

RESULTS ANNOUNCEMENT 1Q20



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.



1. Main Highlights

Service revenues increasing 10.8% y.o.y., partially offsetting the decrease on technology resale, and with positive profitability evolution

Negative Net Income at NOS due to COVID-19 pandemic impacts, namely the significant non-recurrent items recorded

Solid growth of cybersecurity services in the Technology area

2. Sonaecom Consolidated Results

Introductory note:

Since its emergence in Europe, at the beginning of 2020, and particularly since the formal national lock-down declared on 18th March, the Board of Directors has followed in detail and with great concern all developments related to the Covid-19 pandemic, following closely the position of the competent international entities, namely the World Health Organization and the European Centre for Disease Prevention and Control, as well as the Portuguese Directorate-General of Health.

Considering the level of existent risk, a self-government model was developed to manage this crisis, in alignment with the various businesses, depending on the level of risk defined at each moment. Prevention/contingency plans were triggered, defined and developed, covering the entire organization, from operations to central structures and a set of risk mitigation measures were identified.

In this sense and considering the high risk of contagion and spread of the virus, mandatory actions were defined and communicated, as well as recommendations for all employees, such as the prohibition of all trips; advising against realization/participation in congresses, fairs, exhibitions and extended training; disclosure of care to be taken in hand hygiene and respiratory etiquette measures; telework/remote work procedures, ensuring for that purpose – and depending on the criticality identified – the existence of portable computers and internet access for employees, among many others.

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 1Q20 results, but we know that the magnitude and degree of uncertainty that an event of this nature involves may have negative impacts in the coming quarters, namely on Professional Services revenues, on Technology Reselling (either due to a reduction in demand or a drop in supply) and on the value of some minority stake
- At NOS, the main operating impacts of the pandemic in 1Q20 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 spread of COVID-19 has caused historic falls in the capital market and instability in asset values on all world stock exchanges.

The potential impact that this situation may have depends on the level of evolution and contagion of the virus, making projections difficult. However, at this stage, given the progressive easing of restrictive measures in Europe, we still expect a challenging Q2 but hopefully a gradually more normalized Q3 and Q4. Importantly, 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.



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 significant non-recurrent items and the slowdown in activity, in particular in the Cinema and Audiovisuals and Wholesale segments.

During 1Q20, Technology area continued to enlarge its portfolio, entering in the capital of a new retail tech company and reinforcing its investment in some portfolio companies.

Turnover

Consolidated turnover in 1Q20 reached 29.4 million euros, decreasing 14.7%, when compared to 1Q19.

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

Operating costs

Operating costs amounted to 32.0 million euros, 14.2% below 1Q19. Personnel costs grew 2.1% and Commercial costs decreased 30.8% to 14.6 million euros, mainly driven by the lower cost of goods sold, aligned with the lower level of sales. Other operating costs increased 19.6%, mainly explained by the higher level of Outsourcing costs.

EBITDA

Total EBITDA, despite the slight improvement of underlying EBITDA, decreased and stood at negative 3.3 million euros, explained by the decrease on equity results and non-recurrent items.

In 1Q19, 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 negative 1.1 million euros.

Net results

Sonaecom's EBIT decreased to negative 5.5 million euros, from positive 9.4 million in 1Q19, explained by the lower level of EBITDA and the higher level of depreciations.

Sonaecom's earnings before tax (EBT) decreased from 9.6 million to negative 6.0 million euros, driven by the lower EBIT and financial results.

Indirect results reached 0.2 million euros, that compare with 0.1 million euros in 1Q19, impacted by Armilar Venture Funds' portfolio fair value adjustments.

Net results group share stood at negative 4.5 million euros, below the positive 11.1 million euros presented in 1Q19.

Operating CAPEX

Sonaecom's operating CAPEX decreased to 1.3 million euros, reaching 4.5% of turnover, 4.9 p.p. below 1Q19. Excluding the IFRS 16 impact, operating CAPEX would be 0.7 million euros, 0.5 million euros below 1Q19.

Capital structure

The net cash position stood at 232.5 million euros, decreasing 3.9 million euros since December 2019. Excluding IFRS 16 impacts, Net cash position stood at 246.7 million euros, 4.0 million below December 2019, mainly driven by 3.7 million euros of investments.

2.1 Telecommunications

NOS operating revenues were 345.4 million euros in 1Q20, decreasing 3.0% y.o.y..

EBITDA reached 152.7 million euros, decreasing 4.6% when compared to 1Q19 and representing a 44.2% EBITDA margin.

