

SONAE COM

SONAE COM  
MANAGEMENT  
REPORT & ACCOUNTS  
1H20



*The consolidated financial information disclosed in this report is based on unaudited financial statements, prepared in accordance with the International Financial Reporting Standards (IAS/IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the European Union.*



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## I – MANAGEMENT REPORT



# 1. Main Highlights

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Service revenues increasing 6.5% y.o.y., partially offsetting the decrease on technology resale

Improved performance in 2Q with revenue growing 37.1% q.o.q., and EBITDA keeping the positive evolution

At NOS, the financial impacts of the COVID-19 pandemic were more significant on the Cinemas and Audiovisuals division but with negative impacts in all business divisions

Solid growth and profitability improvements of cybersecurity services in the Technology area

# 2. Sonaecom Consolidated Results

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## *Introductory note:*

The 1H20 was marked by COVID 19 emergence in Europe and the subsequent formal national lock-down declared on 18th March. Gradual easing of restrictions have been announced since mid-May but under a challenging economic environment.

The financial and operational impacts are uneven in different segments and, so far, the Group's business operations have been affected in very different levels:

- The technology area did not feel significant impacts from this situation on its 1H20 results, except a slowdown on Professional Services revenues, on Technology Reselling (either due to a reduction in demand or a drop in supply) and on the rhythm of commercial activity for new businesses.
- At NOS, the main operating impacts of the pandemic in 1H20 revenues were felt namely in: i) Cinemas and Audiovisuals: complete closure of NOS theatres on 16 March and postponement of a number of movie premieres; ii) Roaming and international calls: traffic and revenues impacted by restrictions imposed on international travel; iii) Premium sport channels: reduction in revenues with subscriptions being offered for free given the absence of live sports events; and iv) Equipment: fall in sales due to closure of all non-essential retail activity namely in shopping centres and to general restrictions to circulation.
- Público's activity was materially impacted, namely in offline newspaper sales, with the close of the majority of points of sale, and in advertising revenues.

The potential impact that this situation may still have depends on the level of evolution and contagion of the virus, making projections difficult. However, at this stage, and despite the progressive easing of restrictive measures in Europe, the possibility of a second lock-down and the consequent financial crisis, still predict a challenging second half.

However, given the company's capital structure, with a significant amount in cash and bank deposits and a low amount of remunerated debt, no material changes in the Company's liquidity are expected. Furthermore, we will continue to implement all measures deemed appropriate to minimize their impacts, in line with the recommendation of the competent entities and in the best interest of all our stakeholders.

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Telecommunications area, which includes a 50% stake in ZOPT - consolidated through the equity method - which owns 52.15% stake in NOS, presented negative results due to the impacts from COVID-19 pandemic, namely, the register of significative non-recurrent items and the slowdown in activity, in particular in the Cinema and Audiovisuals segment. Telecom revenues were down impacted primarily by suspended premium sport channel revenues in April and May, the significant reduction of roaming traffic and B2B sales. However, much of the revenue decline was compensated by lower OPEX decreasing the magnitude of EBITDA decrease.

During 1H20, Technology area continued to enlarge its portfolio, reinforcing its investment in some portfolio companies and entering in the capital of two new companies.

#### **Turnover**

Consolidated turnover in 1H20 reached 69.6 million euros, decreasing 6.6%, when compared to 1H19.

This negative evolution was driven by both Media and Technology areas, the latter fully driven by transactional business of third-party products.

#### **Operating costs**

Operating costs amounted to 73.5 million euros, 7.8% below 1H19. Personnel costs grew 0.1% and Commercial costs decreased 14.5% to 39.8 million euros, mainly driven by the lower cost of goods sold, aligned with the lower level of sales. Other operating costs increased 4.7%, mainly explained by the higher level of Outsourcing costs.

#### **EBITDA**

Despite the improvement of underlying EBITDA, total EBITDA, explained by the decrease on equity results and non-recurrent items, decreased and stood at 7.6 million euros.

In 1H19, the non-recurrent items stood at 5.2 million euros, driven by the capital gain generated by Saphety's sale.

The equity results, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution, decreased to 10.4 million euros.

#### **Net results**

Sonaecom's EBIT decreased to 3.1 million euros, from 15.8 million in 1H19, mainly explained by the lower level of EBITDA but also by the higher level of depreciations.

Sonaecom's earnings before tax (EBT) decreased from 15.9 million to 2.6 million euros, driven by the lower EBIT and financial results.

Indirect results reached negative 0.2 million euros, that compare with negative 0.8 million euros in 1H19, impacted by Armilar Venture Funds' portfolio fair value adjustments.

Net results group share stood at 4.9 million euros, below the 17.5 million euros presented in 1H19.

#### **Operating CAPEX**

Sonaecom's operating CAPEX decreased to 2.5 million euros, reaching 3.6% of turnover, 2.6 p.p. below 1H19. Excluding the IFRS 16 impact, operating CAPEX would be 1.8 million euros, 0.4 million euros below 1H19.

#### **Capital structure**

The net cash position stood at 204.6 million euros, decreasing 31.8 million euros since December 2019. Excluding IFRS 16 impacts, Net cash position stood at 218.0 million euros, 32.7 million below December 2019, mainly driven by 6.6 million euros of investment cash-out, the negative operating cash-flow of 5.9 million euros, the 4.0 million euros received as capital subscription in a new investment vehicle and the 25.4 million euros of dividends distribution.

## **2.1 Telecommunications**

NOS operating revenues were 666.6 million euros in 1H20, decreasing 7.6% y.o.y..

EBITDA reached 310.6 million euros, decreasing 6.3% when compared to 1H19 and representing a 46.6% EBITDA margin.

CAPEX excluding leasings amounted to 171.8 million euros in 1H20, a decrease of 5.8% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 6.8%.

At the end of 1H20, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,220.2 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.8x EBITDA, and with an average maturity of 2.7 years.

NOS published its 1H20 results on 22<sup>nd</sup> July 2020, which are available at [www.nos.pt](http://www.nos.pt).

During 1H20, NOS share price decreased 19.1% from €4.800 to €3.884, whilst PSI20 decreased by 15.8%.

## Operational Indicators

Million euros

Operational Indicators ('000)	2Q19	2Q20	Δ 20/19	1Q20	q.o.q.	1H19	1H20	Δ 20/19
Total RGUs	9,537.5	9,760.7	2.3%	9,707.9	0.5%	9,537.5	9,760.7	2.3%
Convergent + Integrated RGUs	4,574.7	4,823.9	5.4%	4,754.6	1.5%	4,574.7	4,823.9	5.4%

## Financial indicators

Million euros

NOS HIGHLIGHTS	2Q19	2Q20	Δ 20/19	1Q20	q.o.q.	1H19	1H20	Δ 20/19
Operating Revenues	365.6	321.3	-12.1%	345.4	-7.0%	721.5	666.6	-7.6%
EBITDA	171.2	157.9	-7.8%	152.7	3.4%	331.4	310.6	-6.3%
EBITDA margin (%)	46.8%	49.1%	2.3pp	44.2%	4.9pp	45.9%	46.6%	0.7pp
Net Income	47.7	45.3	-5.0%	-10.4	-	90.2	35.0	-61.2%
CAPEX excluding Leasings	95.2	83.5	-12.2%	88.2	-5.3%	182.4	171.8	-5.8%
EBITDA-CAPEX excluding Leasings	76.1	74.3	-2.3%	64.5	15.3%	149.0	138.8	-6.8%

\* 2019 and 1H20 accounts are adjusted to reflect the announcement of the sale of NICS on 1 April 2020, which was approved by Competition Authority at the end of June.

# 2.2 Technology

The Technology area aims to build and manage a portfolio of technology businesses around retail and telecommunications, as well as cybersecurity, with an international scale. This area currently comprises, alongside with minority stakes, Bright Pixel, Vector I fund and Bright Innovation fund, four controlled companies – S21Sec, Excellium, Bizdirect and Inovretail- that generated circa 38.1% of its revenues outside the Portuguese market with 70.6% out of the total 654 employees based abroad.

## Controlled Companies

**S21Sec** is a reference multinational MSSP (Managed Security Services Provider), focused on the delivery of cyber security services and development of proprietary supporting technologies, with a global customer base, leveraging its teams in Spain, Portugal and Mexico. Since June 2018, with the integration of Nextel, S21Sec is the most relevant “pure player” (company specializing exclusively in the cybersecurity sector) in Spain and Portugal in terms of turnover and number of cybersecurity experts.

**Excellium** is a market-leading managed security services provider from Luxembourg, with presence in Belgium and counting with more than 100 experts.

This investment, together with the stake on S21sec, turns Sonae IM's cybersecurity group as one of the most relevant cybersecurity services pure players in Europe, counting with more than 500 professionals and direct presence in 13 cities across 6 countries.

The significant European scale and cross-country presence of this group of cybersecurity companies will be key to address the increasingly challenging needs of all organizations and specially the requirements of those large and multi-national companies operating in the European space, while ensuring agile and fast response from specialized teams close to the customer.

**Bizdirect** is a technology company specialized in IT solutions commercialization, consulting and management of corporate software licensing contracts and Microsoft solutions integration.

The cloud business unit continued to improve its presence on helping customers in digital transformation and the solutions business unit achieved important new customer references. Bizdirect Competence Center, in Viseu, contributed to the international revenues that already represent 5.0% of total revenues.



**InovRetail** is a retail innovation company that provide data science solutions and digital tools that deliver quantifiable insights and actionable recommendations with direct and sustainable impact on retailer's key metrics. The company's main product is the Staff Empowerment Solution, a SaaS based solution that help retailers in three key areas like Sales Performance Enhancement; Customer Experience Optimisation and Advanced Planning & Scheduling.

**Bright Pixel** is the early stage investor of Sonae IM group focused on emerging technologies but prioritizing links to retail, telco and cybersecurity.

#### **Minority Stakes (non-exhaustive)**

**Armilar Venture Funds** are the 3 Venture Capital funds in which Sonae IM owns participation units acquired to Novo Banco. With this transaction, concluded in December 2016, Sonae IM reinforced its portfolio with sizeable stakes in leading edge companies such as Outsystems and Feedzai, both consistently presenting meaningful and sustainable levels of growth.

**ArcticWolf**, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. US technology investors Lightspeed Venture Partners and Redpoint were joined by Sonae IM and Knollwood Investment Advisory in the series B round. During 2018, the Company closed a \$45M series C round and, at the end of 2019, the Company launched a \$60M Series D round, which was closed in the beginning of 2020, at a significant higher valuation. Sonae IM participated in both rounds, reinforcing its stake.

**StyleSage** is a strategic analytics SaaS platform that helps fashion, home and beauty retailers and brands with critical pre, in and post season decisions globally. Every day, StyleSage pulls product data from competitors' ecommerce websites from around the world. Then, with groundbreaking technology in machine learning and visual recognition, StyleSage cleans, organizes, and analyzes the massive amounts of collected data into a cloud-based dashboard that empowers brands and retailers to make informed, data-driven decisions in areas such line planning, markdown optimization, and global expansion.

