

SONAECOM

SONAECOM

MANAGEMENT REPORT & ACCOUNTS

1Q21



*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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Services revenues increasing 2.3% y.o.y., partially offsetting the decrease on Product sales

Strong EBITDA evolution highly impacted by equity results from ZOPT

Telco operating performance at NOS remained on track in a quarter marked by full lockdown

Technology area with solid growth and profitability improvements at cybersecurity companies

Net Income of 10.6 million euros, showing a strong improvement y.o.y

## 2. Sonaecom Consolidated Results

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### Introductory notes:

#### COVID 19

On 2021 January 7th, following the worsening pandemic situation with a higher transmission rate and an increased number of deaths, it was formally declared a new state of emergency and a new national lock-down which marked almost the full quarter. Only on March 11th, the Portuguese Government approved a gradual easing of lockdown plan based on risk evolution and, already in April, such emergency level was reduced.

The Board of Directors continued to follow in detail and with great concern all the pandemic developments, 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.

Aligned with the Group's Risk Management Policies, contingency plans with correspondent mitigation actions were constantly updated and actioned across all companies and departments, allowing to keep our employees protected and to face this turmoil period with the less loss of value.

The financial and operational impacts continued to be different across segments:

- The technology area continued to prove a strong resilience with no relevant impacts from pandemic situation;
- At NOS, the impacts were felt particularly in Roaming and in the Cinemas and Audiovisuals activity with the closing of all cinemas during the full quarter, which inevitably impacted consolidated revenues and EBITDA evolution;
- PÚBLICO's activity continued to face lower levels of advertising activity.

Overall, the macroeconomic context remains uncertain and intrinsically dependent on the epidemiological evolution and control, on governmental intervention to comply with vaccination plans, as well as on the support provided to the overall economy.

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, despite being strongly impacted by COVID 19 pandemic, namely with a significant reduction of revenues from roaming and from Cinema & Audiovisuals business, continued to demonstrate a marked resilience its core telecom operations.

The growing take-up of data and IT solutions, with particular focus on cloud-based and "as-a-service" solutions, project consultancy and equipment sales, boosted the growth of the B2B segment.

Core telecom business recorded a solid growth in revenues, which is even more relevant in a like for like comparison, as yearly comparisons are still impacted by the fall in roaming revenues (first lockdown was implemented on March 18<sup>th</sup> 2020). This solid performance in telco revenues was offset by the negative impact of Cinemas given the complete closure of cinema theatres since January 15<sup>th</sup>.

Investment levels continued to reflect the Ftth deployment and the preparation of mobile network for 5G launch, as and when, frequencies are attributed. 5G spectrum auction is still ongoing after more than three months, with limited visibility on timing due to unprecedent regulatory framework.

During 1Q21, 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. The quarter was also marked by relevant achievements in some of its minority investments indirectly held through Armilar funds: i) Feedzai, that announced a series D round with an implicit valuation that turned the company into a unicorn; and ii) Outsystems that reached an unicorn valuation back in 2018, announced a 150 million dollars capital raise, co-led by Abdiel Capital and Tiger Global, at an underlying valuation of 9.5 billion dollars. The latter, despite being a relatively small transaction, it is a good sign of the company's strong evolution.

#### Turnover

Consolidated turnover in 1Q21 reached 26.5 million euros, decreasing 9.6%, when compared to 1Q20.

The growth of services, mainly cybersecurity services, was fully offset by the decrease on product sales, mainly the transactional business of third-party products and the newspaper sales on Media business.

#### Operating costs

Operating costs amounted to 27.7 million euros, 13.4% below 1Q20. Employee benefits expenses decreased 3.8% and Commercial costs decreased 20.5% to 11.6 million euros, mainly driven by the lower cost of goods sold, aligned with the lower level of sales. Other expenses decreased 14.2%, mainly explained by the lower level of Outsourcing costs.

#### EBITDA

Total EBITDA increasing from negative 3.3 to positive 6.2 million euros, mainly explained by the increase on equity results, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution, but also by Underlying EBITDA that presented relevant improvements, especially at Cybersecurity companies.

#### Net results

Sonaecom's EBIT increased to 4.3 million euros, from negative 5.5 million in 1Q20, explained by the higher level of EBITDA and the lower level of depreciations.

Sonaecom's earnings before tax (EBT) increased from negative 6.0 million to positive 4.4 million euros, driven by the higher EBIT and financial results.

Indirect results reached 5.4 million euros, that compare with 0.2 million euros in 1Q20, impacted by portfolio fair value adjustments, mainly the upwards revisions at Armilar Venture Funds.

Net results group share stood at 10.6 million euros, above the negative 4.5 million euros presented in 1Q20.

#### Operating CAPEX

Sonaecom's operating CAPEX decreased to 1.1 million euros, reaching 4.3% of turnover, 0.2 p.p. below 1Q20. Excluding the IFRS 16 impact, operating CAPEX would be 0.7 million euros, in line with 1Q20.

#### Capital Structure

The net cash position stood at 210.2 million euros, decreasing 5.3 million euros since December 2020. Excluding leasings, Net cash position stood at 224.3 million euros, 5.7 million below December 2020, mainly driven by 2.8 million euros of investment cash-out and the negative operating cash-flow of 2.8 million euros.

## 2.1 Telecommunications

NOS operating revenues were 337.4 million euros in 1Q21, decreasing 2.3% y.o.y.

EBITDA reached 152.2 million euros, decreasing 0.4% when compared to 1Q20 and representing a 45.1% EBITDA margin.

CAPEX excluding leasings amounted to 96.0 million euros in 1Q21, an increase of 8.7% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 12.8%.

At the end of 1Q21, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,343.8 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.5x EBITDA, and with an average maturity of 2.3 years.

NOS published its 1Q21 results on 11<sup>th</sup> May 2021, which are available at [www.nos.pt](http://www.nos.pt).

During 1Q21, NOS share price increased 8.6% from €2.858 to €3.104, whilst PSI20 increased by 0.6%.

## Operational Indicators

Operational Indicators ('000)	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
Total RGUs	9,695.3	9,902.2	2.1%	9,919.1	-0.2%
Convergent + Integrated RGUs	4,754.6	5,002.0	5.2%	4,956.0	0.9%

## Financial indicators

NOS HIGHLIGHTS	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
Operating Revenues	345.4	337.4	-2.3%	354.3	-4.8%
EBITDA	152.7	152.2	-0.4%	132.0	15.3%
EBITDA margin (%)	44.2%	45.1%	0.9pp	37.3%	7.8pp
Net Income	-10.4	30.5	-	12.9	137.2%
CAPEX excluding Leasings	88.2	96.0	8.7%	115.4	-16.8%
EBITDA-CAPEX excluding Leasings	64.5	56.2	-12.8%	16.6	-

## 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 and Bright Innovation funds, four controlled companies – S21Sec and Excellium (Maxive Cybersecurity Group), Bidirect and Inovretail- that generated more than 50% of its revenues outside the Portuguese market with 71.8% out of the total 642 employees based abroad.

### Controlled Companies

**Maxive Cybersecurity** is the strategic holding company that combines two of the leading cybersecurity pure players in Europe and is positioned as one of the largest MSSPs (Managed Security Services Provider) pure players both in terms of business and specialized personnel offering its customers a wider set of services combining best practices and capabilities from both S21sec and Excellium:

**S21Sec** is a reference multinational MSSP, 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.

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.