CAPEX excluding leasings amounted to 88.2 million euros in 1Q20, an increase of 1.1% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 11.5%.

At the end of 1Q20, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,311.1 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.9x EBITDA, and with an average maturity of 3.0 years.

NOS published its 1Q20 results on 6th May 2020, which are available at www.nos.pt.

During 1Q20, NOS share price decreased 36.4% from €4.800 to €3.052, whilst PSI20 decreased by 22.0%.

Operational Indicators

Million euros

Operational Indicators ('000)	1Q19	1Q20	Δ 20/19	4Q19	q.o.q.
Total RGUs	9,508.5	9,707.9	2.1%	9,687.3	0.2%
Convergent + Integrated RGUs	4,521.0	4,753.7	5.1%	4,704.5	1.0%

Financial indicators

Million euros

NOS HIGHLIGHTS	1Q19	1Q20	Δ 20/19	4Q19	q.o.q.
Operating Revenues	355.9	345.4	-3.0%	366.4	-5.7%
EBITDA	160.2	152.7	-4.6%	135.9	12.4%
EBITDA margin (%)	45.0%	44.2%	-0.8pp	37.1%	7.1pp
Net Income	42.5	-10.4	-	5.4	-
CAPEX excluding Leasings	87.3	88.2	1.1%	99.7	-11.5%
EBITDA-CAPEX excluding Leasings	72.9	64.5	-11.5%	36.2	78.1%

* 2019 and 1Q20 accounts are adjusted to reflect the announcement of the sale of NICS on 1 April 2020, which is still pending regulatory approval.

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 and Vector I fund, four controlled companies – S21Sec, Bizdirect, Inovretail and Excellium – that generated circa 44.6% of its revenues outside the Portuguese market with 71.8% out of the total 677 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. Sonae IM investment, at the end of 2018, was aimed both at accelerating growth through a capital raise and acquisition of a majority stake.

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.

During 1Q20, 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 4.6% 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 a company builder studio whose goal is to transform the creation of new ventures and the way companies address innovation. Bright Pixel is managing a venture lifecycle going from experimentation and lab phases that have the objective to identify ideas and projects that should be brewed in its incubation program. Bright Pixel invests and supports the development of internally brewed projects as well as assisting their first batch of invited startups in their product development roadmap and market rollout.

Bright Pixel is also investing in events, like Pixels Camp, to link its activity to the tech community as well as promoting a close relationship with its partners, by developing quick proof of concepts aimed at resolving technology and business needs in themes such as retail, media, cyber-security and telecommunications.

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	1Q19 ^(R)	1Q20	Δ 20/19	4Q19	q.o.q.
Turnover	30.7	25.7	-16.2%	25.5	0.8%
Service Revenues	9.9	11.0	11.6%	10.5	4.7%
Sales	20.8	14.7	-29.3%	15.0	-1.9%
Other Revenues	0.4	0.3	-33.4%	0.6	-57.7%
Operating Costs	32.6	27.5	-15.4%	28.4	-3.2%
Personnel Costs	8.6	8.9	4.3%	9.3	-4.3%
Commercial Costs ⁽¹⁾	20.3	14.0	-31.2%	13.8	1.0%
Other Operating Costs ⁽²⁾	3.6	4.6	26.6%	5.3	-12.0%
Underlying EBITDA ⁽³⁾	-1.5	-1.5	3.0%	-0.2	-
Underlying EBITDA Margin (%)	-4.9%	-5.7%	-0.8pp	-0.9%	-4.8pp
Operating CAPEX ⁽⁴⁾	2.4	1.1	-54.8%	2.8	-62.5%
Operating CAPEX as % of Turnover	7.7%	4.1%	-3.5pp	11.1%	-7.0pp
Underlying EBITDA - Operating CAPEX	-3.9	-2.5	34.5%	-3.1	17.7%
Total CAPEX	9.9	4.8	-51.3%	12.5	-61.5%

(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 Sonaeacom structure after Saphety and WeDo sale.

**Turnover**

Turnover decreased 16.2% y.o.y explained by the decrease on the transactional business of third-party products. Service revenues, mainly cybersecurity services, with a double-digit growth when compared to 1Q19.

Operating costs

Operating costs decreased 15.4% to 27.5 million euros mainly explained by the 31.2% decline at Commercial costs, aligned with the lower level of sales. Other operating costs increased 26.6%, mainly explained by the higher level of Outsourcing Costs.

Underlying EBITDA

Underlying EBITDA stood at negative 1.5 million euros, 3.0% better than 1Q19.

Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at negative 2.5 million euros, increasing when compared to 1Q19, mainly explained by the lower level of Operating CAPEX but also driven by the slightly higher EBITDA. Excluding the IFRS 16 impacts, operating CAPEX would have reached 0.5 million euros, 0.5 million euros below 1Q19.

2.3 Media

During 1Q20, 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.

The beginning of the year was marked by a relevant improvement on online business and a stable performance in offline. Since the start of the pandemic and the related restrictive measures, 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, with the cut on marketing expenses implemented across all companies.

The positive performance of online subscriptions and online advertising was not enough to mitigate the negative evolution of offline revenues which translated into an overall 3.8% revenue decrease, when compared to 1Q19.



3. Subsequent Events

Preventive Seizure of 26,075% of the share capital of NOS, SGPS, SA

On April 4th, 2020, SONAE COM, SGPS, S.A., was informed by its affiliate ZOPT that a notice has been received from the Tribunal Central de Instrução Criminal de Lisboa (hereinafter the “Court”) to carry out the preventive seizure (“arresto preventivo”) of 26,075% of the share capital of NOS, SGPS, SA (hereinafter NOS), corresponding to half of the shareholding held by ZOPT in the share capital of NOS, “and, indirectly, by the companies Unitel International Holdings, BV and Kento Holding Limited”, both controlled by Isabel dos Santos. In accordance with such decision, the shares preventively seized are deprived of the exercise of its voting rights and of the right to receive dividends, and the latter shall be deposited in Caixa Geral de Depósitos, S.A., by order of the court. The remaining half of ZOPT’s shareholding in NOS, corresponding to the same percentage of 26.075% — and which, at least in line with the criteria used by the Court, embodies the 50% shareholding held in ZOPT by SONAE COM — was not seized and its inherent rights were not subject to any limitation whatsoever.

Although ZOPT was not notified of the grounds of the preventive seizure, based on the preliminary information available, the Board of Directors of both ZOPT and SONAE COM consider that, not only such preventive seizure is illegitimate and offends several fundamental rights of ZOPT, as it is not legally likely to determine the deprivation of voting rights, or even to inhibit the holder of the arrested shares from continuing to exercise these rights. We understand therefore that such deprivation is null and shall produce no effect. For this reason, the Board of Directors of both ZOPT and SONAE COM consider that the conditions of control of ZOPT over NOS are met, and that this seizure shall have no material effects on the control of this company.

ZOPT will take all the necessary procedures to revert and terminate the seizure procedure and has already presented its opposition (embargos de terceiro).

NOS International Carrier Services (NICS) sale to Tofane Global (1 April 2020)

NOS announced it had reached an agreement with Tofane Global, S.A.S. to sell all of NOS International Carrier Services S.A.’s share capital to iBasis, TOFA owned subsidiary and to supply NOS group companies with wholesale international voice and SMS services, which were previously provided by NOS ICS. Completion of this agreement is subject to non-opposition by the Competition Authority. Considering the approval of the transaction before 31 March 2020, accounts have been restated accordingly for 1Q20 and for FY19.

NOS Tower Sale

NOS announced it had reached an agreement to sell 100% of the share capital of NOS Towering S.A. to Cellnex, encompassing the disposal of approximately 2,000 sites (towers and rooftops). The parties also 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. 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. This operation, which will be accounted as a sale and lease back transaction, was approved after 31 March 2020.

4. Appendix

Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	1Q19 ^(R)	1Q20	Δ 20/19	4Q19	q.o.q.
Turnover	34.4	29.4	-14.7%	29.8	-1.5%
Service Revenues	11.5	12.7	10.8%	12.3	3.8%
Sales	22.9	16.6	-27.5%	17.5	-5.2%
Other Revenues	0.5	0.4	-24.0%	0.9	-53.7%
Operating Costs	37.3	32.0	-14.2%	34.0	-5.8%
Personnel Costs	11.2	11.4	2.1%	12.1	-5.4%
Commercial Costs ⁽¹⁾	21.1	14.6	-30.8%	14.9	-1.8%
Other Operating Costs ⁽²⁾	5.0	6.0	19.6%	7.0	-14.9%
EBITDA	11.5	-3.3	-	-6.8	51.4%
Underlying EBITDA ⁽³⁾	-2.3	-2.1	9.1%	-1.2	-80.0%
Non recurrent items ⁽⁴⁾	5.2	-0.1	-	-2.1	94.1%
Equity method ⁽⁵⁾	9.3	-1.1	-	-3.6	69.5%
Discontinued Operations ⁽⁶⁾	-0.6	0.0	100.0%	0.0	-100.0%
Underlying EBITDA Margin (%)	-6.8%	-7.2%	-0.4pp	-3.9%	-3.3pp
Depreciation & Amortization	2.1	2.2	4.4%	3.9	-43.8%
EBIT	9.4	-5.5	-	-10.8	48.7%
Net Financial Results	0.1	-0.5	-	-0.1	-
Financial Income	0.5	0.7	34.9%	0.8	-12.0%
Financial Expenses	0.4	1.2	-	0.9	36.1%
EBT	9.6	-6.0	-	-10.8	44.4%
Tax results	1.1	0.7	-34.0%	-0.1	-
Direct Results	10.6	-5.3	-	-10.9	51.2%
Indirect Results ⁽⁷⁾	0.1	0.2	117.0%	27.7	-99.3%
Net Income	10.7	-5.1	-	16.8	-
Group Share	11.1	-4.5	-	17.6	-
Attributable to Non-Controlling Interests	-0.3	-0.6	-88.8%	-0.8	24.9%