**Ometria** is a London based AI powered customer marketing platform with the vision to become the central hub that powers all the communication between retailers and their customers. This investment was done by Sonae IM in the Series A round, alongside several strategic investors (including Summit Action, the US VC fund of the Summit Series) and was recently reinforced during series B round.

**CB4** is a company based in Israel that provides a patented AI software solution for brick and mortar retailers to identify and correct critical operational issues at store, product level. The investment was part of a series B \$16M round, led by Octopus Ventures with Sonae IM joining. Existing investors Sequoia Capital and Pereg Ventures also participated in the round.

**Reblaze** is an Israeli company that provides proprietary security technologies in a unified platform, shielding assets from threats found on the Internet. The company raised a Series A round in which Sonae IM led jointly with JAL Ventures and Data Point Capital.

**Visenze** is a Singapore-based company that delivers intelligent image recognition solutions that shorten the path to action as consumers search and discover on the visual web. Retailers use ViSenze to convert images into immediate product search opportunities, improving conversion rates. Media companies use ViSenze to turn any image or video into an engagement opportunity, driving incremental revenue. Sonae IM co-led, with Gobi Partners, a \$20M Series C round that will enable the artificial intelligence company to further invest in its penetration among smartphone manufacturers, as well as with consumer and social communication applications.

**Daisy Intelligence** is an AI-powered platform for retail merchandising teams focused on optimizing promotional product and price mixes for dramatically improved business results. Sonae IM partnered with Framework Venture Partners invested in a C\$ 10M (circa €7M) series A round.

**Nextail** is a Spanish company that has developed a cloud-based platform that combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations. The company raised a \$10.0 million Series A round led by London and Amsterdam based venture capital firm KEEN Venture Partners LLP ("KEEN"), together with Sonae IM and existing investor Nauta Capital. The new financing is being used to accelerate product development and double the size of the team, as it grows internationally.

**Sixgill** is a market leader in deep and dark web cyber threat intelligence. Sixgill helps Fortune 500 companies, financial institutions, governments, and law enforcement agencies protect their finances, networks and reputations from cyberthreats that lurk in the deep, dark and surface webs. The advanced cyber threat intelligence platform automates all phases of the intelligence cycle — collection, analysis and dissemination of data — providing organizations with unparalleled information and actionable insights to protect their various assets in the ever evolving cyber threatscape. Sixgill raised \$15M in a second round led by Sonae IM and REV Venture Partners with participation by Our Crowd. Previous investors Elron and Terra Venture Partners also participate in the round.



**Case on IT** is a Spanish company that has developed Medux, a machine learning solution for the measurement, prediction and analysis of landline, mobile and television services quality. Medux measures the customer experience in markets that collectively serve over 600 million users worldwide. The company raised a Series B round of international fund with Sonae IM.

**CiValue** is an Israeli company with offices in New York, Paris, and Tel Aviv, is a disruptive provider of cloud-based Precision Marketing and Supplier Advertising Platforms for Retailers. Sonae IM, coupled with Nielsen, led a \$6M Series A investment.

**Cellwize** is a leading provider of Mobile Network Automation and Orchestration solutions for telco, based in Israel. Cellwize offers modular solutions for an agile adoption of 'zero-touch' network automation capabilities on top of a virtualized service orchestration platform. It supports network operations, especially given the increase in network density and complexity driven by 5G adoption. Sonae IM invested in a series B round of \$15M led by Deutsche Telekom Capital Partners.

**Secucloud** is a Germany based company that provides a cloud security platform for protecting all devices (subscriber endpoints) and operating systems with no installation required, offered to Telcos & ISPs as a white label solution. Sonae IM totally subscribed the multi million Series B financing round.

**Continuum Security** is a Spanish based company with an application security platform to address vulnerabilities early in the development process. In order to realise their international growth plans, the company has raised an investment round of 1.5million euros, which was led by Swaanlaab Venture Factory and joined by JME Venture Capital and Sonae IM.

**Jscrambler** is a Portuguese startup that develops a security solution to protect Web and Mobile Applications (Javascript code). The company raised a 2.3 million dollars in a series A financing round that was led by Sonae IM with the co-investment of Portugal Ventures.

**Probe.ly**, having started as an internal project of Bright Pixel, won the *Caixa Capital Empreender Award 2017*, has stepped from MVP (minimum valuable product) to an independent Web Application Security startup.

**Sales Layer** is a Spanish based company with a cloud-based Product Information Management (PIM) platform, helping brands and retailers to transform their catalogs into a digital, enriched and multichannel control center. Sonae IM recently led its series A round.

## Financial indicators

Million euros

TECHNOLOGY AREA	2Q19 <sup>(R)</sup>	2Q20	Δ 20/19	1Q20	q.o.q.	1H19 <sup>(R)</sup>	1H20	Δ 20/19
<b>Turnover</b>	<b>35.6</b>	<b>37.2</b>	<b>4.3%</b>	<b>25.7</b>	<b>44.6%</b>	<b>66.3</b>	<b>62.9</b>	<b>-5.2%</b>
Service Revenues	10.4	11.4	9.1%	11.0	3.4%	20.3	22.4	10.4%
Sales	25.2	25.8	2.3%	14.7	75.5%	46.0	40.5	-12.0%
Other Revenues	0.3	0.5	113.0%	0.3	110.8%	0.6	0.8	24.7%
<b>Operating Costs</b>	<b>37.4</b>	<b>37.6</b>	<b>0.4%</b>	<b>27.5</b>	<b>36.4%</b>	<b>70.0</b>	<b>65.1</b>	<b>-6.9%</b>
Personnel Costs	8.9	8.5	-4.2%	8.9	-4.9%	17.4	17.4	0.0%
Commercial Costs <sup>(1)</sup>	24.5	24.9	1.8%	14.0	78.1%	44.8	38.9	-13.2%
Other Operating Costs <sup>(2)</sup>	4.1	4.2	1.6%	4.6	-10.1%	7.7	8.8	13.4%
<b>Underlying EBITDA <sup>(3)</sup></b>	<b>-1.6</b>	<b>0.2</b>	<b>-</b>	<b>-1.5</b>	<b>-</b>	<b>-3.1</b>	<b>-1.3</b>	<b>58.1%</b>
Underlying EBITDA Margin (%)	-4.4%	0.5%	4.9pp	-5.7%	6.2pp	-4.7%	-2.1%	2.6pp
Operating CAPEX <sup>(4)</sup>	1.0	1.0	-1.4%	1.1	-10.4%	3.3	2.0	-39.2%
Operating CAPEX as % of Turnover	2.7%	2.6%	-0.1pp	4.1%	-1.6pp	5.0%	3.2%	-1.8pp
Underlying EBITDA - Operating CAPEX	-2.5	-0.8	69.3%	-2.5	69.1%	-6.4	-3.3	48.3%
<b>Total CAPEX</b>	<b>7.2</b>	<b>1.6</b>	<b>-78.3%</b>	<b>4.8</b>	<b>-67.6%</b>	<b>17.0</b>	<b>6.4</b>	<b>-62.6%</b>

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others; (3) Includes the businesses fully consolidated at Technology area; (4) Operating CAPEX excludes Financial Investments; (R) The values were restated in order to reflect Sonaecon structure after Saphety and WeDo sale.

## Turnover

Turnover decreased 5.2% y.o.y explained by the decrease on the transactional business of third-party products, but with an improved performance in the quarter presenting a 44.6% q.o.q and a 4.3% yoy growth.

Service revenues, mainly cybersecurity services, presented a double-digit growth when compared to 1H19.



### **Operating costs**

Operating costs decreased 6.9% to 65.1 million euros mainly explained by the 13.2% decline at Commercial costs, aligned with the lower level of sales. Other operating costs increased 13.4%, mainly explained by the higher level of Outsourcing Costs.

### **Underlying EBITDA**

Underlying EBITDA stood at negative 1.3 million euros, but significantly better than 1H19 (+58.1%) and positive on the 2Q.

### **Underlying EBITDA-operating CAPEX**

Underlying EBITDA-operating CAPEX stood at negative 3.3 million euros, increasing when compared to 1H19, mainly explained by the higher EBITDA but also driven by the lower level of Operating CAPEX. Excluding the IFRS 16 impacts, operating CAPEX would have reached 1.4 million euros, 0.3 million euros below 1H19.

## **2.3 Media**

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During 1H20, Público continued to pursue its digital strategy reinforcing digital competencies and presence in online platforms and continued to implement important initiatives aimed at strengthening Público as the reference Portuguese speaking news organisation.

Since the start of the pandemic and the related restrictive measures, Público's activity was materially impacted, namely in offline newspaper sales, with the temporary close of the majority of points of sale, and in advertising revenues, with the cut on marketing expenses implemented across all companies. However, the new context benefited the online business that recorded relevant improvements on online subscriptions and online advertising revenues.

The positive performance of online business was not enough to mitigate the negative evolution of offline revenues which translated into an overall 18.5% revenue decrease, when compared to 1H19.



### 3. Subsequent Events

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At the beginning of 3Q20, the Portuguese Competition Authority announced its non opposition to the agreement signed in April between NOS Comunicações and Cellnex to sell 100% of NOS Towering to the latter, which encompasses around 2,000 sites (towers and rooftops), for an upfront consideration of approximately 375 million euros, to be received on final closing of the transaction. In addition, NOS and Cellnex had signed a long-term agreement whereby Cellnex will provide NOS Group with active network hosting over the passive infrastructure acquired, for a period of 15 years which renews automatically for equal periods. This agreement foresees a perimeter increase of up to 400 additional sites over the next 6 years. The total potential value of the agreements to be received over a 6-year period is 550 million euros.

