

SONAECOM

SONAECOM

MANAGEMENT REPORT & ACCOUNTS

1H21



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

Consolidated Turnover of 35.7 million euros increasing 8.6% y.o.y.

Positive EBITDA evolution mainly driven by the capital gain generated by the partial sale of the stake at Arctic Wolf and by equity results from ZOPT

NOS with strong Telco operating performance and presenting the 1st quarter of Consolidated Revenues growth since 4Q19

Technology area with solid growth and profitability improvements

2. Sonaecom Consolidated Results

Introductory notes:

COVID19

On 2021 January 7th, following the worsening pandemic situation it was formally declared a new state of emergency and a new national lockdown which marked almost the full quarter in Portugal. The evolution of cases numbers worldwide continued to trend up in 2Q with Europe and USA being regions strongly affected by the second wave. Since April with the vaccination process speeding-up in Europe and USA, we have been experiencing a progressive deconfinement and reopening of economy.

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 across the globe
- At NOS, the impacts were felt particularly in roaming and in the Cinemas and Audiovisuals activity with the closing of all cinemas from 15 January to 19 April, which inevitably impacted consolidated revenues and EBITDA evolution. However, and despite all pandemic restrictions in Portugal, 2Q benefitted from the reopen of cinema theatres, with encouraging attendance, and from a slight roaming recovery.
- PÚBLICO's activity faced a significant decrease in advertising activity during the 1Q but its digital strategy coupled with an advertising market recover resulted in a 2Q growing in almost all revenue lines.

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, Sonaecom will continue to implement all measures deemed appropriate to minimize their impacts, in line with the recommendation of the competent entities and in the best interest of all our stakeholders.

RESTATEMENTS

Discontinued Operations

In the 1H21, and following the agreement signed with Claranet Portugal, S.A. to sell the entire share capital and voting rights of Bizzdirect, which was announced on June 1st, Bizzdirect was considered a discontinued operation.

The 2021 Bizdirect balance figures were classified as held for sale and all comparative periods were restated to include Bizdirect results as a discontinued operation in the profit and loss statement.

Minority Stakes

At the end of 2020, Sonae IM reassessed the accounting of its minority stakes. Given its active investor approach, and the existence of significant influence in the majority of those stakes, Sonae IM applied the exemption provided by IAS28, and elected to measure those investments at fair value through profit or loss in accordance with IFRS9.

Until 3Q20, the referred investments were recorded at fair value through other comprehensive income (equity). The 2020 quarters presented in this document were restated to include this reclassification.

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 present a solid operating performance in Telco segment.

2Q21 benefitted from the reopen of cinema theatres on April 19th (closed since January 15th), with encouraging attendance, and from a slight roaming recovery, which coupled with the solid performance of telco segment, resulted in the first quarter of consolidated revenues growth since 4Q19.

Strategic partnerships and the launch of innovative IT, data and cloud solutions continue to drive growth in B2B, as NOS positions itself as the partner of choice for Portuguese companies and public entities in their path toward digital transformation.

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 with limited visibility on timing due to the flawed nature of the framework.

During 1H21, and with regard to portfolio activity, Technology area: (i) sold part of its stake in Artic Wolf for a gross amount of €36.4 M and with a gross capital gain of around €12.3 M; (ii) entered in the share capital of Sellforte, a SaaS platform that measures the effectiveness of online and offline marketing investments and Portainer.io, one of the most popular container management platforms globally; and iii) together with the remaining shareholders, reached an agreement with Claranet Portugal, S.A. to sell the entire share capital and voting rights of Bizdirect.

1H21 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 an unicorn; and ii) Outsystems announced a 150 million dollars capital raise, co-led by Abdiel Capital and Tiger Global, at an underlying valuation of 9.5 billion dollars. Still regarding Arctic Wolf, the company recently announced a financing round of \$150 M by existing and new investors, at an underlying valuation of \$4.3bn. The rounds of Outsystems and Arctic Wolf are a good sign of the companies' strong evolution and potential.

Turnover

Consolidated turnover in 1H21 reached 35.7 million euros, increasing 8.6%, when compared to 1H20.

This positive evolution was driven by both Media and Technology area, the latter presenting a growth of 10.8% y.o.y..

Operating costs

Operating costs amounted to 40.7 million euros, 8.8% above 1H20. Employee benefits expenses increased 8.4% and Commercial costs increased 9.6% to 7.5 million euros, mainly driven by the higher cost of goods sold, aligned with the higher level of sales. Other expenses increased 9.2%, mainly explained by the higher level of Outsourcing costs.

EBITDA

Total EBITDA increasing from 7.3 million euros to 25.9 million euros, mainly explained by the increase on equity results and non-recurrent items, but also by Underlying EBITDA that presented relevant improvements, especially at Cybersecurity companies.

In 1H21, the non-recurrent items stood at 10.8 million euros, mainly driven by the capital gain generated with Arctic Wolf sale.

The equity results, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution, increased to 17.6 million euros.

Net results

Sonaecom's EBIT increased to 22.3 million euros, from 3.0 million euros in 1H20, explained by the higher level of EBITDA and the lower level of depreciations.

Sonaecom's earnings before tax (EBT) increased from 2.5 million to 22.5 million euros, driven by the higher EBIT and financial results.

Indirect results reached 19.0 million euros, that compare with negative 2.1 million euros in 1H20, positively impacted by portfolio fair value adjustments, specially at Armilar Venture Funds, mainly related with Feedzai and Safetypay.

Net results group share stood at 39.9 million euros, above the 3.0 million euros presented in 1H20.

Operating CAPEX

Sonaecom's operating CAPEX decreased to 1.9 million euros, reaching 5.4% of turnover, 2.0 p.p. below 1H20. Excluding the IFRS 16 impact, operating CAPEX would be 1.7 million euros, 0.6 million euros below 1H20.

Capital Structure

The net cash position stood at 204.3 million euros, and excluding the decrease generated by the amount of liquidity already allocated to assets held for sale (Bizdirect), stood 2.4 million euros below the level of December 2020. Excluding leasings, net cash position stood at 217.3 million euros, 3.9 million below December 2020 (excluding the impact of cash allocated to assets held for sale), mainly driven by 31.5 million euros of positive net inflow from investment activity, the 29.7 million euros of dividends distribution and the negative operating cash-flow, financials and taxes of 3.9 million euros.

2.1 Telecommunications

NOS operating revenues were 678.5 million euros in 1H21, increasing 1.8% y.o.y..

EBITDA reached 306.6 million euros, decreasing 1.3% when compared to 1H20 and representing a 45.2% EBITDA margin.

CAPEX excluding leasings amounted to 200.1 million euros in 1H21, an increase of 16.5% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA-CAPEX decreased 23.3%.

At the end of 1H21, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,446.5 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.8x EBITDA, and with an average maturity of 2.6 years.

NOS published its 1H21 results on 21st July 2021, which are available at www.nos.pt.

During 1H21, NOS share price increased 3.4% from €2.858 to €2.956, whilst PSI20 increased by 2.8%.