**InovRetail** is a retail innovation company that provides 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. Sonae IM, jointly with US technology investors Lightspeed Venture Partners and Redpoint, entered in the company's cap table in 2017 in a 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. In October 2020, the company announced it has raised \$200 million in Series E funding at a valuation of \$1.3 billion. The funding round was led by Viking Global Investors, with additional participation from DTCP and existing investors. Sonae IM participated in all 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 round of \$15M led by Deutsche Telekom Capital Partners. In November 2020, the company announced a \$32 million Series B funding round led by Intel Capital and Qualcomm Ventures LLC with participation from Verizon Ventures, Samsung Next, and existing shareholders.

**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.

**IriusRisk** (previously named 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 1.5 million euros, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Sonae IM. In September 2020, the company raised a series A round of 6.7 million dollars participated by Paladin, 360 CP, Swanlaab 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.

**Deepfence** is a leading US-based cloud-native workload protection platform that aims to provide a unified security platform for kubernetes, virtual machines and serverless workloads. Deepfence ensures business continuity in the face of persistent threats by detecting and disrupting sophisticated attacks targeting cloud-native technologies, the "glue" that keeps the current world connected. Deepfence raised \$9.5 million in Series A financing led by AllegisCyber, with participation from Sonae IM, and existing investor Chiratae Ventures.

**Weaveworks** is a US company that helps teams to adopt cloud native computing, managing cloud native infrastructure and applications quickly, reliably and at scale. Weaveworks announced a \$36.65 million Series C funding round led by some of the world's leading public cloud and telecommunications companies, including first-time investors Amazon Web Services (AWS), Ericsson, Orange Ventures, Sonae IM and Telekom Investment Pool (TIP). The round also included follow-on investments from Accel, GV, and Redline Capital.

**Sellforte**, based in Helsinki, Finland, is a SaaS platform for Retailers, Brands and Telcos, which uses proprietary data science and AI to measure the effectiveness of online and offline marketing investments.

## Financial indicators

Million euros

TECHNOLOGY AREA - INCOME STATEMENT	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
<b>Turnover</b>	<b>25.7</b>	<b>23.5</b>	<b>-8.5%</b>	<b>25.5</b>	<b>-7.7%</b>
Services Rendered	11.0	11.5	4.1%	11.8	-2.8%
Sales	14.7	12.1	-17.9%	13.7	-12.0%
Other Income	0.3	0.4	41.5%	1.6	-77.5%
<b>Operating Costs</b>	<b>27.5</b>	<b>23.8</b>	<b>-13.7%</b>	<b>26.3</b>	<b>-9.7%</b>
Employee Benefits Expenses	8.9	8.5	-4.8%	9.9	-14.0%
Commercial Costs <sup>(1)</sup>	14.0	11.3	-19.1%	12.9	-12.5%
Other Expenses <sup>(2)</sup>	4.6	3.9	-14.5%	3.5	12.5%
<b>Underlying EBITDA<sup>(3)</sup></b>	<b>-1.5</b>	<b>0.1</b>	<b>-</b>	<b>0.7</b>	<b>-85.4%</b>
Underlying EBITDA Margin (%)	-5.7%	0.4%	6.1pp	2.7%	-2.3pp
Operating CAPEX <sup>(4)</sup>	1.1	0.9	-12.8%	1.4	-35.4%
Operating CAPEX as % of Turnover	4.1%	3.9%	-0.2pp	5.6%	-1.7pp
Underlying EBITDA - Operating CAPEX	-2.5	-0.8	67.3%	-0.7	-11.7%
<b>Total CAPEX</b>	<b>4.8</b>	<b>3.8</b>	<b>-21.5%</b>	<b>14.0</b>	<b>-73.1%</b>

(1) Commercial Costs = COGS + Mktg & Sales; (2) Other Expenses = Outsourcing Services + G&A + Provisions + others; (3) Includes the businesses fully consolidated at Technology area; (4) Operating CAPEX excludes Financial Investments.

### Turnover

Turnover decreased 8.5% q.o.q explained by the decrease on the transactional business of third-party products. Services rendered presented a growth when compared to 1Q20, mainly driven by cybersecurity services.

At the end of 2020, following a Microsoft's license agreement review between Bizdirect and one of its main customers, the contractual terms have changed, with Bizdirect maintaining its advisor partner role, but having a negative impact on revenues. On a like for like comparison, Turnover would have increased 4.3%.

### Operating costs

Operating costs decreased 13.7% to 23.8 million euros mainly explained by the 19.1% decline at Commercial costs, aligned with the lower level of sales, and by the 14.5% decrease of Other expenses, mainly explained by the lower level of Outsourcing Costs.

### Underlying EBITDA

Underlying EBITDA stood at 0.1 million euros, significantly better than 1Q20, driven by the relevant improvements in Cybersecurity companies.

### Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at negative 0.8 million euros, increasing when compared to 1Q20, 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 0.5 million euros, in line with 1Q20.

## 2.3 Media

Público continued to consolidate its position as the reference Portuguese speaking news organization focused on a digital strategy, reinforcing digital competencies and presence in online platforms.

Since the start of the pandemic and the related restrictive measures, Públíco's activity was impacted, namely offline newspaper sales, with the temporary closure of the majority of points of sale, and advertising revenues, with the cut on marketing expenses implemented across all companies. However, the new context benefited the online business and allowed the company to record relevant improvements on online subscriptions and online advertising revenues, contributing to a positive evolution at EBITDA level.



The solid growth from online revenues was not enough to compensate the negative evolution from offline, resulting into an overall decrease in total revenues.

### 3. Subsequent events

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In April 2021, following a secondary market transaction, the company sold part of its stake in Artic Wolf, resulting in a gross capital gain of circa 12.3 million euros and a gross cash-in of 36.4 million euros.

## 4. Appendix

### Consolidated income statement

CONSOLIDATED INCOME STATEMENT	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
<b>Turnover</b>	<b>29.4</b>	<b>26.5</b>	<b>-9.6%</b>	<b>29.6</b>	<b>-10.3%</b>
Services Rendered	12.7	13.0	2.3%	14.0	-7.0%
Sales	16.6	13.5	-18.8%	15.6	-13.3%
<b>Other Income</b>	<b>0.4</b>	<b>0.5</b>	<b>28.5%</b>	<b>1.8</b>	<b>-70.2%</b>
<b>Operating Costs</b>	<b>32.0</b>	<b>27.7</b>	<b>-13.4%</b>	<b>31.6</b>	<b>-12.2%</b>
Employee Benefits Expenses	11.4	11.0	-3.8%	12.8	-14.2%
Commercial Costs <sup>(1)</sup>	14.6	11.6	-20.5%	13.7	-15.3%
Other Expenses <sup>(2)</sup>	6.0	5.1	-14.2%	5.1	1.3%
<b>EBITDA</b>	<b>-3.3</b>	<b>6.2</b>	<b>-</b>	<b>3.4</b>	<b>81.4%</b>
Underlying EBITDA <sup>(3)</sup>	-2.1	-0.7	68.9%	0.1	-
Non recurrent items	-0.1	-	100.0%	-0.3	100.0%
Equity method <sup>(4)</sup>	-1.1	6.9	-	3.7	88.5%
<b>Underlying EBITDA Margin (%)</b>	<b>-7.2%</b>	<b>-2.5%</b>	<b>4.7pp</b>	<b>0.2%</b>	<b>-2.7pp</b>
Depreciation & Amortization	2.2	2.0	-10.0%	2.3	-11.9%
<b>EBIT</b>	<b>-5.5</b>	<b>4.3</b>	<b>-</b>	<b>1.2</b>	<b>-</b>
<b>Net Financial Results</b>	<b>-0.5</b>	<b>0.2</b>	<b>-</b>	<b>0.0</b>	<b>-</b>
Financial Income	0.7	0.6	-10.8%	0.8	-22.0%
Financial Expenses	1.2	0.5	-61.1%	0.9	-45.0%
<b>EBT</b>	<b>-6.0</b>	<b>4.4</b>	<b>-</b>	<b>1.1</b>	<b>-</b>
Tax results	0.7	0.4	-42.1%	13.3	-96.9%
<b>Direct Results</b>	<b>-5.3</b>	<b>4.8</b>	<b>-</b>	<b>14.4</b>	<b>-66.5%</b>
<b>Indirect Results<sup>(5)</sup></b>	<b>0.2</b>	<b>5.4</b>	<b>-</b>	<b>16.8</b>	<b>-67.7%</b>
<b>Net Income</b>	<b>-5.1</b>	<b>10.3</b>	<b>-</b>	<b>31.2</b>	<b>-67.2%</b>
Group Share	-4.5	10.6	-	31.4	-66.3%
Attributable to Non-Controlling Interests	-0.6	-0.3	50.0%	-0.2	-79.0%

