



# RESULTS ANNOUNCEMENT 2020



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



# 1. Main Highlights

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Services revenues increasing 6.9% y.o.y., partially offsetting the decrease on Product sales

Negative evolution of Total EBITDA explained by non-recurrent items and equity results from ZOPT

NOS recording the best quarter of the year with Telco revenues returning to growth

Technology area with solid growth and profitability improvements at cybersecurity companies

Strong Indirect results reflecting relevant valuation increase in minority stakes

Net Income of 60.1 million euros, increasing 15.3% y.o.y

## 2. Sonaecom Consolidated Results

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### Introductory notes:

#### COVID 19

2020 was marked by COVID 19 pandemic emergence in Europe, the subsequent formal national lock-down declared on 18th March and the consequent difficult and challenging economic environment. People and companies were forced to adapt to a new reality, transforming all work and social relations.

Since the beginning, the Board of Directors has followed 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, different scenarios and probabilities were defined and contingency plans with correspondent mitigation actions were designed and actioned across all companies and departments. This strategic thought allowed to keep our employees protected and to face this turmoil period with the less loss of value.

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

- The technology area did not feel significant impacts from this situation on its 2020 results, except a slowdown on Professional Services revenues, on Technology Reselling (either due to a reduction in demand or a drop in supply) and specially on the rhythm of commercial activity for new businesses.
- At NOS, the main operating impacts of the pandemic in 2020 revenues were felt namely in: i) Cinemas and Audiovisuals: reduction on cinemas attendance, driven by the complete closure of NOS theatres on 16 March until July 2 and the limitation schedules imposed during the last quarter of the year for shopping centers in which the theatres are included and the continued and indefinite postponement of major movies launches, only partially compensated by the rents reduction; ii) Roaming and international calls: traffic and revenues impacted by restrictions imposed on international travel; iii) Premium sport channels: reduction in revenues with subscriptions being offered during the national football championship suspension; iv) Mobile Data: the quarantine and isolation situations imply an increase of wireless usage versus mobile data; and iv) Equipment: fall in sales due to closure of all non-essential retail activity namely in shopping centres and to general restrictions to circulation.
- Público's activity was impacted, namely in and in advertising revenues and offline newspaper sales, with the close of the majority of points of sale during 2Q20.

The approval of the first COVID-19 vaccines in late 2020 brought back some optimism regarding the end of this health crisis, which could allow for a faster economic recovery. However, the resurgence of new waves of infection in different geographical locations at the end of the previous year associated with the discovery of new virus strains with a higher transmission rate, which are more aggressive, raised once again



the pressure on healthcare systems, particularly on Intensive Care Units, leading to the reinstatement of restrictions and general lockdowns for populations around the globe.

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

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

## **Restatement**

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) and the described reclassification generated a positive impact of 0.6 and 15.8 million euros respectively in 2019 and 2020 results. The figures of 2019 and previous quarters of 2020 presented in this document were restated to include this reclassification.

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Telecommunications area, which includes a 50% stake in ZOPT - consolidated through the equity method - which owns 52.15% stake in NOS, despite being strongly impacted by COVID 19 pandemic, namely with a significant reduction of revenues from roaming and from Cinema & Audiovisuals business, continued to demonstrate a marked resilience its core telecom operations.

The pandemic has accelerated the take-up of data and IT related services and companies are seeking more sophisticated solutions which help to compensate the negative impacts of the pandemic and resulted in a strong performance from the B2B telco segment.

Regarding the Cinema and Audiovisuals business, the complete closure of NOS theatres between March and July and the reinforcement of circulation restriction rules affecting major shopping centers during weekends towards the end of the year, coupled with the continued postponement of major movie launches, inevitably led to very weak Cinema ticket sales and lower revenues for this division. The challenges in this sector are an international trend which is set to remain in the near term with nationwide lockdown restrictions in Portugal imposed as from late January, and studios still preferring not to release major titles.

