





# ANNUAL REPORT 2021

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## 1.1. Group at a glance

Sonaecom is a sub-holding of the Sonae Group for the Technology, Media and Telecommunications areas, created in 1994 and first quoted on Euronext Lisbon in 2000.

Its business portfolio includes the Software and Technology area, with Bright Pixel Capital (previously Sonae Investment Management), the Online & Media area where there are businesses such as the "Público" daily, generalist newspaper which has been in print for over 32 years in Portugal and the Telecommunications area, which owns an important stake in the NOS group, which is the main asset in its portfolio.

Sonaecom holds a participation of 50% in ZOPT, SGPS, S.A., which in turn holds 52.15% of the share capital of NOS, SGPS, S.A. (NOS).

#### 1.1.1. About Sonaecom

#### Our mission

Sonaecom is an entrepreneurial growth company that chooses exceptional people to work and unlock their full potential.

Sonaecom relentlessly pursues the creation of innovative products, services and solutions that fulfil the needs of its markets and generate superior economic value.

#### 1.1.2. Our values

#### Lead for impact

We turn ambition into action. This means we strive to have a meaningful impact today and tomorrow. We want to make a difference and have a sustainable impact that is long lasting.

#### Own what's next

We act as entrapreneurs first and foremost. This means we challenge the status quo and drive what's next.

We explore new businesses and geographies with curiosity and the ambition of growing internationally. These are the ingredients that make us create a better tomorrow for all.

#### Go further together

We champion our diverse talent. We bring our skills, knowledge, and point of views to learn from one another and put it into action. We actively search for new opportunities to collaborate across businesses and teams and see it as each person's responsibility to find these synergies.





#### Make things simple

We move fast and keep things simple. This means we are continuously improving to be more efficient, adaptive, and nimble. We act quickly to add value but we strive for clarity to make the best decisions. Our strategies are based on facts, data or tests run on a controlled scale.

#### Do what's right

We commit to doing good business. This means we act independently and transparently to make the right choices.

We are demanding and ambitious, but we clearly state that this ambition will never compromise our integrity and our values.

## 1.2. Corporate developments in 2021

#### Shareholders' Annual General Meeting

On 30 April 2021, Sonaecom's shareholders decided, at the company's Annual General Meeting, to approve all the proposals of the agenda, namely:

- 1. Discuss and approve the Company's Annual Report, and the Individual and Consolidated Accounts for 2020;
- 2. Decide on the proposed appropriation of the Net Results for year ended 31 December 2020;
- 3. Assess the management and audit of the Company;
- 4. Decide on the remuneration policy of the statutory governing bodies;
- 5. Authorise, for the period of 18 months, the purchase and sale of own shares up to the limit of 10%;
- 6. Authorise, for the period of 18 months, both purchasing or holding of shares of the Company by affiliated companies, under the limits of Portuguese Company Law and the terms of the proposal submitted by the Board of Directors.

#### Changes in the portfolio

2021 was a year marked by a strong activity in the Technology area portfolio.

#### New Investments

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.

Citcon, a US-based leading mobile wallet payment provider with a fintech platform that enables seamless global commerce at scale by connecting the world's businesses with more than 100+ mobile wallets, local and alternative payment methods. Citcon raised 30 million dollars in Series C financing led by Norwest Venture Partners and Cota Capital with the participation of Sonae IM and Sierra Venture.





Safebreach, pioneer in the Breach and Attack Simulation (BAS) market, is the world's most widely used continuous security validation platform. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls against its Hacker's Playbook™, the world's largest collection of attack data broken down by methods, tactics and threat actors. SafeBreach raised 53.5 million dollars in Series D funding, led by Sonae IM and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

#### • Disposals and other changes in participations

During 2021 it was carried out (i) a partial sale of Arctic Wolf stake for a gross amount of 36.4 million euros with a gross capital gain of 12.3 million euros; (ii) the sale, jointly with the remaining shareholders, of the entire share capital and voting rights of Bizdirect to Claranet Portugal, S.A., with a gross capital gain of 5.4 million euros; (iii) the exits in CB4 and Case on IT, the latter in 4Q, with a total gross capital gain of 5.4 million euros; and (iv) investment reinforcements in some portfolio companies.

#### Relevant evolutions in its participations

Coupled with this evolution on portfolio structure, the year was also marked by relevant achievements in some portfolio companies, namely in Arctic Wolf, with a financing round of 150 million dollars, held by existing and new investors, at an underlying valuation of 4.3 billion dollars, and in some 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; 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; and (iii) Safetypay, that was expecting some regulatory approvals to be acquired by Paysafe with an implicit valuation of 441 million dollars, which took place already in 2022.

## 1.3. Disclosure of Non-Financial Information and European Taxonomy

The non-financial information and the information about diversity at Sonaecom, as required by Decree Law n.89/2017, from July, 28<sup>th</sup>, which transposes the Directive n. 2014/95/UE from the European Parliament and of the Council, will be disclosed in the GRI Supplement of the Annex to the Sonae Group Management Report, accordingly with the mentioned law and in the terms of article 508°-G n. 7 from the Portuguese Commercial Companies Code, introduced by that law.

The degree of eligibility of its activities with the criteria set by the Taxonomy as defined by the European Taxonomy Regulation (Regulation 2020/852), the information will also be published in the Taxonomy Supplement of the Sonae Group's Management Report.







## 2.1. Business Overview in 2021

### 2.1.1. Sonaecom Consolidated Results

#### 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 first quarter in Portugal. The evolution of cases numbers worldwide continued to trend up in second quarter with Europe and USA being regions strongly affected by the second wave. However, with the vaccination process speeding-up in Europe and USA, we have been experiencing a progressive deconfinement and reopening of economy until the end of the year, when a new wave began with more significant effects on the beginning of 2022.

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.

In the year ended at 31 December 2021, the financial and operational impacts have been uneven in different 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. In the set of 2 years, the segment most affected by COVID-19 was the cinema segment, estimating the recovery of activity levels close to pre-pandemic in 2023;
- Público's activity faced a significant decrease in advertising activity during the first quarter but its digital strategy coupled with an advertising market recover resulted in later growth in almost all revenue lines.

In terms of projecting future impacts, these will depend on the extension, namely temporal, of the virus spread and the respective measures to control the epidemiological situation and governmental intervention, to comply with vaccination plans as well as to provide support to the overall economy, being difficult to predict the impact dimension.

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

On June 1st, Sonaecom announced an agreement to sell the entire share capital and voting rights of Bizdirect to Claranet Portugal, SA, which was completed on July 16th, following the approval from the competent authority and the verification of the conditions precedent agreed between the parties.

All comparative periods were restated to include Bizdirect results as a discontinued operation in the profit and loss statement.

Telecommunications area, which includes a 50% stake in ZOPT - consolidated through the equity method – which owns 52.15% stake in NOS, presented a robust operational and financial performance in Telco segment and strong recovery in Audiovisuals and Cinema activity.

Quarter after quarter, Telco revenues recorded sequential yoy growth improvements and were already above pre-pandemic levels. Cinema and Audiovisuals revenues also increased reflecting the return of spectators to Cinema theatres after the relaxation of social distancing restrictions, the premiere of more blockbuster movies and the return to normal exhibition hours.

On 26 November, after having won the most 5G spectrum of all participants, and further reinforcing the strategic objective to lead the market, NOS was the first operator in Portugal launching 5G commercial services. The spectrum acquired was paid in 4Q21, with a total cash-out of 151 million euros but, even with this one-off cash-outflow, the company maintained a strong capital structure.

Regarding Technology area, 2021 was a year marked by a strong activity in portfolio:

- (i) Four new investments in Sellforte, a SaaS platform that measures the effectiveness of online and offline marketing investments; in Portainer.io, one of the most popular digital container management platforms globally; in Citcon, a US- based leading mobile wallet payment provider; and, during 4Q, in Safebreach, a company pioneer in breach and attack simulation;
- (ii) A partial sale of Arctic Wolf stake for a gross amount of 36.4 million euros with a gross capital gain of 12.3 million euros;
- (iii) The sale, jointly with the remaining shareholders, of the entire share capital and voting rights of Bizdirect to Claranet Portugal, S.A., with a gross capital gain of 5.4 million euros;
- (iv) The exits in CB4 and Case on IT, the latter in 4Q, with a total gross capital gain of 5.4 million euros; and
- (v) Investment reinforcements in some portfolio companies.

Coupled with this evolution on portfolio structure, the year was also marked by relevant achievements in some portfolio companies, namely in Arctic Wolf, with a financing round of 150 million dollars, held by existing and new investors, at an underlying valuation of 4.3 billion dollars, and in some 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; 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; and (iii) Safetypay, that was expecting some regulatory approvals to be acquired by Paysafe with an implicit valuation of 441 million dollars, which took place already in 2022.

Consolidated turnover in 2021 reached 76.5 million euros, increasing 9.9%, when compared to 2020.

This positive evolution was driven by both Media and Technology area, the latter presenting a growth of 11.5% y.o.y..





Operating costs amounted to 83.6 million euros, 7.6% above 2020. Employee benefits expenses increased 1.2% and Commercial costs increased 15.3% to 18.1 million euros, mainly driven by the higher cost of goods sold, aligned with the higher level of Sales. Other expenses increased 16.0%, mainly explained by the higher level of Outsourcing costs.

Total EBITDA increased 40.1 million euros to 51.3 million euros, explained by the improvements on non-recurrent itens and equity results.

Non-recurrent items stood at 24.1 million euros, mainly driven by the capital gains generated with the sales of Arctic Wolf, CB4, Case on IT and Bizdirect. The negative amount of 9.9 million euros in 2020, was mainly driven by the gross capital loss recorded as a result of the redemption of participation units held in the Armilar Venture Partners II Fund.

Equity results increased to 32.0 million euros, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution. Underlying EBITDA stood at negative 4.7 million euros, below the negative 4.1 million euros presented in 2020.

Sonaecom's EBIT increased to 44.1 million euros, from 2.7 million euros in 2020, explained by the higher level of EBITDA and the lower level of depreciations.

Sonaecom's earnings before tax (EBT) increased from 2.0 million to 44.8 million euros, driven by the higher EBIT and financial results. Indirect results reached 77.7 million euros, positively impacted by portfolio fair value adjustments, specially at Armilar Venture Funds, mainly related with Feedzai and Safetypay, and at Arctic Wolf and Ometria. The amount of 39.3 million euros in 2020, was mainly related with the upwards revisions at Armilar Venture Funds, Arctic Wolf and Cellwize.

Net results group share stood at 120.7 million euros, more than doubling the 60.1 million euros presented in 2020.

Sonaecom's operating CAPEX decreased to 6.8 million euros, reaching 8.9% of Turnover, 1.8 p.p. below 2020. Excluding the IFRS 16 impact, operating CAPEX would be 3.7 million euros, 0.3 million euros below 2020.

The net cash position stood at 272.3 million euros, and excluding the decrease generated by the amount of liquidity already allocated to assets held for sale (Bizdirect), stood 65.6 million euros above the level of December 2020. Excluding leasings, net cash position stood at 285.1 million euros, 63.9 million euros above December 2020, mainly driven by the 74.7 million euros of dividends and capital distribution from ZOPT, 25.7 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 5.0 million euros.





### 2.1.2. Sonaecom Consolidated Income Statement

Million euros		Nor	n-audited					
CONSOLIDATED INCOME STATEMENT	4Q20 R	4Q21	Δ 21/20	3Q21	q.o.q.	2020 R	2021	Δ 21/20
Turnover	18.7	22.8	21.8%	17.9	27.1%	69.6	76.5	9.9%
Services Rendered	12.9	14.6	13.4%	12.6	15.4%	47.3	52.3	10.5%
Sales	5.9	8.2	40.3%	5.3	54.8%	22.3	24.2	8.6%
Other Income	1.8	0.8	-52.6%	0.5	68.5%	3.2	2.4	-24.4%
Operating Costs	21.1	24.8	17.7%	19.7	26.1%	77.6	83.6	7.6%
Employee Benefits Expenses	11.9	11.5	-3.7%	11.1	3.9%	43.2	43.7	1.2%
Commercial Costs <sup>(1)</sup>	4.4	7.0	58.8%	3.7	90.7%	15.7	18.1	15.3%
Other Expenses <sup>(2)</sup>	4.7	6.3	33.6%	4.9	27.9%	18.8	21.8	16.0%
EBITDA	3.3	5.2	56.2%	20.2	-74.4%	11.3	51.3	-
Underlying EBITDA <sup>(3)</sup>	-0.3	-1.1	-	-1.2	6.6%	-4.1	-4.7	-13.5%
Non recurrent itens	-0.3	2.9	-	10.4	-72.4%	-9.9	24.1	-
Equity method <sup>(4)</sup>	3.7	3.4	-6.0%	11.0	-68.8%	24.8	32.0	29.2%
Discontinued Operations <sup>(5)</sup>	0.2	0.0	-100.0%	0.0	100.0%	0.5	-0.1	-
Underlying EBITDA Margin (%)	-1.6%	-5.0%	-3.4pp	-6.8%	1.8pp	-5.9%	-6.1%	-0.2pp
Depreciation & Amortization	2.2	1.9	-14.2%	1.6	14.9%	8.6	7.2	-15.9%
EBIT	1.1	3.3	190.1%	18.6	-82.2%	2.7	44.1	-
Net Financial Results	-0.1	0.5	-	-0.1	-	-0.7	0.7	-
Financial Income	0.8	2.1	151.1%	0.6	-	2.8	3.0	5.5%
Financial Expenses	0.9	1.5	74.1%	0.6	134.6%	3.5	2.3	-35.1%
EBT	1.1	3.8	-	18.5	-79.2%	2.0	44.8	-
Tax results	13.3	0.5	-96.5%	-0.8	-	17.4	-2.7	-
Direct Results	14.4	4.3	-70.0%	17.7	-75.6%	19.4	42.1	116.7%
Indirect Results <sup>(6)</sup>	16.8	48.2	186.1%	10.5	-	39.3	77.7	97.7%
Net Income	31.2	52.5	68.1%	28.2	86.3%	58.7	119.8	104.0%
Group Share	31.4	52.8	68.2%	27.9	89.1%	60.1	120.7	100.8%
Attributable to Non-Controlling Interests	-0.2	-0.3	-85.6%	0.3	-	-1.4	-0.9	32.7%

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 21.21% holding in Probe.ly and the 20% holding in Suricate Solutions;
(5) Includes Bizdirect contributions;
(6) Includes equity method and fairvalue adjustments related with AVP funds and other minority stakes, net of taxes.





## 2.1.3. Sonaecom Consolidated Balance Sheet

Million euros		Nor	n-audited					
CONSOLIDATED BALANCE SHEET	4Q20 R	4Q21	Δ 21/20	3Q21	q.o.q.	2020 R	2021	Δ 21/20
Total Net Assets	1,247.5	1,316.9	5.6%	1,249.1	5.4%	1,247.5	1,316.9	5.6%
Non Current Assets	966.8	990.7	2.5%	984.3	0.7%	966.8	990.7	2.5%
Tangible and Intangible Assets and Rights of Use	20.9	18.5	-11.5%	18.4	0.2%	20.9	18.5	-11.5%
Goodwill	14.5	14.5	0.0%	14.5	0.0%	14.5	14.5	0.0%
Investments	907.4	934.6	3.0%	928.4	0.7%	907.4	934.6	3.0%
Deferred Tax Assets	16.4	16.0	-2.6%	16.2	-1.7%	16.4	16.0	-2.6%
Others	7.6	7.1	-6.2%	6.7	6.2%	7.6	7.1	-6.2%
Current Assets	280.7	326.2	16.2%	264.9	23.2%	280.7	326.2	16.2%
Trade Receivables	22.6	14.5	-36.0%	10.0	45.0%	22.6	14.5	-36.0%
Liquidity	233.7	289.3	23.8%	222.8	29.9%	233.7	289.3	23.8%
Others	24.4	22.4	-8.2%	32.1	-30.3%	24.4	22.4	-8.2%
Shareholders' Funds	1,114.5	1,206.8	8.3%	1,152.7	4.7%	1,114.5	1,206.8	8.3%
Group Share	1,101.4	1,195.9	8.6%	1,141.4	4.8%	1,101.4	1,195.9	8.6%
Non-Controlling Interests	13.1	10.9	-16.3%	11.2	-2.6%	13.1	10.9	-16.3%
Total Liabilities	133.0	110.0	-17.3%	96.5	14.1%	133.0	110.0	-17.3%
Non Current Liabilities	71.5	56.7	-20.8%	45.5	24.7%	71.5	56.7	-20.8%
Loans	2.1	1.3	-40.5%	1.4	-9.3%	2.1	1.3	-40.5%
Provisions	30.0	0.6	-98.2%	0.6	-8.9%	30.0	0.6	-98.2%
Others	39.4	54.9	39.3%	43.4	26.3%	39.4	54.9	39.3%
Current Liabilities	61.4	53.3	-13.2%	51.0	4.6%	61.4	53.3	-13.2%
Loans	1.5	3.0	92.5%	3.5	-15.0%	1.5	3.0	92.5%
Trade Payables	16.9	12.1	-28.5%	7.6	58.3%	16.9	12.1	-28.5%
Others	43	38	-10.9%	40	-3.9%	43	38	-10.9%
Operating CAPEX <sup>(1)</sup>	3.9	2.5	-37.5%	2.4	0.5%	7.4	6.8	-8.3%
Operating CAPEX as % of Turnover	21.0%	10.8%	-10.2pp	13.6%	-2.9pp	10.7%	8.9%	-1.8pp
Total CAPEX	16.5	20.7	25.5%	8.8	136.8%	27.9	36.1	29.3%
Underlying EBITDA - Operating CAPEX	-4.2	-3.6	14.8%	-3.7	1.9%	-11.5	-11.5	0.6%
Gross Debt	18.2	17.0	-6.2%	18.2	-6.1%	18.2	17.0	-6.2%
Net Debt	-215.5	-272.3	-26.3%	-204.6	-33.1%	-215.5	-272.3	-26.3%

 $R-Restated\,according\,with\,introductory\,notes;\\$ 

## 2.1.4. Sonaecom Consolidated Free Cash Flow (FCF)

Million euros		Nor	n-audited					
LEVERED FREE CASH FLOW	4Q20 R	4Q21	Δ 21/20	3021	q.o.q.	2020 R	2021	Δ 21/20
Underlying EBITDA-Operating CAPEX	-4.2	-3.6	14.8%	-3.7	1.9%	-11.5	-11.5	0.6%
Change in WC	5.6	7.3	31.5%	-8.7	-	2.4	5.8	139.2%
Non Cash Items & Other	1.9	-2.8	-	5.1	-	4.7	-0.4	_
Operating Cash Flow	3.2	1.0	-69.4%	-7.3	-	-4.5	-6.1	-36.7%
Investments	-12.1	-9.2	23.6%	3.4	-	-3.4	25.7	-
Dividends and other reserves distribution	0.0	74.7	-	0.0	-	0.0	74.7	-
Financial results	0.4	0.3	-12.3%	4.9	-93.2%	0.1	6.8	-
Income taxes	0.7	0.7	-2.5%	-0.7	-	-2.1	-5.7	-171.8%
FCF <sup>(1)</sup>	-7.8	67.5	-	0.4	-	-9.8	95.4	-

<sup>(1)</sup> Operating CAPEX excludes Financial Investments.

 $R-Restated\ according\ with\ introductory\ notes;\\ (1)\ FCF\ Levered\ after\ Financial\ Expenses\ but\ before\ Capital\ Flows\ and\ Financing\ related\ up-front\ Costs.$ 





### 2.2. Telecommunications Results in 2021

NOS operating revenues were 1,430.3 million euros in 2021, increasing 4.6% y.o.y..

EBITDA reached 618.0 million euros, increasing 2.5% when compared to 2020 and representing a 43.2% EBITDA margin.

CAPEX excluding leasings, spectrum license & other contractual rights amounted to 422.3 million euros in 2021, an increase of 9.7% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 10.4%.

At the end of 2021, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,565.7 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands slightly below 2.0x EBITDA, and with an average maturity of 2.2 years.

NOS published its 2021 results on 3rd March 2022, which are available at www.nos.pt.

During 2021, NOS share price increased 19.3% from €2.858 to €3.410, whilst PSI20 increased by 13.7%.

#### **Operational Indicators**

		No	n-audited					
Operational Indicators ('000)	4020	4Q21	Δ 21/20	3Q21	q.o.q.	2020	2021	Δ 21/20
Total RGUs	9,919.1	10,306.4	3.9%	10,147.1	1.6%	9,919.1	10,306.4	3.9%
Convergent + Integrated RGUs	4.956.0	5.231.2	5.6%	5.146.3	1.6%	4,956.0	5.231.2	5.6%

#### **Einancial indicators**

Million euros		Nor	n-audited					
NOS HIGHLIGHTS	4020	4Q21	Δ 21/20	3Q21	q.o.q.	2020	2021	Δ 21/20
Operating Revenues	354.3	385.4	8.8%	366.5	5.2%	1,367.9	1,430.3	4.6%
EBITDA	132.0	140.2	6.3%	171.1	-18.1%	603.2	618.0	2.5%
EBITDA margin (%)	37.3%	36.4%	-0.9pp	46.7%	-10.3pp	44.1%	43.2%	-0.9pp
Net Income	12.9	24.1	87.4%	46.1	-47.7%	92.0	144.2	56.7%
CAPEX excluding Leasings, Spectrum License & Other Contractual Rights	115.4	112.3	-2.7%	110.0	2.1%	384.9	422.3	9.7%
EBITDA-CAPEX excluding Leasings, Spectrum License & Other Contractual Rights	16.6	28.0	68.1%	61.2	-54.3%	218.3	195.6	-10.4%

## 2.3. Technology Results in 2021

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, Bright Vector I and Bright Tech Innovation funds, three controlled companies – S21Sec and Excellium (together the Maxive Cybersecurity Group) and Inovretail - that generated more than 86% of its revenues outside the Portuguese market with 79.9% out of the total 612 employees based abroad.





In terms of operational performance, this area continues to present strong levels of growth with turnover increasing by 11.5% y.o.y to 61.2 million euros.

#### **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 and Portugal.

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.

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. Since then, the Company closed a 45 million dollars series C round in 2018, a 60 million dollars Series D round at the end of 2019, a 200 million dollars Series E round in October 2020 funding at a valuation of 1.3 billion dollars and, in 2021, a 150 million dollars, held by existing and new investors, at an underlying valuation of 4.3 billion dollars.

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 reinforced during series B and C rounds.

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 20 million dollars Series C round to 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 10 million canadian dollars (circa 7 million euros) 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 million dollars 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 was to be 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 15 million dollars 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 participated in the round.

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 6 million dollars 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 15 million dollars led by Deutsche Telekom Capital Partners. In November 2020, the company announced a 32 million dollars 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). In 2018, the company raised a 2.3 million dollars in a financing round that was led by Sonae IM with the co-investment of Portugal Ventures. In 2021, the Company raised 10 million euros in a series A with the participation of Ace Capital Partners.

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 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 dollars 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 raised a 36.65 million dollars 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.

Citcon, is a US-based leading mobile wallet payment provider with a fintech platform that enables seamless global commerce at scale by connecting the world's businesses with more than 100+ mobile wallets, local and alternative payment methods. Citcon raised 30 million dollars in Series C financing led by Norwest Venture Partners and Cota Capital with the participation of Sonae IM and Sierra Venture.

Safebreach, pioneer in the Breach and Attack Simulation (BAS) market, is the world's most widely used continuous security validation platform. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls against its Hacker's Playbook™, the world's largest collection of attack data broken down by methods, tactics and threat actors. SafeBreach raised 53.5 million dollars in Series D funding, led by Sonae IM and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

### 2.4. Media Results in 2021

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.

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 users but also in the increasing value of the brand in the advertising market. During the last year, 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.

# 2.5. Risk Management

Risk Management is one of the components of Sonaecom's culture and a pillar of Corporate Governance. Sonaecom's activity is exposed to a variety of risks, namely:

#### Economic Risks

Sonaecom is exposed to the economic environment in Portugal, although, due to the increasing pace of the internationalization of the Software and Technology area, this exposure is more and more mitigated.

In the scope of economic risks, we can highlight the need for constant technological innovation, the risk of competition, the risk of specialization in the scope of Portfolio Management, the risk of business interruption and catastrophic losses, the risk of security of information and the risk of talent retention.

A more detailed description of these risks and the instruments used for their coverage is included in the Corporate Governance Report.





#### Financial Risks

The Company's activity is exposed to a variety of financial risks such as market risk, interest rate risk, currency risk, liquidity risk and credit risk, arising from the characteristic uncertainty of the financial markets, which is reflected in the ability to forecast cash flows and profitability.

The financial risk management policy of the Company, underlying a perspective of continuity of long term operations seeks to minimize potential adverse effects arising from that uncertainty, using, whenever possible and advisable, derivative hedging instruments.







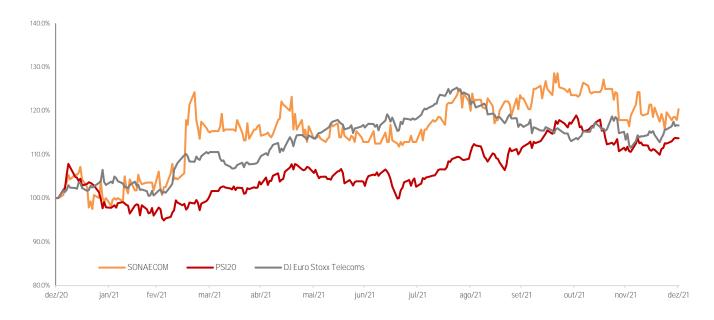
# 3.1. Equity Capital Markets in 2021

Sonaecom shares have been listed on the Portuguese Stock Exchange – Euronext Lisbon – since June 2000, with the symbol SNC. The table below lists the main statistics relating to Sonaecom's 2021 stock performance.

### Sonaecom shares on the stock market during 2021

Stock market	Euronext Lisbon
Ticker	SNC
ISIN	PTSNCOAM0006
Bloomberg code	SNC PL Equity
Reuters code	SNC.LS
Number of shares outstanding	311,340,037
Share capital	230,391,627
Stock price as of last day December (euros)	1.685
Stock price – High (euros)	1.800
Stock price – Low (euros)	1.370
Average daily volume – 2021 (# shares)	25,387
Average daily volume – 2020 (# shares)	15,220
Market capitalisation as of last day December (euros)	524,607,962

#### Market performance



Graph 1 – Sonaecom's performance vs PSI 20 and DJ Euro Stoxx Telecoms in 2021

At the end of 2021, Sonaecom's shares reached a market price of 1.685 euros per share, 20.4% above the closing price of 1.400 euros per share at 31 December 2020. The share price reached a maximum of 1.800 euros per share on 19 and 21 October 2021 and a minimum of 1.370 euros on 19 January 2021.





As far as the Portuguese market is concerned, PSI-20, the principal local stock index, ended 2021 at 5,569.48 points, an increase of 13.7% versus year-end 2020. DJ Euro Stoxx Telecoms, the European Stock Telecommunications index, ended 2021 at 288.51, 16.6% above 2020.

Sonaecom's market capitalisation stood at approximately 524.6 million euros at the end of 2021. The average daily trading volume reached approximately 25,387 shares, a 66.8% increase compared to 2020 (more 10,167 shares).

# 3.2. Share price evolution during 2021

## Sonaecom's share performance

In 2021, Sonaecom's market share price increased 20.4% compared to 2020.

Sonaecom shares would have been influenced by various milestones during the year, as follows:

- 17 March 2021: Sonaecom full-year 2020 consolidated results released;
- 30 April 2021: Shareholders' Annual General Meeting held with release of information on approved decisions;
- 6 May 2021: Information about the payment of the dividends for 2020;
- 12 May 2021: Sonaecom first quarter 2021 consolidated results released;
- 1 June 2021: Information about the agreement between the subsidiary Sonae IM and Claranet Portugal, S.A.;
- 16 July 2021: Information about the conclusion of the transaction between the subsidiary Sonae IM and Claranet Portugal, S.A.;
- 23 July 2021: Sonaecom first-half 2021 consolidated results released;
- 14 September 2021: Information about gender equality plan;
- 27 October 2021: Information about qualified participation;
- 4 November 2021: Sonaecom first nine months 2021 consolidated results released.

## 3.3. Shareholding structure and own shares

In accordance with the Portuguese Securities Code, shareholdings amounting to or exceeding the thresholds of 2%, 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.67% and 90% of the total share capital must be reported to the Portuguese Securities Market Commission and disclosed to the capital market. Reporting is also required if the shareholdings fall below the same percentages.





## Simplified Sonaecom shareholding structure

Shareholder	Number of shares held	% Shareholding as at 31 Dec. 2021
Sonae - SGPS, S.A.	275,086,083	88.36%
Discerene Group, LP	8,694,396	2.79%
Own shares	5,571,014	1.79%
Other	21,988,544	7.06%

Sonae – SGPS, S.A. (Sonae) is Sonaecom's largest shareholder, owning an 88.36% stake in Sonaecom, equivalent to 89.97% of the voting rights. Sonae is a Portuguese multinational retail company, market leader in Portugal in food and specialised retail formats, with two core partnerships: shopping centres and telecoms. At 31 December 2021, the free float stood at approximately 7.06%. The free float is the percentage of shares not held or controlled by shareholders with qualified holdings and excluding own shares.

Sonaecom didn't acquire or sell treasury shares in 2021.







## 4. Sonaecom Individual Results in 2021

### 4.1. Operational data

Sonaecom SGPS's individual results for the years ended 31 December 2021 and 2020 are summarised as follows:

Million euros	2020	2021	Difference	%
Service Revenues	0.4	0.4	(0.0)	-5%
Operating Costs (1)	1.9	2.2	0.3	14%
EBITDA	(1.5)	(0.1)	1.5	96%
EBIT	(1.6)	(0.1)	1.5	93%
Dividends Received	0.0	68.9	68.9	=
Net Financial Activity	0.9	1.1	0.1	15%
Other Financial Results	1.1	(23.4)	(24.5)	-2203%
EBT	0.5	46.5	46.1	9677%
Net Income	3.1	46.5	43.5	1413%

<sup>(1)</sup> Excludes Amortization, Depreciation and Provisions

On 31 December 2021, the headcount of Sonaecom SGPS includes one director and twelve employees.

#### Service revenues

This line totalled 0.4 million euros and it essentially comprises management services provided to its subsidiaries.

#### Total operational costs

Total operating costs exclude depreciation, amortisation charges and provisions. This line amounted to 2.2 million euros, which compares with 1.9 million euros in 2020.

#### **EBITDA**

EBITDA was negative by 0.1 million euros, increasing 1.5 million euros versus the previous year.

#### Dividends received

In 2021, Sonaecom SGPS received dividends from ZOPT in the amount of 68.9 million euros.

#### Net financial activity

The net financial activity (interest income less interest expenses) was positive by 1.1 million euros, which compares with 0.9 million euros in 2020.

#### Other financial results

In 2021, other financial results were negative by 23.4 million euros mainly due to impairments recorded in the financial investments in the amount of 23.9 million euros. In 2020, were positive by 1.1 million euros due to an impairment reversal recorded in the financial investments in the same amount.

#### Net income

Net results for the year were positive by 46.5 million euros, significantly above previous year mainly driven by dividends received.





The amount of 113,700.00 euros is already reflected in the net income and is planned for a part of the short term variable bonus of executive directors, as a distribution of profit, pursuant to art. 33 n.2 of the Articles of Association as proposed by the Remunerations Committee, which is responsible for the implementation of thse remuneration policy approved at the General Meeting held on April 30th, 2021. Additionally, an amount of 113,285.59 euros to be distributed to the employees as a distribution of profit, is also reflected in the net income.

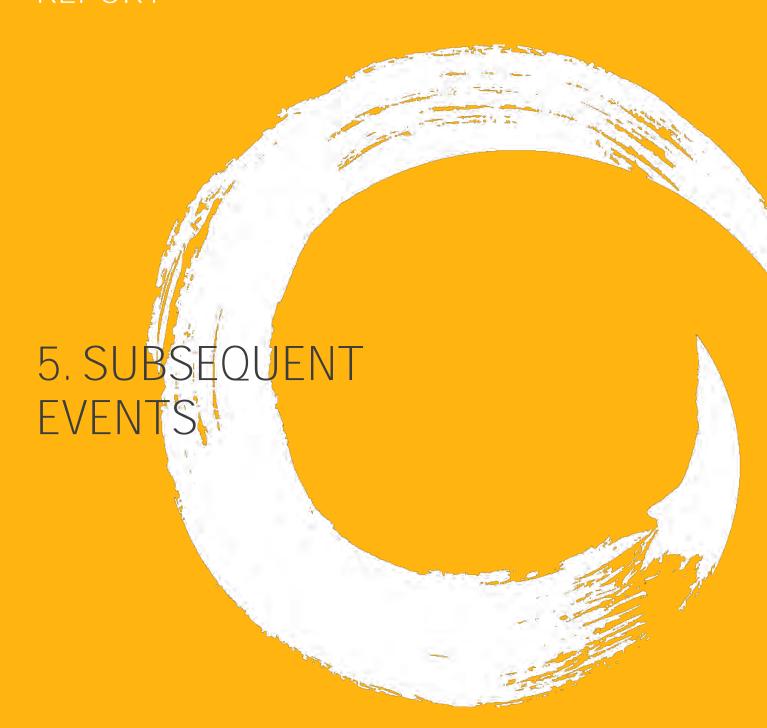
#### 4.2. Financial data

The following table summarises the major cash movements during the year ended at 31 December 2021:

Changes in Sonaecom SGPS Liquidity	Million euros
Sonaecom SGPS stand-alone liquidity as at 31 December 2020	186.7
Cash and Bank	186.7
Treasury Applications	-
Bank	-
Subsidiaries	-
Changes in Nominal Gross Debt	(0.0)
External Debt	(0.0)
Treasury applications from subsidiaries	-
Shareholder Loans and Supplementary capital granted	11.0
Dividend paid	(29.7)
Free Cash Flow	74.9
Interest paid	(0.1)
Interest received	1.6
Dividends and other reserves distribution	74.7
Operational Free Cash Flow and others	(1.3)
Sonaecom SGPS stand-alone liquidity as at 31 December 2021	242.9
Cash and Bank	240.9
Treasury Applications	2.1
Bank	-
Subsidiaries	2.1

During the year 2021, Sonaecom's stand-alone liquidity increased 56.3 million euros to 242.9 million euros due to the following movements:

- (i) Supplementary capital placed in subsidiaries increased by 12.5 million euros;
- (ii) FCF was positive by 74.9 million euros;
- (iii) Loans granted to subsidiaries decreased 1.5 million euros;
- (iv) Payment of dividends amounted to 29.7 million euros.







# 5. Subsequent events

In February, a gross amount of 35.2 million euros was received from Armilar Venture Funds III, following the conclusion of the sale of Safetypay to Paysafe, which was pending some regulatory approvals.

On 24 February, Russian troops invaded Ukraine, starting a war that is already having several effects on the macroeconomic environment. The growing wave of reactions with the imposition of sanctions on Russian and Belarusian entities, volatility and uncertainty of capital markets, the increase in fuel prices are some of the effects that already make us anticipate a quite challenging year of 2022.







## 6. Proposal for the application of results

The Board of Directors proposes that the net profit in the Individual accounts, in the amount of 46,542,963.19 euros be transferred as follows:

- i) 2,327,148.16 euros to legal reserves; and
- ii) 44,215,815.03 euros is distributed to shareholders.

The Board of Directors also proposes that an amount of 16,184,152.15 euros from Other Reserves to be paid to shareholders.

Since it is not possible to determine precisely the number of treasury shares that will be held by the company on the date of the above mentioned payments without limiting the company's capacity for intervention, we highlight the following:

- i) Each share issued will be paid a gross dividend of 0.194 euros;
- ii) The amount corresponding to the shares that belong to the Company itself on the day of the payment of the abovementioned amount (calculated on said unit amount of 0.194 euros per issued share) will not be paid to shareholders, but will instead be maintained in Other Reserves.







## **GLOSSARY**

Commercial Costs COGS+ Marketing & Sales (Advertising plus Commissions)

Other Operating Costs External Supplies and Services except those referred above as

Marketing & Sales + Provisions + Others

EBITDA Underlying EBITDA + Equity method results (namely ZOPT

net income) + non recurrent items (when applicable)

Underlying EBITDA Operating Results excluding Amortizations and Depreciations

EBIT Direct EBT deducted from financial result or EBITDA deducted

from Depreciations and Amortizations

EBT Direct Result before minority results and taxes

Indirect Results Fair Value adjustments related to minority stakes recorded at

Fair Value through profit and loss and equity method results related to Armilar Venture Funds, both net of tax impacts.

CAPEX Gross Investments in tangible and intangible assets and

investments in acquisitions

Operating CAPEX CAPEX excluding Financial Investments

Free Cash Flow (FCF)

EBITDA – CAPEX – change in working capital – financial results

- taxes

Gross Debt Bonds + bank loans + other loans + shareholder loans +

financial leases

Net Debt Bonds + bank loans + other loans + shareholder loans +

financial leases – cash, bank deposits, current investments and

other long term financial applications

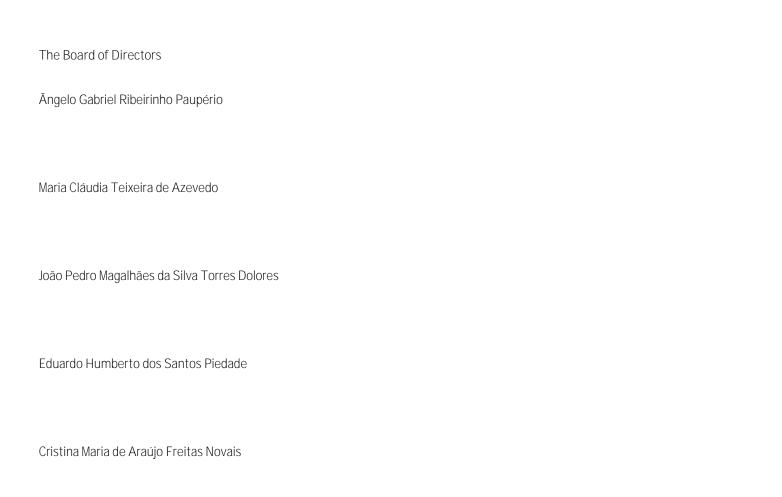




## Statement of the Board of Directors

Statement under the terms of Article 245 Paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.







# Article 447 and Qualified Shareholdings

#### - Article 447

#### **Board of Directors**

		Additions	Reductions	Position at 31.12.2021	Balance at 31 December 2021
	Date	Quantity Market price€	Quantity Market Price €		Quantity
Ängelo Gabriel Ribeirinho dos Santos Paupério Enxomil - Consultoria e Gestão, S.A. <sup>(10)</sup> (a) Enxomil - Sociedade Imobiliária, SA <sup>(11)</sup> (a) Sonae SGPS, S.A. <sup>(6)</sup> Shares attributed under the Medium Term Incentive Plan				Dominant Dominant	444,625
Maria Cláudia Teixeira de Azevedo Efanor Investimentos, SGPS, S.A. <sup>(1)</sup> Linhacom, SGPS, S.A. <sup>(4)</sup> (a) Sonae SGPS, S.A. <sup>(6)</sup>				Minoritary Dominant	724,707
João Pedro Magalhães da Silva Torres Dolores Sonae SGPS, S.A. <sup>(6)</sup>					10,306
Eduardo Humberto dos Santos Piedade Sonae SGPS, S.A. <sup>(6)</sup> Shares attributed under the Medium Term Incentive Plan	01.04.2021	24,579 0.7785			24,579
Cristina Maria de Araújo Freitas Novais Sonae SGPS, S.A. <sup>(6)</sup> a) Includes shares held indirectiv					13,168

a) Includes shares held indirectly.





#### Management

			Additions	Reductions	Position at 31.12.2021	Balance at 31 December 2021
	Date	Quantity	Market price €	Quantity Market price€		Quantity
(1) Efanor Investimentos, SGPS, S.A. Sonae - SGPS, S.A. <sup>(6)</sup> Pareuro, BV <sup>(2)</sup>					Dominant	200,100,000
(2) Pareuro, BV Sonae - SGPS, S.A. <sup>(6)</sup>						849,533,095
(3) Migracom, SGPS, S.A. Imparfin - Investimentos e Participações Financeiras, S.A. <sup>(5)</sup> Sonae - SGPS, S.A. <sup>(6)</sup>	23.12.2021	1,023,075	0.955		Minority	4,221,599
(4) Linhacom, SGPS, S.A. Imparfin - Investimentos e Participações Financeiras, S.A. <sup>(5)</sup> Sonae - SGPS, S.A. <sup>(6)</sup>					Minority	189,314
(5) Imparfin- Investimentos e Participações Financeiras, S.A. Sonae - SGPS, S.A. <sup>(6)</sup>						5,398,465
(6) Sonae - SGPS, S.A. Sonaecom, SGPS, S.A. (9) Sonae Investments BV (7) Sontel BV (8)					Dominant Dominant Dominant	
(7) Sonae Investments BV Sontel BV <sup>(8)</sup>	-				Dominant	
(8) Sontel BV Sonaecom, SGPS, S.A. <sup>(9)</sup>					Dominant	
(9) Sonaecom, SGPS, S.A.						5,571,014
(10) Enxomil - Consultoria e Gestão, S.A. Sonae - SGPS, S.A. <sup>(6)</sup>	-					2,021,855
(11) Enxomil - Sociedade Imobiliária, SA Sonae - SGPS, S.A. <sup>(6)</sup>						662,987

#### - Qualified Shareholdings

			% Share capital and	% of exercisable
Shareholder	Number of shares	% of Share capital	voting rights*	voting rights**
Efanor Investimentos, SGPS, S.A. <sup>(1)</sup>	275,086,083	88.36%	88.36%	89.97%
Sontel BV (company controlled by Sonae SGPS)	194,063,119	62.33%	62.33%	63.47%
Sonae - SGPS, S.A. (company controlled by Efanor SGPS, S.A)	81,022,964	26.02%	26.02%	26.50%
Discerene Group LP	8,694,396	2.79%	2.79%	2.84%

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

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

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

ANNUAL REPORT 2021



Part I – Shareholding Structure, Organisation and Corporate Governance Part II – Statement of Compliance Appendices I. II and III





#### PART I - SHAREHOLDING STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

### A. Shareholding Structure

### I - Share capital structure

## 1. Share capital structure

The share capital of Sonaecom – SGPS, S.A. (hereinafter Sonaecom or the Company) is 230,391,627.38 euros, fully subscribed and paid up and is divided into 311,340,037 registered ordinary shares with a nominal value of 0.74 Euro each.

All shares representing the share capital of Sonaecom are traded in the Euronext Lisbon regulated market.

2. Restrictions on share transferability and ownership

There are no restrictions on the transferability or ownership of Sonaecom shares.

# 3. Treasury shares

At 31 December 2021, Sonaecom held 5,571,014 treasury shares, representing 1.789% of its share capital.

## 4. Impact of the change of Sonaecom's shareholder control on significant agreements

There are no agreements entered into by Sonaecom that include clauses intended to constitute defensive measures against change of its shareholding control or which would terminate in case of change of control of the Company after a takeover bid.

The majority of Sonaecom's share capital is attributable to one sole shareholder.

5. System to which the renewal or removal of defensive measures are subject, in particular those which establish the limitation of the number of votes that can be cast or exercised by a single shareholder individually or in agreement with other shareholders. There are no defensive measures in place.

#### 6. Shareholders' agreements

Sonaecom is not aware of any shareholders' agreements concerning the Company.





## II - Shareholdings and holdings of bonds

### 7. Qualified shareholdings

In compliance with Article 8, paragraph 1, subparagraph (b) of the Securities and Exchange Commission Regulation 05/2008, and according to the notifications received by the Company concerning Articles 16 and 248-B of the Portuguese Securities Code, the qualified shareholdings representing at least 2% of the share capital of Sonaecom, indicating the number of shares held and the percentage of voting rights calculated in accordance with article 20 of the Portuguese Securities Code, as of 31 December 2021, are described below:

Charabalda	Number	0/ -f Chana and the	% Share capital and	
Shareholder (1)	Number of shares	% of Share capital	voting rights*	3 9
Efanor Investimentos, SGPS, S.A. (1)	275,086,083	88.36%	88.36%	89.97%
Sontel BV (company controlled by Sonae SGPS)	194,063,119	62.33%	62.33%	63.47%
Sonae - SGPS, S.A. (company controlled by Efanor SGPS,S.A)	81,022,964	26.02%	26.02%	26.50%
Discerene Group LP	8,694,396	2.79%	2.79%	2.84%

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

This issue is also dealt with in the Management Report.

The updated information regarding qualified shareholdings is available on <a href="http://www.sonaecom.pt/investidores/informacao-sobre-accao/estrutura-accionista/?l=en">http://www.sonaecom.pt/investidores/informacao-sobre-accao/estrutura-accionista/?l=en</a>.

8. Number of shares and bonds held by the members of the management and supervisory bodies, submitted pursuant to art. 447 paragraph 5 of the Portuguese Companies Code

The information can be found in the Appendix to the Management Report.

9. Powers of the Board of Directors regarding share capital increases

This is an exclusive competence of the Shareholders' General Meeting.

10. Business relationships between the owners of qualified shareholdings and the Company

Business transactions with holders of qualified shareholdings are part of the usual and regular activity of the subsidiaries that comprise the portfolio of Sonaecom and are carried out under normal market practices and conditions.

No significant business transactions were carried out in 2021 between the Company and any owners of qualified shareholdings in the Company.

<sup>\*</sup> 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

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





## B. Statutory Governing Bodies and Committees

# 1 - Shareholders' General Meeting

# a) Composition of the Board of the Shareholders' General Meeting

# 11. Identification and roles of the members of the Shareholders' General Meeting Board and respective mandate

The Shareholders' General Meetings are directed by a Board elected by the shareholders for a four-year mandate, which begins and ends within the same calendar mandate as that of the other statutory governing bodies.

The members of the Board of the Shareholders' General Meeting throughout the reference year were:

Manuel Eugénio Pimentel Cavaleiro Brandão Chairman Mandate 2020-2023 Maria da Conceição Henriques Fernandes Cabaços Secretary Mandate 2020-2023

All the resources necessary for the performance of its duties are provided to the Board of the Shareholders' General Meeting, notably through the Secretary of the Company.

# b) Exercise of Voting Rights

## 12. Possible restrictions on voting rights

The Company's Articles of Association do not envisage any restriction in terms of voting rights. The Company's share capital is fully represented by a single category of shares and one vote corresponds to each share.

Pursuant to the law and the Company's Articles of Association, shareholders with voting rights have the right to participate, discuss and vote at the Shareholders' General Meeting if, on the registration day (which is considered to be at 0:00 GMT of the fifth trading day before the meeting), they own shares which grant them at least one vote. Shareholders shall also comply with the legal formalities as described in the corresponding notice of the meeting.

The right to vote by proxy and how such right may be exercised are also provided for in the notice for each General Meeting, pursuant to the law and Articles of Association.

Notwithstanding the need to prove the shareholding capacity, shareholders can vote by post regarding all matters under appreciation at the General Meeting. The General Meeting notice shall contain adequate information about postal voting.

The Company also has an electronic voting system in place (in the form of voting through electronic means) which allows shareholders unlimited access to exercise their voting rights. Shareholders are advised how to vote electronically in the General Meeting notice, and, for this purpose, the Company makes available a form for the request of the technical elements necessary for its exercise.





13. Maximum percentage of voting rights that may be exercised by a single shareholder or by a group of shareholders that are related to the latter as set forth in paragraph 1 of article 20

There is no statutory limitation on exercising voting rights.

14. Shareholder decisions which, due to the Articles of Association, may only be taken with a qualified majority

As per the Company's Articles of Association, any decisions made by the Shareholders' General Meeting shall be passed by simple majority, unless otherwise required by law.

Any decision taken by the Shareholders' General Meeting in the second occasion it is convened may be passed regardless of the number of shareholders attending the meeting and the share capital percentage these represent.

The quorum of the Shareholders' General Meeting required to pass its decisions abides by the provisions of the Companies Code.

### II - Management

## a) Composition

15. Identification of the adopted governance model

This Company has adopted the monist governance model, whose management structure is committed to the Board of Directors.

The Board of Directors is the body in charge of managing the Company's business, performing all the administration functions pertaining to the corporate purpose, monitoring risks, pursuing the organisation's objectives and setting out the Company's strategy.

The supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors considers the governance model that was adopted by the Company to be suitable for the proper fulfilment of the duties of each of the corporate bodies, ensuring both their independence and interface in a balanced manner.

16. Statutory regulations on procedural and material requirements applicable to the appointment and replacement of the members of the Board of Directors

The members of the Board of Directors are elected in accordance with the provisions established by the law and the Articles of Association, in the terms specified in the proposal approved in the Shareholders' General Meeting.

The Articles of Association establish that, should shareholders representing at least 10% of the share capital vote against the winning proposal for the election of the directors, a director will be elected by the shareholders in said minority, in the same meeting, and the director elected shall automatically replace the person with the lowest number of votes in the winning list, or, in case of an equal number of votes, the person in the last position in the list. One shareholder may not nominate more than one candidate.

Should candidates be nominated by more than one group of shareholders, the vote shall concern those candidacies as a whole. These regulations shall not apply to the election of a substitute director.





It is also statutorily established that in case of death, resignation, or any temporary or definitive incapacity of any director (other than a director elected under the minority rule), the Board of Directors shall replace that director through co-option. This appointment shall be subject to ratification by the shareholders in the following Shareholders' General Meeting.

However, the definitive absence, for any reason, of a director appointed under the aforementioned special rules shall lead to a new election by the Shareholders' General Meeting.

The Board of Directors shall appoint its Chairman.

Recognizing the benefits of diversity within its board of directors and audit board as pillar of good governance, the Company adopted a Diversity Policy for the management and supervisory bodies.

With such policy, the Company seeks a significant and differentiated representation of gender, origins, qualifications and professional experience, as a way to ensure its alignment with the stakeholders' interests and to achieve an enhanced balance in its composition. Such policy takes into account not only the nature and complexity of the activities carried out by the Company, but also the context in which it operates.

In this sense, the Company undertakes to develop all efforts to ensure that, in the selection of the members of these corporate bodies, there are imperative criteria to ensure that they meet the greatest possible width and diversity of knowledge, skills, experience and values.

These criteria focus mainly on: (i) gender diversity; ii) the professional qualification alongside with the necessary renewal of the composition of the governing bodies, in order to ensure a compatibility between seniority and the diversification of career paths, avoiding group thinking; iii) the plurality of knowledge and iv) not considering age as an obstacle and without a restrictive view on the limits of such age, in particular regarding the following:

- a) Gender: gender diversity aims to promote the existence of different perspectives and styles, bringing innovation and creativity to the respective body;
- b) Professional experience: the coexistence of professional and diversified backgrounds provides appropriate know-how to the Company's activities and to the defined strategy, namely in the following areas: financial, accounting, legal, corporate governance, securities / derivatives market, retail, industry, investor relations, banking, corporate social responsibility, risk management, auditing, procurement and asset management, marketing, environment and sustainability:
- c) Qualifications: a balanced diversity of professional qualifications enables the Company to have the skills necessary to carry out its activities and the defined strategy, taking into account their complexity. The inclusion of different areas such as engineering, economics, management, law and other areas, promotes the diversity of technical knowledge, which will allow a better understanding of the issues, risks and opportunities inherent to the activity of the Company; and
- d) Age: the Company does not have a restrictive view of the age limits for the exercise of managing or supervisory functions. The Company trusts that age diversity will allow to combine the experience of older members with the perspective of younger ones, which may result in a more innovative, agile and thoughtful decision-making process.

The Company undertakes to implement and monitor the alignment of this policy with the most advanced corporate governance standards and to review it with adequate frequency (always in reasonable time before each elective general meeting), taking into account also the rules and principles of non-discrimination, including on the basis of ethnic origin, race, disability or sexual orientation.





Furthermore, candidates to be appointed to the management and supervisory bodies should possess an adequate experience in senior offices within companies or similar organisations that enables them to (i) assess, challenge and develop the Company's senior officers; (ii) assess and challenge the group's and its main subsidiaries' corporate strategy; (iii) assess and challenge the Company's operational and financial performance; and (iv) assess the organisation's fulfilment of the Company's values.

Each candidate should in addition make their individual contribution in enabling the Board of Directors, as a whole, to gain in-depth and international knowledge of Sonaecom's main business sectors, knowledge of the main markets and geographies where the business areas operate, and knowledge and competencies regarding management techniques and technologies that are key for the success of relevant companies in the business sectors of the Company.

Candidates should furthermore possess the human qualities, purpose clarity, analytical qualities and synthesis and communication skills that are required to address a large number of diversified and complex issues, within a limited time-frame, with the necessary depth to allow for a timely and high-quality decision-making.

In what regards the compliance with the described policy, reference is made to Appendix I, where the *curricula* of the members of the Board of Directors and the Statutory Audit Board of the Company are available, showing its diversity in what refers to gender, age, academic qualifications, experience and professional profile.

In addition, the Company maintains in force a Plan for Gender Equality that is applicable to the employees and members of the **Group's** corporate bodies fully available on <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/plano-para-a-igualdade-de-genero/">http://www.sonaecom.pt/investidores/governo-das-sociedades/plano-para-a-igualdade-de-genero/</a>.

Within both the Board of Directors and the Statutory Audit Board, whose composition is described in paragraph 17 and section III, a) below, the proportion of members representing each gender complies with the provisions of Article 5 of Law 62/2017 of 1 August.

## 17. Composition of the Board of Directors

Pursuant to Sonaecom's Articles of Association, the Board of Directors may be composed by an odd or even number of members, between a minimum of three and a maximum of twelve, elected by the shareholders in the Shareholders' General Meeting. The Board of Directors' term of office is four years and its members may be re-elected.

In 2021, the composition of the Board of Directors was as follows:

Members	Date of 1st Appointment	End of term of office
Ângelo Gabriel Ribeirinho dos Santos Paupério	24/04/2007	31/12/202 <b>3</b>
Maria Cláudia Teixeira de Azevedo	05/04/2006	31/12/202 <b>3</b>
João Pedro Magalhães da Silva Torres Dolores	12/03/2019	31/12/202 <b>3</b>
Eduardo Humberto dos Santos Piedade	30/04/2019	31/12/2023
Cristina Maria de Araújo Freitas Novais	29/04/2020	31/12/2023





## 18. Description of the members of the Board of Directors

Members

Ângelo Gabriel Ribeirinho dos Santos Paupério Chairman of the Board of Directors (Executive)

Maria Cláudia Teixeira de Azevedo Executive Director
João Pedro Magalhães da Silva Torres Dolores Executive Director
Eduardo Humberto dos Santos Piedade Executive Director
Cristina Maria de Araújo Freitas Novais Executive Director

19. Professional qualifications of the members of the Board of Directors

The academic qualifications, experience and duties of the directors are disclosed in Appendix II to this report.

20. Significant family, professional, and commercial relationships of the members of the Board of Directors with shareholders with qualified shareholdings

Maria Cláudia Teixeira de Azevedo is an executive member of the Board of Directors of Sonae, SGPS, A.A., and is also a shareholder and member of the Board of Directors of Efanor Investimentos, SGPS, S.A., a Company that (indirectly) holds the control of Sonaecom's share capital. She is also the sister of Duarte Paulo Teixeira de Azevedo, a shareholder of Efanor Investimentos, SGPS, S.A. and the Chairman of the Board of Directors of Sonae – SGPS, S.A., a company to which, as of 31 December 2021, 88.36% of the share capital of Sonaecom was attributable, corresponding to 89.97% of the voting rights.

The Chairman of the Board of Directors of Sonaecom, Ângelo Gabriel Ribeirinho dos Santos Paupério, is a member of the Board of Directors of Sonae – SGPS, S.A. and of Efanor Investimentos, SGPS, S.A., shareholders of Sonaecom in the terms described above.

João Pedro Magalhães da Silva Torres Dolores, executive member of the Board of Directors is also is an executive member of the Board of Directors of Sonae – SGPS, S.A., shareholder of Sonaecom in the terms described above.

21. Distribution of competences among the various corporate bodies, committees, and/or Company departments, including information about delegation of competence, in particular regarding delegation of the Company's daily management





i) Distribution of competences among the various corporate bodies and their respective committees: Sonaecom's corporate structure clearly describes the functions, responsibilities and duties of its bodies.

	Sonaecom, SGPS, S.A.	
Shareholders' Remmuneration Commitee	Board of the Shareholders' General Meeting	Statutory Audit Board
Board and Corporate Governance Officer	Board of Directors	Statutory External Auditor
	Company Secretary	

#### **Board of Directors**

The Board of Directors is responsible for managing the Company's business, monitoring risks, handling conflicts of interest, and deploying the organisation's objectives and strategy.

Sonaecom's Articles of Association allow the Board of Directors to delegate powers in one or more Managing Directors or an Executive Committee when it comes to everyday business, duties and management responsibilities. The delegation made by the Board of Directors should exclude the following matters, which shall remain the exclusive competence of the Board of Directors:

- a) Appointment of the Chairman of the Board of Directors;
- b) Co-optation of Directors;
- c) Request to convene General Meetings;
- d) Approval of the Annual Report and Accounts;
- e) Provision of collateral and personal or real guarantees by the Company;
- f) Decision to change the registered office or increase the share capital;
- g) Decision on mergers, spin-offs or transformation of the Company;
- h) Approval of the strategic management of the annual business portfolio and the policies thereof;
- i) Approval of the Company's annual budget and the Group's annual business plan and any changes on the same;
- j) Definition of the organisation and coordination of the corporate structure of the Sonaecom Group;
- k) Approval of every issue that should be deemed as strategical as a consequence of its amount, risk or particular features;
- I) Outline of the Human Resources policies that are applicable to top employees (level GF3 and above) with the exclusion of areas that are the exclusive competence of the Shareholders' General Meeting or of the Shareholders' Remuneration Committee.

The Articles of Association do not allow the Board of Directors to approve share capital increases, which have to be decided in the Shareholders' General Meeting.





The terms of reference of the Board of Directors, approved at the Board Meeting held on 3 May 2012 and amended by the resolutions taken on 2 November 2015, 13 March 2017, 12 December 2019 and 17 December 2020 is fully available for consultation at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>.

The corporate structure is assisted by the following functional structures:

## Administrative and Financial Department

#### Main duties:

- To ensure the control of internal processes and transactions and the reliability and timely reporting of financial and tax information;
- Accounting records of transactions and preparation of individual and consolidated financial reports for the companies;
- Efficient management of Sonaecom Group's cash;
- Negotiation and contracting of the most suitable banking products and services for the Group's business needs;
- Efficient and effective management of all the administrative processes for the Sonaecom Group's business;
- Management of financial risk and support in execution of monetary market, interest rate, or exchange transactions;
- Management of the administrative processes for Accounts Payable, Receivables, Cash and Banks, Stocks, and Tangible and Intangible Assets;
- Ensuring the rigour and reliability of the financial information, with the support of the most efficient information system;
- Optimisation of Sonaecom's Group tax efficiency, ensuring the monitoring of tax procedures in all Sonaecom businesses, as well as compliance with tax obligations;
- Management of the Sonaecom transfer pricing dossier;
- Support for decision-making and process implementation in the various areas of the Sonaecom Group;
- Collaboration in the definition of the strategy and tax objectives, in particular providing support to business internationalisation;
- Monitoring of all the litigation processes with the tax authorities;
- Participation in special projects of the Sonaecom Group, such as mergers and acquisitions and corporate restructuring.

### Planning and Management Control Department

#### Main duties:

- Supporting the development of the corporate and/or business strategy;
- Promoting, leading and implementing the annual strategic planning cycle;
- Leading and monitoring the annual Sonaecom budgeting process, as well as preparing the report on budget implementation;
- Challenging the corporate business and areas as regards the goals set so as to constantly improve and optimise the efficiency of Sonaecom's business, performance, and results;
- Preparing and analysing business management information, as well as consolidated data, on a monthly, quarterly, and annual basis, analysing deviations from the budget and proposing corrective actions;
- Supporting decisions for the allocation of capital to ongoing businesses and new business opportunities: analysing the invested capital and the return on the invested capital;
- Creating business plans together with the business management teams;





- Performing technical and benchmark studies for the businesses and the Company as a whole in order to evaluate its performance in comparison with competitors and other players in the market.

### Risk Management Department

Risk Management is ensured not only at corporate level but also at the business level. Thus, each business unit is involved in the functional processes, with the responsibility of implementing internal controls and managing specific risks. In general, the main responsibilities of the Risk Management Department of each one of the businesses involves:

- Promoting a culture of risk awareness, as well as mediating and managing the business risks that interfere with the achievement of objectives and the creation of value in the organisation;
- Collaborating to identify the critical risks and monitoring their development and the implementation of risk indicators and mitigation actions:
- Promoting and monitoring the implementation of programmes and actions aimed at bringing risk levels closer to the acceptable levels established by the management.