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

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

(3) Includes the businesses fully consolidated by Sonaecom;

(4) 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 21.21% holding in Probe.ly and the 20% holding in Suricate Solutions;

(5) Includes equity method and fair value adjustments related with AVP funds and other minority stakes, net of taxes.

## Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
<b>Total Net Assets</b>	<b>1,195.7</b>	<b>1,226.8</b>	<b>2.6%</b>	<b>1,247.5</b>	<b>-1.7%</b>
Non Current Assets	898.5	954.6	6.2%	966.8	-1.3%
Tangible and Intangible Assets and Rights of Use	21.9	20.0	-8.9%	20.9	-4.3%
Goodwill	14.5	14.5	0.0%	14.5	0.0%
Investments	848.7	895.8	5.5%	907.4	-1.3%
Deferred Tax Assets	4.2	16.2	-	16.4	-0.9%
Others	9.1	8.1	-10.5%	7.6	7.0%
Current Assets	297.2	272.2	-8.4%	280.7	-3.0%
Trade Receivables	20.1	18.0	-10.5%	22.6	-20.3%
Liquidity	251.0	229.3	-8.6%	233.7	-1.9%
Others	26.1	24.9	-4.6%	24.4	2.0%
<b>Shareholders' Funds</b>	<b>1,067.1</b>	<b>1,125.6</b>	<b>5.5%</b>	<b>1,114.5</b>	<b>1.0%</b>
Group Share	1,068.2	1,112.8	4.2%	1,101.4	1.0%
Non-Controlling Interests	-1.0	12.8	-	13.1	-2.4%
<b>Total Liabilities</b>	<b>128.6</b>	<b>101.3</b>	<b>-21.3%</b>	<b>133.0</b>	<b>-23.9%</b>
Non Current Liabilities	71.3	42.8	-39.9%	71.5	-40.1%
Loans	3.1	1.9	-37.6%	2.1	-11.1%
Provisions	30.8	0.7	-97.6%	30.0	-97.5%
Others	37.4	40.2	7.3%	39.4	2.0%
Current Liabilities	57.3	58.4	2.0%	61.4	-4.9%
Loans	1.0	3.1	-	1.5	101.7%
Trade Payables	19.1	17.0	-10.7%	16.9	1.0%
Others	37.2	38.3	2.8%	43.0	-11.1%
Operating CAPEX <sup>(1)</sup>	1.3	1.1	-13.3%	4.0	-71.3%
Operating CAPEX as % of Turnover	4.5%	4.3%	-0.2pp	13.4%	-9.1pp
Total CAPEX	5.1	4.0	-21.2%	16.6	-75.9%
Underlying EBITDA - Operating CAPEX	-3.4	-1.8	47.6%	-3.9	54.1%
Gross Debt	18.5	19.1	3.2%	18.2	4.9%
Net Debt	-232.5	-210.2	9.6%	-215.5	2.5%

(1) Operating CAPEX excludes Financial Investments.

## Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	1Q20	1Q21	Δ 21/20	4Q20	q.o.q.
<b>Underlying EBITDA-Operating CAPEX</b>	<b>-3.4</b>	<b>-1.8</b>	<b>47.6%</b>	<b>-3.9</b>	<b>54.1%</b>
Change in WC	3.1	-1.1	-	5.4	-
Non Cash Items & Other	0.3	0.2	-45.3%	1.9	-91.6%
<b>Operating Cash Flow</b>	<b>-0.1</b>	<b>-2.8</b>	<b>-</b>	<b>3.4</b>	<b>-</b>
Investments	-3.7	-2.8	25.3%	-12.1	77.0%
Dividends	0.0	0.0	-	0.0	-
Financial results	-0.1	0.2	-	0.4	-49.7%
Income taxes	0.7	0.5	-28.6%	0.6	-24.0%
<b>FCF<sup>(1)</sup></b>	<b>-3.2</b>	<b>-4.9</b>	<b>-50.2%</b>	<b>-7.7</b>	<b>36.8%</b>

<sup>(1)</sup> FCF Levered after Financial Expenses but before Capital Flows and Financing related up-front Costs.



## II - FINANCIAL STATEMENTS



## 5. Condensed Financial Information

### 5.1. Sonaecom condensed consolidated financial statements

#### Condensed consolidated statement of financial position

For periods ended on 31 March 2021 and 31 December 2020

(Amounts expressed in Euro)	Notes	March 2021 (not audited)	December 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		1,930,340	2,034,408
Intangible assets		7,828,723	8,240,910
Right of use		10,233,372	10,609,677
Goodwill		14,520,952	14,520,952
Investments in joint ventures and associated companies	6	789,133,618	807,795,660
Financial assets at fair value through other comprehensive income	7	7,556,599	7,299,791
Financial assets at fair value through profit or loss	8	99,064,497	92,324,063
Deferred tax assets		16,238,117	16,380,468
Other non-current assets		8,132,975	7,602,700
<b>Total non-current assets</b>		<b>954,639,193</b>	<b>966,808,629</b>
<b>Current assets</b>			
Inventories		247,807	251,827
Trade receivables		18,035,644	22,616,717
Other receivables		8,287,063	8,314,544
Income tax assets		1,857,702	1,819,652
Other current assets		14,465,698	13,971,930
Cash and cash equivalents		229,311,441	233,707,494
<b>Total current assets</b>		<b>272,205,355</b>	<b>280,682,164</b>
<b>Total assets</b>		<b>1,226,844,548</b>	<b>1,247,490,793</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 and retained earnings		879,533,337	818,589,511
Consolidated net income/(loss) for the period		10,572,874	60,125,890
<b>Non-controlling interests</b>		<b>1,112,810,886</b>	<b>1,101,420,076</b>
<b>Total Shareholders' funds</b>		<b>12,771,267</b>	<b>13,080,206</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans		1,908,051	2,146,527
Lease liabilities		10,558,733	11,072,814
Provisions		744,632	30,007,840
Deferred tax liabilities		29,269,029	28,054,313
Other non-current liabilities		359,160	264,105
<b>Total non-current liabilities</b>		<b>42,839,605</b>	<b>71,545,599</b>
<b>Current liabilities</b>			
Loans		3,120,247	1,546,801
Trade payables		17,047,847	16,886,338
Lease liabilities		3,484,817	3,408,625
Other payables		9,178,651	9,639,257
Other current liabilities		25,591,228	29,963,891
<b>Total current liabilities</b>		<b>58,422,790</b>	<b>61,444,912</b>
<b>Total Liabilities</b>		<b>101,262,395</b>	<b>132,990,511</b>
<b>Total Shareholders' funds and liabilities</b>		<b>1,226,844,548</b>	<b>1,247,490,793</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 3 months ended on 31 March 2021 and 2020