## 4. Appendix

### Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	2Q19 <sup>(R)</sup>	2Q20	Δ 20/19	1Q20	q.o.q.	1H19 <sup>(R)</sup>	1H20	Δ 20/19
<b>Turnover</b>	<b>40.1</b>	<b>40.3</b>	<b>0.3%</b>	<b>29.4</b>	<b>37.1%</b>	<b>74.5</b>	<b>69.6</b>	<b>-6.6%</b>
Service Revenues	12.7	13.1	2.6%	12.7	2.6%	24.2	25.8	6.5%
Sales	27.4	27.2	-0.7%	16.6	63.5%	50.3	43.8	-12.9%
Other Revenues	0.4	0.7	60.7%	0.4	66.4%	1.0	1.1	13.3%
<b>Operating Costs</b>	<b>42.4</b>	<b>41.5</b>	<b>-2.2%</b>	<b>32.0</b>	<b>29.7%</b>	<b>79.7</b>	<b>73.5</b>	<b>-7.8%</b>
Personnel Costs	11.2	11.0	-2.0%	11.4	-3.8%	22.4	22.4	0.1%
Commercial Costs <sup>(1)</sup>	25.5	25.2	-1.0%	14.6	72.6%	46.6	39.8	-14.5%
Other Operating Costs <sup>(2)</sup>	5.8	5.3	-8.2%	6.0	-11.4%	10.8	11.3	4.7%
<b>EBITDA</b>	<b>8.5</b>	<b>10.9</b>	<b>29.3%</b>	<b>-3.3</b>	<b>-</b>	<b>20.0</b>	<b>7.6</b>	<b>-61.9%</b>
Underlying EBITDA <sup>(3)</sup>	-2.0	-0.5	72.7%	-2.1	74.6%	-4.3	-2.6	38.2%
Non recurrent items <sup>(4)</sup>	0.1	0.0	-	-0.1	79.7%	5.2	-0.1	-
Equity method <sup>(5)</sup>	10.8	11.5	6.2%	-1.1	-	20.2	10.4	-48.4%
Discontinued Operations <sup>(6)</sup>	-0.5	0.0	100.0%	0.0	-	-1.1	0.0	100.0%
Underlying EBITDA Margin (%)	-4.9%	-1.3%	3.6pp	-7.2%	5.9pp	-5.7%	-3.8%	1.9pp
Depreciation & Amortization	2.1	2.3	11.0%	2.2	3.8%	4.2	4.5	7.7%
<b>EBIT</b>	<b>6.4</b>	<b>8.7</b>	<b>35.2%</b>	<b>-5.5</b>	<b>-</b>	<b>15.8</b>	<b>3.1</b>	<b>-80.2%</b>
<b>Net Financial Results</b>	<b>-0.1</b>	<b>0.0</b>	<b>-</b>	<b>-0.5</b>	<b>-</b>	<b>0.0</b>	<b>-0.5</b>	<b>-</b>
Financial Income	0.4	0.9	149.3%	0.7	30.0%	0.9	1.7	82.1%
Financial Expenses	0.5	0.9	87.7%	1.2	-23.6%	0.9	2.2	142.8%
<b>EBT</b>	<b>6.3</b>	<b>8.7</b>	<b>37.8%</b>	<b>-6.0</b>	<b>-</b>	<b>15.9</b>	<b>2.6</b>	<b>-83.4%</b>
Tax results	0.4	0.8	132.7%	0.7	19.5%	1.4	1.5	8.2%
<b>Direct Results</b>	<b>6.6</b>	<b>9.5</b>	<b>42.9%</b>	<b>-5.3</b>	<b>-</b>	<b>17.3</b>	<b>4.2</b>	<b>-75.9%</b>
<b>Indirect Results <sup>(7)</sup></b>	<b>-0.9</b>	<b>-0.4</b>	<b>58.6%</b>	<b>0.2</b>	<b>-</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-</b>
<b>Net Income</b>	<b>5.8</b>	<b>9.1</b>	<b>-</b>	<b>-5.1</b>	<b>-</b>	<b>16.5</b>	<b>4.0</b>	<b>-75.7%</b>
Group Share	6.4	9.4	46.4%	-4.5	-	17.5	4.9	-72.0%
Attributable to Non-Controlling Interests	-0.6	-0.3	58.9%	-0.6	57.4%	-1.0	-0.9	8.9%

(1) Commercial Costs = COGS + Mktg & Sales Costs;

(2) Other Operating Costs = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by Sonaecom;

(4) Includes the capital gain in Saphety's sale;

(5) Includes the 50% holding in Unipress, the 50% holding in SIRS, the 50% holding in Big Data, the 50% holding in ZOPT, the 40% holding in Alfaros, the 27.45% holding in Secucloud, the 21% holding in Probe.ly and the 20% holding in Suricate Solutions;

(6) Includes Saphety and WeDo contributions until the sale;

(7) Includes equity method adjustments related with AVP funds and related taxes;

(R) The values were restated in order to reflect Sonaecom structure after Saphety and WeDo sale.

## Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	2Q19 <sup>(R)</sup>	2Q20	Δ 20/19	1Q20	q.o.q.	1H19 <sup>(R)</sup>	1H20	Δ 20/19
<b>Total Net Assets</b>	<b>1,189.6</b>	<b>1,190.0</b>	<b>0.0%</b>	<b>1,195.7</b>	<b>-0.5%</b>	<b>1,189.6</b>	<b>1,190.0</b>	<b>0.0%</b>
Non Current Assets	896.7	905.0	0.9%	898.5	0.7%	896.7	905.0	0.9%
Tangible and Intangible Assets and Rights of Use	44.2	20.2	-54.2%	21.9	-7.8%	44.2	20.2	-54.2%
Goodwill	36.1	14.5	-59.7%	14.5	0.0%	36.1	14.5	-59.7%
Investments	799.6	855.7	7.0%	848.7	0.8%	799.6	855.7	7.0%
Deferred Tax Assets	11.0	4.7	-57.6%	4.2	11.0%	11.0	4.7	-57.6%
Others	5.8	9.9	70.1%	9.1	9.0%	5.8	9.9	70.1%
Current Assets	292.8	284.9	-2.7%	297.2	-4.1%	292.8	284.9	-2.7%
Trade Debtors	48.7	34.7	-28.8%	20.1	72.3%	48.7	34.7	-28.8%
Liquidity	211.0	222.3	5.4%	251.0	-11.4%	211.0	222.3	5.4%
Others	33.1	27.9	-15.7%	26.1	7.2%	33.1	27.9	-15.7%
<b>Shareholders' Funds</b>	<b>1,048.6</b>	<b>1,051.9</b>	<b>0.3%</b>	<b>1,067.1</b>	<b>-1.4%</b>	<b>1,048.6</b>	<b>1,051.9</b>	<b>0.3%</b>
Group Share	1,048.4	1,047.3	-0.1%	1,068.2	-2.0%	1,048.4	1,047.3	-0.1%
Non-Controlling Interests	0.2	4.6	-	-1.0	-	0.2	4.6	-
<b>Total Liabilities</b>	<b>140.9</b>	<b>138.0</b>	<b>-2.1%</b>	<b>128.6</b>	<b>7.3%</b>	<b>140.9</b>	<b>138.0</b>	<b>-2.1%</b>
Non Current Liabilities	59.6	66.0	10.7%	71.3	-7.5%	59.6	66.0	10.7%
Bank Loans	2.7	2.4	-11.3%	3.1	-22.1%	2.7	2.4	-11.3%
Provisions for Other Liabilities and Charges	22.4	30.4	35.4%	30.8	-1.4%	22.4	30.4	35.4%
Others	34.4	33.2	-3.6%	37.4	-11.4%	34.4	33.2	-3.6%
Current Liabilities	81.4	72.1	-11.4%	57.3	25.8%	81.4	72.1	-11.4%
Loans	4.0	1.6	-59.5%	1.0	69.9%	4.0	1.6	-59.5%
Trade Creditors	23.8	26.9	13.1%	19.1	41.1%	23.8	26.9	13.1%
Others	53.5	43.5	-18.7%	37.2	16.9%	53.5	43.5	-18.7%
Operating CAPEX <sup>(1)</sup>	1.3	1.2	-13.1%	1.3	-11.9%	4.5	2.5	-45.6%
Operating CAPEX as % of Turnover	3.3%	2.9%	-0.4pp	4.5%	-1.6pp	6.1%	3.6%	-2.6pp
Total CAPEX	7.5	1.8	-76.6%	5.1	-65.1%	18.3	6.8	-62.6%
Underlying EBITDA - Operating CAPEX	-3.3	-1.7	48.6%	-3.4	50.6%	-8.8	-5.1	42.0%
Gross Debt	23.9	17.7	-26.2%	18.5	-4.4%	23.9	17.7	-26.2%
Net Debt	-187.0	-204.6	-9.4%	-232.5	12.0%	-187.0	-204.6	-9.4%

(1) Operating CAPEX excludes Financial Investments.

(R) The values were restated in order to reflect Sonaecom structure after Saphety and WeDo sale.

## Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	2Q19 <sup>(R)</sup>	2Q20	Δ 20/19	1Q20	q.o.q.	1H19 <sup>(R)</sup>	1H20	Δ 20/19
<b>Underlying EBITDA-Operating CAPEX</b>	<b>-3.3</b>	<b>-1.7</b>	<b>48.6%</b>	<b>-3.4</b>	<b>50.6%</b>	<b>-8.8</b>	<b>-5.1</b>	<b>42.0%</b>
Change in WC	-4.2	-6.6	-57.3%	3.1	-	-3.9	-3.5	9.7%
Non Cash Items & Other	0.9	2.4	158.2%	0.3	-	2.1	2.7	29.4%
<b>Operating Cash Flow</b>	<b>-6.6</b>	<b>-5.9</b>	<b>10.4%</b>	<b>-0.1</b>	<b>-</b>	<b>-10.6</b>	<b>-5.9</b>	<b>44.2%</b>
Investments	-6.3	-2.9	53.9%	-3.7	22.5%	-4.7	-6.6	-41.4%
Dividends	35.5	0.0	-100.0%	0.0	-	35.5	0.0	-100.0%
Financial results	-0.2	0.0	-	-0.1	-	0.2	-0.1	-
Income taxes	0.2	0.7	-	0.7	6.4%	0.7	1.4	98.3%
<b>FCF <sup>(1)</sup></b>	<b>22.8</b>	<b>-8.0</b>	<b>-</b>	<b>-3.2</b>	<b>-147.8%</b>	<b>21.0</b>	<b>-11.2</b>	<b>-</b>

(1) FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs;

(R) The values were restated in order to reflect Sonaecom structure after Saphety and WeDo sale.

## 5. Qualified Shareholdings

In compliance with the Article 9, paragraph 1, subparagraph (c) of the Securities and Exchange Commission Regulation 05/2008, and according to the notifications received by the Company, the qualified shareholdings representing at least 2% of the share capital of Sonaecom, SGPS, S.A., indicating the number of shares held and the percentage of voting rights, calculated in accordance with article 20 of the Portuguese Securities Code, at 30 June 2020, are described as follows:

Shareholder	Number of shares	% of Share capital	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, S.A. (1)				
<b>Directly</b>	<b>275 086 083</b>	<b>88.36%</b>	<b>88.36%</b>	<b>89.97%</b>
Sontel BV	194 063 119	62.33%	62.33%	63.47%
Sonae- SGPS, S.A.	81 022 964	26.02%	26.02%	26.50%
Discerene Group, LP	8 694 396	2.79%	2.79%	2.84%
Azvalor Asset Management S.G.I.C. S.A.	6 340 147	2.04%	2.04%	2.07%

(1) Sonaecom, SGPS, S.A. is a company indirectly controlled by Efanor Investimentos, SGPS, S.A. ("Efanor"), as Efanor indirectly controls Sonae SGPS, S.A. and Sontel BV. With effects as from 29th November 2017, Efanor ceased to have a controlling shareholder, under the terms of articles 20º and 21º of the Portuguese Securities Code. Investimentos, SGPS, SA and the latter indirectly owns Sonae - SGPS S.A. and Sontel BV.