#### Internal Audit Department

#### Main duties:

- Assessing risk exposure and checking the effectiveness of risk management and internal controls through the execution of audits of business processes and information systems;
- Proposing measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings.

## Legal Department

#### Main duties:

- Relations with Euronext Lisbon, with the Portuguese Securities Market Commissions and with shareholders regarding legal issues;
- Legal management of corporate governance policy and monitoring of compliance with best practices in this area;
- Monitoring, controlling and ensuring legal compliance of the business activities of the Company;
- Drafting and/or analysing contracts to maximise security and reduce legal risks and potential costs;
- Management of all aspects pertaining to the intellectual and industrial property of the various businesses, such as brands, trademarks, names, patents, logos domain names and copyright;
- Execution of all public deeds, registrations and notarial procedures required for business, whether commercial, property or corporate;
- Management of all dispute processes;
- Support to obtain the various licences required for business;
- Monitoring the development of the legislation relevant to the Group's business;
- Legal support in national and international operations of the Company's business, as well as analysis of new national and international operations, in particular, in the latter, regarding the legal environment in the countries under analysis;
- Mergers/demergers, acquisitions, winding up, liquidations and similar corporate restructuring.





## **Human Resources Department**

#### Main duties:

- Support to top management on the implementation and development of human resources policies;
- Defining and implementing the human resources strategy, planning and talent management on various levels;
- Ensuring the presence and development of the technical and management competences of Sonaecom executives, either through the implementation of adequate recruitment and selection practices, or through the design and implementation of transversal training and/or individualised training and development plans;
- Developing human resources management models and processes in areas such as remuneration and benefit policy; career management; social climate monitoring and development; administrative management and salary processing; staff budgeting and reporting on human resources issues; occupational health, hygiene and safety management;
- Monitoring legal occupational issues;
- Representing the Company in official bodies and associations linked to this area.

### Investor Relations Department

#### Main duties:

- Manage the relationship between Sonaecom and the financial community, through the continuous preparation and disclosure of relevant and up to date information about the Company;
- Support to the Board of Directors, providing relevant information about the capital markets;
- Support in the definition of the corporate message to be disclosed to the capital market.

## b) Functioning

#### 22. Existence and location of the Regulation of the Board of Directors

The Internal Regulation of the Board of Directors is available at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>.

### 23. Number of meetings held and attendance record of each member of the Board of Directors

The Sonaecom Board of Directors meets at least four times every year, as specified by the Company's Articles of Association, and whenever the Chairman or two members of the Board of Directors call a meeting. Five meetings of the Board were held in 2021 with a 100% attendance rate, in person, of the directors Ångelo Gabriel Ribeirinho dos Santos Paupério, Maria Cláudia Teixeira de Azevedo, João Pedro Magalhães da Silva Torres Dolores, Eduardo Humberto dos Santos Piedade and Cristina Maria de Araújo Freitas Novais. The following table displays detailed information about the attendance at meetings:





Date	Participants
15 March 2021	Ângelo Paupério
	Cláudia de Azevedo
	João Dolores
	Eduardo Piedade
	Cristina Novais
12 May 2021	Ângelo Paupério
	Cláudia de Azevedo
	João Dolores
	Eduardo Piedade
	Cristina Novais
23 July 2021	Ângelo Paupério
	Cláudia de Azevedo
	João Dolores
	Eduardo Piedade
	Cristina Novais
	Ângelo Paupério
	Cláudia de Azevedo
23 July 2021	João Dolores
	Eduardo Piedade
	Cristina Novais
	Ângelo Paupério
	Cláudia de Azevedo
03 November 2021	João Dolores
	Eduardo Piedade
	Cristina Novais
	Ângelo Paupério
	Cláudia de Azevedo
10 December 2021	João Dolores
	Eduardo Piedade
	Cristina Novais

The minutes of meetings are written down in the minutes book.

24. Competent governing bodies of the Company for the assessment of the performance of the Executive Directors The Company does not have an Executive Committee, nor does it have any Managing Directors.





To establish the variable component of remuneration, an individual evaluation of the Directors' performance is carried out by the Remuneration Committee, which represents the Company's shareholders, according to the remuneration policy approved at the Shareholders' General Meeting. This assessment takes place once the Company's results are disclosed.

Without prejudice to the overall and individual performance assessment of the Directors, which is carried out by the Remuneration Committee, the Board of Directors shall annually carry out the evaluation of its performance, having as reference the fulfilment of Company's strategic plan and budget, its risk management, internal functioning and its relations with other Sonaecom's bodies. This evaluation is usually carried out in the Board of Directors' meeting where the discussion of the previous years' accounts takes place.

In addition, and in accordance with article 376 of the Companies Code, the Shareholders' General Meeting annually reviews the management of the Company through a confidence or no confidence vote.

25. Pre-determined criteria for assessing the performance of the Executive Directors

The performance assessment of executive directors is based on pre-determined criteria, consisting of objective performance indicators set for each period and in line with the overall strategy of growth and positive business performance. These indicators consist of the business, economic and financial Key Performance Indicators (KPIs), subdivided into collective, departmental and personal KPIs.

The collective business KPIs consist of economic and financial indicators that are defined based on the budget and on the performance of each business unit.

Departmental business KPIs, in turn, are similar in nature to the previous ones, and they measure the specific contribution of the director to the performance of the business.

Personal KPIs include objective and subjective indicators and are intended to measure compliance with duties and commitments individually taken on by the executive director.

Additional information can be found in sections 71 to 75 below.

The pre-determined criteria to be used in the assessment of the Directors' performance are the consequence of the application of the Remuneration and Compensation Policy that was approved by the Shareholders' General Meeting following the proposal of the Shareholders' Remuneration Committee of the Company.

In 2021 the Remuneration Policy in place was the one approved by the Shareholders' General Meeting held on 30 April 2021, available at <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>, on the 2021 tab: proposal n.° 4 and appendix to proposal n.° 4.

26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the financial year.

The information regarding the positions held by the Company directors simultaneously in other companies, inside and outside the group, is disclosed in Appendix II to this Report.

Each of the members of the Board of Directors has consistently demonstrated their availability to perform their duties, having regularly attended the meetings and participated in its work.





# c) Board of Directors' committees and managing directors

27. Identification of the committees created within the Board of Directors and where to find their operating regulations

The Board of Directors believes that in view of the current size of the Company and the composition of the Board itself, the maintenance or creation of any committees is not justified.

The Company has a Corporate Governance Officer, who reports to the Board of Directors, through the Chairman, and this solution is deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters.

The main duties of the Corporate Governance Officer are:

- (i) Ensuring the smooth running of the activities of the Board and, when applicable, of the Board Committees;
- (ii) Participating in Board Meetings and, if applicable, relevant Board Committee Meetings and, when appointed, serving as a member:
- (iii) Facilitating the acquisition of information by all Board members and by all members of its committees, when applicable;
- (iv) Supporting the Board in defining its role, objectives and operating procedures; taking a leading role in organising Board evaluations and assessments:
- (v) Keeping all Legislative, Regulatory and Corporate Governance issues under close review; supporting and challenging the Board to achieve the highest standards in Corporate Governance;
- (vi) Ensuring that the Board is conscious of the concept of stakeholders and the need to protect minority interests, when important business decisions are being taken by the Board of Directors;
- (vii) Helping to ensure that the procedure to nominate and appoint Directors is properly carried out and assist in the induction of new directors;
- (viii) Acting as a primary point of contact and source of advice and guidance for Non-Executive Directors in particular as regards the Company and its activities; facilitating and supporting the Independent Non-Executive Directors in the assertion of their 'independence';
- (ix) Helping to ensure compliance with the continuing obligations of listed companies under the Portuguese Securities Market Commission:
- (x) Participating in making arrangements for and managing the process of Shareholders' General Meetings;
- (xi) Participating in the arrangement of insurance cover for Directors and Officers;
- (xii) Participating, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

The main duties of the Corporate Governance Officer listed above have as their main purpose to allow the Corporate Governance Officer to evaluate the adopted corporate governance structure and practices, to verify the effectiveness thereof and to propose to the relevant bodies any improvement measures to be taken.

28. Composition, if applicable, of the Executive Committee and/or identification of the managing director(s) The Company does not have an Executive Committee nor does it have any Managing Directors.





29. Indication of the powers of each of the committees created and a summary of the activities carried out in the exercise of those powers

The Board of Directors believes that in view of the adopted governance model, which takes into account and is considered appropriate in view of the current shareholding structure (with a small free-float) and size of the Company, as well as the composition of the Board itself, it is not justified to maintain any specialized committee within the Board of Directors.

As previously mentioned, the Company has a Corporate Governance Officer, whose functions and responsibilities are disclosed in section 27 of this Report and this solution is, in view of the current context of the Company, deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters.

The Company has also a Company Secretary, who is responsible for:

- (i) Ensuring the minutes and attendance lists of the Shareholders' General Meeting;
- (ii) Sending notices and other legal documents necessary to hold the General Meeting;
- (iii) Supervising the preparation of supporting documentation for the General Meetings and Board of Directors' meetings and drawing up the corresponding minutes;
- (iv) Responding to requests for information by the shareholders within the legal framework;
- (v) Proceeding with the legal registration of any act or decision of the Company's governing bodies.

## III – Audit

# a) Composition

30. Identification of the supervisory bodies

The Statutory Audit Board and the Statutory External Auditor are, under the governance model currently adopted, the supervisory bodies of the Company.

# 31. Composition

In accordance with the Company's Articles of Association, the Statutory Audit Board may be composed of an even or odd number of members, with a minimum of three and a maximum of five members, elected for four-year terms. The Statutory Audit Board also includes one or two substitute members, depending on whether the number of members is three or more.

In 2021, the members of Statutory Audit Board, elected for the mandates referred below, were:

João Manuel Gonçalves Bastos	Chairman	2020/2023
Maria José Martins Lourenço Fonseca	Member	2020/2023
Óscar José Alçada da Quinta	Member	2020/2023
António Augusto Almeida Trabulo	(Substitute Member)	2020/2023





The Statutory External Auditor is identified in Chapter IV of this Report.

### 32. Level of independence of the members of the Statutory Audit Board

All members of the Statutory Audit Board are independent under the terms of article 414, paragraph 5, and they are not covered by any incompatibility under the terms of article 414-A, paragraph 1, both from the Portuguese Companies Code. The members of the Statutory Audit Board are required to immediately inform the Company of any occurrence during their term of office that may cause incompatibilities or the loss of independence, as required by law.

## 33. Professional qualifications

Professional qualifications and other relevant curricular elements are disclosed in Appendix I to this Report.

### b) Functioning

## 34. Regulation and annual activity report

The operating regulation of the Statutory Audit Board can be read at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>, in the tab "Statutory Audit Committee".

The annual report and statements of the Statutory Audit Board are published in each financial year, together with the annual accounts documents prepared by the Board of Directors, available at <a href="http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/">http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/</a> (regarding 2021 documents, in the tab R&A 2021/Chapter IV).

# 35. Meetings of the Statutory Audit Board

The resolutions of the Statutory Audit Board are taken by a majority of the votes and are always recorded in the minute's book, with dissenting members being required to state their reasons for dissent in said minutes.

The Statutory Audit Board meets at least once a quarter. In 2021, the Statutory Audit Board held sixteen meetings with a 100% attendance rate.

36. Availability of each of the members, indicating the positions held in other companies, inside and outside the Group, and other relevant activities carried out by members of the Statutory Audit Board

Each of the members of the Statutory Audit Board has consistently demonstrated their availability to perform their duties, having regularly attended the meetings and participated in its work.

The information on other positions held by members of the Statutory Audit Board, their qualifications and professional experience is included in Appendix II to this Report.





## c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the purpose of contracting additional services from the External Auditor

It is the responsibility of the Statutory Audit Board to approve the rendering of services, other than audit services, to be provided by the External Auditor.

To that end, the Statutory Audit Board schedules a work plan that includes supervision the External Auditor's activity in matters concerning: (i) the External Auditor's annual activity plan; (ii) monitoring the audit work, reviewing the financial statements and discussing the respective conclusions; (iii) supervising the External Auditor's independence; and (v) assessing the annual activity carried out by the External Auditor concerning the compliance with the IPCG Recommendation VII.2.3. Decisions regarding the approval for the rendering of services other than audit services are taken by the Statutory Audit Board in a duly explained manner, before the provision thereof, in accordance with Law no. 140/2015, of 7 September.

In assessing the criteria that backed the contracting of services, other than audit services, from the External Auditor, the Statutory Audit Board verifies the presence of the following safeguards:

- contracting additional services, other than audit services, does not affect the independence of the External Auditor;
- services other than audit services represent an adequate proportion of all services rendered;
- services other than audit services, not prohibited (according to the legislation currently in force), shall be provided with high levels of quality, autonomy and independence in relation to the services carried out as part of the audit process;
- the quality system applied by the External Auditor (internal control), in accordance with the information provided by this body, monitors the risks of loss of independence or possible conflicts of interest with the Company and ensures the quality of the services that are provided in compliance with ethical and independence standards.
- 38. Other functions of the supervisory bodies

## 38.1 Statutory Audit Board

The Statutory Audit Board, while performing its statutory and legally assigned functions, including the ones set out in article 420 of the Portuguese Companies Code, has the following main duties, among others:

- a) To supervise the Company's management, in accordance with corporate governance best practises and with full respect for the competencies thereof;
- b) To ensure compliance with the Law and the Company's Articles of Association;
- c) To prepare the annual report on the supervisory work performed, addressed to the shareholders, that should include the description of the supervisory work performed and possible constraints detected, and issue an opinion on the management report, accounts and other proposals submitted by the Board of Directors, in which it should express its agreement or not with the management report and the annual accounts;
- d) To convene the Shareholders' General Meeting, should the Chairman of the General Meeting fail to do this when required to do so:





- e) To confirm whether the disclosed corporate governance report includes the information listed in article 245-A of the Portuguese Securities Code:
- f) To assess the effectiveness of the risk management system, internal control system and internal audit system;
- g) To receive communications of irregularities presented by the Company's shareholders, employees or others;
- h) To appoint and hire services from experts to help one or more members in the exercise of their duties. The hiring and fees of these experts should take into consideration the complexity of the matters involved and the financial position of the Company;
- i) to supervise the process of preparation and disclosure of financial information by the management body, including notably the adequacy of the accounting policies, estimations, judgements, relevant disclosures and the consistent application thereof throughout the financial years in a duly documented and communicated manner;
- i) To select the Statutory External Auditor, represent the Company before the external auditor and the Statutory External Auditor and propose to the Shareholders' General Meeting its appointment and removal and also to approve its remuneration and assess its performance making sure that the Company provides the Statutory External Auditor with the necessary conditions for carrying out its duties, to intermediate between the latter and the Company, and making sure it is the main recipient of the external auditor's reports, with full respect for the duties and competencies of the management body in this matter;
- k) To supervise the accounts audit concerning the Company's financial documents;
- I) To evaluate the independence of the Statutory External Audit;
- m) To give its prior approval to the audit services and additional services to be provided by the external auditor or by any other person that maintains a participation relationship with the latter or is part of the same network, and to approve its remuneration, ensuring that those services are legally permitted, do not surpass any reasonable limit and does not hinder the independence of the external auditor;
- n) To evaluate the independence of the internal auditor, notably concerning limitations to its organisational independence and lack of resources in the course of the internal audit activity;
- o) To issue a specific opinion and justification to support the possible decision of not rotating the external auditor, taking into account its independence conditions in such a circumstance as well as the advantages and costs associated with its substitution;
- p) To supervise the internal audit activity;
- q) To issue a prior opinion on business transactions with Related Parties, in accordance with the terms of the Internal Policy Regarding Transactions With Related Parties, attached to the Terms of Reference of the Statutory Audit Board, and the terms of articles 249-A to 249-D of the Portuguese Securities Code;
- r) To comply with all other attributions foreseen by the Law or the Articles of Association.





In order to duly perform its duties, the Statutory Audit Board establishes a calendarized activity plan, where it should be included:

### A – Monitorisation of the Company's activity, notably concerning:

- Assessment of the functioning of the internal control and risk management system;
- Supervision of the financial documents and disclosure of financial information;
- Issuing opinions and recommendations.

## B – Supervision of the Internal Audit and Risk Management activity with the following scope:

- Annual activity plan;
- Receiving the regular reports on the developed activity;
- Assessment of the results and conclusions reached:
- Assessment of the existence of possible irregularities and analysis of irregularity reports that are conveyed to it;
- Issuing any relevant instructions.

## C – Information regarding irregularities

The Statutory Audit Board is the recipient of irregularity reports, in accordance with Article 420, 1, paragraph j) of the Companies Code, that are addressed directly to it or that are remitted to a different body.

The Statutory Audit Board obtains from the Board of Directors all information necessary for the performance of its duties, namely regarding the Company's operational and financial evolution, changes in the business portfolio, terms of all transactions that occurred and details of the decisions taken. In addition, in support of the activity of the Statutory Audit Board, the Company provides the human and technical resources necessary for the organisation of meetings, preparation of agendas, minutes and supporting documentation and their timely distribution. These meetings are attended by the internal liaisons considered relevant to the issues under discussion, for presentation and explanation of the issues raised by the Statutory Audit Board.

The Statutory Audit Board is the overall supervision body of the Company for matters of internal control and risk management, it acts in an independent manner and has primacy over other bodies regarding the supervision of those matters.

The Supervisory Board represents the Company before the Auditor and proposes to the Shareholders' General Meeting its appointment, as well as its dismissal, also evaluating the activity performed by the Auditor, ensuring that the appropriate conditions exist within the Company for the performance of its services. The Statutory Audit Board is the Company's liaison and first recipient of the respective reports.

The Statutory Audit Board annually prepares a report on its supervisory action in the financial year, including an annual assessment of the Statutory External Auditor, and it issues an opinion on the management report, the consolidated and individual financial statements and the Corporate Governance report presented by the Board of Directors, in order to comply with the legal deadlines for disclosure at the date established for the Annual General Meeting. The annual report on its audit activity is included in the reports and accounts made available on the Company's website.





The Terms of Reference of the Statutory Audit Board are available at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>, in the tab "Statutory Audit Committee"

# IV - Statutory External Auditor

### 38.2 Statutory External Auditor

The Statutory External Auditor is the supervisory body responsible for the legal certification of the Company's financial information. Its main duties are:

- a) Check the consistency of all the books, accounting records and supporting documents;
- b) Whenever it deems convenient and through such means as it deems appropriate, verify the accuracy of cash and amounts of assets or securities of any type belonging to the Company or received by the Company by way of guarantee, deposit or for any other purpose;
- c) Check the accuracy of the financial statements and express its opinion on them in the Legal Certification of Accounts and in the Audit Report;
- d) Verify that the accounting policies and valuation criteria adopted by the Company result in the correct valuation of the assets and results;
- e) Perform any necessary examinations and tests for the audit and legal certification of accounts and perform all procedures stipulated by law;
- f) Verify the enforcement of policies and the effectiveness and functioning of the internal control mechanisms, reporting any deficiencies to the Statutory Audit Board, under the terms of and within the scope and limits of its legal and procedural powers;
- g) Cooperate with the Statutory Audit Board, providing immediate information on any irregularities relevant to the performance of the functions of the supervisory body it may have detected, as well as any difficulties encountered in the exercise of its duties;
- h) Verify whether the Corporate Governance Report includes the elements referred to in article 245-A of the Securities Code.

Since 1 January 2016, the activity and services of the Statutory External Auditor are regulated by the new *Estatuto da Ordem dos Revisores Oficiais de Contas*, approved by Law no 140/2015, of 7 September.

## 39. Identification of the Statutory Audit Firm and of the statutory auditor that represents it

The Statutory External Auditor of Sonaecom is PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda., registered at OROC under the no. 183 and at the Portuguese Securities Market Commission under the no. 20161485, represented by António Joaquim Brochado Correia for the mandate of 2020/20123.

The substitute Statutory External Auditor is Joaquim Miguel de Azevedo Barroso (Statutory External Auditor no. 1426, registered at the Portuguese Securities Market Commission under the no. 20161036).

40. Number of consecutive years in which the Statutory External Auditor has performed duties for the Company and/or for the group PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. has been acting as Statutory External Auditor of the Company for 6 (six) consecutive years now and was elected for the position for the first time in 2016, for the mandate 2016-2019.





In 2020, a new mandate corresponding to the 2020/2023 four-year period began and PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. was re-elected by the Company to the position of Statutory External Auditor, in compliance with the maximum time limits legally established for the exercise of functions.

41. Description of other services rendered to the Company by the Statutory External Auditor

PwC – Pricewaterhouse Coopers & Associados, Sociedade de Revisores Oficiais de Contas, LDA. performs the duties of Statutory External Auditor. A Company belonging to the same network rendered tax consulting services under the supervision of the Statutory Audit Board.

#### V - External Auditor

42. Identification of External Auditor designated for the purposes of article 8 and of the Statutory Auditor partner who represents it in the performance of those duties, as well as the respective registry number at the Portuguese Securities Market Commission. The Sonaecom External Auditor, appointed for the purposes of Article 8 of the Portuguese Securities Code, is PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. registered at OROC under the no. 183 and at the Portuguese Securities Market Commission under the no. 20161485, represented by António Joaquim Brochado Correia.

The substitute Statutory External Auditor is Joaquim Miguel de Azevedo Barroso (Statutory External Auditor no. 1426, registered at the Portuguese Securities Market Commission under the no. 20161036).

43. Number of consecutive years in which the External Auditor and the respective Statutory Auditor partner who represents it have performed duties for the Company and/or for the group

PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. was first elected on 29 April 2016, for the mandate 2016/2019.

In 2020 a new mandate was started (2020-2023) and the Company decided to elect PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. in accordance with the time limitations legally foreseen for this role.

44. Policy and frequency of rotation of the External Auditor and the respective Statutory Auditor partner representing it The Statutory Audit Board has adopted the recommended principle of not replacing the External Auditor after the end of two four-year mandates only if, after careful assessment, it concludes that the supervision of its activity does not interfere with the independence of the External Auditor, and that the advantages and costs analysis advises the renewal of office. Such principle shall also meet the conditions set forth in article 54, paragraphs 4 and 5 of Law no. 140/2015 of 7 September.

45. Body in charge of assessing the External Auditor and frequency of assessment

In accordance with the Company's governance model, the election or dismissal of the Statutory External Auditor/External Auditor is decided by the Shareholders' General Meeting, upon proposal of the Statutory Audit Board.

The Statutory Audit Board supervises the performance of the External Auditor and the work throughout each financial year, considers and approves additional work to be provided and annually conducts an overall assessment of the External Auditor, which includes an assessment of its independence.





46 and 47. Work other than auditing performed by the External Auditor for the Company and/or for companies with which it is in a control relationship, as well as reporting on the internal procedures for purposes of approval of the contracting of such services and the reasons for such hiring and the annual remuneration paid by the Company and/or by legal entities in a control or group relationship to the Auditor and to other individuals or legal entities belonging to the same network, and breakdown of the percentages for each service

The remuneration paid to the Statutory External Auditor and to the External Auditor, PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. in 2020 and 2021, under proposal of the Statutory Audit Board, and to other individuals and entities of the same company network, supported by the Company and/or by corporate entities belonging to the same Group, are as follows, analysed by type of service:

	20.	2021		2020	
	Values in €	%	Values in €	%	
For the company *					
Audit services	47,530	24%	41,000	23%	
By entities inclued in the group					
Audit services	151,202	76%	136,000	76%	
Other services	-	-	2,700	2%	
Total					
Audit services	198,732	100%	177,000	98%	
Other services	-	-	2,700	2%	
Total	198,732	100%	179,700	100%	

<sup>\*</sup>Includes individual and consolidated accounts

Services other than auditing services were hired from the External Auditor upon authorisation from the Statutory Audit Board, which recognised that the hiring of those services did not affect the External Auditor's independence, and corresponded to the satisfaction of the Company's interests, given the provider's expertise, the history of providing services in those areas and the knowledge of the Company and its Group.

In addition, the following safeguards were observed:

- a) the acquisition of services other than auditing services did not affect the External Auditor's independence;
- b) services other than auditing services, when duly framed, are not prohibited services according to paragraph 8 of Article 77 of Law 140/2015;
- c) services other than audit services represented an adequate proportion of all services rendered;
- d) tax consulting services and the other services, when existing, are provided by experts other than those who were involved in the audit process;
- e) the fees paid by Sonaecom group to the PwC group represented less than 1% of PwC's total annual billing in Portugal;
- f) the auditors' internal control system, according to the provided information, monitors the potential loss of independence risks, or of any conflicts of interest with Sonaecom and ensures the quality and the rules of ethics and independence.

The Statutory External Auditor has remitted to the Statutory Audit Board, in accordance with paragraph 6 of Article 24 of Law no 148/2015, of 9 September, which approved the legal framework for the auditing supervision ("Regime Jurídico da Supervisão de





Auditoria"), an "Independence Declaration" where it describes the services rendered by it and by other entities, as well as the safeguard measures applied, which were assessed by the Statutory Audit Board.

#### INTERNAL ORGANISATION

#### I – Articles of Association

48. Rules applicable in the case of amendments to the Company's Articles of Association

Amendments to the Company's Articles of Association follow the terms set out in the Portuguese Companies Code, requiring a majority of two thirds of the votes cast for approval. For a Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

# II - Reporting Irregularities

49. Means and policy for reporting irregularities occurring in the Company

Sonaecom's values and principles, widespread and deeply rooted in the culture of its people, are based on absolute respect and the adoption of rules of good conduct in the management of conflicts of interests and duties of care and confidentiality, having adopted a Code of Ethics which sets out the principles and standards of conduct that reflect the culture of the Company.

This Code of Conduct, which should guide the actions of its employees when exercising their functions, is available at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/">http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/</a>.

Regarding the mechanisms for detecting and preventing irregularities, these are described in the Regulation of the Company's Statutory Audit Board.

Any individual who seeks to report an irregularity that they think has been or know to have been committed by any manager, employee or partner of Sonaecom shall do so through a letter sent to the Statutory Audit Board, at the Company's registered office, with a brief description of the facts. The identity of the discloser will be kept anonymous if this is expressly requested. The complaint will be analysed and, if there are grounds for reporting an irregularity, appropriate steps will be taken.

Within this procedure, the Statutory Audit Board has the responsibility to receive reports of alleged irregularities, submitted by Company shareholders, employees or by other parties. After receipt, the Statutory Audit Board must record all alleged irregularities reported, undertake an investigation with due diligence by the Board of Directors and/or through internal and/or external auditing, and to report its/their conclusions.





Furthermore, the Whistleblowing Policy adopted by the Company, is included in the Code of Conduct and is available on the Company's website - <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/">http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/</a>. - covering the entire perimeter of the Sonaecom Group.

### III - Internal control and risk management

50. Individuals, bodies, or committees in charge of internal auditing and/or implementing internal control systems

Risk Management is one of the components of Sonaecom's culture and a pillar of the Corporate Governance, which is why each business unit in Sonaecom has, as part of its competencies in the functional processes, the responsibility of implementing internal controls and management of specific risks.

At the same time, the Internal Audit Department evaluates the exposure to risk and verifies the effectiveness of risk management in the internal controls of business processes and information systems. Additionally, it proposes measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings and conclusions.

51. Explanation (if necessary by including an organisation chart) of the hierarchical and/or functional dependency relationships with other bodies or committees of the Company

The Board of Directors monitors the activities of the Internal Audit Department, which reports functionally to the Statutory Audit Board, as a supervisory body and independent entity of the Board of Directors. Internal Audit can meet with the Statutory Audit Board, without the presence of any member of the Board of Directors.

As regards matters of internal control and risk management, the Statutory Audit Board is the supervisory statutory body, acting independently and with the responsibility of overseeing the Internal Audit plan of activities, gathering regular information on their work, evaluating findings and issuing the guidelines it deems necessary.

The External Auditor, within the scope of the annual audit process, analyses the functioning of internal control mechanisms and reports identified shortcomings.

Responsibilities for the creation, operation and periodic evaluation of the internal control and risk management systems are published under the Regulations of the Board of Directors and the Statutory Audit Board, all of which are available at the Company's website.

## 52. Existence of other functional areas with risk control competencies

Besides the areas mentioned above, Sonaecom has other functional areas and business processes with competency in controlling and monitoring risks, in particular the following:

- The area of Planning and Control, along with the respective *pivots* in the business areas, is responsible for preparing and monitoring the execution of annual plans of action and resources, as well as budgets and forecasts in the finance and operating areas;
- The various business areas have processes and indicators to monitor operations and KPIs;
- Technical areas have indicators and alerts for interruption of service and safety incidents at the operating level.





53. Identification and description of the main types of risks (economic, financial and legal) to which the Company is exposed in the performance of its activity

Risks are presented and ranked, in the present section, based on the ranking and structure of Sonaecom's *Business Risk Management* (*BRM*). BRM is a systematic way of identifying risks that affect the organisation (everyday language) and makes it possible to define and group risks along with their main causes (dictionary of risks).

# Economic risks

According to Sonaecom's BRM, economic risks are associated with the following risk categories: business environment, strategy, operations, information processing and technology, empowerment and integrity.

#### Economic influences

Sonaecom is exposed to the current adverse economic environment in Portugal, although, due to the increasing pace of internationalisation of the companies in the Technology area, this exposure is more and more mitigated.

S21Sec and Excellium mitigate that risk by operating in a segment of high growth and criticality in organizations.

In the case of Público, the exposure to a segment that is going through a period of financial crisis and changing of reading trends has been forcing constant restructuring and adaptation. With the need to ensure sustainability without compromising its role as an independent information source in Portugal, Público has been focusing on meeting the growing demands in the digital world and reducing its operational cost structure.

Inovretail, as all other minority shareholdings in the Technology area, including those that are quite incipient, act in the technological market with high potential for growth and international expansion, thereby mitigating its operational risk.

With respect to Armilars' venture capital funds, the economic risk is mitigated by asset portfolio diversification, which operates in different segments and different geographic markets.

## Technological innovation

For Sonaecom, having an optimised technology infrastructure is a critical success factor that helps to reduce potential failures in leveraging technological developments. Accordingly, its various businesses continue to take actions to optimize the technological structure and boost innovation.

S21Sec operates in a sector that demands constant innovation and a clear domain of all technological trends and it continuously invests in research and innovation. It is also certified by UNE-EN ISO 9001:2008 quality management and by UNE-ISO/ IEC 27001:2007,





Information Security management International reference standard, ISO 2000-1:2018 concerning IT service management in Spain, Portugal and Mexico and, in Spain, it is certified as high level by the Nacional Security Standard.

Excellium is also a member of FIRST (Forum of Incident Response and Security Teams) and it possesses certified teams for the provision of security incident response services.

Público has continued with restructuring of its layout and content and in adopting technological innovations in its online edition. These innovations are designed to ensure a greater alignment with the new reading habits of the Portuguese, offering new access channels to information using smartphones and tablets, as well as sustaining Público's position as the leading non-specialist online newspaper.

The minority shareholdings in the Technology area are all technological and innovative companies with high levels of investment in research and development.

### Competition

Sonaecom's various companies are exposed to risks of competition from other players in the domestic and international markets in its respective businesses sectors.

However, in the cybersecurity area Sonaecom, through its S21sec and Excellium subsidiaries, holds one of the most relevant "pure players" (a company solely specialised in cybersecurity) in Europe, whether in revenue or in number of cybersecurity specialists.

#### Business portfolio

The risk of specialization and consequent limitation of activity due to portfolio has been mitigated at Sonaecom level due to the diversity of investments made in different segments – Media, Telecommunications, Retail Technology, Digital Infrastructures, Cybersecurity – and in all Sonaecom's businesses, through the expansion of the product line, of the geographic markets or business segments.

In the case of S21Sec, one of the strategic priorities is to strengthen its position in the telecommunications sector, while still maintaining its focus in the financial segment. In addition, its product portfolio is to be extended in order to evolve in the e-crime market and incorporate analytic technologies, thus allowing the expansion of its operating area.

Excellium, despite its current focus on the financial segment of Luxembourg, expects to expand to other segments, in addition to the geographical expansion in Belgium.

Inovretail, despite its focus on retail segment and product sales, also includes a significant component of professional services in its portfolio.

The Technology area, with its minority shareholdings, explores different activities and is the only technological link with the retail, digital infrastructures and cybersecurity segments.





Business interruption and catastrophic losses (Business Continuity Management)

Since Sonaecom businesses are particularly focused on the use of technology, potential faults with technical/operational resources (information system applications, servers etc.) can present a significant risk of business interruption if they are not well managed. This, in turn, can pose other risks to the Company, such as adverse impacts on reputation and the brand, on the integrity of revenues and client satisfaction, and on quality of service. These can lead to loss of clients.

In the IT sector, business clients typically have a lower tolerance for interruptions. In this context, technology companies face risks associated with the availability of software platforms that support the companies' processes as well as the corresponding clients.

To identify this specific set of risks and to implement actions for prevention and mitigation that guarantee continuity of critical services and operations, Sonaecom has adopted a Business Continuity Management (BCM) programme over several years.

These plans have been updated to incorporate action measures in order to avoid business disruptions resulting from adverse weather events or the fast dissemination of infectious diseases.

Confidentiality, integrity and availability (Information Security Management)

Since Sonaecom is primarily a technology, media and telecommunications group, all its subsidiary companies extensively use technology and information that are typically subject to availability, integrity, confidentiality and privacy risks.

In addition to being a technological issue, security should also be considered as a cultural and behavioural issue. In this sense, awareness is a key success factor when it comes to promoting a strong culture of information security among employees, partners and key stakeholders. Sonaecom has developed several initiatives to raise awareness and accountability over the past few years, of which the following stand out:

- A security communication plan based on campaigns to raise awareness of the issues considered most relevant in each year;
- Publication of the Information Security policy on the Company's intranet, accessible to all employees;
- Clauses on personal data protection and confidentiality in contracts with employees and business partners. All employees are bound to obligations of confidentiality, secrecy and protection of personal data. As such, they are forbidden from disclosing to third parties information to which they have access as a result of their roles in the Company. These obligations and these duties shall remain in force even after the end of the employment relationship between the Company and the employee. Our business partners have, generally, the same confidentiality obligations.

For specific issues related to the confidentiality and privacy of personal data, a few Sonaecom companies have appointed a Chief of Personal Data Protection Officer (DPO), who:

- Has the responsibility to implement and complying with the laws and regulations applicable to data processing.
- Acts on behalf of the Company during interactions with the national regulatory authority for data protection (CNPD National Data Protection Commission).
- Promotes the adoption of data protection principles that are consistent with international standards and best practices.





Finally, regarding the cybersecurity risk, several actions were undertaken, most importantly the renewal of the rating service Bitsight and the development of information and training sessions mainly focused on phishing campaigns.

### Product-Service failure (Professional Liability)

As Sonaecom companies are customer-oriented, we give special attention to the impact that the potential failure of our products or services may have on our customers, which, although intrinsic to their respective businesses, can generate professional civil liability. Risk events can be physical (for example: damage to equipment or facilities) or non-physical (for example: error in a software installation) and, usually, they are related to accidents, unintentional acts, errors or omissions by employees or subcontractors.

The risk management strategy selected by Sonaecom for this type of risk, involves the transfer of risk through insurers in addition to the implementation of internal controls. In this context, Sonaecom continues to carry out the actions designed and implemented in previous years relating to professional liability insurance, and which consist of:

- Implementation of improvements in certain internal controls to further reduce the causes of risk;
- Renewal of existing professional liability insurance that incorporates an extended scope of coverage and is adapted to the business realities of Technology companies and Media;
- Additional subscriptions of professional liability insurance for foreign companies, improving coverage in certain international locations where our general insurance policy is not applicable due to legal restrictions.

#### **Talent Retention**

In an increasingly competitive and dynamic environment, human capital is the true competitive advantage of organisations. Only just with employees talented, committed and aligned with the company's values, it is possible to successfully execute the business strategy. The segments in which Sonaecom's businesses operate, namely in the areas of information and communication technologies, are high-growth markets with scarce resources, which turns talent retention even more challenging.

In this sense, the Human Resources area of the various businesses is constantly concerned with defining remuneration policies that guarantee the attraction and retention of talented professionals, that guarantee stability and represent a relevant and material contribution to the sustainability of the business.

#### Financial risks

Sonaecom's businesses are exposed to a variety of financial risks associated with its operations, namely interest rate risk, foreign exchange risk, liquidity risk, and credit risks (described and analysed in detail in the Appendix to the Annual Consolidated Financial Statements).

The financial risks management policy is determined by the Board of Directors, and the risks are identified and monitored by the Administrative and Finance Department.

In addition to a management policy for each of the identified risks and the implementation of control mechanisms to identify and determine them, Sonaecom uses, among others, natural hedges, credit insurances and, occasionally, derivative financial hedging instruments. The Group's attitude in relation to financial risk management is conservative and prudent, refusing speculative purposes and resorting only to high credit quality financial institutions.





### Legal, statutory and regulatory risks

Sonaecom and its businesses have the support of legal and tax departments permanently dedicated to the specifications of the corresponding activity, under management's supervision, and exercising their competencies in interaction with other functions and departments, in order to pre-emptively ensure the protection of the Company's interests and businesses, in compliance with their legal obligations, as well as by applying good practices. The teams in these departments have specialized training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputations and which always have the highest standards of competence, ethics and experience.

The companies in the Technology area face an additional risk relating to the globalisation process, arising because these companies have a presence in several countries, which involves specific risks relating to very different legal frameworks in each country. Furthermore, they are exposed to specific national, local and sectorial laws and regulations of each market in which they operate and are naturally exposed to the risk arising from any regulatory or legislative changes that may condition business and, consequently, prejudice or hinder the achievement of the strategic goals.

Sonaecom collaborates with the authorities with the aim of defining an optimal legal and regulatory framework that, in our opinion, promotes the development of the information technology sector in Portugal. Such collaboration may involve sending comments in response to public consultations issued by national and international entities.

### 54. Description of the process of identification, assessment, monitoring, control and risk management

The risk management process is supported by a consistent and systematic methodology, based on the international standard Enterprise Risk Management – Integrated Framework issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This methodology aims to identify business risks, assess their causes, measure triggers, manage the identified risks and, finally, monitor them.

Derived from this general framework, the management and control of the main risks facing Sonaecom, are achieved through the following key approaches and methods:

Concerning the Corporate Risk Management, this approach allows Sonaecom's businesses to prioritise and identify critical risks that might compromise their performance and goals and to take actions to manage those risks, within the predefined levels of acceptance. This is achieved through constant monitoring of risks and the implementation of certain corrective measures.

Regarding Information Safety Management, the implementation of Information Security Management processes is intended to manage the risks associated with the availability, integrity, confidentiality, and privacy of information. The scope of this process also includes the development and maintenance of the Information Security Policy, verification of compliance with policy procedures, development of training programmes and awareness, setting and supervision of KPIs for Information Security.





Finally, regarding the Specific Risk Management Cycles or Processes, the development of specific risk management cycles/processes enables the mitigation of critical risks that can impact certain processes, areas or entities, positioning these risks within the levels defined by the management team. In addition, it identifies and monitors other operational risks that management considers relevant.

55. Key elements of the internal control and risk management systems implemented in the Company with regard to the financial disclosure process

Sonaecom acknowledges that, as with other listed companies with similar activities, it is potentially exposed to risks related to the financial and accounting reporting processes, in addition to other financial risks, as detailed above. Sonaecom's attitude concerning financial risk management is conservative and prudent, and these principles have been maintained during 2021.

Therefore, Sonaecom is committed to ensuring an effective internal control environment, regarding the financial reporting process, seeking, systematically, to identify and improve the most relevant processes in terms of the preparation and disclosure of financial information, with the objectives of transparency, consistency, simplicity and materiality. The internal control system aims to obtain reasonable assurance regarding the preparation of financial statements, in accordance with accounting principles and adopted policies, and warranting the quality of financial reporting.

The internal control system for the accounting and the preparation of financial statements includes the following key controls:

- I. The process of disclosing financial information is documented, the risks and key controls are identified, the criteria for its preparation and disclosure are duly established and approved, and they are periodically reviewed;
- II. There are three main types of controls: high-level controls (entity level controls), information systems' controls (IT level controls) and process controls (process level controls). Those include a set of procedures related to the execution, supervision, monitoring and process improvement, with the main purpose of preparing the Company's financial reporting;
- III. The accounting principles used, which are disclosed throughout the notes to the financial statements (see chapter III, section 1.2, note 1 in the Report and Accounts), constitute one of the fundamental pillars of the control system;
- IV. The plans, procedures and records of the Group, provide a reasonable assurance that transactions are executed solely with the general or specific authorisation of management and that those transactions are recorded to ensure that financial statements comply with the generally accepted accounting principles. This also ensures that the Company keeps updated records regarding assets, that the access to said assets rely on management authorisation and that whenever differences occur checking against existing assets, appropriate measures are taken;
- V. During the process of preparing and reviewing financial information, a schedule is first established and shared with the different areas involved, and all documents are reviewed in detail. This includes a review of the principles followed, verifying the accuracy of the provided information, and the consistency with the principles and policies defined and followed in previous periods;
- VI. The Group's financial statements are prepared and reviewed by the Administrative and Finance Department, under the supervision of the Group's Board of Directors. The Management Report and the Corporate Governance Report are both prepared by the Investor Relations Department, with the input and further review by several business and support areas and with the support and the supervision of the Director of Corporate Governance and the Legal Department. The set of documents that constitute the annual report are sent for review and approval by the Sonaecom Statutory Audit Board and the Board of





Directors. After approval, the documents are sent to the Statutory External Auditor, which issues its Legal Certification of Accounts and the Audit Report.

VII. The group's consolidated financial statements for the year ended 31 December 2021 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation). For this purpose, several procedures were adopted for the prior validation of the making of information in the consolidated financial statements, in XBRL format using iXBR technology, and for the correct conversion of the annual report to XHTML format.

The most significant accounting estimates are disclosed in the notes to the financial statements. These estimates were based on the best information available during the preparation of the financial statements, and in the best knowledge and experience of past and/or present events. The most significant balances and transactions with related parties are disclosed in the notes to the financial statements. These are mainly associated with the operational activities of the Group, as well as the granting and obtaining of loans under arm's length conditions.

More specific information regarding how these and other risks were mitigated is disclosed in the notes to the financial statements.

### IV - Investor Support

56. Service responsible for investor support, composition, duties, information made available by this service and contact information. The Investor Relations Department is responsible for managing Sonaecom's relationship with the financial community - current and potential investors, analysts and market regulatory authorities - with the goal of enhancing their knowledge and understanding of the Sonaecom group by providing relevant, updated and reliable information.

The department regularly prepares presentations and communications covering quarterly, half-year and annual results. It is also its responsibility to make any announcements to the market, whenever necessary, and disclose or clarify any relevant event that could influence Sonaecom's share price.

In addition to the Investor Relations Department, all disclosed information is available on the webpage of the Portuguese Securities Commission ("Comissão do Mercado de Valores Mobiliários": www.cmvm.pt) and the Company's webpage <a href="http://www.sonaecom.pt/investidores/comunicados/">http://www.sonaecom.pt/investidores/comunicados/</a>. On <a href="http://www.sonaecom.pt/investidores/">http://www.sonaecom.pt/investidores/</a> you may find the information required by Article 3 of the CMVM Regulation no. 4/2013, as well as general information on Sonaecom, in addition to other relevant information, as recommended by the IPCG Corporate Governance Code 2018, notably:

- Quarterly, half-year and annual results concerning the last five years;
- Management Reports;
- Corporate Governance Reports;
- Internal Regulations of the management and auditing bodies;
- Contacts of the Investor Relations Department and of the Representative for Relation with the Market;
- Description of Sonaecom's stock price performance in the Portuguese Stock Market;
- Information concerning the Company's Shareholders' General Meetings;





- Annual Investor Calendar on Shareholders' General Meetings and annual, half-year and quarterly disclosure events.

Any interested party may contact the Investor Relations Department using the following contact details:

Tel: (+351) 22 013 2349 Fax: (+351) 22 011 8561

Email: <a href="mailto:investor.relations@sonaecom.pt">investor.relations@sonaecom.pt</a>

Address: Lugar do Espido – Via Norte – 4471-909 Maia

Website: www.sonaecom.pt

# 57. Representative for capital market relations

By resolution of the Board of Directors taken on 11 May 2020, Célia da Conceição Azevedo das Neves Sá Miranda was appointed as representative for the relations with the capital market and the Portuguese Securities Commission.

Contacts:

Tel: (+351) 22 013 2349

Fax: (+351) 22 011 8561

Email: market.relations@sonaecom.pt/ CCMIRANDA@sonae.pt

Address: Lugar do Espido - Via Norte - 4470-177 Maia

58. Details regarding information requests received during the target year or pending from previous years, amount and average response time

During 2021, the Investor Relations Department received a normal number of information requests, considering the size of the Company in the capital markets. These information requests were submitted either by e-mail or post, or by phone. The average response time, without prejudice to the complexity of the matter, did not exceed 2 working days.

#### V - Website

59. Address

Company's website: www.sonaecom.pt

60. Location of the information mentioned in Article 171 of the Portuguese Companies Code

Website: http://www.sonaecom.pt/investidores/governo-das-sociedades/identificacao-da-sociedade/

61. Location of the Articles of Association and the regulations of the corporate bodies and/or committees Website:

http://www.sonaecom.pt/investidores/governo-das-sociedades/estatutos/

http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/ in the documents called "Internal Regulation of the Board of Directors" and "Regulation of the Statutory Audit Board"





62. Location of the information concerning the identity of the statutory governing bodies, the representative for market relations, the Investor Relations Department, functions and contact details

Websites: <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a> <a href="http://www.sonaecom.pt/investidores/contactos/">http://www.sonaecom.pt/investidores/contactos/</a>

63. Location of the accounting documents and calendar of corporate events

Accounting documents: <a href="http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/">http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/</a> Calendar of corporate events: <a href="http://www.sonaecom.pt/investidores/calendario-do-investidor/">http://www.sonaecom.pt/investidores/calendario-do-investidor/</a>

# 64. Location of the notices for shareholders' general meetings and all related preparatory and subsequent information

Website: <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a> in the document identified as "Notice of meeting" included in each of the annual folders.

65. Location where the historical records are available with resolutions adopted at the shareholders' general meeting, the represented share capital and the voting results, with reference to the previous 3 years

Website: http://www.sonaecom.pt/investidores/assembleia-geral/

#### D. Remuneration

#### I - Power to decide

66. Competence for determining the remuneration of the governing bodies, members of the executive committee or managing director of the Company

The Remuneration Committee is responsible for approving the remuneration of the members of the Board of Directors and other Statutory Governing Bodies, on behalf of the shareholders and in accordance with the remuneration policy approved at the Shareholders' General Meeting.

### II - Remuneration committee

67. Composition of the remuneration committee, including identification of individuals or companies hired to provide support and a statement on the independence of each member and advisor

The Remuneration Committee consists of two members: Duarte Paulo Teixeira de Azevedo, on behalf of Sonae SGPS, S.A. and Francisco de la Fuente Sánchez, on behalf of Sontel BV.

The Company has not hired any entities to provide regular support to the Remuneration Committee.

When establishing the remuneration policy, the Remuneration Committee resorts to benchmark studies on remuneration practices annually disclosed by the internationally renowned consultants *Mercer* and *Korn Ferry*, and also by companies that issued stocks that





are listed in Euronext Lisbon in order to ensure that the statutory governing bodies' remuneration policy to be submitted to the approval of the Shareholders' Annual General Meeting fulfils comparable market standards. In the course of its activity during 2021, the Shareholders' Remuneration Committee did not hire any consultancy services.

The members of the Remuneration Committee are independent in relation to the Board of Directors.

68. Knowledge and experience of the members of the Remuneration Committee on remuneration policy
The experience and professional qualifications of the members of Sonaecom's Remuneration Committee are disclosed in their curricula vitae and available for consultation in Appendix III to this report. These qualifications allow them to discharge their responsibilities competently and accurately, each having the appropriate skills to perform their duties.

During 2021, the Remuneration Committee held 1 (one) meeting with a 100% attendance rate.

### III - Remuneration Structure

69. Description of the remuneration policy of the management and supervisory bodies

At the Shareholders' General Meeting held on 30 April 2021, in compliance with the provisions of articles 26-A to 26-F of the Portuguese Securities Code, the Remuneration Policy to be applied in the years 2021-2023 was approved, prepared in line with the principles of the Remuneration Policy previously in force and which is available at <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>, in the 2021 tab..

The report on Remunerations referred to in article 26-G of the Portuguese Securities Code ("CVM") constitutes Annex I to this Corporate Governance Report and it also contains relevant information to the structure of the Remuneration Policy.

The policy is based on the assumption that initiative, competence, commitment and ethics are essentials basis to a good performance – that should be aligned with the Company's medium and long-term strategy in view of its sustainability) and based on the following principles:

#### Competitiveness

When establishing the Remuneration Policy applicable to the members of the Company's statutory bodies, the main goal is to acquire and retain the best professionals, with high potential talent and proven experience, that may ensure stability and make a relevant and material contribution for the sustainability of the Company's businesses.

The Policy and its positioning are defined by comparison with the national and international market, according to the main reference remuneration surveys carried out for Portugal and European markets conducted by Mercer and Korn Ferry, including comparison with the practice of the companies that make up the pool of comparable companies are those that issued stocks listed in Euronext Lisbon.





Accordingly, the remuneration parameters of the members of the governing bodies are established and periodical reviewed taking into account market conditions, the activity carried out and the responsibilities inherent to the positions held. For this purpose, the profile and curriculum of the member, the nature and description of functions, the competency framework of the governing body in question and the member himself, as well as the degree of direct correlation between the individual performance and the performance of the business are, among others, considered.

In order to determine the remuneration values for this segment, the general guidelines for positioning and competitiveness in the market advocated by the organization are considered, within the framework of the Group's general remuneration policy, are considered.

### Guidance to performance

Regarding executive directors, the Policy provides for the attribution of variable short and medium term performance bonuses, calculated according to the Company's results and the level of performance, both at individual and group level, in order to promote the sustainable growth of its business and individual commitment to pre-defined objectives. If predefined objectives are not achieved, as measured through Key Performance Indicators (KPIs), the value of short- and medium-term incentives is properly reduced, in partial of total form.

### Alignment of the interests

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus – when applicable at Sonaecom - is deferred for at least three years after its attribution. The deferred component is affected by the following two factors: (i) maintenance of the professional relationship between the director and the company for the deferral period; (ii) continued positive performance of the company throughout that period, which shall be measured according to the criteria to be determined by the Remuneration Committee.

The remuneration of non-executive directors, members of the supervisory bodies and the Board of the General Meeting consists exclusively of a fixed remuneration.

#### Transparency

All aspects of the remuneration structure are clear and openly disclosed (internally and externally) – among them, the voting results of the Remuneration Policy and the date of the respective approval at the General Meeting - through documentation published on the Company's website, in accordance with the Group's general remuneration policy.

### Reasonability

The Company's Remuneration Policy aims to ensure a balance between Sonaecom's long-term interests and market positioning and best practices, the expectations and motivations of the members of our statutory bodies, as well as the objective of attracting and retaining talent.

# Consistency and equity

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies.





For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

In the architecture of the Remuneration Policy for statutory governing bodies and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonaecom's overall benchmark in terms of competitive positioning against the comparable market, for each job, is normally the median for the fixed remuneration and the third quartile for the variable component of remuneration, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

#### Other Conditions

The term of office of the members of the management and supervisory bodies and the members of the Board of the General Meeting is established in accordance with the Articles of Association and the resolutions of the Shareholder's General Meeting and to the termination of functions, the rules prescribed by law apply. There are no contracts or agreements concluded between the Company and those members, namely with the purpose of establishing the duration of functions or the attribution of ant compensation for their termination.

The Policy maintains the principle of not contemplating the allocation of compensation payments to Board Directors or to members of Statutory Governing Bodies related to the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter.

If, by definitive decision with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based, the Board of Directors, at the request of the Shareholders' Remuneration Committee, shall take the appropriate steps to recover the variable remuneration unduly awarded.

The application of the Remuneration Policy considers work in Companies with which there is a dominating or group relationship.

## Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board is based exclusively on fixed annual amounts that do not depend on the Company's performance or its value. It includes an annual responsibility allowance, established taking into account the characteristics of the Company and comparable market practices.





# Statutory External Auditor

The Company's Statutory External Auditor is remunerated, under the supervision of the Statutory Audit Board, in accordance with the standard fees for similar services, regarding comparable market practices.

70, 71, 72 and 73. Information regarding how remuneration is structured to align the interests of management body members with the Company's long-term interests, as well as how it is based on performance evaluation and lack of incentives to take on excessive risk. Reference, if applicable, to the variable remuneration policy and how performance evaluation can potentially affect this component. Deferred payment of the variable remuneration component, specifying the deferral period. Criteria underpinning the attribution of variable remuneration in shares, as well as the Executive Directors' retention of these shares in the event of any contracts related to them, specifically hedging or risk transfer contracts, limitations thereto and their relationship with the total annual remuneration.

## **Executive Directors**

The remuneration of Executive Directors normally includes two components: a fixed component and a variable component.

The variable component incorporates control mechanisms into its structure, considering the connection to individual and collective performance, in order to prevent and discourage excessive risk-taking behaviors. This objective is further guaranteed by the fact that each Key Performance Indicator (KPI) is limited to a maximum value.

The following table presents the architecture of the Remuneration Policy for the Executive Directors, as well as the way in which it contributes to the Company's business strategy, to its long-term interest and to its sustainability:





Type of	Fired Description	Varia	Benefits	
Remuneration				
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan.  Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance.	It is equivalent to a maximum of 50% of the total variable bonus.  Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus: payment deferred for at least three years, after its attribution.  The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre- established targets at the beginning of the year, approved by the Shareholders' Remuneration Committee.	pliance with pre- ablished targets at the inning of the year, roved by the Shareholders'	
Target	Not applicable	The target value of the bonus m Remuneration, determined accor		
Performance Conditions	Not applicable	Collective KPIs (70%) Individual KPIs (30%)	Dependent upon the company's positive performance during the deferral period, assessed accordingly with the criteria determined by the Shareholders' Remuneration Committee.	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 68% of the Total Re	There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.	

With regard to the two components of remuneration:

The fixed remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

The variable remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Company's performance indicators, of the work teams under their responsibility and their own individual performance. This will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out. The variable remuneration is divided into two parts:

(i) Short-Term Performance Bonus (STPB): equivalent to a maximum of 50% of the total variable bonus. This bonus is paid in cash in the first half of the year following the year to which it relates, although it may, at the discretion of the Shareholders' Remuneration Committee, be paid within the same period in shares, under the terms and conditions of the MediumTerm Performance Bonus;





(ii) Medium-Term Performance Bonus (MTPB) aimed at strengthening the Executive Directors' commitment to the Company, aligning their interests with those of the Shareholders and increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for no less than three years after its attribution.

The determination of the short-and medium-term performance bonuses, STPB and MTPB, can consider necessary adjustments that may be necessary due to outside factors and/or unforeseen conditions.

The amount of the Executive Directors' variable remuneration results from the degree of achievement of collective, departmental and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental KPIs. The collective KPIs are based on economic and financial objectives accordingly with the Company's budget, the performance of each business unit as well as the consolidated results of the Company. The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director. The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators. Since the attribution of the variable remuneration's respective value depends on achieving objectives, its payment is not guaranteed.

This variable remuneration component is calculated by the Shareholders' Remuneration Committee after the Company's results are known.

Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job. The calculation of the value attributed includes a minimum limit of 0% and a maximum of 140%, concerning the objective value previously defined. The weight of the variable component awarded in the total annual remuneration depends on two factors: (i) weight of the pre-defined target value of the variable component in the total remuneration and (ii) degree of compliance with the associated objectives. Combining these two factors results in the attribution of a variable bonus whose weight on the total actual annual remuneration may vary between 0% and 68%.

The Medium-Term Performance Bonus covers four years, including the year in which it is granted and the subsequent of at least three-year deferral period. Once awarded, the value in euros will be divided by the average share price, to calculate the number of shares it corresponds to. During the deferral period mentioned above, the value of the bonus will be adjusted using the variations in the share capital or dividends (Total Share Return) during the deferral period. The vesting of this component of the Medium-Term Performance Bonus is subject to the maintenance of the professional relationship between the director and the company for the deferral period, as well as to the continued positive performance of the company over such period, which will be assessed in accordance with the criteria defined by the Shareholders' Remuneration Committee. Pursuant to the idea of a Policy of reinforcing the alignment of the Executive Directors with the Company's medium and long-term interests, the Shareholders' Remuneration Committee may, at its discretion, determine a percentage of discount granted to the Executive Directors for the acquisition of shares, determining a contribution in their acquisition, to be borne by them, in an amount corresponding to a percentage of the listed value of the shares, with a maximum limit of 5% of their listed value at the date of the share transmission. On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.





The payment of the variable bonus can be made by any of the means for extinguishing an obligation foreseen in the Law and the Articles of Association.

The criteria for the attribution and eligibility for variable remuneration in shares are described below:

Main features of the Medium-Term Performance Bonus (MTPB)

MTPB is one of the components of Sonaecom's Remuneration Policy. This plan may be composed of Sonaecom's and/or Sonae – SGPS, S.A. shares and is distinct from others due to its restrictive and volunteer nature, with attribution conditional upon the eligibility rules described in this document.

# Scope of MTPB

MTPB is part of the annual variable bonus. It is a way of aligning the executive directors' interests with the organisation's objetive, reinforcing their commitment and strengthening their understanding of the importance of their performance to the success of Sonaecom, as expressed by the market capitalization of Sonaecom shares.

#### **Duration of MTPB**

MTPB is set on an annual basis, for a period of three years (thus contemplating a period of four years, considering the year to which it relates and the deferral period of at least three years).

#### MTPB reference amount

The MTPB awarded is converted into shares at the award date of attribution using prices which represent the price of the share, in the Portuguese stock market, considering for this effect the most favourable of the following: closing share price of the first day of trading after the General Meeting of Shareholders or the average closing share price (regarding the thirty-day period of trading prior to the Shareholders' Annual General Meeting of Shareholders).

The participants have the right to purchase a number of shares corresponding to the quotient between the value of their medium-term variable bonus awarded and the share market price at the attribution date, calculated under the terms of the previous paragraph. Such right can be exercised three years after attribution.

If, subsequent to the award of the shares attribution rights and before these rights vest, dividends are distributed, changes are made to the nominal value of shares, the Company's share capital is changed or any other change to the Company's capital structure which impacts in the value of the rights already awarded occur, then the number of shares subject to the acquisition rights shall be adjusted to an equivalent number, taking into account the effect of the mentioned changes.

The vesting of MTPB is conditional upon the maintenance of the professional relationship between the director and the company for a period of 3 years, as well as to the continued positive performance of the company over this period, which will be assessed in accordance with the criteria to be defined by the Remuneration Committee.





In line with the policy for enhancing the alignment of Executive Directors with the Company's longterm interests, the Shareholders' Remuneration Committee may, at its discretion, adjust the discount percentage to be granted to the Executive Directors on the acquisition of the shares, by determining that the Executive Directors contribute to the acquisition in an amount corresponding to, at the maximum, 5% of the share market price at the share transfer date.

The MTPB reference value (% of target total variable remuneration) shall correspond to at least fifty percent (50%) of the total variable bonus amount.

# Delivery by the Company

At the time of the exercise of the share acquisition right under the MTPB, the Company reserves the right to deliver the cash equivalent amount of the market value of the shares at the exercise date, instead of shares.

## Conditions to exercise acquisition rights

The exercise of the right to acquire shares attributed at the end of the MTPB Plan shall lapse should the employment relationship between the participant and the Company cease before the end of the three years following their attribution, notwithstanding the provisions of the following paragraph. The right to acquire shares shall remain in force in the case of permanent incapacity or death of the participant, in which case the payment shall be made to them or to their heirs on the due date. If the participant retires, the right to acquire shares may be exercised on the respective due date.

#### Non-Executive Directors

The remuneration of Non-Executive Directors, when applicable, is established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. There is no remuneration by way of a variable bonus, or that depends on the Company's performance.

74. Criteria underpinning the assignment of variable remuneration in options, indication of the deferral period and the exercise price The Company did not establish any variable remuneration in options.

# 75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits

The main parameters and reasoning concerning the variable remuneration system are disclosed in the remuneration policy approved in the Shareholders General Meeting, held on 30 April 2021, which is available for consultation at the Company's website <a href="http://www.sonaecom.pt/">www.sonaecom.pt/</a> at: <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>, in the tabs "Proposal n.º4" and "Appendix to Proposal n.º4". The Executive Directors are provided with a range of benefits such as health insurance, life insurance and personal accident insurance, as part of the Group's general benefits Policy, applicable to all employees, and whose terms and values are in line with market practices.





