

# RESULTS ANNOUNCEMENT 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.*



# 1. Main Highlights

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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 1<sup>st</sup> quarter of Consolidated Revenues growth since 4Q19

Technology area with solid growth and profitability improvements

## 2. Sonaecom Consolidated Results

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### Introductory notes:

#### COVID 19

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.

### 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 Bizdirect, which was announced on June 1<sup>st</sup>, Bizdirect 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.

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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 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 21<sup>st</sup> July 2021, which are available at [www.nos.pt](http://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

Operational Indicators ('000)	2Q20	2Q21	Δ 21/20	1Q21	q.o.q.	1H20	1H21	Δ 21/20
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

NOS HIGHLIGHTS	2Q20	2Q21	Δ 21/20	1Q21	q.o.q.	1H20	1H21	Δ 21/20
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

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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 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

Million euros

TECHNOLOGY AREA - INCOME STATEMENT	2Q20 R	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
<b>Turnover</b>	<b>13.4</b>	<b>15.1</b>	<b>12.2%</b>	<b>13.6</b>	<b>11.0%</b>	<b>25.9</b>	<b>28.7</b>	<b>10.8%</b>
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%
<b>Operating Costs</b>	<b>14.1</b>	<b>17.7</b>	<b>25.3%</b>	<b>14.0</b>	<b>25.9%</b>	<b>28.7</b>	<b>31.7</b>	<b>10.6%</b>
Employee Benefits Expenses	7.7	9.5	22.7%	7.8	21.5%	15.9	17.3	8.6%
Commercial Costs <sup>(1)</sup>	3.3	3.6	10.6%	2.9	24.5%	5.8	6.5	12.4%
Other Expenses <sup>(2)</sup>	3.1	4.6	47.0%	3.3	37.3%	7.0	7.9	13.7%
<b>Underlying EBITDA<sup>(3)</sup></b>	<b>0.1</b>	<b>-1.1</b>	<b>-</b>	<b>-0.1</b>	<b>-</b>	<b>-1.6</b>	<b>-1.2</b>	<b>23.8%</b>
<b>Underlying EBITDA Margin (%)</b>	<b>0.9%</b>	<b>-7.6%</b>	<b>-8.5pp</b>	<b>-0.7%</b>	<b>-6.9pp</b>	<b>-6.3%</b>	<b>-4.3%</b>	<b>2.0pp</b>
Operating CAPEX <sup>(4)</sup>	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%
<b>Total CAPEX</b>	<b>1.5</b>	<b>2.7</b>	<b>71.8%</b>	<b>3.8</b>	<b>-29.6%</b>	<b>6.3</b>	<b>6.4</b>	<b>1.6%</b>

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

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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

CONSOLIDATED INCOME STATEMENT	2Q20 R	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
<b>Turnover</b>	<b>16.7</b>	<b>19.0</b>	<b>13.6%</b>	<b>16.7</b>	<b>13.4%</b>	<b>32.9</b>	<b>35.7</b>	<b>8.6%</b>
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%
<b>Operating Costs</b>	<b>18.2</b>	<b>22.5</b>	<b>23.5%</b>	<b>18.1</b>	<b>24.3%</b>	<b>37.4</b>	<b>40.7</b>	<b>8.8%</b>
Employee Benefits Expenses	10.2	12.4	21.0%	10.3	20.3%	20.9	22.6	8.4%
Commercial Costs <sup>(1)</sup>	3.6	4.2	15.4%	3.3	28.1%	6.8	7.5	9.6%
Other Expenses <sup>(2)</sup>	4.4	6.0	35.9%	4.6	30.5%	9.7	10.6	9.2%
<b>EBITDA</b>	<b>10.8</b>	<b>19.8</b>	<b>83.1%</b>	<b>6.1</b>	<b>-</b>	<b>7.3</b>	<b>25.9</b>	<b>-</b>
Underlying EBITDA <sup>(3)</sup>	-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 <sup>(4)</sup>	11.5	10.7	-7.3%	6.9	54.6%	10.4	17.6	68.6%
Discontinued Operations <sup>(5)</sup>	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%
<b>EBIT</b>	<b>8.6</b>	<b>18.1</b>	<b>109.7%</b>	<b>4.2</b>	<b>-</b>	<b>3.0</b>	<b>22.3</b>	<b>-</b>
<b>Net Financial Results</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>0.2</b>	<b>-57.3%</b>	<b>-0.5</b>	<b>0.2</b>	<b>-</b>
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%
<b>EBT</b>	<b>8.6</b>	<b>18.1</b>	<b>110.6%</b>	<b>4.4</b>	<b>-</b>	<b>2.5</b>	<b>22.5</b>	<b>-</b>
Tax results	0.9	-2.8	-	0.4	-	1.6	-2.4	-
<b>Direct Results</b>	<b>9.5</b>	<b>15.3</b>	<b>60.8%</b>	<b>4.8</b>	<b>-</b>	<b>4.2</b>	<b>20.1</b>	<b>-</b>
<b>Indirect Results<sup>(6)</sup></b>	<b>-2.3</b>	<b>13.6</b>	<b>-</b>	<b>5.4</b>	<b>149.4%</b>	<b>-2.1</b>	<b>19.0</b>	<b>-</b>
<b>Net Income</b>	<b>7.2</b>	<b>28.8</b>	<b>-</b>	<b>10.3</b>	<b>180.8%</b>	<b>2.1</b>	<b>39.1</b>	<b>-</b>
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 Alfaro, 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
<b>Total Net Assets</b>	<b>1,190.0</b>	<b>1,231.9</b>	<b>3.5%</b>	<b>1,226.8</b>	<b>0.4%</b>	<b>1,190.0</b>	<b>1,231.9</b>	<b>3.5%</b>
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	-
<b>Shareholders' Funds</b>	<b>1,051.9</b>	<b>1,124.1</b>	<b>6.9%</b>	<b>1,125.6</b>	<b>-0.1%</b>	<b>1,051.9</b>	<b>1,124.1</b>	<b>6.9%</b>
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%
<b>Total Liabilities</b>	<b>138.0</b>	<b>107.8</b>	<b>-21.9%</b>	<b>101.3</b>	<b>6.4%</b>	<b>138.0</b>	<b>107.8</b>	<b>-21.9%</b>
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 <sup>(1)</sup>	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	2Q21	Δ 21/20	1Q21 R	q.o.q.	1H20 R	1H21	Δ 21/20
<b>Underlying EBITDA - Operating CAPEX</b>	<b>-1.7</b>	<b>-2.2</b>	<b>-29.0%</b>	<b>-2.0</b>	<b>-12.3%</b>	<b>-5.4</b>	<b>-4.2</b>	<b>22.0%</b>
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	-
<b>Operating Cash Flow</b>	<b>-6.1</b>	<b>3.0</b>	<b>-</b>	<b>-2.8</b>	<b>-</b>	<b>-7.6</b>	<b>0.2</b>	<b>-</b>
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	-
<b>FCF<sup>(1)</sup></b>	<b>-8.3</b>	<b>32.4</b>	<b>-</b>	<b>-4.9</b>	<b>-</b>	<b>-12.9</b>	<b>27.5</b>	<b>-</b>

R - Restated according with introductory notes;

(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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