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

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



## II – FINANCIAL STATEMENTS

## 6. Condensed Financial Information

### 6.1. Sonaecom condensed consolidated financial statements

#### Condensed consolidated statement of financial position

For periods ended on 30 June 2020 and 31 December 2019

(Amounts expressed in Euro)	Notes	June 2020 (not audited)	December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets		2,034,328	2,140,056
Intangible assets		8,326,827	10,467,620
Right of use		9,873,249	10,403,459
Goodwill		14,520,952	14,520,952
Investments in associated companies and companies jointly controlled	6	796,112,386	789,256,422
Financial assets at fair value through other comprehensive income	7	59,583,495	58,367,022
Deferred tax assets		4,660,006	4,251,266
Other non-current assets		9,909,055	8,003,913
<b>Total non-current assets</b>		<b>905,020,298</b>	<b>897,410,710</b>
<b>Current assets</b>			
Inventories		302,671	240,361
Trade debtors		34,715,584	27,227,731
Other current debtors		9,867,152	8,289,211
Income tax receivable		1,783,958	1,717,566
Other current assets		15,977,649	12,238,902
Cash and cash equivalents		222,292,986	255,877,001
<b>Total current assets</b>		<b>284,940,000</b>	<b>305,590,772</b>
<b>Total assets</b>		<b>1,189,960,298</b>	<b>1,203,001,482</b>
<b>Shareholders' funds and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital		230,391,627	230,391,627
Own shares		(7,686,952)	(7,686,952)
Reserves		819,711,705	798,881,018
Consolidated net income/(loss) for the period		4,894,957	51,562,881
		<b>1,047,311,337</b>	<b>1,073,148,574</b>
Non-controlling interests		4,612,244	(636,155)
<b>Total Shareholders' funds</b>		<b>1,051,923,581</b>	<b>1,072,512,419</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans		2,380,456	3,289,931
Lease liabilities		10,287,306	11,156,725
Provisions		30,384,307	30,848,948
Deferred tax liabilities		22,680,262	22,277,675
Other non-current liabilities		220,999	4,150,043
<b>Total non-current liabilities</b>		<b>65,953,330</b>	<b>71,723,322</b>
<b>Current liabilities</b>			
Loans		1,633,516	1,525,122
Trade creditors		26,944,713	19,041,965
Lease liabilities		3,371,859	3,448,361
Other creditors		14,842,687	11,935,197
Income tax payable		139,078	90,458
Other current liabilities		25,151,534	22,724,638
<b>Total current liabilities</b>		<b>72,083,387</b>	<b>58,765,741</b>
<b>Total liabilities</b>		<b>138,036,717</b>	<b>130,489,063</b>
<b>Total Shareholders' funds and liabilities</b>		<b>1,189,960,298</b>	<b>1,203,001,482</b>

The notes are an integral part of the condensed consolidated financial statements.

The Certified Accountant

The Board of Directors



## Condensed consolidated income statement by nature

For periods of 6 months ended on 30 June 2020 and 2019 (restated -Note 3)

(Amounts expressed in Euro)	Notes	June 2020 (not audited)	June 2019 (not audited and restated)
Sales	8	43,810,725	50,312,697
Services rendered	8	25,799,481	24,219,290
Other operating revenues		1,092,017	964,104
		70,702,223	75,496,091
Cost of sales		(39,137,678)	(44,897,669)
External supplies and services		(11,645,381)	(12,129,974)
Staff expenses		(22,418,651)	(22,402,413)
Depreciation and amortisation		(4,490,466)	(4,170,175)
Provisions		(102,789)	(42,812)
impairment losses		(14,289)	(39,313)
Other operating costs		(178,865)	(201,386)
		(77,988,119)	(83,883,742)
Gains and losses in associated companies and companies jointly controlled	6	10,216,032	19,180,865
Other financial expenses		(2,151,672)	(886,150)
Other financial income		1,650,734	906,362
Current income / (loss)		2,429,198	10,813,426
Income taxation		1,578,418	1,641,364
Consolidated net income/(loss) for the period of continued operations		4,007,616	12,454,790
Consolidated net income/(loss) for the period of discontinued operations		-	4,041,952
Consolidated net income/(loss) for the period		4,007,616	16,496,742
Attributed to:			
Shareholders of parent company		4,894,957	17,471,145
Non-controlling interests		(887,341)	(1,199,642)
Non-controlling interests (discontinued operations)		-	225,239
<b>Earnings per share</b>			
Including discontinued operations			
Basic		0.02	0.06
Diluted		0.02	0.06
Excluding discontinued operations			
Basic		0.02	0.06
Diluted		0.02	0.06

The notes are an integral part of the condensed consolidated financial statements.

The Certified Accountant

The Board of Directors

## Condensed consolidated statement of comprehensive income

For periods of 6 months ended on 30 June 2020 and 2019 (restated -Note 3)

(Amounts expressed in Euro)	Notes	June 2020 (not audited)	June 2019 (not audited and restated)
Consolidated net income / (loss) for the period		4,007,616	16,496,742
Components of other consolidated comprehensive income, net of tax, that will be reclassified subsequently to profit or loss:			
Changes in reserves resulting from the application of equity method	6	(2,668,501)	(1,911,544)
Changes in currency translation reserve and other		123,079	328,320
Components of other consolidated comprehensive income, net of tax, that will not be reclassified subsequently to profit or loss:			
Changes in reserves resulting from the application of equity method	6	(676,907)	(1,688,496)
Fair value of investments	7	(2,058,885)	-
Consolidated comprehensive income for the period		(1,273,598)	13,225,022
Attributed to:			
Shareholders of parent company		(386,257)	14,199,425
Non-controlling interests		(887,341)	(974,403)

The notes are an integral part of the condensed consolidated financial statements.

The Certified Accountant

The Board of Directors

## Condensed consolidated statement of changes in equity

For periods of 6 months ended on 30 June 2020 and 2019 (restated -Note 3)

(Amounts expressed in Euro)			Reserves							
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves	Non-controlling interests	Net income / (loss)	Total
2020										
Balance at 31 December 2019	230,391,627	(7,686,952)	775,290,377	18,545,192	7,686,952	(2,641,503)	798,881,018	(636,155)	51,562,881	1,072,512,419
Appropriation of the consolidated net result of 2019	-	-	-	2,138,733	-	49,424,148	51,562,881	-	(51,562,881)	-
Transfers to other reserves	-	-	-	-	-	(25,378,829)	(25,378,829)	(175,000)	-	(25,553,829)
Dividend Distribution	-	-	-	-	-	(160,712)	(160,712)	-	-	(160,712)
Deferred tax liability of fair value of investments	-	-	-	-	-	-	-	6,000,000	-	6,000,000
Increase in share capital in subsidiaries	-	-	-	-	-	(5,383,893)	(5,383,893)	(887,341)	4,894,957	(1,376,277)
Consolidated comprehensive income for the period ended at 30 June 2020	-	-	-	-	-	191,240	191,240	310,740	-	501,980
Other changes	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2020	230,391,627	(7,686,952)	775,290,377	20,683,925	7,686,952	16,050,451	819,711,705	4,612,244	4,894,957	1,051,923,581

(Amounts expressed in Euro)			Reserves							
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves	Non-controlling interests	Net income / (loss)	Total
2019										
Balance at 31 December 2018 (restated)	230,391,627	(7,686,952)	775,290,377	17,701,887	7,686,952	(23,955,767)	776,723,449	668,928	69,035,562	1,069,132,614
Appropriation of the consolidated net result of 2018	-	-	-	843,305	-	68,192,257	69,035,562	-	(69,035,562)	-
Transfers to other reserves	-	-	-	-	-	(34,246,131)	(34,246,131)	(110,000)	-	(34,356,131)
Dividend Distribution	-	-	-	-	-	(3,271,720)	(3,271,720)	(974,403)	17,471,145	13,225,022
Consolidated comprehensive income for the period ended at 30 June 2019 (restated)	-	-	-	-	-	-	-	657,737	-	657,737
Impacts of fair value adjustments in Goodwill (restated)	-	-	-	-	-	-	-	(25,535)	-	(25,535)
Other changes	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	230,391,627	(7,686,952)	775,290,377	18,545,192	7,686,952	6,718,639	808,241,160	216,727	17,471,145	1,048,633,707

The notes are an integral part of the condensed consolidated financial statements.

The Certified Accountant

The Board of Directors

## Condensed consolidated cash flow statement

For periods of 6 months ended on 30 June 2020 and 2019 (restated -Note 3)

(Amounts expressed in Euro)	June 2020 (not audited)	June 2019 (not audited)
<b>Operating activities</b>		
Receipts from trade debtors	63,414,977	97,403,169
Payments to trade creditors	(45,420,826)	(59,817,266)
Payments to employees	(22,566,254)	(44,027,471)
<b>Cash flows generated by operations</b>	<b>(4,572,103)</b>	<b>(6,441,568)</b>
Payments / receipts relating to income taxes	(112,260)	(1,338,066)
Other receipts / payments relating to operating activities	(1,500,978)	436,667
<b>Cash flows from operating activities (1)</b>	<b>(6,185,341)</b>	<b>(7,342,967)</b>
<b>Investing activities</b>		
Receipts from:		
Financial investments	-	8,323,096
Tangible assets	20,586	34,583
Intangible assets	686,176	(7,203)
Interest and similar income	323,984	284,532
Payments for:		
Financial investments	(4,329,572)	(13,250,434)
Tangible assets	(545,794)	(912,342)
Intangible assets	(813,617)	(493,879)
<b>Cash flows from investing activities (2)</b>	<b>(4,908,169)</b>	<b>29,470,140</b>
<b>Financing activities</b>		
Receipts from:		
Capital increases, supplementary capital and share premium	6,000,000	-
Loans obtained	500,000	-
Payments for:		
Leasing	(1,957,818)	(2,644,016)
Interest and similar expenses	(140,120)	(519,513)
Loans obtained	(1,306,717)	(1,527,194)
<b>Cash flows from financing activities (3)</b>	<b>(22,458,484)</b>	<b>(39,046,854)</b>
<b>Net cash flows (4)=(1)+(2)+(3)</b>	<b>(33,551,994)</b>	<b>(16,919,681)</b>
<b>Effect of the foreign exchanges</b>	<b>(31,985)</b>	<b>14,968</b>
Cash and cash equivalents at the beginning of the period	255,876,965	228,550,322
Cash and cash equivalents at the end of the period	222,292,986	210,969,333

The notes are an integral part of the condensed consolidated financial statements.

The Certified Accountant

The Board of Directors



## 6.2. Notes to the condensed consolidated financial statements of Sonaecom

### 1. Introductory note

SONAECON, SGPS, S.A. (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal. It is the parent company of the Group of companies listed in note 4 and 5 ('the Group').