# **76**. **Main features of the Directors' complementary pensions or early retirement schemes and date of approval by the Shareholders'** General Meeting

No company specific system of retirement benefits or supplementary pensions for members of the management and supervisory bodies and other managers is part of the Remuneration Policy.

## IV - Disclosure of remuneration

77, 78 and 79. Indication of the annual remuneration earned, in aggregate and individual amount, by the Company's members of the Board of Directors, including fixed and variable remuneration. Related to this, reference to the different components that led to them, amounts of any kind paid by other controlled or group companies, or those under shared control, and remuneration paid as profit sharing and/or bonus payments and the reasons why such bonuses and/or profit-sharing payments were made

The remuneration for each Sonaecom director, awarded by the Company, subsidiaries and group companies during the year 2021 and 2020, is summarized in the charts below.

# Remuneration earned by Directors in the company

	2021				2020			
Amounts in euros	Fixed Short Remuneration	Ferm Variable Bonus	Medium Term Variable Bonus	Total	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Individual breakd own								
Executive Directors								
Ângelo Gabriel Ribeir inho dos Santos Paupério (CEO)	183,900	113,700	113,700	411.300	183,900	123,900	123,900	431,700
Maria Clàudia Teixeira de Azevedo <sup>(1)</sup>								
João Pedro Magalhães da Sika Torres Dolores <sup>(1)</sup>								
Eduardo Humberto dos Santos Piedade (1)								
Cristina Maria de Araújo Freitas Novais <sup>(1)</sup>								
Total	183,900	113,700	113,700	411,300	183,900	1,23,900	123,900	431,700
(1) Not remunerated at Sonaecom								

# Directors' participation in MTPB

Executive Directors	(Plan (Permmance Year)	AwardDate	Vesting Date	Value Vested and Paid in 2021*	OpenPlans Value at Awared Date**	Open Plans Value at 51 December 202
Ángelo Gabriel Ribeirinho dos Santos Paupério (CEO )	2017	mar/18	mar/21	115,487		
	2018	mar/19	mar/22		145,600	183,651
	2019	mar/20	mar/23		136,400	248,874
	2020	mar/21	mar/24		123,900	168,606
	Total			115,487	405,900	601,131
Thtal				115,487**		601,131

Values in euros

<sup>\*</sup> Plan paid in cash pursuant to the remuneration policy

<sup>\*\*</sup> Calculated using the closing price of last trading day in 2021 (31 December 21).





# Remuneration earned by Directors in other controlled or group companies

				2021				2020
Amounts in euros	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Nome								
Àngelo Gabriel Ribeirinho dos Sant os Paupério	142,204			142,204	151,604			151,604
Maria Cláudia Telxeira de Azevedo	505,600	551,000	551,000	1,607,600	530,050	372,700	372,700	1,275,450
João Pedro Magalhães da SIIva Torres Dolores	280,294	283,700	283,700	847,694	305,900	163,500	163,500	632,900
Eduardo Hum berto dos Santos Piedade (Note 1)	219,530	280,523	280,523	780,576	166,050	332,980	332,980	832,010
Cristina Maria de Araújo Freitas Novais (Note 2)	75,400	85,880	85,880	247,160	50,056	90,933	90,933	231,923
Total	1,223,028	1,2 01,10 3	1,201,103	3,625,234	1,203,660	960,113	960,113	3,123,887

Note 1: Variable remuneration for 2020 and 2021 include extraordinary amount based on outperforming profitability targets on shareholdings sold in the year

Note 2: Cristina Maria de Araújo Freitas Novais was elected at the AGM on 2020.04.29. Her remuneration in the comparative figure is from 2020.05.01. Variable remuneration for 2020 and 2021 include extraordinary amount based on outperforming profitability targets on shareholdings sold in the year.

The short-term performance bonus includes a participation in the profits of the Company.

The variable remuneration of the Executive Directors was measured in accordance with the performance assessment and the remuneration policy approved at the General Meeting of April 30, 2021, detailed in the preceding paragraph 71 and reflected in the remuneration table above.

80. Compensation paid or owed to former Executive Directors following end of office

No compensation was paid or is currently owed to former Executive Directors in relation to end of office during 2021.

The Remuneration Policy of the Company upholds the principle of not attributing compensation to Directors or members of other statutory governing bodies associated with the end of office, whether this termination occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any applicable legislation in force.

# **81**. Indication of the annual remuneration earned, in aggregate and individual amount, by the members of the Company's Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration. Thus, the Chairman of the Statutory Audit Board earned 9,900 euros in 2021 and 2020 and the other members earned, in the same period, 7,900 euros. The substitute members of the Statutory Audit Board did not receive any remuneration.

# 82. Remuneration in the reference year for the Chairman of the Board of the Shareholders' General Meeting

The Chairman of the Board of the Shareholders' General Meeting earned a fixed annual remuneration of 5,000 euros and the Secretary earned a fixed annual remuneration of 2,500 euros.





# V - Agreements with remuneration implications

**83**. Contractual limitations on compensations to be paid upon to Directors' dismissal without cause and its relation with the variable component of the remuneration

There are no agreements in place with members of the Board of Directors that establish amounts to be paid in case of dismissal without cause, without prejudice to the applicable legal provisions.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, providing for compensation in case of dismissal without cause or termination of the employment relationship, following a change of control of the Company

There are no agreements made between the Company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change of control of the Company.

## VI - Share attribution plans or stock options

85 and 86. Identification of the plan and its recipients. Plan features (assignment conditions, share transfer clauses, share price and option exercise price criteria, period during which options can be exercised, features of the shares or options to be assigned, incentives to acquire shares and/or exercise options).

The Medium-Term Performance Bonus – MTPB, as described in paragraph 73, is intended for Executive Directors, as well as employees of the Group's Companies, in terms to be defined by the respective Boards of Directors.

The MTPB is designed to align the interests of the Executive Directors with the Company, reinforcing their engagement and the perception of the impact of their performance on the success of Sonaecom in accordance with its market cap.

The characterization of the share allocation plan is made in paragraphs 71,72 and 73.

The Remuneration Policy of the governing bodies, as well as the share allocation plan in force, were approved at the Annual General Meeting held on 30 April 2021, on a proposal from the Remuneration Committee in compliance with the provisions of articles 26-A to 26-F of the Portuguese Securities Code and Recommendations V.2.1 to V.2.10 of the IPCG 2018 Corporate Governance Code, amended in 2020.

The resolutions of the Annual General Meeting under consideration can be consulted at <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>.

87. Option rights granted to **acquire shares ("stock options") where the beneficiaries are the Company's employees** There are no stock options attributed to acquire shares.





88. Planned control mechanisms for any employee share capital participation scheme, to the extent voting rights are not directly exercised by them

There are no control mechanisms established to control employee participation in the Company's capital.

## D. Transactions with related parties

# I - Mechanisms and control procedures

89. Mechanisms implemented by the Company to monitor transactions with related parties (for the purposes of IAS 24)
Sonaecom endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of legal rules and market standards. Such transactions are subject to specific internal procedures based on mandatory standards, (i) considering the Company's best interests, (ii) on an arms' length basis pursuant to any legal requirements and disclosed in a transparent manner, and (iii) adequately protecting minority shareholders' interests and treating every shareholder equally.

In this regard, Sonaecom has adopted an Internal Policy Concerning Transactions With Related Parties, as approved by the Board of Directors and the Statutory Audit Board. Within the scope of this Policy, the Company has put in place a set of specific procedures in order to prevent conflicts of interest, such as promoting communication between the Board of Directors and the Statutory Audit Board and ensuring that a record of all transactions with related parties is kept, together with all relevant supporting documents. This information is remitted at least on a half-year regular basis to the Statutory Audit Board. The Statutory Audit Board then reviews the documentation and determines whether the relevant transactions are deemed as Transactions in the Ordinary Course of Business, as defined in the Internal Policy Concerning Transactions With Related Parties and it makes all necessary recommendations and questions. Conclusions drawn from this work are then included in the Statutory Audit Board's annual report and presented to the Board of Directors.

90. Indication of transactions subject to control in the reference year

Transactions subject to control in the course of the year 2021 fall within the Company's scope of activity, were executed on arm's length conditions and side-by-side with other equivalent transactions executed with national and international parties, in terms that abide by the framework of Sonaecom's practice under the supervision of the Statutory Audit Board, as described in the Company's Consolidated Financial Statements' Appendix, mentioned in section 92 below. The Company did not execute any transaction with any member of the management or supervisory bodies during 2021.

91. Description of the procedures and criteria for intervention of the Statutory Audit Board for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code

Transactions with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Statutory Audit Board, if they do not qualify as Transactions in the Ordinary Course of Business or their value exceeds 10 million euros. In addition, a record of all transactions with related parties is





kept, together with all relevant supporting documents. This information is remitted at least on a half-year regular basis to the Statutory Audit Board.

## II - Business related elements

92. Location where the information on transactions with related parties is available on the accounting documents, according to IAS 24 or, alternatively, reproduction of said information

Information on transactions with related parties, in accordance with IAS 24, can be found in note 37 to the 2021 Consolidated Financial Statements' Appendix.





#### PART II - ASSESSMENT OF CORPORATE GOVERNANCE

## 1. Identification of the adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure, policies and practices followed by the Company and complies with the standards of the article 29° - H of the Portuguese Securities Code and information duties required by the Portuguese Securities Market Commission (CMVM) Regulation no. 4/2013, of 1 August. This Report additionally discloses, in light of the principle *comply or explain*, the terms of compliance by the Company with the Portuguese Institute of Corporate Governance (IPCG) Recommendations contained in the IPCG Corporate Governance Code, published in 2018 (and reviewed in 2020), available on the website of this entity at <a href="https://www.cgov.pt">https://www.cgov.pt</a>, and to which the Company voluntarily submits.

Regarding the structure, this Corporate Governance Report follows the model foreseen in Appendix I to CMVM Regulation no. 4/2013, of 1 August.

The corporate governance practices adopted by Sonaecom aim at promoting and developing the Company's performance, as well as the capital market and strengthening the confidence of investors, employees and the general public in the quality and transparency of management and supervision and in the Company's sustainable development.

This Report should be read as a part of the Management Report and the Individual and Consolidated Financial Statements for the year 2021.

The requirements for the provision of information as per Law 50/2020, of 25 August, article 447 of the Portuguese Companies Code, article 29-H of the Portuguese Securities Code and CMVM Regulation no. 5/2008, as amended by CMVM Regulation no. 7/2018, have also been fulfilled.

All of the rules and regulations mentioned in this Report are available at www.cmvm.pt, www.cgov.pt and www.cam.cgov.pt.

Unless otherwise expressly stated, all references are to be deemed as being made to the Report itself.

## 2. Analysis of compliance with the adopted Corporate Governance Code

The governance model adopted by Sonaecom enabled the Board of Directors to operate normally, and none of the other statutory governing bodies have reported any constraints to their normal functioning.

The Statutory Audit Board exercised its supervisory function, having received appropriate support from the Board of Directors to this end, via regular provision of information.

The Statutory External Auditor monitored the Company's activities and conducted the examinations and verifications deemed necessary to review and legally certify the accounts, interacting with the Statutory Audit Board, within the framework of their duties and responsibilities and with full cooperation from the Board of Directors.





The Board of Directors has been carrying out its duties and cooperating with the Statutory Audit Board and the Statutory External Auditor, when so requested, in a transparent and rigorous manner and in compliance with their regulations and best corporate governance practices.

The full text containing the corporate governance guidelines currently adopted by Sonaecom - whether published by specific regulation, recommendation or voluntarily, including the Code of Conduct, are made publicly available on our website <a href="http://www.sonaecom.pt/home/?l=en.">http://www.sonaecom.pt/home/?l=en.</a> and also on the CMVM website: <a href="http://www.cmvm.pt">www.cmvm.pt</a>.

Below is a list of the recommendations included in the Corporate Governance Code approved and adopted in 2018 (and reviewed in 2020) by the Portuguese Institute of Corporate Governance and the analysis of compliance with the aforementioned recommendations by Sonaecom as of 31 December 2021.

CHAPTER I — GENERAL PROVISIONS

## I.1. Company's relationship with investors and information

I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous manner, timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.

RECOMMENDATION ADOPTED - Sections 56 to 58, Part I.

The Company possesses within its organisational structure the departments with specific competencies regarding timely disclosure of information in a suitable and rigorous manner to its statutory bodies, shareholders, investors and other stakeholders, financial analysts and the general market.

The Company, through its website - <a href="http://www.sonaecom.pt/home/?l=en">http://www.sonaecom.pt/home/?l=en</a> – provides access to relevant and updated economic, financial and governance information to all stakeholders, in Portuguese and English, which enables them to increase knowledge and understanding of the Company, its strategy, its current positioning, and its evolution.

In addition, the Company has an investor support office with permanent contact with the market, whose duties are listed under section 56 of this Report, which responds to investors' requests in a timely manner, keeping a record of these requests and of the treatment they have been given. This department ensures the symmetry of information available to the market and the fair treatment of all shareholders, investors and other stakeholders, upon the immediate drafting and disclosure of privileged information; it makes sure that the regular financial disclosure duties are complied with and it actively and timely assesses the information publicly disclosed by the market research analysts that follow the Company (when they exist) and it corrects inaccurate or out-of-date information disclosed by those professionals. However, Sonaecom is currently not followed by any of those market research analysts.

The Board of Directors ensures, in a timely and adequate manner, the flow of information necessary for the exercise of legal and statutory powers to each of the other bodies, speeding up, in particular, the necessary resources for the drafting and issuance of notices, minutes and supporting documentation concerning the decisions taken.

The notices and minutes of the meetings of the Board of Directors are made available to the Chairman of the Statutory Audit Board, who obtains from the Board of Directors and / or the Executive Committee, if applicable - in an expeditious, clear and complete manner - all information necessary for the performance of their duties, namely the operational and financial evolution of the Company, changes





in the business portfolio, terms of all transactions that occurred and details of the decisions taken, reviewing at each meeting the minutes of the Board of Directors and, when applicable, of the Executive Committee.

The Statutory Audit Board may request the persons responsible for the various Departments of the companies of Sonaecom group to provide the required information for the performance of its duties and, if necessary, request the Board of Directors the collaboration of one or more members with experience in the areas of their competence, to provide information and carry out work, in order to substantiate its analysis and conclusions.

## 1.2. Diversity in the composition and functioning of the Company's governing bodies

I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition. RECOMMENDATION ADOPTED – Sections 16, 19, 26, 33 and 36, Part I.

The Company adopted a Diversity Policy for the Management and Supervisory Bodies, the description of which is included in Section 16 of Part I of this Report. This policy seeks, on the one hand, to ensure a significant and differentiated representation of gender, origins, qualifications and professional experience, as a way of ensuring an adequate composition of the interests of all its stakeholders and, on the other hand, allowing an enhanced balance in its structure, taking into account, not only the nature and complexity of the activities carried out by the Company, but also the context in which it operates.

In this sense, the Company undertakes all efforts to ensure that, in the selection of the members of these corporate bodies, there are imperative criteria to ensure that they meet the largest possible width of diversity of knowledge, skills, experience and values. These criteria focus mainly on: (i) gender diversity; ii) the professional qualification alongside with the necessary renewal of the composition of the governing bodies, in order to ensure compatibility between seniority and the diversification of career paths, avoiding group thinking; iii) the plurality of knowledge and iv) not considering age as an obstacle and without restrictive views on age limitations for exercising corporate functions.

Furthermore, candidates to be appointed to the management and supervisory bodies should possess an adequate experience in senior offices within companies or similar organisations that enables them to (i) assess, challenge and develop the Company's senior officers; (ii) assess and challenge the group's and its main subsidiaries' corporate strategy; (iii) assess and challenge the Company's operational and financial performance; and (iv) assess the organisation's fulfilment of the Company's values.

Each candidate should in addition make their individual contribution in enabling the board of Directors, as a whole, to gain in-depth and international knowledge of Sonaecom's main business sectors, knowledge of the main markets and geographies where the business areas operate and knowledge and competencies regarding management techniques and technologies that are key for the success of relevant companies in the business sectors of the Company.

Candidates should furthermore possess the human qualities, purpose clarity, analytical qualities and synthesis and communication skills required to address a large number of diversified and complex issues, within a limited time-frame, with the necessary depth to allow for a timely and high-quality decision-making.





**I.2.2.** The Company's managing and supervisory boards, as well as their committees, should have internal regulations - namely regulating the performance of their duties, their chairmanship, periodicity of meetings, their functioning and the duties of their members -, and minutes of the meetings of each of these bodies should be drafted.

RECOMMENDATION ADOPTED - Sections 22, 27, 29, 34 and 61, Part I.

Both the Board of Directors and the Statutory Audit Board of the Company have adopted Internal Regulations, establishing their powers, chairmanship, periodicity of meetings, functioning and framework of duties of its members.

The Board of Directors has adopted the Regulation which is available on the Company's website (in Portuguese and English versions) and which includes the regulation regarding the functioning of the Executive Committee when this exists. This Regulation can be found in: x

http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/

The Statutory Audit Board has adopted the Regulation which is available on the Company's website (in Portuguese and English versions) and can be found in:

http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/

Detailed minutes of all meetings of the aforementioned bodies are drafted and written down.

Currently, the Company does not have an Executive Committee or any other committees within the Board of Directors. In light of this, the company considerers this recommendation not to be applicable in such regard.

I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.

RECOMMENDATION ADOPTED - Sections 23, 35 and 67, Part I.

The composition of the management and supervisory bodies and of their internal committees, where applicable, as well as the number of their annual meetings, is available in Portuguese and English versions on the Company's website.

I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested RECOMMENDATION ADOPTED – Sections 38 and 49, Part I.

The Company has adopted and implemented a Irregularities Communication Policy that is a part of the Code of Conduct and available at the Company's website - <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/">http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/</a>- and concerns all Sonaecom Group companies.

As per this Policy, it is the responsibility of the Statutory Audit Board to determine the mechanisms of detection and prevention of irregularities, and it is its duty to verify the existence thereof in accordance with the applicable legal provisions regarding confidentiality, information dealing and the inexistence of retaliation on the whistle-blowers.





The Statutory Audit Board receives the irregularity reports from shareholders, employees or third parties. It should afterwards put them on record and promote the necessary swift investigation by the Board of Directors and/or by the internal and/or external audit, and then report on the conclusions reached.

- I.3. Relationships between the Company bodies
- I.3.1. The bylaws, or other equivalent means adopted by the Company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the **information and Company's collaborators, in order to appraise the performance, current situation and perspectives for further** developments of the Company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.

RECOMMENDATION ADOPTED – Sections 22, 34 and 61, Part I. *Vide* Section I.1.1.

**I.3.2.** Each of the Company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.

RECOMMENDATION ADOPTED – Sections 22, 34 and 61, Part I.

Vide Section I.1.1.

#### I.4. Conflicts of interest

I.4.1. The duty should be imposed, to the members of the Company's boards and committees, of promptly informing the respective board or committee of facts that could constitute or give rise to a conflict between their interests and the Company's interest.

RECOMMENDATION ADOPTED – Section 49, Part I.

The Company has adopted a policy to regulate possible conflicts of interest, according to which (and to the regulation of the Board of Directors) the members of the Board of Directors or of its Committees, if applicable, shall promptly inform the respective governing body or committee about facts that may constitute or cause a conflict (whether actual or potential) between their own interests and the interests of the Company.

Pursuant to its Regulation, the members of the Statutory Audit Board must inform the Company with reasonable anticipation, if possible, or immediately, if unforeseeable, of any circumstance affecting their independence and exemption or that establishes a legal incompatibility for the exercise of the position.

I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.

RECOMMENDATION ADOPTED - Section 49, Part I.

The Company has adopted a policy to regulate possible conflicts of interest, according to which (and to the regulation of the Board of Directors) the members of the Board of Directors or of its Committees, if applicable, shall promptly inform the respective governing





body or committee about facts that may constitute or cause a conflict (whether actual or potential) between their own interests and the interests of the Company.

The member who, in accordance with the preceding paragraph, declares to be in conflict of interest, shall not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications that the governing body, the committee or its members may request.

# I.5. Related party transactions

I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.

RECOMMENDATION ADOPTED - Sections 38, 89 to 91, Part I.

During the 2020 financial year, the Board of Directors has approved, upon previous binding opinion from the Statutory Audit Board, an Internal Policy Concerning Transactions With Related Parties, which remains in force and is attached to the Regulation of the Board of Directors and to the regulation of the Statutory Audit Board, both available on <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>. This policy contains the rules foreseen in article 29.° - S of the Portuguese Securities Code.

I.5.2. The managing body should report all the transactions contained in Recommendation I.5.1. to the supervisory body, at least every six months.

## **RECOMMENDATION NOT APPLICABLE\***

\* In accordance with the note regarding the interpretation of the IPCG Corporate Governance Code (reviewed in 2020) issued by the Monitoring Commission.

It is the responsibility of the supervisory body (and no longer of the managing body) to assess periodically transactions with related parties.

## CHAPTER II — SHAREHOLDERS AND GENERAL MEETINGS

II.1. The Company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.

RECOMMENDATION ADOPTED - Section 12, Part I.

The Articles of Association of the Company do not provide for any restriction on the right to vote. The Company's share capital is fully represented by a single category of shares, each share corresponding to one vote, in order to encourage its shareholders to participate in the Shareholders' General Meetings.

II.2. The Company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.

RECOMMENDATION ADOPTED - Section 14, Part I.

In accordance with the provisions of the Company's Articles of Association, the resolutions of the Shareholders' General Meeting shall be taken by a simple majority, unless otherwise required by law.





II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.

RECOMMENDATION ADOPTED - Section 12, Part I.

The Company's Articles of Association foresee the possibility of holding the General Meeting by telematic means - provided that the necessary resources, the authenticity of the declarations and the security of the communications are guaranteed.

Given the context and the impact of the new Coronavirus – COVID 19, the Company has implemented the necessary conditions for the shareholders to remotely attend the Shareholders' General Meeting, with the purpose of ensuring shareholders' rights while upholding all safety, health and well-being standard for all those involved.

In 2021, the Company has made available all the previous information concerning the Annual General Meeting on its website only, thereby reducing the need of physical attendance at the Company's registered office for the purpose of accessing such information. On the other hand, the exercise of voting rights and information rights (as well as other relevant communications in this context) were carried out via email only, thus avoiding infection risks and possible delays inherent to postal communication.

II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.

RECOMMENDATION ADOPTED - Section 12, Part I.

Without prejudice to the mandatory proof of shareholder status, shareholders may vote by correspondence in all matters subject to the Shareholders' General Meeting.

The Company also allows to its shareholders to vote through electronic means, without any restriction. In the notice of the General Meeting, the Company provides adequate information on how to exercise postal voting and voting by electronic means.

In addition, the Company makes available on its website, from the publication of the notice of each General Meeting, document templates intended to facilitate access to information necessary for shareholders to issue the communications required to ensure their presence at the Meeting. The Company also provides an e-mail address for the clarification of any doubts and to receive all communications regarding the participation in the General Meeting.

II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution - without increased quorum in comparison to the legally established - and in that resolution, all votes cast will be counted without observation of the imposed limits.

RECOMMENDATION NOT APPLICABLE - Sections 5 and 13, Part I.

The Articles of Association do not establish any limitation to the number of votes that may be held or exercised by a sole shareholder, individually or together with other shareholders.

II.6. The Company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.

RECOMMENDATION ADOPTED - Sections 4 and 84, Part I.

The Company has not adopted any measures to this effect.





#### CHAPTER III — NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator, from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.

#### RECOMMENDATION NOT APPLICABLE.

The Board of Directors of the Company does not have any independent director, as the Company believes that, given its current size, its shareholder structure and the low dispersion of the share capital, such is not justified. Therefore, the appointment of a lead non-executive director is also unjustified.

III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the Company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.

RECOMMENDATION ADOPTED AND EXPLAINED - Section 18, Part I.

At the Shareholders' General Meeting held on 29 April 2020, it was resolved to increase the number of members of the management body from 4 to 5.

The management of all corporate matters is now the exclusive competence of the Board of Directors, all of its members assuming from that date on the capacity of executive directors – a solution that the Board deems appropriate given the size of the Company, the complexity of the risks of its activity and its shareholding structure, as well as the reduced dispersion of its share capital. This is because, pursuant to the aforementioned variables, the suitability judgment made by the Company leads to the conclusion that all *apports* that Non Executive Directors typically bring to the table (especially as challengers of the decisions made) are duly accounted for and internalized by the current composition of the Board of Directors.

The Statutory Audit Board is composed of three members, one being the Chairman – this composition is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, as detailed on paragraph III, a), b) and c) of this Report.

The Board of Directors believes that, given the current size of the Company, there is no justification for the existence of any specific committee for financial matters (the adopted corporate governance model does not include a specific committee for financial matters).

III.3. In any case, the number of non-executive directors should be higher than the number of executive directors. RECOMMENDATION NOT ADOPTED.

In view of its current size, its shareholder structure and the reduced dispersion of the share capital, the Company considers that there is no justification for the existence of a board of directors with a large number of members. Currently, the Board of Directors is composed





by a total number of 5 (five) members, who are jointly in charge of the management of all corporate matters, all of its members assuming from that date on the capacity of executive directors.

III.4. Each Company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the Company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

- (i) having carried out functions in any of the Company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;
- (ii) having been a prior staff member of the Company or of a Company which is considered to be in a controlling or group relationship with the Company in the last three years;
- (iii) having, in the last three years, provided services or established a significant business relationship with the Company or a Company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;
- (iv) having been a beneficiary of remuneration paid by the Company or by a Company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;
- (v) having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of Company directors or of natural persons who are direct or indirect holders of qualifying holdings, or
- (vi) having been a qualified holder or representative of a shareholder of qualifying holding.

#### RECOMMENDATION NOT APPLICABLE.

The Board of Directors of the Company does not have any Non Executive Director, as the Company believes that, given its current size, its shareholder structure and the low dispersion of the share capital, such is not justified, as previously explained. Therefore, the appointment of any Independent Non Executive Directors is also unjustified.

III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the **termination of his/her functions in any of the Company's bodies and the new appointment, a period** of 3 years has elapsed (*cooling-off period*).

RECOMMENDATION NOT APPLICABLE.

The Company does not have any Director in such circumstances.

III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.

RECOMMENDATION ADOPTED - Section 38, Part I.

The Terms of Reference of the Statutory Audit Board, where its duties are described - beyond those assigned by law – are available on the Company's website (<a href="http://www.sonaecom.pt/home/?l=en">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>





In accordance with Article 6, paragraph 2, c) of the Terms f Reference mentioned above, the members of the Statutory Audit Board should, besides their general and individual monitoring duties, monitor, assess and issue an opinion regarding the strategic guidelines and the risk management policy established by the Board of Directors, prior to its approval.

The Statutory Audit Board monitors and evaluates the internal control and risk management system defined by the management, prior to its final approval, and proposes the optimisation measures it deems necessary and reports on such system in its statements and annual report that is disclosed together with the remainder of the financial documents, available on <a href="http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/">http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/</a>(tab MR&A 2021 / Chapter V).

III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.

RECOMMENDATION ADOPTED - Sections 27 and 29, Part I.

Given the current size of the Company and the limited complexity of its structure (it has a reference shareholder holding about 89% of the share capital) and the small free-float (currently about 9% of the share capital) the Board of Directors believes that there is no justification for the existence of any internal specialised commission, notably concerning nomination, remuneration and assessment of the performance of the Directors. The Company believes that the governance structure adopted is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, notably in what concerns remuneration and performance assessment, which is a responsibility of the Shareholders Remuneration Committee, which is composed by members who are independent from the Board of Directors. In addition, the identification of potential candidates with the right profile to take on leading or director roles may be conducted by the Shareholders Remuneration Committee, that may on its part hire the necessary or convenient advisory services in order to better fulfil its duties, and may also prepare general information concerning any contingency plans and talent management in general.

Regarding corporate governance matters, the Company maintains a Corporate Governance Officer who reports hierarchically to the Board of Directors and whose main responsibilities are to evaluate the structure and practices of governance adopted, verify its effectiveness and propose to the competent bodies the measures to be implemented in order to improve it. Its main duties are described in the Corporate Governance Report (paragraph 27, p. 14) and it is part of the organic administrative structure of the Company, side by side with other departments that support the activity of the management body. In this manner it is deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters – in other words, the duties that are discharged by the Corporate Governance Officer and its extensive experience and knowledge regarding corporate governance matters allows us to draw the conclusion that this office is in fact and in substantial terms performed by a uninominal commission, regardless of the *nomen juris* given to it.





#### CHAPTER IV — EXECUTIVE MANAGEMENT

IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

## RECOMMENDATION ADOPTED.

The regulation of the Board of Directors, available on <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a> and the policy regarding conflicts of interest in place provide that exercise by any member of the Board of Directors of an executive role or a significant position outside of the group that has not been authorised by the Company's Shareholders' General Meeting should be approved in advance by the Board of Directors.

Directors of the Company are not allowed to perform any competing activities or roles if no express permission is granted by the Company's Shareholders' General Meeting.

IV.2. The managing body should ensure that the Company acts consistently with its objects and does not delegate powers, namely, in what regards: i. the definition of the strategy and main policies of the Company; ii. the organisation and coordination of the business structure; iii. matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.

RECOMMENDATION ADOPTED - Sections 21, 27 and 28, Part I.

The Company does not currently possess an Executive Committee. In compliance with the terms of the Board of Directors' Regulation, it may delegate in an Executive Committee the every-day management of the Company as it sees fit, establishing how it should operate and how it should exercise the delegated powers, with the following exceptions:

- a) Appointment of the Chairman of the Board of Directors;
- b) Co-optation of Directors;
- c) Request to convene General Meetings;
- d) Approval of the Annual Report and Accounts;
- e) Provision of collateral and personal or real guarantees by the Company;
- f) Decision to change the registered office or increase the share capital;
- g) Decision on mergers, spin-offs or transformation of the Company;
- h) Approval of the strategic management of the annual business portfolio and the policies thereof;
- i) Approval of the Company's annual budget and the Group's annual business plan and any changes on the same:
- j) Definition of the organisation and coordination of the corporate structure the Sonaecom Group;
- k) Approval of every issue that should be deemed as strategical as a consequence of its amount, risk or particular features;
- I) Definition of the Human Resources policies that are applicable to top employees (levels GF3 and above) with the exclusion of areas that are the exclusive competence of the Shareholders' General Meeting or of the Shareholders' Remuneration Committee.





IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.

RECOMMENDATION ADOPTED – examples are Sections 69 to 76, 85 and 86, and Chapter III Section 1.2, note 1, of the Annual Report and Accounts

As provided for in the Annual Report and in this Corporate Governance Report, the Company's strategy and main policies encompass a wide range of stakeholders, far beyond that of shareholders. From employees and their families to investors; from suppliers to customers; from the financial community to the general public, it is the Company's and the Groups' consistent drive to contribute to the reinforcement of the credibility and sustainability of the financial system and the capital market, thereby strengthening trust from the public, national and international investors and small investors. Simultaneously, the country's image and reputation is also solidified. For exemplifying purposes only, through (i) thorough mechanisms of control of the services provided to the Company, (ii) the proactive detection of breaches of the Company's values within the scope of the Ethics Code and (iii) the consistent and long-term alignment between the remuneration incentives of the members of the management body and the interests of the Company, it has been possible to sustain the ambition of continuously sharing with the community the genetics and praxis of a long-living company based upon values, hard work, respect for stakeholders, sustainability and diversity concerns. It is furthermore the Company's conviction that the right thing to do is to keep pushing to take the benefits of progress to an ever-increasing number of people.

## CHAPTER V — EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENTS

V.1 Annual evaluation of performance

V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the Company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the Company's other bodies and committees.

RECOMMENDATION ADOPTED.

The assessment of the performance of the members of the management body is conducted in accordance with the principles, valuation and rules set out in the Remuneration and Compensation Policy that is proposed by the Shareholders' Remuneration Committee and approved by the Annual Shareholders' General Meeting.

The Shareholders' Remuneration Committee, appointed by the Shareholders' General Meeting, is responsible for the approval of the individual remuneration of the members of the Board of Directors and the other statutory bodies, thereby representing the shareholders in accordance with the Remuneration Policy approved by the Shareholders' General Meeting.

The Board of Directors, in accordance with its Regulation, annually evaluates its performance, and did so regarding 2021, taking into account the accomplishment of the Company's strategic plan and budget, its risk management, internal functioning and its relations with other Sonaecom bodies. At its meeting of 7 March 2022, the Board of Directors conducted this self-assessment.

In addition, and in accordance with article 376 of the Companies Code, the Shareholders' General Meeting annually reviews the management of the Company through a confidence or no confidence vote.





Currently, the Company does not have an Executive Committee or any other committees within the Board of Directors. In light of this, the company considerers this recommendation not to be applicable in such regard.

#### V.2 Remuneration

V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.

RECOMMENDATION ADOPTED - Sections 66 to 68, Part I.

The Company possesses a Shareholders' Remuneration Committee, appointed under the terms of article 399 of the Commercial Companies Code, whose members - Duarte Paulo Teixeira de Azevedo and Francisco de la Fuente Sánchez - are independent from the members of the Board of Directors and act in this capacity and with relevant knowledge and experience concerning remuneration policy. The *curricula vitae* of the members of the Remuneration Committee are available in Appendix III to this Report.

V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.

RECOMMENDATION ADOPTED - Sections 66 to 68, Part I.

The remuneration of the members of the management and supervisory bodies of the Company is set by the Shareholders' Remuneration Committee, appointed under the terms of article 399 of the Commercial Companies Code.

The Company's remuneration policy has the features foreseen in Sections 69 to 75 of Part I of this Report and which are in line with this recommendation.

The Remuneration Committee, appointed in the General Meeting and representing the shareholders, is the responsible corporate body for evaluating the performance and approval of the remunerations of the members of the Board of Directors and other corporate bodies, according with the Remuneration Policy approved by the shareholders at the General Meeting.

V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.

# RECOMMENDATION ADOPTED.

The Shareholders' General Meeting, held on 29 April 2020, approved the Remuneration and Compensation Policy, upholding the principle of not attributing compensation to Directors or members of other statutory governing bodies associated with the loss of office, whether this termination occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any applicable legislation in force.

During 2021 the Company has not made any payment of such nature.





V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the Company's boards and committees or if such presence has been requested by the shareholders.

RECOMMENDATION ADOPTED.

The Shareholders' Remuneration Committee agrees with this Recommendation and appoints, out of its members, the one that should represent it at the Shareholders' General Meeting.

The Chairman of the Shareholders' Remuneration Committee, Duarte Paulo Teixeira de Azevedo, attended the Annual Shareholders' General Meeting held on 30 April 2021.

**V.2.5.** Within the Company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the Company, of necessary or convenient consulting services to carry out the committee's duties.

RECOMMENDATION ADOPTED – Section 67. Part I.

The Remuneration Committee of the Company may freely hire the necessary or convenient advisory services for the exercise of its duties.

V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee

RECOMMENDATION ADOPTED - Section 67, Part I.

The Remuneration Committee, when hiring any advisors to support the performance of its duties, always focuses on choosing consultants of recognized competence and international presence and must make sure that the selected specialists possess the independence necessary to fulfil the purpose for which they are hired and especially that such independence is not hindered by the provision of material services to the Company or any related parties. The independence of these hired consultants is ensured either by the autonomy before the Board of Directors, the Company and the Group, either because they have no connection with the Board of Directors, or because of their wide experience and recognition in the market.

V.2.7 Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.

RECOMMENDATION ADOPTED – Sections 69 to 76 of Part I and remuneration policy approved by the Shareholders' General Meeting. A significant part of the remuneration of Sonaecom's executive directors is determined by the success of the Company. The variable component of remuneration is structured in such a way as to establish a link between the sums awarded and the level of performance, both at individual and group level. If predefined objectives are not achieved, measured through KPIs applicable to the business and to the individual performance, the value of short- and medium-term incentives will be partially or totally reduced.

Sonaecom reviews its remuneration policy annually as part of its risk management process, in order to ensure that it is entirely consistent with its desired risk profile. During 2021, no problems relating to payment practice were found that posed significant risks to the Company.





In designing remuneration policy, care has been taken not to encourage excessive risk-taking behaviour, attributing significant importance, but at the same time a balanced approach, to the variable component, thus closely linking individual remuneration to group performance.

Sonaecom has in place internal control procedures concerning remuneration policy, which target the identification of potential risks. Firstly, the variable remuneration structure is designed in such a way as to discourage excessive risk-taking behaviour to the extent that remuneration is linked to the evaluation of performance. The existence of objective KPIs constitutes an efficient control mechanism. Secondly, the adopted policy does not allow contracts to be entered into that would minimise the importance of the Medium-Term Incentive Plan (MTIP). This policy includes forbidding any transaction that might eliminate or mitigate the risk of share price variations. The remuneration of the members of the Statutory Audit Board is exclusively made up of fixed annual fees, based on comparable market practices, and does not include any variable remuneration.

The Company's Statutory External Auditor is paid according to the standard fees table for similar services, at market rates and under a proposal from the Statutory Audit Board.

The remuneration policy presented to the Shareholders' General Meeting on 29 April 2020 is available on <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>, Tab 2021, Proposal no. 4 and Appendix to Proposal no. 4.

V.2.8 A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a **company's internal regulation**.

RECOMMENDATION ADOPTED - Sections 71 to 73 and 86, Part I.

Part of the variable remuneration of Executive Directors is paid in shares and deferred for a period of three years.

Considering that the value of the shares is linked to the performance of the Company, the remuneration paid will be affected by the way the Executive Director contributes to such performance. Consequently, an alignment of the Director with the interests of the shareholders and with the medium-term performance is ensured.

V.2.9 When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.

RECOMMENDATION NOT APPLICABLE.

The variable component of the remuneration of the Company does not contemplate the allocation of options or other instruments, directly or indirectly dependent on the value of the shares.

V.2.10 The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.

RECOMMENDATION NOT APPLICABLE.

The Company does not include any Non-Executive members in its Board of Directors.





# V.3. Appointments

V.3.1. The Company should, in terms considered suitable by it, and in a substantiated manner, see that proposals for the appointment of the members of the Company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the *curriculum vitae* to the duties to be carried out.

RECOMMENDATION ADOPTED - Sections 16, 22, 29 and 31, Part I.

The Company has a long-term controlling shareholder who has consistently presented the proposals for the appointment of members to the governing bodies, which have been presented to and approved by the Shareholders' General Meeting.

These proposals are accompanied by the *curricula vitae* of the proposed members, and shareholders - both the ones indicating the candidates and those who vote for the proposal -, and also the Company, consider that it becomes clear from the *curriculum vitae* the adequacy of the profile, skills, *curriculum* and experience to the role to be performed by such candidates.

In addition, the presentation of the proposals accompanied by the respective *curricula vitae* enables any shareholder to assess their suitability to comply with the requirements defined in the Diversity Policy approved by the Company.

Therefore, the Company considers that the appointment of members to the governing bodies for the current mandate was in compliance with the principles set out in these documents.

The proposals presented at the Shareholders' General Meeting on 30 April 2021 mention the adequacy of the profile of the candidates for the offices they hold, by reference to their *curricula vitae*.

V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the Company's size.

RECOMMENDATION ADOPTED AND EXPLAINED - Sections 27, 29 and 67, Part I.

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

Given the current size of the Company and the limited complexity of its structure (it has a reference shareholder that holds about 89% of the share capital) and the small free-float (currently around 9% of the share capital) the Board of Directors believes that there is no justification for the existence of any internal specialised commission, notably concerning support and monitoring of top management nominations. The Company believes that the governance structure adopted is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, notably in what concerns identification of potential candidates with the right profile to take on leading or director roles, as this may be conducted by the Shareholders Remuneration Committee, that can on its part hire the necessary or convenient advisory services in order to better fulfil its duties, and may also prepare general information concerning any contingency plans and talent management in general.

V.3.3. This nomination committee includes a majority of non-executive, independent members.

RECOMMENDATION NOT APPLICABLE - Sections 27, 29 and 67, Part I.

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.





V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for the presentation of proposals are the ones who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity. RECOMMENDATION ADOPTED AND EXPLAINED

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

However, the identification of potential candidates with a profile for the performance of management duties (in particular when the Board of Directors decides to co-opt a Board member) is carried out by the Remuneration Committee. To this end, the Remuneration Committee may freely hire the necessary or convenient advisory services for the exercise of its duties, as well as for providing oversight of succession planning, contingency planning and talent management in general for Board members and other persons discharging managerial responsibilities, through transparent selection processes, including effective mechanisms for identifying potential candidates, having regard to the requirements of the function, merit and appropriate diversity, in particular considering gender.

CHAPTER VI —INTERNAL CONTROL

VI.1. The managing body should debate and approve the Company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.

RECOMMENDATION ADOPTED - Sections 51 to 54, Part I.

The competencies of the management body are in compliance with the rules set out in this recommendation.

VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.

RECOMMENDATION ADOPTED.

The Board of Directors has put in place a proactive system of internal control and risk management. The Statutory Audit Board assesses the effectiveness of such risk management systems and proposes all improvement measures deemed necessary. It furthermore gives its opinion on its annual Report, available, together with the remainder of the accounts documentation, on <a href="http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/?l=en">http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/?l=en</a> (tab MR&A 2021/ Chapter V).

The Statutory Audit Board also supervises the activity of the internal audit, receives the reports concerning the activity that was carried out, assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.

RECOMMENDATION ADOPTED - Sections 50 to 55, Part I.

The Company has implemented a structured internal control system, in accordance with its size and complexity of the risks posed by its activity. The Statutory Audit Board supervises this system and proposes the necessary adjustments.





VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.

RECOMMENDATION ADOPTED - Sections 37, 38 and 50, Part I.

The Statutory Audit Board is the Company's global supervisory body concerning internal control and risk management issues. It acts independently and it prevails over other bodies regarding supervision of such issues. The Statutory Audit Board, together with the internal audit, set out the action plan to be deployed, and the Statutory Audit Board supervises the latter's activity and receives periodic reporting of such activity. It assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

The Terms of Reference of the Statutory Audit Board are available on the Company's website at <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>.

VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.

RECOMMENDATION ADOPTED - Sections 37, 38 and 50, Part I.

The Statutory Audit Board receives periodic reporting of the activity carried out by the internal audit, assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.

RECOMMENDATION ADOPTED - Sections 50 to 55, Part I.

Internal risk management systems, with all adequate components, were put in place by the Board of Directors.

VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.

RECOMMENDATION ADOPTED - Sections 29, 38.1, 50 to 52, 54 and 55.

The Board of Directors has implemented a monitoring, assessment and adjustment system for the internal control of the performance of the risk management system that enables adaptation to new circumstances or contingencies. The Statutory Audit Body has not proposed any changes to the risk management system nor to the internal control system.





#### CHAPTER VII - FINANCIAL INFORMATION

#### VII.1 Financial information

VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated manner.

RECOMMENDATION ADOPTED – Section 38, Part I.

The Regulation of the Statutory Audit Board complies with the rules set out in this recommendation.

VII.2 Statutory Audit of Accounts and Supervision

VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.

RECOMMENDATION ADOPTED - Sections 38, 42 to 47, Part I.

The Regulation of the Statutory Audit Board complies with the rules set out in this recommendation.

VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the Company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the Company.

RECOMMENDATION ADOPTED - Section 38, Part I.

It is responsibility of the Statutory Audit Board to supervise the activity and independence of the Statutory External Auditor, to receive its reports and ensuring direct interaction with it, in the terms of its competencies and functioning rules set out in the Regulation of the Statutory Audit Board available on the Company's website at

http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/

The Statutory Audit Board is also competent to propose to the Shareholders' General Meeting the appointment and dismissal of the Statutory External Auditor, as well as its remuneration, to supervise the activity and independence of the Statutory External Auditor and the External Auditor, making sure the Company makes available the necessary conditions for the rendering of their services, to be the first recipient of their reports, interacting with it directly in the framework of its duties and provisions set out in the Statutory Audit Board's Regulation available on the Company's website: <a href="http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/">http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/</a>

VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, its independence and suitability in performing its duties, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.

RECOMMENDATION ADOPTED - Section 38, Part I.

The Statutory Audit Board annually assesses the Statutory External Auditor. Such assessment is included in its annual report and opinion, and is made available together with all other accounting documents at <a href="http://www.sonaecom.pt/investidores/informacao-financeira/relatorios?l=en">http://www.sonaecom.pt/investidores/informacao-financeira/relatorios?l=en</a>.





# **APPENDIX I**

(prepared in accordance with the terms of subparagraphs 1 and 2 of article 26-G of the Portuguese Securities Code)

## 1. Remuneration Policy Principles

At the Shareholders' General Meeting held on 30<sup>th</sup> April 2021 it was approved, in compliance with articles 26-A to 26-F of the Portuguese Securities Code, a Remuneration Policy for the remainder years of the current mandate, 2021-2023, prepared in line with the principles of the Remuneration Policy previously in force.

The Shareholders' General Meeting resolution is available at <a href="http://www.sonaecom.pt/investidores/assembleia-geral/">http://www.sonaecom.pt/investidores/assembleia-geral/</a>, in the tab 2021, Proposal n.º 4 and Appendix to the Proposal n.º 4.

The remuneration policy is structured in order to find a balance between different essential features aiming at the sustainability of the business and the performance of the members of the Board of Directors, following, namely:

- The overall national and international market comparisons in order to ensure the attraction, motivation and retention of high qualified and high-performance talent;
- The practices of comparable companies, including other business areas of Sonae that are in comparable situations;
- The compromise, individual responsibility, experience and performance of each Executive Director for the achievement of short and long-term results, in accordance with the Company's strategy and long-term sustainability;
- The alignment with the principles set forth in the overall remuneration policy of the Company;
- A management oriented for the long-term interests of the Company and its shareholders, as well as for the adoption of behaviors that weighted the risks incurred.

The Remuneration Policy lays on the fulfillment of the following principles, duly complied with throughout 2021:

## Competitiveness:

In designing the Remuneration Policy of the statutory governing bodies of the Company, the main objective is to attract and retain the best professionals with high potential talent and proven experience, ensuring stability and representing a relevant and material contribution to the sustainability of the Company's businesses. The Policy and its positioning are defined by comparison with the national and international markets, according to the main reference studies carried out for Portugal and the European markets by consultants Mercer and Korn Ferry, including comparison with the practice of the companies with securities admitted to trading on Euronext Lisbon.

To that extent, the remuneration parameters of the members of the statutory governing bodies and other managers are set and periodically reviewed, taking into account the market conditions, the activity carried out and the responsibilities inherent to their positions. The profile and curriculum of the member, their experience, the job nature and description, the competency framework of the body in question and that of the member, as well as the degree of the direct correlation between the individual's performance and the performance of the business, among other factors, shall be considered.





The general market positioning and competitiveness guidelines recommended by the organisation are considered to determine the remuneration values of this segment within the framework of the Group's general Remuneration Policy.

#### Performance orientation

Concerning the Executive Directors, the Policy provides for the attribution of short and medium-term bonuses, calculated according to the Company's results and the level of performance, both individual and collective, to encourage the sustainable growth of its businesses, as well as individual commitment to predefined objectives. If these objectives, measured through Key Performance Indicators (KPIs), are not achieved, the value of the short and medium-term Bonus is appropriately partially or totally reduced.

# Alignment of interests

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus – when applicable at Sonaecom - is deferred for at least three years after its attribution. The deferred component is affected by the following two factors: (i) maintenance of the professional relationship between the director and the company for the deferral period; (ii) continued positive performance of the company throughout that period, which shall be measured according to the criteria to be determined by the Remuneration Committee. The remuneration of Non-Executive Directors (when applicable), members of the supervisory bodies and members of the Board of the Shareholders' General Meeting consists exclusively of fixed remuneration.

# Transparency

All aspects of the remuneration structure are clear and disclosed internally and externally – among them, the voting results of the Remuneration Policy and the date of the respective approval at the General Meeting - through documents published on the Company's website and are in line with the Group's general Remuneration Policy.

## Reasonableness

The Company's Remuneration Policy aims to ensure a balance between Sonaecom's long-term interests, market positioning and best practices, the expectations and motivations of the members of the statutory governing bodies and other managers, as well as the objective of attracting and retaining talent.

## Consistency and equity

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies. For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention. In the architecture of the Remuneration Policy for statutory governing bodies and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is





based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonaecom's overall benchmark in terms of competitive positioning against the comparable market, for each job, is normally the median for the fixed remuneration and the third quartile for the variable component of remuneration, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

Legal and regulatory framework: The Remuneration Policy applicable to the members of the governing bodies and persons discharging managerial responsibilities within the Company is in line with European guidelines, national law and IPCG Corporate Governance Code Recommendations.

# 2. Determination of remuneration of the statutory governing bodies

The Shareholders' Remuneration Committee is responsible for approving remunerations, in particular of the members of the Board of Directors and the Statutory Audit Board in representation of the shareholders and in accordance with the Remuneration Policy approved at the Shareholders' General Meeting.

In the application of the Remuneration Policy by the Remuneration Committee, the exercise of functions in companies in a controlling or group relationship by the Executive Directors was considered.

The Shareholders' Remuneration Committee is composed of two independent members, with recognised qualification and experience, appointed at the Shareholders' General Meeting for the four year mandate 2020-2023, having determined, as well, the remuneration of each of its members (see section 67 of the Corporate Governance Report).

The determination of the Remuneration of the Statutory Auditor was supervised by the Supervisory Board, appointed by the Shareholders' Meeting on the proposal from that body.

# 3. Remuneration Components

One of the fundamental principles of the Remuneration Policy is the adoption of a structure promoting the long-term alignment of interests, discouraging excessive risk taking and optimising the conditions for the promotion of a sustainability culture, merit promotion and transparency.

#### 3.1. Non-Executive Directors

The Company does not currently have Non-Executive Directors. If and when they exist, the respective remuneration will be, in accordance with the approved Policy, established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. For the role performed in the company by the Non-Executive Directors, there is no remuneration by way of a variable bonus, or that depends on the Company's performance.

# 3.2. Executive Directors

The Remuneration Policy for Executive Directors includes two components: fixed remuneration and variable remuneration.





The fixed remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

The application of the Policy also takes into account the time allocated by each of the directors to other companies in the Group.

Concerning the variable component of the remuneration, it incorporates control mechanisms in its structure, considering the link to individual and collective performance to prevent and dissuade excessive risk taking behavior. This objective is further ensured because i) each Key Performance Indicator (KPI) is limited to a maximum value, ii) the settlement and award of the Medium Term Performance Bonus, corresponding to 50% of the total variable remuneration, is deferred for a period of 3 years, being settled in the forth year by reference to the performance year; iii) its amount is subject to the evolution of the Company's performance throughout the deferral period, measured according to criteria to be established by the Remuneration Committee.

The following table presents the architecture of the Remuneration Policy Executive Directors and how it contributes to the Company's business strategy, its long-term interests, and sustainability:

Type of	Fixed Remuneration	Varia	Benefits	
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan.  Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance.	It is equivalent to a maximum of 50% of the total variable bonus.  Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus: payment deferred for at least three years, after its attribution.  The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre- established targets at the beginning of the year, approved by the Shareholders' Remuneration Committee.	The bonus depends on the increase in the share price	Under the Company's general benefits Policy.
Target	Not applicable	The target value of the bonus m Remuneration, determined accor		
Performance Conditions	Not applicable	Collective KPIs (70%) Individual KPIs (30%)	Dependent upon the company's positive performance during the deferral period, assessed accordingly with the criteria determined by the Shareholders' Remuneration Committee.	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 68% of the Total Re	There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.	





The variable remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Group's performance indicators and their own individual performance. Since the attribution of the variable remuneration's respective value depends on the achievement of objectives, its payment is not guaranteed. The variable remuneration will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out and can consider the necessary adjustments that may be necessary due to outside factors and/or unforeseen conditions, being composed of:

- a) Short Term Performance Bonus (STPB), equivalent to a maximum of 50% of the total variable bonus. This bonus is paid in cash in the first half of the year following the year to which it relates, although it may, at the discretion of the Shareholders' Remuneration Committee, be paid within the same period in shares, under the terms and conditions of the MediumTerm Performance Bonus:
- b) Medium-Term Performance Bonus (MTPB), aimed at strengthening the Executive Directors' commitment to the Company, aligning their interests with those of the Shareholders and increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for no less than three years after its attribution.

The Short-Term Performance Bonus results from the degree of achievement of collective and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental KPIs.

The collective KPIs are based on economic and financial objectives accordingly with the Company's budget, the performance of each business unit as well as the consolidated results of the Company.

The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director. The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators.

Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job.

The calculation of the value attributed includes a minimum limit of 0% and a maximum of 140%, concerning the objective value previously defined.

The weight of the variable component awarded in the total annual remuneration depends on two factors: (i) weight of the predefined target value of the variable component in the total remuneration and (ii) degree of compliance with the associated objectives.

Combining these two factors results in the attribution of a variable bonus whose weight on the total actual annual remuneration may vary between 0% and 68%.

The Medium-Term Performance Bonus covers four years, including the year in which it is granted and the subsequent of at least three-year deferral period. Once awarded, the value in euros will be divided by the average share price, to calculate the number of shares it corresponds to. During the deferral period mentioned above, the value of the bonus will be adjusted using the variations in the share capital or dividends (Total Share Return) during the deferral period. The vesting of this component of the Medium-Term Performance Bonus is subject to the maintenance of the professional relationship between the director and the company for the deferral period, as well as to the continued positive performance of the company over such period, which will be assessed in





accordance with the criteria defined by the Shareholders' Remuneration Committee. Pursuant to the idea of a Policy of reinforcing the alignment of the Executive Directors with the Company's medium and long-term interests, the Shareholders' Remuneration Committee may, at its discretion, determine a percentage of discount granted to the Executive Directors for the acquisition of shares, determining a contribution in their acquisition, to be borne by them, in an amount corresponding to a percentage of the listed value of the shares, with a maximum limit of 5% of their listed value at the date of the share transmission.

On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

The determination of the variable remuneration for the year ended 31<sup>st</sup> December 2021 was made by the Remuneration Committee, in compliance with the principles abovementioned, after being known the results of the Company and made the evaluation of the performance.

# 4. Members of the Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board during 2021, and in compliance with the Remuneration Policy, was composed of solely a fixed annual amount, that was not dependent upon the Company's performance or its value.

# 5. Statutory External Auditor

The remuneration of the Company's Statutory External Auditor is determined by standard fees for similar services, regarding comparable market practices.

## 6. Other Benefits and Conditions

The Company granted the Executive Directors a health insurance, a life insurance and personal accidents' insurance, in line with the Group's policy, applicable to the Company's employees, and which terms and amounts are in line with the market practice.

The Remuneration Policy does not embody the principle of allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter. In 2021 no termination of mandate occurred.

The Remuneration Policy determines the taking of appropriate measures to recover the variable remuneration unduly awarded if by definitive decision with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based on. There was no verification of this framework in the 2021 financial year.





## 7. Disclosure of Remuneration

During 2021 the Remuneration Policy was applied without any derogation.

The remuneration of each of the members of the Board of Directors, awarded by the Company, during 2021, in compliance with the principles set forth in the Remuneration Policy and considering the time allocated and the exercise of functions in other companies of the Group, by each of the directors, is described in the following tables:

	2021							
Amounts in Euros	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total	% Fixed Remuneration	% Variable Remuneration		
Executive Directors								
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)	183,900	113,700	113,700	411,300	45%	55%		
Maria Cláudia Teixeira de Azevedo (1)	-	-	-	-	-	-		
João Pedro Magalhães da Silva Torres Dolores (1)	-	-	-	-	-	-		
Eduardo Humberto dos Santos Piedade (1)	-	-	-	-	-	-		
Cristina Maria de Araújo Freitas Novais (1)	-	-	-	-	-	-		
Total	183,900	113,700	113,700	411,300	45%	55%		

<sup>(1)</sup> Not remunerated at Sonaecom, considering the time allocated to other Group companies

# Open MTPB plans attributed to the current Executive Directors

Executive Directors	Plan (Performance Year)	Award Date	Vesting Date	Value Vested and Paid in 2021*
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)	2017	mar/18	mar/21	115,487
Total				115,487

<sup>\*</sup> Amounts in euros

The remuneration of the members of the Board of Directors of Sonaecom awarded by other controlled or group companies, pursuant to article 26.° G, n.° 2, d) of the CVM, during 2021, is summarised in the table below:

				2021
Amounts in euros	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Ângelo Gabriel Ribeirinho dos Santos Paupério	-	-	-	-
Maria Cláudia Teixeira de Azevedo	-	-	-	-
João Pedro Magalhães da Silva Torres Dolores	-	-	-	-
Eduardo Humberto dos Santos Piedade	219,530	280,523	280,523	780,576
Cristina Maria de Araújo Freitas Novais	75,400	85,880	85,880	247,160
Total	294,930	366,403	366,403	1,027,736





The remuneration of the members of the Statutory Audit Board during 2021, in compliance with the principles set forth in the Remuneration Policy was as follows:

Member of the Statutory Audit Board	
Amounts in euros	Remuneration awarded by oth 2021 controlled or Group Compani (2021)*
João Manuel Gonçalves Bastos	9,900
Maria Jose Martins Lourenço Fonseca	7,900
Óscar José Alçada Quinta	7,900
Total	25,700

 $<sup>^{\</sup>star}$  Companies from the same Group, in accordance with the terms of article 26-G of the Portuguese Securities Code

The remuneration of the Statutory External Auditor during 2021, in compliance with the principles set forth in the Remuneration Policy was as follows:

2021			
Values in € %	paid by the Company		
47,530 100%	udit and Accounts Certification		
47,530 100%			
	dual and consolidated accounts		

	2021	
Remuneration paid by the Group's Companies**	Valor em €	%
Statutory Audit and Accounts Certification	151,202	100%
Total	151,202	100%

 $<sup>^{\</sup>star}$  Companies from the same Group, in accordance with the terms of article 26-G of the Portuguese Securities Code

The variation between the annual remuneration, the Company's performance and the medium remuneration of the full-time equivalent employees, excluding the members of the management and supervisory bodies, during the previous five years was as follows:

	2017vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	5Year Average Variation (2021 vs 2017)
Consolidated Turnover (1)	6.9%	21.2%	21.1%	-2.5%	9.9%	11.3%
Average Employees' Remuneration	-1.8%	2.2%	4.2%	8.2%	3.8%	3.3%
(1) Restated						

Negative evolution in 2017 is mainly explained by exchange rate impacts (real vs euro)





Total Remuneration						
Executive Directors	2017vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	5Year Average Variation (2021 vs 2017)
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO) *	3%	1%	-4%	-5%	-5%	-2%
Maria Cláudia Teixeira de Azevedo (1) **	9%	13%	-2%	-	-	7%
João Pedro Magalhães da Silva Torres Dolores (1)	-	-	-	-	-	-
Eduardo Humberto dos Santos Piedade (1)***	-	-	-	28%	28%	-
Cristina Maria de Araújo Freitas Novais (1) ****	-	-	-	-	1%	-
	5%	6%	-3%	-26%	9%	-2%

 $<sup>\</sup>hbox{(1) Not remunerated at Sonaecom, considerinf the time allocated to other Group companies } \\$ 

<sup>\*\*\*\*</sup> Elected at the AGM on 2020.04.29. Her remuneration in 2020 was anualized for the calculation. Remuneration for 2020 and 2021 considered for calculation excludes extraordinary amounts.

Statutory Audit Board	2017vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	5Year Average Variation (2021 vs 2017)
João Manuel Gonçalves Bastos	0%	0%	0%	0%	0%	
Maria Jose Martins Lourenço Fonseca	0%	0%	0%	0%	0%	
Óscar José Alçada Quinta	0%	0%	0%	0%	0%	
	0%	0%	0%	0%	0%	0%

Statutory Audit and Accounts Certification	2017vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	5Year Average Variation
External Auditor(1)	37%	34%	-35%	25%	12%	15%

<sup>(1)</sup> PricewaterhouseCoopers & Associados, SROC, SA since 2016.

 $<sup>^{\</sup>star}$  The negative evolution since 2019 is explained by a higher allocation to other group companies in which is remunerated

<sup>\*\*</sup> Eleita CEO da Sonae SGPS a 30.04.2019 deixando a partir desta data de ser remunerada pela Sonaecom. Valor de 2019 anualizado para efeitos de cálculo

<sup>\*\*\*</sup> Elected at the AGM on 2019.04.30. His remuneration in 2019 was anualized for the calculation. Remuneration for 2020 and 2021 considered for calculation excludes extraordinary amounts.





# APPENDIX II - Curricula Vitae and positions held by members of management and supervisory bodies.

Ande	hrial	Riheir	inho	dns '		

CEO of Sonaecom, SGPS, S.A.