During 2020, in the Technology area the investment activity process slowed down in the first half of the year, due to travel bans and event cancellations, but slowly recovered throughout the second half of the year. In total, Sonae IM completed 5 new investments during the year, made some follow-on investments in portfolio companies and achieved relevant evolutions in some of its minority stakes, namely the series E round raised in Arctic Wolf with an implicit valuation that turns the company into a unicorn and the upward valuation of AVPII fund.

Already in 2021, one of Sonae IM's minority investments indirectly held through Armilar funds, Outsystems, that reached an unicorn valuation back in 2018, announced a 150 million dollars capital raise, co-led by Abdiel Capital and Tiger Global, at an underlaying valuation of 9.5 billion dollars. Despite being a relatively small transaction, it is a good sign of the company's strong evolution.

## **Turnover**

Consolidated turnover in 2020 reached 129.1 million euros, decreasing 2.5%, when compared to 2019.

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

## **Operating costs**

Operating costs amounted to 136.1 million euros, 6.0% below 2019. Employee benefits expenses increased 0.1% and Commercial costs decreased 8.4% to 68.3 million euros, mainly driven by the lower cost of goods sold, aligned with the lower level of sales. Other expenses decreased 9.9%, mainly explained by the lower level of Outsourcing costs.

## **EBITDA**

Total EBITDA decreasing from 30.5 to 11.8 million euros, fully explained by the decrease on equity results and non-recurrents items as Underlying EBITDA presented relevant improvements, specially at Cybersecurity companies.

In 2020, the non-recurrent items stood at negative 9.9 million euros, mainly driven by the gross capital loss of 9.1 million euros as a result of the redemption of participation units held in the Armilar Venture Partners II Fund. Despite the loss recorded, this redemption, that generated a gross capital distribution of 21 million euros, represented a value improvement of 37%, when compared to the distribution occurred in 2018, and increased the cumulative return on Armilar Funds to 2.3x cash on cash. In 2019, the non-recurrent items stood positive at 11.9 million euros, driven by the capital gain generated by Saphety and WeDo's sale.

The equity results, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution, decreased to 24.8 million euros.

## Net results

Sonaecom's EBIT decreased to 2.9 million euros, from 20.3 million in 2019, mainly explained by the lower level of EBITDA.

Sonaecom's earnings before tax (EBT) decreased from 20.3 million to 2.2 million euros, driven by the lower EBIT and financial results.

Indirect results reached 39.3 million euros, that compare with 27.7 million euros in 2019, impacted by portfolio fair value adjustments, mainly the upwards revisions at Armilar Venture Funds, Arctic Wolf and Cellwize.

Net results group share stood at 60.1 million euros, above the 52.2 million euros presented in 2019.

## Operating CAPEX

Sonaecom's operating CAPEX decreased to 7.6 million euros, reaching 5.9% of turnover, 2.0 p.p. below 2019. Excluding the IFRS 16 impact, operating CAPEX would be 4.0 million euros, 0.8 million euros below 2019.

## Capital Structure

The net cash position stood at 215.5 million euros, decreasing 20.9 million euros since December 2019. Excluding IFRS 16 impacts, Net cash position stood at 229.8 million euros, 20.8 million below December 2019, mainly driven by 3.4 million euros of net investment cash-out, the negative operating cash-flow and taxes of 3.7 million euros, the 15.0 million euros received as capital subscription in a new investment vehicle, the 4.0 million euros of IFRS16 rents payment and the 25.4 million euros of dividends distribution.

# 2.1 Telecommunications

NOS operating revenues were 1,367.9 million euros in 2020, decreasing 6.2% y.o.y..

EBITDA reached 603.2 million euros, decreasing 5.7% when compared to 2019 and representing a 44.1% EBITDA margin.

CAPEX excluding leasings amounted to 384.9 million euros in 2020, an increase of 2.8% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 17.8%.

At the end of 2020, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,377.4 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.5x EBITDA, and with an average maturity of 2.5 years.

NOS published its 2020 results on 10<sup>th</sup> March 2021, which are available at [www.nos.pt](http://www.nos.pt).