On June 1, 2000, the company was admitted to trading on Euronext Lisbon, however, with effect from February 24, 2014, it was excluded from the PSI-20.

Sonaecom SGPS, S.A. is owned directly by Sontel BV and Sonae SGPS, SA and Efanor Investimentos SGPS, S.A. is the ultimate controlling company.

In addition to the holding activity, the group's businesses essentially consist of media and technology activities. The Group operates in Portugal and has subsidiaries from the information systems consultancy segment operating in about 4 countries.

The condensed consolidated financial statements are presented in euros, rounded to the unit, except when were referred, being the group's main currency. Foreign currency transactions are translated into the functional currency of each entity at the exchange rate on the date of the transaction. The financial statements of subsidiaries with another currency have been converted into euros using the average exchange rates at the reporting date.

### 2. Main accounting policies and basis of presentation

The condensed consolidated financial statements for the period ended at 30 June 2020, were prepared in accordance with IAS 34 - Interim Financial Reporting. Consequently, these financial statements do not include all the information required by the International Financial Reporting Standards ('IFRS'), so they should be read with the consolidated financial statements for the year end 31 December 2019. The accounting policies and measurement criteria, adopted by the group at 31 March 2020 are consistent with those used in the preparation of 31 December 2019 financial statements, except for the calculation of tax on the period, in accordance with IAS 34.

The condensed consolidated financial statements of Sonaecom Group were prepared on the assumption of continuity of operations, based on the books and accounting records of the companies included in the consolidation, which were prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted and effective in the European Union and, based on historical cost, except for the revaluation of certain financial instruments.


### 3. Change in accounting policies and comparability of consolidated financial statements

During the period there were no changes in accounting policies, except for the adoption of new standards whose application became effective on 1 January 2020 which had no material impact on the Group's condensed financial statements.

No material errors from previous periods have been corrected.

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union, and have mandatory application to the financial years beginning on or after 1 January 2020 and were first adopted in the period ended at 30 June 2020:

- IFRS 3 (amendment): Business combinations (Amendment to the definition of business)
- IFRS 9, IAS 39 and IFRS 7 (amendment): Reform of the reference interest rates (Introduction of exemptions to hedge accounting in order that the reform of the reference interest rates does not determine the cessation of hedge accounting)
- IAS 19 (amendment): Employee benefits (Requires to use updated assumptions to calculate the remaining liabilities after updating, cutting or settling benefits, with an impact on the income statement, except for the reduction of any excess falling under the scope of "asset ceiling")



- IAS 1 and IAS 8 (amendment): Presentation of the financial statements and accounting policies, changes in accounting estimates and errors (Update of the definition of material, when applying the standards to the financial statements as a whole). Conceptual structure - Changes in the reference to other IFRS (Change to some IFRS in relation to cross-references and clarifications on the application of the new definitions of assets / liabilities and expenses / income).

Regarding the new standards that became effective in the financial years beginning on or after 1 January 2020, the Group concluded that the application of these standards did not have a materially effect on the financial statements.

During the period ended at 30 June 2020, to ensure the comparability of the financial statements, the condensed consolidated financial statements for the period ended at 30 June 2019 were restated by the effects described below:

### ***Restatement of the impacts of the alienation of the We Do Group***

In July 2019, the We Do Group composed by We Do Consulting – Sistemas de Informação, S.A. (with a share capital held of 100% by Sonae Investment Management - Software and Technology, SGPS, S.A.), Cape Technologies Limited (100% owned by We Do Consulting – Sistemas de Informação, S.A.), Wedo do Brasil Soluções Informáticas, Ltda (99.91% owned by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies Americas, Inc (100% owned by Cape Technologies Limited), We Do Technologies BV (100% owned by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies BV – Malaysian Branch (100% owned by We Do Technologies BV), We Do Chile (100% owned by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies Egypt LLC (90% owned by We Do Technologies BV and 10% by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies España - Sistemas de Informação, S.L. (100% owned by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies (UK) Limited (100% owned by We Do Consulting – Sistemas de Informação, S.A.), We Do Technologies Mexico, S de R.L. (99.999% owned by We Do Technologies BV and 0.001% by We Do Consulting – Sistemas de Informação, S.A.) and by Tecnológica Telecomunicações, LTDA. (99.99% owned by Wedo do Brasil Soluções Informáticas, Ltda) was sold to Mobileum Inc.. The Group was classified, for presentation purposes, as a discontinued operation.

As envisaged by IFRS 5, changes were made in the Consolidated Statements of Income by nature for the period ended at 30 June 2019 to reflect in a single item ('Net income for the period of discontinued operations'), on the income statement, the after-tax profits or losses of the discontinued operations.

### ***Goodwill restatement***

In December 2018 with the acquisition of Excellium Group, a Goodwill was recorded although the allocation of the purchase price is subject to changes until the completion of the one year period from the date of acquisition, as permitted by IFRS 3 Business Concentrations.

In June 2019, the fair value of the identifiable assets acquired, and liabilities assumed was measured.

As provided in IFRS 3, the provisional amounts recognised at the acquisition date were retrospectively adjusted to reflect the new information obtained on facts and circumstances that existed at the acquisition date and that, if known, would have affected the measurement of the recognised amounts in this date.

The impacts of restating the consolidated accounts in accordance with the changes described above for the period ended on 30 June 2019 can be summarised as follows:

(Amounts expressed in Euro)	June 2019 (reported)	Goodwill Excellium's fair value adjustments	Restatement of We Do Group's contribution to discontinued units	June 2019 (restated)
<b>BALANCE SHEET</b>				
<b>Non-current assets</b>				
Goodwill	36,302,376	(229,904)	-	36,072,472
<b>Current assets</b>				
Other current assets	20,596,696	581,219	-	21,177,915
<b>Shareholders' funds</b>				
Non-controlling interests	501,562	(284,835)	-	216,727
<b>Non-current liabilities</b>				
Deferred tax Liabilities	13,706,204	591,839	-	14,298,043
Other non-current liabilities	6,869,847	(650,346)	-	6,219,501
<b>Current liabilities</b>				
Other current liabilities	34,501,599	687,504	-	35,189,103
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
Total Revenues	101,978,464	(687,506)	(25,794,867)	75,496,091
External supplies and services	(20,123,004)	581,219	7,411,811	(12,129,974)
Other operating costs	(82,735,871)	-	15,152,278	(67,583,593)
Depreciation and amortisation	(7,517,595)	-	3,347,420	(4,170,175)
Gains and losses in associated companies and companies jointly controlled	19,180,865	-	-	19,180,865
Other financial expenses	(2,142,205)	-	1,256,055	(886,150)
Other financial income	1,734,281	-	(827,919)	906,362
Income taxation	881,211	118,368	641,785	1,641,364
Net income/(loss) for the year of continued operations	11,256,146	12,081	1,186,563	12,454,790
Net income/(loss) for the year of discontinued operations	5,228,516	-	(1,186,563)	4,041,952
Non-controlling interests	(1,204,570)	4,928	-	(1,199,642)
Non-controlling interests (discontinued operations)	225,239	-	-	225,239



#### 4. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, shareholders and percentage of share capital held at 30 June 2020 and 2019, are as follows:

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2020		2019	
				Direct	Effective*	Direct	Effective*
Parent company							
SONAECON, SGPS, S.A. ('Sonaecom')	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries							
Bright Development Studio, S.A. ('Bright')	Lisbon	Research, development and commercialization of projects and service solutions in the area of information technology, communications and retail, and consulting activities for business and management.	Sonae IM	100%	100%	100%	100%
Bright Ventures Capital, SCR, S.A.	Lisbon	Realization of investment in venture capital, management of venture capital funds and investment in venture capital fund units.	Bright	100%	100%	100%	100%
Cape Technologies Limited ('Cape Technologies') (b)	Dublin	Rendering of consultancy services in the area of information systems.	We Do	Alienated		100%	100%
Digitmarket - Sistemas de Informação, S.A. ('Digitmarket' - using the brand 'Bizdirect')	Maia	Development of management platforms and commercialisation of products, services and information, with the internet as its main support.	Sonae IM	75.00%	75.00%	75.00%	75.00%
Excellium Group, S.A. ('Excellium')	Contern	Excellium assist enterprises to perform business and risk assessments, define security policies and procedures, respond to security incidents and deliver computer forensics services.	Sonaecom CSI	59.20%	59.20%	59.20%	59.20%
Excellium Services, S.A. ('Excellium Services')	Contern	Provide services within the IT and cybersecurity domain mainly to Luxembourgish institutions, banks and insurance companies.	Sonaecom CSI	59.20%	59.20%	59.20%	59.20%
Excellium Services Belgium, S.A. ('Excellium Services Belgium')	Wavre	Provide services within the IT and cybersecurity domain mainly to Belgium institutions, banks and insurance companies.	Sonaecom CSI	59.20%	59.20%	59.20%	59.20%
Excellium Factory SARL ('Excellium Factory')	Raouad-Ariana	Vehicle for the Excellium product development in Africa.	Sonaecom CSI	80.00%	47.36%	80.00%	47.36%
Inovretail, S.A.	Oporto	Industry and trade of electronic equipment and software; development, installation, implementation, training and maintenance of systems and software products; rental equipment, sale of software use license; consulting business, advisory in retail segments, industry and services.	Sonae IM	100%	100%	100%	100%
Inovretail España, SL ('Inovretail España')	Madrid	Industry and trade of electronic equipment and software; development, installation, implementation, training and maintenance of systems and software products; rental equipment, sale of software use license; consulting business, advisory in retail segments, industry and services.	Inovretail	100%	100%	100%	100%
Fundo Bright Vector I ('Bright Vector I')	Lisbon	Venture Capital Fund	Sonae IM	50.13%	50.13%	50.13%	50.13%
Fundo Bright Tech Innovation I - ('Bright Tech Innovation I') (c)	Maia	Venture Capital Fund	Sonae IM	25%	25%	-	-
			Sonaecom	25%	25%	-	-
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios.	Sonaecom	100%	100%	100%	100%
Praesidium Services Limited ('Praesidium Services')	Berkshire	Rendering of consultancy services in the area of information systems.	Sonae IM	100%	100%	100%	100%
Público - Comunicação Social, S.A. ('Público')	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%
S21Sec Portugal Cybersecurity Services, S.A. ('S21 Sec Portugal')	Maia	Commercialization of products and management services, implementation and consulting in information systems and technologies areas.	S21 Sec Gestion	100%	80.90%	100%	80.90%
S21 Sec Gestion, S.A. ('S21 Sec Gestion')	Guipuzcoa	Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others.	Sonaecom CSI	80.90%	80.90%	80.90%	80.90%
S21 Sec Information Security Labs, S.L. ('S21 Sec Labs')	Navarra	Research, development and innovation, as well as consulting, maintenance and audit for products, systems, facilities and communication and security services.	S21 Sec Gestion	100%	80.90%	100%	80.90%
S21 Sec, S.A. de CV ('S21 Sec, S.A. de CV')	Mexico City	Computer consulting services	S21 Sec Gestion S21 Sec Labs	99.9996% 0.0004%	80.90%	99.9996% 0.0004%	80.90%
Sonaecom - Cyber Security and Intelligence, SGPS, S.A. ('Sonaecom CSI')	Maia	Management of shareholdings.	Sonae IM	100%	100%	100%	100%
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP')	Maia	Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training.	Sonaecom	100%	100%	100%	100%