# Birth date

14 September 1959

# Educational qualifications

Degree in Civil Engineering - University of Porto

MBA by Porto Business School

# Professional experience

1982-1984	Structural Design Project Manager at Tecnopor (Civil Engineering)
1984-1989	Manager at EDP (Energy)
1989-1991	Leader of the Television Project Team at Sonae Tecnologias de Informação, SA
1991-1994	Head of Planning and Management Control at Sonae Investimentos – SGPS, SA (currently Sonae –SGPS, SA)
1994-1996	Director of several companies within Sonae Distribuição, SGPS, SA (currenyl Sonae MC, SGPS, SA) – Retail
1994-2007	Member of the Board of Directors of Modelo Continente Hipermercados, S.A.
1996-2007	CFO of Sonae Distribuição, SGPS, SA (currently Sonae MC, SGPS, SA) and director of many of its subsidiaries (Retail)
1996-2007	Executive Member of the Board of Directors of Sonae Capital, SGPS, SA
2000-2007	Executive Member of the Board of Directors, CFO and Chair of the Finance Committee of Sonae – SGPS, SA
2004-2009	Member of the Board of Directors of MDS – Corretor de Seguros, SA
2005-2016	Member of the Board of Directors of Sonae Investments BV
2006-2016	Member of the Board of Directors of Sontel BV
2007- April 2015	Executive Vice-Chair of Sonae – SGPS, SA
2007 - March 2018	Member of the Board of Directors of MDS, SGPS, SA (Chair of the Board of Directors since October 2014)
2009-2019	Member of the Board of Directors of Modelo Continente, SGPS, SA (Chair of the Board of Directors since January 2019)
2010-2016	Vice-Chair of the Board of Directors of Sonae – Specialized Retail, SGPS, SA
2010-2016	Chair of the Board of Directors of Sonaerp – Retail Properties, SA
2010-2016	Chair of the Board of Directors of MDS Auto, Mediação de Seguros, SA
2010-2016	Member of the Supreme Counsel of Universidade Católica Portuguesa
2010-2018	Member of the Board of Directors Sonae Center Serviços II, SA (currently Sonae MC – Serviços Partilhados)
2011-2015	Member of the Supreme Counsel of Porto Business School





2012-2016	Chair of the Board of Directors of Sonaecom – Serviços Partilhados, SA
2013-2016	Chair of the Board of Directors of Sonae RE, SA
2013-2016	Chair of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA (currently named SFS – Gestão de Fundos, SGFI, SA)
2014-2019	Chair of the Board of Directors of Sonae Financial Services, SA
2015-2019	Co-CEO of Sonae – SGPS, SA
2016-2019	Chair of the Board of Directors of SFS, Gestão e Consultoria, SA
2018-2019	Member of the Board of Directors of Sonae Corporate, SA
2018-2020	Vice-Chair of the Board of Directors of Iberian Sports Retail Group, S.L.
Since 2007	Member of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2007	Member of the Board of Directors of Sonae MC, SGPS, SA
Since 2007	Chair of the Board of Directors of Sonaecom, SGPS, SA
Since 2007	Chair of the Board of Directors of Sonae Investment Management – Software and Technology, SA
Since 2007	Chair of the Board of Directors of Público – Comunicação Social, SA
Since 2012	Member of the Board of Directors of ZOPT, SGPS, SA
Since 2013	Chair of the Board of Directors of NOS, SGPS, SA (from 2013-April 2020 - Member of the Board of Directors)
Since 2018	Chair of the Board of Directors of Sonae Holdings, SA
Since 2018	Member of the Board of Directors of Efanor Investimentos, SGPS, SA
Since April 2019	Member of the Board of Directors of Sonae – SGPS, SA
Since 2019	Chair of the Board of Directors of Sonae FS, SA
Since 2019	Member of the Board of Directors of Sonae Capital, SGPS, SA
Since 2019	Member of the Board of Directors of Fundação Manuel Cargaleiro
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA
066	onice in which Concessor is a charakelder

# Offices held in companies in which Sonaecom is a shareholder

 $Chairman \ of \ the \ Board \ of \ Directors \ of \ SONAE \ INVESTMENT \ MANAGEMENT - SOFTWARE \ AND \ TECHNOLOGY, SGPS, S.A.$ 

Member of the Board of Directors of ZOPT, SGPS, S.A.

Chairman of the Board of Directors of Público - Comunicação Social, S.A.

Chairman of the Board of Directors of NOS, SGPS, S.A.

### Offices held in other entities

Non-Executive Member of the Board of Directors of Sonae, SGPS, S.A.

Member of the Board of Directors of Efanor Investimentos, SGPS, SA





Chairman of the Board of Directors of Sonae Holdings, S.A. (previously Sonaecenter, Serviços SA)

Member of the Board of Directors of Sonae MC, SGPS, S.A.

Member of the Board of Directors of Sonae Sierra, SGPS, S.A.

Member of the Board of Directors of Sonae Capital SGPS, S.A.

Chairman of the Board of Directors of Sonae FS, S.A.

Member of the Board of Directors of Sonae Indústria, SGPS, S.A.

Member of the Board of Directors of Love Letters - Galeria de Arte, S.A.

Chairman of the Board of Directors of Enxomil - Consultoria e Gestão, S.A.

Chairman of the Board of Directors of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial

Chairman of the Board of Directors of Enxomil - Sociedade Imobiliária, S.A.

Member of the Board of Directors of Fundação Manuel Cargaleiro





#### Maria Cláudia Teixeira de Azevedo

Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.

# Birth date

13 january 1970

# Educational qualifications

Degree in Management - Catholic University of Porto

MBA by INSEAD

# Professional experience

Since 1990	Chair of the Board of Directors Imparfin – Investimentos e Participações Financeiras, SA
Since 1992	Member of the Board of Directors of Efanor Investimentos, SGPS, SA
Since 2000	Chair of the Board of Directors of Linhacom, SGPS, SA
Since 2000	Member of the Board of Directors of Sonaecom – SGPS, SA
Since 2000	Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Since 2002	Chair of the Board of Directors of Praça Foz – Sociedade Imobiliária, SA
Since 2008	Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, SA
Since 2009	Member of the Board of Directors Público – Comunicação Social, SA
Since 2011	Member of the Board of Directors of Sonae Capital, SGPS, SA
Since 2011	Sole Director of Sekiwi, SGPS, SA
Since 2012	Member of the Board of Directors of ZOPT, SGPS, SA
Since 2013	Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Since 2018	Chair of the Board of Directors of Sonae MC, SGPS, SA
Since 2018	Member of the Board of Directors of Sonae Holdings, SA
Since 2018	Chair of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2018	Member of the Board of Directors of Setimanale, SGPS, SA
Since 2018	Member of the Board of Directors of Casa Agrícola de Ambrães, SA
Since 2018	Member of the Board of Directors of Realejo – Sociedade Imobiliária, SA
Since April 2019	CEO da Sonae – SGPS, SA
Since 2019	Member of the Board of Directors of Sonae FS, SA
Since 2020	Manager Tangerine Wish, Lda.
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA
Since July 2021	Member of the Board of Directors of Sonae Food4Future, SA





### Offices held in companies in which Sonaecom is a shareholder

Member of the Board of Directors of ZOPT, SGPS, S.A.

Member of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.

Member of the Board of Directors of Público - Comunicação Social, S.A.

Non-Executive Member of the Board of Directors of NOS, SGPS, S.A.

#### Offices held in other entities

Member of the Board of Directors and CEO of SONAE, SGPS, S.A.

Member of the Board of Directors of Efanor - Serviços de Apoio à Gestão, S.A.

Member of the Board of Directors of Efanor - Investimentos, SGPS, S.A.

Member of the Board of Directors of Sonae Capital, SGPS, S.A.

Chairman of the Board of Directors of Sonae MC - SGPS, S.A.

Member of the Board of Directors of Sonae Holdings, S.A.

Chairman of the Board of Directors of Sonae Sierra, SGPS, S.A.

Member of the Board of Directors of Sonae FS, S.A.

Member of the Board of Directors of Sonae Indústria, SGPS, S.A.

Chairman of the Board of Directors of Sonae Food4Future, S.A.

Chairman of the Board of Directors of IMPARFIN - Investimentos e Participações Financeiras, S.A.

Chairman of the Board of Directors of Linhacom, SGPS, S.A.

Director of SEKIWI, SGPS, S.A.

Chairman of the Board of Directors of Praça Foz - Sociedade Imobiliária, S.A.

Member of the Board of Directors of SETIMANALE - SGPS S.A.

Member of the Board of Directors of Casa Agrícola de Ambrães, S.A.

Member of the Board of Directors of Realejo – Sociedade Imobiliária, S.A.

Director of Tangerine Wish, Lda.





#### João Pedro Magalhães da Silva Torres Dolores

Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.

#### Birth date

21 December 1980

### Educational qualifications

MBA - London Business School, London (United Kingdom)

Certificate in Business Management - New York University, New York City (United States)

Degree in Economics - FEP - Faculdade de Economia (University of Porto), Porto (Portugal)

#### Professional experience

2018 - 2019 - Director of the Corporate Center Officer of Sonae SGPS, S.A.

07/2016 – 12/2018 - Strategy Professor - Executive MBA Porto Business School, Porto (Portugal)

 $09/2015-10/2018-Head\ of\ Group\ Strategy,\ Planning\ and\ Control\ Sonae-SGPS,\ S.A.,\ Porto\ (Portugal)$ 

04/2014 - 09/2015 - Head of Corporate Strategy Sonae - SGPS, S.A., Porto (Portugal)

01/2013 - 04/2014 - Head of Business Unit Cloud Portugal Telecom, Lisbon (Portugal)

02/2011 - 01/2013 - Manager - Innovation Management Portugal Telecom, Lisbon (Portugal)

10/2009 – 01/2011 - Associate McKinsey & Company, Lisbon (Portugal)

04/2005 - 07/2007 - Business Analyst McKinsey & Company, Lisbon (Portugal)

10/2003 – 12/2004 - Brand Manager JW Burmester, S.A., Nova lorque (Estados Unidos da América)

### Offices held in companies in which Sonaecom is a shareholder $\,$

Non-Executive Board Member of NOS - SGPS, S.A.

#### Offices held in other entities

Executive Board Member of Sonae-SGPS,SA

Executive Board Member of Sontel BV  $\,$ 

Executive Board Member of Sonae Investments BV

Member of the Board of Directors of Sonae Holdings, S.A. (previously Sonaecenter - Serviços, S.A.)

 ${\it Chairman of the Board of Directors of Sonae Corporate, S.A.}$ 

Non-Executive Board Member of Sonae MC, SGPS, SA

Non-Executive Board Member of Sonae Sierra, SGPS, SA

Non-Executive Chairman of the Board of Directors of MKTPlace - Comércio Eletrónico, S.A.

Member of the Board of Directors of Iberian Sports Retail Group, S.L.

Member of the Board of Directors of Sonae RE, S.A.

 $\label{lem:member of the Board of Directors of Sonae Food 4 Future, S.A.$ 

Member of the Board of Directors of Sonae FS, SA





#### Eduardo Humberto dos Santos Piedade

Executive Member of the Board of Directors of Sonaecom SGPS SA

Birth date

03 April 1978

### Educational qualifications

Degree in Business Administration, Faculdade de Economia da Universidade do Porto

MBA Degree with distinction - Concentration in Strategy, London Business School.

#### Professional experience

Chairman of the Board of Directors of Digitmarket - Sistemas de Informação, S.A.

Chairman of the Board of Directors of Mextel, S.A.

Chairman of the Board of Directors of WE DO CONSULTING - SISTEMAS DE INFORMAÇÃO, S.A.

Chairman of the Board of Directors of WE DO TECHNOLOGIES AMERICAS, INC

Chairman of the Board of Directors of WE DO TECHNOLOGIES EGYPT LLC

Chairman of the Board of Directors of WE DO TECHNOLOGIES LIMITED (UK)

Chairman of the Board of Directors of WE DO TECHNOLOGIES ESPAÑA - SISTEMAS DE INFORMACIÓN S.L.

Chairman of the Board of Directors of WE DO TECHNOLOGIES MÉXICO S.DE R.L. DE C.V.

Chairman of the Board of Directors of Saphety Level - Trusted Services, S.A.

Gerente General - Saphety - Transacciones Eletrónicas S.A.S.

 $Secretary\ to\ the\ Board\ of\ Directors\ and\ Executive\ Committee\ Head\ of\ Investment\ Management,\ Portugal-Sonae-SGPS,\ S.A.\ Board\ of\ Directors\ and\ Executive\ Committee\ Head\ of\ Investment\ Management,\ Portugal-Sonae-SGPS,\ S.A.\ Board\ of\ Directors\ and\ Executive\ Committee\ Head\ of\ Investment\ Management\ Portugal-Sonae-SGPS,\ S.A.\ Board\ of\ Directors\ and\ Executive\ Directors\ and\ Dir$ 

Member of the Board of Directors of Tlantic B.V.

Member of the Board of Directors of Maxmat

Member of the Board of Directors of GeoStar

Strategic Planning Manager, Portugal - Sonae - SGPS, S.A.

Mergers & Acquisitions Manager, Portugal / Brazil - MODELO CONTINENTE - SONAE's sub-holding for the Retail Sector

 $Corporate \ Strategy \ Senior \ Analyst, Portugal - MODELO \ CONTINENTE - SONAE's \ sub-holding \ for \ the \ Retail \ Sector$ 

Controller – Brazilian Division, Portugal / Brazil - MODELO CONTINENTE – SONAE's sub-holding for the Retail Sector

Offices held in companies in which Sonaecom is a shareholder

Executive Board Member of SONAECOM, SGPS, S.A.

CEO of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.

Chairman of the Board of Directors of INOVRETAIL, S.A.

Chairman of the Board of Directors of INOVRETAIL ESPAÑA, S.L.

Chairman of the Board of Directors of SONAECOM – SERVIÇOS PARTILHADOS, S.A.





Chairman of the Board of Directors of BRIGHT DEVELOPMENT STUDIO, S.A. Chairman of the Board of Directors of SONAECOM CYBER SECURITY AND INTELLIGENCE SERVICES, SGPS, S.A. Chairman of the Board of Directors of S21SEC PORTUGAL - CYBER SECURITY SERVICES, S.A. Chairman of the Board of Directors of GRUPO S21 SEC GESTION, S.A. Chairman of the Board of Directors of S21 SEC INFORMATION SECURITY LABS, S.U.L. Chairman of the Board of Directors of S21 SEC, S.A. DE C.V. Chairman of the Board of Directors of PRAESIDIUM SERVICES LIMITED Member of the Board of Directors of Style Sage, Inc. Member of the Board of Directors of CIValue Systems Ltd Chairman of the Board of Directors of EXCELLIUM, GROUP, S.A. Member of the Board of Directors of EXCELLIUM, SERVICES, S.A. Member of the Board of Directors of Visenze, Pte LTD Member of the Board of Directors of OMETRIA, LTD. Board Observer of NEXTAIL Labs Inc. Member of the Board of Directors of Daisy Intelligence Corporation Member of the Board of Directors of Sales Layer Tech, S.L. Member of the Board of Directors of Sonae, RE, S.A. Member of the Board of Directors of Sonae Food4Future, S.A. Member of the Board of Directors of - Context-based 4 Casting (C-B4) LTD





Cristina Maria de Araújo Freitas Novais								
Birth date	Birthdate							
07 May 1977	27 May 1977							
Educational qualifications								
2000	Degree in Economics at Faculdade de Economia da Universidade do Porto							
Professional expe	rience							
2000 - 2004	Financial auditor - Arthur Andersen/ Deloitte							
2004 - 2008	Financial Controller - Optimus Comunicações, S.A.							
2008 - 2013	Manager of Planning and Control department in Sonaecom Group							
2013 - 2019	Head of Planning and Control department in Sonaecom Group							
2018 - 2019	Head of Financial Department in Sonaecom Group							
Mar- Oct 2019	Secretary of the General Meeting of Bright Development Studio, S.A.							
Mar- Oct 2019	Secretary of the General Meeting of DIGITMARKET - Sistemas de Informação, S.A.							
2019-2020	Secretary of the General Meeting of Sonae IM - Software and Technology, SGPS, S.A.							
2019-2020	ecretary of the General Meeting of Bright Ventures, SCR, S.A.							
2019-2021	19-2021 Board member of DIGITMARKET - Sistemas de Informação, S.A.							
Offices held in companies in which Sonaecom is a shareholder								
Since 2020	Board member of Sonae Investment Management - Software and Technology, SGPS, S.A.							
Since 2020	President of the Board of Directors of Bright Ventures, SCR, S.A.							
Since 2020	Board member of Sonaecom, SGPS, S.A.							
Since 2019	Board member of Bright Development Studio, S.A.							
Since 2018	Board member of INOVRETAIL, S.A.							
Since 2018	Board member of S21Sec Portugal - Cybersecurity Services, S.A.							
Since 2019	Secretary of the General Meeting of SONAECOM - Serviços Partilhados, S.A.							
Since 2019	Secretary of the General Meeting of SONAECOM - Cyber Security and Intelligence, SGPS, S.A.							
Since 2019	Secretary of the General Meeting of PÚBLICO - Comunicação Social, S.A.							
Since 2019	Secretary of the General Meeting of PCJ - Publico, Comunicação e Jornalismo, S.A.							
Since 2019	Secretary of the General Meeting of SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.							





#### João Manuel Gonçalves Bastos

## Birth date

# 23 April 1958

# Educational qualifications

1981 Degree in Economics at Faculdade de Economia da Universidade do Porto

# Professional experience

1981-1984	Teacher of Macroeconomics at Faculdade de Economia da Universidade do Porto
1982-1984	Commercial department in Crédit Lyonnais
1984-1986	Development and Planning department in Sonae Group
1986-1987	Assistant of the Board in Focor Group
1987 – 1998	CFO and member of the Board of several participated companies in Figest Group
1998 – 2007	Senior Manager and member of the Board of several participated companies in Sonae Group

# Offices held in other entities

Shareholder and President of the Board of Arcádia Group





#### Maria José Martins Lourenço da Fonseca

# Birth date

4 September 1957

Educational qualifica	ations							
1984	Degree in Economics at Faculdade de Economia da Universidade do Porto - Doutor António José Sarmento Prize							
1987	Post graduate Program in European Studies at the European Studies Center, Universidade Católica Portuguesa							
1992	Participation in the Young Managers Programme at European Institute of Business Administration, Fontainebleau.							
2002	Master in Business and Administration at Faculdade de Economia da Universidade do Porto							
2015	PhD in Business and Administration at Faculdade de Economia da Universidade do Porto							
Professional experie	ence							
1984-1985	Invited Assistant at Faculdade de Economia da Universidade do Porto - Microeconomics							
1985-1990	Technician in the Department of Economic Studies and Planning at BPI - Banco Português de Investimento, S.A.							
1990-1992	Senior Analyst at the Corporate Banking Department at BPI - Banco Português de Investimento, S.A.							
1991-1999	Invited Assistant at Faculdade de Economia da Universidade do Porto - Accounting area							
1992-1996	Vice-manager at the Corporate Banking Department at BPI - Banco Português de Investimento, S.A.							
1996-2006	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) as trainer for the External Auditor Preparatory Course							
Since 1996	Lecturer at Católica Porto Business School (Universidade Católica Portuguesa)- Accounting area. Director of the Master's Degree in Auditing and Taxation, since 2017							
2002-2008	Cooperation with the Certified Public Accountant Association (OTOC) in the field of professional formation							
2008-2009	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) in the field of professional formation							
Since 2008	Consulting activity through the Centro de Estudos de Gestão e Economia Aplicada (CEGEA) of Católica Porto Business School (Universidade Católica Portuguesa)							
2015	Member of the Selection Board for the Oral Test for External Auditor (ROC)							
2015-2021	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) as trainer for the External Auditor Preparatory Course							
Offices held in other	entities							
President of the Sta	atutory Audit Committee of Sonae SGPS, S.A.							
Member of the Stat	utory Audit Committee of Sonae MC SGPS, S.A.							
Member of the Statutory Audit Committee of Ibersol SGPS, S.A.								
President of the Statutory Audit Committee of SDSR - Sports Division SR, S.A.								
President of the Statutory Audit Committee of AEGE - Associação para a Escola de Gestão Empresarial								
Lecturer at Católica	Lecturer at Católica Porto Business School (Universidade Católica Portuguesa)							





#### Óscar José Alçada da Quinta

### Birth date

1 December 1957

# Educational qualifications

1982 Degree in Economics at Faculdade de Economia da Universidade do Porto

1990 Statutory auditor

## Professional experience

1982-1986	Administrative and financial responsibilities in the area of textile companies, construction and office equipment
Since 1986	Provision of services related to external audit for Statutory Auditors and for companies in the previous activities
1990-1992	Independent Statutory Auditor
Since 1992	Statutory Auditor and Partner of Óscar Quinta, Canedo da Mota &Pires Fernandes, SROC

# Offices held in other entities

Member of the Board of Directors of Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC

Member of the Fiscal Council of Caetano-Baviera - Comércio de Automóveis, S.A.

Member of the Fiscal Council of BA GLASS I - Serviços de Gestão e Investimentos, SA

 $\label{thm:member of the Fiscal Council of Sonae Arauco Portugal S.A.$ 

Member of the Fiscal Council of Cerealis, SGPS, S.A.





# APPENDIX III - Curricula Vitae and positions held by members of the Remuneration Committee

Duarte Paulo Teixeira d	le Azevedo
Member of Remuneration	on Committee of Sonaecom, SGPS, S.A.
Date of Birth	
31 December 1965	
Academic Curriculum	
1986	Degree in Chemical Engineering - École Polytechnique Féderále de Lausanne
1989	MBA - Porto Business School
Executive Education	
1994	Executive Retailing Program - Babson College
1996	Strategic Uses of Information Technology Program - Stanford Business School
2002	Breakthrough Program for Senior Executives - IMD Lausanne
2008	Proteus Programme - London Business School
2012	Corporate Level Strategy - Harvard Business School
Professional Experience	- Efanor Group
1988-1990	Manager and Analyst of Projeto Novos Investimentos in Sonae Tecnologias de Informação, S.A.
1990-1993	Manager of Projeto de Desenvolvimento Organizativo and Comercial Director in Portugal in New Business in Sonae Indústria
1993-1996	Director of Planning and Strategic Control and Organizational Development in Sonae Investimentos - SGPS, S.A. (currently Sonae - SGPS, S.A.)
1996-1998	Executive Director of Modelo Continente Hipermercados, S.A. (Merchandising, IT e Marketing)
1998-2000	Chairman of the Executive Committee of Optimus - Telecomunicações, S.A. (Operador Móvel)
2000-2007	Member of the executive board of Sonae, SGPS, S.A.
2000-2007	Chairman of the Executive Committee of Sonaecom, SGPS, S.A.
2000-2018	Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.
2002-2007	Chairman of the General Board of Público - Comunicação Social, S.A.
2003-2007	Chairman of the General Board of Glunz, AG
2004-2007	Chairman of the Board of Directors of Tableros de Fibras, S.A. (Tafisa)
2007-2014	Chairman of the Board of Directors of Sonaecom, SGPS, S.A.
2007-2015	Chairman of the Executive Committee of Sonae - SGPS, S.A.





Vice President of the Board of Directors of Sonae Indústria, SGPS, S.A.								
2007-2019	Chairman of the Board of Directors of Sonae Sierra, SGPS, S.A.							
2007-2018	Chairman of the Board of Directors of Sonae Investimentos, SGPS, SA (currently, Sonae MC, SGPS, SA)							
2008-2014	Chairman of the Board of Directors of MDS, SGPS, S.A.							
2009-2013	hairman of the Board of Directors of Sonaegest, Sociedade Gestora de Fundos de Investimentos							
2010-2016	hairman of the Board of Directors of Sonae - Sprecialized Retail , SGPS, S.A.							
2010- 2019	Chairman of the Board of Directors of Sonae MC – Modelo Continente, SGPS, S.A.							
2013-2018	Chairman of the Board of Directors of Sonae Center Serviços II, SA (atualmente Sonae MC, Serviços Partilhados, SA)							
2015-2019	Chairman of the Board of Directors and Co-CEO of Sonae - SGPS, SA							
Professional Experie	nce - Other Entities							
1898-1990	Member of the executive board of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial							
2001-2002	Chairman of Apritel - Associação dos Operadores de Telecomunicações							
2008-2009	Member of the General Council of AEP - Associação Empresarial de Portugal							
2009-2014	Member of the Board of Trustees of AEP - Associação Empresarial de Portugal							
2009-2015	Chairman of the Board of Trustees of Universidade do Porto							
2012-2015	Member of the Board of COTEC							
2019-2021	Chairman of the BIOPOLIS Project Installing Committee							
Offices held								
Chairman of the Boa	ord of Directors of Sonae - SGPS, S.A.							
Chairman of the Boa	ord of Directors of Sonae Indústria, SGPS, S.A.							
Chairman of the Boa	ord of Directors of Sonae Capital, SGPS, S.A.							
Chairman of the Boa	ord of Directors of Sonae Arauco, S.A.							
Member of the Board	d of Directors of Imparfin, SGPS, S.A.							
Chairman of the Boa	ord of Directors of Efanor Investimentos, SGPS, S.A.							
Chairman of the Boa	ord of Directors of Migracom, S.A.							
Member of the Board	d of Directors of EFANOR - Serviços de Apoio à Gestão, S.A.							
Manager Partner of Okuk, Lda.								
Member of the Board	d of Directors of Pareuro BV							
Chairman of the Boa	ord of Directors of Tafisa Canadá, Inc.							





Member of the Board of Founders of Fundação Casa da Música

Member of the Board of Founders of Serralves

Member of ERT - European Round Table of Industrialists (since 2019, member of the Steering Committee and Chairman of the Working Group "Jobs, Skills, Impact")

Membrer of International Advisory Board of Allianz SE

Chairman of the Executive Commitee of Fundação Belmiro de Azevedo

Member of the Board of Directors of BA Glass I – Serviços de Gestão e Investimentos, SA

Chairman of the Board of Directors of BA - Capital, SGPS, S.A.

Chairman of the Board of Directors of BA Glass Portugal, S.A.

Chairman of the Board of Associação Viridia - Conservation in Action





#### Francisco de La Fuente Sánchez

Member of Remuneration Committee of Sonaecom, SGPS, S.A.

Birth date

2 January 1942

Educational qualifications

1965

Degree in Electrical Engineering - Technical University

Offices previously held

Chairman of ELECPOR – Associação Portuguesa das Empresas do Sector Eléctrico

Chairman of the Board of Directors and Executive Committee of EDP – Electricidade de Portugal, S.A.

General Director of Direcção de Distribuição Tejo, EDP

Director of EDP Commercial Area

Director of Hidroeléctrica del Cantábrico, S.A. (Spain)

Non-Executive Chairman of CERJ - Companhia de Electricidade do Rio de Janeiro, SA (Brasil)

Non-Executive Chairman of the Board of Directors of EFACEC

Member of the General and Supervision Counsil of MIllennium BCP - Banco Comercial Português

Non-Executive Chairman of the Board of Directors of ONI

Non-Executive Director of GALP Energia

Non-Executive Director of BVLP – Bolsa de Valores de Lisboa e Porto

Co-opted member of the Council of the School Instituto Superior Técnico

Chairman of the National Council of Colégio de Engenharia Electrotécnica from Ordem dos Engenheiros

Member of the Advisory Board of Instituto Português de Corporate Governance

Chairman of Fundação EDP

Advisory Member of Ordem dos Engenheiros

Member of Academia de Engenharia

Co-opted Member of the General Council of Universidade de Lisboa

Non-Executive Director of Sonae Capital, SGPS, S.A.

Member of the Advisory Board of ATEC - Academia de Formação

Member of the Foro Ibero América





# Offices currently held

Member of Remuneration Committee of Sonae, SGPS, S.A.

Chairman of the General Meeting of APEDS - Associação Portuguesa de Engenheiros para o Desenvolvimento Social

Chairman of the General Meeting of AAAIST - Associação de Antigos Alunos do Instituto Superior Técnico

President of honor of Hidroelétrica del Cantábrico, S.A.

Member of Patronato of Fundação Hidroelétrica del Cantábrico

Member of the Board of Trustees of Fundação Luso-Brasileira

Member of the Board of Trustees of Fundação Luso-Espanhola

Member of the Representatives Assembly of Ordem dos Engenheiros







# 1. Financial Information

# 1.1. Sonaecom consolidated financial statements

# Consolidated statement of financial position

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)	Notes	December 2021	December 2020
Assets Non-current assets			
	1.c. 1.h and 5	1.014.102	2024 400
Property, plant and equipment		1,914,103	2,034,408
Intangible assets	1.d, 1.e, 1.x and 6	7,409,063	8,240,910
Right of use	1.h and 7	9,149,777	10,609,677
Goodwill	1.f, 1.x and 8	14,520,952	14,520,952
Investments in joint ventures and associated companies	1.b and 9	767,681,204	807,795,660
Financial assets at fair value through other comprehensive income	1.g, 4 and 10	7,998,756	7,299,791
Financial assets at fair value through profit or loss	1.g, 4 and 11	158,924,575	92,324,063
Deferred tax assets	1.p and 12	15,954,811	16,380,468
Other non-current assets	1.g, 1.r, 1.y, 4, 13 and 37	7,132,346	7,602,700
Total non-current assets		990,685,587	966,808,629
Current assets			
Inventories	1.i and 14	229,658	251,827
Trade receivables	1.g, 1.j, 4, 15, 24 and 37	14,484,834	22,616,717
Other receivables	1.g, 1.j, 4, 16, 24 and 37	7,673,126	8,314,544
Income tax assets	1.p, 4 and 28	1,500,778	1,819,652
Other current assets	1.g, 1.r, 1.x, 4, 17 and 37	12,952,648	13,971,930
Cash and cash equivalents	1.g, 1.k, 4, 18 and 37	289,333,311	233,707,494
Total current assets	<u> </u>	326,174,355	280,682,164
Total assets	- <del></del> -	1,316,859,942	1,247,490,793
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	19	230,391,627	230,391,627
Own shares	1.v and 20	(7,686,952)	(7,686,952)
Reserves and retained earnings	1.u	852.439.043	818,589,511
Consolidated net income/(loss) for the year		120,725,659	60,125,890
- ostroonaatea net moonie (1655) ter the year	<del></del>	1,195,869,377	1,101,420,076
Non-controlling interests	21	10.945.381	13.080.206
Total Shareholders' funds		1,206,814,758	1,114,500,282
Liabilities		1,200,014,730	1,114,500,202
Non-current liabilities			
Loans	1.g, 1.l, 1.m, 1.g, 4 and 22.a	1,277,194	2.146.527
Lease liabilities	1.g, 1.l, 1.ll, 1.q, 4 and 22.a 1.q, 1.h, 4 and 23	9.579.107	11.072.814
Provisions	J	554,386	30,007,840
Deferred tax liabilities	1.g, 1.h, 4 and 24	44,742,126	28,054,313
	1.p and 12		
Other non-current liabilities	1.g, 1.r, 1.y, 4, 25, 37 and 42	543,792	264,105
Total non-current liabilities		56,696,605	71,545,599
Current liabilities			
Loans	1 g, 1.l, 1.m, 1.q, 4 and 22.b	2,977,614	1,546,801
Trade payables	1.g, 4, 26 and 37	12,065,852	16,886,338
Lease liabilities	1.g, 1.h, 4 and 23	3,209,810	3,408,625
Other payables	1.g, 4, 27 and 37	11,634,825	9,639,257
Income tax liabilities	1.p, 4 and 28	4,781	-
Other current liabilities	1.g, 1.q, 1.r, 1.y, 4, 29, 37, 39 and 42	23,455,697	29,963,891
Total current liabilities		53,348,579	61,444,912
Total Liabilities		110.045.184	132,990,511
Total Shareholders' funds and liabilities		110,010,101	102,770,011

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

The Certified Accountant

The Board of Directors





# Consolidated income statement by nature

For the years ended on 31 December 2021 and 2020 (restated)

	Notes	December 2021	
Sales	1.s, 30 and 37	24,245,979	22,330,355
Services rendered	1.s, 30 and 37	52,254,640	47,299,255
Other income	1.q, 23, 31 and 37	4,258,816	3,167,918
	<u> </u>	80,759,435	72,797,528
Cost of sales	1.i and 14	(16,115,408)	(14,099,855)
External supplies and services	1.h, 32 and 37	(22,767,098)	(19,840,448)
Employee benefits expense	1.q, 1.y, 42, 43 and 45	(44,558,134)	(43,157,871)
Amortisation and depreciation	1.c, 1.d, 1.f, 1.h, 5, 6 and 7	(7,204,896)	(8,564,099)
Provisions	1.j, 1.o, 1.x and 24	(123,772)	(93,293)
Impairment losses	1.j, 1.o, 1.x and 24	(185,912)	(93,128)
Other expenses	33	(768,727)	(364,006)
		(91,723,947)	(86,212,700)
Gains and losses in joint ventures and associated companies	1.b, 9 and 35	62,348,630	46,031,392
Gains and losses on assets at fair value through profit or loss	1.b, 11 and 35	85,163,145	21,626,448
Financial expenses Financial income	1.h, 1.m, 1.w, 1.x, 22, 34 and 37	(3,025,781)	(3,515,471)
***************************************	1.w, 22, 34 and 37	3,762,427	2,906,208
Current income / (loss)	4 40 107	137,283,909	53,633,405
Income taxation	1.p, 12 and 36	(22,775,645)	4,614,898
Consolidated net income/(loss) for the year of continued operations		114,508,264	58,248,303
Consolidated net income/(loss) for the year of discontinued operations	40	5,271,108	470,526
Consolidated net income/(loss) for the year		119,779,372	58,718,829
Attributed to:	41	120.725.659	60.125.890
Shareholders of parent company		-, -,	
Non-controlling interests	21	(913,582)	(1,524,692)
Non-controlling interests (discontinued operations)	21, 40	(32,705)	117,631
Earnings per share			
Including discontinued operations		0.00	(0.00)
Basic	41	0.39	(0.20)
Diluted	41	0.39	(0.20)
Excluding discontinued operations			/ m . m . m . m
Basic	41	0.38	(0.20)
Diluted	41	0.38	(0.20)

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

The Certified Accountant

The Board of Directors





# Consolidated statement of comprehensive income

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)	Notes	December 2021	December 2020
Consolidated net income / (loss) for the year		119,779,372	58,718,829
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	9	3,065,866	(4,774,601)
Changes in currency translation reserve and other	1.w	889	151,402
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 the equity method	9	(419,547)	(1,420,305)
Changes in fair value of financial assets at fair value through other comprehensive income net of taxes	10	660,821	(390,911)
Other consolidated net income / (loss) for the year		3,308,029	(6,434,415)
Consolidated comprehensive income for the year		123,087,401	52,284,414
Attributed to:			
Shareholders of parent company		124,014,324	53,564,622
Non-controlling interests		(926,923)	(1,280,208)

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

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# Consolidated statement of changes in equity

For the years ended on 31 December 2021 and 2020

				Reserves							
(Amounts expressed in Euro)	Notes	Share capital (note 19)	Own shares (note 20)	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves	Non-controlling interests (note 21)	Net income / (loss)	Total
2021 Balance at 31 December 2020 Appropriation of the consolidated net result of 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
Transfers to other reserves Dividend Distribution	37		-		153,812	-	59,972,078 (29,659,595)	60,125,890 (29,659,595)	-	(60,125,890)	(29,659,595)
Percentage change in subsidiaries Increase in share capital in subsidiaries		-	-		-		-	-	(1,241,726)	-	(1,241,726)
Consolidated comprehensive income for the year ended at 31 December 2021 Other changes		-	-		-		3,288,665 94,572	3,288,665 94,572	(926,923) 33,824	120,725,659	123,087,401 128,396
Balance at 31 December 2021		230,391,627	(7,686,952)	775,290,377	20,837,737	7,686,952	48,623,977	852,439,043	10,945,381	120,725,659	1,206,814,758

						Reserves					
(Amounts expressed in Euro)	Notes	Share capital (note 19)	Own shares (note 20)	Share premium	Legal reserves	Reserves of own shares	Other reserves	Total reserves	Non-controlling interests (note 21)	Net income / (loss)	Total
2020 Balance at 31 December 2019 (restated) Appropriation of the consolidated net result of 2019		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
Transfers to other reserves Dividend Distribution	37				2,138,733		50,029,387 (25,378,829)	52,168,120 (25,378,829)	(175,000)	(52,168,120)	(25,553,829)
Percentage change in subsidiaries	3/			-			(25,376,629)	(23,376,629)	(175,000)		(20,000,029)
Increase in share capital in subsidiaries									15,000,000		15,000,000
Consolidated comprehensive income for the year ended at 31 December 2020							(6,561,268)	(6,561,268)	(1,280,208)	60,125,890	52,284,414
Other changes							85,709	85,709	171,569		257,278
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

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

The Certified Accountant

The Board of Directors





# Consolidated cash flow statement

For the years ended on 31 December 2021 and 2020

Receipts from trade debtors   100.249.245   139.402.297	(Amounts expressed in Euro)	Notes		December 2021		December 2020
Payments to trade creditors   (\$58.23.806)   (33.297.09)     Payments to employees   (49.1076)   (46.187.660)     Cash flows generated by operations   (47.65637)   (82.472)     Cash flows generated by operations   (1221.617)   (2.052.693)     Cher receipts for (1221.618)   (6.442.950)   (121.000)     Cash flows from operating activities ()   (6.442.950)   (121.000)     Cash flows from flows flows flow flows flow flows flow flows flow flows flows flow flows flows flows flow flows	Operating activities			,		
Payments no employees	Receipts from trade debtors		100,249,245		139,402,297	
Cash flows generated by operations         (4,76,637)         (8,2472)           (Payments) / recepts relating to income taxes         (1,22167)         (2,052,63)           Other receipts / (payments) relating to operating activities         (455,696)         (1,121,001)           Cash flows from operating activities (to the foreign extractions)         (455,696)         (6,442,950)         (3,256,166)           Receipts from:         The flows from operating activities (to the foreign extractions)         \$2,222         \$32,36           Financial investmens         \$3,269,980         \$2,7223         \$32,36           Integral to the sasets         \$2,7352         \$32,36         \$32,60           Integral to sasets         \$1,071,832         \$3,286         \$32,223           Integral to sasets         \$1,071,833         \$6,231,836         \$4,249           Others         \$9         \$6,917,746         \$2,348,732         \$3,249           Payments of:         \$2,770,2136         \$2,048,732         \$2,222           Integral to sasets         \$2,770,2136         \$2,048,732         \$2,222           Integral to sasets         \$2,224         \$2,222         \$2,222           Integral to sasets         \$2,223         \$2,249         \$2,222           Integral to sasets         \$2,224 </td <td>Payments to trade creditors</td> <td></td> <td>(55,823,806)</td> <td></td> <td>(93,297,109)</td> <td></td>	Payments to trade creditors		(55,823,806)		(93,297,109)	
Capaments   Capa	Payments to employees		(49,191,076)		(46,187,660)	
Clash flows from operating activities (1)   (455.696)   (6.442.950)   (3.256.166)	Cash flows generated by operations		(4,765,637)		(82,472)	
Cash flows from operating activities (1)	(Payments) / receipts relating to income taxes		(1,221,617)		(2,052,693)	
Receipts from:	Other receipts / (payments) relating to operating activities		(455,696)		(1,121,001)	
Receipts from:   Financial investmens   \$3,269,980   \$27,232   \$39,236   \$11,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236   \$1,400   \$27,352   \$39,236	Cash flows from operating activities (1)			(6,442,950)		(3,256,166)
Financial investmens         53,269,980         527,232         39,236         19,200	Investment activities					
Tangible assets         27,352         39,236           Intangible assets         573,681         573,681           Dividends         9         68,917,746         -           Interest and similar income         1,071,837         623,816           Others         9         1,499,916         18,907,194           Payments of:         (27,702,136)         (20,486,732)           Financial investmens         (633,589)         (899,552)           Intangible assets         (633,589)         (899,552)           Intangible assets         (1,219,433)         (1,764,661)           Loans granted         (21,249,332)         (249,932)           Cash flows from investment activities (2)         52,316,73         (27,29,727)           Receipts from:         52,242,4         52,236,4         52,24,24           Receipts from:         524,294         522,634         522,634           Payments of:         (3,682,494)         (4,030,166)         4,030,166)           Bank commissions, interest and similar expenses         (3,682,494)         (4,030,166)         4,040,040,040           Bank commissions, interest and similar expenses         (3,685,45)         (4,192,73)         4,040,040,040           Bank commissions, interest and similar expenses	Receipts from:					
Intangible assets	Financial investmens		53,269,980		527,223	
Dividends         9         68,917,746	Tangible assets		27,352		39,236	
Interest and similar income	Intangible assets		-		573,681	
Others         9         1,499,916         18,907,194           Payments of:	Dividends	9	68,917,746		-	
Payments of:         (27,702,136)         (20,486,732)           Financial investmens         (633,589)         (899,552)           Intangible assets         (1,219,433)         (1,764,661)           Loans granted         95,231,673         (249,932)           Cash flows from investment activities (2)         95,231,673         (2,729,727)           Financing activities         21         52,231,673         15,000,000           Loans obtained         524,294         522,634         16,000,000           Payments of:         21         524,294         522,634         16,000,000						
Financial investmens         (27,702,136)         (20,486,732)           Tangible assets         (633,589)         (899,552)           Intangible assets         (1,219,433)         (1,764,661)           Loans granted         95,231,673         (249,932)           Cash flows from investment activities (2)         95,231,673         (2,729,727)           Financing activities           Receipts from:         31         1         15,000,000         15,000,000           Loans obtained         524,294         522,634         15,000,000         16,		9	1,499,916		18,907,194	
Tangible assets       (633,589)       (899,552)         Intangible assets       (1,219,433)       (1,764,661)         Loans granted       95,231,673       (249,932)         Cash flows from investment activities (2)       95,231,673       (2,729,727)         Financing activities         Receipts from:       8       15,000,000       15,000,000         Loans obtained       524,294       522,634       15,000,000       16,000,000       16,000,000         Leasing       (3,682,494)       (4,030,166)       18,000,000       16						
Intangible assets   (1,219,433)   (1,764,661)   (249,932)   (249						
Loans granted         (249,932)           Cash flows from investment activities (2)         95,231,673         (2,729,727)           Financing activities         Capital increases related to non-controlling interests         21         524,294         522,634           Receipts from:         524,294         522,634         522,634           Loans obtained         524,294         522,634         522,634           Payments of:         (3,682,494)         (4,030,166)         419,273           Leasing         (356,545)         (419,273)         56,245           Dividends         37         (29,659,595)         (25,553,829)           Loans obtained         22         (1,675,597)         (16,156,231)           Cash flows from financing activities (3)         (33,174,340)         (16,156,231)           Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         55,614,383         (22,142,124)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957						
Cash flows from investment activities (2)         95,231,673         (2,729,727)           Financing activities         8         3         4         5         4         5         4         5         4         5         4         5         4         4         5         4			(1,219,433)			
Financing activities         Receipts from:       21       -       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000       15,000,000             15,000,000             15,000,000             15,000,000             15,000,000              15,000,000             15,000,000             15,000,000             15,000,000             15,000,000             15,000,000             15,000,000             15,000,000             15,000,000             15,000,000              15,000,000             15,000,000                   15,000,000					(249,932)	
Receipts from:         Capital increases related to non-controlling interests         21				95,231,673		(2,729,727)
Capital increases related to non-controlling interests         21         15,000,000           Loans obtained         524,294         522,634           Payments of:         8         524,294         522,634           Leasing         (3,682,494)         (4,030,166)         8           Bank commissions, interest and similar expenses         33         (29,659,595)         (25,553,829)         9           Loans obtained         22         1         (1,675,597)         1           Cash flows from financing activities (3)         (33,174,340)         (16,156,231)         8         (22,142,124)           Effect of the foreign exchanges         55,614,383         (22,142,124)         2         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957						
Loans obtained         524,294         522,634           Payments of:         (3,682,494)         (4,030,166)           Leasing         (356,545)         (419,273)           Bank commissions, interest and similar expenses         (356,545)         (419,273)           Dividends         37         (29,659,595)         (25,553,829)           Loans obtained         22         (1,675,597)           Cash flows from financing activities (3)         (33,74,340)         (16,156,231)           Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957	· ·					
Payments of:         Leasing       (3,682,494)       (4,030,166)       4,030,166       4,03		21	-			
Leasing     (3,682,494)     (4,030,166)       Bank commissions, interest and similar expenses     (356,545)     (419,273)       Dividends     37     (29,659,595)     (25,553,829)       Loans obtained     22     -     (1,675,597)       Cash flows from financing activities (3)     (33,174,340)     (16,156,231)       Net cash flows (4)=(1)+(2)+(3)     55,614,383     (22,142,124)       Effect of the foreign exchanges     11,434     (27,339)       Cash and cash equivalents at the beginning of the year     18     233,707,494     255,876,957			524,294		522,634	
Bank commissions, interest and similar expenses     (356,545)     (419,273)       Dividends     37     (29,659,595)     (25,553,829)       Loans obtained     22     - (1,675,597)       Cash flows from financing activities (3)     (33,174,340)     (16,156,231)       Net cash flows (4)=(1)+(2)+(3)     55,614,383     (22,142,124)       Effect of the foreign exchanges     11,434     (27,339)       Cash and cash equivalents at the beginning of the year     18     233,707,494     255,876,957	,					
Dividends         37         (29,659,595)         (25,553,829)           Loans obtained         22         (1,675,597)           Cash flows from financing activities (3)         (33,174,340)         (16,156,231)           Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957	3		* * * * * * * * * * * * * * * * * * * *			
Loans obtained         22         (1,675,597)           Cash flows from financing activities (3)         (33,174,340)         (16,156,231)           Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957						
Cash flows from financing activities (3)         (33,174,340)         (16,156,231)           Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957			(29,659,595)			
Net cash flows (4)=(1)+(2)+(3)         55,614,383         (22,142,124)           Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957		22	-		(1,675,597)	
Effect of the foreign exchanges         11,434         (27,339)           Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957						
Cash and cash equivalents at the beginning of the year         18         233,707,494         255,876,957			<u></u>			
Cash and cash equivalents at the end of the year         18         289,333,311         233,707,494						
	Cash and cash equivalents at the end of the year	18		289,333,311		233,707,494

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

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The Board of Directors





# Notes to the consolidated cash flow statement

For the years ended on 31 December 2021 and 2020

# 1. Description of non-monetary financing activities

	Notes	December 2021	December 2020
a) Bank credit obtained and not used	22	1,901,038	3,383,038
b) Purchase of companies through the issue of shares		Not applicable	Not applicable
c) Conversion of companies loans into shares		Not applicable	Not applicable

# 2. Acquisition or sale of subsidiaries or other businesses

	Notes	December 2021	December 2020
a) Amounts received of acquisitions	<u>'</u>		
Sold of participation on Arctic Wolf	3.a and 11	36,417,920	-
Sold of CB4	3.a and 11	8,509,593	-
Issue premium refund Zopt	9	5,765,485	-
Sold of Case on IT	3.a and 11	1,278,422	-
Sold of Digitmarket	3.c	1,337,613	
Fyde investment repayment	10	-	527,223
Others	3.c	(39,053)	-
		53,269,980	527,223
b) Amounts paid of acquisitions / capital increase			
SafeBreach	3.a and 11	12,943,308	-
Citcon	3.a and 11	4,239,803	-
Ometria	3.a and 11	3,752,188	=
Sellforte	3.a and 11	2,500,003	-
Visenze	3.a and 11	1,467,541	=
Jscrambler	3.a and 11	1,000,000	300,000
Replai	3.a and 11	493,010	600,000
Portaner.io	3.a and 11	415,144	=
Taikai	3.a and 11	350,000	=
Artic Wolf	3.a and 11	-	7,798,765
Weaveworks	3.a and 11	=	4,231,907
Deepfence	3.a and 10	=	2,085,593
Sales Layer	3.a and 11	=	2,500,358
Convertible loan Case on It	3.a and 13	=	1,050,000
Convertible loan Cellwise	3.a and 13	=	695,942
Convertible loan Daisy	3.a and 13	=	480,307
Others	3.a, 10 and 11	541,139	743,860
		27,702,136	20,486,732
c) Amounts received of dividends			
ZOPT	9 and 37	68,917,696	-
CAIXA BANK		50	-
		68,917,746	-
d) Amounts paid of dividends	<del></del> -	·	
Sontel BV, Sonae SGPS and other minority interests	37 and 41	29,659,595	25,378,829
Aitec and BPI		=	175,000
	<del></del> -	29,659,595	25,553,829

The amount of receipts from financial investments regarding the sale of participation on Digitmarket include the amount of 'Cash and cash equivalents' on the date of sale of these companies' groups (note 3.c).





# 3. Cash flow breakdown by activity

Activity	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Net cash flows
2021				
Media	(21,091)	(247,971)	(487,489)	(756,551)
Information Systems	(8,082,165)	21,137,795	(1,688,165)	11,367,465
Holding	381,891	75,620,264	(30,998,686)	45,003,469
	(7,721,365)	96,510,088	(33,174,340)	55,614,383
	Cash flow from	Cash flow from	Cash flow from financing	
Activity	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Net cash flows
Activity 2020			9	Net cash flows
			9	Net cash flows (982,200)
2020	operating activities	investment activities	activities	Net cash flows
2020 Media	operating activities (176,826)	investment activities (316,973)	activities (488,401)	(982,200)

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

The Certified Accountant

The Board of Directors





# 1.2. Notes to the consolidated financial statements of Sonaecom

## Introduction 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 2 and 3 ('the Group').

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.

Pargeste, SGPS, S.A.'s subsidiaries in the communications and information technology area were transferred to the Company through a demerger-merger process, executed by public deed dated 30 September 1997.

On 3 November 1999 the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to Euro, being represented by one hundred and fifty million shares with a nominal value of 1 Euro each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 30,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the aforementioned Combined Share Offer, which was Euro 10.

In addition, in this year, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003, the Company's name was changed by public deed to SONAECOM, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 euro each and with a share premium of Euro 242,455,195, fully subscribed by France Télécom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, from Euro 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. ('EDP') and Parpública – Participações Públicas, SGPS, S.A. ('Parpública'). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

During the year ended on 31 December 2013, the merger between Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (note 9) was closed.

Accordingly, the telecommunications segment was classified, for presentation purposes, as a discontinued operation and the Group's business became of, rather than the holding activity:

- Media;
- · Tecnologies.





Consequently, since the merger mentioned above, the telecommunications segment became joint ventures (note 9).

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,830 Sonaecom shares.

In 2014 Sonaecom reduced its share capital to Euro 230,391,627.

Thereafter, Euronext Lisbon announced Sonaecom exclusion from the PSI-20 from 24 February 2014 forward.

The Group operates in Portugal and has subsidiaries (from the information systems consultancy segment) operating in about 6 countries.

The consolidated financial statements are also presented in euro, rounded to the unit, and the transactions in foreign currencies are included in accordance with the accounting policies detailed below.

Relevant events occurred during the year

On 7 January 2021, after the worsening of the pandemic situation, the Government formally declared a new state of emergency and a new national lockdown, which marked almost the entire first quarter in Portugal. The number of cases worldwide continued on an upward trend throughout the second quarter, with Europe and the US being heavily affected by the second wave. However, since April, and with the acceleration of the vaccination process in Europe and the USA, we have witnessed the progressive deflation and reopening of the 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, 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.

At the year ended until 31 december of 2021, the financial and operational impacts have been uneven in different segments:

- The Technology area continued to show strong resilience, with no relevant impacts arising from the pandemic situation around the world.
- At NOS, the impacts were felt essentially in Roaming and in the Cinema and Audiovisual segment with the total closure of rooms from March 16 to July 2, 2020, which had an inevitable impact on consolidated revenues and on the evolution of EBITDA. Over the 2 years, the segment most affected by COVID-19 was the cinema segment, with an estimated recovery of activity to levels close to pre-pandemic levels in 2023.
- Público's activity faced a significant decrease in advertising activity during the first quarter but its digital strategy coupled with an advertising market recover resulted in further growing in almost all revenue lines.

In terms of projecting future impacts, these will depend on the extent, namely temporal, of the spread of the virus and the respective measures to control the epidemiological situation and the intervention of Governments, both in terms of compliance with vaccination plans and in terms of regarding the support made available to economic agents, and it is difficult to predict the scale of the impact.

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.

### 1. Basis of presentation

The accompanying financial statements relate to the consolidated financial statements of the Sonaecom Group and have been prepared with an on a going concern basis, based on the accounting records of the companies included in the consolidation through full consolidation method (note 2) in accordance with the International Financial Reporting Standards (IFRS) as adopted and effective in the European Union on 1 January 2021 These financial statements were





prepared based on the historical cost, except for the revaluation of some financial instruments.

Sonaecom adopted IFRS for the first time according to SIC 8 (First-time adoption of IAS) on 1 January 2003.

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:

Standard / Interpretation	Effective date
	(annual periods
	beginning on or after)

Amendments to IFRS 4: Insurance Contracts - Deferral of IFRS 9

This amendment is referred to temporary accounting consequencies that results to the difference between the date of entry into force of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform (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.

Amendments to IFRS 16 Leases: Covid-19-Related Rent

1-abr-21

Concessions beyond 30 June 2021

Extension of amendments to 'IFRS 16 - Leases Covid-19 related to rent concessions' for rent payments due on or before 30 June 2022.

Regarding the new standards that became effective in the year beginning at 1 January 2021, the Group made an analysis of the changes introduced and the impact on the financial statements and concluded that the application of these standards had no material effect in the financial statements.

The following standards, interpretations, amendments and revisions have, until 31 December 2021, been approved (endorsed) by the European Union:

Standard / Interpretation Effective date
(annual periods
beginning on or after)
Amendments to IAS 16: Proceeds before intended use 1-jan-22
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

Amendments to IFRS 3: Reference to the Conceptual 1-jan-22

This amendment updates the references to the Conceptual Framework without changing the accounting requirements for business combinations

Amendments 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.

Standard / Interpretation	Effective date

Annual Improvement Cycle 2018-2020

1-ian-22

Improvements to IFRS 1 (Subsidiary as a First-time Adopter), IFRS 9 (Derecognition of financial liabilities), IFRS 16 (Rent concessions) and IAS 41 (Taxation in Fair Value Measurements). This amendments are of prospective application.

Amendments to IFRS 17: Insurance contracts (includes changes to the standard):

1-jan-23

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

The Group did not apply any of these standards in early application in the financial statements for the year ended 31 December 2021.

There are not expected materially relevant impacts when adopting these standards.

The following standards, interpretations, amendments and revisions were not, until 31 December 2021, approved ('endorsed') by the European Union:

Standard / Interpretation	Effective date
	(annual periods
	beginning on or after)
Amendments to IAS 1: Classification of Liabilities as	1-jan-23

Amendments 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 1-jan-23 Statements

The changes require companies to disclose their material accounting policy information instead of their significant accounting policies.

1-jan-23 Amendments to IAS 8 Accounting policies

Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies.

Amendments to IAS 12 Income Taxes: Deferred Tax 1-jan-23 related to Assets and Liabilities arising from a single transaction

This ammens wil require that the companies record deferred tax on certain specific transactions, when their initial recognition originated equal amounts of taxable temporary differences and deductible temporary differences.

Amendments to IFRS 17 Insurance contracts: Initial 1-ian-23

Application of IFRS 17 and IFRS 9 - Comparative

This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset for which the insurance company does not apply retrospectively, within the scope of

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group in the year ended 31 December 2021, as their application is not yet mandatory.

No materially relevant effects are expected upon the adoption of these standards.





The accounting policies and measurement criteria adopted by the Group as on 31 December 2021 are comparable to those used in the preparation of the financial statements as on 31 December 2020.

## Main accounting policies

The main accounting policies used in the preparation of the accompanying consolidated financial statements are as follows:

# a) Investments in Group companies

Sonaecom has control of the subsidiary when the company cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights over, variable results from its involvement with the subsidiary; and iii) has the ability to use its power to affect its returns. These Investments were fully consolidated in the accompanying consolidated financial statements. Third party participations in the Shareholders' equity and net results of those companies are recorded separately in the consolidated statement of financial position and in the consolidated profit and loss statement, respectively, under the caption 'Non-controlling interests'.

The total comprehensive income is attributed to both the Shareholders of parent company and the non-controlling interests even if this results in a deficit balance of non-controlling interests.

To acquire subsidiaries, the purchase method is applied. The results of subsidiaries bought or sold during the year are included in the profit and loss statement as from the date of acquisition (or of control acquisition) or up to the date of sale (or of control cession). Intra-Group transactions, balances and dividends are eliminated.

The fully consolidated companies are listed in note 2.

The acquisition cost is the amount of cash or cash equivalents paid or the fair value of other consideration transferred to acquire an asset at the time of its acquisition or constitution or, where applicable, the amount attributed to that asset upon initial recognition in accordance with the specific requirements of IFRS 3.

The transferred consideration may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair value at the acquisition date (for example, non-cash assets or a business of the acquirer). If so, the acquirer shall remeasure the assets or liabilities transferred at their fair value at the acquisition date and recognise any gains or losses arising, if any, on the statement of income. However, sometimes the transferred assets or liabilities remain in the entity acquired after the business is carried out, and therefore, the acquirer retains control over them. In such situation, the acquirer shall

measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognise any gain or loss in the statement of profit and loss on assets or liabilities that it controls both before and after the business.

The expenses incurred with the acquisition of investments in Group companies are recorded as cost at the time they are incurred.

b) Investments in joint ventures and associated companies Investments in joint ventures are recorded using the equity method. The classification of these investments is determinate based on shareholders agreements, which regulate the shared control.

The investments in associated companies correspond to investments in which the group has significant influence. The existence of significant influence is presumed when the investor holds more than 20% of the voting rights of the investee, otherwise it must be clearly demonstrated.

The existence of significant influence is usually evidenced by one or more of the following criterias:

- representation on the investee's management or equivalent management body;
- participation in the process of policy' decisions, including participation in decisions on dividends and other distributions;
- material transactions between the investor and the investee:
- interchange of managerial personnel; or
- share of essential technical information.

Participations in joint ventures are recorded using the equity method. According to this method, financial investments are periodically adjusted by the amount corresponding to the share in the net results of joint ventures, against the caption "Gains and losses in joint ventures and associates" in the income statement.

Direct changes in post-acquisition equity of joint ventures are recognized in the amount of the interest against the heading of reserves, in equity.

Additionally, financial holdings may also be adjusted by the recognition of impairment losses.

Dividends received from these companies are recorded as a decrease in the value of financial investments.

The investments in associated companies are recorded using the equity method, except in cases where the investments are held by a venture capital organization or equivalent, where the





Group has chosen, at initial recognition, to measure at fair value through profit or loss. in accordance with IFRS 9 (1g iii)).

In accordance with the equity method, investments are adjusted annually by the amount corresponding to the Group's share of the net results of associated companies, against a corresponding entry to gain or loss for the year, and by the amount of dividends received, as well as by other changes in the equity of the associated companies, which are recorded by a corresponding entry under the caption 'Other reserves'. These equity variations, excluding the cost related to NOS's own share plans, are recorded under the caption 'Other Comprehensive Income'. An assessment of investments in associated companies and joint ventures is carried out annually, in order to verify if there are any situations of impairment.

When the Group's share of accumulated losses of an associated company or a company joint ventures exceeds the book value of the investment, the investment is recorded at null value, except when the Group has assumed commitments to the associated company or a company joint ventures. If that is the case, situation in which it records a provision for other risks and charges for that purpose.

The difference between the acquisition price of the investments in associated companies joint ventures and the fair value of identifiable assets and liabilities at the time of their acquisition, when positive, is included in the investment value and, when negative, after a reassessment, is recorded, directly, in the profit and loss statement under the caption 'Gains and losses in joint ventures and associated companies'.

The description of the associated companies and joint ventures is disclosed in note 9.

## c) Property, plant and equipment

'Property, plant and equipment' are recorded at their acquisition cost minus their accumulated depreciation and the estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis from the date the assets are available for use under the necessary conditions to operate as intended by the management, by a corresponding charge under the profit and loss statement caption 'Amortisation and depreciation'.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Duildings and other constructions	
Buildings and other constructions	5 - 20
Plant and machinery	2 - 10
Fixtures and fittings	2 - 10
Tools and utensils	4
Other tangible assets	4-6

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Amortisation and Depreciation' in the profit and loss statement.

Current maintenance and repair expenses of tangible assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the remaining estimated useful life of the corresponding assets.

The estimated costs related with the mandatory dismantling and removal of tangible assets, incurred by the Group, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

Work in progress corresponds to tangible assets still in the construction/development stage which are recorded at their acquisition cost. These assets are depreciated as from the moment they are available to be used and when they are ready to start operating as intended by the management.

## d) Intangible assets

'Intangible assets' are recorded at their acquisition cost minus their accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised if they were identifiable and if it is likely that they will bring future economic benefits to the Group, if the Group controls them and if their cost can be reasonably measured.