(Amounts expressed in Euro)	Notes	March 2021 (not audited)	March 2020 (not audited)
Sales	9	13,506,327	16,624,813
Services rendered	9	13,030,439	12,731,744
Other income		526,759	409,952
		27,063,525	29,766,509
Cost of sales		(11,242,195)	(14,110,262)
External supplies and services		(5,326,437)	(6,296,653)
Employee benefits expense		(10,989,166)	(11,425,442)
Amortisation and depreciation		(1,984,008)	(2,203,747)
Provisions		(61,763)	(104,743)
Other expenses		(100,059)	(64,217)
		(29,703,628)	(34,205,064)
Gains and losses in joint ventures and associated companies	6	9,463,056	(820,227)
Gains and losses on assets at fair value through profit or loss	8	4,120,434	-
Financial expenses		(474,785)	(1,220,047)
Financial income		640,573	717,744
Current income / (loss)		11,109,175	(5,761,085)
Income taxation		(847,803)	639,469
<b>Consolidated net income/(loss) for the period</b>		<b>10,261,372</b>	<b>(5,121,616)</b>
Attributed to:			
Shareholders of parent company		10,572,874	(4,499,225)
Non-controlling interests		(311,502)	(622,391)
<b>Earnings per share</b>			
Basic		0.03	(0.01)
Diluted		0.03	(0.01)

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 3 months ended on 31 March 2021 and 2020

(Amounts expressed in Euro)	Notes	March 2021 (not audited)	March 2020 (not audited)
<b>Consolidated net income / (loss) for the period</b>		<b>10,261,372</b>	<b>(5,121,616)</b>
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	1,075,753	(879,584)
Changes in currency translation reserve and other		(71,169)	311,899
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	(419,547)	71,706
Fair value of investments	7	235,461	-
<b>Consolidated comprehensive income for the period</b>		<b>11,081,870</b>	<b>(5,617,595)</b>
Attributed to:			
Shareholders of parent company		11,390,809	(4,995,204)
Non-controlling interests		(308,939)	(622,391)

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 3 months ended on 31 March 2021 and 2020 (restated)

(Amounts expressed in Euro) 2021	Reserves							Non-controlling interests	Net income / (loss)	Total
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves			
Balance at 31 December 2020	230,391,627	(7,686,952)	775,290,377	20,683,925	7,686,952	14,928,257	818,589,511	13,080,206	60,125,890	1,114,500,282
Appropriation of the consolidated net result of 2020										
Transfers to other reserves	-	-	-	-	-	-	60,125,890	-	(60,125,890)	-
Consolidated comprehensive income for the period ended at 31 March 2021							817,936	(308,939)	10,572,874	11,081,871
Balance at 31 March 2021	230,391,627	(7,686,952)	775,290,377	20,683,925	7,686,952	75,872,083	879,533,337	12,771,267	10,572,874	1,125,582,153

(Amounts expressed in Euro) 2020	Reserves							Non-controlling interests	Net income / (loss)	Total
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves			
Balance at 31 December 2019 (restated)	230,391,627	(7,686,952)	775,290,377	18,545,192	7,686,952	(3,246,742)	798,275,779	(636,155)	52,168,120	1,072,512,419
Appropriation of the consolidated net result of 2019										
Transfers to other reserves	-	-	-	-	-	-	52,168,120	-	(52,168,120)	-
Consolidated comprehensive income for the period ended at 31 March 2020							(495,979)	(495,979)	(622,391)	(5,617,595)
Other changes									216,517	216,517
Balance at 31 March 2020	230,391,627	(7,686,952)	775,290,377	18,545,192	7,686,952	48,425,399	849,947,920	(1,042,029)	(4,499,225)	1,067,111,341

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 3 months ended on 31 March 2021 and 2020

(Amounts expressed in Euro)	March 2021 (not audited)	March 2020 (not audited)
<b>Operating activities</b>		
Receipts from trade debtors	28,422,858	36,522,557
Payments to trade creditors	(17,346,654)	(22,912,390)
Payments to employees	(13,238,337)	(11,331,906)
<b>Cash flows generated by operations</b>	<b>(2,162,133)</b>	<b>2,278,261</b>
Payments / receipts relating to income taxes	(53,488)	(88,172)
Other receipts / payments relating to operating activities	489,560	(1,033,199)
<b>Cash flows from operating activities (1)</b>	<b>(1,726,061)</b>	<b>1,156,890</b>
<b>Investing activities</b>		
Receipts from:		
Interest and similar income	158,625	163,220
Payments for:		
Financial investments	(2,780,794)	(3,721,300)
Tangible assets	(152,945)	(342,015)
Intangible assets	(203,927)	(47,428)
<b>Cash flows from investing activities (2)</b>	<b>(2,979,041)</b>	<b>(3,947,523)</b>
<b>Financing activities</b>		
Receipts from:		
Loans obtained	1,616,061	4,525
Payments for:		
Leasing	(895,911)	(1,015,824)
Interest and similar expenses	(125,041)	(237,631)
Loans obtained	(290,269)	(794,070)
<b>Cash flows from financing activities (3)</b>	<b>304,840</b>	<b>(2,043,000)</b>
<b>Net cash flows (4)=(1)+(2)+(3)</b>	<b>(4,400,262)</b>	<b>(4,833,633)</b>
<b>Effect of the foreign exchanges</b>	<b>4,209</b>	<b>(18,493)</b>
Cash and cash equivalents at the beginning of the period	233,707,494	255,876,956
Cash and cash equivalents at the end of the period	229,311,441	251,024,830

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

The Certified Accountant

The Board of Directors



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

### 1. Introductory note

SONAECOM, 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 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.

### Relevant events occurred during the period

At 7 January 2021, following the worsening pandemic situation with a higher transmission rate and an increased number of deaths, it was formally declared a new state of emergency and a new national lock-down which marked almost the full quarter. Only on March 11th, the Portuguese Government approved a gradual easing of lockdown plan based on risk evolution and, already in April, such emergency level was reduced.

The Board of Directors continued to follow in detail and with great concern all the pandemic developments, 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.

Aligned with the Group's Risk Management Policies, contingency plans with correspondent mitigation actions were constantly updated and actioned across all companies and departments., allowing to keep our employees protected and to face this turmoil period with the less loss of value.

The financial and operational impacts continued to be different across segments:

- The technology area continued to prove a strong resilience with no relevant impacts from pandemic situation;
- At NOS, the impacts were felt particularly in the Cinemas and Audiovisuals activity with the closing of all cinemas during the full quarter, which inevitably impacted consolidated revenues and EBITDA evolution;
- Público's activity continued to face lower levels of advertising activity;

Overall, the macroeconomic context remains uncertain and intrinsically dependent on the epidemiological evolution and control, on governmental intervention to comply with vaccination plans, as well as on the support provided to the overall economy.

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.