During 2020, NOS share price decreased 40.5% from €4.800 to €2.858, whilst PSI20 decreased by 6.1%.

## Operational Indicators

Million euros								
Operational Indicators ('000)	4Q19	4Q20	Δ 20/19	3Q20	q.o.q.	2019	2020	Δ 20/19
Total RGUs	9,687.3	9,963.8	2.9%	9,885.7	0.8%	9,687.3	9,963.8	2.9%
Convergent + Integrated RGUs	4,704.5	4,956.0	5.3%	4,890.7	1.3%	4,704.5	4,956.0	5.3%

## Financial indicators

Million euros								
NOS HIGHLIGHTS	4Q19	4Q20	Δ 20/19	3Q20	q.o.q.	2019	2020	Δ 20/19
Operating Revenues	366.4	354.3	-3.3%	346.9	2.1%	1,458.4	1,367.9	-6.2%
EBITDA	135.9	132.0	-2.9%	160.6	-17.8%	640.0	603.2	-5.7%
EBITDA margin (%)	37.1%	37.3%	0.2pp	46.3%	-9.0pp	43.9%	44.1%	0.2pp
Net Income	5.4	12.9	138.4%	44.1	-70.8%	143.5	92.0	-35.9%
CAPEX excluding Leasings	99.7	115.4	15.7%	97.8	17.9%	374.4	384.9	2.8%
EBITDA-CAPEX excluding Leasings	36.2	16.6	-54.1%	62.8	-73.5%	265.6	218.3	-17.8%



## 2.2 Technology

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The Technology area aims to build and manage a portfolio of technology businesses around retail and telecommunications, as well as cybersecurity, with an international scale. This area currently comprises, alongside with minority stakes, Bright Pixel, Vector I fund and Bright Innovation fund, four controlled companies – S21Sec and Excellium (Maxive Cybersecurity Group), Bizdirect and Inovretail- that generated circa 43.5% of its revenues outside the Portuguese market with 71.1% out of the total 653 employees based abroad.

### Controlled Companies

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

**S21Sec** is a reference multinational MSSP, focused on the delivery of cyber security services and development of proprietary supporting technologies, with a global customer base, leveraging its teams in Spain, Portugal and Mexico.

Since June 2018, with the integration of Nextel, S21Sec is the most relevant “pure player” (company specializing exclusively in the cybersecurity sector) in Spain and Portugal in terms of turnover and number of cybersecurity experts.

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

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

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

The cloud business unit continued to improve its presence on helping customers in digital transformation and the solutions business unit achieved important new customer references. Bizdirect Competence Center, in Viseu, contributed to the international revenues that already represent 5.1% of total revenues.

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

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

### Minority Stakes (non-exhaustive)

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

**ArcticWolf**, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. Sonae IM, jointly with US technology investors Lightspeed Venture Partners and Redpoint, entered in the company's cap table in 2017 in a series B round. During 2018, the Company closed a \$45M series C round and, at the end of 2019, the Company launched a \$60M Series D round. In October 2020, the company announced it has raised \$200 million in Series E funding at a valuation of \$1.3 billion. The funding round was led by Viking Global Investors, with additional participation from DTCP and existing investors. Sonae IM participated in all rounds, reinforcing its stake.

With this new round Arctic Wolf turns into the first unicorn that Sonae IM owns a direct investment and into the second in its total portfolio, alongside with Outsystems, indirectly invested through Armilar funds.

**StyleSage** is a strategic analytics SaaS platform that helps fashion, home and beauty retailers and brands with critical pre, in and post season decisions globally. Every day, StyleSage pulls product data from competitors' ecommerce websites from around the world. Then, with groundbreaking technology in machine learning and visual recognition, StyleSage cleans, organizes, and analyzes the massive amounts of



collected data into a cloud-based dashboard that empowers brands and retailers to make informed, data-driven decisions in areas such line planning, markdown optimization, and global expansion.