Operational Indicators

Million euros	2Q20	2Q21	Δ 21/20	1Q21	q.o.q.	1H20	1H21	Δ 21/20
Operational Indicators ('000)								
Total RGUs	9,747.4	10,000.2	2.6%	9,902.2	1.0%	9,747.4	10,000.2	2.6%
Convergent + Integrated RGUs	4,823.9	5,060.5	4.9%	5,002.0	1.2%	4,823.9	5,060.5	4.9%

Financial indicators

Million euros	2Q20	2Q21	Δ 21/20	1Q21	q.o.q.	1H20	1H21	Δ 21/20
NOS HIGHLIGHTS								
Operating Revenues	321.3	341.0	6.2%	337.4	1.1%	666.6	678.5	1.8%
EBITDA	157.9	154.4	-2.2%	152.2	1.5%	310.6	306.6	-1.3%
EBITDA margin (%)	49.1%	45.3%	-3.9pp	45.1%	0.2pp	46.6%	45.2%	-1.4pp
Net Income	45.3	43.3	-4.4%	30.5	41.8%	35.0	73.9	111.2%
CAPEX excluding Leasings	83.5	104.1	24.7%	96.0	8.5%	171.8	200.1	16.5%
EBITDA-CAPEX excluding Leasings	74.3	50.3	-32.4%	56.2	-10.6%	138.8	106.5	-23.3%

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), Bizdirect and Inovretail- that generated more than 50% of its revenues outside the Portuguese market with 72.7% 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 wide 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.

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.

Arctic Wolf, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. 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.

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.

Portainer.io, based in New Zealand, is one of the most popular container management platforms globally. Portainer's universal tool unleashes the power of containerized applications for everyone.

Financial indicators

TECHNOLOGY AREA - INCOME STATEMENT	2Q20 R	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
Turnover	13.4	15.1	12.2%	13.6	11.0%	25.9	28.7	10.8%
Services Rendered	9.6	11.0	14.2%	10.3	6.8%	19.3	21.3	10.3%
Sales	3.8	4.1	7.1%	3.3	24.1%	6.6	7.3	12.0%
Other Income	0.5	0.3	-50.8%	0.4	-26.6%	0.8	0.6	-21.2%
Operating Costs	14.1	17.7	25.3%	14.0	25.9%	28.7	31.7	10.6%
Employee Benefits Expenses	7.7	9.5	22.7%	7.8	21.5%	15.9	17.3	8.6%
Commercial Costs ⁽¹⁾	3.3	3.6	10.6%	2.9	24.5%	5.8	6.5	12.4%
Other Expenses ⁽²⁾	3.1	4.6	47.0%	3.3	37.3%	7.0	7.9	13.7%
Underlying EBITDA⁽³⁾	0.1	-1.1	-	-0.1	-	-1.6	-1.2	23.8%
Underlying EBITDA Margin (%)	0.9%	-7.6%	-8.5pp	-0.7%	-6.9pp	-6.3%	-4.3%	2.0pp
Operating CAPEX ⁽⁴⁾	0.9	0.8	-14.5%	0.9	-12.7%	2.0	1.7	-12.5%
Operating CAPEX as % of Turnover	7.0%	5.3%	-1.7pp	6.8%	-1.4pp	7.6%	6.0%	-1.6pp
Underlying EBITDA - Operating CAPEX	-0.8	-1.9	-138.2%	-1.0	-91.5%	-3.6	-3.0	17.6%
Total CAPEX	1.5	2.7	71.8%	3.8	-29.6%	6.3	6.4	1.6%

R - Restated according with introductory notes;(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

Consolidated turnover in 1H21 reached 28.7 million euros, presenting a double-digit growth when compared to 1H20.

Operating costs

Operating costs increased 10.6% to 31.7 million euros. Employee benefits expenses increased 8.6% and Commercial costs increased 12.4%, aligned with the higher level of sales. Other expenses increased 13.7%, mainly explained by the higher level of Outsourcing Costs.

Underlying EBITDA

Underlying EBITDA stood at negative 1.2 million euros, better than 1H20, driven by the relevant improvements in Cybersecurity companies.

Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at negative 3.0 million euros, increasing when compared to 1H20, mainly explained by the higher EBITDA but also driven by the lower level of Operating CAPEX. Excluding the IFRS 16 impacts, operating CAPEX would have reached 1.4 million euros, 0.5 million euros below 1H20.

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 Público's activity faced a significant decrease of offline newspaper sales, with the temporary closure of the majority of points of sale, and a decrease of advertising revenues, with the cut on marketing expenses implemented across all companies. However, its digital strategy coupled with an advertising market recover resulted in a 2Q growing in almost all revenue lines.



The bet on the quality of journalism, combined with an innovative and digital image, has reinforced Público's prestige with direct positive impacts not only in the number of subscribers and online visits but also in the increasing value of the brand in the advertising market. During the last semester, digital revenues increased more than 20% and already represent 35% of total revenues, with strong performances in both subscriptions and advertising revenues. This positive performance contributed to a positive evolution at EBITDA level.

3. Subsequent events

Already at 3Q21, it was completed the sale of the entire share capital and voting rights of Bizdirect to Claranet Portugal, S.A., following the approval from the competent competition authority and the verification of the conditions precedent agreed between the parties. This transaction - generating total proceeds of 12.2 million euros – results in a positive impact in the Sonaecom's consolidated results, amounting approximately to 5.4 million euros.

4. Appendix

Consolidated income statement

Million euros	2Q20 R	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
CONSOLIDATED INCOME STATEMENT								
Turnover	16.7	19.0	13.6%	16.7	13.4%	32.9	35.7	8.6%
Services Rendered	11.4	13.1	15.2%	11.9	9.9%	22.9	25.1	9.6%
Sales	5.3	5.9	10.2%	4.8	22.1%	10.1	10.7	6.3%
Other Income	0.7	0.5	-22.0%	0.5	1.1%	1.1	1.1	-3.1%
Operating Costs	18.2	22.5	23.5%	18.1	24.3%	37.4	40.7	8.8%
Employee Benefits Expenses	10.2	12.4	21.0%	10.3	20.3%	20.9	22.6	8.4%
Commercial Costs ⁽¹⁾	3.6	4.2	15.4%	3.3	28.1%	6.8	7.5	9.6%
Other Expenses ⁽²⁾	4.4	6.0	35.9%	4.6	30.5%	9.7	10.6	9.2%
EBITDA	10.8	19.8	83.1%	6.1	-	7.3	25.9	-
Underlying EBITDA ⁽³⁾	-0.6	-1.4	-148.4%	-0.9	-69.9%	-3.0	-2.3	22.8%
Non recurrent items	-0.3	10.8	-	0.0	-	-0.4	10.8	-
Equity method ⁽⁴⁾	11.5	10.7	-7.3%	6.9	54.6%	10.4	17.6	68.6%
Discontinued Operations ⁽⁵⁾	0.2	-0.2	-	0.1	-	0.3	-0.1	-
Underlying EBITDA Margin (%)	-3.5%	-7.6%	-4.1pp	-5.1%	-2.5pp	-9.0%	-6.4%	2.6pp
Depreciation & Amortization	2.2	1.8	-17.8%	1.9	-5.0%	4.3	3.7	-14.1%
EBIT	8.6	18.1	109.7%	4.2	-	3.0	22.3	-
Net Financial Results	0.0	0.1	-	0.2	-57.3%	-0.5	0.2	-
Financial Income	0.9	-0.3	-	0.6	-	1.6	0.4	-78.1%
Financial Expenses	0.9	-0.3	-	0.5	-	2.1	0.1	-94.2%
EBT	8.6	18.1	110.6%	4.4	-	2.5	22.5	-
Tax results	0.9	-2.8	-	0.4	-	1.6	-2.4	-
Direct Results	9.5	15.3	60.8%	4.8	-	4.2	20.1	-
Indirect Results⁽⁶⁾	-2.3	13.6	-	5.4	149.4%	-2.1	19.0	-
Net Income	7.2	28.8	-	10.3	180.8%	2.1	39.1	-
Group Share	7.5	29.4	-	10.6	177.8%	3.0	39.9	-
Attributable to Non-Controlling Interests	-0.3	-0.6	-112.2%	-0.3	-80.5%	-0.9	-0.9	1.5%