## 2. Main accounting policies and basis of presentation

The condensed consolidated financial statements for the period ended at 31 March 2021, 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 at 31 December 2020. The accounting policies and measurement criteria, adopted by the Group at 31 March 2021 are consistent with those used in the preparation of 31 December 2020 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 2021 which had no material impact on the Group's condensed financial statements.

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 31 March 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform of the reference interest rate (phase 2): These amendments deal with issues that arise during the reform of an interest rate reference which include the replacement of a reference interest rate with another alternative, allowing for the application of exemptions.

The Group concluded that the application of these standards did not have a materially effect on the financial statements.

The following standards, interpretations, amendments, and revisions have not, until the period ended at 31 March 2021, been approved ('endorsed') by the European Union:

- Amendment to IFRS 3: Reference to the Conceptual framework: This amendment updates the references to the Conceptual Framework without changing the accounting requirements for business combinations.
- Amendment to IAS 16: Proceeds before intended use: This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets.
- Amendment to IAS 37: Onerous Contracts – Cost of Fulfilling a Contract: This amendment specifies that when assessing whether a contract is onerous or not. Only expenses directly related to the performance of the contract can be considered.
- IFRS 17: Insurance contracts: This new standard replaces IFRS 4 which becomes mandatory since 2004. IFRS 17 apply to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.
- Annual Improvements 2018 – 2020: The 2018-2020 annual provides improvements to: IFRS 1 (Subsidiary as first-time IFRS adopter), IFRS 9 (Derecognition of liabilities), IFRS 16 (Leasing incentives) and IAS 41 (Taxation and measurement of fair value). This amendment is applied prospectively.
- Amendment to IAS 1: Classification of liabilities as current or non-current: This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: The changes require companies to disclose their material accounting policy information instead of their significant accounting policies. The amendments to the practical file of IFRS 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Error: The changes clarify how companies should differentiate changes in accounting policies from changes in accounting estimates.
- Amendments to IFRS 16 Leases - Rents related to Covid-19 after 30 June 2021: Extension of amendments to IFRS 16 Covid-19 related to rent concessions for rent payments due on or before 30 June 2022.

During the period ended at 31 March 2021, to ensure the comparability of the financial statements, the condensed consolidated financial statements for the period ended at 31 March 2020 were restated by the effects described below:

***Restatement of consolidated financial statements***

In the year ended at 31 December 2020, a review of the classification of minority investments in the subsidiaries SonaeIM, Bright Development and Bright Vector I, recorded in the Group to date in accordance with IFRS 9 at fair value through other comprehensive income, was made. As a result of this review, the Group concluded that it had a significant influence on the majority of these investments. Accordingly, and, considering that the investment activity carried out by the referred subsidiaries fits, for the purposes of the exemption provided for in paragraph 18 of IAS 28, as a venture capital activity, the Group opted for the exemption from application of the equity method, starting to measure the minority investments held by them, at fair value through profit or loss in accordance with IFRS 9.

The financial statements for the period ended at 31 March 2020 were restated in order to incorporate the changes described above.

The impacts of restating the consolidated accounts in accordance with the changes described above for the period ended at 31 March 2020 can be summarised as follows:

(Amounts expressed in Euro)	March 20 (reported)	restated	March 20 (restated)
<b>BALANCE SHEET</b>			
<b>Non-current assets</b>			
Financial assets at fair value through other comprehensive income (note 7)	61,042,380	(55,697,569)	5,344,811
Financial assets at fair value through profit or loss (note 8)	-	55,697,569	55,697,569

## 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 31 March 2021 and 2020, are as follows:

Company (Commercial brand)	Head office	Main activity	Shareholder	2021		Percentage of share capital held 2020	
				Direct	Effective*	Direct	Effective*
<b>Parent company</b>							
Sonaecom, S.G.P.S. S.A. ('Sonaecom')	Maia	Management of shareholdings	-	-	-	-	-
<b>Subsidiaries</b>							
Bright Developement 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.	Sonaecom 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%
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.	Sonaecom IM	75%	75%	75%	75%
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.	Maxive	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.	Excellium	100%	59.20%	100%	59.20%
Excellium Services Belgium, S.A. ('Excellium Services Belgium')	Wavre	Provide services within the IT and cybersecurity domain mainly to Belgian institutions, banks and insurance companies.	Excellium	100%	59.20%	100%	59.20%
Excellium Factory SARL ('Excellium Factory')	Raouad-Ariana	Vehicle for the Excellium product development in Africa.	Excellium	80%	47.36%	80%	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.	Sonaecom IM	100%	100%	100%	100%
Inovretail España, S.L. ('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	Sonaecom IM Sonaecom Sonaecom IM Bright PCJ SPAR	50.13% 10% 10% 10% 50% 10%	50.13% - - - - -	50.13%	50.13%
Fundo Bright Tech Innovation I - ('Bright Tech Innovation I') (a)	Maia	Venture Capital Fund					
Maxive- Cybersecutiry, SGPS SA ('Maxive') (b)	Maia	Management of shareholdings	Sonaecom IM	100%	100%	100%	100%
Mxtel, S.A. de CV ('Mxtel')	Mexico City	Rendering of engineering and IT consulting services specializing in information security and management of telecommunications services.	S21 Sec Gestão	99.93%	80.90%	99.93%	80.90%
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.	Sonaecom 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 Gestão	100%	80.90%	100%	80.90%
S21 Sec Gestão, S.A. ('S21 Sec Gestão')	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.	Maxive	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 Gestão	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 Gestão S21 Sec Labs	99.9996% 0.0004%	80.90%	99.9996% 0.0004%	80.90%
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 Investment Management - Software and Technology, SGPS, S.A. ('SonaemIM')	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%

\* Sonaecom effective participation

(a) Venture Capital Fund constituted in June 2020.

(b) In February 2021, Sonaecom- Cyber Security and Intelligence, SGPS, S.A. changed its name to Maxive- Cybersecutiry, SGPS SA

All the above companies were included in the consolidation in accordance with the full consolidation method under the terms of IFRS 10 – 'Consolidated Financial Statements'.

## 5. Changes in the group

During the periods ended at 31 March 2021 and 2020, the following changes occurred in the composition of the Group:

### a) Acquisitions

Shareholder	Subsidiary	Date
<b>2021</b>		
Bright Vector I	Automaise, Lda ('Automaise') (note 8) - increase	Jan-21
Sonae IM	Sellforte Solutions Oy ('Sellforte') (note 8)	Feb-21
<b>2020</b>		
Sonae IM	Sales Layer Tech, S.L. (note 8)	Mar-20

## 6. Investments in joint ventures and associated companies

The associated companies and the companies jointly controlled, their head offices, percentage of ownership and value in profit and loss statement at 31 March 2021 and 2020 are as follows:

	Head Office	Percentage of ownership				Value in profit and loss statement	
		31 March 2021		31 March 2020		31 March 2021	31 March 2020
		Direct	Total	Direct	Total		
ZOPT, SGPS, S.A. ('ZOPT') (a)	Oporto	50.00%	50.00%	50.00%	50.00%	6,931,092	(1,000,368)
Unipress - Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50.00%	50.00%	50.00%	50.00%	(23,580)	8,871
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. ('Rádio Nova')	Oporto	50.00%	50.00%	50.00%	50.00%	(14,793)	(17,001)
Intelligent Big Data, S.L. ('Big Data') (b)	Gipuzcoa	-	-	50.00%	50.00%	-	-
Fundo de Capital de Risco Armilar Venture Partners II ('Armilar II') (c)	Lisboa	44.33%	44.33%	50.74%	50.74%	311,925	42,774
Fundo de Capital de Risco Armilar Venture Partners III ('Armilar III')	Lisboa	42.80%	42.80%	42.80%	42.80%	1,429,827	231,626
Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização ('Armilar I+I')	Lisboa	38.25%	38.25%	38.25%	38.25%	825,411	(11,651)
Secucloud Network GmbH ('Secucloud')	Hamburg	27.45%	27.45%	27.45%	27.45%	-	(85,001)
Probely	Lisbon	21.21%	21.21%	21.21%	21.21%	3,174	(631)
Suricate Solutions	Luxembourg	20.00%	11.84%	20.00%	11.84%	-	12,727
Alfaros SAR	Tunisia	40.00%	23.68%	40.00%	23.68%	-	(1573)
<b>Total</b>						<b>9,463,056</b>	<b>(820,227)</b>

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

(b) Company liquidated in november 2020.