Intangible assets comprise, essentially, software, industrial property, costs incurred with the acquisition of clients portfolios (value attributed under the purchase price allocation in business combinations).

The amortisation of intangible assets are calculated on a straight-line monthly basis, over the estimated useful life of the assets, as from the month in which the corresponding expenses are incurred.

Expenditures with internally-generated intangible assets, namely research expenditures, are recognised in the profit and loss statement when incurred and cannot be reclassified, later.





Development expenditures can only be recognised as an intangible asset if the Group demonstrates the ability to complete the project and is able use it or sell it.

Amortisation for the year is recorded in the profit and loss statement under the caption 'Amortisation and depreciation'.

Impairment losses detected in the realisation value of intangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Amortisation and depreciation' in the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Brands and patents	1 - 15
Software	1 - 15

# e) Brands and patents

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life.

All brands and / or patents held by the Group have a defined useful life.

# f) Goodwill

The differences between the acquisition price of investments in Group companies, companies joint ventures and associated companies added the value of non-controlling interests (in the case of subsidiaries), the fair value of any interests previously held at the date and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies at the date of business combination, when positive, are considered 'Goodwill'. If related to subsidiaries are recorded under the caption "Goodwill" (note 8), if related to joint ventures and associated companies are included in the value of the investment in the caption "Investments in associated companies and joint ventures" (note 9).

The differences between the price of investments in foreign subsidiaries whose functional currency is not the Euro, the value of non-controlling interests and the fair value of the identifiable assets and liabilities of these companies at the acquisition date are recorded in the functional currency of those subsidiaries and are they converted into reporting currency of Sonaecom (Euro), at the exchange rate on the date of the statement of financial position. The exchange rates differences that arise upon conversion are recorded in the caption "Reserves and retained eanings".

Contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to

its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be recognised in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders' funds captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognised.

When that a sales transaction generate a loss of control, should be derecognised assets and liabilities of the entity and any interest retained in the entity sold should be remeasured at fair value and any gain or loss calculated on the sale is recorded in profit and loss.

The Goodwill amount is not amortised, being tested annually or whenever there are impairment indices, to verify if there are any impairment losses to be recognised. The recoverable amount is determined based on the business plans used by Sonaecom's management. Goodwill impairment losses of the year are recorded in the profit and loss statement of the year under the caption' Amortisation and depreciation'.

Goodwill impairment losses can not be reversed.

Goodwill, if negative, is recognised as income on the acquisition date after reconfirmation of the fair value of identifiable assets, liabilities and contingent liabilities.

# g) Financial instruments

# Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income. Its classification depends on the entity's business model to manage the financial assets and the contractual characteristics in terms of the cash flows of the financial asset.

Changes to the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, as equity instruments, which can never be reclassified to another category.

(i) Financial assets measured at amortised cost

Financial assets measured at amortised cost are those that are part of a business model with the purpose to hold financial assets in order to receive contractual cashflows, although these





contractual cash flows can only be capital repayments and interest payments of capital in debt.

(ii) Financial assets at fair value through other comprehensive income

This category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

- Regarding debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or on time sale;
- b. Regarding equity instruments, this category includes the percentage of interest held in entities over which the Group does not exercise control, joint control or significant influence, and which the Group irrevocably chose on the date of initial recognition to designate at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss

This category includes debt instruments and equity instruments that do not meet the criteria for qualification as financial assets at amortised cost and which the Group has not classified as financial assets through other comprehensive income at the time of initial recognition. This category also includes all financial instruments whose contractual cash flows are not exclusively capital and interest.

Under this category are also inclued the investments in associates, held by a venture capital organization or equivalent, which the Group has chosen, at initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9.

The Group makes this option separately for each associate.

Gains and losses resulting from the change in the fair value of assets measured at fair value through profit or loss are recognised as income for the year in which they occur in the respective caption 'Gains and losses on assets at fair value through profit or loss', which include income amounts interest and dividends.

Financial assets are recognised in the Group's statement of financial position on the trade or date of contract, which is the date on which the Company undertakes to acquire of the asset. At the initial moment, financial assets are recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss in which transaction costs are immediately recognised in the income statement.

Financial assets are derecognised when: (i) they expire or the contractual rights of the Group are transferred to the receipt of its cash flows; (ii) the Group has transferred substantially all the

risks and benefits associated with its detention; or (iii) notwithstanding that it retains a portion, but not substantially all the risks and rewards associated with its detention, the Group has transferred control over the assets.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest earned on assets at amortised cost" in caption "Financial income".

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair value changes recognised in other comprehensive income, except for variations related to the recognition of impairment, interest income and gains/(losses) due to foreign exchange differences, which are recognised in income for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, the fair value changes are recorded directly in other comprehensive income, in the equity. Future reclassification is not possible, even after derecognition of the investment. Dividends obtained from these investments are recognised as gains, in results for the year, on the date they are attributed.

Financial assets and liabilities are offset and presented at net value, when and only when the Group has the right to offset the amounts recognised and intends to settle at the net value.

## Financial liabilities

Financial liabilities are classified according to the contractual substance regardless of their legal form. Equity instruments are contracts that show a residual interest in the Group's assets after deducting liabilities. The equity instruments issued by the company are recorded at the amount received, net of the costs incurred with their issuance. Financial liabilities are derecognised only when they are extinguished, that is, when the obligation is settled, cancelled or expired.

Financial liabilities are classified into two categories:

- (i) Financial liabilities at amortised cost
- (ii) Financial liabilities at fair value through profit or loss

In accordance with IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, except for:

 Financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, should subsequently be measured at fair value;





- b) Financial liabilities that arise when a transfer of a financial asset does not meet the conditions for derecognition or when the continued involvement approach is applied;
- c) Financial guarantee contracts;
- d) Commitments to grant a loan at a lower interest rate than the market;
- e) The contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies. This contingent consideration should be subsequently measured at fair value, with changes recognised in profit or loss.

The category "Financial liabilities at amortised cost" includes the liabilities presented in the captions Loans obtained (note 1.1), Trade payables and Other payables. These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

On 31 December 2021 and 2020, the Group only recognises liabilities classified as "Financial liabilities at amortised cost".

## h) Rights of use and leasing

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period of time in exchange for a value.

At the beginning of each contract, it is evaluated and identified whether or not the contract contains a lease. This evaluation involves an exercise of judgment as to whether each contract depends on a specific asset, if the companies of Sonaecom Group obtain substantially all the economic benefits from the use of that asset and whether they have the right to control the use of the asset.

All contracts that constitute a lease are accounted for on the basis of a single recognition model in the balance sheet.

At the date of commencement of the lease, the Group recognises the liability related to lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right of use or "RoU").

The interest on the lease liability and the depreciation of the RoU are recognised separately.

Lease liabilities are remeasured if certain events occur (such as a change in the lease period, a change in future payments that result from a change in the reference rate or rate used to determine such payments). This remeasurement of the lease liability is recognised as an adjustment in the RoU.

## Rights of use of assets

The Group recognises the right to use the assets at the starting date of the lease (that is, the date on which the underlying asset is available for use).

The right to use the assets is recorded at acquisition cost, less accumulated depreciation and impairment losses and adjusted for any new measurement of lease liabilities. The cost of the right to use the assets includes the recognised amount of the lease liability, any direct costs incurred initially and payments already made prior to the initial rental date, less any incentives received and plus restoration costs, if any.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore the location in which it is located, or restore the underlying asset to the condition required by the lease terms and conditions, a provision is recognised, in accordance with terms of IAS 37. Expenses are included in the respective right of use.

Leasing incentives (eg, rental grace periods) are recognised as elements for measuring the right of use and lease liabilities, depreciated in a straight line as long as reduction in rental expenses.

Variable income that does not depend on an index or rate are not included in the measurement of the lease liability, nor of the asset under right of use. Such payments are recognized as expenses in the year in which the event or condition giving rise to the payments is made.

The rights of use are depreciated according to the lease term, using the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group obtains ownership of the leased asset at the end of the lease term, the recognised right to use the assets is depreciated on a straight-line based on the lease term.

Rights of use are subject to impairment.

# Lease liabilities

At the date of commencement of the lease, the Group recognises the liabilities measured at the present value of the future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments on the substance), less any incentives to receive, variable payments, dependent on an index or rate, and expected amounts to be paid under residual value guarantees. The lease payments also include the exercise price of a call option if it is reasonably certain that the Group will exercise the





option and penalties for termination of the lease if it is reasonably certain that the Group will terminate the lease. Payments for non-lease components are not recognised as lease liabilities.

Variable payments that do not depend on an index or a rate are recognised as an expense in the period in which the event giving rise to them occurs.

For the calculation of the present value of the lease payments, the Group uses the incremental loan rate at the start date of the lease if the implied interest rate is not readily determinable.

After the starting date of the lease, the value of the lease liability increases to reflect the increase in interest and reduces the payments made. In addition, the book value of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the purchase decision of the underlying asset.

With respect to the lessor, a lease is classified as a finance lease if it transfers substantially all the risks and rewards inherent in ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards inherent in ownership of an underlying asset.

Whether a lease is financial or operational depends on the substance of the transaction and not the form of the contract. Examples of situations that, individually or together, would normally lead to a lease being classified as a finance lease include the following:

- a) The lease transfers ownership of the underlying asset to the lessee at the end of the lease term:
- b) The lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently below fair value at the date the option becomes exercisable so that, at the start date, it is reasonably certain that the option will be exercised:
- c) The lease term refers to most of the economic life of the underlying asset, even if the security is not transferred;
- At the start date, the present value of the lease payments amounts to at least substantially the entire fair value of the underlying asset;
- e) The underlying asset is so specialised in nature that only the lessee can use it without major changes;
- f) If the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- g) Gains or losses arising from the fluctuation of the residual's fair value add to the lessee (for example, in the form of a rent rebate that equals most of the proceeds from sales at the end of the lease); and
- h) The lessee has the ability to extend the lease for a secondary period with an income substantially lower than the market rent

#### i) Inventories

Inventories are stated at their acquisition cost, net of any impairment losses, which reflects their estimated net realisable value.

The main nature of the Group's inventories corresponds essentially to paper for newspapers printing and hardware.

In calculating the cost of sales, the Group adopts the weighted average costing method.

Accumulated inventory impairment losses reflect the difference between the acquisition cost and the realisable amount of inventories, as well as the estimated impairment losses due to low turnover, obsolescence and deterioration, and are registered in the profit and loss statement, in 'Cost of sales'.

## i) Trade and Other receivables

These captions mainly include the amounts of Trade receivables resulting from services rendered within the scope of the Group's activity and other amounts related to operating activities. The amounts are defined as current assets when the collection is estimated within a 12-month period. The amounts are defined as non-current if the estimated collection occurs more than 12 months after the relate date.

'Trade receivables' and 'Other receivables' are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments.

Impairment losses of 'Trade receivables' and 'Other receivables' are recorded in accordance with the principles described in the policy in note 1.x). The identified impairment losses are recorded in the income statement and other comprehensive income in 'Impairment losses', and are subsequently reversed by 'Other income'.

#### k) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications, with less than three months' maturity, and that can be immediately realized without significant risk of change in value.

The consolidated cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Group classifies, under the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet caption 'Loans'.





The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other flows related to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated, subsidiary companies, joint ventures and other financial investments, receipts and payments resulting from the purchase and sale of fixed assets and receipt of dividends.

Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts, as well as cash flows from the shareholders' transactions, as shareholders.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

#### I) Loans

Loans are recorded as liabilities by the 'amortised cost'. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the loan, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

m) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. Financial expenses related to loans obtained for the acquisition, construction or production of assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

## n) Derivatives of financial instruments

The Group only uses derivatives in the management of its financial risks to hedge against such risks. The Group does not use derivatives for trading purposes (speculation).

When adopting hedge accounting, management documents, on the initial date of the hedge relationship, the economic relationship between the hedging instruments and the hedged instruments, including the condition of the hedge instruments whether or not they compensate for changes in the cash flows of the instruments covered, in accordance with the Risk Management objectives and strategy defined for contracting coverage transactions.

The derivatives of financial instruments (cash flow hedges) used by the Group are related to:

- (i) Interest rate swaps to hedge the interest rate risk on loans obtained. The amount of the loans, interest maturities and repayment plans for the loans underlying the interest rate swaps are in all respects identical to the conditions laid down for the contracted loans.
- (ii) Forward's exchange rate for hedging foreign exchange risk, particularly from receipts from customers. The values and time periods involved are identical to the amounts invoiced and their maturities.

Transactions that qualify as hedging instruments in relation to cash flow hedges are recorded in the statement of financial position at fair value and, to the extent that they are considered effective hedges, changes in the fair value of the instruments are initially recorded as equity and subsequently reclassified to the financial costs caption.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

On 31 December 2021 and 2020, the Group had not contracted any derivative financial instrument.

## o) Provisions and contingencies

'Provisions' are recognised when, and only when, the Group has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated.

Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Group has a detailed plan and if that plan has already been communicated to the parties involved.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes, if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes when future economic benefits are likely to occur.

## p) Income tax

'Income tax' expense represents the sum of the current tax payable and deferred tax, in accordance with IAS 12 – 'Income Taxes'.





Since 1 January 2015, Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company. Tax losses generated by companies dominated within the Group are partially offset by the Group's dominant entity. Regarding the tax losses generated by the dominated companies not compensated for the year, they will be compensated as the Group recovers, taking into account its future taxable profits, with the amount to be compensated recorded in non-current assets in an account receivable from the Group. Each company records the income tax in its individual accounts, with the calculated tax recorded against the item of group companies. The special regime for the taxation of groups of companies encompasses all companies directly or indirectly participated, even though through companies resident in another Member State of the European Union or the European Economic Area, provided that, in the latter case, there is an obligation for administrative cooperation , in at least 75% of the capital, provided that such participation grants you more than 50% of the voting rights, provided that certain requirements are met.

Deferred taxes are calculated using the liability method and reflect the time differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

In accordance with IAS 12, the Group presents deferred tax assets and liabilities at net value, whenever:

- (i) the company in question has the legally exercisable right to offset current tax assets and current tax liabilities;
- (ii) deferred tax assets and liabilities relate to income taxes levied by the same tax authority and on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle liabilities simultaneously, in future periods when deferred taxes are expected to be settled or recovered.

'Deferred tax assets' are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are likely, enabling the recovery of such assets (note 12).

Deferred tax liabilities are recognised on all taxable temporary differences, except those related to: i) the initial recognition of goodwill; or ii) the initial recognition of assets or liabilities, which do not result from a concentration of business activities, and which at the date of the transaction do not affect the accounting or tax result.

When the temporary differences result from the simultaneous initial recognition of an asset against a liability, which do not affect the accounting or tax result, as in the case of the initial recognition of a lease and a provision for dismantling or restoration, the company recognizes the respective deferred tax assets and liabilities.

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantially decreed tax rate at the relate date.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption. In all other situations, deferred taxes are always recorded in the profit and loss statement.

q) Government subsidies or other public entities Subsidies non-refundable are recognised as profit during the period in which the Group incurs in its costs and are included in the profit and loss statement under the caption 'Other income' (note 31).

Subsidies awarded to finance investments are recorded as deferred income in the statement of financial position and are included in the profit and loss statement under the caption 'Other income' (note 31). Subsidies are recognised during the estimated useful life of the corresponding assets.

Subsidies non-refundable related to projects are recognized in the statement of financial position as deferred income and recognized in the income statement under 'Other income'. The incentive is recognized during the project development period.

Repayable grants are recognized in the statement of financial position as a liability under 'Loans' and are amortized in accordance with established payment plans. These subsidies are recorded at amortized cost in accordance with the effective interest rate method (note 22).

## r) Accrual basis

Expenses and income are recorded in the year to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions of 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current period, where payments and receipts will occur in future periods, as well as payments and receipts in the current period but which relate to future periods. The latter shall be included by the corresponding amounts in the results of the periods that they relate to.





The costs attributable to the current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to reliably estimate the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.0).

#### s) Revenue

Revenue includes the fair value of the consideration received or receivable from the sale or services rendered arising from the normal business activity of the Company. The revenue is recognised net of taxes, any commercial and quantity discounts granted by the company.

The recognition of the Group's revenue is based on the fivestep model established by IFRS 15:

- (i) Identification of the contract with the trade debtor;
- (ii) Identification of performance obligations;
- (iii) Determination of the price of the transaction;
- (iv) Allocation of transaction price to performance obligations; and
- (v) Recognition of revenue.

Thus, at the beginning of each contract, the Group evaluates the promised goods or services and identifies, as a performance obligation, every promise to transfer to the customer any distinct good or service. These promises in client agreements may be express or implied, provided such promises create a valid expectation in the client that the entity will transfer a good or service to the customer, based on the entity's published policies, specific statements or business practices.

To determine the amount of revenue, the Group evaluates for each transaction its performance obligations to its customers, the price of the transaction to be affected by each performance obligation identified in the transaction, and the existence of variable price conditions that may lead to future success to the value of the recorded revenue, and for which the Group makes its best estimate. To determine and allocate the transaction price to each performance obligation, the Group uses the stand-alone prices of the products and services promised at the date of conclusion of the contract with the customer.

Revenue is recorded in the income statement when the control over the product or service is transferred to the customer, that is, at the moment when the customer becomes able to manage the use of the product or service and obtain all the benefits economic conditions associated with it.

The specialisation of revenue is presented as "Assets of customer contracts - Billing to customers" or "Customer contract liabilities - Prepaid billing to customers", under Other

current assets and Other current liabilities in the Statement of Financial Position.

Incremental costs for obtaining a contract (which would have been avoided if the Group had not obtained the contract) are capitalised, to the extent that the associated contract has a duration of more than 12 months and there is an expectation of recovering its value in the scope of the contract margin. Likewise, the costs of complying with a contract are recorded as assets, provided that: i) directly related to a contract, or to an anticipated contract that is specifically identified; ii) generate or improve resources to be used to satisfy performance obligations in the future; and iii) recovery is expected.

#### Sale of goods

Revenue from the sale of assets is recognised in the income statement when the following conditions are met:

- the risks and significant advantages of ownership of the asset have been transferred by the enterprise to the buyer;
- (ii) effective control of the assets sold becomes the buyer and the company ceases to have continuous management involvement to a degree generally associated with ownership;
- (iii) the amount of income can be reasonably quantified;
- (iv) the economic benefits associated with the transaction are likely to flow to the enterprise; and
- (v) the costs incurred with the transaction, or to be incurred, can reasonably be measured.

The main natures of sales revenue of the companies in which Sonaecom participates are as follows:

- (i) Revenue from sales of newspapers: recognised in the period in which newspapers are sold and made available to distributors in the total value of sales of newspapers and associated products.
- (ii) Revenues from sales of hardware and software related to third-party products: refers to the supply of hardware and software solutions or both through the selection of thirdparty products, the revenue of which is fully recognised when the equipment is delivered (after the completion of the implementation services, in the applicable cases), when all the significant risks and benefits are transferred to the client.

#### Services rendered

The main types of revenue from services rendered by companies in which Sonaecom participates are essentially as follows:

- (i) Advertising revenues: essentially include advertising for Jornal Publico. These revenues are recognised when each advertising campaign is carried out;
- (ii) Revenue from IT audit contracts: according to IFRS 15, the recognition of revenue from audits must be made "over-





the-time" when the benefits of the performance obligation are transferred to the client, or that is, according to the milestones for delivering reports to the client;

- (iii) Revenue from maintenance services: revenue associated with the maintenance of computer services provided or sold to the customer, recognized on a monthly basis "over the time" since the customer simultaneously receives and consumes the benefits resulting from the company's performance that it provides the service;
- (iv) Revenue from consultancy services: the revenue from services provided in consultancy projects is recognised, in each year, according to the performance obligation to which they refer, depending on the percentage of completion of the same. In other words, with respect to each performance obligation, the Group recognizes revenue over-the-time by measuring progress towards full compliance with such performance obligation; and
- (v) Revenue from Software as a Service (SaaS): revenue from SaaS service is recognised monthly over-the-time during the contract period. Revenue from the implementation of Software as a Service (SaaS) contracts in some cases must be recognised together with the SaaS service as a single performance obligation on a monthly basis for the term of the contract. In some of the SaaS contracts, the Software implementation services do not constitute a separate performance obligation, but rather a performance obligation combined with the SaaS service. In these cases, the implementation and initial configuration activities mainly consist of administrative tasks necessary to perform the main SaaS service, but which do not provide an incremental benefit to the customer in isolation. Thus, in these contracts, by analyzing the period and type of implementation carried out in each contract, the Group identifies whether it is facing one or two performance obligations (implementation and SaaS). In the case of a single performance obligation, it recognizes the revenue from that single performance obligation on a monthly over-the-time basis for the period of the contract.

The Group's sales and service contracts do not contain a significant financing component and in the case of variable remuneration, the estimated variable remuneration is restricted to an amount corresponding to what is highly probable that it will not be subject to significant reversals.

#### t) Fair value

The measurement of fair value presumes that an asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liabilitie at the measurement date, under current market conditions.

The measurement of fair value is based on the assumption that the transaction to sell the asset or transfer the liability may occur:

- (i) In the main asset and liability market, or
- (ii) If the main asset and liability market does not exist, in the market in which an orderly transaction would take place for the asset or liability

The Group uses valuation techniques appropriate to the circumstances and for which there is sufficient data to measure fair value, maximising the use of observable relevant data and minimizing the use of unobservable data.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which alocates the data to be used in the fair value measurement, into three levels detailed below:

Level 1 - unadjusted quoted prices for identical assets and liabilities in active markets, which the entity can access at the measurement date;

Level 2 - Valuation techniques that use inputs that although are not quoted are directly or indirectly observable;

Level 3 - Valuation techniques that use inputs not based on observable market data, ie, based on unobservable data.

The measurement of fair value is classified fully at the lowest level of the input that is significant for the measurement as a whole.

## u) Reserves

#### Legal reserve

The portuguese commercial legislation requires that at least 5% of the annual net profit must be appropriated to a 'Legal reserve', until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Group, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

## Share premiums

The share premiums relate to premiums generated in the issuing of capital or in capital increases. According to Portuguese Commercial law, share premiums follow the same requirements of 'Legal reserves', i.e., they are not distributable, except in case of liquidation, but they can be used to absorb losses, after all the other reserves are exhausted or to increase share capital.

#### Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and deducted in equity, being unavailable for distribution, while own shares are held.

## Other reserves

This caption is essentially related to the results carried over from previous years, also including accumulated exchange





differences in the negative amount of approximately EUR 48 million (EUR 50 million in 2020). This value includes currency conversion reserves of joint ventures and associated investments appropriate throught the equivalence method equity.

v) Own shares

Own shares are recorded at their acquisition value as a deduction of Shareholders' funds. Gains or losses arising from the sale of own shares are recorded under the heading 'Other reserves'.

w) Balances and transactions in foreign currency Euro is the currency of presentation. All transactions in foreign currency are translated for the functional currency at the exchange rate of the transaction date. At each closing date, the

exchange restatement of outstanding balances is carried out, applying the exchange rate in effect at that date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at the transaction date and those in force at the date of collection, payment or at the balance sheet date are recorded as income and expenses in the consolidated profit and loss statement of the year, in financial results.

Assets and liabilities of the financial statements of foreign entities are translated to the functional currency of the Group (EUR) using the exchange rates in force at the statement of financial position date, while expenses and income in such financial statements are translated into euro using the average exchange rate for the period. The resulting exchange differences were recorded under the Shareholders' funds caption 'Other reserves'.

Entities operating abroad with organisational, economic and financial autonomy are treated as foreign entities.

Goodwill and adjustments to fair value generated in the acquisitions of foreign entities reporting in a functional currency other than Euro are translated at the reporting date.

The following rates were used to translate into Euro the financial statements of foreign subsidiaries and the balances in

foreign currency:

ror eight currency.				
		2021		2020
	0.10		04.0	
	31 December	Average	31 December	Average
Australian Dollar	0.6404	0.6352	0.6291	0.6046
Brazilian Real	0.1585	0.1569	0.1569	0.1720
Canadian Dollar	0.6948	0.6749	0.6397	0.6540
Swiss Franc	0.9680	0.9251	0.9258	0.9343
Pounds Sterling	1.1901	1.1637	1.1123	1.1250
Mexican Peso	0.0432	0.0417	0.0410	0.0410
Mozambique Metical	0.0138	0.0130	0.0109	0.0127
American Dollar	0.8829	0.8460	0.8149	0.8770

#### x) Assets impairment

Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Amortisation and depreciation' in the case of tangible assets, intangible assets and Goodwill and for the other assets under the caption 'Impairment losses', or under the caption 'Gains and losses in joint ventures and associated companies'.

#### Non-financial assets impairment

Impairment tests are performed for assets with undefined useful life and Goodwill at the date of each statement of financial position and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

Impairment tests are performed for assets with defined useful lives and investments in associated and joint ventures whenever there is evidence that their book value is higher than the recoverable value.

The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount obtainable upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value in use is the present value of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life.

The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For the value of Goodwill, tangible assets, intangible assets and investments in associated companies, the recoverable amount, calculated in terms of value in use, is determined based on the most recent business plans duly approved by the Group's Board of Directors.

For the value of Investments in joint ventures, the recoverable amount is determined taking into account various information such as the most recent business plans duly approved by the NOS Group's Board of Directors and the average of evaluations made by external analysts (researches).

Non-financial assets, except Goodwill, for which impairment losses have been recorded, are reviewed at each reporting date for reanalyze of these losses.

#### Financial assets impairment

The Group assesses at each reporting date the existence of impairment in financial assets at amortised cost. The expected loss results from the difference between all contractual cash flows that are due to an entity in accordance with the contract





and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognize expected credit losses over the duration of financial instruments that have undergone significant credit risk increases since initial recognition, assessed on an individual or collective basis, taking into account all reasonable and sustainable information, including prospects. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since the initial recognition, the Group measures the provision for losses related to that financial instrument by an amount equivalent to the expected credit losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

With regard to the amounts under 'Trade receivables', 'Other receivables' and 'Customer contract assets', impairment losses is calculated based on the expected credit loss, the calculation are of which results from the application of expected loss rates based on payments received in the context of sales and services rendered, over a period of 48 months before 31 December 2021, and historical credit losses.

On 31 December 2021 and 2020, the following expected credit loss rates were considered by business segment:

2021	Tecnologies	Media
Not due	0%-1.10%	0% -1.02%
1 to 60 days	0%-1.10%	0% -1.46%
60 to 90 days	0%-1.39%	0% -12.62%
90 to 180 days	0%-1.39%	0% -18.12%
180 to 360 days	0%-4.64%	0% -83.43%
More than 360 days	0%-100%	0% -100%

2020	Tecnologies	Media
Not due	0%-1.1%	0% -1.48%
1 to 60 days	0%-1.10%	0% -2.16%
60 to 90 days	0%-2.88%	0% -29.70%
90 to 180 days	0%-9.47%	0% -38.29%
180 to 360 days	0%-3.76%	0% -34.32%
More than 360 days	0%-100%	0% -100%

Regarding accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due, ii) if the balance has a low risk, or (iii) if it has a maturity of less than 12 months. In cases where the amount receivable is immediately payable and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the

receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Group only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, the Group applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

The Group prospectively estimates the estimated credit losses associated with assets at amortised cost. The methodology of impairment applied depends on whether or not there has been a significant increase in credit risk.

y) Medium Term Incentive Plans The accounting treatment of Medium Term Incentive Plans is based on IFRS 2 – 'Share-based Payments'.

Under IFRS 2, when the plans stablished by the company are liquidated through the delivery of own shares, the estimated liability is recorded as a credit in equity, against the caption 'Employee benefits expense' in the income statement. The quantification of this responsibility is based on fair value and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, is calculated based on the proportion of the vesting period that has 'elapsed' up to the respective accounting date.

For plans settled in cash, the estimated liability is recorded under the balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the income statement caption, for the cost relating to the vesting period that has 'elapsed' up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each statement of financial position date. When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount.

Equity-settled plans to be liquidated through the delivery of shares of Sonae are recorded as if they were settled in cash, which means that the estimated liability is recorded under the

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balance sheet captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the income statement caption 'Employee benefits expense'. The liability is quantified based on the fair value of the shares as of each statement of financial position date.

On 31 December 2021, the plans atributed during the years 2019, 2020 and 2021 are not covered, by the contract and so a liability at fair value was recorded. The responsibility of all plans is recorded in the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Employee benefits expense'.

#### z) Dividends distribution

The distribution of dividends to the Group's shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by its shareholders.

#### aa) Subsequent events

Events occurring after the date of the balance sheet which provide additional information about conditions prevailing at the time of the balance sheet (adjusting events) are reflected in the consolidated financial statements. Events occurring after the balance sheet date that provide information on postbalance sheet conditions (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements.

#### ab) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the years ended on 31 December 2021 and 2020 are as follows:

- (i) Useful lives of intangible assets and right of use (note 1.d) e 1.h));
- (ii) Lease term of the rights of use (note 1.h)
- (iii) Impairment of Goodwill, investments in associated companies and joint ventures and of other tangible and intangible assets (note 8 and 9);
- (iv) Financial assets impairment (note 24);
- (v) Recognition provisions and analysis of contingent liabilities (note 24);
- (vi) Recoverability of deferred tax assets (note 12);
- (vii) Recognition of contract revenue (note 30);
- (viii) Financial assets at fair value through other comprehensive income (note 1.g), 1.t) and 10) and income (note 1.g), 1.t) and 11);
- (ix) Classification of investments in the venture capital portfolio;
- (x) Entities included in the consolidation perimeter.

Estimates used are based on the best information available during the preparation of the consolidated financial statements

and are based on the best knowledge of past and present events. Although future events are neither foreseeable nor controlled by the Group, some could occur and have impact on such estimates. Changes to the estimates used by the management that occur after the approval date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors', using a prospective methodology.

## Lease term of the rights of use

The Group determines the end of the lease as the non-cancellable part of the lease term, together with any periods covered by an option to extend the lease if it is reasonably certain that it will be exercised, or any periods covered by an option to terminate the lease agreement, if it is reasonably certain that it will not be exercised.

The Group has the option, under some of its lease agreements, to rent or lease its assets for additional periods. At the beginning of the lease, Sonaecom assesses the reasonableness of exercising the option to renew the contract after the initial period. That is, it considers all the relevant factors that create an economic incentive for the exercise of the renewal. After the start date, the Group reevaluates the end of the contract if there is a significant event or changes in circumstances that are under control and affect its ability to exercise (or not exercise) the option to renew (for example, a change in strategy of business).

Based on the characteristics of the negotiated lease contracts, management assesses on the date of the negotiation of the contract whether it qualifies as a lease or a service contract.

Goodwill impairment, investments in joint ventures and associates and other tangible and intangible assets

The assessment of Goodwill impairment, investments in joint ventures and associated companies and other tangible and intangible assets involves significant judgments and estimates by Management, namely in the projection of cash flows from assets included in business plans, growth rate in perpetuity and discount rate of said cash flows. The sensitivity analysis to the variation of the assumptions in the impairment calculation is reflected in note 8 and 9.

#### Impairment of financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, Management assesses, among other factors, the duration and extent of the circumstances under which the recoverable amount of these assets may be lower than their book value. The balances of 'Trade receivables', 'Other receivables' and 'Costumer contract assets' are valued for factors such as default history, current





market conditions, and estimated prospective information by reference to the end of each reporting period, the most critical evaluation elements for the purpose of analysing estimated credit losses.

Recognition of provisions and analysis of contingent liabilities Provisions are recognized when, and only when, the Group has a present obligation (legal or implicit) resulting from a past event and it is probable that, for the resolution of that obligation, an outflow of resources will occur and that the amount of the obligation may be reasonably estimated.

The estimated contingent liabilities in each reporting period are disclosed in the notes, unless the possibility of an outflow of funds affecting future economic benefits is remote.

#### Recoverability of deferred tax assets

'Deferred tax assets' are recognized only when there are reasonable expectations of sufficient future taxable income to use these deferred tax assets. At the end of each year, a review is made of the deferred taxes recorded, as well as of the unrecognized taxes, which are reduced whenever their future use is no longer probable or recorded, provided that, and to the extent that, it becomes probable the generation of taxable profits in the future that allow their recovery.

## Tax impacts of IFRS 16 application

Considering the accounting impacts that result from the application of IFRS 16 - Leases, for a lessee, with the recognition of an asset under the right of use not typified in the tax law and the registration of a lease liability that is only taxally accepted for the payment of rents, management proceeded to recognise the respective deferred tax asset (on the lease liability) and the deferred tax liability (on the asset under direct use), on the initial and subsequent recognition date of the lease agreements. If the Tax Administration communicates a different understanding regarding the tax framework of the application of IFRS 16 or changes the tax law, the recognised deferred taxes may have to be revised / changed.

#### Recognition of contract revenue

In the recognition of revenue on the basis of the percentage of completion, the management reviews, at each reporting date, the total estimated costs, which correspond to the best estimate of the costs associated with the provision of the construction service and / or until its completion. Where there are significant deviations in the performance of the contract that are not associated with changes that result in the right to additional revenue as agreed with the customer, the management reviews the percentage of completion and the margin associated with the contract, according to its best estimate, and may result in the recording of a provision (onerous contract) (note 1.s)).

Financial assets at fair value through profit or loss and other comprehensive income

In the absence of a market quotation, the fair value of financial instruments is determined based on the use of prices from recent, similar transactions carried out under market conditions, or based on valuation techniques settled on discounted cash flow methods or on multiples of market transactions. These methodologies may require the use of assumptions or judgments in determining fair value.

The use of different methodologies and different assumptions or judgments in the application of a certain model could lead to changes in the values of assets in the financial statements.

Classification of investments in venture capital portfolio In the classification of investments, the Group determines whether the objective of the investment is to make financial means available to the investees, with a return via medium to long-term capital gain and evaluates whether, based on contracts and agreements, it has the capacity to influence decisions and policies of its investees.

Different judgments in relation to these matters could lead to investments being classified and measured differently, with a direct impact on the consolidated financial statements.

#### Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in returns from its involvement with that entity and can take possession of them through the power it holds over this entity.

The Group controls an entity even if it does not hold the majority of its voting rights when, by virtue of the voting rights held, agreements entered into, regulations or others, it has the practical capacity to direct the entity's relevant activities and is exposed to variable returns.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power. Other assumptions and estimates could cause the Group's consolidation perimeter to be different, with a direct impact on the consolidated financial statements.

The remaining judgments and estimates are described in the corresponding notes, when applicable.

# ac) Financial risk management

Due to its activities, the Group is exposed to a variety of financial risks such as market risk, liquidity risk and credit risk.





These risks arise from the unpredictability of financial markets, which affect the capacity of project cash flows and profits. The Group financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, whenever it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.n)).

The Group is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

#### Market risk

## a) Foreign exchange risk

The Group operates internationally, having subsidiaries that operate in countries with a different currency than Euro namely United Kingdom and Mexico. The Group also holds financial assets measured at fair value relating to equity interests in companies located in countries with currencies other than the euro. Therefore, the Group is exposed to exchange rate risk.

The exchange rate risk management policy seeks to minimize the volatility of investments and operations expressed in foreign currency, contributing to a lower sensitivity of the Group's results to exchange rate fluctuations.

Whenever possible, the Group uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such a procedure is not possible, the Group adopts derivative financial hedging instruments (note 1.n).

The Group's exposure to foreign exchange rate risk, results essentially from the fact that some of its subsidiaries report in a currency different from euro, making the risk of operational activity immaterial.

The amount of assets and liabilities (in Euro) belonging to the Group and recorded in a different currency is as follows:

		Assets		
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Australian Dollar	-	19	-	-
Brazilian Real	-	-	-	768
Canadian Dollar	1,626,295	1,530,250	-	-
Swiss Franc	-	-	-	3
Pounds Sterling	24,891,418	7,741,002	399,870	2,967
Mexican Peso	-	479,745	1,668	420,834
Mozambique Metical	7,241	7,052	-	-
American Dollar	116,469,377	78,745,230	1,157,197	894,315

The Group's sensitivity to the variations of the exchange rate is as follows (increases/(decreases)):

			2021		2020
	Change in		Shareholders'		Shareholders'
	exchange rates	Income	funds	Income	funds
Australian Dollar	5%	-	-	1	-
Brazilian Real	5%	-	-	(38)	-
Canadian Dollar	5%	81.315	-	76.513	-
Swiss Franc	5%	-	-	(0)	-
Pounds Sterling	5%	1.224.577	326	386.902	521
Mexican Peso	5%	(83)	-	2.946	(287.555)
Mozambique Metical	5%	362	-	353	-
American Dollar	5%	5.765.609	-	3.892.546	-
		7.071.780	326	4.359.221	(287.034)

#### b) Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group results or on its Shareholders' funds is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility to use derivative financial instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth having the latter a positive effect in other lines of the Group's consolidated results (particularly operational), and in this way partially offsetting the increase of financial costs ('natural hedge'); and (iv) the existence of liquidity alone or consolidated liquidity which is also bearing interest at a variable rate.

The Group only uses derivatives or similar transactions to hedge interest rate risks considered significant.

Three main principles are followed in all instruments selected and used to hedge interest rate risk:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to hedging must equalise the settlement dates defined under the hedging instrument;
- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility/transaction which is being hedged;
- As from the start of the transaction, the maximum cost
  of the debt, resulting from the hedging operation is
  known and limited, even in scenarios of extreme
  changes in market interest rates, so that the resulting
  rates are within the cost of the funds considered in the
  Group's business plan.

As all Sonaecom's borrowings (note 22) are at variable rates, interest rate are used swaps and other derivatives, when it is deemed necessary, to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with third parties (banks) to exchange, in pre-





determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Group's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Group uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are not considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge are recognised under statement financial position and changes in the fair value of such derivatives are recognised directly in the income statement for the year.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Group, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed / variable).

Under the policy defined above, the Board of Directors is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2021 and 2020, there are not any contracted derivatives of interest rate hedging.

#### c) Price Risk

The Group is exposed to price risk arising from the value of assets at fair value through profit or loss and other comprehensive income (shown in notes 10 and 11). These investments are generally made taking into account strategic objectives. To manage the price risk of these investments in equity instruments, the Group diversifies its portfolio.

## Liquidity risk

The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, i.e. to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, i.e., to ensure companies maximises the value / minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- (ii) Consolidated management of liquidity the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level; and
- (iii) Applications in the market.

Investment using the market is limited to contracting operations with eligible counterparties, that is, that comply with certain rating notations previously defined by the Board of Directors, and limited to certain maximum amounts per counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The amount related to 'Loans', 'Trade payables', 'Other payables' and other financial liabilities, represents the Group's maximum exposure to liquidity risk.





Taking into account the low value of the liabilities and the high value of the cash and cash equivalents of the Group is understood that the liquidity risk is very low.

#### Credit risk

The Group's exposure to credit risk is mainly associated to the accounts receivable arising from its operating activities, treasury applications and supplies to other non-current assets.

#### (i) Cash and cash equivalents

Sonaecom Group holds financial assets arising from its relationship with financial institutions. There is a credit risk associated with the potential pecuniary default of the Financial Institutions that are counterparts in these relationships. However, in general, the exposure related to this type of financial assets is widely diversified and of limited duration in time.

Credit risk associated with relationships with financial institutions is limited by the management of risk concentration and a rigorous selection of counterparties with a high prestige and national and international recognition and based on their respective ratings, taking into account the nature, maturity and size of operations.

## (ii) Loans granted to related parties

There are no impairment losses for Loans granted to related parties.

Loans granted to related parties are considered to have low credit risk and, therefore, impairment losses recognised during the year are limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term (note 13).

# (iii) Trade receivables and Other receivables

To measure the expected credit losses, the unpaid amounts and contractual assets were grouped based on the common credit risk characteristics and the days of late payment. Contract assets refer to unbilled work in progress and have substantially the same risk characteristics as accounts receivable for the same types of contracts. The Group therefore concluded that the expected loss rates for trade accounts receivable are a reasonable approximation of the loss rates on the contractual assets. The expected loss rates are based on the sales payment profiles over a period of 48 months (4 years) before 31 December 2021, and the corresponding historical credit losses verified during this period. Historical loss rates are adjusted to reflect current and prospective

information on macroeconomic factors that affect customers' ability to settle outstanding amounts.

As such, the impairment losses on 31 December 2021 was determined taking into account these assumptions of IFRS 9, as detailed (note 15).

The Group uses credit rating agencies and has specific departments for credit control, collection and management of litigation processes, as well as credit insurance, which help to mitigate this risk. The purpose of managing this risk is to guarantee the effective collection of its credits within the established deadlines without affecting the Group's financial balance.

Considering the aforementioned policies, the Board of Directors does not foresee the possibility of any occurrence of any material breach of contractual obligations.

The amounts related to 'Cash and cash equivalents', 'Other non current assets' (supplies), 'Trade receivables' and 'Other receivables' presented in the financial statements, which are net of impairment, represent the maximum exposure of the Group to credit risk.

#### Capital risk

Sonaecom's capital structure, determined by the ratio of equity and net debt, is managed in a way that ensures the continuity and development of its operating activities, maximises shareholder's returns and optimises the cost of financing.

Risks, opportunities and necessary adjustment measures in order to achieve the referred objectives are periodically monotirised by Sonaecom.

In December 2021, Sonaecom presented an average accounting gearing, obtained by the ratio of the average net debt of the year by the average of the equity of the year, negative of 20.7% (negative of 21.5% in 2020). Average gearing in market values in 2021 was negative by 46% (negative of 48.7% in 2020).





#### ad) Restatement of consolidated financial statements

## Disclosure of Digitmarket's impacts

On 31 december of 2021, effective on 30 of June 2021, Digitmarket – Sistemas de Informação, S.A. was alienated to Claranet Portugal, S.A. (Note 3.c). Digitmarket was classified, for the purpose of presentation, as a discontinued operacional unit.

According to IFRS 5, changes were made to the Consolidated Income Statements by nature for the year ended December 31, 2020 to reflect a single item ('Net income for the year from discontinued operations'), on the face of the income statement, the after-tax profit or loss of discontinued operations.

The impacts of restatement of the consolidated accounts in accordance with the changes mencionated above for the year ended on 31 december of 2020 can be summarized as fallow:

(Amounts expressed in Euro)	December 2020 (reported)	Restatement of Digitmarket's contribution to discontinued units	December 2020 (restated)
INCOME STATEMENT			
Total Revenues	132,258,137	(59,460,609)	72,797,528
Cost of sales	(66,669,523)	52,569,668	(14,099,855)
External supplies and services	(22,457,967)	2,617,519	(19,840,448)
Employee benefits expense	(46,400,159)	3,242,288	(43,157,871)
Depreciation and amortisation	(8,885,581)	321,482	(8,564,099)
Provisions	(93,293)	-	(93,293)
Impairment losses	(143,241)	50,113	(93,128)
Other expenses	(371,281)	7,275	(364,006)
Financial expenses	(3,553,917)	38,446	(3,515,471)
Financial income	2,920,559	(14,351)	2,906,208
Gains and losses in joint ventures and associated companies (note 9)	46,031,392	-	46,031,392
Gains and losses on assets at fair value through profit or loss (note 11)	21,626,448	-	21,626,448
Income taxation	4,457,255	157,643	4,614,898
Consolidated net income/(loss) for the period of continued operations	58,718,829	(470,526)	58,248,303
Consolidated net income/(loss) for the period of discontinued operations	-	470,526	470,526
Non-controlling interests	(1,407,061)	(117,631)	(1,524,692)
Non-controlling interests (discontinued operations)		117,631	117,631





# 2. 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 on 31 December 2021 and 2020, are as follows:

Percentage of share capital held Company (Commercial brand) SONAECOM, S.G.P.S., S.A. ('Sonaecom') Maia Management of shareholdings Research, development and commercialization of projects and service solutions in the area of information technology, Bright Developement Studio, S.A. ('Bright') 100% 100% 100% 100% Lisbon Sonae IM communications and retail, and consulting activities for business and management. Realization of investment in venture capital, management of Bright Ventures Capital, SCR, S.A. Lishon Bright 100% 100% 100% 100% venture capital funds and investment in venture capital fund units. Development of management platforms and commercialisation of Digitmarket – Sistemas de Informação, S.A. ('Digitmarket' – products, services and information, with the internet as its main Alienated 75% 75% using the brand 'Bizdirect') (a) Excellium assist enterprises to perform business and risk Excellium Group, S.A. ('Excellium') assessments, define security policies and procedures, respond to 59% 59% 59% 59% Contern security incidents and deliver computer forensics services. Provide services within the IT and cibersecurity domain mainly to Excellium Services, S.A. ('Excellium Services') Contern Excellium 100% 59% 100% 59% Luxembourgish institutions, banks and insurance companies Provide services within the IT and cibersecurity domain mainly to Excellium Services Belgium, S.A. ('Excellium Services Belgium') Wavre 59% Excellium 100% 100% 59% Belgium institutions, banks and insurance companies. Excellium Factory SARL ('Excellium Factory') (b) Raouad-Ariana Vehicle for the Excellium product development in Africa Excellium Liquidated 80% 47% Industry and trade of electronic equipment and software; development, installation, implementation, training and Inovretail, S.A. Oporto maintenance of systems and software products; rental equipment, 100% 100% 100% 100% Sonae IM sale of software use license; consulting business, advisory in retail  $% \frac{1}{2}\left( \frac{1}{2}\right) =\frac{1}{2}\left( \frac{1}{2}\right) +\frac{1}{2}\left( \frac{1}{2}\right)$ segments, industry and services. Industry and trade of electronic equipment and software development, installation, implementation, training and Inovretail España, SL ('Inovretail España') Madrid maintenance of systems and software products; rental equipment, 100% 100% sale of software use license; consulting business, advisory in retail segments, industry and services. Fundo Bright Vector I ('Bright Vector I') (c) Lisbon Venture Capital Fund Sonae IM 50% 50% 50% 50% Sonae IM 10% 10% 10% 10% Fundo Bright Tech Innovation I - ('Bright Tech Innovation I') (c) Maia Venture Capital Fund 10% 50% 10% 50% Bright PCI 10% 10% SPAR 10% Rendering of engineering and IT consulting services specializing in 81% Mxtel, S.A. de CV (Mxtel) (d) Mexico City information security and management of telecommunications S21 Sec Gestion Liquidated 100% Editing, composition and publication of periodical and non-periodical 100% PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ') Maia Sonaecom 100% 100% 100% material and the exploration of radio and TV stations and studios. Rendering of consultancy services in the area of information Praesidium Services Limited ('Praesidium Services') (e) Berkshire Sonae IM 100% 100% 100% 100% Editing, composition and publication of periodical and non-periodical Sonaecom Público - Comunicação Social, S.A. ('Público') Oporto 100% 100% 100% 100% Commercialization of products and management services. S21Sec Portugal Cybersecurity Services, S.A.('S21 Sec 100% 81% 100% 81% Maia S21 Sec Gestion implementation and consulting in information systems and Portugal') Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems S21 Sec Gestion, S.A. ('S21 Sec Gestion') Guipuzcoa 81% Purchase and installation of advanced communications and security systems produced by others

<sup>\*</sup> Sonaecom effective participation

 $<sup>(</sup>a) \ On \ 16 \ July \ 2021, Sonae \ IM \ sold \ the \ entire \ share \ capital \ and \ voting \ rights \ of \ Digitmark et \ Sistemas \ de \ Informação \ S.A.$ 

<sup>(</sup>b) On June 2021, the liquidation process of subsidiary Excellium Factory was completed.

<sup>(</sup>c) The venture capital funds Fundo Bright Vector I and Fundo Bright Tech Innovation I have Bright Ventures Capital SCR as their management company, which performs their operational management.

<sup>(</sup>d) On December 2021, the liquidation process of subsidiary Mxtel was completed.

<sup>(</sup>e) Company exempt from audit of financial accounts for the year ended at 31 December 2021 under local law (479 A of companies ACT 2006 relating to subsidiary companies)





					2021		2020
Company (Commercial brand)	Head office	Main activity	Shareholder	Direct	Effective*	Direct	Effective*
Subsidiaries							
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 Gestion	100%	81%	100%	81%
S21 Sec, S.A. de CV ('S21 Sec, S.A. de CV') (f)	Mexico City	Computer consulting services	S21 Sec Gestion S21 Sec Labs	Alienated	i	99.9996% 0.0004%	81%
Maxive – Cybersecurity , SGPS, S.A. ('Maxive')	Maia	Management of shareholdings.	Sonae IM	100%	100%	100%	100%
Maxive CyberSecurity - Permanent Establishment in UK ('Maxive Uk')	London	Management of financial investments	Maxive	100%	100%	100%	100%
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. ('SonaelM')	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%
* Consocom offective porticipation							

<sup>\*</sup> Sonaecom effective participation

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'.

# 3. Changes in the Group

During the years ended on 31 December 2021 and 2020, the following changes occurred in the composition of the Group:

# a) Acquisitions

Participant	Participated	Date
2021		
Bright Vector I	Automaise, S.A. ('Automaise') (note 11) - increase	Jan-21
Sonae IM	Sellforte Solutions Oy ('Sellforte') (note 11)	Feb-21
Sonae IM	Aryaka Networks ('Aryaka') (note 11)	Apr-21
Sonae IM	Portainer.io Limited ('Portainer') (note 11)	Apr-21
Bright Vector I	Habit Analytics PT, Lda (note 11) - increase	Jul-21
Bright Vector I	Taikai, S.A. ('Taikai') (note 11)	Aug-21
Bright Tech Innovation I	Reckon.AI, S.A. ('Reckon.AI') (note 11)	Aug-21
Sonae IM	Citcon Limited ('Citcon') (note 11)	Aug-21
Sonae IM	Jscrambler, S.A. ('Jscrambler') (note 11) - increase	Sep-21
Sonae IM	Replai (note 11)	Sep-21
Sonae IM	Visenze PTE, Ltd ('Visenze') (note 11) - increase	Oct-21
Sonae IM	SafeBreach Ltd ('SafeBreach') (note 11)	Oct-21
Sonae IM	Ometria Ltd ('Ometria') (note 11) - increase	Nov-21

Participant	Participated	Date
2020		
Bright	Taikai, S.A. ('Taikai') (note 11) - increase	Jan-20
Sonae IM	Sales Layer Tech, S.L. ('Sales Layer') (note 11)	Mar-20
Bright Vector I	Portugate S.A. ('Replai') (note 11) - increase	Jun-20
Sonae IM	Nextail Labs Inc ('Nextail') (note 10) - increase	Jul-20
Bright Vector I	Sensei Data Lda. ('Sensei') (note 10) - conversion	Jul-20
Sonae IM	Deepfence Inc ('Deepfence') (note 10)	Sep-20
Sonae IM	IriuskRisk, S.L. ('IriuskRisk') (note 10) - increase	Sep-20
Sonae IM	Cellwize Wireless Technologies Ltd. ('Cellwise') (note 11) - conversion	Oct-20
Sonae IM	ArcticWolf Networks, Inc ('ArcticWolf') (note 11) - increase	Oct-20
Sonae IM	Weaveworks INC. ('Weaveworks') (note 11)	Nov-20
Sonae IM	Case on IT, S.L. ('Case on IT') (note 11) - conversion	Nov-20
Bright Vector I	Habit Analytics PT Lda. ('Habit Analytics PT') (note 11) - increase	Dec-20

The acquisitions described above refer to financial assets held at fair value.

<sup>(</sup>f) On 31 December 2021, S21 Sec Gestion and S21Sec Labs sold the entire share capital and voting rights of S21 Sec, S.A. de CV.





# b) Constitutions

Participant	Participated	Date
2020		
Sonae IM, Sonaecom, Bright, PCJ and Sonaecom SP	Bright Tech Innovation I	Jun-20
Maxive CyberSecurity - Permanent Establishment in UK ('Maxive Uk')	Maxive – Cybersecurity , SGPS, S.A. ('Maxive')	Dec-20

#### c) Alienations

Participated	Date
Secucloud Network GmbH ('Secucloud') (note 9)*	Apr-21
Digitmarket - Sistemas de Informação S.A ('Digitmarket') (note 40)	Jul-21
Context-Based 4 Casting (C-B4) LTD ('CB4') (note 11)**	Sep-21
Case on It, SL ('Case on It') (note 11)**	Nov-21
S21 Sec, S.A. de CV ('S21 Sec, S.A. de CV')	Dec-21
	Secucloud Network GmbH ('Secucloud') (note 9)* Digitmarket - Sistemas de Informação S.A. ('Digitmarket') (note 40) Context-Based 4 Casting (C-B4) LTD ('CB4') (note 11)** Case on It, SL ('Case on It') (note 11)**

<sup>\*</sup> Associated companie

## Effects of the alienation of subsidiaries in the consolidated financial statements

In July 2021, with effect from June 30, 2021, Digitmarket - Sistemas de Informação S.A. was sold by the amount of Euro 9,127,104 to Claranet Portugal, S.A. As a result of the sale value and the derecognition of the company Digitmarket, a capital gain of Eur 5,401,927 was recorded, as follows:

(Amounts expressed in Euro)	June 2021
Assets	
Assets derecognised	
Property, plant and equipment,intangible assets and right of use	905,739
Deferred tax assets	155,564
Other non-current assets	61,338
Inventories	198,413
Trade receivables	8,048,295
Other current assets	2,965,334
Cash and cash equivalents	7,789,491
	20,124,174
Liabilities derecognised	
Lease liabilities	(830,923)
Provisions	(12,661)
Trade payables	(8,333,256)
Other current liabilities	(5,980,431)
	(15,157,271)
Total net assets derecognised	4,966,902
Total net assets of non-controlling interests derecognised	(1,241,726)
Total net assets after non-controlling interests derecognised	3,725,177
Amount received	9,127,104
Gain/ (loss) on the sale	5,401,927

The net result of discontinued operations is detailed in note 40.

In December 2021, S21 Sec S.A. de CV was sold for the amount of EUR 85,000 to Nordstern Technologies S.A. de C.V. As a result of the sale value and the derecognition of the company Sec CV, a capital gain of EUR 43,236 was recorded, as follows:

(Amounts expressed in Euro)	December 2021
Total net assets derecognised	42,528
Exchange reserves	764
Amount to received	85,000
Gain/ (loss) on the sale	43,236

<sup>\*\*</sup> Financial asset at fair value





# d) Dissolutions

Participant	Participated	Date
2021		
Excellium	Excellium Factory	Jun-21
S21 Sec Gestion	Mxtel	Dec-21
Participant	Participated	Date
2020		
S21 Sec Gestion	Inteligent Big Data, S.L. (ʿBig Data)	Nov-20

# 4. Breakdown of financial instruments

On 31 December 2021 and 2020, the breakd	own of financial i	nstruments is a	as follows:			
						2021
	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total financial assets	Others not covered by IFRS 9	Total
Non-current assets Financial assets at fair value through other comprehensive income (note 10) Financial assets at fair value through profit or loss (note 11)	:	7,998,756	- 158,924,575	7,998,756 158,924,575	-	7,998,756 158,924,575
Other non-current assets (note 13)	7,132,346	7,000,757	-	7,132,346		7,132,346
Current assets	7,132,346	7,998,756	158,924,575	174,055,677		174,055,677
Trade debtors (note 15) Other receivables (note 16)	14,484,834 6,862,803	-	-	14,484,834 6,862,803	810,323	14,484,834 7,673,126
Other current assets (note 17) Cash and cash equivalents (note 18)	4,675,324 289,333,311	-	-	4,675,324 289,333,311	8,277,324	12,952,648 289,333,311
	315,356,272	-	-	315,356,272	9,087,647	324,443,919
						2020
	Financial accets	Financial access at fair	Financial access at fair			
	Financial assets measured at amortised	Financial assets at fair value through other	Financial assets at fair value through profit or	Total financial	Others not covered by	
Non-aurrent accets	cost	comprehensive income	loss	assets	IFRS 9	Total
Non-current assets Financial assets at fair value through other comprehensive income (note 10) Financial assets at fair value through profit or loss (note 11)	-	7,299,791	92,324,063	7,299,791 92,324,063	-	7,299,791 92,324,063
Other non-current assets (note 13)	7,560,871	<u> </u>	41,829	7,602,700	<u> </u>	7,602,700
Current assets	7,560,871	7,299,791	92,365,892	107,226,554	=	107,226,554
Trade debtors (note 15)	22,616,717	-	-	22,616,717	-	22,616,717
Other receivables (note 16)	7,396,171	-	-	7,396,171	918,373	8,314,544
Other current assets (note 17) Cash and cash equivalents (note 18)	7,154,044 233,707,494	-	-	7,154,044 233,707,494	6,817,886	13,971,930 233,707,494
easir and easir equivalents (note 10)	270,874,426	=	=	270,874,426	7,736,259	278,610,685
						2021
			Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9	Total
Non-current liabilities Loans (note 22)			1,277,194	1,277,194		1,277,194
Lease liabilities (note 23)			1,277,174	1,277,174	9,579,107	9,579,107
Other non-current liabilities (note 25)			1,277,194	1,277,194	543,792 10,122,899	543,792 11,400,093
Current liabilities					10,122,099	
Loans (note 22)			2,977,614	2,977,614		2,977,614 12.065.852
Trade payables (note 26) Lease liabilities (note 23)			12,065,852	12,065,852	3,209,810	12,065,852
Other payables (note 27)			8,386,854	8,386,854	3,247,971	11,634,825
Other current liabilities (note 29)			3,107,082	3,107,082	20,348,615	23,455,697
			26,537,402	26,537,402	26,806,396	53,343,798





				2020
	Liabilities recorded at	Total financial	Others not covered	
	amortised cost	liabilities	by IFRS 9	Total
Non-current liabilities				
Loans (note 22)	2,146,527	2,146,527	-	2,146,527
Lease liabilities (note 23)	-	-	11,072,814	11,072,814
Other non-current liabilities (note 25)	62,293	62,293	201,812	264,105
	2,208,820	2,208,820	11,274,626	13,483,446
Current liabilities				
Loans (note 22)	1,546,801	1,546,801	-	1,546,801
Trade payables (note 26)	16,886,338	16,886,338	-	16,886,338
Lease liabilities (note 23)	-	-	3,408,625	3,408,625
Other payables (note 27)	4,447,090	4,447,090	5,192,167	9,639,257
Other current liabilities (note 29)	7,625,654	7,625,654	22,338,237	29,963,891
	30,505,883	30,505,883	30,939,029	61,444,912

Considering the nature of the balances, the amounts to be paid and received to/from 'State and other public entities' as well as specialised costs related to the share based plans were considered outside the scope of IFRS 9. On the other hand, the deferred costs/profits recorded in the captions other current and non-current assets/liabilities were considered non-financial instruments. The Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument. In addition, other financial assets and other current financial liabilities correspond to assets and liabilities measured at amortised cost that will be satisfied in the short term.

# 5. Property, plant and equipment

The changes in Property, plant and equipment and in the corresponding accumulated depreciation and impairment losses in the years ended on 31 December 2021 and 2020 was as follows:

							2021
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
Gross assets							
Balance at 31 December 2020	2,622,852	11,288,192	313,634	7,202,922	451,502	189,785	22,068,887
Additions	33,583	132,628	-	163,124	1,678	214,662	545,675
Disposals		(2,228)	-	(55,307)	(1,167)		(58,702)
Effect of currency translation	6	1,119	-	5,612	23		6,760
Transfers and write-offs	55,879	232,221	-	(84,659)	(658)	(265,871)	(63,088)
Perimeter variations	(125,592)	(26,907)	-	(255,780)	(11,449)	-	(419,728)
Balance at 31 December 2021	2,586,728	11,625,025	313,634	6,975,912	439,929	138,576	22,079,804
Accumulated depreciation and impairment losses							
Balance at 31 December 2020	1,854,536	11,012,604	301,674	6,424,249	441,416		20,034,479
Depreciation and impairment for the year	56,418	265,439	6,463	253,422	5,409	-	587,151
Depreciation of discontinued operations	5,020	366	-	11,370	811		17,567
Disposals	-	(2,104)	-	(42,418)	(1,167)	-	(45,689)
Effect of currency translation	-	808	-	3,799	17		4,624
Transfers and write-offs	(3,577)	(13,019)	-	(100,681)	(562)	-	(117,839)
Perimeter variations	(91,657)	(19,779)	-	(194,290)	(8,866)	-	(314,592)
Balance at 31 December 2021	1,820,740	11,244,315	308,137	6,355,451	437,058	-	20,165,701
Net value	765,988	380,710	5,497	620,461	2,871	138,576	1,914,103

							2020
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
Gross assets							
Balance at 31 December 2019	2,581,037	11,053,117	373,649	7,158,792	459,119	59,789	21,685,503
Additions	29,213	239,127	-	169,584	138	249,196	687,258
Disposals	-	(3,150)	(44,958)	(142,492)	(7,629)	-	(198,229)
Effect of currency translation	(48)	(3,624)		(26,829)	(126)	-	(30,627)
Transfers and write-offs	12,650	2,722	(15,057)	43,867	-	(119,200)	(75,018)
Balance at 31 December 2020	2,622,852	11,288,192	313,634	7,202,922	451,502	189,785	22,068,887
Accumulated depreciation and impairment losses							
Balance at 31 December 2019	1,789,836	10,686,797	354,678	6,343,261	370,875	-	19,545,447
Depreciation and impairment for the year	54,681	284,559	7,011	293,268	7,237	-	646,756
Depreciation of discontinued operations	10,021	526		22,246	1,774	-	34,567
Disposals	-	(3,082)	(44,958)	(123,549)	(7,639)	-	(179,228)
Effect of currency translation	(3)	(3,265)		(17,406)	(56)	-	(20,730)
Transfers and write-offs	1	47,069	(15,057)	(93,571)	69,225	-	7,667
Balance at 31 December 2020	1,854,536	11,012,604	301,674	6,424,249	441,416	-	20,034,479
Net value	768,316	275,588	11,960	778,673	10,086	189,785	2,034,408





Depreciation, amortisation and impairment losses for the year ended on 31 December 2021 and 2020 can be detailed as follows:

	2021	2020 (restated)
	Total	Total
Tangible assets	587,151	646,756
Intangible assets (note 6)	3,810,572	5,105,860
Right of Usel (note 7)	2,807,173	2,811,483
	7,204,896	8,564,099

On 31 December 2021 and 2020, the caption 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained.