\* Sonaecom effective participation



Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2020		2019	
				Direct	Effective*	Direct	Effective*
Sonae Investment Management – Software and Technology, SGPS, S.A. (SonaeIM)	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaeacom	100%	100%	100%	100%
Taikai, LTDA (Taikai) (a)	Oporto	Research, design and development of products and services in the field of information technologies, as well as investment and training related to the development of new business information systems.	Bright	-	-	99.01%	99.01%
Tecnológica Telecomunicações, LTDA. (Tecnológica) (b)	Rio de Janeiro	Rendering of consultancy and technical assistance in the area of IT systems and telecommunications.	We Do Brasil	Alienated		99.99%	99.90%
We Do Consulting – Sistemas de Informação, S.A. (We Do) (b)	Maia	Rendering of consultancy services in the area of information systems.	Sonae IM	Alienated		100%	100%
Wedo do Brasil Soluções Informáticas, Ltda. (We Do Brasil) (b)	Rio de Janeiro	Commercialisation of software and hardware; rendering of consultancy and technical assistance related to information technology and data processing.	We Do	Alienated		99.91%	99.91%
We Do Technologies Americas, Inc (We Do USA) (b)	Delaware	Rendering of consultancy services in the area of information systems.	We Do	Alienated		100%	100%
We Do Technologies BV (We Do BV) (b)	Amsterdam	Management of shareholdings.	We Do	Alienated		100%	100%
We Do Technologies BV – Malaysian Branch (We Do Malásia) (b)	Kuala Lumpur	Rendering of consultancy services in the area of information systems.	We Do BV	Alienated		100%	100%
We Do Chile (We Do Chile) (b)	Santiago do Chile	Rendering of consultancy services in the area of information systems.	We Do	Alienated		100%	100%
We Do Technologies Egypt LLC (We Do Egypt) (b)	Cairo	Rendering of consultancy services in the area of information systems.	We Do BV We Do	Alienated		90% 10%	100%
We Do Technologies España - Sistemas de Informação, S.L. (We Do España) (b)	Madrid	Rendering of consultancy services in the area of information systems.	We Do	Alienated		100%	100%
We Do Technologies (UK) Limited (We Do UK) (b)	Berkshire	Rendering of consultancy services in the area of information systems.	We Do	Alienated		100%	100%
We Do Technologies Mexico, S de R.L. (We Do México) (b)	Mexico City	Rendering of consultancy services in the area of information systems.	We Do We Do BV	Alienated		0.001% 99.999%	100%

\* Sonaeacom effective participation

(a) In November 2019, a capital increase was made at Taikai, which Sonae IM did not subscribe to, resulting in the dilution of its participation and consequent loss of control and significant influence in the company. The investment in this company at 31 December 2019 is now recorded in Investments at fair value through other comprehensive income.

(b) On 13 August 2019, Sonae IM sold its participation of We Do, with effect at 31st July 2019.

(c) Venture Capital Fund constituted in June 2020.

## 5. Changes in the group

During the periods ended at 30 June 2020 and 2019, the following changes occurred in the composition of the Group:

### a) Acquisitions

Shareholder	Subsidiary	Date
2020		
Sonae IM	Sales Layer Tech, S.L. ('Sales Layer') (note 7)	Mar-20
Fundo Bright Vector I	Portugate S.A. ('Replai') (note 7)	Jun-20

Shareholder	Subsidiary	Date
2019		
Sonae IM	Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização ('Armlar I+I') - increase (note 6)	Jan-19
Sonae IM	ViSenze Pte. Ltd ('ViSenze') (note 7)	Feb-19
Sonae IM	Case on IT, S.L. ('Case on IT') (note 7)	Feb-19
Sonae IM	CB-4, Ltd ('CB-4') (note 7)	Feb-19
Fundo Bright Vector I	Automaise, Lda ('Automaise') (note 7)	Mar-19
Fundo Bright Vector I	Social Disruption Marketing Agency, Lda ('Swau') (note 7)	Apr-19
Sonae IM	Cellwise Wireless Technologies Ltd. ('Cellwise') (note 7)	May-19
Bright	Fyde, Inc. ('Fyde') (note 7)	Jun-19

## b) Constitutions

Shareholder	Subsidiary	Date
2020		
Sonae IM and Sonaeacom	Bright Tech Innovation I	Jun-20

## c) Alienations

Shareholder	Subsidiary	Date
2019		
Sonae IM	Saphety	Mar-19
Saphety	Saphety Brasil	Mar-19
Saphety	Saphety Colombia	Mar-19

### Effects of the alienation of subsidiaries in the condensed consolidated financial statements

In March 2019, the companies that are part of the Saphety Group were alienated by the amount of EUR 8,580,809 (includes the amount of EUR 2,723,878 related to loans) to its management team, supported by Oxy Capital. As a result of the value of sale and the derecognition of the Saphety Group, an add value of EUR 4,933,947 was registered, as detailed below:

	Saphety Group
(Amounts expressed in Euro)	March 2019
<b>Derecognised assets</b>	
Tangible assets	(280,044)
Intangible assets	(2,303,459)
Rights of use	(1,487,795)
Deferred tax assets	(123,408)
Trade debtors	(2,725,770)
Other current debtors	(209,344)
Other current assets	(831,324)
Cash and cash equivalents	(257,712)
	<b>(8,218,856)</b>
<b>Derecognised liabilities</b>	
Loans obtained	154,202
Trade creditors	662,099
Other current creditors	597,649
Other current liabilities	2,484,972
	<b>3,898,922</b>
<b>Total net assets derecognised</b>	<b>4,319,934</b>
<b>Total net assets derecognised of non-controlling interests</b>	<b>(571,288)</b>
Exchange reserves	(101,784)
<b>Total net assets derecognised after non-controlling interests</b>	<b>3,646,862</b>
<b>Amount received</b>	<b>8,580,809</b>
<b>Gain / (loss) resulting from the sale</b>	<b>4,933,947</b>

## d) Discontinued

Shareholder	Subsidiary	Date
2019		
Sonae IM	We Do Australia	Mar-19
S21 Sec Gestion	S21 Sec Brasil	Jun-19



## e) Merges

In May 2019 an absorption merger proceeded between the incorporating company S21 Sec Gestion, S.A. and the incorporated company Nextel, S.A., which the S21 Sec Gestion, SA incorporated, with retroactive accounting effects as from 1 January 2019, this company's entire operating activity, as well as Nextel's global transfer of its assets to book value. This merger had no impact on Sonaecom's consolidated accounts for the period ended at 30 June 2019.

## 6. Investments in associated companies and companies jointly controlled

The associated companies and the companies jointly controlled, their head offices, percentage of ownership and value in profit and loss statement at 30 June 2020 and 2019 are as follows:

		Percentage of ownership				Value in profit and loss statement	
		30 June 2020		30 June 2019		30 June 2020	30 June 2019
		Direct	Total	Direct	Total		
Head Office							
ZOPT, SGPS, S.A. ('ZOPT') (a)	Oporto	50.00%	50.00%	50.00%	50.00%	10,555,528	20,656,000
Unipress – Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50.00%	50.00%	50.00%	50.00%	(17,591)	47,247
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. ('Rádio Nova')	Oporto	50.00%	50.00%	50.00%	50.00%	(34,819)	25,411
Intelligent Big Data, S.L. ('Big Data') (b)	Gipuzcoa	50.00%	50.00%	50.00%	50.00%	(526)	(113)
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	Lisboa	50.74%	50.74%	50.74%	50.74%	137,923	135,627
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III) ( c)	Lisboa	42.80%	42.80%	42.73%	42.73%	328,922	(869,035)
Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização (Armilar I+I)	Lisboa	38.25%	38.25%	38.25%	38.25%	(666,862)	(264,496)
Secucloud Network GmbH ('Secucloud')	Hamburg	27.45%	27.45%	27.45%	27.45%	(90,928)	(524,314)
Probe.ly	Lisbon	21.21%	21.21%	21.21%	21.21%	4,385	(8,071)
Suricate Solutions	Luxembourg	20.00%	11.84%	20.00%	11.84%	-	(16,356)
Alfaros SAR	Tunisia	40.00%	23.68%	40.00%	23.68%	-	(1,035)
Total						10,216,032	19,180,865

(a) Includes the incorporation of the results of the subsidiaries in proportion to the capital held.

(b) Company directly owned by S21 Sec Gestion

(c) In November 2019 a capital increase of EUR 206,295 respectively was subscribed, resulting in a variation of the effective participation of 0.07%

As a result of the Funds' legislation, Sonaecom does not have control over them, since it does not have control over its management entity.

In accordance with the IFRS 11, the classification of investments in companies jointly controlled is determined based on the existence of an agreement that clearly demonstrate and regulate the joint control. The Group held associated and jointly controlled companies, as decomposed below.

The division by company of the amount included in the investments in associated companies and join controlled at 30 June 2020 and 31 December 2019 is as follows:

	30 June 2020			31 December 2019		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
<b>Investments in companies jointly controlled</b>						
Zopt	561,906,864	87,527,500	649,434,364	554,696,744	87,527,500	642,224,244
Unipress	462,726	321,700	784,426	480,317	321,700	802,017
SIRS	14,626	-	14,626	14,626	-	14,626
	553,392,312	87,849,200	650,233,416	555,191,687	87,849,200	643,040,887
<b>Investments in associated companies</b>						
Armilar II	94,349,319	-	94,349,319	94,176,915	-	94,176,915
Armilar III	33,119,007	-	33,119,007	32,707,854	-	32,707,854
Armilar I+I	16,223,368	-	16,223,368	17,056,946	-	17,056,946
Secucloud	(2,450,566)	4,419,742	1,969,176	(2,359,638)	4,419,742	2,060,104
Probe.ly	(115,287)	297,168	181,881	(119,672)	297,168	177,496
Suricate Solutions	31,281	-	31,281	4,942	-	4,942
Alfaros SARL	4,938	-	4,938	31,278	-	31,278
	141,741,429	4,716,910	145,878,970	141,498,625	4,716,910	146,215,535
Total	695,133,741	92,566,110	796,112,386	696,690,312	92,566,110	789,256,422

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



In this context of uncertainty regarding the level of evolution and contagion of the COVID-19, strong economic slowdown and estimated changes to the consumption pattern of the Portuguese, the business plans prepared in the year of 2019, are under review in face of the new reality. Regarding the ZOPT's participation, it has already been negatively impacted due to the negative impacts verified in some business areas as described below.