(c) The participation change is related to the amortization of units held in the Fund

In the case of investments in associates that are venture capital organizations, IAS 28 contains an option to keep these investments held by them measured at fair value. The Group made this option, applying the equity method to Armilar Funds.

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 joint controlled at 31 March 2021 and 31 December 2020 is as follows:

	31 March 2021			31 December 2020		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
<b>Investments in companies jointly controlled</b>						
Zopt	583,042,983	87,527,500	670,570,483	575,455,685	87,527,500	662,983,185
Unipress	381,555	321,700	703,255	405,135	321,700	726,835
SIRS	4,937	-	4,937	19,730	-	19,730
	<b>553,392,312</b>	<b>87,849,200</b>	<b>671,278,675</b>	<b>575,880,550</b>	<b>87,849,200</b>	<b>663,729,750</b>
<b>Investments in associated companies</b>						
Armillar II	77,574,650	-	77,574,650	96,578,405	-	96,578,405
Armillar III	26,471,656	-	26,471,656	31,302,286	-	31,302,286
Armillar I+I	13,646,076	-	13,646,076	16,025,832	-	16,025,832
Secucloud	(2,499,722)	2,499,722	-	(2,499,722)	2,499,722	-
Probe.ly	(160,097)	297,168	137,071	(163,271)	297,168	133,897
Suricate Solutions	20,953	-	20,953	20,953	-	20,953
Alfaros SARL	4,537	-	4,537	4,537	-	4,537
	<b>141,741,429</b>	<b>4,716,910</b>	<b>117,854,943</b>	<b>141,269,020</b>	<b>2,796,890</b>	<b>144,065,910</b>
<b>Total</b>	<b>695,133,741</b>	<b>92,566,110</b>	<b>789,133,618</b>	<b>717,149,570</b>	<b>90,646,090</b>	<b>807,795,660</b>

In the period ended at 31 March 2021, due to changes to the Armilar Funds Regulation, the amount related to the contractual incentive (Incentive Scheme) to be paid to the Fund Management Company, recorded in "Provisions" in the amount of EUR 28,781,304, was reclassified to "Investments in joint ventures and associated companies".

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.

At 31 March 2021, it was considered that the assumptions made in the impairment tests carried out in 2020 did not have significant variations.

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. (CGD) 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. Thereafter, ZOPT has deducted third-party embargoes.

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.



Still in June 2020, the Investigating Judge rejected the third-party embargoes deducted by ZOPT based on the Portuguese courts' inability to assess and decide upon them. This decision, having been appealed by ZOPT, was revoked by the Court of Appeal already in 2021. Developments are awaited, namely the judicial pronouncement on the seizures.

At 19 August 2020, Sonaecom communicated the intention of the shareholders of ZOPT (Sonaecom, Unitel International Holdings, BV and Kento Holding Limited) to liquidate the company, maintaining Sonaecom as the reference shareholder of NOS. To date, the efforts to dissolve the ZOPT have not yet been carried out.

In the last quarter of 2020, the seizure of 233,790,325 shares corresponding to 32.65% of capital of ZOPT held by UNITEL was also decreed, with deprivation of the exercise of voting rights and the right to receive dividends, and 124,234,675 shares corresponding to 17.35% of capital of ZOPT held by KENTO, also with no exercise of the right to vote and the right to receive dividends. Additionally, in January 2021, ZOPT was also notified by Caixa Geral de Depósitos (CGD), as the beneficiary of the pledge of the shares held by Kento in ZOPT, referring to being vested with the power to exercise the voting rights inherent in the Shares, and all other inherent rights, and that Kento was deprived of exercising such rights without the prior, express and written authorization of CGD. It is the understanding of the Board of Directors of ZOPT, that whenever there is no question of protecting the economic value of the shares, in the exercise of voting rights, CGD as Kento's pledge creditor, must act in accordance with Kento's instructions, which means voting in the sense defined by Kento.

Despite the facts described above considering that, no steps have yet been taken to liquidation of ZOPT, that there has been no change in the board of directors of ZOPT and that decisions on the operating activity of the investee company continue to be taken in accordance with what was being done, we concluded that the profile of joint control over the ZOPT has not changed.

## ZOPT Group provisions

The evolution in provisions occurred during the first 3 months of 2021 compared to 31 December 2020 was as follows:

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

The court ruled on 16 March 2021 and disregarded the remaining pre-scheduled dates for the final hearing. On the present date, we await the scheduling of new dates for the hearing. 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.

### 2. Interconnection tariffs

At 31 March 2021, accounts receivable and accounts payable include EUR 37,139,253 and EUR 43,475,093, respectively, resulting from a dispute between the subsidiary NOS SA and, essentially, the operator MEO – Serviços de Comunicação e Multimédia, S.A. (previously named TMN – Telecomunicações Móveis Nacionais, S.A.), in relation to the non-definition of interconnection tariffs of 2001. In what concerns to that dispute with MEO, the result was totally favourable to NOS S.A., having already become final. In March 2021, MEO filed a new lawsuit against NOS, in which it claimed the price of interconnection services between TMN and Optimus for 2001 at 55\$00 (EUR 0.2743) per minute. The deadline for submitting the challenge by NOS is pending.

### 3. Contractual Penalties

At 31 March 2021, the amounts billed and to be received from these indemnities amount to EUR 111 million.

## 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.

In the uncertainty of this threat, it is essential that companies design and implement, in a timely manner, structured and efficient contingency plans that guarantee employee protection and business continuity or that, at least, mitigate the resulting effects. 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 great variations that occurred in the last quarters of the future projections of macroeconomic indicators, as well as the disparity of these projections between the several entities.

The impacts on ZOPT through participation in NOS were felt in the results of the financial year ended at 31 December 2020, with a drop in revenues, consolidated EBITDA and operational cash-flows of - 6.2% (EUR - 90.5 million); - 5.7% (EUR - 36.8 million) and - 33.8% (EUR -65.2 million), respectively, which shows a reduction in activity in:

- i. Cinemas and Audiovisuals: complete closure of NOS' theatres on 16 March to 2 July, 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.

In the quarter ended 31 March 2021, the impacts on NOS were felt particularly in the Cinemas and Audiovisuals activity with the closure of movie theaters since mid-January 2021 and in the Telco segment with impacts in terms of roaming revenues.

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, which resulted in the reinforcement, in the first quarter of impairments, of accounts receivable (28.2 million euros) and other costs recognised, related to onerous contracts (10.8 million euros), as well as the recording of impairments in the item "Losses / (Gains) in subsidiaries", in the amount of 8.5 million euros. In line with the current recommendations, the Group proceeded to sensitivity analysis to the assumptions used in the impairment tests to Goodwill conducted in the end of 2020, with no evidence of impairment being concluded. The most affected segment by COVID-19 was the cinemas one, with a recovery estimation to pre-pandemic values in 2023.