R - Restated according with introductory notes;

(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 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 Bizdirect contributions;

(6) 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	2Q20 R	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
Total Net Assets	1,190.0	1,231.9	3.5%	1,226.8	0.4%	1,190.0	1,231.9	3.5%
Non Current Assets	905.0	955.9	5.6%	954.6	0.1%	905.0	955.9	5.6%
Tangible and Intangible Assets and Rights of Use	20.2	18.0	-11.2%	20.0	-10.1%	20.2	18.0	-11.2%
Goodwill	14.5	14.5	0.0%	14.5	0.0%	14.5	14.5	0.0%
Investments	855.7	900.6	5.2%	895.8	0.5%	855.7	900.6	5.2%
Deferred Tax Assets	4.7	16.3	-	16.2	0.4%	4.7	16.3	-
Others	9.9	6.6	-33.5%	8.1	-19.0%	9.9	6.6	-33.5%
Current Assets	284.9	256.0	-10.2%	272.2	-6.0%	284.9	256.0	-10.2%
Trade Receivables	34.7	11.1	-68.1%	18.0	-38.6%	34.7	11.1	-68.1%
Liquidity	222.3	221.7	-0.3%	229.3	-3.3%	222.3	221.7	-0.3%
Others	27.9	23.2	-17.0%	24.9	-6.7%	27.9	23.2	-17.0%
Assets held for sale	0.0	20.0	-	0.0	-	0.0	20.0	-
Shareholders' Funds	1,051.9	1,124.1	6.9%	1,125.6	-0.1%	1,051.9	1,124.1	6.9%
Group Share	1,047.3	1,111.9	6.2%	1,112.8	-0.1%	1,047.3	1,111.9	6.2%
Non-Controlling Interests	4.6	12.2	164.8%	12.8	-4.4%	4.6	12.2	164.8%
Total Liabilities	138.0	107.8	-21.9%	101.3	6.4%	138.0	107.8	-21.9%
Non Current Liabilities	66.0	42.8	-35.1%	42.8	-0.1%	66.0	42.8	-35.1%
Loans	2.4	1.6	-32.4%	1.9	-15.7%	2.4	1.6	-32.4%
Provisions	30.4	0.7	-97.7%	0.7	-7.3%	30.4	0.7	-97.7%
Others	33.2	40.5	22.1%	40.2	0.8%	33.2	40.5	22.1%
Current Liabilities	72.1	50.4	-30.1%	58.4	-13.7%	72.1	50.4	-30.1%
Loans	1.6	2.8	70.6%	3.1	-10.7%	1.6	2.8	70.6%
Trade Payables	26.9	8.6	-68.1%	17.0	-49.5%	26.9	8.6	-68.1%
Others	43.5	39.0	-10.3%	38.3	2.0%	43.5	39.0	-10.3%
Liabilities directly associated with the assets held for sale	0.0	14.6	-	0.0	-	0.0	14.6	-
Operating CAPEX ⁽¹⁾	1.1	0.8	-31.6%	1.1	-30.9%	2.4	1.9	-21.0%
Operating CAPEX as % of Turnover	6.9%	4.1%	-2.7pp	6.8%	-2.6pp	7.4%	5.4%	-2.0pp
Total CAPEX	1.8	2.6	50.4%	4.0	-33.8%	6.8	6.6	-2.4%
Underlying EBITDA - Operating CAPEX	-1.7	-2.2	-29.0%	-2.0	-12.3%	-5.4	-4.2	22.0%
Gross Debt	17.7	17.4	-1.4%	19.1	-8.7%	17.7	17.4	-1.4%
Net Debt	-204.6	-204.3	0.2%	-210.2	2.8%	-204.6	-204.3	0.2%

R - Restated according with introductory notes;

(1) Operating CAPEX excludes Financial Investments

Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	2Q20 R	2021	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
Underlying EBITDA-Operating CAPEX	-1.7	-2.2	-29.0%	-2.0	-12.3%	-5.4	-4.2	22.0%
Change in WC	-6.6	8.2	-	-1.0	-	-4.6	7.2	-
Non Cash Items & Other	2.2	-2.9	-	0.2	-	2.5	-2.8	-
Operating Cash Flow	-6.1	3.0	-	-2.8	-	-7.6	0.2	-
Investments	-2.9	34.3	-	-2.8	-	-6.6	31.5	-
Dividends	0.0	0.0	-	0.0	-	0.0	0.0	-
Financial results	0.0	1.3	-	0.2	-	-0.1	1.5	-
Income taxes	0.8	-6.2	-	0.5	-	1.5	-5.7	-
FCF⁽¹⁾	-8.3	32.4	-	-4.9	-	-12.9	27.5	-

R - Restated according with introductory notes;

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



5. Qualified Shareholdings

In compliance with the Article 9, paragraph 1, subparagraph (c) of the Securities and Exchange Commission Regulation 05/2008, and according to the notifications received by the Company, the qualified shareholdings representing at least 2% of the share capital of Sonaecom, SGPS, S.A., indicating the number of shares held and the percentage of voting rights, calculated in accordance with article 20 of the Portuguese Securities Code, at 30 June 2021, are described as follows:

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

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

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

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



6. Statement of the Board of Directors

In compliance with Article 246 Paragraph 1, c) of the Portuguese Securities Code, the signatories individually declare that, to their knowledge, the Condensed Financial Statements and the mid-term Management Report referring to the first half of 2021 were prepared meeting the standards of the applicable, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the results of the issuer and that the mid-term Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter for the first six months of 2021 and contains a description of the major risks and uncertainties with which they are confronted.