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

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

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

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

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

## ZOPT Group provisions

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

### 1. Actions by MEO against NOS S.A., NOS Madeira and NOS Açores and by NOS S.A. against MEO

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



## 2. Action brought by DECO

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

## 3. Contractual Penalties

In 2020, due to the foreseeable sharp reduction in the collection of these penalties, as a direct consequence of the slowdown in the Portuguese economy due to the measures adopted to combat the new coronavirus COVID-19, NOS recognised expected credits losses to all penalties billed to customers and not provisioned, in the amount of approximately EUR 7.0 million.

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

## 4. Assignment agreements football broadcast rights

In the period ended on 30 June 2020, with the cancellation of the 2nd football league as a result of the pandemic Covid-19, the payment to these clubs, in the amount of EUR 0.7 million, is suspended.

## Another subjects

### *Disposal of NOS Towering, S.A.*

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

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

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

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

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

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

## COVID-19

With the emergence, spread and infection of the new coronavirus (COVID-19), several measures were taken to contain the virus with very significant estimated impacts on the Portuguese economy, as well as in other economies, namely, limitations on travel rights and closure of several facilities and establishments.



This is a situation of uncertainty and very dynamic, which makes it extremely difficult to estimate impacts, which always have to consider several scenarios and countless variables. Evidence of this difficulty is the historical drops and sharp volatility of exchanges, all over the world.

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

- i. Cinemas and Audiovisuals: complete closure of NOS' theatres on 16 March and postponement of a number of movie premieres, slightly offset by cinema rentals negotiations;
- ii. Roaming and international calls: traffic and revenues impacted by restrictions imposed on international travel;
- iii. Equipment sales: with the closure of shopping centers and travel restrictions, there was a reduction in the sale of mobile phones and equipment, which is partially offset by the increase in online sales (in the long run there may be a positive effect on the evolution customer take-up of digital channels);
- iv. Mobile data revenues: quarantine and isolation situations imply an increase in the use of wireless networks, reducing the use of mobile data; and,
- v. Drop in revenue related to premium sports during the period when the national championship was suspended and advertising content.

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

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

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

#### *Liquidity and interest rate risk*

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



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

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

### Credit risk

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

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

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

## 7. Financial assets at fair value through other comprehensive income

At 30 June 2020 and 31 December 2019, this caption was composed as follows:

	30 June 2020	31 December 2019
Arctic wolf	12,101,193	12,101,193
Ometria	8,095,987	8,095,987
Sixgill	5,415,162	5,415,162
Cellwize	5,357,593	5,357,593
CB4	4,368,720	4,368,720
ViSenze	3,459,140	5,260,238
Case on IT	2,930,744	2,930,744
Daisy Intelligence	2,406,623	2,406,623
Reblaze	2,352,438	2,352,438
Nextail	2,300,000	2,300,000
Sales Layer	2,500,358	-
ciValue	1,970,097	1,970,097
StyleSage	1,848,578	1,848,578
Jscrambler	1,250,000	1,250,000
Whitefantasy	640,804	640,804
Replai	600,000	-
Fyde	-	443,687
Others	1,986,058	1,625,158
	59,583,495	58,367,022

At 30 June 2020, these investments correspond to shareholdings in unlisted companies in which the Group has no significant influence.

According to IFRS 9 these investment are defined as 'Investments at fair value through other consolidated comprehensive income' as they are held as long-term strategic investments and there is no expectation that these investments will be sold in the short and medium term, and, so, were irrevocably designated as investments at fair value through other comprehensive income. For investments with a maturity of less than a year the acquisition costs were considered as a reasonable approximation of their fair value. For investments with a maturity greater than a year the subsequent changes in fair value are presented through other consolidated comprehensive income.



In the periods ended at 30 June 2020 and 2019, the change in investments at fair value through other comprehensive income was as follows:

	30 June 2020	30 June 2019
Opening balance	58,367,022	28,101,682
Acquisitions/Capital Increases	3,275,358	12,016,171
Fair value	(2,058,885)	-
Closing balance	59,583,495	40,117,853

#### Arctic Wolf

Arctic Wolf, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. American technology investors Lightspeed Venture Partners and Redpoint joined Sonae IM and Knollwood Investment Advisory in the Series B financing round. During 2018, the company closed in USD 45 million Series C financing round and at the end of 2019, launched a new USD 60 million Series D round, which ended in the beginning of 2020 with a significantly higher appreciation. Sonae IM participated in both rounds, reinforcing its participation.

#### Ometria

Ometria is an English company with a customer marketing platform powered by Artificial Intelligence and with the vision to become the central hub that powers all the communication between retailers and their customers. This investment was made by Sonae IM in 2017 in a Series A financing round, together with several strategic investors (including Summit Action, the Summit Series VC fund) and was reinforced in 2019 during a Series B financing round.

#### Sixgill

In December 2019, Sonae IM invested in Sixgill which is a leader in the cybersecurity intelligence market in the deep and dark web. Sixgill helps Fortune 500 companies, financial institutions, governments and law enforcement authorities to protect their finances, their networks and their reputation for cyber attacks that exist on deep, dark and surface webs. Its advanced technology platform manages to automate all phases of the intelligence cycle - data collection, analysis and dissemination - providing organizations with unique and actionable information to protect their assets from various cyber threat scenarios, which are constantly evolving. The USD 15 million financing round was led by Sonae IM and REV Venture Partners, with the participation of Our Crowd, with previous investors, Elron and Terra Venture Partners, also participating in the investment round.

#### Cellwize

Cellwize provides network orchestration and automation solutions for global telecom operators, located in Israel. Cellwize, through a virtualised service orchestration platform, offers modular solutions for agile adoption of capabilities for 'zero-touch' automation on the network. Supports network operations, especially due to the increase in network density and complexity, driven by the adoption of 5G. ISONAE IM invested in a USD 15 million led by Deutsche Telekom Capital Partners.

#### ViSenze

ViSenze is a company that delivers intelligent image recognition solutions that shorten the path to action as consumers search and discover on the visual web. Retailers use ViSenze to convert images into immediate product search opportunities, improving conversion rates. Media companies use ViSenze to turn any image or video into a retention opportunity, generating additional revenue. In November 2018, Sonae IM co-led a USD 20 million Series C financing round with Gobi Partners that will allow the artificial intelligence company to further invest in penetration among smartphone manufacturers, as well as consumer applications and social communication.

#### CB4

CB4 is a company located in Israel that provides a patented artificial intelligence software solution for traditional retailers to identify and correct critical in-store operational problems. The investment was made in February 2019, as part of a USD 16 million Series B financing round led by Octopus Ventures and with the participation of Sonae IM. Existing investors Sequoia Capital and Pereg Ventures also participated in the round.

#### Case on IT

Case on IT is a Spanish company that developed a product called MedUx that is machine learning solution for the measurement, prediction and analysis of landline, mobile and television services quality. Medux measures the customer experience in markets that together serve more than 600 million users worldwide. The company launched a Series B investment round with Sonae IM.





### Daisy Intelligence

The company develops an Artificial Intelligence (AI) platform for retail and insurance companies in order to improve their management and risk management performance. In 2019, Sonae IM, together with Framework Venture Partners, invested in a Series A financing round of CAD 10 million (about Euro 7 million).

### Reblaze

Reblaze is a company located in Israel that provides propriety security technologies in a unified platform, shielding assets from threats found on the Internet. In 2018, the company launched a Series A investment round, led by Sonae IM together with JAL Ventures and Data Point Capital.

### Nextail

This Spanish company developed a cloud-based platform that combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations. In 2018, the company launched a USD 10.0 million Series A investment round, led by London and Amsterdam-based venture capital firm KEEN Venture Partners LLP ("KEEN"), together with Sonae IM and the current investor Nauta Capital. The new funding is being used to accelerate product development and double the size of the team as it grows internationally.

### ciValue

ciValue is a company located in Israel with offices in New York, Paris and Tel Aviv and is a disruptive provider of cloud-based Precision Marketing and Supplier Advertising Platforms for Retailers. In 2018, Sonae IM, together with Nielsen, led a USD 6 million Series A investment round.

### Sales Layer

Sales Layer is a company based in Spain with a cloud based product information management solution (Product Information Management or PIM), which helps brands and retailers to transform their catalogs into a digital, enriched and multichannel control center. Sonae IM recently led its Series A investment round.

### Style Sage

The company is a strategic analytics SaaS platform that helps fashion, home and beauty retailers and brands with critical pre, in and post season decisions globally. Stylesage daily extracts product data from websites of e-commerce competitors around the world. Then, with innovative technology in machine learning and visual recognition, Stylesage treats, organizes and analyzes the huge amounts of data collected in a cloud-based dashboard that allows brands and retailers to make informed and targeted decisions in areas such as line planning, price optimization and global expansion.

### Jscrambler

Jscrambler is a Portuguese startup company and its main activity is develop a security solution to protect Web and Mobile Applications (Javascript code). In 2018, the company launched a Series A investment round in the amount of USD 2.3 million, which was led by Sonae IM, with Portugal Ventures as a co-investor.

### Whitefantasy

The company develops digital solutions and dedicates its activity to computer programming activities.

### Replai

Replai is an artificial intelligence based tech company that uses algorithms to put together a set of highlights from any livestream competition, creating custom-made clips for each social network to maximise audiences and generating revenue for sponsors and advertisers.



## 8. Sales and services rendered

At 30 June 2020 and 2019, this caption was composed as follows:

	2020	2019
Technologies	62,671,085	66,514,711
Media and others	6,939,121	8,017,276
	69,610,206	74,531,987

The detail of unrecognised revenue related to performance obligations of contracts with customers not satisfied in the period ended at 30 June 2020, by type of contract and according to its duration, is as follows:

	Contract with customer duration				
	2020	2021	2022	>2022	Total
Technologies:					
Cybersecurity	4,050,587	6,442,612	3,563,265	2,316,799	16,373,263
Others	23,559	23,559	-	-	47,118
Total revenue from contracts with customers	4,074,146	6,466,171	3,563,265	2,316,799	16,420,381

## 9. Related parties

During the periods ended at 30 June 2020 and 2019, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group and to the concession and obtainment of loans.