### *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.

At 31 March 2021, the average maturity of the NOS group's financing is 2.4 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 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.

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

At 31 March 2021 and 31 December 2020, this caption was composed as follows:

	31 March 2021	31 December 2020
Deepfence	2,132,200	2,037,325
Nextail	1,628,760	1,628,760
Iriusrisk	1,416,514	1,416,514
Style Sage	1,501,219	1,378,547
Sensei	405,900	405,900
Others	472,006	432,745
	7,556,599	7,299,791

At 31 March 2021, these investments correspond to shareholdings in unlisted companies in which the Group has no significant influence.

According to IFRS 9 these investments are defined as 'Investments at fair value through other 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 comprehensive income. The fair value of the investments is calculated in the currency of the country of the investment and converted to euros at the end of the reporting year.

In the periods ended at 31 March 2021 and 2020, the change in investments at fair value through other comprehensive income was as follows:

	31 March 2021	31 March 2020 (restated)
Opening balance	7,299,791	5,344,811
Fair value	256,808	-
Closing balance	7,556,599	5,344,811

### StyleSage

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.



#### Nextail

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.

#### IriusRisk

IriusRisk (previously named 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 EUR 1.5 million, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Sonae IM. In September 2020, the company raised a series A round of 6.7 million dollars participated by Paladin, 360 CP, Swanlaab JME Venture Capital and Sonae IM.

#### Deepfence

Deepfence is a leading US-based cloud-native workload protection platform that aims to provide a unified security platform for kubernetes, virtual machines and serverless workloads. Deepfence ensures business continuity in the face of persistent threats by detecting and disrupting sophisticated attacks targeting cloud-native technologies, the "glue" that keeps the current world connected. Deepfence raised \$9.5 million in Series A financing led by AllegisCyber, with participation from Sonae IM, and existing investor Chiratae Ventures.

## 8. Financial assets at fair value through profit or loss

At 31 March 2021 and 31 December 2020, this caption was composed as follows:

	31 March 2021	31 December 2020
Arctic Wolf	48,277,273	46,129,113
Cellwise	8,347,577	7,976,141
Ometria	8,087,208	7,664,993
Sixgill	5,117,280	4,889,580
Case on IT	4,402,087	4,402,087
Weaveworks	4,264,399	4,074,649
CB4	3,457,683	3,278,059
Sales Layer	2,500,358	2,500,358
Sellforte	2,500,000	-
Visenze	2,489,389	2,378,620
Reblaze	2,345,421	2,241,058
CiValue	1,910,451	1,825,443
Isrambler	1,550,000	1,550,000
Daisy Intelligence	1,121,924	1,050,496
Others	2,693,447	2,363,466
	99,064,497	92,324,063

Investments not irrevocably designated in the initial recognition as 'Investments at fair value for other comprehensive income', are classified as 'Investments at fair value through profit or loss' in accordance with IFRS 9. Are also included in this caption the investments in associated companies, held by a venture capital organization or equivalent, in which the Group opted, in the initial recognition for, to measure at fair value through results in accordance with IFRS 9. In the case of the investments of less than 1 year, their acquisition cost was considered a reasonable approximation of their respective fair value. For investments over 1 year, subsequent changes in fair value are presented through profit or loss. The fair value of the investments is calculated in the currency of the country of the investment and converted to euros at the end of the reporting year.

In the periods ended at 31 March 2021 and 2020, the change in investments at fair value through other comprehensive income was as follows:

	31 March 2021	31 March 2020 (restated)
Opening balance	92,324,063	53,022,211
Acquisitions/Capital Increases	2,620,000	2,675,358
Fair value	4,120,434	-
<b>Closing balance</b>	<b>99,064,497</b>	<b>55,697,569</b>

#### ArcticWolf

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. Sonae IM, jointly with US technology investors Lightspeed Venture Partners and Redpoint, entered in the company's cap table in 2017 in a 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. In October 2020, the company announced it has raised \$200 million in Series E funding at a valuation of \$1.3 billion. The funding round was led by Viking Global Investors, with additional participation from DTCP and existing investors. Sonae IM participated in all rounds, reinforcing its stake.

#### Ometria

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

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

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

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

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 EUR 7M) series A round.

#### Sixgill

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

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

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

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 round of \$15M led by Deutsche Telekom Capital Partners. In November 2020, the company announced a \$32 million Series B funding round led by Intel Capital and Qualcomm Ventures LLC with participation from Verizon Ventures, Samsung Next, and existing shareholders.

### Jscrambler

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 in a series A financing round that was led by Sonae IM with the co-investment of Portugal Ventures.

### Sales Layer

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.

### Weaveworks

Weaveworks is a US company that helps teams to adopt cloud native computing, managing cloud native infrastructure and applications quickly, reliably and at scale. Weaveworks announced a \$36.65 million Series C funding round led by some of the world's leading public cloud and telecommunications companies, including first-time investors Amazon Web Services (AWS), Ericsson, Orange Ventures, Sonae IM and Telekom Investment Pool (TIP). The round also included follow-on investments from Accel, GV, and Redline Capital.

### Sellforte

Sellforte, based in Helsinki, Finland, is a SaaS platform for Retailers, Brands and Telcos, which uses proprietary data science and AI to measure the effectiveness of online and offline marketing investments.

## 9. Sales and services rendered

At 31 March 2021 and 2020, this caption was composed as follows:

	2021	2020
Technologies	23,424,253	25,631,403
Media and others	3,112,513	3,725,154
	26,536,766	29,356,557

The detail of unrecognised revenue related to performance obligations of contracts with customers not satisfied in the period ended at 31 March 2021, by type of contract and according to its duration, is as follows:

	Contract with customer duration					Total
	2021	2022	2023	>2023		
Technologies:						
Cybersecurity	6,227,800	6,031,402	3,451,726	503,908	16,214,837	
Total revenue from contracts with customers	6,227,800	6,031,402	3,451,726	503,908	16,214,837	

## 10. Related parties

During the periods ended at 31 March 2021 and 2020, 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 balances and transactions with related parties during the periods ended at 31 March 2021 and 2020 were as follows:

						Balances at 31 March 2021
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	
Parent Company (Sonae SGPS)	2,263,558	2,402,550	-	418,670	5,405	
Companies jointly controlled	394,044	322,091	-	1,649,544	1,138,783	
Associated companies	35,516	38,060	-	3,228,736	5,300	
Others related parties	4,236,039	90,104	-	42,232	979,300	
	<b>6,929,158</b>	<b>2,852,805</b>	-	<b>5,339,182</b>	<b>2,128,788</b>	

						Balances at 31 March 2020 (restated)
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	
Parent Company (Sonae SGPS)	4,010,845	5,013,576	-	147,481	5,476	
Companies jointly controlled	684,818	497,150	4,700	15,300	67,597	
Associated companies	57,175	954	-	3,777,015	-	
Others related parties	2,568,503	340,726	-	259,203	30,423	
	<b>7,321,340</b>	<b>5,852,406</b>	<b>4,700</b>	<b>4,198,999</b>	<b>103,496</b>	

						Transactions at 31 March 2021
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	4,405	118,226	132,627	-	-	
Companies jointly controlled	1,566,761	200,052	-	-	-	52,550
Associated companies	-	46,272	27,819	-	-	-
Others related parties	3,724,401	221,058	-	23,521	-	-
	<b>5,295,567</b>	<b>585,608</b>	<b>160,446</b>	<b>23,521</b>	<b>-</b>	<b>52,550</b>

						Transactions at 31 March 2020 (restated)
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	12,635	114,807	158,255	-	-	-
Companies jointly controlled	919,536	216,394	41	-	-	50,168
Associated companies	-	332	24,065	-	-	46,369
Others related parties	2,349,126	297,041	-	-	-	3,500
	<b>3,281,298</b>	<b>628,573</b>	<b>182,360</b>	<b>-</b>	<b>-</b>	<b>100,037</b>

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 guarantees attached.