The Board of Directors,

Ângelo Gabriel Ribeirinho dos Santos Paupério

Maria Cláudia Teixeira de Azevedo

João Pedro Magalhães da Silva Torres Dolores

Eduardo Humberto dos Santos Piedade

Cristina Maria de Araújo Freitas Novais



II – FINANCIAL STATEMENTS



7. Condensed Financial Information

7.1. Sonaecom condensed consolidated financial statements

Condensed consolidated statement of financial position

For periods ended on 30 June 2021 and 31 December 2020

(Amounts expressed in Euro)	Notes	June 2021 (not audited)	December 2020
Assets			
Non-current assets			
Property, plant and equipment		1,832,588	2,034,408
Intangible assets		7,211,407	8,240,910
Right of use		8,932,028	10,609,677
Goodwill		14,520,952	14,520,952
Investments in joint ventures and associated companies	6	819,242,583	807,795,660
Financial assets at fair value through other comprehensive income	7	7,507,992	7,299,791
Financial assets at fair value through profit or loss	8	73,810,213	92,324,063
Deferred tax assets		16,298,105	16,380,468
Other non-current assets		6,590,021	7,602,700
Total non-current assets		955,945,889	966,808,629
Current assets			
Inventories		228,278	251,827
Trade receivables		11,067,398	22,616,717
Other receivables		8,850,622	8,314,544
Income tax assets		1,904,814	1,819,652
Other current assets		12,209,714	13,971,930
Cash and cash equivalents		221,691,533	233,707,494
Total current assets		255,952,359	280,682,164
Assets held for sale	9	19,971,483	-
Total assets		1,231,869,731	1,247,490,793
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital		230,391,627	230,391,627
Own shares		(7,686,952)	(7,686,952)
Reserves and retained earnings		849,216,389	818,589,511
Consolidated net income/(loss) for the period		39,945,124	60,125,890
Total Shareholders' funds		1,111,866,188	1,101,420,076
Non-controlling interests		12,213,466	13,080,206
Total Shareholders' funds		1,124,079,654	1,114,500,282
Liabilities			
Non-current liabilities			
Loans		1,609,337	2,146,527
Lease liabilities		9,805,213	11,072,814
Provisions		690,537	30,007,840
Deferred tax liabilities		30,445,968	28,054,313
Other non-current liabilities		266,291	264,105
Total non-current liabilities		42,817,346	71,545,599
Current liabilities			
Loans		2,786,371	1,546,801
Trade payables		8,607,396	16,886,338
Lease liabilities		3,218,721	3,408,625
Other payables		14,101,106	9,639,257
Income tax liabilities		1,852	-
Other current liabilities		21,706,665	29,963,891
Total current liabilities		50,422,111	61,444,912
Liabilities directly associated with the assets held for sale	9	14,550,620	-
Total Liabilities		107,790,077	132,990,511
Total Shareholders' funds and liabilities		1,231,869,731	1,247,490,793

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

The Certified Accountant

The Board of Directors



Condensed consolidated income statement by nature

For periods of 6 months ended on 30 June 2021 and 2020 (restated)

(Amounts expressed in Euro)	Notes	June 2021 (not audited)	June 2020 (not audited and restated)
Sales	10	10,690,245	10,057,072
Services rendered	10	25,059,625	22,860,129
Other income		1,057,552	1,091,894
		36,807,422	34,009,095
Cost of sales		(6,713,916)	(6,158,941)
External supplies and services		(10,593,402)	(10,026,108)
Employee benefits expense		(22,631,081)	(20,883,804)
Amortisation and depreciation		(3,719,464)	(4,328,158)
Provisions		(133,292)	(102,789)
Impairment losses		(107,926)	(14,289)
Other expenses		(474,406)	(175,519)
		(44,373,487)	(41,689,608)
Gains and losses in joint ventures and associated companies	6	41,265,897	10,216,032
Gains and losses on assets at fair value through profit or loss	8	13,499,571	(1,801,098)
Financial expenses		(866,068)	(2,114,116)
Financial income		1,103,485	1,646,665
Current income / (loss)		47,436,820	266,970
Income taxation		(8,234,617)	1,540,929
Consolidated net income/(loss) for the period of continued operations		39,202,203	1,807,899
Consolidated net income/(loss) for the period of discontinued operations	11	(130,819)	272,993
Consolidated net income/(loss) for the period		39,071,384	2,080,892
Attributed to:			
Shareholders of parent company		39,945,124	2,968,233
Non-controlling interests		(841,035)	(955,316)
Non-controlling interests (discontinued operations)		(32,705)	67,975
Earnings per share			
Including discontinued operations			
Basic		0.13	0.01
Diluted		0.13	0.01
Excluding discontinued operations			
Basic		7.19	0.50
Diluted		7.19	0.50

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

The Certified Accountant

The Board of Directors



Condensed consolidated statement of comprehensive income

For periods of 6 months ended on 30 June 2021 and 2020 (restated)

(Amounts expressed in Euro)	Notes	June 2021 (not audited)	June 2020 (not audited and restated)
<u>Consolidated net income / (loss) for the period</u>		39,202,203	1,807,899
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	445,428	(2,668,501)
Changes in currency translation reserve and other		(53,932)	123,079
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)	(676,907)
Fair value of investments	7	173,693	(368,084)
<u>Consolidated comprehensive income for the period</u>		39,347,845	(1,414,430)
Attributed to:			
Shareholders of parent company		40,214,488	(619,797)
Non-controlling interests		(866,643)	(794,633)

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

The Certified Accountant

The Board of Directors

Condensed consolidated statement of changes in equity

For periods of 6 months ended on 30 June 2021 and 2020 (restated)

(Amounts expressed in Euro)	Reserves							Non-controlling interests	Net income / (loss)	Total
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves			
2021										
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	-	-	-	153,812	-	59,972,078	60,125,890	-	(60,125,890)	-
Dividend Distribution	-	-	-	-	-	(29,659,595)	(29,659,595)	-	-	(29,659,595)
Percentage change in subsidiaries	-	-	-	-	-	-	-	-	-	-
Consolidated comprehensive income for the period ended at 30 June 2021	-	-	-	-	-	145,642	145,642	(866,643)	39,945,124	39,224,123
Other changes	-	-	-	-	-	14,941	14,941	(97)	-	14,844
Balance at 30 June 2021	230,391,627	(7,686,952)	775,290,377	20,837,737	7,686,952	45,401,323	849,216,389	12,213,466	39,945,124	1,124,079,654

(Amounts expressed in Euro)	Reserves							Non-controlling interests	Net income / (loss)	Total
	Share capital	Own shares	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves			
2020										
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	-	-	-	2,138,733	-	50,029,387	52,168,120	-	(52,168,120)	-
Dividend Distribution	-	-	-	-	-	(25,378,829)	(25,378,829)	(175,000)	-	(25,553,829)
Percentage change in subsidiaries	-	-	-	-	-	-	-	6,000,000	6,000,000	
Consolidated comprehensive income for the period ended at 30 June 2020 (restated)	-	-	-	-	-	(3,590,413)	(3,590,413)	(794,633)	2,968,233	(1,416,812)
Other changes	-	-	-	-	-	163,772	163,772	218,032	-	381,804
Balance at 30 June 2020	230,391,627	(7,686,952)	775,290,377	20,683,925	7,686,952	17,977,175	821,638,429	4,612,244	2,968,233	1,051,923,581

