and trade environment, which has become increasingly volatile as the situation escalates and as the World reacts with heavy sanctions imposed on Russia and Belarus. This will certainly be another challenging year.

MC

MC will remain focused on exceeding customer expectations and winning in the Portuguese food retail market. The company's retail ecosystem will continue its path of solid growth, adjusting to changes in consumer purchasing behaviour, balancing competitive pressures, and mitigating potential incremental cost burdens, always anchored by a balanced capital structure.

Worten

After a quite successful year, marked by the restructuring of the operations in Spain, an acceleration of digital and a reinforcement of market leadership, Worten will continue strengthening its omnichannel ecosystem of products and services.

Sierra

During 2021 Sierra reinforced its teams, initiated a transformation program and built a significant pipeline of opportunities to be seized during 2022, including the expansion of its investment management activity, the execution of its development pipeline, the expansion of its services coverage, and future-proofing its shopping centre portfolio.

Zeitreel

Zeitreel should turn the page after two challenging years. The beginning of 2022 delivered positive signs, showing sales and profitability already at (or even surpassing) 2019 levels. The rest of the year should reinforce this trend, with all Zeitreel banners executing their growth strategies across all channels and geographies.

Universo

Universo will keep working towards the complete stabilization of its partnership with Banco CTT, while maintaining its focus on the development of value-added products towards a more liberalized access to financial services in the Portuguese market.

Bright Pixel

Bright Pixel will continue to follow its investment strategy anchored on its active and specialized approach being always aware of market opportunities in retail-tech, digital infrastructure and cybersecurity, while leveraging on the successful track record of recent years.

NOS

NOS is in a solid position to lead the 5G revolution in Portugal and unlock the potential of this technology to improve people's lives and the innovation and productivity of businesses. The company will maintain its strategic focus on growing market share while moving forward in its transformation plan. As a shareholder, Sonae remains committed to ensuring the conditions NOS needs to develop its ambitious strategy.

ISRG

Looking forward, ISRG will consolidate its recent acquisitions and maintain the very positive trading performance of recent months, by focusing on its distinctive value proposition and operating model, with the goal of becoming a sporting goods leader in Europe.

Dividend proposal

In view of the Net Results for the 2021 financial year, and according to our dividend policy, the Board of Directors will propose at the Shareholders' Annual General Meeting the payment of a dividend of 0.0511 euros per share, 5% above the dividend distributed last year. This dividend corresponds to a dividend yield of 5.1%, based on the closing price as at December 31st, 2021 (which stood at €1.003), and to a payout ratio of 38%[5] of the consolidated direct result.

[5] Assuming own shares as of 31.12.2021 totalling 85,146,422.

Consolidated P&L

€m	2020 R	2021	yoy	4Q20 R	4Q21	yoy
Turnover	**6,673**	**7,023**	5.3%	**1,884**	**2,009**	6.7%
Underlying EBITDA	**576**	**603**	4.5%	**183**	**187**	2.2%
margin	*8.6%*	*8.6%*	*-0.1 p.p.*	*9.7%*	*9.3%*	*-0.4 p.p.*
Equity method results*	41	84	102.4%	11	20	78.5%
Sierra	14	29	107.4%	2	9	-
NOS	27	32	19.0%	6	3	-38.3%
ISRG	2	17	-	6	7	23.1%
Non-recurrent items	6	52	-	-2	1	-
EBITDA	**624**	**738**	18.4%	**193**	**208**	7.9%
margin	*9.3%*	*10.5%*	*1.2 p.p.*	*10.2%*	*10.3%*	*0.1 p.p.*
D&A	-213	-211	0.9%	-55	-54	2.0%
D&A - RoU	-126	-127	-1.1%	-32	-33	-0.8%
Prov and imp.	-72	-31	56.7%	-17	-13	23.5%
EBIT	**213**	**369**	73.5%	**88**	**108**	23.0%
Net Financial results	-106	-106	-0.1%	-24	-27	-13.4%
Taxes	8	-6	-	11	7	-34.6%
Direct result	**114**	**258**	125.3%	**75**	**88**	17.8%
Indirect result	**-59**	**73**	-	**-5**	**49**	-
Net result	**56**	**331**	-	**70**	**137**	96.7%
Non-controlling int.	15	-63	-	5	-28	-
Net result group share	**71**	**268**	-	**75**	**109**	45.6%

Notes: R - Restated figures as Maxmat from MC and Bizdirect from Bright Pixel 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 Sierra statutory accounts, income related to investments consolidated by the equity method (mainly NOS/Zopt and ISRG) and discontinued operations results.

Consolidated Balance Sheet

€m	31.12.20	30.09.21	31.12.21
TOTAL ASSETS	**8,149**	**8,164**	**8,317**
Non current assets	**6,328**	**6,385**	**6,420**
Net fixed assets	2,108	2,096	2,124
Net Rights of Use	1,054	1,014	1,020
Goodwill	671	729	732
Investment properties	319	317	320
Other investments	1,776	1,830	1,831
Deferred tax assets	358	359	359
Others	41	39	34
Current assets	**1,821**	**1,779**	**1,897**
Stocks	636	587	634
Trade debtors	148	139	131
Liquidity	767	774	832
Others [1]	271	279	300
SHAREHOLDERS' FUNDS	**2,440**	**3,008**	**3,145**
Equity holders	1,993	2,428	2,541
Attributable to minority interests	447	580	604
LIABILITIES	**5,709**	**5,156**	**5,172**
Non-current liabilities	**3,404**	**2,765**	**2,786**
Bank loans	1,007	709	781
Lease liabilities	1,100	1,082	1,075
Other loans	690	368	317
Deferred tax liabilities	479	477	495
Provisions	47	18	21
Others	81	110	97
Current liabilities	**2,305**	**2,391**	**2,386**
Bank loans	177	251	226
Lease liabilities	107	97	106
Other loans	16	323	91
Trade creditors	1,339	1,154	1,347
Others [2]	666	565	616
SHAREHOLDERS' FUNDS + LIABILITIES	**8,149**	**8,164**	**8,317**

(1) includes assets classified as held for sale. (2) includes liabilities directly associated with assets classified as held for sale.

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 IFRS 16 accounting standard in 2019.

In the 3Q21, Maxmat from MC and Bizdirect from Bright Pixel were sold and all periods in 2020 and 2021 were restated to consider these assets as discontinued operations in the P&L.

Glossary

Aggregated online sales	Online sales including marketplaces, considering 100% ownership of all Sonae's businesses (fully and equity consolidated).
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 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 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) – Sierra	Total debt / (Investment properties + properties under development), on a proportional basis.
INREV NAV Sierra	Open market value attributable to Sierra - net debt -minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market value of each Sonae's businesses – average net debt – minorities (book value)
Net debt	Bonds + bank loans + other loans + 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.
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 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
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
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