During the periods ended at 31 March 2021 and 2020, no impairment losses have been recognised as accounts receivables of related parties.

## 11. Segment information

In the periods ended at 31 March 2021 and 2020, 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 31 March 2021 and 2020 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 31 March 2021 and 2020, 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	
	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020	March 2021	March 2020
<b>Revenues:</b>												
Sales and services rendered	3,100,959	3,452,887	23,519,773	25,700,308	97,500	85,625	26,718,232	29,238,820	(181,466)	117,737	26,536,766	29,356,557
Other operating revenues	160,310	106,806	364,945	258,000	511	19,410	525,766	384,216	993	25,736	526,759	409,952
<b>Total revenues</b>	<b>3,261,269</b>	<b>3,559,693</b>	<b>23,884,718</b>	<b>25,958,308</b>	<b>98,011</b>	<b>105,035</b>	<b>27,243,998</b>	<b>29,623,036</b>	<b>(180,473)</b>	<b>143,473</b>	<b>27,063,525</b>	<b>29,766,509</b>
Depreciation and amortisation	(175,953)	(278,902)	(1,711,496)	(1,810,333)	(8,332)	(7,852)	(1,895,781)	(2,097,087)	(88,227)	(106,660)	(1,984,008)	(2,203,747)
Provisions and impairment losses	-	-	(51,058)	(40,604)	(10,705)	(64,139)	(61,763)	(104,744)	-	1	(61,763)	(104,743)
Net operating income / (loss) for the segment	(696,220)	(964,968)	(1,610,269)	(3,399,483)	(417,877)	(345,724)	(2,724,366)	(4,710,175)	84,263	271,620	(2,640,103)	(4,438,555)
Interest income	4,699	4,700	47,293	41,653	280,456	238,321	332,448	284,674	(142,495)	(72,619)	189,953	212,055
Interest expenses or loss	(8,740)	(4,294)	(226,656)	(209,994)	(388)	(516)	(235,784)	(214,804)	146,976	9,767	(88,808)	(205,037)
Gains and losses in associated companies and joint ventures	(38,373)	(8,130)	2,570,337	188,271	6,931,092	(1,000,368)	9,463,056	(820,227)	-	-	9,463,056	(820,227)
Other financial results	(4,873)	(3,273)	89,821	(389,510)	(718,409)	(419,279)	(633,461)	(812,062)	698,104	302,741	64,643	(509,321)
Income taxation	170,145	232,899	(1,029,384)	384,519	30,829	42,948	(828,410)	660,366	(19,393)	(20,897)	(847,803)	639,469
<b>Consolidated net income/(loss) for the period</b>	<b>(573,362)</b>	<b>(743,066)</b>	<b>3,961,576</b>	<b>(3,298,912)</b>	<b>6,105,703</b>	<b>(1,570,250)</b>	<b>9,493,917</b>	<b>(5,612,228)</b>	<b>767,455</b>	<b>490,613</b>	<b>10,261,372</b>	<b>(5,121,616)</b>
<b>Attributable to:</b>												
Shareholders of parent company	(573,362)	(743,066)	4,329,835	(2,690,055)	6,105,703	(1,570,250)	9,862,176	(5,003,371)	710,698	504,146	10,572,874	(4,499,225)
Non-controlling interests	-	-	(368,259)	(608,857)	-	-	(368,259)	(608,857)	56,757	(13,534)	(311,502)	(622,391)
	March 2021	December 2020	March 2021	December 2020	March 2021	December 2020	March 2021	December 2020	March 2021	December 2020	March 2021	December 2020
<b>Assets:</b>												
Tangible, intangible assets, Right of use and goodwill	2,953,164	2,948,598	28,924,307	29,755,984	92,638	70,200	31,970,109	32,774,782	2,543,278	2,631,165	34,513,387	35,405,947
Inventories	232,607	194,413	15,200	57,414	-	-	247,807	251,827	-	-	247,807	251,827
Investments in joint ventures and associated companies	655,245	693,619	117,854,946	144,065,913	670,570,483	662,983,184	789,080,674	807,742,716	52,944	52,944	789,133,618	807,795,660
Financial assets at fair value through other comprehensive income	3,047,948	3,047,949	7,508,651	7,251,842	-	-	10,556,599	10,299,791	(3,000,000)	(3,000,000)	7,556,599	7,299,791
Financial assets at fair value through profit or loss	-	-	99,064,497	92,324,063	-	-	99,064,497	92,324,063	-	-	99,064,497	92,324,063
Other non-current assets and deferred tax assets	3,022,305	2,924,374	13,971,002	13,714,766	173,750,706	176,955,566	190,744,013	193,594,706	(166,372,921)	(169,611,538)	24,371,092	23,983,168
Other current assets of the segment	11,200,848	11,957,020	69,271,966	73,224,153	190,068,263	187,926,829	270,541,077	273,108,002	1,416,471	7,322,335	271,957,548	280,430,337
<b>Liabilities:</b>												
<b>Liabilities of the segment</b>	<b>10,406,717</b>	<b>10,487,209</b>	<b>112,600,972</b>	<b>137,985,308</b>	<b>2,211,461</b>	<b>2,427,059</b>	<b>125,219,150</b>	<b>150,899,576</b>	<b>(23,956,755)</b>	<b>(17,909,065)</b>	<b>101,262,395</b>	<b>132,990,511</b>
CAPEX	183,602	6,093,911	3,771,307	24,885,132	2,791,948	46,518,317	6,746,857	77,497,360	(2,760,003)	(49,428,786)	3,986,854	28,068,574

During the period ended at 31 March 2021 and 2020, the inter-segments sales and services were as follows:

	Multimedia	Information Systems	Holding Activities
<b>2021</b>			
Multimedia	-	39,481	46,244
Information Systems	-	-	18,750
Holding Activities	-	60	-
External trade debtors	3,100,959	23,480,232	32,506
	3,100,959	23,519,773	97,500
<b>2020</b>			
Multimedia	-	19,621	-
Information Systems	-	-	40,000
Holding Activities	-	8,750	-
External trade debtors	3,452,887	25,671,937	45,625
	3,452,887	25,700,308	85,625

During the periods ended at 31 March 2021 and 2020, sales and services rendered in the Media and Holding Activities segments were obtained predominantly in the Portuguese market, with this market representing approximately 100% of revenue in both segments (97% and 100% in 2020, respectively).

During the period ended at 31 March 2021, for the Technologies segment, the Portuguese market is also dominant, representing 99.79% of revenue (55.4% in 2020).

## 12. Subsequent Events

In April 2021, following a secondary market transaction, the company sold part of its stake in Artic Wolf, resulting in a gross capital gain of circa 12.3 million euros and a gross cash-in of 36.4 million euros.

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.

Report available on Sonaecom's corporate website

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