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

The Certified Accountant

The Board of Directors

Condensed consolidated cash flow statement

For periods of 6 months ended on 30 June 2021 and 2020

(Amounts expressed in Euro)	June 2021 (not audited)	June 2020 (not audited)
Operating activities		
Receipts from trade debtors	59,714,251	63,414,977
Payments to trade creditors	(36,761,798)	(45,420,826)
Payments to employees	(26,582,492)	(22,566,254)
Cash flows generated by operations	(3,630,039)	(4,572,103)
Payments / receipts relating to income taxes	(149,890)	(112,260)
Other receipts / payments relating to operating activities	(3,463,333)	(1,500,978)
Cash flows from operating activities (1)	(7,243,262)	(6,185,341)
Investing activities		
Receipts from:		
Financial investments	36,417,920	-
Tangible assets	25,289	20,586
Intangible assets	-	686,176
Dividends	50	-
Interest and similar income	290,759	323,984
Others	918,548	-
Payments for:		
Financial investments	(3,256,335)	(4,329,572)
Tangible assets	(285,037)	(545,794)
Intangible assets	(220,576)	(813,617)
Variation in loans granted	-	(249,932)
Cash flows from investing activities (2)	33,890,618	(4,908,169)
Financing activities		
Receipts from:		
Capital increases, supplementary capital and share premium	-	6,000,000
Loans obtained	681,240	500,000
Payments for:		
Leasing	(1,882,938)	(1,957,818)
Interest and similar expenses	(22,420)	(140,120)
Dividends	(29,659,595)	(25,553,829)
Loans obtained	-	(1,306,717)
Cash flows from financing activities (3)	(30,883,713)	(22,458,484)
Net cash flows (4)=(1)+(2)+(3)	(4,236,357)	(33,551,994)
Effect of the foreign exchanges	9,887	(31,985)
Effect of the assets and liabilities held for sale (Note 9)	(7,789,491)	-
Cash and cash equivalents at the beginning of the period	233,707,494	255,876,965
Cash and cash equivalents at the end of the period	221,691,533	222,292,986

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

The Certified Accountant

The Board of Directors

6.2. Notes to the condensed consolidated financial statements of Sonaecom

1. Introductory note

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 1 June 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

On 2021 January 7th, following the worsening pandemic situation it was formally declared a new state of emergency and a new national lock-down which marked almost the full quarter in Portugal. The evolution of cases numbers worldwide continued to trend up in 2Q with Europe and USA being regions strongly affected by the second wave. Since April with the vaccination process speeding-up in Europe and USA, we have been experiencing a progressive deconfinement and reopening of economy.

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 across the globe
- At NOS, the impacts were felt particularly in roaming and in the Cinemas and Audiovisuals activity with the closing of all cinemas from 15 January to 19 April, which inevitably impacted consolidated revenues and EBITDA evolution. However, and despite all pandemic restrictions in Portugal, 2Q benefitted from the reopen of cinema theatres, with encouraging attendance, and from a slight roaming recovery.
- PÚBLICO's activity faced a significant decrease in advertising activity during the 1Q but its digital strategy coupled with an advertising market recover resulted in a 2Q growing in almost all revenue lines.

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, Sonaecom will continue to implement all measures



deemed appropriate to minimize their impacts, in line with the recommendation of the competent entities and in the best interest of all our stakeholders.

2. Main accounting policies and basis of presentation

The condensed consolidated financial statements for the period ended at 30 June 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 30 June 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 2021 and were first adopted in the period ended 30 June 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, with mandatory application in future financial years, were, until the date of approval of these financial statements, 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.

The following standards, interpretations, amendments, and revisions have not, until the period ended at 30 June 2021, been approved ('endorsed') by the European Union:

- IFRS 17: Insurance contracts (includes changes to the standard): 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.
- Amendments to IAS 12 Income tax: The amendments clarify how companies account for deferred taxes on transactions such as leases and decommissioning obligations.

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

Restatement of consolidated financial statements

Review of the classification of minority participations

In the year ended 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 30 June 2020 were restated in order to incorporate the changes described above.

Digitmarket classification as a discontinued operating unit

In the period ended 30 June 2021, following the agreement with Claranet Portugal, SA for the sale of the entire share capital and voting rights of Digitmarket Sistemas de Informação S.A., announced on June 1, Digitmarket (75% held by Sonae Investment Management – Software and Technology, SGPS, SA., 15% by AITEC Capital, SGPS, SA. and 10% by Banco BPI, SA.), was considered a discontinued operating unit.

In this regard and according to IFRS 5, 2021 Digitmarket assets and liabilities were classified as held for sale. At Consolidated statement of income by nature, the result for the year was classified under the heading 'Consolidated net income/(loss) for the period of discontinued operations' and the comparative period restated to reflect, in a single heading on the income statement, the profits or losses after the taxes of discontinued operating units.

The impacts of restating the consolidated accounts in accordance with the changes described above for the period ended at 30 June 2020 can be summarised as follows:

(Amounts expressed in Euro)	June 20 (reported)	Restatement of classification of minority interests	Restatement of Digitmarket's contribution to discontinued units	June 20 (restated)
BALANCE SHEET				
Non-current assets				
Financial assets at fair value through other comprehensive income (note 7)	59,583,495	(54,496,471)	-	5,087,024
Financial assets at fair value through profit or loss (note 8)	-	54,496,471	-	54,496,471
Shareholders' funds				
Reserves and retained earnings	819,711,705	1,926,724	-	821,638,429
STATEMENT OF COMPREHENSIVE INCOME				
Total Revenues	70,702,223	-	(36,693,128)	34,009,095
Cost of sales	(39,137,678)	-	32,978,737	(6,158,941)
External supplies and services	(11,645,381)	-	1,619,273	(10,026,108)
Employee benefits expense	(22,418,651)	-	1,534,847	(20,883,804)
Depreciation and amortisation	(4,490,466)	-	162,308	(4,328,158)
Other expenses	(178,865)	-	3,346	(175,519)
Other financial expenses	(2,151,672)	-	37,556	(2,114,116)
Other financial income	1,650,734	-	(4,069)	1,646,665
Gains and losses on assets at fair value through profit or loss (note 8)	-	(1,801,098)	-	(1,801,098)
Income taxation	1,578,418	(125,626)	88,137	1,540,929
Net income/(loss) for the year of continued operations	4,007,616	(1,926,724)	(272,993)	1,807,899
Net income/(loss) for the year of discontinued operations	-	-	272,993	272,993
Non-controlling interests	(887,341)	-	(67,975)	(955,316)
Non-controlling interests (discontinued operations)	-	-	67,975	67,975

4. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, shareholders and percentage of share capital held at 30 June 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*
<u>Parent company</u>							
SONAE COM, S.G.P.S., S.A. ("SonaeCom")	Maia	Management of shareholdings.	-	-	-	-	-
<u>Subsidiaries</u>							
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.	Sonae IM	100%	100%	100%	100%
Bright Ventures Capital, SCR, S.A.	Lisbon	Realization of investment in venture capital, management of venture capital funds and investment in venture capital fund units.	Bright	100%	100%	100%	100%
Digitmarket - Sistemas de Informação, S.A. ("Digitmarket" - using the brand "Bizdirect")	Maia	Development of management platforms and commercialisation of products, services and information, with the internet as its main support.	Sonae IM	75%	75%	75%	75%
Excellum Group, S.A. ("Excellum")	Contern	Excellum 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%
Excellum Services, S.A. ("Excellum Services")	Contern	Provide services within the IT and cybersecurity domain mainly to Luxembourgish institutions, banks and insurance companies.	Excellum	100%	59,20%	100%	59,20%
Excellum Services Belgium, S.A. ("Excellum Services Belgium")	Wavre	Provide services within the IT and cybersecurity domain mainly to Belgium institutions, banks and insurance companies.	Excellum	100%	59,20%	100%	59,20%
Excellum Factory SARL ("Excellum Factory") (a)	Raouad-Ariana	Vehicle for the Excellum product development in Africa.	Excellum	liquidated		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.	Sonae IM	100%	100%	100%	100%
Inovretail España, SL ("Inovretail España")	Madrid	Industry and trade of electronic equipment and software; development, installation, implementation, training and maintenance of systems and software products; rental equipment, sale of software use license; consulting business, advisory in retail segments, industry and services.	Inovretail	100%	100%	100%	100%
Fundo Bright Vector I ("Bright Vector I")	Lisbon	Venture Capital Fund	Sonae IM SonaeCom Sonae IM Bright PCJ SPAR	50,13% 10% 10% 10% 10% 10%	50,13% 25% 25% - - -	50,13% 25% 25% - - -	50,13%
Fundo Bright Tech Innovation I - ("Bright Tech Innovation I") (c)	Maia	Venture Capital Fund					
Maxive- Cybersecutiry, SGPS, S.A. ("Maxive") (b)	Maia	Management of shareholdings.	Sonae 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.	Sonae IM	100%	100%	100%	100%
Público - Comunicação Social, S.A. ("Público")	Oporto	Editing, composition and publication of periodical and non-periodical material.	SonaeCom	100%	100%	100%	100%
S21Sec Portugal Cybersecurity Services, S.A. ("S21Sec 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%
Sonae Investment Management - Software and Technology, SGPS, S.A. ("SonaeIM")	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	SonaeCom	100%	100%	100%	100%

* SonaeCom effective participation

(a) Company liquidated in June 2021

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

(c) In December 2020, new participation units were subscribed



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 30 June 2021 and 2020, the following changes occurred in the composition of the Group:

a) Acquisitions

Shareholder	Subsidiary	Date
2021		
Bright Vector I	Automaise, Lda ('Automaise') (note 8) - increase	Jan-21
Sonae IM	Selfforte Solutions Oy ('Selfforte') (note 8)	Feb-21
Sonae IM	Arçaka Networks ('Arçaka') (note 8)	Apr-21
Sonae IM	Portainer.io Limited ('Portainer') (note 8)	Apr-21

Shareholder	Subsidiary	Date
2020		
Sonae IM	Sales Layer Tech, S.L. (note 8)	Mar-20
Fundo Bright Vector I	Portugate S.A. ('Replai') (note 8)	Jun-20

b) Constitutions

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

c) Discontinued

Shareholder	Subsidiary	Date
2021		
Excellium	Excellium Factory SARL ('Excellium Factory')	Jun-21

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 30 June 2021 and 2020 are as follows:

Head Office		Percentage of ownership				Value in profit and loss statement	
		30 June 2021		30 June 2020		30 June 2021	30 June 2020
		Direct	Total	Direct	Total		
ZOPT, SGPS, S.A. ('ZOPT') (a)	Oporto	50.00%	50.00%	50.00%	50.00%	17,599,433	10,555,528
Unipress - Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50.00%	50.00%	50.00%	50.00%	(24,964)	(17,591)
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. ('Rádio Nova')	Oporto	50.00%	50.00%	50.00%	50.00%	(19,771)	(34,819)
Intelligent Big Data, S.L. ('Big Data') (b)	Gipuzcoa	-	-	50.00%	50.00%	-	(526)
Fundo de Capital de Risco Armilar Venture Partners II ('Armilar II') (c)	Lisboa	44.33%	44.33%	50.74%	50.74%	733,883	137,923
Fundo de Capital de Risco Armilar Venture Partners III ('Armilar III')	Lisboa	42.80%	42.80%	42.80%	42.80%	20,028,537	328,922
Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização ('Armilar I+I')	Lisboa	38.25%	38.25%	38.25%	38.25%	2,875,094	(666,862)
Secucloud Network GmbH ('Secucloud') (d)	Hamburg	-	-	27.45%	27.45%	70,511	(90,928)
Probe.ly	Lisbon	21.21%	21.21%	21.21%	21.21%	3,174	4,385
Suricate Solutions	Luxembourg	20.00%	11.84%	20.00%	11.84%	-	-
Alfaros SAR	Tunisia	40.00%	23.68%	40.00%	23.68%	-	-
Total						41,265,897	10,216,032

(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

(d) Company sold in April 2021

In 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 IFRS 11, the classification of investments in joint ventures 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 ventures at 30 June 2021 and 31 December 2020 is as follows:

	30 June 2021			31 December 2020		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in companies jointly controlled						
Zopt	593,081,000	87,527,500	680,608,500	575,455,685	87,527,500	662,983,185
Unipress	380,130	321,700	701,830	405,135	321,700	726,835
SIRS	-	-	-	19,730	-	19,730
	553,392,312	87,849,200	681,310,330	575,880,550	87,849,200	663,729,750
Investments in associated companies						
Armilar II	77,003,567	-	77,003,567	96,578,405	-	96,578,405
Armilar III	45,070,366	-	45,070,366	31,302,286	-	31,302,286
Armilar I+I	15,695,759	-	15,695,759	16,025,832	-	16,025,832
Secucloud	-	-	-	(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
	141,741,429	4,716,910	137,932,253	141,269,020	2,796,890	144,065,910
Total	695,133,741	92,566,110	819,242,583	717,149,570	90,646,090	807,795,660



In the period ended at 30 June 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 amount 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 30 June 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.

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 – third in relation to the decreed arrest-, 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.

Also 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, a decision which, having been appealed by ZOPT, was revoked by the Court of Appeal already in 2021 awaiting further developments, 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.



In March 2021, in response to the application filed in November by ZOPT, the Public Prosecutor's Office stated that it requested that dividends falling to Unitel International Holdings, BV and Kento Holding Limited to be deposited in Caixa Geral de Depósitos, SA, not intending to block the distributions of dividends to those two commercial companies by ZOPT SGPS, but only to ensure that they remain within the scope of these records.

The Public Prosecutor's Office further understands that ZOPT cannot use third-party dividends to satisfy an alleged claim by Caixa Geral de Depósitos over Kento Holding Limited. If such credit exists, it will be the responsibility of Caixa Geral de Depósitos to assert its alleged rights by the appropriate procedural means.

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 6 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 30 June 2021, there are 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. NOS filed a defense at the beginning of June challenging the petition by MEO and at this moment, the deadline for carrying out the other procedural steps is currently running.

3. Contractual Penalties

At 30 June 2021, the amounts billed and to be received from these indemnities amount to EUR 108.1 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.



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.

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.

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 half of 2020, 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, as well as the recording of impairments in the item "Losses / (Gains) in subsidiaries", in the amount of 6.3 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.

In the half ended 30 June 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.