The caption'Tangible assets in progress' on 31 December 2021 and 2020 can be decomposed as follows:

	2021	2020
Information systems / IT equipment	65,565	130,674
Other projects in progress	73,011	59,111
	138,576	189,785

During the year ended on 31 December 2021 and 2020, there are no commitments to third parties relating to investments to be made.

# 6. Intangible assets

In the years ended on 31 December 2021 and 2020, the changes occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, were as follows:

							2021
	Brands and patents and other rights	Software	Other intangible assets	Intangible assets in progress	Internally generated assets - Software	Internally generated assets - Intangible assets in progress	Total
Gross assets							
Balance at 31 December 2020	7,613,838	11,475,363	-	516,188	42,476,482	1,570,784	63,652,655
Additions	30,240	380,705	-	557,860	-	2,164,983	3,133,788
Effect of currency translation	-	1,144	-	-	-	-	1,144
Transfers and write-offs	985	1,648,759	-	(746,481)	(14,333,094)	(3,166,278)	(16,596,109)
Perimeter variations	(45,865)	(696,934)		(4,310)	(1,163,935)		(1,911,044)
Balance at 31 December 2021	7,599,198	12,809,037	-	323,257	26,979,453	569,489	48,280,434
Accumulated amortisation and impairment losses							
Balance at 31 December 2020	5,854,338	11,000,123	-	-	38,557,284	-	55,411,745
Amortisation and impairment for the year (note 5)	1,760,537 177	563,217 22,117	-	-	1,486,818	-	3,810,572 22,294
Amortisation and impairment of discontinued operations	1//		-	-	-	-	
Effect of currency translation Transfers and write-offs	-	695	-	-	(1/, 400, 774)	-	695
Perimeter variations	(44.010)	(21,646) (654,670)	-	-	(16,488,774) (1,163,935)	-	(16,510,420) (1,863,515)
Balance at 31 December 2021	(44,910)	10,909,836			22.391.393		40.871.371
Net value	29.056	1,899,201		323,257	4,588,060	569.489	7,409,063
Net value	27,030	1,077,201		323,237	4,300,000	307,407	7,407,003
							2020
	Brands and patents and other rights	Software	Other intangible assets	Intangible assets in progress	Internally generated assets - Software	Internally generated assets - Intangible assets	Total
Gross assets						in progress	
Balance at 31 December 2019						in progress	
Balance at 31 December 2017	7,624,052	12,214,311	10,243	681,071	40,960,169	1,354,235	62,844,081
Additions	7,624,052 4,932	12,214,311 167,955	10,243	681,071 689,028	40,960,169 408,339		62,844,081 3,348,473
			10,243			1,354,235	
Additions		167,955	10,243 - - -	689,028		1,354,235	3,348,473
Additions Effect of currency translation	4,932	167,955	10,243 - - - (10,243)	689,028	408,339	1,354,235	3,348,473 (3,700)
Additions Effect of currency translation Disposals	4,932	167,955 (3,700)	-	689,028	408,339 - (2,488,766)	1,354,235 2,078,219 -	3,348,473 (3,700) (2,503,912)
Additions Effect of currency translation Disposals Transfers and write-offs	4,932 - (15,146)	167,955 (3,700) - (903,203)	- - (10,243)	689,028 - - (853,911)	408,339 - (2,488,766) 3,596,740	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287)
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020	4,932 - (15,146)	167,955 (3,700) - (903,203)	- - (10,243)	689,028 - - (853,911)	408,339 - (2,488,766) 3,596,740	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287)
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019	4,932 (15,146) - 7,613,838	167,955 (3,700) - (903,203) 11,475,363	(10,243)	689,028 - - (853,911)	408,339 (2,488,766) 3,596,740 42,476,482	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5)	4,932 (15,146) 7,613,838 3,710,683	167,955 (3,700) - (903,203) 11,475,363	(10,243)	689,028 - - (853,911)	(2,488,760) 3,596,740 42,476,482 37,478,230	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5) Amortisation and impairment of descontinued operations (note 3 c)	4,932 (15,146) 7,613,838 3,710,683 2,175,955	167,955 (3,700) (903,203) 11,475,363 11,139,803 11,179,242 47,505	(10,243)	689,028 - - (853,911)	(2,488,760) 3,596,740 42,476,482 37,478,230	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655 52,376,461 5,105,860 47,860
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5) Amortisation and impairment of descontinued operations (note 3.c) Effect of currency translation	4,932 (15,146) 7,613,838 3,710,683 2,175,955 355	167,955 (3,700) (903,203) 11,475,363 11,139,803 1,179,242	(10,243)	689,028 - - (853,911)	408,339 (2,488,766) 3,596,740 42,476,482 37,478,230 1,750,663	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655 52,376,461 5,105,860 47,860 (3,160)
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5) Amortisation and impairment of descontinued operations (note 3 c)	4,932 (15,146) 7,613,838 3,710,683 2,175,955 355 (12,662)	167,955 (3,700) (903,203) 11,475,363 11,139,803 1,179,242 47,505 (3,160)	(10.243) 47.745	689,028 - - (853,911)	408,339 (2,488,766) 3,596,740 42,476,482 37,478,230 1,750,663	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655 52,376,461 5,105,860 47,860 (3,160) (2,003,871)
Additions Effect of currency translation Disposals Transfers and write-offs Balance at al December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5) Amortisation and impairment of descontinued operations (note 3 c) Effect of currency translation Disposals Transfers and write-offs	4,932 (15,146) 7,613,838 3,710,683 2,175,955 355 (12,662) (19,993)	167,955 (3,700) (903,203) 11,475,363 11,139,803 1,179,242 47,505 (3,160) (1,363,268)	(10,243)	689,028 - - (853,911)	408,339 (2,488,766) 3,596,740 42,476,482 37,478,230 1,750,663 (1,991,209) 1,319,600	1,354,235 2,078,219 - (1,861,670)	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655 52,376,461 5,105,860 47,860 (3,160) (2,003,871) (111,406)
Additions Effect of currency translation Disposals Transfers and write-offs Balance at 31 December 2020 Accumulated amortisation and impairment losses Balance at 31 December 2019 Amortisation and impairment for the year (note 5) Amortisation and impairment of descontinued operations (note 3.c) Effect of currency translation Disposals	4,932 (15,146) 7,613,838 3,710,683 2,175,955 355 (12,662)	167,955 (3,700) (903,203) 11,475,363 11,139,803 1,179,242 47,505 (3,160)	(10.243) 47.745 - - - (47.745)	689,028 - - (853,911)	408,339 (2,488,766) 3,596,740 42,476,482 37,478,230 1,750,663	1,354,235 2,078,219 - (1,861,670) 1,570,784	3,348,473 (3,700) (2,503,912) (32,287) 63,652,655 52,376,461 5,105,860 47,860 (3,160) (2,003,871)





On 31 december 2021, write-offs in gross assets and amortizations include EUR 16,748,823 related to the Bitacora Software.

On 31 December 2021 and 2020, the additions related with intangible assets in progress include about EUR 2 million of capitalisations of personnel costs related to own work (note 43), mainly related to IT software development projects.

On 31 December 2020, the disposals of year are related to the sale of the LDM Software.

The assessment of impairment for the main tangible and intangible assets, in the various segments, is carried out as described in note 8 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analysed separately.

The sensitivity analysis made, required in the IAS 36 - Impairment of Assets, have not lead to material changes of the amounts to be recovered.

# 7. Rights of use

For the years ended on 31 December 2021 and 2020, the changes occurred in the value of the rights of use, as well as its depreciations and amortisations, were as detailed below:

					2021
	Land, Buildings and other constructions	Equipament	Vehicles	Software	Total
Gross assets					
Balance at 31 December 2020	10,803,406	1,333,145	5,337,417	392,303	17,866,271
Additions	1,942,666	-	1,165,657	40,186	3,148,509
Disposals	-	(5,652)	-	-	(5,652)
Effect of currency translation	5,425	2,334	2,215	-	9,974
Transfers and write-offs	(1,914,909)	(85,709)	(1,676,131)	34,122	(3,642,627)
Perimeter variations	(758,513)	(44,833)	(649,693)	-	(1,453,039)
Balance at 31 December 2021	10,078,075	1,199,285	4,179,465	466,611	15,923,436
Accumulated amortisation, depreciation and impairment losses					
Balance at 31 December 2020	3,126,569	635,726	3,207,285	287,014	7,256,594
Amortisation depreciation for the year (note 5)	1,450,118	311,739	946,908	98,408	2,807,173
Amortisation depreciation of discontinued operations (note 3.c)	51,132	-	59,365	-	110,497
Imparments	468,033	-	-	-	468,033
Effect of currency translation	5,163	1,491	784	-	7,438
Transfers and write-offs	(1,584,665)	(86,175)	(1,580,972)	(73)	(3,251,885)
Perimeter variations	(256,661)	(33,624)	(333,906)		(624,191)
Balance at 31 December 2021	3,259,689	829,157	2,299,464	385,349	6,773,659
Net value	6,818,386	370,128	1,880,001	81,262	9,149,777

					2020
	Land, Buildings and other constructions	Equipament	Vehicles	Software	Total
Gross assets					
Balance at 31 December 2019	10,208,748	1,582,637	4,849,322	392,303	17,033,010
Additions	2,063,038	388,740	1,096,542	-	3,548,320
Disposals	-	-	-	-	-
Effect of currency translation	(29,861)	(73)	(6,036)	-	(35,970)
Transfers and write-offs	(1,438,519)	(638,159)	(602,411)	-	(2,679,089)
Balance at 31 December 2020	10,803,406	1,333,145	5,337,417	392,303	17,866,271
Accumulated amortisation, depreciation and impairment losses	-				
Balance at 31 December 2019	3,063,929	963,720	2,410,811	191,091	6,629,551
Amortisation and depreciation for the year (note 5)	1,421,593	281,869	1,012,171	95,850	2,811,483
Amortisation depreciation of discontinued operations (note 3.c)	103,459	9,673	125,922		239,054
Effect of currency translation	(23,893)	(30)	(5,607)	-	(29,530)
Disposals			-		
Transfers and write-offs	(1,438,519)	(619,506)	(336,012)	73	(2,393,964)
Balance at 31 December 2020	3,126,569	635,726	3,207,285	287,014	7,256,594
Net value	7,676,837	697,419	2,130,132	105,289	10,609,677

The cash flows generated by finance leases are disclosed in note 18.

There are no restrictions or covenants imposed by the lease.





## 8. Goodwill

For the years ended on 31 December 2021 and 2020, the caption 'Goodwill' had the following composition by business area were the companies are included:

	Retail	Cybersecurity
Goodwill	1,165,721	13,355,231

At the years ended on 31 December 2021 and 2020 there were no movements in the item 'Goodwill'.

Goodwill impairment is tested annually. Impairment tests were performed on intangible assets, including Goodwill, which were to determine the recoverable amount using the discounted cash flow method. The measurement of the existence or not of impairment of the main amounts of interests in group companies recorded in the attached financial statements is made taking into account the cash generating units, based on the last business plans approved by the Group's Board of Directors made on an annual basis unless there are indications of impairment, which are prepared using cash flows projected for periods of 2 and 5 years. In the years ended on 31 December 2021 and 2020, no impairment of Goodwill was recorded.

On 31 December 2021 and 2020, the assumptions used are based on the group's various businesses and the growth in the various geographic areas where the group operates:

2021	Techn	- Media	
Assumptions	Retail	Cybersecurity	ivieura
Basis of recoverable amount	Value in use	Value in use	Value in use
Discount rate	6.25%	6% - 6.25%	7.25%
Growth rate in perpetuity	3%	3%	0.01%

2020		Technologies		Modio
Assumptions	Retail	Cybersecurity	Others	Media
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use
Discount rate	6.50%	5.5%- 9.75%	6.50%	7.25%
Growth rate in perpetuity	3%	3%	0.45%	0.01%

The average growth rate considered for the business volume in the projection period varied between 12% and 30.6% for the Technology sector (10.4% in 2020). For the Media sector, the average growth rate of turnover in the projection period considered was around 4.2% (4.05% in 2020).

The discount rates used are based on the weighted average capital costs estimated based on the segments and geographies where the companies are located. In Europe, the discount rates used are between 6% and 6.25% (between 5.5%% and 7.25% in 2020). At 2021, Group stopped having operations in Latin America (rate is used in 2020 was 9.75%).

Despite the context of uncertainty regarding the level of evolution and contagion of the virus and the economic slowdown caused by the pandemic context, as mentioned in the introductory note, with the exception of the telecommunications segment mentioned in note 9, the Group's business operations were not significantly affected. Therefore, the analysis of the impairment indices and the review of the impairment projections and tests have not lead to clearance losses, during the year ended on 31 December 2021. For the sensitivity analysis made, required in the IAS 36 - Impairment of Assets, varying the discount rate by 0.5 pp in the Media sector, by varying the discount rate by 0.5 pp and 0.5 pp in the perpetuity growth rate for the Technology sector, would not lead to material changes in the recovery amounts.





# 9. Investments in joint ventures and associated companies

The associated companies and the companies joint ventures, their head offices, percentage of ownership and value in income statement on 31 December 2021 and 2020, are as follows:

		Percentage of ownership			Value in profit and loss statement		
		31 December 2021 31 December 2020		31 December 2021	31 December 2020		
	Head Office	Direct	Total	Direct	Total	31 December 2021	31 December 2020
ZOPT, SGPS, S.A. ('ZOPT') (a)	Oporto	50.00%	50.00%	50.00%	50.00%	32,061,868	26,953,848
Unipress – Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50.00%	50.00%	50.00%	50.00%	(36,604)	(40,690
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. ('Rádio Nova')	Oporto	50.00%	50.00%	50.00%	50.00%	13,479	5,104
Intelligent Big Data, S.L. ('Big Data') (b)	Gipuzcoa	-	-	50.00%	50.00%	-	(7,151
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	Lisboa	44.33%	44.33%	44.33%	44.33%	584,335	23,047,049
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III)	Lisboa	42.80%	42.80%	42.80%	42.80%	26,542,147	(992,354
Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização (Armilar I+I)	Lisboa	38.25%	38.25%	38.25%	38.25%	3,123,548	(819,986
Secucloud Network GmbH ('Secucloud') (c)	Hamburg	-	-	27.45%	27.45%	70,511	(2,060,102
Probe.ly	Lisbon	21.21%	21.21%	21.21%	21.21%	(25,126)	(43,599
Suricate Solutions	Luxembourg	20.00%	11.84%	20.00%	11.84%	5,040	(10,323
Alfaros SAR	Tunisia	40.00%	23.68%	40.00%	23.68%	9,432	(404
Total (note 35)						62,348,630	46,031,392

<sup>(</sup>a) Includes the incorporation of the results of the subsidiaries in proportion to the capital held.

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

During the years ended on 31 December 2021 and 2020, the changes occurred in investments in joint ventures and associated companies, were as follows:

	31 December 2021			021 31 Dec		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in joint ventures and associated companies						
Balance at 1 January	717,149,570	90,646,090	807,795,660	696,690,312	92,566,110	789,256,422
Equity method						
Effect on gains and losses (note 35)	62,348,630		62,348,630	52,948,639	(1,920,020)	51,028,619
Effect on reserves	2,646,319		2,646,319	(6,194,949)	-	(6,194,949)
Disposals	2,499,722	(2,499,722)	-	-	-	-
Dividends (note 37)	(68,917,696)	-	(68,917,696)	(34,492)	-	(34,492)
Return of invested capital	(6,346,853)	-	(6,346,853)	-	-	-
Others	(29,844,856)	-	(29,844,856)	(26,259,940)	-	(26,259,940)
Total investment in associated companies and companies joint ventures net of impairment losses	679,534,836	88,146,368	767,681,204	717,149,570	90,646,090	807,795,660
Registered in Provisions for other liabilities and charges						
Balance at 1 January	(28,781,304)	-	(28,781,304)	(29,041,904)	-	(29,041,904)
Effect on gains and losses (note 24 and 35)	-	-	-	(4,990,076)	-	(4,990,076)
Use	-	-	-	5,251,988	-	5,251,988
Others	28,781,304		28,781,304	(1,312)	-	(1,312)
	-	-	-	(28,781,304)	-	(28,781,304)
Total investment in associated companies and companies joint ventures net of impairment losses and provisions	679,534,836	88,146,368	767,681,204	688,368,266	90,646,090	779,014,356

In the year ended 31 December 2021, the caption 'Return of invested capital' includes EUR 5,765,485 referring to the return of part of the share premium of ZOPT and EUR 581,368 referring to the return of capital invested by Armilar I+I.

<sup>(</sup>b) Company liquidated in november 2020.

<sup>(</sup>c) Participation sold in April 2021





In the year ended 31 December 2021, the Armilar Funds Regulation incorporated the contractual incentive (Incentive Scheme), payable to the Management Company. In this sense, the company started to recognize a net asset of the contractual incentive in the appropriation of Armilar's results. The accumulated value of this incentive previously recorded under 'Provisions', in the amount of EUR 28,781,304, was reclassified with effect under the caption 'Others'. This caption also includes EUR 993,041 referring to the receipt of Fundo Armilar II following the sale of a stake.

In the year ended at December 2020, the variation in 'Others' is essentially related to the receipt of Armillar II Fund in the amount of EUR 21 million, net of contractual commission (around EUR 5 million), as amortization of units held in this Fund. This amount was subject to withholding tax, being the amount actually received approximately EUR 18.9 million.

In the year ended at December 2020, the variation in 'Provisions' for other liabilities and charges in the amount of EUR 4,990,076 refers to a contractual commission (Incentive Scheme) to be paid to the management of the Funds because they have exceeded the contractually defined return barrier. The amount of EUR 5,251,988 refers to the use of the provision previously constituted for the referred contractual commission that was deducted from the receipt of the Armilar II Fund as a repayment of units held therein.

This provision amount related to the Funds on 31 december of 2020, was recorded against 'Gains and losses in joint ventures and associated companies', to be deducted in proportion to the net results of the Funds (note 24).

During the year ended on 31 December 2021, Sonaecom received the amount of EUR 68,917,696 referring to dividends from ZOPT SGPS.

In accordance with the IFRS 11, the classification of investments in companies joint ventures is determined based on the existence of an agreement that clearly demonstrate and regulate the joint control. Thus, on 31 December 2021 the Group held associated and joint ventures companies, as decomposed below.

The division by company of the amount included in the investments in associated companies and join ventures is as follows:

	31 December 2021					31 December 2020
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in companies joint ventures						
ZOPT	535,480,691	87,527,500	623,008,191	575,455,685	87,527,500	662,983,185
Unipress	368,531	321,700	690,231	405,135	321,700	726,835
SIRS	33,209		33,209	19,730	-	19,730
	535,882,431	87,849,200	623,731,631	575,880,550	87,849,200	663,729,750
Investments in associated companies						
Armilar II	76,854,019	-	76,854,019	96,578,405	-	96,578,405
Armilar III	51,583,976	-	51,583,976	31,302,286	-	31,302,286
Armilar I+I	15,362,845	-	15,362,845	16,025,832	-	16,025,832
Secucloud	-	-	-	(2,499,722)	2,499,722	-
Probe.ly	(188,397)	297,168	108,771	(163,271)	297,168	133,897
Suricate Solutions	25,993	-	25,993	20,953	-	20,953
Alfaros SARL	13,969		13,969	4,537	-	4,537
	143,652,405	297,168	143,949,573	141,269,020	2,796,890	144,065,910
Total	679,534,836	88,146,368	767,681,204	717,149,570	90,646,090	807,795,660

On the years ended on 31 december 2021 and 2020, the aggregated amounts of the main financial indicators of the entities can be resumed as follows:

(Amounts expressed in thounsand Eur	ro)							2021
								Comprehensive
Entity	% Holding	Asset	Liability	Equity	Revenue	Operational results	Net result	income
ZOPT*	50.00%	4,530,765	2,404,993	2,125,772	1,430,299	179,471	120,135	131,891
Unipress	50.00%	1,066	329	737	2,021	(69)	(73)	(73)
SIRS	50.00%	474	407	66	1,032	31	27	27
Armilar II	44.33%	265,030	36	264,993	50,067	49,914	49,914	49,914
Armilar III	42.80%	158,152	7,502	150,650	84,614	77,636	77,511	77,511
Armilar I+I	38.25%	62,770	10	62,760	22,872	22,759	22,759	22,759
Probe.ly	21.21%	568	18	550	693	(105)	(105)	(105)
Suricate Solutions	20.00%	138	156	(18)	223	73	53	53
Alfaros SARL	40.00%	33	4	29	27	21	17	17

\*The consolidated accounts audited of Group ZOPT, prepared in accordance with the International Financial Report Statements ('IFRS') as adopted by the European Union.
The value of the shareholder funds includes non-controlling interests in amount of EUR 1,022 million and at 31 December 2021 the NOS' market capitalization amount to EUR 1,757 million.





(Amounts expressed in thounsand Euro) 2020								
								Comprehensive
Entity	% Holding	Asset	Liability	Equity	Revenue	Operational results	Net result	income
ZOPT*	50.00%	4,461,460	2,252,895	2,208,565	1,367,886	141,720	99,412	81,098
Unipress	50.00%	1,235	425	810	2,069	(77)	(81)	(81)
SIRS	50.00%	415	375	39	942	19	10	10
Big Data	50.00%	0	-	0	6	5	5	5
Armilar II	44.33%	267,582	49,730	217,852	92,399	72,585	72,585	72,585
Armilar III	42.80%	83,372	10,236	73,136	2,315	(3,346)	(3,555)	(3,555)
Armilar I+I	38.25%	53,811	11,912	41,900	670	(2,690)	(2,680)	(2,680)
Secucloud	27.45%	2,553	5,578	(3,025)	3,108	(415)	(615)	(615)
Probe.ly	21.21%	774	43	730	335	(152)	(156)	(156)
Suricate Solutions	20.00%	196	128	95	88	(24)	(24)	(24)
Alfaros SARL	40.00%	10	5	15	1	(0)	(0)	(0)

<sup>\*</sup>The consolidated accounts audited of Group ZOPT, prepared in accordance with the International Financial Report Statements ("IFRS") as adopted by the European Union

Regarding the financial holdings in the Armilar II, Armilar II and Armilar I + I Venture Capital Fund, these refer to investment entities that measure their investment portfolios at fair value. The portfolios held by these entities are classified in the corresponding fair value hierarchy defined in IFRS 13 - Fair Value, as shown in the table below:

(Amounts expressed in thounsand Euro)			2021
Fair value hierarchy Level 3	Armilar II 264,887	Armilar III 158,050	Armilar I+I 61,849
(Amounts expressed in thounsand Euro)			2020
Fair value hierarchy Level 1	Armilar II 2,520	-	-
Level 3	264,817	80,445	53,132

Level 1 valuation techniques are based on prices, identified with quotations in active markets and officially quoted.

Level 3 valuation techniques, in 2021, are essentially supported by:

- (i) The business plans of the subsidiaries, in which discount rates ranging from 5% and 12% were used, revenue growth rates over the projection period (CAGR) ranging between 44% and 53% and where the terminal value was estimated by a mix of multiples applied mainly on Revenue and EBITDA. It should be noted that the implied appreciation of the investments held by the Fund results from a set of sensitivities applied to the original parameters of the Business Plans made available by the management of the Subsidiaries; and
- (ii) Market Multiples in similar transactions applied to Revenues (LTM "Last twelve months" e NTM "Next twelve months") in an interval of 11.0x to 17.6x for the sector of Information Technology.

Armilar II Fund holds a participation in Information Technology that can be framed as a level 3 share with an accounting value of approximately EUR 264 million (no change compared to 2020). At the end of the year, the company was valued using comparable market multiples of Revenues and ARR (Annual Recurring Revenue), LTM and NTM, between 11.0x and 18,1x.

Armilar III and Armilar I+I Funds include a level 3 share with an accounting value of approximately EUR 46 milion and 61 milion, respectively (EUR 40 milion and 52 milion in 2020). In this case, the valuation was made based on relevant transactions that took place in the period. Armilar III also includes a participation in the amount of approximately EUR 103 million (EUR 29 million in 2020) classified at level 3 whose valuation was calculated using as a reference a binding offer from the second half of the year, which was concluded at the beginning of 2022 on the secondary market.

Regarding the participation held in ZOPT, despite the communication made in 2020, regarding the intention to liquidate the company, in more detail ahead, the Board of Directors considers that the market price of the shares representing the share capital of NOS, SA, a

The value of the shareholder funds includes non-controlling interests in amount of Euro 1,026 million and on 31 December 2020 the NOS' market capitalization amount to Euro 1,472 million.





ZOPT subsidiary, on 31 December 2021, does not reflect their fair value. The Board of Directors considers that the company's use value represents, at the present date, the best estimate of the fair value of that company. Therefore, the assessment of the existence, or not, of impairment for the values of investments including Goodwill recorded in the attached consolidated financial statements for the telecommunications sector (ZOPT), is determined taking into account various information such as the business plan approved by the NOS Board of Directors for 5 years, whose average implicit growth rate in the operating margin amounts to 2.8% (2.9% in 2020).

	2021	2020
Assumptions	NOS SGPS	NOS SGPS
Basis of recoverable amount	Value in use	Value in use
Discount rate	5.3% - 8%	5.7% - 8.3%
Growth rate in perpetuity	1.4%	1.5%

For other business sectors, included in joint ventures companies, the assessment of whether or not impairment to the Goodwill value is determined based on the considerations presented in note 8.

The analysis of the projections and impairment tests resulted in a recoverable amount higher than the book value by around 10%. No impairment losses have been determined during the years ended on 31 December 2021 and 2020.

The sensitivity analysis made, by varying the discount rate and the growth rate in perpetuity at 0.1 p.p., would lead to a recoverable amount higher than the book value by around 6.3% and 6.7%, respectively.

The consolidated financial statements of ZOPT, on 31 December 2021 and 2020 can be resumed as follows:

#### Condensed consolidated balance sheets

Assets         Roperty, plant and equipment         1,070,660           Intangible assets         2,332,010           Rights of use         236,063           Deferred tax assets         87,544           Other non-current assets         222,604           Non-current assets         3,948,881           Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	1,023,622 2,174,673 260,097 88,936 223,453 3,770,781
Intangible assets         2,332,010           Rights of use         236,063           Deferred tax assets         87,544           Other non-current assets         222,604           Non-current assets         3,948,881           Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1           Loans obtained         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	2,174,673 260,097 88,936 223,453
Rights of use       236,063         Deferred tax assets       87,544         Other non-current assets       222,604         Non-current assets       3,948,881         Trade debtors       323,934         Cash and cash equivalents       86,299         Other current assets       171,650         Current assets       581,883         Total assets       4,530,764         Liabilities       1,275,541         Provisions for other liabilities and charges       104,542         Other non-current liabilities       134,861         Non-current liabilities       301,068         Trade creditors       280,085	260,097 88,936 223,453
Deferred tax assets         87,544           Other non-current assets         222,604           Non-current assets         3,948,881           Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	88,936 223,453
Other non-current assets         322,604           Non-current assets         3,948,881           Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	223,453
Non-current assets         3,948,881           Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         301,068           Trade creditors         280,085	
Trade debtors         323,934           Cash and cash equivalents         86,299           Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	2 770 701
Cash and cash equivalents       86,299         Other current assets       171,650         Current assets       581,883         Total assets       4,530,764         Liabilities       1,275,541         Provisions for other liabilities and charges       104,542         Other non-current liabilities       134,861         Non-current liabilities       1,514,944         Loans obtained       301,068         Trade creditors       280,085	3,770,781
Other current assets         171,650           Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Loans obtained         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         301,068           Trade creditors         280,085	290,652
Current assets         581,883           Total assets         4,530,764           Liabilities         1,275,541           Loans obtained         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	228,783
Total assets         4,530,764           Liabilities         1,275,541           Loans obtained         1,275,541           Provisions for other liabilities and charges         104,542           Other non-current liabilities         134,861           Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	171,244
Liabilities1Loans obtained1,275,541Provisions for other liabilities and charges104,542Other non-current liabilities134,861Non-current liabilities1,514,944Loans obtained301,068Trade creditors280,085	690,679
Loans obtained1,275,541Provisions for other liabilities and charges104,542Other non-current liabilities134,861Non-current liabilities1,514,944Loans obtained301,068Trade creditors280,085	4,461,460
Provisions for other liabilities and charges104,542Other non-current liabilities134,861Non-current liabilities1,514,944Loans obtained301,068Trade creditors280,085	
Other non-current liabilities134,861Non-current liabilities1,514,944Loans obtained301,068Trade creditors280,085	1,363,514
Non-current liabilities         1,514,944           Loans obtained         301,068           Trade creditors         280,085	95,371
Loans obtained 301,068 Trade creditors 280,085	65,353
Trade creditors 280,085	1,524,238
	167,126
	252,654
Other current liabilities 308,895	308,877
Current liabilities 890,048	728,657
Total liabilities 2,404,992	2,252,895
Shareholders' funds excluding non-controlling interests 1,103,571	1,182,821
Non-controlling interests 1,022,201	1,025,744
Total Shareholders' funds 2,125,772	2,208,565
Total Shareholders' funds and liabilities 4,530,764	2,200,505





#### Condensed consolidated statements of income by nature

(Amounts expressed in thousands of Euro)	December 2021	December 2020
Total revenue	1,430,299	1,367,886
Costs and losses		
Direct costs and External supplies and services	(476,507)	(449,424)
Depreciation, amortisation and impairment losses	(428,523)	(418,904)
Other operating costs	(345,798)	(357,838)
	(1,250,828)	(1,226,166)
Gains/(losses) in associated companies	(14,191)	(5,541)
Financial results	(36,623)	(26,633)
Income taxation	(8,522)	(16,541)
Consolidated net income/(loss) for the year	120,135	93,005
Consolidated net income/(loss) for the year of discontinued operations		6,407
Consolidated net income/(loss) for the year attributed to non-controlling interests	57,388	47,079
Attributed to shareholders of parent company	62,747	52,333

The value on the income statement related to ZOPT results from net income of NOS, the net income of ZOPT and the impact on results of the process of allocating the fair value to the assets and liabilities acquired by ZOPT.

The consolidated financial statements of ZOPT have exposure to the African market, particularly through financial holdings that Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The net book value of the African associates in the financial statements of ZOPT on 31 December 2021 amounts to approximately EUR 44 million (EUR 43 million in 2020).

Impairment tests were carried out for those assets, considering the business plans approved by the Board of Directors for a period of 5 years, with average revenue growth rates of 2.7% in Angola and 4.7% in Mozambique (9.7% and 4.7% in 2020, respectively). The business plans also consider a perpetuity growth rate of 7% in Angola and 6% Mozambique (6% in Angola and Mozambique in 2020) and a discount rate ("WACC") in the perpetuity of 14.4% in Angola and 14.3% in Mozambique (17.10% and 20.30% in 2020, respectively).

The impairment tests carried out, based on the assumptions identified above, led to a reversal of impairment losses (in the ZOPT financial statements) of EUR 14.9 million (about EUR 6.5 million of impairment reversal in 2020).

Regarding 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.

In January 2022, the Public Ministry (MP) with the National Service for the Recovery of Assets of the PGR, on behalf of the Angolan State, requested, in the Country Court of Luanda, i) the replacement of the current trustees of Finstar and ZAP companies Media (current Boards of Directors of the companies) by the Ministry of Telecommunications, Information Technologies and Social Communication (MTTICS), as well as, ii) the disqualification of Isabel dos Santos' right to vote, requests that the Court deferred. We await the final decision and the developments of this decision, in order to understand the impacts on the management of the business, being is currently a conviction of the Board of Directors of NOS - based on the statements that have been made by the new trustee, o MTTICS — that the activity of companies will continue to develop normally.

On 4 April 2020, Sonaecom, SGPS, SA, helder of 50% of the capital of ZOPT was informed by this company of the communication received from the Central Criminal Ivestigation Court of Lisbon (hereinafter Tribunal) to proceed to the preventive seizure of 26.075% of the share capital of NOS, SGPS, SA, 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 Eng<sup>a</sup> Isabel dos Santos. Under the terms of the aforementioned decision, the foreclosed shares are deprived of the exercise of voting rights and the right to receive dividends, the latter of which must be deposited with Caixa Geral de Depósitos, S.A. at the court's discretion.





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 Sonaecom - was not subject to seizure, nor the rights attached to it were subject to any limitation.

It is the understanding of the Boards of Directors of ZOPT and Sonaecom that the seizure measure enacted is illegitimate and offends several fundamental rights of ZOPT - third in relation to the enacted seizure -, having no legal basis, and is not 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, a deprivation that is understood for that reason, to be null and of no effect. In this regard, ZOPT has deducted third party embargoes.

On 12 June 2020, ZOPT was authorized by the Lisbon Central Criminal Investigation Court 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 Sonaecom consider that the conditions of control of ZOPT over NOS are met, and the measure does not have material effects on the control of this company.

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

In November 2021, the Investigating Judge, aware of the cause's merit, dismissed the third-party embargoes presented by ZOPT, a decision that, according to ZOPT, was appealed to the Court of Appeal. Further developments are awaited.

At 19 August of 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.

During the years 2020 and 2021, ZOPT was notified of a series of court decisions that affect the ZOPT shares held by Kento and Unitel International Holdings and the respective right to receive dividends, namely the following: (i) preventive arrest in case n° 210/20.4TELSB of Central Criminal Investigation Court, Single Section, upon 32.65% of the capital of ZOPT held by Unitel International Holdings and 124,234,675 shares of ZOPT held by Kento with deprivation of the exercise of the right to vote and the right to receive dividends; (ii) the arrest decreed in case n° 14012/20.4T8PRT, of Judge 6 of the Central Civil Court of Póvoa de Varzim, on the ZOPT shares held by Unitel International Holdigs, with all the respective patrimonial rights, including receive dividends; (iii) attachment enacted in case n° 7418/21.3T8LSB, by Judge 2 of the Lisbon Enforcement Court, of 124,234,675 ZOPT shares held by Kento in ZOPT's capital and the dividends of those shares; (iv) arrest decreed in case no. 17561/21.3T8LSB-A, by Judge 12 of the Lisbon Central Civil Court, on the ZOPT shares held by Kento and Unitel International Holdings and on the dividends that have not yet been distributed or that may be deliberate. Regarding the pledge, identified in subparagraph (iii), ZOPT was also notified by Caixa Geral de Depósitos (CGD), as the beneficiary of the pledge of the shares held by Kento in ZOPT, stating that it has the right to exercise the rights of voting rights inherent to 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 the protection of the economic value of the shares is not at stake, in the exercise of voting rights, CGD, as a pledge creditor of Kento, must act in accordance with its instructions, which means voting in the sense defined by Kento.

Despite the facts described above, considering that no steps have been taken to dissolve ZOPT, that there has been no change in the Board of Directors of ZOPT and that decisions on the investee's operational activity continue to be taken in accordance with what was being done, we concluded that the joint control profile over ZOPT did not change.

#### a) ZOPT Group provisions

The processes described below are in provisions in the ZOPT's consolidated accounts, taking into account the degree of risk identified.

1. Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU):





The extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU) is legislated in Articles 17 to 22 of Law no 35/2012, of 23 August. From 1995 until June 2014, MEO, SA (former PTC) was the sole provider for the universal service of electronic communications, having been designated administratively by the government, i.e.without a formal contest procedure led by the government for that effect, which constitutes an illegality, by the way acknowledged by the European Court of Justice who, through its decision taken in June 2014, condemned the Portuguese State to pay a fine of EUR 3 million for illegally designating MEO. In accordance with Article 18 of the abovementioned Law 35/2012, of 23 August, the net costs incurred by the operator responsible for providing the universal service, approved by ANACOM, must be shared between other companies who provide, in national territory, public communication networks and publicly accessible electronic communications services. NOS is therefore within the scope of this extraordinary contribution given that MEO has being requesting the payment of CLSU to the compensation fund of the several periods during which it was responsible for providing the services. In accordance with law, the compensation fund can be activated to compensate the net costs of the electronic communications universal service, relative to the period before the designation of the provider by tender, whenever, cumulatively (i) there are net costs, considered excessive, the amount of which is approved by ANACOM, following an audit to their preliminary calculation and support documents, which are provided by the universal service provider, and (ii) the universal service provider requester the Government compensation for the net costs approved under the terms previously mentioned.

In 2013, ANACOM deliberated to approve the final results of the CLSU audit presented by MEO, relative to the period from 2007 to 2009, in a total amount of EUR 66.8 million, a decision that was contested by the Company. In January 2015, ANACOM issued the settlement notes in the amount of EUR 18.6 million related to NOS S.A., NOS Madeira and NOS Açores which were contested by NOS and for which a bail was presented by NOS SGPS to avoid Tax Execution Proceedings. The guarantees have been accepted by ANACOM.

In 2014, ANACOM deliberated to approve the final results of the CLSU audit by MEO, relative to the period from 2010 to 2011, in a total amount of EUR 47.1 million, a decision also contested by NOS. In February 2016, ANACOM issued the settlement notes in the amount of EUR 13 million, related to NOS S.A., NOS Madeira and NOS Açores which were also contested and for which it was before also presented bail by NOS SGPS in order to avoid the promotion of respective tax enforcement processes. The guarantees have been accepted by ANACOM.

In 2015, ANACOM deliberated to approve the final results of the audit to CLSU presented by MEO relative to the period from 2012 to 2013, in the amount of EUR 26 million and EUR 20 million, respectively, and as the others, it was contested by NOS. In December 2016, the notices of settlement were issued relating to NOS S.A., NOS Madeira and NOS Açores, corresponding to that period, totalling EUR 13.6 million that were contested by NOS and for which guarantees have been already presented by NOS SGPS in order to avoid the promotion of the respective proceedings of tax execution. The guarantees were also accepted by ANACOM.

In 2016, ANACOM approved the results of the audit to the CLSU presented by MEO related with the period between January and June 2014, for an amount of EUR 7.7 million that was contested by NOS, in standard terms.

In 2017, NOS S.A., NOS Madeira and NOS Açores were notified of the decision of ANACOM concerning the entities that are obliged to contribute toward the compensation fund and the setting of the values of contributions corresponding to CLSU that must be compensated and relating to the months of 2014 in which MEO still remained as provider of the Universal Service, which establishes for all these companies a contribution totalling close to EUR 2.4 million. In December 2017, the settlement notes relating to NOS S.A., NOS Madeira and NOS Açores, concerning that period, were issued in the amount of approximately EUR 2.4 million, which were challenged by NOS and for which guarantees have also been presented by NOS SGPS, in order to avoid the promotion of their tax enforcement procedures. The guarantees were also accepted by ANACOM.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to Universal Service (not designated through a tender procedure) flagrantly violate the Directive of Universal Service. Moreover, considering the existing legal framework since NOS began its activity, the request of payment of the extraordinary contribution violates the principle of the protection of confidence, recognised on a legal and constitutional level in Portuguese domestic law. For these reasons, NOS has judicially challenged either the approval of audit results of the net cost of universal service related to the pre-contest period as well as the liquidation of each and every extraordinary contribution that may be required. In September 2021, the Lisbon Administrative Circle Court ruled as unfounded the action regarding the administrative challenge of the results of the CLSU 2007-2009 audit, which NOS appealed in October 2021. The Board of Directors is convinced it will be successful in both challenges and appeals undertaken;





Legal Actions And Contingent Assets And Liabilities ZOPT Group

2. Legal actions with regulators and Competition Authority (AdC)

NOS S.A., NOS Açores and NOS Madeira brought actions for judicial review of ANACOM's decisions in respect of the payment of the Annual Fee of Activity (for 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020) as Electronic Communications Services Networks Supplier, and furthermore the refund of the amounts that meanwhile were paid within the scope of the mentioned acts of settlement was requested. For the year 2020, NOS Wholesale also challenged the settlement of the Activity Fee in court.

The settlement amounts are, respectively, as follows:

- NOS S.A.: 2009: EUR 1,861 thousand, 2010: EUR 3,808 thousand, 2011: EUR 6,049 thousand, 2012: EUR 6,283 thousand, 2013: EUR 7,270 thousand, 2014: EUR 7,426 thousand, 2015: EUR 7,253 thousand, 2016: EUR 8,242 thousand, 2017: EUR 9,099 thousand, 2018: EUR 10,303 thousand, 2019: EUR 10,169 thousand and 2020: EUR 10,184 thousand.
- NOS Açores: 2009: EUR 29 thousand, 2010: EUR 60 thousand, 2011: EUR 95 thousand, 2012: EUR 95 thousand, 2013: EUR 104 thousand, 2014: EUR 107 thousand, 2015: EUR 98 thousand, 2016: EUR 105 thousand, 2017: EUR 104 thousand, 2018: EUR 111 thousand, 2019: EUR 107 thousand and 2020: EUR 120 thousand.
- NOS Madeira: 2009: EUR 40 thousand, 2010: EUR 83 thousand, 2011: EUR 130 thousand, 2012: EUR 132 thousand, 2013: EUR 149 thousand, 2014: EUR 165 thousand, 2015: EUR 161 thousand, 2016: EUR 177 thousand, 2017: EUR 187 thousand, 2018: EUR 205 thousand, 2019: EUR 195 thousand and 2020: EUR 202 thousand.
- NOS Wholesale: 2020: EUR 36 thousand.

This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. NOS SA, NOS Açores, NOS Madeira and NOS Whosale claim, namely: i) addition to defects of unconstitutionality and illegality, related to the inclusion in the cost accounting of ANACOM of the provisions made by the latter, due to judicial proceedings against the latter (including these appeals of the activity rate) and ii) that only revenues from the electronic communications business per se, subject to regulation by ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded. Five judgments were handed down on the matter, from which ANACOM appealed to the Central Administrative Court. To date, no judgment has been delivered by the TCA in any of these cases.

The remaining proceedings are awaiting trial and/or decision.

During the first quarter of 2017, NOS was notified by ANACOM of the initiation of an infraction process related to communications of prices update at the end of 2016, beginning of 2017. In the end of the last trimester of 2020, ANACOM notified NOS of the accusation, with the practice of 4 very severe offences and 1 severe offence related, respectively, with i) the non-communication to customers of the right to rescind the contract with no charges, with (ii and iii) the supposed non-communication of pricing update and with (iv) the adequate advance and, yet, (v) the lack of information to be communicated to ANACOM. However, ANACOM did not present any value for a fine, except in relation to the severe offence. In this case, NOS is given the possibility to settle the fine by the minimum, the amount of EUR 13 thousand, which NOS did. NOS presented a written defense on 29 January 2021. The Group is awaiting for ANACOM to deliver a final decision.

On 17 July 2020, NOS was notified by the AdC of an illegality note (accusation) related to digital marketing without a google search engine, which accuses the operators MEO, NOS, NOWO and Vodafone of concertation, for a period ranging from between 2010 and 2018, failing to identify a concrete fine. It is not possible, at this moment, to estimate the value of an eventual fine. NOS presented its written defence and after its presentation, AdC will decide on a conviction or acquittal, being the Board of Directors' conviction, taking into account the elements it knows, that will be able to demonstrate the various arguments in favour of its defence.

On 15 December 2021, NOS was notified by the AdC of a note of illegality (accusation) regarding practices related to the advertising service in automatic recordings, which accuses NOS, other operators and a consultant of concertation behavior in the television recordings advertising market. NOS presented its written defense. At the time, it is not possible to estimate whether there will be an acquittal or conviction and, in the case of the latter, the amount of a possible fine. Further developments on the AdC's decision are awaited. It is the conviction of the Board of Directors, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defence.





#### 3. Tax Authorities

During the course of the 2003 to 2021 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2020 financial years. Following these inspections, NOS SGPS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications unpaid is about EUR 36 million, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress. Based on the advice obtained from the process representatives and tax consultants, the Board of Directors maintains the belief in a

Based on the advice obtained from the process representatives and tax consultants, the Board of Directors maintains the belief in a favourable outcome, which is why these proceedings are maintained in court. However, in accordance with the principle of prudence, an assessment of the Group's level of exposure to these proceedings is made periodically, in the light of the evolution of case law, and consequently the provisions recorded for this purpose are adjusted. The NOS' Group provided the guarantees demanded by the Tax Authorities, related to these processes.

- 4. Actions by MEO against NOS S.A., NOS Madeira and NOS Açores and by NOS S.A. against MEO
  - In 2011, MEO brought against NOS S.A., in the Judicial Court of Lisbon, a claim for the compensation of EUR 10.3 million, as compensation for alleged unauthorized portability of NOS S.A. in the period between March 2009 and July 2011. NOS S.A. contested, and the Court ordered an expert opinion, meanwhile, deemed without effect. The discussion and trial hearing took place at the end of April and beginning of May 2016, and a judgment was rendered in September of the same year, which considered the action to be partially justified, based not on the occurrence of improper portability, which the Court has determined to restrict itself to those which do not correspond to the will of the proprietor. In that regard, it sentenced NOS to the payment of approximately EUR 5.3 million to MEO, a decision of which NOS appealed to the Lisbon Court of Appeal. MEO, on the other hand, was satisfied with the decision and did not appeal against the part of the sentence that acquitted NOS. This Court, in the first quarter of 2018, upheld the decision of the Court of First Instance, except for interests, in which it gave reason to the claims of NOS, in the sense that interests should be counted from the citation to the action and not from the due date of the invoices. NOS filed an extraordinary appeal with the Supreme Court of Justice (SCJ), which found that the facts established by the Lower Courts were insufficient to resolve on the substance of the case. Consequently, the SCJ ordered that the court under appeal should amplify the facts. The case was transferred to the Court of First Instance for the extension of the facts. In November 2019, the Court of First Instance granted the parties the possibility of requesting the production of supplementary evidence on the subject of the extension, with NOS requesting an expert examination and the repetition of testimonial evidence. In February 2020, the Court considered that the expansion of the matter of fact leads to the need to obtain new evidence, which requires the analysis of the information relating to all portabilities that serve as the basis for the process, determining the carrying out of expert evidence for that purpose. The appointment of the expert occurred on October 2021, and the expected date for completion of the diligence is unknown.
  - In 2011, NOS S.A. brought an action in Lisbon Judicial Court against MEO, claiming payment of EUR 22.4 million, for damages suffered by NOS S.A., arising from violations of the Portability Regulation by MEO, in particular, the large number of unjustified refusals of portability requests by MEO in the period between February 2008 and February 2011. The court ordered the carrying out of expert evidence of a technical and economic-financial nature, and the expert reports were completed in June 2018. In October 2020, an attempt was made to reconcile. Since the parties did not reach conciliation, the trial was scheduled, which took place at the end of 2021 and which has closing arguments scheduled for the first quarter of 2022. 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.

#### Action brought by DECO

In March 2018, NOS was notified of a lawsuit brought by DECO against NOS, MEO and NOWO, in which a declaration of nullity of the obligation to pay the price increases imposed on customers at the end of 2016 is requested. In April and May 2018, the operators, including NOS, lodged a defence. The action's value has been fixed at EUR 60,000. Initially, a prior hearing was scheduled for October 8, 2019, which was then cancelled due to the judge declaring himself unable to hear the case. The process has already been redistributed and the prior hearing took place on 10 September 2020. We are still awaiting for the scheduling of trial sessions. The Board of Directors is convinced that the arguments used by the author are not justified, which is why it is believed that the outcome of the proceeding should not result in significant impacts for the Group's financial statements.





#### Interconnection tariffs

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

#### b) Other commitments ZOPT Group

In December 2015, NOS signed a contract with Sport Lisboa e Benfica - Futebol SAD and Benfica TV, SA of television rights of home matches of football NOS' league, broadcasting rights and distribution of Benfica TV Channel. The contract began in 2016/2017 sports season, had an initial duration of three years, and might be renewed by decision of either party up to a total of 10 sports seasons, with the overall financial consideration reaching the amount of EUR 400 million, divided into progressive annual amounts.

Also in December 2015, NOS signed a contract with Sporting Clube de Portugal - Futebol SAD and Sporting and Communication Platforms, S.A. which includes the following rights:

- 1) TV broadcasting rights and multimedia home games of Sporting SAD;
- 2) The right to explore the static and virtual advertising at Stadium José Alvalade;
- 3) The right of transmission and distribution of Sporting TV Channel;
- 4) The right to be its main sponsor.

The contract will last 10 seasons, concerning the rights indicated in 1) and 2) above, starting in July 2018, 12 seasons in the case of the rights stated in 3) starting in July 2017 and 12 and a half seasons in the case of the rights mentioned in 4) beginning in January 2016, with the overall financial consideration amounting to EUR 446 million, divided into progressive annual amounts.

Also in December 2015, NOS SA has signed contracts regarding the television rights of home senior team football games with the following sports clubs:

- 1) Associação Académica de Coimbra Organismo Autónomo de Futebol, SDUQ, Lda
- 2) Os Belenenses Sociedade Desportiva, SAD
- 3) Clube Desportivo Nacional Futebol, SAD
- 4) Futebol Clube de Arouca Futebol, SDUQ, Lda
- 5) Futebol Clube de Pacos de Ferreira, SDUQ, Lda
- 6) Marítimo da Madeira Futebol, SAD
- 7) Sporting Clube de Braga Futebol, SAD
- 8) Vitória Futebol Clube, SAD

The contracts will begin in the 2019/2020 sports season and last up to 7 seasons, with the exception of the contract with Sporting Clube de Braga - Futebol, SAD which lasts 9 seasons.

During the year of 2016, NOS SA has signed contracts regarding the television rights of home senior team football games with the following sports clubs:

- 1) C. D. Tondela Futebol, SDUQ, Lda
- 2) Clube Futebol União da Madeira, Futebol, SAD
- 3) Grupo Desportivo de Chaves Futebol, SAD
- 4) Sporting Clube da Covilhã Futebol, SDUQ, Lda
- 5) Clube Desportivo Feirense Futebol, SAD
- 6) Sport Clube de Freamunde Futebol, SAD
- 7) Sporting Clube Olhanense Futebol, SAD
- 8) Futebol Clube de Penafiel, SDUQ, Lda
- 9) Portimonense Futebol, SAD





The contracts will begin in the 2019/2020 sports season and last up to 3 seasons.

In May 2016, NOS and Vodafone have agreed on reciprocal availability, for several sports seasons, of sports content (national and international) owned by the companies, in order to assure to both companies, directly by the assigning party or indirectly through the transfer to third party content distribution channels or models, the availability of broadcasting rights of the sports clubs home football games, as well as the broadcasting and distribution rights of sports and sports clubs channels, whose rights are owned by each of the companies in each moment. The agreement came into force from the beginning of the sports season 16/17, assuring access to Benfica's channel and Benfica's home football games to NOS' and Vodafone's clients, independent from the channel where these football games are broadcast.

Considering that the contract signed allowed for the possibility of extending the agreement to the other operators, in July 2016 MEO and Cabovisão joined the agreement, ending the lack of availability of Porto Canal in the NOS's channel grid, assuring that every Pay TV client can have access to every relevant sports content, regardless of which operator they use.

Following the agreement signed with the remaining operators, as a counterpart of the reciprocal provision of rights, the global costs are shared according with retailer telecommunications revenues and Pay TV market shares.

The estimated cash flows are estimated as follows:

Seasons	2021/22	following
Estimated cash flows with the contracts signed by NOS with the sports entities*	Euro 123.8 million	Euro 629.3 million
NOS estimated cash flows for the contracts signed by NOS (net of the amounts charged to the operators) and for the contracts signed by the remaining operators	Euro 52.1 million	Euro 336.2 million

<sup>\*</sup>Includes games and channels broadcasting rights, advertising and others.

Considering that, following the celebrated agreements with the remaining operators, the risks and benefits associated to contracts with teams are shared amongst the operators, the agreement was considered a collaborative agreement. For this reason, the revenue (with operators) is compensated with the expenses with teams.

## Network sharing contract with Vodafone

NOS and Vodafone Portugal celebrated on 29 September 2017 an agreement of infrastructure development and sharing with a nationwide scope. This partnership allows the two Operators providing their commercial offers under a shared network at the beginning of 2018.

The agreement covers the reciprocal sharing of dark fibre in approximately 2.6 million homes in which each of the entities shares with the other an equivalent investment value, in other words, they share similar goods. It is assumed that both companies retain full autonomy, independence, and confidentiality concerning the design of the commercial offers, the management of the customers' database and the choice of technological solutions they might decide to implement, that did not originate any impact on the consolidated financial statements (according to IAS 16, this exchange of similar non-monetary assets will be presented on a net basis).

The partnership has also been extended to mobile infrastructure sharing, where it is agreed a minimum sharing of 200 mobile towers.

Celebrated agreements regarding the sharing of mobile network support infrastructure

At 22 October 2020, NOS Comunicações S.A. and NOS Technology, on the one hand, and Vodafone Portugal, Comunicações Pessoais, S.A., on the other hand, celebrated a set of agreements regarding the sharing of mobile network support infrastructure (passive infrastructures such as towers and poles) and active mobile network elements (active radio equipment such as antennas, amplifiers and remaining equipment).

These agreements have the following characteristics:

a) the agreements have a nationwide scope with diverse geographical application according to the higher or lower level of population density. In higher density geographies, typically larger urban areas, the parties will pursue synergies by sharing support





infrastructure. In lower density areas, typically rural and interior locations, in addition to shared use of support infrastructure, the parties will also share active mobile network.

- b) the agreements focus on assets currently held, or that may be held by each party in the future, and on existing 2G, 3G and 4G technology. Incorporation of 5G technology in these agreements will depend on each operator to deploy this technology.
- c) the agreements do not encompass spectrum sharing between the operators and each party will maintain exclusive strategic control of its networks, thus ensuring full competitive, strategic and commercial independence and the ability to differentiate in terms of customer service and provision.

Each party retains the ability to develop its mobile communications network independently. These agreements will enable NOS to invest more efficiently by capturing value through synergies. NOS will also be able to deploy its mobile network faster and in a more environmentally responsible way, thus benefitting customers and remaining stakeholders.

Sharing of mobile infrastructure represents an important contribution towards greater geographical cohesion and digital inclusion, both of which are essential to the sustainable development of the country.

## Another subjects

## Disposal of NOS Towering, S.A.

At 14 April 2020, NOS Comunicações, SA and Cellnex Telecom, SA entered into an agreement whose purpose is to transfer to Cellnex the shares representing the entire share capital of NOS Towering, SA, encompassing the disposal of approximately 2,000 sites (towers and rooftops).

On the same date, the parties entered into a long-term agreement to whereby Cellnex will provide the NOS Group with active network hosting over the passive infrastructure acquired, for a period of 15 years, automatically renewed for equal periods. In addition, this agreement foresees a perimeter increase of up to 400 additional sites over the next 6 years.

The potential value of the agreements to be reached over a 6-year period is EUR 600 million, being dependent on the sale of additional sites and configuration alteration of the sites.

This agreement will enable NOS to continuously optimize and expand its state-of-the-art mobile network, while reinforcing its ability to invest in the long-term value of the company. By joining forces with Cellnex in Portugal, through this strategic partnership, NOS ensures the supply of current and future needs of its passive mobile infrastructure. In addition to this agreement, NOS will continue to pursue other investment efficiency opportunities. The approval of this transaction, which constitutes a sale and lease back, occurred after the date of the statement of financial position.

On 30 September 2020, the operation was materialized with Cellnex payment of EUR 398.6 million. The received value for the sale of NOS Towering decomposes on the following way:

- Assets sale: EUR 374 million;
- Cash deducted from the debt sold with the company: EUR 45 million;
- Working capital and others: EUR 20.4 million.

The operation of the sale of NOS Towering configures, from an accounting point of view and for the purposes of consolidated accounts, a sale and lease back, on which the asset under right of use, resulting from the lease, is equal to the carrying amount of the sold asset, so the operation, in the initial moment, did not generate impacts on the results.

#### COVID-19

At the end of 2019, the virus, SARS-COV-2, which causes severe respiratory infection, was identified for the first time in humans. During 2020, the disease caused by the virus (COVID-19) was classified by the World Health Organization (WHO) as a pandemic. Since then, several measures have been taken to contain the virus, forcing the world to change its habits, with travel restrictions and closure of several facilities and establishments, with varying levels over these two years, according to the degree of spread and severity perceived by public health experts.

As a result of the population's confinement measures, people and companies were forced to adapt to a new reality, transforming the way they work and the way we socialize. Given the uncertainties, 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.

In this context, from the very first moment, NOS has a permanent COVID-19 Monitoring Office, whose mission is to provide the organization with the necessary conditions to manage this risk, as well as to analyse and monitor the evolution of the different phases. The main objectives of the COVID-19 Monitoring Office are to ensure that NOS, its Companies, its Employees and Partners are prepared to face the COVID-19 Pandemic, in order to:

- i. Minimize the health impact to employees and to all those with whom they;
- ii. Guarantee business continuity, ensuring the provision of services considered critical, for which it is necessary to certify the availability of key resources employees, suppliers, agents, partners, etc. and the need to adapt to the specific requirements of clients

## 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.

On 31 December 2021, the average maturity of the NOS Group's financing is 2.2 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.

The impacts on NOS were mainly felt in the results for the year ended on 31 december 2020, with a drop in revenues, consolidated EBITDA and consolidated operational cash-flow of -6.2% (EUR -90.5 million); -5.7% (EUR -36.8 million) and -33.8% (EUR -65.2 million), respectively, which show a reduction in activity in:

- i. Cinemas and Audiovisuals: complete closure of NOS' theatres from 16 March to 2 July, and postponement of a number of movie premieres, slightly offset by cinema rentals negotiations;
- ii. Roaming and international traffic: a reflection of travel restrictions and the way the virus is spread in some regions, NOS had a negative impact, both on revenues and on roaming and international traffic costs;
- iii. Equipment sales: with the closure of shopping centers and travel restrictions, there was a reduction in the sale of mobile phones and equipment, which is partially offset by the increase in online sales (in the long run there may be a positive effect on the evolution customer take-up of digital channels);
- iv. Mobile data revenues: quarantine and isolation situations imply an increase in the use of wireless networks, reducing the use of mobile data; and,
- v. Drop in revenue related to premium sports during the period when the national championship was suspended and advertising content.

In 2020, taking into account the projections made for the Portuguese economy, projections and estimates were reassessed, which resulted in the reinforcement, in the first quarter of 2020, of impairments of accounts receivable (EUR 28.2 million) and other costs recognised, related to onerous contracts (EUR 10.8 million), as well as the recording of impairments in the item "Losses / (Gains) in subsidiaries", in the amount of EUR 8.6 million.

In the financial year ended on 31 december of 2021, the impacts on NOS were felt particularly in the Cinemas and Audiovisuals activity with the closure of movie theaters between mid-January 2021 and April 2021 and in the Telco segment with impacts in terms of roaming revenues. At the end of the financial year, with the relief of some physical distancing measures, there was a recovery in film exhibition activity.





Over the 2 years, the cinema segment was the most affected by COVID-19, with an estimated activity recovery to pre-pandemic levels by 2023.

As regards future impact projections, these will depend on the extent, namely timing, of the spread of the virus and its containment measures, maintaining a level of uncertainty on the duration of the crisis and resulting economic impacts, in the knowledge, however, that if it does occur, it will be in the areas identified above. In spite of this uncertainty, and taking into account the most recent projections on the evolution of the pandemic and the Portuguese economy, an improvement in the activity of the various NOS business segments is projected in the coming quarters. Additionally, 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 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.