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

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

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

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

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

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

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

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

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

**Cellwize** is a leading provider of Mobile Network Automation and Orchestration solutions for telco, based in Israel. Cellwize offers modular solutions for an agile adoption of 'zero-touch' network automation capabilities on top of a virtualized service orchestration platform. It supports network operations, especially given the increase in network density and complexity driven by 5G adoption. Sonae IM invested in a round of \$15M led by Deutsche Telekom Capital Partners. In November 2020, the company announced a \$32 million Series B funding round led by Intel Capital and Qualcomm Ventures LLC with participation from Verizon Ventures, Samsung Next, and existing shareholders.

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

**IriusRisk** (previously named Continuum Security) is a Spanish based company with an application security platform to address vulnerabilities early in the development process. In order to realise their international growth plans, the company has raised an investment round of 1.5 million euros, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Sonae IM. In September 2020, the company raised a series A round of 6.7 million euros 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.

## Financial indicators

Million euros

TECHNOLOGY AREA	4Q19	4Q20	Δ 20/19	3Q20	q.o.q.	2019	2020	Δ 20/19
<b>Turnover</b>	<b>25.5</b>	<b>25.5</b>	<b>0.0%</b>	<b>26.5</b>	<b>-3.8%</b>	<b>115.8</b>	<b>114.9</b>	<b>-0.8%</b>
Services Rendered	10.5	11.8	12.1%	11.1	6.0%	41.9	45.3	8.0%
Sales	15.0	13.7	-8.6%	15.4	-10.9%	73.9	69.6	-5.8%
Other Income	0.6	1.6	165.9%	0.2	-	1.6	2.6	59.7%
<b>Operating Costs</b>	<b>28.4</b>	<b>26.3</b>	<b>-7.4%</b>	<b>27.0</b>	<b>-2.2%</b>	<b>124.4</b>	<b>118.4</b>	<b>-4.9%</b>
Employee Benefits Expenses	9.3	9.9	5.9%	8.7	13.3%	36.2	36.1	-0.3%
Commercial Costs <sup>(1)</sup>	13.8	12.9	-6.6%	14.3	-9.8%	70.9	66.2	-6.6%
Other Expenses <sup>(2)</sup>	5.3	3.5	-33.2%	3.9	-9.4%	17.4	16.2	-7.1%
<b>Underlying EBITDA<sup>(3)</sup></b>	<b>-0.4</b>	<b>0.7</b>	<b>-</b>	<b>-0.2</b>	<b>-</b>	<b>-5.2</b>	<b>-0.5</b>	<b>90.0%</b>
Underlying EBITDA Margin (%)	-1.5%	2.7%	4.2pp	-0.6%	3.3pp	-4.5%	-0.5%	4.1pp
Operating CAPEX <sup>(4)</sup>	2.8	1.4	-49.4%	1.0	49.4%	6.9	4.4	-36.4%
Operating CAPEX as % of Turnover	11.1%	5.6%	-5.5pp	3.6%	2.0pp	6.0%	3.8%	-2.2pp
Underlying EBITDA - Operating CAPEX	-3.2	-0.7	77.0%	-1.1	33.7%	-12.2	-4.9	59.4%
<b>Total CAPEX</b>	<b>12.5</b>	<b>14.0</b>	<b>12.4%</b>	<b>4.5</b>	<b>-</b>	<b>37.6</b>	<b>24.9</b>	<b>-33.8%</b>

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

## Turnover

Turnover decreased 0.8% y.o.y explained by the decrease on the transactional business of third-party products. Services rendered presented a growth when compared to 2019, mainly driven by the double-digit growth of cybersecurity services.

At the end of 2020, following a Microsoft's license agreement review between Bizdirect and one of its main customers, the contractual terms have changed, with Bizdirect maintaining its advisor partner role, but having a negative impact on Bizdirect revenues, and consequently at Sonaecom revenues, of circa 18 million euros through 2021 but with no expected impacts on results.

## Operating costs

Operating costs decreased 4.9% to 118.4 million euros mainly explained by the 6.6% decline at Commercial costs, aligned with the lower level of sales, and by the 7.1% decrease of Other expenses, mainly explained by the lower level of Outsourcing Costs.