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 30 June 2021, the average maturity of the NOS group's financing is 2.6 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 30 June 2021 and 31 December 2020, this caption was composed as follows:

	30 June 2021	31 December 2020
Deepfence	2,103,675	2,037,325
Nextail	1,628,760	1,628,760
Iriusrisk	1,416,514	1,416,514
Style Sage	1,481,137	1,378,547
Sensei	405,900	405,900
Others	472,006	432,745
	7,507,992	7,299,791

At 30 June 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 30 June 2021 and 2020, the change in investments at fair value through other comprehensive income was as follows:

	30 June 2021	30 June 2020 (restated)
Opening balance	7,299,791	5,344,811
Fair value	208,201	(257,787)
Closing balance	7,507,992	5,087,024

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 30 June 2021 and 31 December 2020, this caption was composed as follows:

	30 June 2021	31 December 2020
Arctic Wolf	23,815,705	46,129,113
Cellwise	8,235,901	7,976,141
Ometria	8,031,046	7,664,993
Sixgill	5,048,820	4,889,580
Case on IT	2,244,546	4,402,087
Weaveworks	4,207,349	4,074,649
CB4	3,411,425	3,278,059
Sales Layer	2,500,358	2,500,358
Sellforte	2,500,000	-
Visenze	2,456,085	2,378,620
Reblaze	2,314,043	2,241,058
CiValue	1,884,893	1,825,443
Jscrambler	1,550,000	1,550,000
Aryaka	1,369,362	-
Daisy Intelligence	1,126,503	1,050,496
Others	3,114,177	2,363,466
	73,810,213	92,324,063

Investments not irrevocably designated in the initial recognition as ‘Financial Assets 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 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 30 June 2021 and 2020, the change in investments through profit and loss was as follows:

	30 June 2021	30 June 2020 (restated)
Opening balance	92,324,063	53,022,211
Acquisitions/Capital Increases	4,404,499	3,275,358
Fair value	1,220,291	(1,801,098)
Exits	(24,138,640)	-
Closing balance	73,810,213	54,496,471

At 30 June 2021, the item “Exits” refers to the partial sale of SonaeIM’s stake in Artic Wolf for the amount of EUR 36.4 million, which generated a capital gain of EUR 12.3 million.

In the periods ended 30 June 2021 and 2020, the movement in net income was as follows:

	30 June 2021	30 June 2020 (restated)
Gains and losses recognized profit or loss	13,499,571	(1,801,098)
	13,499,571	(1,801,098)

At 30 June 2021, the caption "Gains and losses recognized profit or loss" includes the amount of EUR 12,279,280 referring to the capital gain from the partial sale of Sonae IM's stake in Artic Wolf.

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. 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 cyber threats 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.

Portainer

New Zealand-based Portainer.io is one of the world's most popular container management platforms. Portainer's universal platform makes it easy to manage applications in container environments.

Aryaka

Aryaka, founded in 2009, is a pioneer in offering long-distance connectivity in a service model, taking on the mission of connecting organizations globally while maintaining application performance as well as operational simplicity.



9. Assets and liabilities held for sale

In the period ended 30 June 2021, assets and liabilities held for sale include the assets and liabilities of Digitmarket, a subsidiary sold in July 2021, in accordance with IFRS 5.

The details of Assets and Liabilities held for sale can be detailed as follows:

(Amounts expressed in Euro)	June 2021
Assets	
Non-current assets	
Property, plant and equipment, intangible assets and Right of use	905,739
Deferred tax assets	155,564
Other non-current assets	61,338
Total non-current assets	1,122,641
Current assets	
Inventories	198,413
Trade receivables	7,947,063
Other current assets	2,913,875
Cash and cash equivalents	7,789,491
Total current assets	18,848,842
Assets held for sale	19,971,483
Liabilities	
Non-current liabilities	
Lease liabilities	(186,561)
Provisions	(12,661)
Total non-current liabilities	(199,223)
Current liabilities	
Trade payables	(8,290,898)
Lease liabilities	(119,057)
Other current liabilities	(5,941,442)
Total current liabilities	(14,351,397)
Liabilities directly associated with the assets held for sale	(14,550,620)

The item "Cash and cash equivalents" includes the allocation to assets held for sale of the liquidity applied in the group in the amount of 7,725,000 euros.

In the period ended 30 June 2021 and 2020 (restated) the amounts of Digitmarket's income statement were recorded under the heading "Consolidated net income/(loss) for the period of discontinued operations" (Note 11), in accordance with IFRS 5.

10. Sales and services rendered

At 30 June 2021 and 2020, this caption was composed as follows:

	30 June 2021	30 June 2020 (restated)
Technologies	28,668,498	25,978,080
Media and others	7,081,372	6,939,121
35,749,870	32,917,201	

The detail of unrecognised revenue related to performance obligations of contracts with customers not satisfied in the period ended at 30 June 2021, by type of contract and according to its duration, is as follows:

	Contract with customer duration				
	2021	2022	2023	>2023	Total
Technologies:					
Cybersecurity	4,431,554	7,118,325	4,320,159	777,008	16,647,046
Total revenue from contracts with customers	4,431,554	7,118,325	4,320,159	777,008	16,647,046

11. Discontinued units

Bizdirect

In the periods ended 30 June 2021 and 2020, the net income and cash flows from discontinued operations can be detailed as follows:

(Amounts expressed in Euro)	June 2021	June 2020 (restated)
Sales	20,678,415	34,121,378
Services rendered	2,574,960	3,125,274
Other income	10,861	1,219
	23,264,236	37,247,871
Cost of sales	(19,715,473)	(33,106,838)
External supplies and services	(1,773,679)	(2,045,931)
Employee benefits expense	(1,780,393)	(1,534,847)
Depreciation and amortisation	(150,359)	(162,307)
Other expenses	(5,823)	(3,331)
	(23,425,727)	(36,853,254)
Other financial expenses	(15,575)	(47,061)
Other financial income	18,685	13,575
Current income / (loss)	(158,381)	361,130
Income taxation	27,562	(88,137)
Consolidated net income/(loss) for the period of discontinued operations	(130,819)	272,993
Attributed to:		
Non-controlling interests (discontinued operations)	(32,705)	67,975
Cash flows from operating activities (1)	(903,596)	1,612,171
Cash flows from investment activities (2)	(14,112)	(7,711)
Cash flows from financing activities (3)	(118,474)	(815,197)
Net cash flows (4)=(1)+(2)+(3)	(1,036,181)	789,263

12. Related parties

During the periods ended at 30 June 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 30 June 2021 and 2020 were as follows:

						Balances at 30 June 2021
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	
Parent Company (Sonae SGPS)	2,474,186	8,384,215	-	380,785	11,877	
Companies jointly controlled	836,285	270,760	-	303,570	375,160	
Associated companies	-	6,750	-	2,123,076	10,600	
Others related parties	6,386,834	75,056	-	60,164	645,968	
	9,697,305	8,736,781	-	2,867,594	1,043,605	

						Balances at 30 June 2020 (restated)
	Accounts receivable	Accounts payable	Treasury applications	Other assets	Other liabilities	
Parent Company (Sonae SGPS)	3,881,303	4,797,055	-	914,598	11,948	
Companies jointly controlled	6,056,754	407,894	4,700	696,381	894,349	
Associated companies	-	1,842	-	4,011,531	-	
Others related parties	8,061,189	86,613	-	289,319	72,351	
	17,999,247	5,293,403	4,700	5,911,830	978,648	

						Transactions at 30 June 2021
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	75	182,655	252,657	-	-	-
Companies jointly controlled	1,299,043	371,112	-	-	-	112,522
Associated companies	-	182,056	44,778	-	-	-
Others related parties	925,075	418,254	-	46,349	-	-
	2,224,193	1,154,077	297,436	46,349	-	112,522

						Transactions at 30 June 2020
	Sales and services rendered	Supplies and services received	Interest and similar income	Interest and similar expense		Supplementary income
Parent Company (Sonae SGPS)	5,547	158,011	314,212	-	-	-
Companies jointly controlled	1,276,465	341,812	81	-	-	127,000
Associated companies	-	332	54,740	-	-	48,037
Others related parties	778,436	468,763	-	-	-	3,500
	2,060,448	968,918	369,034	-	-	178,537

During the period ended 30 June 2021, the company distributed as dividends the amount of 7,859,228 euros to Sonae (6,724,906 euros in 2020) and 18,824,123 euros to Sontel BV (16,107,239 euros in 2020).