(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 Alfaro, the 27.45% holding in Secucloud, the 22.88% holding in Probe.ly and the 22.88% 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

	1Q19 ^(R)	1Q20	Δ 20/19	4Q19	q.o.q.
Total Net Assets	1,219.4	1,195.7	-1.9%	1,203.0	-0.6%
Non Current Assets	921.1	898.5	-2.5%	897.4	0.1%
Tangible and Intangible Assets and Rights of Use	45.7	21.9	-52.0%	23.0	-4.6%
Goodwill	36.6	14.5	-60.3%	14.5	0.0%
Investments	823.4	848.7	3.1%	847.6	0.1%
Deferred Tax Assets	10.6	4.2	-60.6%	4.3	-1.2%
Others	4.7	9.1	93.8%	8.0	13.6%
Current Assets	298.3	297.2	-0.4%	305.6	-2.7%
Trade Debtors	42.0	20.1	-52.0%	27.2	-26.0%
Liquidity	224.2	251.0	12.0%	255.9	-1.9%
Others	32.1	26.1	-18.8%	22.5	15.9%
Shareholders' Funds	1,079.6	1,067.1	-1.2%	1,072.5	-0.5%
Group Share	1,079.7	1,068.2	-1.1%	1,073.1	-0.5%
Non-Controlling Interests	-0.1	-1.0	-	-0.6	-63.8%
Total Liabilities	139.8	128.6	-8.0%	130.5	-1.4%
Non Current Liabilities	61.1	71.3	16.7%	71.7	-0.6%
Bank Loans	2.7	3.1	13.4%	3.3	-7.1%
Provisions for Other Liabilities and Charges	23.3	30.8	32.2%	30.8	-0.1%
Others	35.1	37.4	6.7%	37.6	-0.4%
Current Liabilities	78.7	57.3	-27.2%	58.8	-2.5%
Loans	3.3	1.0	-70.6%	1.5	-37.0%
Trade Creditors	19.7	19.1	-2.8%	19.0	0.3%
Others	55.8	37.2	-33.2%	38.2	-2.5%
Operating CAPEX ⁽¹⁾	3.2	1.3	-59.1%	4.7	-72.3%
Operating CAPEX as % of Turnover	9.3%	4.5%	-4.9pp	15.9%	-11.4pp
Total CAPEX	10.7	5.1	-52.9%	14.4	-64.8%
Underlying EBITDA - Operating CAPEX	-5.5	-3.4	38.2%	-5.9	42.0%
Gross Debt	23.5	18.5	-21.2%	19.4	-4.8%
Net Debt	-200.7	-232.5	-15.8%	-236.5	1.7%

(1) Operating CAPEX excludes Financial Investments;

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

The Balance Sheet of 1Q19 was adjusted due to the review of purchase price allocation of Excellium, according to IFRS3.

Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	1Q19 ^(R)	1Q20	Δ 20/19	4Q19	q.o.q.
Underlying EBITDA-Operating CAPEX	-5.5	-3.4	37.9%	-5.9	41.8%
Change in WC	0.3	3.1	-	0.1	-
Non Cash Items & Other	1.2	0.3	-73.6%	6.5	-95.3%
Operating Cash Flow	-4.1	-0.1	98.4%	0.6	-
Investments	1.6	-3.7	-	-11.3	66.9%
Dividends	0.0	0.0	-	0.0	-
Financial results	0.3	-0.1	-	-0.1	12.1%
Income taxes	0.5	0.7	39.8%	0.8	-19.1%
FCF⁽¹⁾	-1.7	-3.2	-89.0%	-9.9	67.5%

⁽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.

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.

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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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