## Underlying EBITDA

Underlying EBITDA stood at negative 0.5 million euros, but significantly better than 2019 (+90.0%), driven by the relevant improvements in Cybersecurity companies.



### Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at negative 4.9 million euros, increasing when compared to 2019, 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 3.2 million euros, 0.6 million euros below 2019.

## 2.3 Media

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During 2020, Público continued to pursue its digital strategy reinforcing digital competencies and presence in online platforms and continued to implement important initiatives aimed at strengthening Público as the reference Portuguese speaking news organization.

In the year of its 30<sup>th</sup> anniversary, and despite all the challenges faced driven by the pandemic, 2020 was a very positive year in which its reference good journalism was recognized by its contents, design, infographics and illustrations receiving different national and international prizes.

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

The positive performance of online business was not enough to compensate the negative evolution of offline revenues which translated into an overall 12.3% revenue decrease but contributed to a positive evolution at EBITDA level.

## 3. Shareholder Remuneration

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The Board of Sonaecom has approved the distribution proposal of a 9.7 euro cents gross dividend per share, corresponding to a pay-out ratio of 50% of the Consolidated Net Income Group Share and a dividend yield of 6.9%, based on the closing price as at December, 31st 2020. This proposal is subject to the final approval of the General Shareholders Meeting.

## 4. Subsequent events

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On 2021 January 7<sup>th</sup>, following the worsening pandemic situation with a higher transmission rate and an increased number of deaths, it was formally declared a new state of emergence and a new national lock-down. On 2021, March 11<sup>th</sup>, the Portuguese Government approved a gradual easing of lockdown plan based on risk evolution.

Despite the current economic uncertainty, given the company's capital structure, we remain confident in company's resilience.

## 5. Appendix

### Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	4Q19 R	4Q20	Δ 20/19	3Q20 R	q.o.q.	2019 R	2020	Δ 20/19
<b>Turnover</b>	<b>29.8</b>	<b>29.6</b>	<b>-0.7%</b>	<b>29.9</b>	<b>-1.0%</b>	<b>132.4</b>	<b>129.1</b>	<b>-2.5%</b>
Services Rendered	12.3	14.0	14.2%	12.7	10.0%	49.1	52.5	6.9%
Sales	17.5	15.6	-11.2%	17.2	-9.2%	83.3	76.5	-8.1%
Other Income	0.9	1.8	99.5%	0.3	-	2.4	3.2	29.7%
<b>Operating Costs</b>	<b>34.0</b>	<b>31.6</b>	<b>-7.0%</b>	<b>31.1</b>	<b>1.6%</b>	<b>144.8</b>	<b>136.1</b>	<b>-6.0%</b>
Employee Benefits Expenses	12.1	12.8	6.1%	11.2	14.6%	46.4	46.4	0.1%
Commercial Costs <sup>(1)</sup>	14.9	13.7	-7.8%	14.8	-7.4%	74.6	68.3	-8.4%
Other Expenses <sup>(2)</sup>	7.0	5.1	-27.9%	5.1	-0.7%	23.8	21.4	-9.9%
<b>EBITDA</b>	<b>-6.8</b>	<b>3.4</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>30.5</b>	<b>11.8</b>	<b>-61.4%</b>
Underlying EBITDA <sup>(3)</sup>	-1.3	0.1	-	-0.8	-	-8.1	-3.1	61.4%
Non recurrent items <sup>(4)</sup>	-2.0	-0.3	86.2%	-9.2	97.1%	11.9	-9.9	-
Equity method <sup>(5)</sup>	-3.6	3.7	-	10.7	-65.9%	27.9	24.8	-11.0%
Discontinued Operations <sup>(6)</sup>	0.0	0.0	-100.0%	0.0	-	-1.1	0.0	100.0%
Underlying EBITDA Margin (%)	-4.4%	0.2%	4.6pp	-2.6%	2.7pp	-6.1%	-2.4%	3.7pp
Depreciation & Amortization	3.9	2.3	-42.6%	2.1	5.0%	10.2	8.9	-12.8%
<b>EBIT</b>	<b>-10.8</b>	<b>1.2</b>	<b>-</b>	<b>-1.4</b>	<b>-</b>	<b>20.3</b>	<b>2.9</b>	<b>-85.7%</b>
<b>Net Financial Results</b>	<b>-0.1</b>	<b>0.0</b>	<b>48.2%</b>	<b>-0.2</b>	<b>76.0%</b>	<b>-0.1</b>	<b>-0.7</b>	<b>-</b>
Financial Income	0.8	0.8	0.7%	0.4	125.3%	2.3	2.8	20.9%
Financial Expenses	0.9	0.9	-3.7%	0.5	60.2%	2.4	3.6	47.4%
<b>EBT</b>	<b>-10.8</b>	<b>1.1</b>	<b>-</b>	<b>-1.6</b>	<b>-</b>	<b>20.3</b>	<b>2.2</b>	<b>-89.2%</b>
Tax results	-0.1	13.3	-	2.5	-	1.8	17.2	-
<b>Direct Results</b>	<b>-10.9</b>	<b>14.4</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>22.0</b>	<b>19.4</b>	<b>-11.8%</b>
<b>Indirect Results<sup>(7)</sup></b>	<b>28.3</b>	<b>16.8</b>	<b>-40.4%</b>	<b>24.5</b>	<b>-31.3%</b>	<b>27.7</b>	<b>39.3</b>	<b>41.6%</b>
<b>Net Income</b>	<b>17.4</b>	<b>31.2</b>	<b>79.9%</b>	<b>25.4</b>	<b>23.0%</b>	<b>49.8</b>	<b>58.7</b>	<b>18.0%</b>
Group Share	18.2	31.4	72.8%	25.7	22.1%	52.2	60.1	15.3%
Attributable to Non-Controlling Interests	-0.8	-0.2	78.6%	-0.3	49.7%	-2.4	-1.4	41.2%