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 30 June 2021 and 2020, no impairment losses have been recognised as accounts receivables of related parties.

13. Segment information

In the periods ended at 30 June 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 30 June 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 30 June 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	
	Jun 21	Jun 20	June 2021	June 2020 (restated)	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020 (restated)
Revenues:												
Sales and services rendered	6,959,487	6,482,561	28,668,497	25,882,079	195,000	171,250	35,822,984	32,535,890	(73,114)	381,311	35,749,870	32,917,201
Other income	290,819	224,480	631,292	801,349	126,140	19,925	1,048,251	1,045,754	9,301	46,140	105,552	109,894
Total revenues	7,250,306	6,707,041	29,299,789	26,683,428	321,140	191,175	36,871,235	33,581,644	(63,813)	427,451	36,807,422	34,009,095
Depreciation and amortisation	(317,153)	(596,079)	(3,215,859)	(3,504,857)	(18,179)	(15,701)	(3,551,171)	(4,116,637)	(168,293)	(211,521)	(3,719,464)	(4,328,158)
Provisions and impairment losses	-	-	(230,714)	(52,938)	(10,504)	(64,139)	(241,218)	(17,708)	-	-	(241,218)	(117,078)
Net operating income / (loss) for the segment	(1,070,362)	(1,917,544)	(5,640,021)	(5,503,573)	(886,735)	(696,821)	(7,597,118)	(8,117,938)	31,053	437,425	(7,566,065)	(7,680,513)
Interest income	8,853	9,436	85,451	93,084	555,415	488,123	650,719	590,643	(291,427)	(159,763)	359,292	430,880
Interest expenses	(16,896)	(8,394)	(468,008)	(413,918)	(888)	(984)	(485,792)	(423,296)	294,303	137,272	(191,489)	(286,024)
Gains and losses on financial assets at fair value through profit or loss	-	-	13,499,571	(1,801,098)	-	-	13,499,571	(1,801,098)	-	-	13,499,571	(1,801,098)
Gains and losses in joint ventures and associated companies	(44,735)	(52,410)	23,711,200	(287,086)	17,599,432	10,555,528	41,265,897	10,216,032	-	-	41,265,897	10,216,032
Other financial results	(7,092)	(5,638)	109,234	(566,643)	(1,169,628)	(1,643,188)	(1,067,486)	(2,215,469)	1,137,100	1,603,162	69,614	(612,307)
Income taxation	332,721	433,001	(8,686,414)	1,046,618	75,042	50,535	(8,278,651)	1,530,154	44,034	10,775	(8,234,617)	1540,929
Consolidated net income/(loss) for the period	(797,511)	(1,541,549)	22,612,013	(7,432,616)	16,172,638	8,753,193	37,987,140	(220,972)	1,215,063	2,028,871	39,202,203	1807,899
Consolidated net income/(loss) for the period of discontinued operations	-	-	(133,137)	308,042	-	-	(133,137)	308,042	2,318	(35,049)	(130,819)	272,993
Attributable to:												
Shareholders of parent company	(797,511)	(1,541,549)	22,511,581	(7,192,549)	16,172,638	8,753,193	37,886,708	19,095	1,217,381	2,949,138	39,945,124	2,968,233
Non-controlling interests	-	-	(943,191)	(942,996)	-	-	(943,191)	(942,996)	102,156	(12,320)	(841,035)	(955,316)
Non-controlling interests (discontinued operations)	-	-	(32,705)	67,975	-	-	(32,705)	67,975	-	-	(32,705)	67,975
	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020	June 2021	December 2020
Assets:												
Tangible, intangible assets, Right of use and goodwill	2,890,027	2,948,598	27,141,753	29,755,984	86,537	70,200	30,118,317	32,774,782	2,378,658	2,631,165	32,496,975	35,405,947
Inventories	228,278	194,413	-	57,414	-	-	228,278	251,827	-	-	228,278	251,827
Investments in joint ventures and associated companies	648,884	693,619	137,932,257	144,065,913	680,608,499	662,983,184	819,189,640	807,742,716	52,943	52,944	819,242,583	807,795,660
Financial assets at fair value through other comprehensive income	3,047,947	3,047,949	7,460,045	7,251,842	-	-	10,507,992	10,299,791	(3,000,000)	(3,000,000)	7,507,992	7,299,791
Financial assets at fair value through profit or loss	-	-	73,810,213	92,324,063	-	-	73,810,213	92,324,063	-	-	73,810,213	92,324,063
Other non-current assets and deferred tax assets	3,096,461	2,924,374	12,517,060	13,714,766	144,810,101	176,955,566	160,423,622	193,594,706	(137,535,496)	(169,611,538)	22,888,126	23,983,168
Other current assets of the segment	11,162,398	11,957,020	52,481,528	73,224,153	188,651,752	187,926,829	252,295,678	273,108,002	3,428,403	7,322,335	255,724,081	280,430,337
Assets held for sale	-	-	20,071,774	-	-	-	20,071,774	-	(100,291)	-	19,971,483	-
Liabilities:												
Liabilities of the segment	10,592,744	10,487,209	117,426,768	137,985,308	2,109,243	2,427,059	130,128,755	150,899,576	(22,338,678)	(17,909,065)	107,790,077	132,990,511
Liabilities directly associated with the assets held for sale	-	-	15,111,432	-	-	-	15,111,432	-	(560,812)	-	14,550,620	-
CAPEX	264,760	6,093,911	6,414,293	24,885,132	5,964,636	46,518,317	12,643,689	77,497,360	(6,031,572)	(49,428,786)	6,612,117	28,068,574

During the period ended at 30 June 2021 and 2020, the inter-segments sales and services were as follows:

	Multimedia	Information Systems	Holding Activities
2021			
Multimedia	-	-	92,489
Information Systems	-	-	37,500
Holding Activities	-	-	-
External trade debtors	6,959,487	28,668,497	65,011
	6,959,487	28,668,497	195,000
2020 (restated)			
Multimedia	-	-	-
Information Systems	-	-	80,000
Holding Activities	-	-	-
External trade debtors	6,482,561	25,882,079	91,250
	6,482,561	25,882,079	171,250

During the periods ended at 30 June 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 95% and 100% (97% and 100% in 2020), respectively.

During the period ended at 30 June 2021, for the Technologies segment, the Spanish market is also dominant, representing 49.5 % of revenue (53% in 2020).

14. Subsequent Events

In July 2021, it was completed the sale of the entire share capital and voting rights of Bizdirect to Claranet Portugal, S.A., following the approval from the competent competition authority and the verification of the conditions precedent agreed between the parties.

This transaction - generating total proceeds of 12.2 million euros – results in a positive impact in the Sonaecom's consolidated results, amounting approximately to 5.4 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.

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