The most significant balances and transactions with related parties during the periods ended at 30 June 2020 and 2019 were as follows:

						Balances at 30 June 2020
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	Loans granted
Parent Company (Sonae SGPS)	3,881,303	4,797,055	-	914,598	11,948	-
Companies jointly controlled	6,056,754	407,894	4,700	13,355	211,323	-
Associated companies	-	-	-	1,372,295	-	-
Others related parties	9,257,430	88,382	-	3,564,535	102,350	611,716
	19,195,488	5,293,331	4,700	5,864,783	325,622	611,716

						Balances at 30 June 2019
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	Loans granted
Parent Company (Sonae SGPS)	2,382,736	7,033,321	-	1,458,849	46,003	-
Companies jointly controlled	7,239,653	475,212	4,700	141,989	3,728,538	-
Associated companies	-	-	-	1,300,351	-	-
Others related parties	11,605,175	182,476	-	1,708,870	818,188	-
	21,227,564	7,691,009	4,700	4,610,058	4,592,729	-

						Transactions at 30 June 2020
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	18,191	158,011	314,212	-	-	-
Companies jointly controlled	6,526,046	376,438	81	-	-	127,000
Associated companies	-	-	31,018	-	-	1,668
Others related parties	11,547,637	343,125	64,800	6,996	-	49,869
	18,091,875	877,574	410,112	6,996	-	178,537

						Transactions at 30 June 2019
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	1,411	47,015	175,760	-	-	-
Companies jointly controlled	9,375,325	685,324	83	-	-	147,000
Associated companies	-	414	15,416	-	-	-
Others related parties	14,047,493	479,160	24,603	65	-	99,007
	23,424,229	1,211,913	215,863	65	-	246,007



During the period ended on 30 June 2020, the company distributed as dividends the amount of EUR 6,724,906 to Sonae (EUR 9,074,572 in 2019) and EUR 16,107,239 to Sontel BV (EUR 21,735,069 in 2019).

During the period ended at 30 June 2019, the company recognised the amount of EUR 35,491,559, referring to dividends from Zopt.

The transactions between Group companies were eliminated in consolidation, and therefore are not disclosed in this note.

All the above transactions were made at market prices.

Both accounts receivable and payable with related parties will be paid in cash and have no guaranties attached.

During the periods ended at 30 June 2019 and 2018, no impairment losses have been recognised as accounts receivables of related parties.

## 10. Segment information

In the periods ended at 30 June 2020 and 2019, the following business segments were identified:

- Media;
- Technologies; and
- Holding activities.

These segments were identified taking into consideration the following criteria/conditions: the fact of being group units that develop activities where we can separately identify revenues and expenses, for which financial information is separately developed and their operating results are regularly reviewed by management and over which decisions are made. For example, decisions about allocation of resources, for having similar products/services and also taking into consideration the quantitative threshold (in accordance with IFRS 8).

The segment 'Holding activities' includes all the operations of the parent company that have as their main activity the management of shareholdings.

Excluding the ones mentioned above, the remaining activities of the Group have been classified as unallocated.

Inter-segment transactions during the years ended at 30 June 2020 and 2019 were eliminated in the consolidation process. All these transactions were made at market prices.

Inter-segment transfers or transactions were entered under the normal commercial terms and conditions that would also be available to unrelated third parties and were mainly related to interest on treasury applications and management fees.

Overall information by business segment at 30 June 2020 and 2019, prepared in accordance with the same accounting policies and measurement criteria adopted in the preparation of the consolidated financial statements, can be summarised as follows:

	Media		Technologies		Holding Activities		Subtotal		Eliminations and others		Total	
	June 2020	June 2019	June 2020	June 2019 (restated)	June 2020	June 2019	June 2020	June 2019 (restated)	June 2020	June 2019 (restated)	June 2020	June 2019 (restated)
Revenues:												
Sales and services rendered (restated)	6,482,561	7,951,258	62,870,853	66,306,182	171,250	179,537	69,524,664	74,436,977	85,542	95,010	69,610,206	74,531,987
Other operating revenues (restated)	224,480	316,607	801,927	642,987	19,925	1,066	1,090,840	1,112,401	151,344	(134,890)	1,092,017	964,104
Total revenues	6,707,041	8,267,865	63,672,780	66,949,169	191,175	180,603	70,570,996	75,397,637	236,886	(39,880)	70,702,223	75,496,091
Depreciation and amortisation (restated)	(596,079)	(507,061)	(3,669,176)	(3,435,884)	(15,701)	(16,871)	(4,280,956)	(3,959,816)	(209,510)	(210,359)	(4,490,466)	(4,170,175)
Provisions and impairment losses (restated)	-	-	(52,939)	(59,341)	(64,139)	(22,784)	(117,078)	(82,125)	-	-	(117,078)	(82,125)
Net operating income / (loss) for the segment	(1,917,544)	(1,405,662)	(5,110,970)	(6,457,477)	(696,821)	(679,432)	(7,725,335)	(8,542,571)	439,439	154,920	(7,285,896)	(8,387,651)
Interest income (restated)	9,436	2,664	93,084	173,495	488,123	456,428	590,643	632,587	(159,763)	(215,475)	430,880	417,112
Interest expenses (restated)	(8,394)	(13,197)	(409,782)	(568,713)	(984)	(1,560)	(419,160)	(583,470)	100,210	237,930	(318,950)	(345,540)
Gains and losses in associated companies and joint ventures (restated)	(52,410)	72,657	(287,086)	(1,547,792)	10,555,528	20,656,000	10,216,032	19,180,865	-	-	10,216,032	19,180,865
Other financial results (restated)	(5,638)	(2,075)	(567,203)	(27,670)	(1,643,188)	201,464	(2,216,029)	171,719	1,603,161	(223,079)	(612,868)	(51,360)
Income taxation (restated)	433,001	471,303	1,084,107	910,046	50,535	47,372	1,567,643	1,428,721	10,775	212,643	1,578,418	1,641,364
Consolidated net income/(loss) for the period (restated)	(1,541,549)	(874,310)	(5,197,850)	(7,518,111)	8,753,193	20,680,272	2,013,794	12,287,851	1,993,822	166,939	4,007,616	12,454,790
Consolidated net income/(loss) for the period of discontinued operations	-	-	-	3,794,325	-	-	-	3,794,325	-	247,627	-	4,041,952
Attributable to:												
Shareholders of parent company (restated)	(1,541,549)	(874,310)	(4,322,829)	(2,705,043)	8,753,193	20,680,272	2,888,815	17,100,919	2,006,142	370,226	4,894,957	17,471,145
Non-controlling interests (restated)	-	-	(875,021)	(1,018,743)	-	-	(875,021)	(1,018,743)	(12,320)	44,340	(887,341)	(974,403)
	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019	June 2020	December 2019
Assets:												
Tangible and intangible assets and goodwill	912,651	1,085,100	30,982,370	33,439,077	83,480	99,182	31,978,501	34,623,359	2,776,855	2,908,728	34,755,356	37,532,087
Inventories	254,194	230,916	48,477	9,445	-	-	302,671	240,361	-	-	302,671	240,361
Investments in associated companies and joint ventures	746,106	781,401	145,878,970	146,215,537	649,434,364	642,224,244	796,059,440	789,221,182	52,946	35,240	796,112,386	789,256,422
Financial assets at fair value through other comprehensive income	47,947	47,947	59,535,548	58,319,075	-	-	59,583,495	58,367,022	-	-	59,583,495	58,367,022
Other non-current assets and deferred tax assets	484,405	155,743	10,717,322	8,652,419	89,319,836	82,520,603	100,521,562	91,328,765	(85,952,501)	(79,073,586)	14,569,061	12,255,179
Other current assets of the segment	10,567,307	10,261,294	70,311,580	47,853,751	202,227,966	238,142,387	283,106,853	296,257,432	1,530,476	9,092,979	284,637,329	305,350,411
Liabilities:												
Liabilities of the segment	7,904,595	7,704,711	145,127,796	102,200,346	1,859,470	2,412,829	154,891,861	112,449,845	(16,855,144)	18,039,218	138,036,717	130,489,063
CAPEX	429,457	482,128	6,358,005	17,019,247	12,292,246	13,881,839	19,079,708	31,383,214	(12,259,992)	(13,128,844)	6,819,716	18,254,370



During the period ended at 30 June 2020 and 2019, the inter-segments sales and services were as follows:

	Media	Technologies	Holding Activities
<b>2020</b>			
Media	-	143,617	-
Technologies	-	-	80,000
Holding Activities	-	1,453	-
External trade debtors	6,482,561	62,725,783	91,250
	6,482,561	62,870,853	171,250
<b>2019</b>			
Media	-	119,672	-
Technologies	35,000	-	79,905
Holding Activities	-	2,709	-
External trade debtors	7,916,258	66,183,801	99,632
	7,951,258	66,306,182	179,537

During the periods ended at 30 June 2020, and 2019 sales and services rendered in the Media and Holding Activities segments were obtained predominantly in the Portuguese market, with this market representing approximately 97% and 100% of revenue, respectively.

During the period ended at 30 June 2020, for the Technologies segment, the Portuguese market is also dominant, representing 61.9% of revenue (65.6% in 2019) followed by the Spanish market representing 22.94% of revenue (18.87% in 2019).

## 11. Other Matters

The 1H20 was marked by COVID 19 emergence in Europe and the subsequent formal national lock-down declared on 18th March. Gradual easing of restrictions have been announced since mid-May but under a difficult and challenging economic environment.

The financial and operational impacts are uneven in different segments and, so far, the Group's business operations have been affected in very different levels:

- The technology area did not feel any significant impacts resulting from this situation on its 1H20 results, except a slowdown on Professional Services revenues, on Technology Reselling (either due to a reduction in demand or a drop in supply) and on the rhythm of commercial activity for new businesses.
- At NOS, the main operational impacts of the pandemic on revenues in 1H20 were felt in particular in: i) Cinema and Audiovisual Exhibition: complete closure of NOS cinemas on 16 March and postponement of several film premieres; ii) Roaming and international calls: traffic and revenues were impacted by restrictions on international travel; iii) Premium sports channels: reduction in revenues, due to the provision of monthly fees, given the absence of live sports events; and iv) Equipment: drop in sales due to the closure of all retail activity, namely shopping centres and general restrictions on circulation.
- Público's activity was materially impacted, namely the sale of newspapers, with the closure of most points of sale, and advertising revenues.

The potential impact that this situation may have depends on the level of evolution and contagion of the virus, so making projections difficult. However, at this stage, given the progressive easing of restrictive measures in Europe, the possibility of a second lock-down and the consequent financial crisis, still predict a challenging second half.

However, given the company's capital structure, with a significant amount in cash and bank deposits and a reduced amount of interest-bearing debt, no material changes in the Company's liquidity are expected. Furthermore, Sonaecom will continue to implement all measures deemed appropriate to minimize their impacts, in line with the recommendation of the competent entities and in the best interest of all our stakeholders.



## 12. Subsequent Events

### **Disposal of NOS Towering, S.A.**

At 7 July 2020, the Competition Authority communicated its non-opposition to the agreement signed in April between NOS Comunicações and Cellnex for the sale of 100% of NOS Towering (note 6).

Sonaecom SGPS is listed on the Euronext Stock Exchange. Information is available on Reuters under the symbol SNC.LS and on Bloomberg under the symbol SNC:PL.

## 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 are not 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, the telecommunications 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, analysts and, generally, the 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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