R - Restated according with introductory note

(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 capital gain in Saphety and WeDo's sale and the capital loss generated with AVP II fund capital distribution as a result of the redemption of participation units;

(5) Includes the 50% holding in Unipress, the 50% holding in SIRS, the 50% holding in Big Data, the 50% holding in ZOPT, the 40% holding in Alfaro, the 27.45% holding in Secucloud, the 21.21% holding in Probe.ly and the 20% holding in Suricate Solutions;

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

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

## Consolidated balance sheet

Million euros

### CONSOLIDATED BALANCE SHEET

	4Q19	4Q20	Δ 20/19	3Q20 R	q.o.q.	2019	2020	Δ 20/19
<b>Total Net Assets</b>	<b>1,203.0</b>	<b>1,247.5</b>	<b>3.7%</b>	<b>1,191.3</b>	<b>4.7%</b>	<b>1,203.0</b>	<b>1,247.5</b>	<b>3.7%</b>
Non Current Assets	897.4	966.8	7.7%	910.9	6.1%	897.4	966.8	7.7%
Tangible and Intangible Assets and Rights of Use	23.0	20.9	-9.2%	19.2	8.7%	23.0	20.9	-9.2%
Goodwill	14.5	14.5	0.0%	14.5	0.0%	14.5	14.5	0.0%
Investments	847.6	907.4	7.1%	863.2	5.1%	847.6	907.4	7.1%
Deferred Tax Assets	4.3	16.4	-	4.5	-	4.3	16.4	-
Others	8.0	7.6	-5.0%	9.4	-19.3%	8.0	7.6	-5.0%
Current Assets	305.6	280.7	-8.2%	280.4	0.1%	305.6	280.7	-8.2%
Trade Receivables	27.2	22.6	-16.9%	19.9	13.6%	27.2	22.6	-16.9%
Liquidity	255.9	233.7	-8.7%	233.1	0.3%	255.9	233.7	-8.7%
Others	22.5	24.4	8.3%	27.5	-11.3%	22.5	24.4	8.3%
<b>Shareholders' Funds</b>	<b>1,072.5</b>	<b>1,114.5</b>	<b>3.9%</b>	<b>1,076.3</b>	<b>3.5%</b>	<b>1,072.5</b>	<b>1,114.5</b>	<b>3.9%</b>
Group Share	1,073.1	1,101.4	2.6%	1,072.1	2.7%	1,073.1	1,101.4	2.6%
Non-Controlling Interests	-0.6	13.1	-	4.3	-	-0.6	13.1	-
<b>Total Liabilities</b>	<b>130.5</b>	<b>133.0</b>	<b>1.9%</b>	<b>115.0</b>	<b>15.7%</b>	<b>130.5</b>	<b>133.0</b>	<b>1.9%</b>