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

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

	2021	2020
Deepfence	2,207,300	2,037,325
Style Sage	1,868,807	1,378,547
Nextail	1,628,760	1,628,760
Iriusrisk	1,416,514	1,416,514
Sensei	405,900	405,900
Eat Tasty	259,696	259,696
Others	211,779	173,049
	7,998,756	7,299,791

On 31 December 2021 and 2020, these investments correspond to shareholdings in unlisted companies in which the Group has no significant influence.

According to IFRS 9 these investment are defined as 'Investments at fair value through other consolidated 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 designetd as investments at fair value trough other comprehensive income. For investments with a maturity of less than a year, the acquision 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 consolidated 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 2021 and 2020, the change in investments at fair value through other comprehensive income was as follows:

	2021	2020
Opening balance	7,299,791	5,344,810
Acquisitions	-	2,775,305
Fair value	699,065	(376,640)
Others	(100)	(443,684)
Closing balance	7,998,756	7,299,791

On 31 December 2020, the item "Others" refers to the reimbursement of the amount invested in the Fyde exit.





The movements occurred in 2021 and 2020 in other comprehensive income were as follows:

	2021	2020
Gains/ (losses) recognised in other comprehensive income	699,065	(376,640)
Total	699,065	(376,640)

The investments described above are valued at fair value, and classified at level 3 of the corresponding fair value hierarchy defined in IFRS 13 - Fair Value. The vast majority of financial assets at fair value through income correspond to holdings valued on the basis of the last transaction which, despite having occurred more than a year ago, still represents the best estimate of the company's fair value.

#### 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 million dollars 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 was to be used to accelerate product development and double the size of the team, as it grows internationally.

#### IriuskRisk

(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.

#### 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 dollars in Series A financing led by AllegisCyber, with participation from Sonae IM, and existing investor Chiratae Ventures.





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

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

	2021	2020
Arctic Wolf	74,168,202	46,129,113
Ometria	22,016,496	7,664,993
SafeBreach	13,315,160	-
Cellwise	8,641,594	7,976,141
Sixgill	5,297,520	4,889,580
Citcon	4,414,600	-
Weaveworks	4,414,599	4,074,649
Visenze	4,078,033	2,378,620
Jscrambler	3,828,724	1,550,000
Sales Layer	2,500,358	2,500,358
Sellforte	2,500,003	-
Reblaze	2,428,030	2,241,058
CiValue	1,977,741	1,825,443
Taikai	1,836,895	350,000
Replai	1,800,887	600,000
Daisy Intelligence	1,153,213	1,050,496
Case on IT	-	4,402,087
CB4	-	3,278,059
Others	4,552,520	1,413,466
	158,924,575	92,324,063

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

In 2021 and 2020, the variation in investments at fair value through profit or loss was as follows:

	2021	2020
Opening balance	92,324,063	53,022,212
Acquisitions/Increases	28,921,669	17,675,403
Fair value	67,473,452	21,626,448
Exists	(29,794,609)	-
Closing balance	158,924,575	92,324,063

On 31 December 2021, the caption "Exits" refers to the partial sale of Sonae IM's stake in Arctic Wolf for the amount of EUR 36.4 million, which generated a capital gain of EUR 12.3 million, the sale of the entire stake of Sonae IM in CB4 for the amount of EUR 8.5 million, which generated a capital gain of EUR 5.1 million, and the sale of the entire stake of Sonae IM in Case on It for amount of EUR 2.6 million, which generated a capital gain of EUR 312 thousand.





The movements occurred in 2021 and 2020 in net income were as follows:

	2021	2020
Gains/ (losses) recognised in profit or loss	85,163,145	21,626,448
Total	85,163,145	21,626,448

The investments described above are valued at fair value, and are classified at level 3 of the corresponding fair value hierarchy defined in IFRS 13 - Fair Value. From the total value of financial assets to fair value through profit or loss, approximately EUR 109.8 million correspond to investee companies valued based on the last transaction in a non-active market that occurred during the year 2021 (EUR 54.1 million in 2020). The acquisitions of the year correspond to approximately EUR 22.5 million (EUR 7.2 million in 2020). The amount of EUR 26.6 million corresponds to participations valued based on the last transaction, which, despite having occurred more than a year ago, still represents the best estimate of the company's fair value (EUR 31 million in 2020).

#### Arctic Wolf

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. Since then, the Company closed a 45 million dollars series C round in 2018, a 60 million dollars Series D round at the end of 2019, a 200 million dollars Series E round in October 2020 funding at a valuation of 1.3 billion dollars and, in 2021, a 150 million dollars, held by existing and new investors, at an underlying valuation of 4.3 billion dollars.

#### 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 reinforced during series B and C rounds.

#### 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 20 million dollars Series C round to 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 10 million canadian dollars (circa 7 million euros) series A round.

#### Sixqil

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 15 million dollars 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 participated in the round.

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

#### **Jsrambler**

is a Portuguese startup that develops a security solution to protect Web and Mobile Applications (Javascript code). In 2018, the company raised a 2.3 million dollars in a financing round that was led by Sonae IM with the co-investment of Portugal Ventures. In 2021, the Company raised 10 million euros in a series A with the participation of Ace Capital Partners.

#### 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 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 raised a 36.65 million dollars 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 Al to measure the effectiveness of online and offline marketing investments.

#### Portainer.io

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.

#### Citcon

Citcon, is a US-based leading mobile wallet payment provider with a fintech platform that enables seamless global commerce at scale by connecting the world's businesses with more than 100+ mobile wallets, local and alternative payment methods. Citcon raised 30 million dollars in Series C financing led by Norwest Venture Partners and Cota Capital with the participation of Sonae IM and Sierra Venture.

#### SafeBreach

Safebreach, pioneer in the Breach and Attack Simulation (BAS) market, is the world's most widely used continuous security validation platform. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls against its Hacker's Playbook<sup>TM</sup>, the world's largest collection of attack data broken down by methods, tactics and threat actors. SafeBreach raised 53.5 million dollars in Series D funding, led by Sonae IM and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

### 12. Deferred taxes

Deferred tax assets on 31 December 2021 and 2020, amounted to EUR 15,954,811 and EUR 16,380,468 respectively, arise mainly, from tax losses carried forward, from tax benefits, from differences between the accounting and tax amount of some fixed assets and from others temporary differences.





The balance of deferred tax assets by nature on 31 December 2021 and 2020 is as follows:

	2021	2020
Tax losses	958,604	1,037,045
Tax provisions not accepted and other temporary differences	557,298	404,162
Tax benefits	14,438,909	14,939,260
	15,954,811	16,380,468

The movements in deferred tax assets in the years ended on 31 December 2021 and 2020 were as follows:

	2021	2020 (restated)
Opening balance	16,380,468	4,251,266
Impact on results:		
Record of deferred tax assets related to tax losses of the year	-	10,013
Record / (reverse) of deferred tax assets related to tax losses from previous years	(12,183)	(48,797)
Use of deferred tax assets related to tax losses from previous years	(66,258)	-
Record / (reverse) / use of tax benefits	(405,850)	12,132,228
Record / (reverse) of tax provisions not accepted and other temporary differences for the year	145,119	78,014
Record / (reverse) of tax provisions not accepted and other temporary differences for the previous years	31,476	33,138
	(307,696)	12,204,596
Impact on results of the discontinued operations		
Record of deferred tax assets related to tax losses of the year	81,172	-
Record / (reverse) / use of tax benefits	(15,750)	(31,500)
Record / (reverse) of tax provisions not accepted and other temporary differences for the year	(27,819)	(40,511)
Record / (reverse) of tax provisions not accepted and other temporary differences for the previous years	-	(3,383)
	37,603	(75,394)
Other without impact on results:		
Alienation of companies (note 3.c)		
Tax losses and tax provisions not accepted and other temporary differences	(76,814)	-
Tax benefits	(78,750)	<u> </u>
	(155,564)	-
Closing balance	15,954,811	16,380,468

During the year of 2020, the Group subscribed units of participation in the private investment fund Bright Tech Innovation I. This Fund aims to invest in companies dedicated to research and development, which, in particular, have a underlying technological basis or innovative business concept for their activity. In compliance with the Investment Tax Code (CFI – 'Código Fiscal do Investimento') and, as usual in within of obtaining SIFIDE, the Group presented on May 2021, an application to SIFIDE under the terms of paragraph f), n° 1 of article 37 of CFI.

In the year ended on 31 December 2020, the Group recorded deferred tax assets in the amount of EUR 12,317,570 related to this benefit. The expenses that, due to insufficient collection, cannot be deducted in 2020 and 2021, may be deducted until 2030.

Since Sonaecom is included in the group of companies taxed under the Special Taxation Regime Group of Companies (RETGS), of which Sonae SGPS is the dominant company, the total Corporate tax ('IRC') that will no longer be paid is shown at the level of Group, without prejudice to the right of recourse by the tax due to the Company, under the terms and for the purposes of article 115 of the Corporate tax Portugues Code (CIRC- Código do Imposto sobre o Rendimento das Pessoas Coletivas).

On 31 December 2021 and 2020, assessments of the deferred tax assets to be recovered and recognised were made. Potential deferred tax assets were recorded to the extent that future taxable profits were expected to be generated against which the tax losses and deductible tax differences could be used. These assessments were made based on the most recent business plans duly approved by the Board of Directors of the Group companies, which are periodically reviewed and updated. The main criteria used in those business plans are described in note 8. For the companies that are included in the Special Group Taxation Regime, the assessment was made taking into account the business plan of the Sonae Group, as from 2018 the tax losses generated by the companies dominated within the group are partially offset by the dominant entity of the group. With respect to the tax losses generated by the unsettled companies in the year, they will be offset as the Group recovers, taking into account its future taxable income.

The rate used on 31 December 2021 and 2020, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 21%. The rate used in 2021 and 2020 to calculate the temporary differences in Portuguese companies, including





provisions not accepted and impairment losses, was 22.5%. It wasn't considered the state surcharge, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits. For foreign companies was used the rate in force in each country: Mexico 30%, Spain, Luxembourg and Belgium 25%.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets, by nature, on 31 December 2021 and 2020 were as follows:

							2021
Nature	Companies included in the tax group	S21 Sec Portugal	S21 Sec Gestion	S21 Sec Labs	Excellium	Total	Total Sonaecom Group
Tax losses:							
To be used until 2028	-	-	612,877	-	-	612,877	612,877
To be used until 2029	-	22,044	253,352	-	-	275,396	275,396
To be used until 2030		9,794	-	60,538	-	70,332	70,332
Tax losses	-	31,837	866,229	60,538	-	958,604	958,604
Tax provisions not accepted and other temporary differences	437,010	20,932	94,706		4,650	120,288	557,298
Tax benefits	12,148,220	45,217	2,245,472	-	-	2,290,689	14,438,909
Total	12,585,228	97,987	3,206,407	60,538	4,650	3,369,581	15,954,811

		Companies excluded from RETGS					2020	
Nature	Companies included in the tax group	Digitmarket	S21 Sec Portugal	S21 Sec Gestion	S21 Sec Labs	Excellium	Total	Total Sonaecom Group
Tax losses:								
To be used until 2024	-	-	7,304	-	-	-	7,304	7,304
To be used until 2025	-	-	61,124	-	-	-	61,124	61,124
To be used until 2028	-	-	-	612,877	-	-	612,877	612,877
To be used until 2029	-	-	22,044	253,352	-	-	275,396	275,396
To be used until 2030			9,794		60,538	-	70,332	70,332
To be used until 2032	<u> </u>	-	10,013	=	-	-	10,013	10,013
Tax losses	_	_	110.279	866.229	60,538	_	1.037.046	1,037,046
Tax provisions not accepted and other temporary differences	235,435	23,460	12,916	97,009	-	35,342	168,727	404,162
Tax benefits	12,483,766	94,500	115,522	2,245,472	-	-	2,455,494	14,939,260
Total	12,719,201	117,960	238,717	3,208,710	60,538	35,342	3,661,267	16,380,468

On 31 December 2021 and 2020, the deferred tax assets not recorded, since it is not expected that sufficient taxable profits will be generated in the future to cover those losses, were as follow:

	2021	2020
Tax losses	8,985,255	8,577,728
Temporary differences (provisions not accepted and other temporary diferences)	17,688,851	18,137,797
Others	17,658,026	18,739,929
	44,332,132	45,455,454

On 31 December 2021 and 2020, the caption "Temporary differences" includes deferred taxes related to impairment of financial investments that cannot be recorded because the subsidiary's sale or liquidation is not considered at the probable date.

On 31 December 2021, the caption 'Others' includes research and development tax credits in the amount of EUR 15,870,537 (EUR 16,613,679 in 2020) related to Spanish subsidiaries.





On 31 December 2021 and 2020, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2021	2020
2021	-	171,910
2022	-	394,295
2023	-	73,641
2024	141,630	14,099
2025	123,915	174,312
2026	17,400	711,527
2027	226,846	287,272
2028	727,098	147,787
2029	841,092	977,091
2030	82,249	182,234
2031	93,594	93,594
2032	137,633	127,195
2033	197,193	49,599
2034	113,013	72,396
2035	131,004	82,607
2036	454,786	275,921
2037	-	531
2038	146,775	-
Unlimited	5,551,028	4,741,715
	8,985,255	8,577,728

The year 2031 and following years are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than 12 years.

The amount of deferred tax liabilities by nature on 31 December 2021 and 2020 is as follows:

	2021	2020
Temporary differences between accounting and tax result	28,438,038	22,091,951
Temporary differences of assets recorded at fair value through profit or loss	16,251,573	5,948,091
Temporary differences of assets recorded at fair value through other comprehensive income	52,515	14,271
	44,742,126	28,054,313

The changes that occurred in deferred tax liabilities in the years ended on 31 december 2021 and 2020 were as follows:

	2021	2020
Opening balance	28,054,313	22,277,675
Impact on results:		
Temporary differences between accounting and tax result and assets recorded at fair value through profit and losses	16,649,569	5,762,367
Sub-total effect on results (note 36)	16,649,569	5,762,367
Impact on reserves:		
Temporary differences of assets recorded at fair value through other comprehensive income	38,244	14,271
Closing balance	44,742,126	28,054,313

In the year ended on 31 December 2021 and 2020, deferred tax liabilities arose from the application of the equity method above to the participation in the capital stock of Armilar II, Armilar III and Armilar I+I, from changes in the fair value of financial assets (notes 10 and 11) and on 31 december 2020 the customer portfolio generated in the purchase of the Excellium subsidiary.





The reconciliation between the earnings before taxes and the taxes recorded for the years ended on 31 December 2021 and 2020 is as follows:

	2021	2020 (restated)
Earnings before tax	137,283,909	53,633,405
Income tax rate (21%)	(28,829,621)	(11,263,015)
Autonomous taxation and surchage	(1,721,712)	(1,008,713)
Tax provision	(39,047)	(63,133)
Accounting adjustments not accepted	(527,978)	(1,190,121)
Temporary differences and tax losses of the year without record of deferred tax assets Utilization of tax losses and tax benefits without record of deferred tax assets in previous years	819,234 436,524	(1,460,158) 1,020,684
Deffered tax assets of temporary differences of previous years	31,476	33,138
Effect of the existence of different tax rates from those in force in Portugal	217,177	252,101
Effect of the untaxed equity method	6,500,438	6,055,130
Consolidation adjustments	(6,777)	187,054
Deffered tax assets from tax losses of previous years	(12,183)	(48,797)
Record/(reverse) of deffered tax assets related to tax benefits	356,824	12,100,728
Income taxation recorded in the year (note 36)	(22,775,645)	4,614,898

The tax rate used to reconcile the tax expense and the accounting profit is 21% in 2021 and 2020 because it is the standard rate of the corporate income tax in Portugal, country where almost all of the income of Sonaecom' group are taxed.

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries with head office in Portugal for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in course, in which circumstances, the periods are extended or suspended. The Board of Directors believes that any correction that may arise as a result of such review would not have a significant impact on the accompanying consolidated financial statements.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, on 31 December 2021.

#### 13. Other non-current assets

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Convertible loans	1,476,207	2,506,668
Others	5,656,139	5,096,032
	7,132,346	7,602,700

In the year ended on 31 December 2021 and 2020, the caption 'Convertible Loans' essentially includes loans convertible to Secucloud (only in 2020) and Probely (note 9), StyleSage (note 10), Daisy Intelligence (note 11) and Didimo.

In the year ended on 31 December 2021 and 2020, the caption 'Other' includes the amount of debt acquired by Sonae IM to Armilar in the scope of the acquisition of Armilar II and Armilar III associates, in the amount of EUR 1,274,358 as well as the amount receivable from subleases under IFRS 16 in the amount of EUR 2,059,210 (EUR 2,701,392 em 2020). In the year ended on 31 December 2021 and 2020 also includes the amount receivable from Sonae under the policy of the Special Regime of Group Taxation in the amount of EUR 111,867 in 2021 and 175,670 in 2020.

Armilar's debt has no defined maturity, being limited only to the Fund's maturity.





The amount to be received from subleases on 31 December 2021 and 2020 were as follows:

	2021		2021	
		Present value of		Present value of
	Lease receivables	lease receivables	Lease receivables	lease receivables
2021			698,922	673,132
2022	773,556	753,111	660,489	642,547
2023	663,044	647,994	662,988	647,941
2024	663,044	653,434	662,988	653,381
2025	663,044	658,921	636,097	658,867
2026	26,946	25,949	26,890	25,895
2027 and next years	74,103	72,912	73,949	72,760
	2,863,737	2,812,321	3,422,324	3,374,524
Interests	(51,416)		(47,800)	
	2,812,321	2,812,321	3,374,524	3,374,524
Short-term asset (note 16)	-	(753,111)		(673,132)
	2,812,321	2,059,210	3,374,524	2,701,392

### 14. Inventories

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Raw materials	296,458	261,213
Goods	-	57,414
	296,458	318,627
Accumulated impairment losses on inventories (note 24)	(66,800)	(66,800)
	229,658	251,827

The cost of goods sold in the years ended on 31 December 2021 and 2020 amounted to EUR 16,115,408 and EUR 14,099,855 (restated, note 40), respectively and was determined as follows:

	2021	2020 (restated)
Opening inventories	318,627	290,361
Purchases (restated)	18,465,085	16,231,239
Increase of accumulated impairment losses on inventories (note 24)	-	16,800
Inventory adjustments (restated)	(2,371,846)	(2,119,918)
Closing inventories	(296,458)	(318,627)
Total cost of sales of the continued operations	16,115,408	14,099,855
Total cost of sales of the dis continued operations	-	52,569,668

The accumulated impairment losses on inventories reflect the difference between the acquisition cost and the market net realisable value of the inventory, as well as the estimate of impairment losses due to low stock turnover, obsolescence and deterioration. The accumulated impairment losses are registered in the caption 'Cost of sales' (note 1.i).





### 15. Trade receivables

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Trade debtors:		
Technologies	12,212,788	20,180,210
Media and others	2,272,047	2,436,507
	14,484,835	22,616,717
Doubtful debtors	1,774,437	2,678,857
	16,259,272	25,295,574
Impairment losses in accounts receivable (note 24)		
Technologies	(236,092)	(1,079,140)
Media and others	(1,538,346)	(1,599,717)
	(1,774,438)	(2,678,857)
	14,484,834	22,616,717

On 31 December 2021 and 2020, the impairment amount is calculated based on the expected credit loss, the calculation of which results from the application of expected loss rates based on the payments received in the scope of sales and services rendered, over a period of 48 months, before 31 December 2021, and of historical credit losses.

For the impairment calculation we find that there is a set of amounts for which there is no credit risk and as such the expected credit loss is nil, namely collaterals, balances with other entities of the group and VAT amounts. On 31 December 2021, the expected loss rates of accounts receivable were considered in the calculation of the impairment of contractual assets ('Customer contract assets - Billing to customers'), considering that they are assets with similar risk characteristics. These amounts are net of each client's respective contractual liabilities.

On 31 December 2021 and 2020 the ageing of the customer balances and expected credit loss rates can be detailed as follows:

					180 to 360	More than	
	Not due	1 to 60 days		90 to 180 days	days	360 days	Total
Expected credit loss rates	0%-1.10%	0%-1.46%	0%-12.62%	0%-18.12%	0%-83.43%	0% - 100%	
Trade debtors	11,590,883	2,211,301	235,620	361,087	263,483	1,596,898	16,259,272
Other current debtors (note 16)	5,153	77,934	34,958	52,700	90,136	108,258	369,139
Customer contract assets - Billing to customers (note 17)	3,841,025	-	-		<u>-</u>	-	3,841,025
	44.047	4.007	7,527	14,181	66,620	1,665,146	1,774,438
Accumulated impairment losses on 'Trade debtors'	16.867	4.097					
Accumulated impairment losses on 'Trade debtors'  Accumulated impairment losses on 'Other current debtors' (note 16)	16,867 63	4,097 107	517	721	55,042	103,082	159,532
·							
·							
·				721	55,042	103,082	
·	63	107	517	721	55,042 180 to 360	103,082 More than	159,532
Accumulated impairment losses on 'Other current debtors' (note 16)	63 Not due	107 1 to 60 days	517 60 to 90 days	721 90 to 180 days 0% - 38.29%	55,042 180 to 360 days	103,082 More than 360 days	159,532
Accumulated impairment losses on 'Other current debtors'' (note 16)  Expected credit loss rates	Not due 0% - 1.48%	107 1 to 60 days 0% - 2.16%	517 60 to 90 days 0% - 29.70%	721 90 to 180 days 0% - 38.29% 939,669	55,042 180 to 360 days 0% - 34.32%	103,082 More than 360 days 0% - 100%	159,532 Total
Accumulated impairment losses on 'Other current debtors'' (note 16)  Expected credit loss rates Trade debtors	Not due 0% - 1.48% 15,218,787	107 1 to 60 days 0% - 2.16% 4,800,548	517 60 to 90 days 0% - 29.70% 411,165	721 90 to 180 days 0% - 38.29% 939,669	55,042 180 to 360 days 0% - 34.32% 509,335	More than 360 days 0% - 100% 3,416,070	159,532 Total 25,295,574
Accumulated impairment losses on 'Other current debtors'' (note 16)  Expected credit loss rates  Trade debtors Other current debtors (note 16)	Not due 0% - 1.48% 15,218,787 116,322	107 1 to 60 days 0% - 2.16% 4,800,548	517 60 to 90 days 0% - 29.70% 411,165	721 90 to 180 days 0% - 38.29% 939,669	55,042 180 to 360 days 0% - 34.32% 509,335	More than 360 days 0% - 100% 3,416,070	159,532 Total 25,295,574 460,248





### 16. Other receivables

On 31 December 2021 and 2020, the caption 'Other receivables' can be detailed follows:

	2021	2020
State and other public entities	731,461	600,608
Advances to suppliers	78,862	317,765
Other debtors	7,022,335	7,439,101
Accumulated impairment losses in accounts receivable (note 24)	(159,532)	(42,930)
	7,673,126	8,314,544

On 31 December 2021, the caption 'Other debtors' includes the amount of EUR 1,835,515 (EUR 1,170,596 in 2020) related to grants, EUR 3,618,072 (EUR 3,859,252 in 2020) related to amounts to receive from Sonae SGPS regarding with the Special Regime for Taxation of Groups (RETGS), EUR 446,498 (EUR 675,873 in 2020) related to collaterals and EUR 753,111 (EUR 673,132 in 2020) related to amounts receivable from subleases (note 13).

The impairment analysis, relatively to 'Other receivables' in the amount of EUR 369,139 in 2021 (EUR 460,248 in 2020 (note 15)), was carried out based on the expected credit loss rates. The impairment analysis, regarding the amounts of grants, collateral and accounts receivable from group companies, applied the general approach of the impairment model, assessing at each reporting date whether there was a significant increase in credit risk since the date initial recognition of the asset.

On 31 December 2021 and 2020 the caption 'State and other public entities' can be detailed as follows:

	2021	2020
Value-added tax	730,336	589,169
Other taxes	1,125	11,439
	731,461	600,608

#### 17. Other current assets

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Specialised work deferred	8,128,398	6,640,492
Customer contract assets - Billing to customers (note 30)	3,841,025	6,196,130
Other costs deferred	148,926	177,394
Other accrued income	680,119	551,736
Other current assets	-	190,482
Rappel discounts to receive	154,180	215,696
	12,952,648	13,971,930

The item 'Specialised works paid in advance' essentially refers to billing for the provision of services from suppliers whose corresponding cost has not yet been recognised.

The change in the item 'Assets from customer contracts - Invoicing to be issued to customers' is related to the development of the Group's normal activity.

The analysis of the expected credit loss, regarding the caption 'Customer contract assets - Billing to customers', was executed based on the accounts receivable loss rates, considering that they are assets with similar risk characteristics. For this analysis, the net amounts of the respective contractual liabilities of each customer were considered (note 15).





# 18. Cash and cash equivalents

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Cash in hand	21,346	20,874
Bank deposits repayable on demand	288,441,129	233,686,620
Other treasury applications	870,836	-
Cash and cash equivalents	289,333,311	233,707,494

In years ended on 31 December 2021 and 2020, Sonaecom lead into financial transaction contracts with Sonae, SGPS from which the latter obtained the financial income referred in note 37.

The above mentioned treasury applications were paid and, during the year ended on 31 December 2021, the applicable interest tax rate was 0.27% (0.27% in 2020).

The euro balances of bank deposits immediately available in currencies other than the euro are as follows:

	2021	2020
Bank deposits in foreign currency		
American dollar	127,190	168,300
Sterling Pound	57,422	54,856
Mexican Peso	<u> </u>	143,162

On 31 December 2021 the reconciliation of liabilities whose flows affect financing activities is as follows:

				Non-cash changes	
	31.12.2020	Cash Flows	Financial update	Others	31.12.2021
Loans (note 22)	3,693,328	524,294	35,511	1,675	4,254,808
Lease liabilities (note 23)	14,481,439	(3,682,494)	230,164	1,759,808	12,788,917
Total liabilities from financiag activities	18,174,767	(3,158,200)	265,675	1,761,483	17,043,725
				Non-cash changes	
	31.12.2019	Cash Flows	Financial update	Others	31.12.2020
Loans (note 22)	4,815,054	(1,152,963)	53,918	(22,681)	3,693,328
Lease liabilities (note 23)	14,605,086	(4,030,166)	376,369	3,530,150	14,481,439
Total liabilities from financiag activities	19,420,140	(5,183,129)	430,287	3,507,469	18,174,767

In the caption 'Leases', the amount included in the 'Others' column refers to increases and write-offs in contracts under IFRS 16.





# 19. Share capital

On 31 December 2021 and 2020, the share capital of Sonaecom was comprised by 311,340,037 ordinary registered shares, of Euro 0.74 each.

At those dates, the Shareholder structure was as follows:

		2021	20:		
	Number of shares	%	Number of shares	%	
Sontel BV	194,063,119	62.33%	194,063,119	62.33%	
Sonae SGPS	81,022,964	26.02%	81,022,964	26.02%	
Discerene Group LP	8,694,396	2.79%	8,694,396	2.79%	
Azvalor Asset Management S.G.I.I.C. S.A.	-	-	6,340,147	2.04%	
Shares traded on the Portuguese Stock Exchange ('Free Float')	21,988,544	7.06%	15,648,397	5.03%	
Own shares (note 20)	5,571,014	1.79%	5,571,014	1.79%	
	311,340,037	100.00%	311,340,037	100.00%	

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Group, presented in accordance with the IFRS standards. Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets.

Therefore, on 31 December 2021, Sonaecom have free reserves distributable amounting approximately EUR 61.9 million. To this effect were considered as distributable the additions resulting from the application of fair value to elements derecognised during the year ended 31 December 2021.

#### 20. Own shares

During the year ended on 31 December 2021, Sonaecom did not acquire, sold or delivered own actions, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of EUR 1.3798.

As mentioned in note 19, the company must keep a reserve in the book value of the treasury shares as long as it holds them.

### 21. Non-controlling interests

Non-controlling interests on 31 December 2021 and 2020 are detailed as follows:

2021				Movement during the year				
				Book value of	Proportion of the	Additions of companies		Book value of
		Shareholders'		non-controlling	atribuible net	within the scope of		non-controlling
	% Hold	funds	Net Result	interests 2020	result		Others	interests 2021
Digitmarket (a)	25.00%	4,975,187	(140,551)	1,272,814	(32,705)	(1,241,726)	1,617	-
Bright Vector I	49.87%	5,488,630	1,645,907	1,896,941	820,788	-	19,364	2,737,093
Bright Tech Innovation I	50.00%	29,212,080	(651,410)	14,931,745	(325,705)	-	-	14,606,040
S21 Sec Portugal	19.10%	3,951,421	599,752	58,236	117,068	-	427	175,731
S21Sec Gestion	19.10%	342,647	(5,798,427)	(4,835,882)	(574,012)	-	(625,745)	(6,035,639)
S21 Sec Labs	19.10%	1,099,167	359,633	14,755	116,032	-		130,787
S21 Sec, S.A. de CV (b)	19.10%	44,602	(46,221)	(352,875)	(14,909)	-	367,784	-
Mxtel (c)	19.03%	-	10,152	(262,909)	(11,506)	-	274,415	-
Excellium	40.80%	5,619,176	8,461	2,730,901	(424,629)	-	(6,027)	2,300,245
Excellium Services	40.80%	232,341	(627,443)	(1,290,909)	(246,286)	-	18,957	(1,518,238)
Excellium Services Belgium	40.80%	(2,225,187)	(907,902)	(1,076,601)	(370,423)	-	(3,614)	(1,450,638)
Excellium Factory (d)	52.64%	-	-	(6,010)	-	-	6,010	-
				13,080,206	(946,287)	(1,241,726)	53,188	10,945,381

(a) Company sold on July 2021

<sup>(</sup>b) Company sold on December 2021 (c) Company liquidated on December 2021

<sup>(</sup>d) Company liquidated on June 2021





2020				Movement during the year				
	% Hold	Shareholders' funds	Net Result	Book value of non-controlling interests 2019	Proportion of the atribuible net result	Proportion of the atribuible net result (discontinued units (note 40))	Others	Book value of non-controlling interests 2020
Digitmarket	25.00%	5,115,737	510,243	1,323,709	117,631	-	(168,526)	1,272,814
Bright Vector I	49.87%	3,803,893	(90,810)	1,849,522	(45,286)	-	92,705	1,896,941
Bright Tech Innovation I(a)	50.00%	29,863,490	(136,510)	-	(68,255)	15,000,000	-	14,931,745
S21 Sec Portugal	19.10%	3,350,289	191,495	2,891	53,877	-	1,468	58,236
S21Sec Gestion	19.10%	539,758	(4,155,115)	(4,029,415)	(822,601)		16,134	(4,835,882)
S21 Sec Labs	19.10%	739,534	532,362	(144,364)	158,042		1,077	14,755
S21 Sec, S.A. de CV	19.10%	(4,686,267)	(925,453)	(282,759)	(110,804)		40,688	(352,875)
Mxtel	19.03%	(1,172,456)	(134,751)	(265,625)	5,983	-	(3,267)	(262,909)
Grupo Excellium	40.80%	(297,962)	(624,520)	909,886	(695,648)		143,143	357,381
				(636,155)	(1,407,061)	15,000,000	123,422	13,080,206
a) Venture Capital Fund constituted in June 2020								

On 31 december 2021, no dividend were payed to non-controlling interests.

In the year ended on 31 December 2020, the amount of dividends paid to the Non-controlling interests of Digitmarket was EUR 175,000.

The percentage of interests (note 2) and the right to vote are equivalent.

### 22. Loans

On 31 December 2021 and 2020, the caption loans had the following breakdown:

# a) Medium and long-term loans

						Amount outstanding
				Type of		
Company	Issue denomination	Limit	Maturity	reimbursement	2021	2020
S21 Sec Gestion	Bank loan		May-23	Parcel	37,501	75,000
Excellium Services	Bank loan		Jan-23	Parcel	21,603	338,806
					59,104	413,806
Excellium Services	Reimbursable grants		Oct-25	Parcel	355,209	500,000
S21 Sec Gestion	Reimbursable grants		Feb-28	Parcel	802,205	1,095,095
S21 Sec Labs	Reimbursable grants		Jun-24	Parcel	60,676	137,626
					1,218,090	1,732,721
	Interests incurred but not due yet				-	-
					1,277,194	2,146,527

### b) Short-term loans

						Amount outstanding
				Type of		
Company	Issue denomination	Limit	Maturity	reimbursement	2021	2020
S21 Sec Gestion	Bank loan		Apr-21	Parcel	=	27,705
S21 Sec Gestion	Bank loan		Nov-22	Parcel	37,500	50,000
Excellium Services	Bank loan		Dec-22	Parcel	315,185	305,452
					352,685	383,157
Excellium Services	Credit facility	3,000,000	Jun-22	Parcel	2,098,962	616,962
					2,098,962	616,962
Excellium Services	Reimbursable grants		Dec-22	Parcel	124,157	=
S21 Sec Gestion	Reimbursable grants		Dec-22	Parcel	316,523	357,153
S21 Sec Labs	Reimbursable grants		Dec-22	Parcel	81,627	187,543
					522,307	544,696
Others	Interests incurred but not due yet				3,660	1,986
					2,977,614	1,546,801

The average interest rate on these bank loans on 31 December 2021 was 1.87% (1.85% in 2020).





### Grants repayable

On 31 December 2021 the Group had repayable grants obtained from dependent entities of the Vasco Government, Luxembourg Government, CDTI and 'Ministerio de Ciencia y Tecnología'. These refundable grants are recorded at amortised cost in accordance with the method of effective interest rate and have the following repayment plan:

	20	2020
2021		- 544,696
2022	522,3	885,487
2023	375,0	081 244,180
2024	323,9	194,756
2025	262,	431 154,959
2026 and following years	256,6	253,339
	1,740,3	97 1,732,721

These grants bear interest at rates between 0% and 1% (between 0% and 1% in 2020).

Given the nature of debts, there are no financial covenants.

#### Bank credit lines

Sonaecom has also a short term bank credit line, in the form of current or overdraft account commitment, in the amount of EUR1 million.

Until June 30 of 2021, Excellium Services, had a credit line in the amount of EUR 2,500,000, which increased to EUR 3,000,000 from that date.

All these bank credit lines were all contracted in Euro and bear interest at market rates, indexed to the Euribor for the respective term.

On 31 December 2021 and 2020, the available bank credit lines of the Group were as follows:

						Maturity
			Amount			More than 12
Company	Credit	Limit	outstanding	Amount available	Until 12 months	months
2021						
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	Χ	
Excellium Services	Credit facility	3,000,000	2,098,962	901,038	Х	
Excellium Services	Bank loan		336,788	-		Х
S21 Sec Gestion	Bank loan		75,001	-		X
		4,000,000	2,510,751	1,901,038		
2020						
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	Χ	
Excellium Services	Credit facility	2,500,000	616,962	1,883,038	X	
Excellium Services	Bank loan		644,258	-		Х
S21 Sec Gestion	Bank loan		27,705	-	Χ	
S21 Sec Gestion	Bank loan		125,000	-		X
	<u> </u>	3,500,000	1,413,925	2,883,038		

Based on the debt exposed to variable rates at the end of 2021 and 2020, if market interest rates had rises (fallen), in average, 25bp during the year 2021, the interest paid that year would have increased (decreased) in an amount of approximately EUR 11,000 (EUR 9,000 in 2020).

On 31 December 2021 and 2020, there is no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

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On 31 December 2021 and 2020, debts to credit institutions (nominal values) related to medium and long-term loans had the following repayment plan:

	Between 12 and 24 months	Between 24 and 36 months	Between 36 and 48 months	Between 48 and 60 months
2021				
Other loans				
Reimbursements	59,104		-	-
Interests	4,296		-	-
	63,400	-	-	-
2020				
Other loans				
Reimbursements	388,806	25,000	-	-
Interests	4,177	118	-	
	389,515	25,118	-	-

### 23. Lease liabilities

On 31 December 2021 and 2020, this caption was composed by of accounts payable to tangible and intangible assets suppliers related to lease contracts.

On 31 December 2021 and 2020, the payment of these amounts was due as follows:

		2021		2020
		Present value of lease		Present value of lease
	Lease payments	payments	Lease payments	payments
2021	-	-	3,639,405	3,408,625
2022	3,433,307	3,209,809	2,961,268	2,763,114
2023	2,957,743	2,802,778	2,361,883	2,215,884
2024	2,482,560	2,376,297	2,026,321	1,916,875
2025	1,939,273	1,867,299	1,778,079	1,702,520
2026	914,043	866,954	854,093	807,353
2027 and next years	1,702,039	1,665,780	1,703,411	1,667,068
	13,428,965	12,788,917	15,324,460	14,481,439
Interests	(640,048)		(843,021)	
	12,788,917	12,788,917	14,481,439	14,481,439
Short-term liability		(3,209,810)		(3,408,625)
•	12,788,917	9,579,107	14,481,439	11,072,814

Based on the debt relating to lease liabilities exposed to variable rates at the end of 2021 and 2020 and considering the applications and bank balances at the same date, if market interest rates had increase (decrease), in average, 25bp during the year 2021, the interest paid that year would have increased (decreased) in an amount of approximately EUR 32,000 (EUR 36,000 in 2020), respectively.





# 24. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended on 31 December 2021 and 2020 were as follows:

	Opening balance	Increases	Decreases	Utilisations and Transfers	Perimeter variation	Closing balance
2021						
Accumulated impairment losses on trade debtors (note 15)	2,678,857	120,889	(17,373)	(720,479)	(287,456)	1,774,438
Accumulated impairment losses on other current debtors (note 16)	42,930	65,023	(6,967)	58,546		159,532
Accumulated impairment losses on inventories (note 14)	66,800	-	-	-	-	66,800
Provisions for other liabilities and charges	30,007,840	214,605	(154,209)	(29,501,189)	(12,661)	554,386
<u> </u>	32,796,427	400,517	(178,549)	(30,163,122)	(300,117)	2,555,156
2020						
Accumulated impairment losses on trade debtors (note 15)	2,645,459	139,240	(90,296)	(15,546)	-	2,678,857
Accumulated impairment losses on other current debtors (note 16)	40,490	4,001	(1,561)	-	-	42,930
Accumulated impairment losses on inventories (note 14)	50,000	16,800	-	-	-	66,800
Provisions for other liabilities and charges	30,848,948	5,246,109	(154,043)	(5,933,174)	-	30,007,840
<u> </u>	33,584,897	5,406,150	(245,900)	(5,948,720)	-	32,796,427

Reinforcements and reductions values of the accumulated impairment losses on receivable accounts and provisions for liabilities and charges, on 31 December 2021 and 2020, are detailed as follows:

		2021		2020
Provisions for other liabilities and charges	Increases	Decreases	Increases	Decreases
Recorded in the income statement, under the caption 'Income Tax' (note 36)	64.056	(25.009)	74.197	(11.064)
Recorded in 'Fixed Assets' regarding to the provision for dismantling and abandonment of offices net value recorded in 'Other financial expenses' related to the financial update of the provision for dismantling as foreseen in IAS 16 - 'Fixed Assets' (note 1.c)	26.777	-	199	-
Recorded in the income statement under 'Gains and losses on associated companies and companies jointly controlled', concerning the provision relating to the incentive in favor of Armilar (note 9)	-	-	4.990.078	-
Recorded in the income statement 'Staff expenses' related to the provisions for severance payments	-	-	88.342	-
Other increases and decreases - recorded in 'Provisions' (increases) and in 'Other income' (decreases)	123.772	(123.290)	93.293	(142.979)
Total Continuing operations	214.605	(148.299)	5.246.109	(154.043)
Recorded in 'Property, plant and equipment' regarding to the provision for dismantling and abandonment of offices net value recorded in 'Financial expenses' related to the financial update of the provision for dismantling as foreseen in IAS 16 - 'Property, plant and equipment' (note 1.c) - Discontinued units	-	(5.910)	-	-
Total Discontinued units	-	(5.910)	-	-
Total increases/(decreases) of provisions for other liabilities and charges	214.605	(154.209)	5.246.109	(154.043)
Accumulated impairment losses on accounts receivables	Increases	Decreases	Increases	Decreases
Registered in the line 'Impairment losses' (increases) and in 'Other operating costs' (decreases)	185.912	(24.340)	93.128	(91.857)
Registered in the line 'Impairment losses' (increases) and in 'Other operating costs' (decreases) - Discontinued units (note 40)	-	-	50.113	-
Total increases/(decreases) of accumulated impairment losses on accounts receivables	185.912	(24.340)	143.241	(91.857)
Total recorded in the income statement in 'Provisions' (increases) and in 'Other income' (decreases)	123.772	(123.290)	93.293	(142.979)
Total recorded in the income statement in 'Impairment losses' (increases) and in 'Other income' (decreases)	185.912	(24.340)	93.128	(91.857)
Total recorded in the income statement in 'Provisions' (increases) and in 'Other income' (decreases) - Discontinued units (note 40)	-	-	-	-
Total recorded in the income statement in 'Impairment losses' (increases) and in 'Other income' (decreases) - Discontinued units (note 40)	-	-	50.113	-

In the year ended on 31 December 2021, the amount in 'Utilizations and transfers' includes the amount of EUR 28,781,304 related to the contractual commission (Incentive Scheme) of the Armilar Funds to Investments in joint ventures and associates due to the changes resulting from the Regulation of the Funds (note 9).





In the year ended on 31 December 2020, the increase in the caption 'Provisions for other liabilities and charges', includes the amount of EUR 4,990,076, referring to a contractual commission (Incentive Scheme) payable to the management of the Funds because the Funds have exceeded the contractually defined return barrier (note 9).

In the year ended on 31 December 2020, the amount in 'Utilizations and transfers' includes the amount of EUR 5,251,988 related to the contractual commission (Incentive Scheme) of the Armilar Funds, which was deducted when paying EUR 21 million (net value) as amortization of holdings in Armilar II Fund (note 9).

On 31 December 2021 and 2020, the breakdown of the provisions for other liabilities and charges is as follows:

	2021	2020
Several contingencies	290,874	586,969
Legal processes in progress	236,735	88,266
Dismantlement	26,777	5,910
Other responsibilities (note 9)		29,326,695
	554,386	30,007,840

On 31 December 2021 and 2020, the value of provisions for the dismantling is recorded at its present value, accordingly with the dates of its utilisation in accordance with IAS 37 – 'Provisions, Contingent Liabilities and Contingent Assets'.

The caption 'Several contingencies' relates to contingent liabilities arising from transactions carried out in previous years and for which an outflow of funds is probable.

In relation to the provisions recorded for legal processes in progress and other responsabilities, given the uncertainty of such proceedings, the Board of Directors is unable to estimate, with reliability, the moment when such provisions will be used and therefore no financial actualisation was carried out.

In the year ended on 31 december of 2021, EUR 28,781,304 is related to the provision of incentive in favor of Armilar was reclassified from "Other liabilities" to 'Investments in joint ventures and associates' (note 9).

In the caption 'Other responsabilities' are included provisions for restructuring an amount of EUR 545,391 associated with severance payment and also included EUR 28,781,304 related to the incentive in favour of Armilar, as the Funds have exceeded the defined return barrier.

The Board of Directors expects that, with the exception of provisions for indemnities, the remaining provisions will essentially originate cash flows for more than 12 months.

#### 25. Other non-current liabilities

On 31 December 2021 and 2020, this caption had the following composition:

	2021	2020
Medium Term Incentive Plan (note 42)	462,159	201,812
Others	81,633	62,293
	543,792	264,105





### 26. Trade payables

On 31 December 2021 and 2020, this caption had the following composition and maturity plans:

	Total	Till 90 days	From 90 to 180 days	More than 180 days
2021				
Suppliers – current account	10,018,096	10,018,096	-	-
Intangible and tangible assets suppliers	103,121	103,121	-	-
Suppliers – invoices pending approval	1,944,635	1,944,635		-
	12,065,852			
2020				
Suppliers – current account	11,400,029	10,835,367	459,893	100,837
Intangible and tangible assets suppliers	63,602	292,106	-	-
Suppliers – invoices pending approval	5,422,707	5,422,707	-	-
	16,886,338	16,550,179	459,893	100,837

On 31 December 2021 and 2020, this caption included balances payable to suppliers resulting from the Group's operations and the acquisition of intangible and tangible assets. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

# 27. Other payables

On 31 December 2021 and 2020, this caption can be decomposed as follows:

	2021	2020
State and other public entities	3,247,971	5,192,167
Other creditors	8,386,854	4,447,090
	11,634,825	9,639,257

In the year ended on 31 December 2021, the amount of the caption 'Other creditors' essentially refers to the amount of tax payable to Sonae SGPS resulting, essentially, from the gain from the sale of 50% of the stake held in Arctic Wolf (Note 11).

In the year ended on 31 December 2020, the amount of 'Other creditors' refers primarily to the amount of tax payable to Sonae SGPS resulting from the distribution of capital of the Armilar II Fund in the amount of EUR de 3,481,398, tax amount of EUR 5,582,198 net of the withholding tax amount of EUR 2,100,800 (note 36). The remaining refers to various creditors, including balances with Sonae SGPS.

The liability to other creditors does not incorporate any interest. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

On 31 December 2021 and 2020, the caption 'State and other public entities' can be detailed as follow:

	2021	2020
Value-added tax	1,688,400	2,904,866
Social security contributions	1,036,006	1,719,143
Personal Income Tax (IRS)	441,962	439,764
Other taxes	81,603	128,394
	3,247,971	5,192,167





#### 28. Income tax

### a) Income tax receivable

On 31 December 2021 and 2020, this caption is detailed up as follows:

	2021	2020
Special account payment	941,871	984,390
Payments on account	-	191,378
Corporate income tax	558,907	643,884
	1,500,778	1,819,652

### b) Income tax payable

On 31 December 2021, this caption was only constituted by corporate income tax of EUR 4,781, related to companies not included in the Special Regime for Taxation of Groups.

#### 29. Other current liabilities

On 31 December 2021 and 2020, this caption is detailed up as follows:

	2021	2020
Accrual costs:		
Personnel costs	6,234,352	7,236,213
Specialised works	702,730	949,994
Advertising and promotion	558,634	707,132
Tangible and intangible assets	246,083	325,117
Rappel discounts (annual quantity discounts)	287,566	154,190
Medium Term Incentive Plans (note 42)	275,498	128,523
Rents	44,646	55,771
Other external suppliers and services	767,899	1,504,837
Other accrual costs	499,524	3,928,613
	9,616,932	14,990,390
Deferred income:		
Customer contract liabilities - Advance billing to customers (note 30)	10,857,883	10,392,375
Other customer advance payments	1,206,403	2,590,049
Grants	1,758,812	1,973,578
Other deferred income	15,667	17,499
	13,838,765	14,973,501
	23,455,697	29,963,891

On 31 December 2020, the caption 'Other accrual costs' refers essentially to the current amount of Earn Out payable relating to the acquisition of Excellium in the amount of EUR 2,587,048 and to Earn Out payable relating to the acquisition of Inovretail in the amount of EUR 345,343. On 31 december 2021 these amounts ate fully paid.

In the year ended on 31 December 2021 and 2020, the caption 'Customer contract liabilities - Advance billing to customers' can be detailed as follows:

	2021	2020
Technologies:		
Cybersecurity	10,835,557	10,006,231
Others	22,326	386,144
Total 'Liabilities from customer contracts - Advance billing to customers'	10,857,883	10,392,375





The amount of revenue recognised in the year that was recorded in the balance of 'Liabilities from customers contracts - Advance billing to customers' at the beginning of each year is detailed as follows:

	2021	2020
Effect on results:		
Technologies:		
Cybersecurity	7,202,466	5,171,330
Others	36,817	11,016
Total revenue 'Liabilities from customer contracts - Advance billing to customers' from continued units	7,239,283	5,182,346
Total revenue 'Liabilities from customer contracts - Advance billing to customers' from discontinued units	-	323,679
Total revenue 'Liabilities from customer contracts - Advance billing to customers'	7,239,283	5,506,025

The amount of revenue still to be recognized in relation to 'Liabilities from costumers contracts – Advance biling to customers' as on 31 December is pending the development of the Group's normal activity.

### 30. Sales and services rendered

On 31 December 2021 and 2020, these captions was composed as follows:

	2021	2020 (restated)
Information Systems	61,206,853	55,081,866
Multimedia and others	15,293,766	14,547,744
	76,500,619	69,629,610

The results related to projects carried out by the technology area are recognized according to the type of service in line with the accounting policy defined in note 1.s.

On 31 December 2021 and 2020, projects in progress can be summarised as follows:

	2021	2020 (restated)
Number of projects in progress	1,952	1,611
Total costs recognised in the year	43,141,666	36,294,569
Total revenues recognised in the year	59,466,673	53,367,152
Total costs recognised in the year - discontinued units	-	403,997
Total revenues recognised in the year- discontinued units	-	708,388
Total Liabilities from customer contracts - Advance billing to customers (note 29)	10,857,883	10,392,375
Total Customer contract assets - Billing due to customers (note 17)	3,841,025	6,196,130

Bank guarantees were provided for "Good execution of work to be performed" (note 38).

The detail of unrecognised revenue related to performance obligations of contracts with customers not satisfied in the year ended on 31 December 2021 and 2020, by type of contract and according to its duration, is as follows:

2021	Contract with customer duration				
	2022	2023	2024	> 2024	Total
Technologies:					
Cybersecurity	13,166,877	8,779,586	3,889,605	2,126,021	27,962,089
Total revenue from contracts with customers	13,166,877	8,779,586	3,889,605	2,126,021	27,962,089





2020	Contract with customer duration				
	2021	2022	2023	>2023	Total
Technologies:					
Cybersecurity	5,952,836	4,562,548	2,412,426	495,710	13,423,520
Others	29,543	29,543	29,543		88,629
Total revenue from contracts with customers	5,982,379	4,592,091	2,441,969	495,710	13,512,149

### 31. Other income

On 31 December 2021 and 2020, the caption 'Other income' can be detailed as follows:

	2021	2020 (restated)
Supplementary income	586,973	679,850
Reversal of provisions (note 24)	147,630	234,836
Grants	1,215,331	564,520
Others	2,308,882	1,688,712
	4,258,816	3,167,918

The caption 'Grants' includes the amount of EUR 1,067,474 (EUR 352,115 in 2020) related to operating grants and the amount of EUR 147,857 (EUR 212,405 in 2020) related to investment grants.

On 31 December 2021, the caption 'Others' includes the amount of EUR 1,597,605 related to the favorable conclusion of one of Sonaecom's tax proceedings paid under the Special Regime for Regularization of Debts to the Tax and Social Security (RERD - (Decree Law 248-A of 2002 and Decree-Law No. 151-A/2013) and that, as required by the CMVM, such payments were allocated to the Company's results.

On 31 December 2020, the caption "Others" includes the amount of EUR 1,103,384 related to the adjustment of the Earn Out to be paid related to the acquisition of Excellium (note 29).

### 32. External supplies and services

On 31 December 2021 and 2020, the caption 'External supplies and services' had the following composition:

	2021	2020 (restated)
Subcontracts	11,662,682	9,736,461
Specialised works	4,677,119	3,998,291
Advertising and promotion	1,777,067	1,337,981
Fees	1,072,436	963,957
Rents	647,643	631,591
Maintenance and repairs	624,737	530,959
Communications	536,401	582,407
Travelling costs	367,370	523,684
Fuel	344,443	253,917
Assurance	211,923	187,006
Commissions	208,151	262,563
Security	88,860	89,696
Energy	62,225	131,428
Others	486,041	610,507
	22,767,098	19,840,448

On 31 December 2021, the caption 'Specialised works' includes around EUR 1.7 million of advisory services (EUR 1.1 million in 2020) and around EUR 812 thousand of computer services (EUR 586 thousand in 2020).





# 33. Other expenses

On 31 December 2021 and 2020, the caption 'Other expenses' composed as follows:

	2021	2020 (restated)
Taxes Quotas	174,886	133,723
Quotas	145,463	135,288
Others	448,378	94,995
	768,727	364,006

#### 34. Financial results

Net financial results for the years ended on 31 December 2021 and 2020 were detailed as follows ((costs) / gains):

	2021	2020 (restated)
Financial expenses:	_	
Interest expenses:		
Bank loans	(44,564)	(30,305)
Leasing	(273,622)	(339,409)
Other interests	(30,875)	(264,518)
Foreign exchange losses	(2,445,097)	(2,632,273)
Other financial expenses	(231,623)	(248,966)
	(3,025,781)	(3,515,471)
Financial income:		
Interest income from financial assets measured at amortised cost	691,073	792,981
Foreign exchange gains	2,437,179	1,981,411
Others financial gains	634,175	131,816
	3,762,427	2,906,208

During the years ended on 31 December 2021 and 2020, the caption 'Interest income from financial assets measured at amortised cost' includes, mainly, interests earned on treasury applications (note 18 and 37).

As on 31 December 2021, the amount of 'Other financial income' is essentially related to indemnity and late payment interest received under RERD (EUR 555,839) (note 31).

#### 35. Gains and losses on Investments

Gains and losses on investments for the years ended on 31 December 2021 and 2020 are as follows ((expenses) / revenues):

	2021	2020
Financial results of associates and jointly controlled companies:		
Gains and losses related with the aplication of the equity method (note 9)	62,348,630	46,031,392
	62,348,630	46,031,392
Gains and losses on financial assets at fair value through profit or loss	·	
Gains and losses on financial assets at fair value through profit or loss (note 11)	67,473,452	21,626,448
Gains on disposal of financial assets at fair value through profit or loss (note 11)	17,689,693	-
	85,163,145	21,626,448

The amount of the caption 'Gains and losses related with the aplication of the equity method' on 31 December 2020 is deducted from the EUR 4,990,078 regarding the provision constituted to cover the payment to be made to the managers of the Armilar funds (note 9 and 24).

The caption 'Gains and losses on financial assets at fair value through profit or loss' refers to changes in fair value that occurred in Financial assets at fair value through profit or loss during the years 2021 and 2020 (note 11).





### 36. Income taxation

Income taxes recognised during the years ended on 31 December 2021 and 2020 were as follows ((costs) / gains):

	2021	2020 (restated)
Current tax	(5,779,333)	(1,764,198)
Tax provision net of reduction (note 24)	(39,047)	(63,133)
Deferred tax assets (note 12)	(307,696)	12,204,596
Deferred tax liabilities (note 12)	(16,649,569)	(5,762,367)
	(22,775,645)	4,614,898

# 37. Related parties

During the years ended on 31 December 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 most significant balances and transactions with related parties, which are listed in the appendix to this report, during the years ended on 31 December 2021 and 2020 were as follows:

			Balar	nces at 31 December 2021
	Accounts receivable	Accounts payable	Other assets	Other liabilities
	(note 15 and 16)	(note 26 and 27)	(note 13 and 17)	(note 25 and 29)
Parent company (Sonae SGPS)	1,684,332	6,747,534	111,867	36,439
Companies joint ventures	1,126,457	210,005	359,500	184,508
Associated companies	183,841	8,250	2,125,137	110,820
Other related parties	2,599,089	126,205	295,777	328,678
	5,593,719	7,091,994	2,892,282	660,445

			Balar	ices at 31 December 2020
	Accounts receivable (note 15 and 16)			
Parent company (Sonae SGPS)	2,259,943	2,554,209	164,600	25,035
Companies joint ventures Associated companies	899,507	272,966	1,541,111 2,513,065	1,138,783
Other related parties	4,385,210	69,044	114,315	1,364,154
	7.544.660	2.896.220	4.333.091	2.527.972

	Transactions at 31 December 2021							
	Sales and services	Supplies and services	Interest and similar	Interest and similar				
	rendered	received	income	expense	Supplementary income			
	(note 30)	(note 32)	(note 34)	(note 34)	(note 31)			
Parent company (Sonae SGPS)	75	361,512	446,899	-	-			
Companies joint ventures	3,291,646	749,363	-	-	217,622			
Associated companies	-	6,278	51,756	5,100	5,100			
Other related parties	2,045,204	854,845		89,673				
	5,336,925	1,971,998	498,656	94,773	222,722			

	Transactions at 31 December 2020 (restated)								
	Sales and services Supplies and services Interest and similar Interest and similar								
	rendered	received	income	expense	Supplementary income				
	(note 30)	(note 32)	(note 34)	(note 34)	(note 31)				
Parent company (Sonae SGPS)	47,358	309,228	558,026	-					
Companies joint ventures	2,860,580	673,047	46,434	-	227,018				
Associated companies	-	-	62,377	-	46,369				
Other related parties	1,552,394	1,002,587	-	39,540	3,500				
	4,460,333	1,984,861	666,837	39,540	276,887				

The amounts of the item "Sales and services rendered" in the line "Other related parties" and "Companies joint ventures" refer essentially to sales and services rendered resulting from the operational activity of Sonaecom companies with companies of the Sonae SGPS group and of NOS Group, respectively.





During the year ended on 31 December 2021, Sonaecom distributed dividends in the amount of EUR 7,859,228 to Sonae SGPS (EUR 6,724,906 on 31 December 2020) and EUR 18,824,123 to Sontel BV (EUR 16,107,239 on 31 December 2020). In 2021, each share issued corresponded to a gross dividend of EUR 0.097 (EUR 0.083 in 2020).

During the year ended on 31 December 2021, Sonaecom recognised the amount of EUR 68,917,696 referring to dividends of ZOPT (note 9).

The transactions between Group companies were eliminated in consolidation, and therefore are not disclosed in this note. All of these transactions were carried out at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the years ended on 31 December 2021 and 2020, no impairment losses were recognised in accounts receivable from related entities.

The Board of Directors were assessed as a related part of the company. The remuneration attributed to "key personnel" is disclosed in note 43.

A full list of the related parties of the Sonaecom group is presented in the annex to this report.

### 38. Guarantees provided to third parties

Guarantees provided to third parties on 31 December 2021 and 2020 were as follows:

Company	Beneficiary	Description	2021	2020
S21 Sec Gestion	Administrador de Infraestructuras Ferroviarias; AENA; AMB, Área Metropolitana de Barcelona; Asociacion Navarra de Informatica Municipal; Autoridad Portuaria de Pasaia; Ayuntamiento de Basauri; Ayuntamiento de Getxo; Ayuntamiento de Vitoria; Ayuntamiento de Vitoria-Gasteiz; Banco de España; Barcelona Serveis Municipals; Bic Gipuzkoa Berrilan, S.A.; Canal de Isabel II; Centro Nacional de Inteligencia, Centro Informático Municipal de Bilbao; Comunidad de Madrid; Correos Express Paqueteía; Diputación Foral de Gipuzkoa; Dirección General del Patrimonio del Estado; Dirección General Osakidetza; Directora General de Euskal Irrati Telebista; EITB; Eije S.A.; Ente Público Osakidetza; Euskaltel S.A.; Eusko Legebitzarra; Eusko Trenbideak; Euskotren; Eusko Trenbideak - Ferrocarriles Vascos, S.A.; Fabrica Nacional de la Moneda y Timbre; FNMT; Fundación Ziur; Gobierno Vasco; Hazi; INCIBE, Instituto de Mayores y Servicios Sociales; IZFE; Metro de Madrid, S.A.; Sociedad pública Eusko Trenbideak; Osakidetza S.V.S.; Parlamento Vaso; Renfe; Repsol; Servicios de la Comarca de Pamplona; Solred S.A.; SPRI - Agencia vasca de desarrollo empresarial and Universidad del Pais Vasco.	Completion of work to be done	1,789,812	1,726,237
Inovretail, S21 Sec Gestion and S21 Sec Labs	Agencia para o Desenvolvimento e Coesao, I.P.; Centro para Desarrollo Tecnológico Industrial: Ministerio de Economia y Competitividad; Ministerio de Industria, Energia y Turismo and Ayuntamiento de Rivas.	Grants	888,424	1,357,873
Sonaecom	Autoridade Tributária e Aduaneira (Portuguese tax authorities)	Additional tax assessments (Stamp and Income tax)	25,330,753	23,998,745
S21 Sec Gestion, S21 Sec Labs, Excellium Services, Excellium Services Belgium and Público	Others		524,912	645,770
			28,533,901	27,728,625

Regarding the value of the guarantees, on 31 December 2021, Sonae SGPS consisted of Sonaecom surety to the amount of EUR 7,112,129 and Sonaecom of Público up to the amount of EUR 564,900.

On 31 December 2021 and 2020, the contingencies for which guarantees and sureties are considered as remote.





On 31 December 2021, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.