Non Current Liabilities	71.7	71.5	-0.2%	58.1	23.2%	71.7	71.5	-0.2%
Loans	3.3	2.1	-34.8%	2.3	-6.6%	3.3	2.1	-34.8%
Provisions	30.8	30.0	-2.7%	22.6	32.5%	30.8	30.0	-2.7%
Others	37.6	39.4	4.8%	33.1	18.9%	37.6	39.4	4.8%
Current Liabilities	58.8	61.4	4.6%	56.9	8.0%	58.8	61.4	4.6%
Loans	1.5	1.5	1.4%	1.3	16.9%	1.5	1.5	1.4%
Trade Payables	19.0	16.9	-11.3%	17.4	-2.8%	19.0	16.9	-11.3%
Others	38.2	43.0	12.6%	38.2	12.6%	38.2	43.0	12.6%
Operating CAPEX <sup>(1)</sup>	4.7	4.0	-16.3%	1.1	-	10.4	7.6	-27.3%
Operating CAPEX as % of Turnover	15.9%	13.4%	-2.5pp	3.8%	9.6pp	7.9%	5.9%	-2.0pp
Total CAPEX	14.4	16.6	15.2%	4.7	-	41.1	28.1	-31.7%
Underlying EBITDA - Operating CAPEX	-6.0	-3.9	35.3%	-1.9	-104.9%	-18.5	-10.7	42.2%
Gross Debt	19.4	18.2	-6.4%	16.6	9.3%	19.4	18.2	-6.4%
Net Debt	-236.5	-215.5	8.8%	-216.4	0.4%	-236.5	-215.5	8.8%

R - Restated according with introductory note

(1) Operating CAPEX excludes Financial Investments.

## Consolidated levered FCF

Million euros

### LEVERED FREE CASH FLOW

	4Q19	4Q20	Δ 20/19	3Q20	q.o.q.	2019	2020	Δ 20/19
<b>Underlying EBITDA-Operating CAPEX</b>	<b>-6.0</b>	<b>-3.9</b>	<b>35.3%</b>	<b>-1.9</b>	<b>-104.9%</b>	<b>-18.5</b>	<b>-10.7</b>	<b>42.2%</b>
Change in WC	0.1	5.4	-	2.6	108.0%	-3.6	4.4	-
Non Cash Items & Other	6.6	1.9	-71.3%	0.4	-	4.3	4.8	12.0%
<b>Operating Cash Flow</b>	<b>0.6</b>	<b>3.4</b>	<b>-</b>	<b>1.1</b>	<b>-</b>	<b>-17.9</b>	<b>-1.5</b>	<b>91.5%</b>
Investments	-11.3	-12.1	-7.4%	15.3	-	36.9	-3.4	-
Dividends	0.0	0.0	-	0.0	-	47.0	0.0	-100.0%
Financial results	-0.1	0.4	-	-0.1	-	0.3	0.2	-49.7%
Income taxes	0.8	0.6	-24.0%	-4.2	-	2.5	-2.2	-
<b>FCF<sup>(1)</sup></b>	<b>-9.9</b>	<b>-7.7</b>	<b>22.7%</b>	<b>12.0</b>	<b>-</b>	<b>68.8</b>	<b>-6.9</b>	<b>-</b>

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

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

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