# 39. Information by business segment

During the years ended on 31 December 2021 and 2020 were identified the following business segments:

- 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 the operations of the Group companies 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 on 31 December 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 on 31 December 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	Elimi	inations and others		Total
	December 2021	December 2020	December 2021	December 2020 (restated)	December 2021	December 2020	December 2021	December 2020 (restated)	December 2021	December 2020 (restated)	December 2021	December 2020 (restated)
Revenues:												
Sales and services rendered	15,078,567	14,069,602	61,191,829	54,895,865	390,000	411,000	76,660,396	69,376,467	(159,776)	(250,312)	76,500,620	69,629,609
Other operating revenues	639,816		1,543,938	2,621,886 57.517.751	1,726,573 2.116.573	21,124 432.124	3,910,327 80.570.723	3,121,899 72,498,366	348,489 188,713	45,564 (204,748)	4,258,816 80.759.436	3,167,918 72,797,527
Total revenues  Depreciation and amortisation	(708.994)	(1,212,480)	(6.076.511)	(6.923.115)	(34,756)		(6.820.261)	(8.166.172)	(384,635)	(393,903)	(7,204.896)	(8.564.099)
Provisions and impairment losses	(700,994)	(1,212,460)	(302.157)	(112,282)	(7,528)	(64.139)	(309.685)	(186.421)	(364,033)	(242,402)	(309.685)	(186.421)
Net operating income / (loss) for the segment	(2,226,818)	(3,198,589)	(9.027.236)	(8.826.921)	(103,700)	(1.567.003)	(11.357.754)	(13.592.513)	393.242	181.364	(10.964.512)	(13.415.172)
Interest income	15,149		215,889	188,137	1,070,351	934,574	1,301,389	1,140,027	(610,316)	(347,046)	691,073	792,981
Interest expenses	(31,545)	(21,653)	(934,996)	(943,243)	(1,472)	(1,775)	(968,013)	(966,671)	618,952	295,670	(349,061)	(634,232)
Gains and losses on financial assets at fair value through profit or loss	-	-	85,163,145	21,626,448	-	-	85,163,145	21,626,448	-	-	85,163,145	21,626,448
Gains and losses in associated companies and joint ventures	(23,125)	(35,586)	30,309,887	19,113,130	32,061,868	26,953,848	62,348,630	46,031,392			62,348,630	46,031,392
Other financial results	(15,154)	(11,109)	(88,915)	(740,354)	(819,084)	1,110,127	(923,153)	358,664	1,317,787	(1,126,674)	394,634	(768,012)
Income taxation	709,983	3,298,467	(23,537,020)	(3,983,212)	11,502	2,600,310	(22,815,535)	1,915,565	39,890	2,699,333	(22,775,645)	4,614,898
Consolidated net income/(loss) for the period	(1,571,510)	48,846	82,100,754	26,433,985	32,219,465	30,030,081	112,748,709	56,512,912	1,759,555	1,702,647	114,508,264	58,248,303
Consolidated net income/(loss) for the period of discontinued operations			5,254,859	503,271		-	5,254,859	503,271	16,249	(32,745)	5,271,108	470,526
Attributable to:								-				
Shareholders of parent company	(1,571,510)	48,846	88,501,289	28,375,726	32,219,465	30,030,081	119,149,244	58,454,653	1,576,415		120,725,659	60,125,890
Non-controlling interests	-	-	(1,112,971) (32,705)	(1,556,101) 117.631	-	-	(1,112,971)	(1,556,101) 117.631	199,389	31,409	(913,582)	(1,524,692) 117.631
Non-controlling interests (discontinued operations)						_	( , , , , , ,		-	_	(32,705)	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
Assets:								-				
Tangible assets, intangible assets, rights of use and goodwill	3,004,027	2,948,598	27,605,182	29,755,984	69,959	70,200	30,679,168	32,774,782	2,314,727	2,631,165	32,993,895	35,405,947
Inventories	229,658	194,413	-	57,414	-	-	229,658	251,827	-	-	229,658	251,827
Investments in associated companies and joint ventures	670,494	693,619	143,949,575	144,065,913	623,008,191	662,983,184	767,628,260	807,742,716	52,944	52,944	767,681,204	807,795,660
Financial assets at fair value through other comprehensive income	3,047,947	3,047,949	7,950,809	7,251,842	-	-	10,998,756	10,299,791	(3,000,000)	(3,000,000)	7,998,756	7,299,791
Financial assets at fair value through profit or loss	-	-	158,924,575	92,324,063	-	-	158,924,575	92,324,063	-	-	158,924,575	92,324,063
Other non-current assets and deferred tax assets	2,849,492		13,373,355	13,524,284	132,711,666	176,955,566	148,934,513	193,404,224	(125,847,356)	(169,421,056)	23,087,157	23,983,168
Other current assets of the segment	12,796,640	11,957,020	63,456,171	73,414,635	244,055,884	187,926,829	320,308,695	273,298,484	5,636,002	7,131,853	325,944,697	280,430,337
Liabilities:								-				
Liabilities of the segment	10,791,006	10,487,209	119,020,901	137,985,308	2,482,611	2,427,059	132,294,518	150,899,576	(22,249,334)	(17,909,065)	110,045,184	132,990,511
CAPEX	777,124	6,093,911	34,761,707	24,731,167	31,967,595	46,518,317	67,506,426	77,343,395	(31,412,114)	(49,428,786)	36,094,312	27,914,609





During the years ended on 31 December 2021 and 2020, the inter-segments sales and services were as follows:

	Media	Technologies	Holding Activities
2021			
Multimedia	-	-	-
Information Systems	-	-	75,000
External trade debtors	15,078,567	61,191,829	315,000
	15,078,567	61,191,829	390,000

	Media	Technologies (restated)	Holding Activities
2020			
Multimedia	-	-	-
Information Systems	-	=	228,500
External trade debtors	14,069,602	54,895,865	182,500
	14,069,602	54,895,865	411,000

During the years ended on 31 December 2021 and 2020, sales and services rendered of the segments of Multimedia and Activities Holding were obtained predominantly in the Portuguese market, this market represents approximately 95.48% and 97,30%, respectively, of revenue.

During the years ended on 31 December 2021, for the Technologies segment, also the spanish market is dominant, accounting for 46.47% of revenue (50.23% in 2020) followed by the Luxembourg, representing 33.39% of revenue (29.05% in 2020).

During the years ended on 31 December 2021 and 2020, inter-segment sales and services by geographic market can be detailed as follows:

	Med	ia	Techo	logies	Holding a	ctivities
Country	Dec-21	Dec-20	Dec-21	Dec-20 (restated)	Dec-21	Dec-20
Spain	95,725	66,772	28,438,896	27,576,650	-	-
Luxembourg	2,969	731	20,375,477	15,948,145	-	-
Portugal	14,396,806	13,689,994	8,051,507	7,756,189	390,000	411,000
Mexico	-	-	885,349	1,140,486	-	-
Germany	6,108	2,140	276,584	101,092	-	-
United States of America	138,572	125,931	104,255	63,766	-	-
United Kingdom	14,834	19,668	36,225	95,004	-	-
Malta	-	-	3,210	54,115	-	-
Brazil	6,017	2,408	-	58,590	-	-
Rest of the world	2,067	(16,267)	475,699	566,658	-	-
Other countries in Europe	415,469	178,225	2,544,627	1,535,170	-	-
Total	15,078,567	14,069,602	61,191,829	54,895,865	390,000	411,000





During the years ended on 31 December 2021 and 2020, non-current inter-segment assets by geographic market may be broken down as follows:

	Мес	dia	Techno	blogies	Holding a	ctivities
Country	Dec-21	Dec-20	Dec-21	Dec-20	Dec-21	Dec-20
Luxembourg	-	-	15,540,217	16,095,031	=	-
Portugal	3,109,548	3,081,027	9,598,709	10,548,390	130,294,510	174,482,410
Spain	=	-	7,125,523	7,906,008	=	-
Mexico	=	-	=	133,805	=	-
Belgium	=	-	289,580	=	=	=
Total	3,109,548	3,081,027	32,554,028	34,683,234	130,294,510	174,482,410

The consolidated financial statements of NOS on 31 December 2021 and 2020 incorporated in the consolidated financial statements of Sonaecom through ZOPT by the equity method (note 9), can be summarised as follows:

# Condensed consolidated balance sheets

(Amounts expressed in of Euro)	December 2021	December 2020
Assets		
Property, plant and equipment	1,041,100	991,613
Intangible assets	1,205,031	1,041,087
Rights of use	236,063	260,097
Deferred tax assets	81,390	82,782
Other non-current assets	189,328	181,889
Non-current assets	2,752,912	2,557,468
Trade debtors	323,934	290,652
Cash and cash equivalents	10,902	153,285
Other current assets	171,648	171,238
Current assets	506,484	615,175
Totalassets	3,259,396	3,172,643
Liabilities		
Loans	1,275,541	1,363,514
Provisions for other liabilities and charges	82,516	73,345
Other non-current liabilities	48,388	50,964
Non-current liabilities	1,406,445	1,487,823
Loans	301,068	167,126
Trade creditors	279,993	252,607
Other current liabilities	308,890	308,853
Current liabilities	889,951	728,586
Total liabilities	2,296,396	2,216,409
Shareholders' funds excluding non-controlling interests	956,621	949,549
Non-controlling interests	6,379	6,685
Total Shareholders' funds	963,000	956,234
Total Shareholders' funds and liabilities	3,259,396	3,172,643





# Condensed consolidated statements of income by nature

Totalrevenue	1,430,299	1,367,886
Costs and losses		
Direct costs and External supplies and services	(476,398)	(449,318)
Depreciation, amortisation	(419,467)	(409,842)
Other operating costs	(345,776)	(371,416)
	(1,241,641)	(1,230,576)
Gains/ (losses) in associated companies	3,601	(9,099)
Financial results	(36,623)	(26,633)
Income taxation	(11,783)	(16,342)
Consolidated net income/(loss) for the year	143,853	85,236
Consolidated net income/(loss) for the year of discontinued operations	-	6,407
Consolidated net income/(loss) for the year attributed to non-controlling interests	(306)	(357)
Attributed to shareholders of parent company	144,159	92,000

# 40. Discontinued units

# Digitmarket

The net income from the discontinued operations can be detailed as follows:

(Amounts expressed in Euro)	June 2021	December 2020
Sales	20,678,415	54,800,449
Services rendered	2,574,960	5,594,274
Other income	10,861	4,812
	23,264,236	60,399,535
Cost of sales	(19,715,473)	(53,002,996)
External supplies and services	(1,773,679)	(3,100,707)
Employee benefits expense	(1,780,393)	(3,264,752)
Impairment losses	-	(50,113)
Depreciation and amortisation	(150,358)	(321,481)
Other expenses	(5,824)	(7,222)
	(23,425,727)	(59,747,271)
Financial expenses	(15,575)	(58,602)
Financial income	18,685	34,507
Current income / (loss)	(158,381)	628,169
Income taxation	27,562	(157,643)
Consolidated net income/(loss) for the period of discontinued operations	(130,819)	470,526
Gain/ (loss) resulting from the alienation	5,401,927	-
Attributed to:		
Non-controlling interests (discontinued operations)	(32,705)	-
Cash flows from operating activities (1)	(903,596)	2,900,451
Cash flows from investment activities (2)	(14,112)	(31,844)
Cash flows from financing activities (3)	(118,474)	(944,607)
Net cash flows $(4)=(1)+(2)+(3)$	(1,036,181)	1,924,000

The net income on 30 June 2021 corresponds to the net income from the Digitmarket in the negative amount of EUR 130,819, and to the gain resulting from the alienation in the amount of EUR 5,401,927 (note 3.c).





# 41 Earnings per share

Earnings per share for the year ended on 31 December 2021 and 2020 were calculated as follows:

	2021	2020
Including discontinued operations		
Consolidated net income/(loss) for the year attributed to shareholders of parent company	120,725,659	60,125,890
Average number of shares outstanding, net of own shares	305,769,023	305,769,023
Basic earning per share	0.39	0.20
Diluted earning per share	0.39	0.20
Excluding discontinued operations		
Consolidated net income/(loss) for the year attributed to shareholders of parent company	114,508,264	60,125,890
Average number of shares outstanding, net of own shares	305,769,023	305,769,023
Basic earning per share	0.37	0.20
Diluted earning per share	0.37	0.20

In the years presented, there were no dilutive effects with an impact on net earnings per share, so this is equal to the basic earnings per share.

The basic and diluted dividend per share of EUR 0.097 in 2021 and Euro 0.083 in 2020 are calculated by dividing the dividend amount distributed (EUR 29,659,595 in 2021 and EUR 25,378,829 in 2020) by the average number of shares existing during the years ended on 31 December 2021 and 2020, less own shares (305,769,023 in 2021 and 2020).

### 42. Medium Term Incentive Plans

On June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan, for more senior employees, based on Sonaecom options and shares and Sonae-SGPS, S.A. shares, being on 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. The exercise of the rights occurs three years after their attribution, provided that the employee stays in the company during that period.

On March 2021 the 2020 Plan was awarded to Sonaecom's and Sonae IM's Directors, and, in April 2021, the 2017 Plan was delivery to Sonaecom's and Sonae IM's Directors.

Accordingly, the plans outstanding on 31 December 2021 and 2020 are as follows:

			Vesting period		31 December 2021
	Share price 31 December 2021	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2018 Plan	1.003	Mar/19	Mar/22	3	293,265
2019 Plan	1.003	Mar/20	Mar/23	3	622,144
2020 Plan	1.003	Mar/21	Mar/24	4	413,268
					1,328,677
			Vesting period		31 December 2020
	Share price 31 December 2020	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares	or Becciniber 2020	/ Ward date	vesting date	or participations	realiser of shares
2017 Plan	0.662	Mar/18	Mar/21	3	205,103
2018 Plan	0.662	Mar/19	Mar/22	3	276,411
	0.440	M/20	Mor/22	3	E04 204
2019 Plan	0.662	Mar/20	Mar/23	3	586,386





During the year ended on 31 December 2021 and 2020, the movements that occurred in the plans can be summarised as follows:

		Sonae SGPS shares
	Number of participants	Number of shares
Outstanding on 31 December 2020:		
Unvested	9	1,067,900
Total	9	1,067,900
Movements in the year:		
Award	4	389,515
Vested <sup>(1)</sup>	(3)	(205,103)
Corrected (2)		76,365
Outstanding on 31 December 2021:		
Unvested	10	1,328,677
Total	10	1,328,677

<sup>(1)</sup> Of the vested shares 148,346 were delivered in cash

The responsibility of the plans was recognised under the caption 'Other current liabilities' and 'Other non-current liabilities'.

Share plans costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised for the open plans and for the plans vested in previous years and in the year ended ont 31 December 2021 and 2020, were as follows:

	2021	2020
Costs recognised in previous years	331,267	347,167
Costs recognised in the year (note 43)	566,063	111,825
Costs of plans vested in the year	(159,673)	(128,657)
Total cost of the plans	737,657	330,335
Recorded in 'Other current liabilities' (note 29)	275,498	128,523
Recorded in 'Other non-current liabilities (note 25)	462,159	201,812

# 43. Employee benefits expense

For the years ended on 31 December 2021 and 2020, the caption 'Employee benefits expense' was as follows:

	2021	2020 (restated)
Remuneration	38,396,882	36,965,124
Charges on remuneration	6,917,631	6,815,873
Medium Term Incentive Plans (note 42)	566,063	137,298
Works for own company (note 6)	(2,027,358)	(2,008,511)
Others	704,916	1,248,087
	44,558,134	43,157,871

<sup>(1)</sup> Corrections in the number of shares are made based on the dividend paid during the plan period.





During the years 2021 and 2020, the remunerations attributed from Sonaecom to the members of the Board of Directors and other key members of management (10 in 2021 and 10 in 2020) were as follows:

	2021	2020
Short-term employee benefits	2,212,313	2,028,135
Share-based payments	319,300	304,600
Other medium and long term benefits	292,914	489,800
	2,824,527	2,822,535

The amounts included in the line of Benefits of short-term employees include Fixed Remuneration and the Performance Premium, the latter calculated on an accrual basis. The value of Share-based Payments for 2021 and 2020 corresponds to the value of the medium-term incentive plan to be awarded in 2022 and relative to the performance of 2021 (and attributed in 2021 relative to the performance of 2020, to the value of 2020), whose shares, or the corresponding cash value, will be delivered on March 2025 and March 2024, respectively, and for which the expense is recorded during the period from 2022 to 2025 (2021 to 2024 for the value of 2020).

Corporate Governance Report includes more detailed information on Sonaecom's remuneration policy.

In the years ended on 31 December 2021 and 2020 the members of the Board of Directors of Sonaecom as the Board of Directors members of group companies were considered key members of management.

# 44. Fees of Statutory Auditor

During the year ended on 31 December 2021, the Group agreed as fees to ROC, PricewaterhouseCoopers SROC, and with other companies in the network, the amount of EUR 198,732 (EUR 179,700 in 2020).

The details of the services provided during the year in 2021 are as follows:

		Sonaecom		mpanies in the group	
	PwC SROC	Other companies in the network	PWU.SRUU.	Other companies in the network	
Audit services	47,530		129,797	21,405	198,732
Total	47,530	-	129,797	21,405	198,732

### 45. Average number of employees

During the years ended on 31 December 2021 and 2020, the average number of employees serving the companies included in the consolidation was 847 and 948, respectively. On 31 December 2021, the number of workers amounted to 861 (927 on 31 December 2020).

### 46. Contingents Assets

Contingent assets related to tax proceedings paid within the scope of debt settlement programs to the Tax Authorities and Social Security

According to the Exceptional Regime for Settlement of Tax Debts and Social Security (DL 67/2016 of 3/11, DL 151-A/2013 of 31/10 and DL 248-A/2002 of 14/11), Sonaecom Group paid tax to the State in the amount of around EUR 5.4 million, of which EUR 3.8 million are in impugnation pending judicial cases.

As provided in supporting diplomas for the aforementioned programmes, the Group maintains legal procedures aimed at ensuring that it is justified in the specific situations.





# 47. Subsquent events

In February 2022, a gross amount of Eur 35.2 million was received from Armilar Venture Funds III, following the conclusion of the sale of Safetypay to Paysafe, which was pending some regulatory approvals.

On 24 February, Russian troops invaded Ukraine, starting a war that is already having several effects on the macroeconomic environment. The growing wave of reactions with the imposition of sanctions on Russian and Belarusian entities, volatility and uncertainty of capital markets, the increase in fuel prices are some of the effects that already make us anticipate a very challenging year of 2022.

These financial consolidated presentations have been approved by the Executive Board and authorised to be issued on 24 March 2022, however, subject to approval by the Shareholders' General Meeting.





# Appendix

On 31 December 2021 the related parties of Sonaecom Group are as follows:

Subsidiaries				
Bright Development Studio, S.A.	Maxive - Cybersecurity, SGPS, S.A			
Bright Tech Innovation I - Fundo Capital de Risco	PCJ-Público, Comunicação e Jornalismo, S.A.			
Bright Vector I - Fundo Capital de Risco	Praesidium Services Limited			
Bright Ventures Capital SCR, S.A.	Público - Comunicação Social, S.A.			
Excellium Group, S.A.	S21 Sec Gestion, S.A.			
Excellium Services Belgium, S.A.	S21 Sec Information Security Labs, SL			
Excellium Services, S.A.	S21SEC Portugal - Cybersecurity and Intelligence Services, S.A.			
Inovretail España, SL	Sonae Investment Management - Software and Technology, SGPS, S.A.			
Inovretail, S.A.	Sonaecom - Serviços Partilhados, S.A.			

Associated companies and joint ventures				
Alfaros SRAL	NOS Inovação, S.A.			
Big Picture 2 Films, S.A.	NOS Internacional, SGPS, S.A.			
Big Picture Films, SL	NOS Lusomundo Audiovisuais, S.A.			
Dreamia Holding B.V.	NOS Lusomundo Cinemas, S.A.			
Dreamia Servicios de Televisión, S.L.	NOS Madeira Comunicações, S.A.			
Dreamia Serviços de Televisão, S.A.	NOS Mediação de Seguros, S.A.			
Dualgrid - Gestão de Redes Partilhas, S.A.	NOS Property, S.A.			
Empracine - Empresa Promotora de Atividades Cinematográficas, Lda.	NOS SGPS, S.A.			
FINSTAR - Sociedade de Investimentos e Participações, S.A.	NOS Sistemas España, SL			
Fundo de Capital de Risco Armilar Venture Partners II	NOS Sistemas, S.A.			
Fundo de Capital de Risco Armilar Venture Partners III	NOS Tecnhology - Concepção Construção e Gestão de Redes de Comunicação, S.A.			
Fundo de Capital de Risco Armilar Ventures Partners Inovação e Internacionalização	NOS Wholesale, S.A.			
Fundo de Capital de Risco NOS 5G	Per-Mar - Sociedade de Construções, S.A.			
Lusomundo - Sociedade de Investimentos Imobiliários, SGPS, S.A.	SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.			
Lusomundo Imobiliária 2, S.A.	Sontária - Empreendimentos Imobiliários, S.A.			
Lusomundo Moçambique, Lda.	Sport TV Portugal, S.A.			
MSTAR, S.A.	Suricate Solutions			
NOS Açores Comunicações, S.A.	Teliz Holding, B.V.			
NOS Audio - Sales & Distribution, S.A.	Unipress - Centro Gráfico, Lda.			
NOS Audiovisuais, SGPS, S.A.	Upstar Comunicações, S.A.			
NOS Comunicações, S.A.	ZAP Media, S.A.			
NOS Corporate Center, S.A.	ZOPT, SGPS, S.A.			

Other participations		
Advert.io, S.A.	Portainer.io Limited	
Arctic Wolf, Inc.	Portugate S.A.	
Aryaka Networks, Inc.	Probe.ly - Soluções de Cibersegurança, Lda.	
Automaise, S.A.	Reblaze Technologies LTD	
Beamy SAS	Replai INC	
BinaryAnswer. Lda.	RK.AI - Serviços de processamento de imagens e análise de dados, S.A.	
Cellwize Wireless Technologies Ltd.	SafeBreach Ltd	
Citcon Limited	Sales Layer Tech, SL	
CiValue Systems, Inc.	Sellforte Solutions OY	
Daisy Intelligence Corporation	Sensei Data Lda.	
Deepfence Inc.	Sixgill Ltd	
Food Orchestrator, Lda. (Eat Tasty)	Style Sage, Inc.	
Habit Analytics PT Lda.	Social Disruption Marketing Agency, Lda. (Sway)	
Irius Risk, S. L.	TAIKAI, S.A.	
Jscrambler, S. A.	Visenze Pte, Ltd	
Nextail Labs, Inc.	Weaveworks Inc.	
Ometria LTD		





#### Other related parties

2ndRoom - Exploração Hoteleira, S.A. 3shoppings - Holding, SGPS, S.A.

838 Soluções, Ltda

Accive Insurance - Corretor de Seguros, S.A.

Acrobatic Tittle, S.A.

Adira - MetalForming Solutions, S.A.

Aegean Park Constructions Real Estate and Development, S.A.

Agepan Eiweiler Management, GmbH Agloma Investimentos, SGPS, S.A. Águas Furtadas - Sociedade Agrícola, S.A.

Aliansce Sonae Shopping Centers, S.A. (Consolidado)

Alpêssego - Sociedade Agrícola, S.A. Andar - Sociedade Imobiliária, S.A. Aqualuz - Turismo e Lazer, Lda. Aqualuz Troia, S.A.

Arat Inmuebles, S.A.
Area Sur Shopping, SL
Arenal Perfumerias SLU
ARP Alverca Retail Park, S.A.

Arrábidashopping - Centro Comercial, S.A. Arrábidashopping - Centro Comercial, S.A.

Aserraderos de Cuellar, S.A. Asprela Sociedade Imobiliária, S.A. Atelgen - Produção Energia, ACE Atlantic Ferries - Tráf.Loc.Flu. e Marit., SA

Axnae Spain Holdings, SL Azulino Imobiliária, S.A. BA Bussiness Angels, SGPS, S.A. BA Capital, SGPS, S.A.

BB Food Service, S.A. Bens Consultoria Ltda.

Bertimóvel - Sociedade Imobiliária, S.A. Bloco Q - Sociedade Imobiliária, S.A. Bodytone International Sport SL Bom Momento - Restauração, S.A.

BrightCity, S.A.

Brio - Produtos de Agricultura Biológica, S.A.

Brokerslink Management AG

BUZZEE Insure, Lda.

Canasta - Empreendimentos Imobiliários, S.A.

Candotal Spain SLU Capwatt - ACE, S.A. Capwatt - SGPS, S.A.

Capwatt Alrota - Wind Power, S.A.
Capwatt Biometano Aljustrel, Unip., Lda
Capwatt Biometano Seia, Unipessoal, Lda.
Capwatt Biometano Tomar, Unipessoal, Lda
Capwatt Chamusca - Bio Power, Unipessoal, Lda.

Capwatt Colombo - Heat Power, S.A Capwatt DDP, Sociedad Limitada Capwatt Decentralized Solar Power, S.A.

Capwatt España, S.L.U.

Capwatt Estuário - Heat Power, Unipessoal, Lda.

Capwatt Évora - Solar Power, S.A.
Capwatt Ferreira - Solar Power, S.A.
Capwatt Graciosa - Green Storage, S.A.
Capwatt Hectare - Heat Power, ACE
Capwatt IV - Heat Power Unipessoal, Lda.
Capwatt Lousado - Heat Power, Unipessoal, Lda.

Capwatt Maia - Heat Power, S.A.

Capwatt Martim Longo - Solar Power, S.A. Capwatt Mexico, S. de R.L. de CV Capwatt Services DDP, S.L.U. Capwatt Services. S.A.

Capwatt Vale do Tejo - Heat Power, S.A. Capwtatt Vale do Caima - Heat Power, S.A.

. Carvemagere - Manutenção e Energias Renováveis, Lda.

Casa Agrícola de Ambrães

Casa da Ribeira - Sociedade Imobiliária, S.A.
Cascaishopping-Centro Comercial, S.A.
CCCB Caldas da Rainha - Centro Comercial, S.A.
Centro Colombo - Centro Comercial, S.A.
Centro Residencial da Maia, Urban., S.A.
Centro Vasco da Gama - Centro Comercial, S.A.
Chão Verde - Sociedade de Gestão Imobiliária, S.A.

CHPA Holding, S.A.P.I. DE C.V. Cinclus Imobiliária, S.A.

Citorres - Sociedade Imobiliária, S.A. Claybell Limited

Closer Look Design, Lda.
Cogen Tepetlaoxtoc, S.A.P.I de C.V.
Cogeneración Huasteca I, S. de R. L. de C.V.
Cogeneración Pericu I, S. de R. L. de C.V.
Coimbrashopping- Centro Comercial, S.A.

Comercial Losan, SLU

Companhia Térmica Serrado, ACE Companhia Térmica Tagol, Lda.

Contimobe - Imobiliária de Castelo de Paiva, S.A.

Continente Hipermercados, S.A. Country Club da Maia - Imobiliária, S.A. Cumulativa - Sociedade Imobiliária, S.A.

Cyclicus DDP Uno S.L. Cyclicus Norte S.L. Deporvillage SL

Desimpacte de Purins Alcarrás, S.A.
Desimpacte de Purins Corcó, S.A.
Desimpacte de Purins Voltregá, S.A.
Desimpacto de Purines Altorricón, S.A.
Desimpacto de Purines Eresma, S.A.
Desimpacto de Purines Turegano, S.A.

DOC Malaga Holdings SL
Doc Málaga Siteco Phase 2, SL
DOC Malaga SITECO SLU
Duobens - Corretora de Seguros Ltda
Ecociclo, Energia e Ambiente, S.A.
Ecofutura Luz Energía, S.L.
Efanor - Investimentos, SGPS, S.A.
Efanor Serviços de Apoio à Gestão, S.A.

E-FIT, Unipessoal, Lda. Elergone Energias, Lda.

Empreend.Imob. Quinta da Azenha, S.A. ENC MEDELLIN SA DE CV ENC POWER MEXICO SA DE CV ENC ZAPOPAN SA DE CV Engenho Novo Electricidade PT, S.A. Engenho Novo Gás PT, S.A.

Estação Viana - Centro Comercial, S.A. Euroresinas - Indústrias Quimicas, S.A.

Farmácia Selecção, S.A. Fashion Division, S.A.





#### Other related parties

Fashion International Trade, S.A. Feneralt - Produção de Energia ACE

Filhet Allard EspañaCorreduria de Seguros SL

Fozimo - Sociedade Imobiliária, S.A.

Frases e Frações - Imobiliária e Serviços, S.A. Fundo de Investimento Imobiliário Fechado Imosede Fundo de Investimento Imobiliário Imosonae Dois

Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center Fundo de Investimento Imobiliário Shopping Parque Dom Pedro Fundo Especial de Investimento Imobiliário Fechado WTC

Futura Carbono, SL

Futura Energía Inversiones, SL Futura Energía y Gas, SL Futura Green Renovables, SL

Gaiashopping I - Centro Comercial, S.A. Gaiashopping I - Centro Comercial, S.A. Gaiashopping II - Centro Comercial, S.A. Gaiashopping II - Centro Comercial, S.A. GHP Glunz Holzwerkstoffproduktions, GmbH

Gli Orsi Shopping Centre 1 Srl Glunz UK Holdings, Ltd. Glunz UkA GmbH

Go Well - Promoção de Eventos, Caterings e Consultoria, S.A.

Golf Time - Golfe e Inv. Turisticos, S.A.

GOSH! Food Limited

Gracinda e Graça - Sociedade de Mediação de Seguros, Lda.

Guimadira - Máquinas e Ferramentas, Lda. Guimarãeshopping - Centro Comercial, S.A. H&W - Mediadora de Seguros, S.A

Halfdozen Real Estate, S.A. HighDome PCC Limited

HighDome PCC Limited (Cell Europe)

Iberia Shopping Centre Venture Cooperatief UA

lberian Assets, S.A. Iberian Holdings Spain, SL

Iberosegur - Sociedade Ibérica de Mediação de Seguros, Lda.

Igimo - Sociedade Imobiliária, S.A. Iginha - Sociedade Imobiliária, S.A. Imoassets - Sociedade Imobiliária, S.A.

Imobeauty, S.A.

Imoestrutura - Sociedade Imobiliária, S.A. Imomuro - Sociedade Imobiliária, S.A. Imopenínsula - Sociedade Imobiliária, S.A. Imopenínsula - Sociedade Imobiliária, S.A. Imoponte-Soc.Imobiliária, S.A. Imoresort - Sociedade Imobiliária, S.A. Imoresultado - Sociedade Imobiliária, S.A. Imosedas-Imobiliária e Serviços, S.A. Imosistema - Sociedade Imobiliária, S.A. Impaper Europe GmbH & Co. KG

Implantação - Imobiliária, S.A. Inparvi, SGPS, S.A.

. Ioannina Development of Shopping Centres, S.A.

IPLF - Holding, SA

Irmāos Vila Nova III - Imobiliária, S.A.

Irmāos Vila Nova, S.A. Iservices, Lda. Isoroy, SAS

ISRG - Iberian Sports Retail Group, SL IVN - Serviços Partilhados, S.A. IVN Asia Limited

JD Canary Islands Sports SL JD Spain Sports Fashion 2010, SL

La Galleria Srl

Laminate Park GmbH & Co. KG

Land Retail BV

Larim Corretora de Resseguros Ltda.

Larissa Development of Shopping Centres, S.A.

Lazam/mds Correctora Ltda. Le Terrazze - Shopping Centre 1, Srl

Libra Serviços, Lda.

Lidergraf - Artes Gráficas, Lda.

Living Markets I, S.A.

LMGE - Gestão de Edifícios Lda. LMIT - Innovation & Technology, Lda. LMSA - Engenharia de Edifícios, S.A.

Losan Colombia, SAS Losan Logística, SA Losan Overseas Textile, SL

Losan Rusia

Luz del Tajo - Centro Comercial, S.A. Madeirashopping - Centro Comercial, S.A. Maiashopping - Centro Comercial, S.A. Maiequipa - Gestão Florestal, S.A.

Marcas MC, zRT

Maremor Beauty & Fragances, S.L.

Marina de Tróia, S.A.

Marmagno-Expl.Hoteleira Imob., S.A. Marvero-Expl.Hoteleira Imob., S.A. MCCARE - Serviços de Saúde, S.A. MDS - Corretor de Seguros, S.A. MDS África, SGPS, S.A.

MDS Auto - Mediação de Seguros, S.A.

MDS Insurance - Corretora de Seguros e Resseguros, S.A.

MDS Link Solutions, Lda. MDS Malta Holding Limited

MDS MG Corretora e Administradora de Seguros, Ltda.

MDS Partners Corretor de Seguros, S.A. MDS RE - Mediador de resseguros, SGPS, S.A.

MDS, SGPS, S.A.

Média Mais - Mediação de Seguros, Lda

Megantic BV

Mercado Urbano - Gestão Imobiliária, S.A.

Microcom Doi, Srl

MJLF - Empreendimentos Imobiliários, S.A. MKTPLACE - Comércio Eletrónico, S.A. Modalfa - Comércio e Serviços, S.A.

Modalfa Canarias, SL

Modelo Continente Hipermercados, S.A. Modelo Continente International Trade, S.A.

Modelo Hiper Imobiliária, S.A. Moneris Correctores de Seguros Lda. Moneris. Seguros - Mediação de Seguros, Lda.

Movelpartes - Comp. para a Indústria do Mobiliário, S.A. Norte Shopping Retail and Leisure Centre, BV

Norteshopping - Centro Comercial, S.A.

North Tower BV Novodecor (Pty) Ltd

Nuno Franco - Mediação de Seguros, Lda

Olimpo Asset 1, S.A.





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	a pai	

Olimpo Asset 2, S.A. SC Assets, SGPS, S.A. Olimpo Asset 3, S.A. SC Finance, BV Olimpo Asset 4, S.A. SC Fitness, S.A. Olimpo Asset 5, S.A. SC Hospitality, SGPS, S.A. SC Industrials SGPS, S.A. Olimpo Asset 6, S.A.

Olimpo Asset 7, S.A. SC, SGPS, S.A.

SCBRASIL Participações, Ltda. Olimpo Asset 8, S.A. Olimpo Real Estate SGI, S.A. SDSR - Sports Division, S.A. Olimpo Real Estate Socimi, S.A. Segurtime - Mediação de Seguros, Lda.

Olimpo SIGI España, S.A. Selifa - Empreendimentos Imobiliários de Fafe, S.A. PA Cúcuta (Fideicomiso) Sempre à Mão - Sociedade Imobiliária, S.A. Pantheon Plaza BV

Sempre a Postos - Produtos Alimentares e Utilidades, Lda. Paracentro - Gestão de Galerias Comerciais, S.A. Serra Shopping - Centro Comercial, S.A.

Parcelas e Narrativas - Imobiliária, S.A. Sesagest - Proj. Gestão Imobiliária, S.A.

Pareuro, BV Sete e Meio Herdades - Investimentos Agrícolas e Turismo, S.A. Park Avenue Developement of Shopping Centers, S.A. SFS - Financial Services IME, S.A.

Parklake Business Centre Srl SFS - Gestão de Fundos, SGOIC, S.A. Parklake Shopping, S.A. SFS Gestão e Consultoria, S.A. Parque Atlântico Shopping - Centro Comercial, S.A. Shopping Centre Colombo Holding, B.V.

Parque D. Pedro 1, S.à r.l. SIAL Participações, Ltda.

Parque de Famalicão - Empreendimentos mobiliários, S.A.

Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialności Pharmaconcept - Actividades em Saúde, S.A.

Sierra Balmain Property Managment Spółka z o. o. Pharmacontinente - Saúde e Higiene, S.A. Sierra Brazil 1. Sarl

Plaza Mayor B.V. Sierra Central, S.A.S. Plaza Mayor Shopping, S.A. Sierra Colombia Investments, S.A.S.

Plenerg Srl Sierra Developments Holding B.V. Ponto de Chegada - Sociedade Imobiliária, S.A. Sierra Developments, SGPS, S.A. Portimão Ativo - Sociedade Imobiliária, SA

Sierra European Retail Real Estate Assets Holdings B.V. Porto Palácio Hotel, S.A. Sierra Germany GmbH

Porturbe-Edificios e Urbanizações, S.A. Sierra GP Limited Praedium - Servicos, S.A. Sierra Iberian Assets Holding, S.A.U.

Praedium II-Imobiliária, S.A. Sierra IG, SGOIC, S.A. Predicomercial - Promoção Imobiliária, S.A. Sierra Investments (Holland) 1 BV

Predilugar- Promoção Imobiliária, S.A. Sierra Investments (Holland) 2 BV Predisedas - Predial das Sedas, S.A. Sierra Investments Holdings BV Process Assessoria e Corretora Seg. Ltda. Sierra Investments SGPS, S.A.

Project Sierra 10 BV Sierra Italy Agency Srl Sierra Italy Srl Project Sierra 11 BV Sierra LM, SGPS, S.A. Project Sierra 12 BV Sierra Management, SGPS, S.A. Project Sierra Cúcuta BV

Project Sierra Four, Srl Sierra Maroc Services, SARL Project Sierra Germany 4 (four) - Shopping Centre, GmbH Sierra Maroc, SARL

Prosa Produtos e Serviços Agrícolas, S.A. Sierra Parma Project BV Proyecto Cúcuta S.A.S.

Sierra Portugal Feeder 1, S.C.A. QH Consultoria e Corretagem Seguros Ltda Sierra Portugal Feeder 2, S.à r.l. RCG - Risk, Consulting Group Ltda. Sierra Portugal, S.A. Sierra Real Estate Greece BV RCG - Risk, Consulting Group, S.A. Realejo - Sociedade Imobiliária, S.A. Sierra Retail Ventures BV

Reinsurance Solutions, Soc. Corretora de Resseguros, S.A. Sierra Romania Shopping Centers Services, SRL

River Plaza B.V. Sierra Services Holland BV S2 Africa Limited Sierra Solingen Holding GmbH S2 Mozambique, S.A. Sierra Spain Malaga Holdings, SL

Salsa Canarias Sierra Spain, Shopping Centers Services, S.A.

Sierra VdG Holding BV Salsa DE Gmbh Sierra Zenata Project B.V. Salsa Distribution USA LLC Salsa France, S.A.R.L. Signal Alpha Republica I, S.A. Signal Alpha Republica II, Lda. Salsa Luxembourg, Sàrl

SII - Soberana Investimentos Imobiliários, S.A. Satfiel, Lda. SC - Sociedade de Consultoria, S.A. SLS Salsa - Comércio e Difusão de Vestuário, S.A. SC Aegean, BV SLS Salsa España - Comercio y Difusión de Vestuario, SAU





#### Other related parties

Sociedade de Construções do Chile, S.A.

Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.

Société de Tranchage Isoroy SAS Socijofra - Sociedade Imobiliária, S.A. Sociloures - Sociedade Imobiliária, S.A.

Soflorin, BV

Sohi Meat Solutions - Distribuição de Carnes, S.A.

Solinca Classic, S.A. Solinca Light, S.A.

Soltroia-Imob.de Urb.Turismo de Tróia, S.A.

Somit - Imobiliária, S.A. Sonae Arauco (UK), Ltd. Sonae Arauco Beeskow Gmb Sonae Arauco Deutschland GmbH

Sonae Arauco Espana - Soluciones de Madera, S. L.

Sonae Arauco France SAS Sonae Arauco Maroc SARL Sonae Arauco Netherlands BV Sonae Arauco Portugal, S.A. Sonae Arauco South Africa (Pty) Ltd

Sonae Arauco Suisse S.A. Sonae Arauco, S.A. Sonae Capital, SGPS, S.A. Sonae Corporate, S.A. Sonae Food4Future, S.A.

Sonae FS, SA Sonae Holdings, S.A.

Sonae Indústria - Management Services, S.A.

Sonae Indústria - Soc. Gestora de Participações Sociais, S.A.

Sonae Investments, BV Sonae MC - Serviços Partilhados, S.A. Sonae MC S2 Africa Limited Sonae MC, SGPS, S.A. Sonae RF, S.A.

Sonae Sierra Brazil Holdings S.à r.l. Sonae Sierra, SGPS, S.A. Sonaerp - Retail Properties, S.A. Sondis Imobiliária. S.A.

Sontel. BV

Sonvecap, BV

Sotáqua - Soc. de Empreendimentos Turísticos, S.A.

Soternix - Produção de Energia, ACE

SPF - Sierra Portugal

SPF - Sierra Portugal Real Estate, SCA Spinveste - Promoção Imobiliária, S.A. Spinveste. Gestão Imobiliária SGII. S.A.

Sport Zone Canárias SportIberica, S.A. Sports Unlimited Retail BV

Sprinter Megacentros del Deporte, SL Suncoutim - Solar Energy, S.A.

Surforma, S.A. Tafisa Canadá Inc Tafisa France SAS

Taiber, Tableros Aglomerados Ibéricos, S.L.

Tecmasa, Reciclados de Andalucia, SL Tecnologias del Medio Ambiente, S.A.

The Artist Porto Hotel & Bistrō - Actividades Hoteleiras, S.A. The House Ribeira Hotel - Exploração Hoteleira, S.A.

Tomenider Tool, GmbH Torre Norte, S.A.

Tovese Corretora de Seguros Ltda Trivium Real Estate Socimi, S.A.

Tróia Market, S.A. Tróia Natura, S.A.

TROIAMED - Sociedade Mediação Imob., S.A. Troiaresort - Investimentos Turísticos, S.A.

Troiaresort, SGPS, S.A.

Tulipamar - Expl.Hoteleira Imob., S.A. Turismo da Samba (Tusal), SARL

UP Invest, SGPS, S.A.

Urban Fit - Gestão de Health Clubs, Lda. Urban Fit Foz - Gestão de Health Clubs, Lda. Urban Fit Maia - Gestão de Health Clubs, Lda. Urbisedas - Imobiliária das Sedas, S.A. Usebti Textile México S.A. de C.V.

Valor N. S.A.

Vastgoed One - Sociedade Imobiliária, S.A. Vastgoed Sun - Sociedade Imobiliária, S.A. Via Catarina- Centro Comercial, S.A. Vistas do Freixo - Emp. Tur. Imobiliários, S.A.

WAD LAB, S.A.

Weiterstadt Shopping B.V.

Win Broker - Mediação de Seguros, Lda. Worten - Equipamento para o Lar, S.A.

Worten Canárias, SL

Worten España Distribución, SL Worten International Trade, S.A. Worten Malta Holding Limited

Worten Safe, S.A.

Zaask – Plataforma Digital, S.A. Zenata Commercial Project, S.A. Zippy - Comércio e Distribuição, S.A. Zippy - Comercio y Distribución, S.A.





# 1.3. Sonaecom separate financial statements

## Separate statement of financial position

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)	Notes	December 2021	
Assets			
Non-current assets			
Property, plant and equipment	1.a and 2	2,262	3,250
Intangible assets	1.b and 3	1,686	2,454
Right of use	1.f and 4	66,011	64,494
Investments in subsidiaries	1.c, 1.t and 6	74,335,292	75,521,609
Investments in joint ventures	1.d, 1.t and 7	569,369,130	597,666,944
Other non-current assets	1.c, 1.e, 1.n, 1.t, 5, 8 and 28	204,241,078	213,890,602
Deferred tax assets	1.m and 9	2,487,115	2,543,356
Total non-current assets	<del></del>	850,502,574	889,692,709
Current assets			
Income tax assets	1.m, 5 and 10	788,383	788,383
Other receivables	1.e, 1.g, 5, 11 and 28	219,268	229,891
Other current assets	1.e, 1.n, 5, 12 and 28	101,877	91,851
Cash and cash equivalents	1.e, 1.h, 5, 13 and 28	242,946,357	186,694,487
Total current assets	<del></del>	244,055,885	187,804,612
Total assets		1,094,558,459	1,077,497,321
Shareholder' funds and liabilities			
Shareholders' funds			
Share capital	14	230,391,627	230,391,627
Own shares	1.r and 15	(8,441,804)	(8,441,804)
Reserves	1.q	823,583,061	850,166,423
Net income / (loss) for the year		46,542,964	3,076,233
Total Shareholders' funds		1,092,075,848	1,075,192,479
Liabilities			
Non-current liabilities			
Provisions	1.I and 17	166,941	263,952
Lease liabilities	1.e, 1.f, 5 and 18	34,762	41,094
Other non-current liabilities	1.e, 1.n, 1.u, 5 and 19	185,140	104,238
Total non-current liabilities		386,843	409,284
Current liabilities			
Other payables	1.e, 5, 20 and 28	1,302,008	1,178,121
Lease liabilities	1.e, 1.f, 5 and 18	32,707	25,199
Other current liabilities	1.e, 1.n, 1.u, 5, 21 and 28	761,053	692,238
Total current liabilities	<del></del>	2,095,768	1,895,558
Total liabilities	<del></del>	2,482,611	2,304,842
Total Shareholders' funds and liabilities		1,094,558,459	1,077,497,321
	<del></del> -		

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors





## Separate income statement by nature

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)	Notes	December 2021	December 2020
Services rendered	1.o, 22 and 28	390,000	411,000
Other income	1.o, 23 and 28	1,726,573	21,124
		2,116,573	432,124
External supplies and services	24 and 28	(749,498)	(774,175)
Employee benefits expense	1.u, 31 and 32	(1,379,098)	(1,073,786)
Depreciation and amortisation	1.a, 1.b, 1.f, 2, 3 and 4	(34,756)	(30,574)
Provisions	1.I and 17	(7,528)	(64,139)
Other expenses		(49,392)	(56,453)
		(2,220,272)	(1,999,127)
Gains and losses in investments in subsidiaries and joint ventures	1.c,1.d, 1.o, 1.t, 6, 7, 17 and 25	45,066,794	1,125,872
Financial expenses	1.c, 1.f 1.i, 1.j, 1.s, 26 and 28	(58,766)	(63,042)
Financial income	1.f, 1.s, 11, 26 and 28	1,627,133	980,096
Earnings before taxes		46,531,462	475,923
Income taxation	1.m, 9 and 27	11,502	2,600,310
Net income / (loss) for the year		46,542,964	3,076,233

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors





## Separate statement of comprehensive income

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)	Notes	December 2021	December 2020
Net income / (loss) for the year		46,542,964	3,076,233
Comprehensive income for the year		46,542,964	3,076,233

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors





## Separate statement of changes in Equity

For the years ended on 31 December 2021 and 2020

(Amounts expressed in Euro)						Reser	ves and retained earnings		
	Share capital (note 14)	Own shares (note 1.r and 15)	Share premium	Legal reserves	Own shares reserves	Other reserves	Total reserves (note 1.q)	Net income / (loss)	Total
2021									
Balance at 31 December 2020	230,391,627	(8,441,804)	775,290,377	20,683,925	8,441,804	45,750,317	850,166,423	3,076,233	1,075,192,479
Appropriation of the result of 2020									
Transfer to legal reserves and other reserves and retained earnings	-	-	-	153,812	-	2,922,421	3,076,233	(3,076,233)	-
Dividend Distribution (note 28)	-	-	-	-	-	(29,659,595)	(29,659,595)	-	(29,659,595)
Comprehensive income for the year ended at 31 December 2021	-	-	-	-	-	-	-	46,542,964	46,542,964
Balance at 31 December 2021	230,391,627	(8,441,804)	775,290,377	20,837,737	8,441,804	19,013,143	823,583,061	46,542,964	1,092,075,848

(Amounts expressed in Euro)						Reser	ves and retained earnings		
	Share capital (note 14)	Own shares (note 1.r and 15)	Share premium	Legal reserves	Own shares reserves	Other reserves	Total reserves (note 1.q)	Net income / (loss)	Total
2020									
Balance at 31 December 2019	230,391,627	(8,441,804)	775,290,377	18,545,192	8,441,804	30,493,215	832,770,588	42,774,663	1,097,495,074
Appropriation of the result of 2019									
Transfer to legal reserves and other reserves and retained earnings	-	-	-	2,138,733	-	40,635,930	42,774,663	(42,774,663)	-
Dividend Distribution (note 28)	-	-	-	-	-	(25,378,828)	(25,378,828)	-	(25,378,828)
Comprehensive income for the year ended at 31 December 2020	-	-	-	-	-	-	-	3,076,233	3,076,233
Balance at 31 December 2020	230,391,627	(8,441,804)	775,290,377	20,683,925	8,441,804	45,750,317	850,166,423	3,076,233	1,075,192,479

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Annual Report 2021





## Separate cash flow statement

For the years ended on 31 December 2021 and 2020

	Notes	December 2021		December 2020	
Operating activities					
Receipts from trade debtors		402,629		411,010	
Payments to trade creditors		(790,959)		(742,277)	
Payments to employees	_	(1,192,459)	_	(1,139,755)	
Cash flows from operating activities		(1,580,789)		(1,471,022)	
(Payments) / receipts relating to income taxes		131,699		186,959	
Other receipts / (payments) relating to operating activities	_	1,649,228		30,426	
Cash flows from operating activities (1)	_		200,138		(1,253,637)
Investing activities					
Receipts from:					
Financial investments	7 and 8	48,665,485		27,351,948	
Interest and similar income	26	1,604,681		1,086,213	
Loans granted	8	15,115,000		16,235,000	
Dividends received	25 _	68,917,696		-	
Payments for:					
Financial investments	6 and 8	(31,931,468)		(46,516,151)	
Intangible assets	3	-		(2,742)	
Loans granted	8 _	(16,570,000)		(21,640,000)	
Cash flows from investing activities (2)	_		85,801,394		(23,485,732)
Financing activities					
Payments for:					
Interest and similar expenses	26	(56,708)		(60,630)	
Dividends Paid	28	(29,659,595)		(25,378,828)	
Leases	_	(33,359)		(29,787)	
Cash flows from financing activities (3)			(29,749,662)		(25,469,245)
Net cash flows (4)=(1)+(2)+(3)			56,251,870		(50,208,614)
Cash and cash equivalents at the beginning of the year	13		186,694,487	_	236,903,101
Cash and cash equivalents at year end	13		242,946,357		186,694,487

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors





## Notes to the cash flow statement

For the years ended on 31 December 2021 and 2020

	Notes	December 2021	
1. Acquisition or sale of subsidiaries or other businesses activities			
a) Receipts from other business activities			
Reembolso de empréstimos da Sonae Investment Management - Software and Technology, SGPS, S.A.	8	15,115,000	16,235,000
Reimbursement of supplementary capital from Sonae Investment Management - Software and Technology, SGPS, S.A.	8	42,900,000	24,585,000
Share premium distribution of ZOPT participation	7	5,765,485	-
Reimbursement of supplementary capital from PCJ - Público, Comunicação e Jornalismo, S.A.	8	-	2,766,948
		63,780,485	43,586,948
b) Payments from other business activities			
Empréstimos concedidos à Sonae Investment Management - Software and Technology, SGPS, S.A.	8	16,570,000	21,640,000
Supplementary capital to Sonae Investment Management - Software and Technology, SGPS, S.A.	8	29,831,469	34,449,203
Supplementary capital to Público - Comunicação Social, S.A.	8	600,000	1,300,000
Share capital increase of Público - Comunicação Social, S.A.	6	1,500,000	1,000,000
Cash outflow to coverage losses of PCJ - Público, Comunicação e Jornalismo, S.A.	6	-	2,766,948
Share capital increase of Bright Tech Innovation I	6	-	3,000,000
Share capital increase of PCJ - Público, Comunicação e Jornalismo, S.A.	6	-	2,000,000
Share capital increase of Sonaecom Serviços Partilhados, S.A.	6	-	2,000,000
		48,501,469	68,156,151
c) Dividends received			
ZOPT, SGPS, S.A.	25	68,917,696	-
		68,917,696	-

	Notes	December 2021	December 2021
2. Description of non-monetary financing activities			
a) Bank credit obtained and not used		1,000,000	1,000,000
b) Purchase of company through the issue of shares		Not applicable	Not applicable
c) Conversion of loans into shares		Not applicable	Not applicable

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors





## 1.4. Notes to the separate financial statements of Sonaecom

#### Introduction 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. The corporate purpose of the Company is the management of shareholdings, as an indirect form of economic activities.

Sonaecom is owned directly by Sontel BV and Sonae SGPS, SA, and Efanor Investimentos SGPS, S.A. the ultimate controlling company.

By public deed of 30 September 1997, the scission-fusion of Pargeste, SGPS, S.A., was carried out, and the company started to include the financial participations in the companies related to the communication and information technologies of the spun-off company.

On 3 November 1999, the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to euro, being represented by one hundred and fifty million shares with a nominal value of EUR 1 each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae-, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 31,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was

the same as that fixed for the sale of shares in the afore mentioned Combined Share Offer, which was EUR 10.

In addition, in this year, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 Euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003, the Company's name was changed by public deed to Sonaecom, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by Euro 70,276,868, from Euro 296,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 Euro each and with a share premium of Euro 242,455,195, fully subscribed by France Telecom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders' General Meeting held on 18 September 2006, Sonaecom's share capital was increased by Euro 69,720,000, to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 Euro each and with a share premium of Euro 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital. The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.





The period of the Offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the Offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. In 2014 Sonaecom reduced its share capital to EUR 230,391,627. Following this result, Euronext Lisbon announced Sonaecom exclusion from the PSI-20 from 24 February 2014 forward.

The financial statements are presented in Euro, rounded to the unit.

Relevant events occurred during the year

As 2020, the year of 2021, was marked by the COVID-19 pandemic. Companies and people continued their efforts to adapt to this reality and the respective impacts on work and socialization relationships.

From 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 and national entities, namely the World Health Organization, the European Centre for Disease Prevention and Control and the Portuguese General Direction of Health.

Considering Sonaecom's activity, as a shareholding manager, the COVID-19 pandemic had no significant impacts except for what's described in note 7.

In terms of projecting future impacts, in general, the macroeconomic context remains uncertain and intrinsically dependent on controlling the epidemiological situation and on government intervention, both in terms of compliance with vaccination plans and in terms of support made available to the economic agents. It should be noted that generalized vaccination allowed, compared to last year, greater mobility, which proved to be quite beneficial for economic recovery.

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.

## 1. Basis of presentation

The accompanying separate financial statements have been prepared with an on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards (IFRS), as adopted and effective in the European Union on 1 January 2021. These financial statements were prepared based on historical cost, except for the revaluation of certain financial instruments.

Sonaecom adopted IFRS for the first time according to SIC 8 (First-time adoption of IAS) on 1 January 2003.

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:

Standard / Interpretation	Fffective date
Standard / Interpretation	
	(annual periods
	beginning on or after)

Amendments to IFRS 4: Insurance Contracts - Deferral of IFRS 9  $\,$ 

1-jan-21

1-ian-21

This amendment is referred to temporary accounting consequencies that results to the difference between the date of entry into force of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16:

Interest Rate Benchmark Reform (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.

Amendments to IFRS 16 Leases: Covid-19-Related Rent

1-abr-21

Concessions beyond 30 June 2021

Extension of amendments to 'IFRS 16 - Leases Covid-19 related to rent concessions' for rent payments due on or before 30 June 2022.

Regarding the new standards that became effective in the year started at 1 January 2021, the Company did an analysis of the changes introduced and the impact on the financial statements and concluded that the application of these standards, did not produce effects materially relevant in the financial statements.

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were, until 31 December 2021, approved ('endorsed') by the European Union:

Standard / Interpretation Effective date (annual periods beginning on or after

Amendments to IAS 16: Proceeds before intended use 1-jan-22
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.

Amendments to IFRS 3: Reference to the Conceptual 1-ja Framework

1-jan-22

This amendment updates the references to the Conceptual Framework without changing the accounting requirements for business combinations.





Standard / Interpretation	

Amendments to IAS 37: Onerous Contracts - Cost of

1-jan-22

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.

Annual Improvement Cycle 2018-2020

an-22

Improvements to IFRS 1 (Subsidiary as a First-time Adopter), IFRS 9 (Derecognition of financial liabilities), IFRS 16 (Rent concessions) and IAS 41 (Taxation in Fair Value Measurements). This amendments are of prospective application.

Amendments to IFRS 17: Insurance contracts (includes changes to the standard):

1-jan-23

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

The Company did not apply any of these standards in the financial statements for the year ended on 31 December 2021.

No material impact is expected from the adoption of the remaining standards.

The following standards, interpretations, amendments and revisions were not, until 31 December 2021, approved ('endorsed') by the European Union:

Standard / interpretation	
	(annual periods
	beginning on or after)
Amendments to IAS 1: Classification of Liabilities as	1-jan-23
Current or Non-current	
This amendment intends to clarify that liabilities are classif	ied as either current or
non-current balances depending on the rights that an e	entity has to defer its
payment, at the end of each reporting period.	
Amendments to IAS 1 Presentation of Financial	1-jan-23

Statements

CV

The changes require companies to disclose their material accounting policy information instead of their significant accounting policies.

Amendments to IAS 8 Accounting policies

1-jan-23

Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction

1-jan-23

This ammens will require that the companies record deferred tax on certain specific transactions, when their initial recognition originated equal amounts of taxable temporary differences and deductible temporary differences.

Amendments to IFRS 17 Insurance contracts: Initial

1-jan-23

## Application of IFRS 17 and IFRS 9 – Comparative

Information

This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset for which the insurance company does not apply retrospectively, within the scope of IFRS 9.

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Company for the year ended on 31 December 2021, because their application is not mandatory. No material impact is expected from the adoption of the remaining standards.

The accounting policies and measurement criteria adopted by the Company on 31 December 2021 are comparable with those used in the preparation of 31 December 2020 financial statements

#### Main accounting policies

The main accounting policies used in the preparation of the accompanying financial statements are as follows:

### a) Property plant and equipament

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis as from the date the assets are available for use in the necessary conditions to operate as intended by the management, by a corresponding charge to the profit and loss statement caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge to the caption 'Depreciation and amortisation' of the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Buildings and others constructions	20
Fixtures and fittings	4

Current maintenance and repair costs of tangible assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

Tangible fixed assets in progress represent tangible fixed assets still under construction/development, recorded at acquisition cost. These tangible fixed assets are depreciated from the moment the underlying assets are available for use and in the conditions necessary to operate as intended by management.

#### b) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised, if they





were identifiable and if it is likely that they will bring future economic benefits to the Company, if the Company controls them and if their cost can be reliably measured.

Intangible assets correspond, essentially, to software and industrial property.

Amortisations are calculated on a straight-line monthly basis, over the estimated useful life of the assets as from the month in which the corresponding expenses are incurred.

Amortisation for the year is recorded in the profit and loss statement under the caption 'Depreciation and amortisation'.

Impairment losses detected in the realisation value of intangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Depreciation and amortisation' in the profit and loss statement.

The annual rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Brands and other contratuals rights	1-10
Software	5

c) Investments in subsidiaries and other non-current assets Sonaecom has control of subsidiaries in situations that cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights to, variable results via its relationship with the subsidiary; and iii) is able to use its power over the investee to affect the amount of your results. Financial investments in equity investments in group companies, are recorded under "Investments in subsidiaries", at cost of acquisition.

The acquisition cost is the amount of cash and cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of acquisition or establishment or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of IFRS 3.

The consideration transferred may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair value at the acquisition date (for example, non-monetary assets or a business of the acquirer). If so, the acquirer must remeasure the assets and liabilities transferred at their fair value at the acquisition date and recognise the resulting gains or losses, if any, in the income statement. However, sometimes the transferred assets or liabilities remain in the entity acquired after the completion of the business and therefore the buyer

retains control over them. In this situation, the acquirer shall measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognise any gain or loss in the income statement for assets or liabilities it controls both before and after the completion of the deal.

Loans and supplementary capital granted to affiliated companies with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, which corresponds to its initial fair value, under the caption 'Other non-current assets'.

Investments and loans granted to group companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable, or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to group companies are recorded, in the year that they are estimated, under the caption 'Gains and losses on subsidiary and companies jointly controlled' in the profit and loss statement.

The expenses incurred with the acquisition of investments in group companies are recorded as cost when they are incurred.

#### d) Investments in joint ventures

Investments in joint ventures (companies in which the Company has, direct or indirect, 50% of the voting rights in the Shareholders' General Meeting of or in which it has the control over the financial and operating policies with the other entrepreneurs), are recorded under the caption 'Investments in companies joint ventures', at acquisition cost in accordance with IAS 27, as such, Sonaecom presents, separately, consolidated financial statements in accordance with IAS/ IFRS.

Loans and supplementary capital granted to joint ventures, with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, which corresponds to its initial fair value, under the caption 'Other non-current assets'.

Investments and loans granted to joint ventures are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable, or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to joint ventures are recorded, in the year that they are estimated, under the caption 'Gains and losses on subsidiary and companies jointly controlled' in the profit and loss statement.





The expenses incurred with the acquisition of investments in joint ventures are recorded as cost when they are incurred.

## e) Financial instruments

#### Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income. Its classification depends on the entity's business model to manage the financial assets and the contractual characteristics in terms of the cash flows of the financial asset.

Changes to the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, as equity instruments, which can never be reclassified to another category.

(i) Financial assets measured at amortised cost Financial assets measured at amortised cost are those that are part of a business model with the purpose to hold financial assets to receive contractual cashflows, although these contractual cash flows can only be capital repayments and interest payments of capital in debt.

(ii) Financial assets at fair value through other comprehensive income

This category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

- a) Of debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or on time sale;
- b) Of equity instruments, this category includes the percentage of interest held in entities over which the Company does not exercise control, joint control, or significant influence, and which the Company irrevocably chose on the date of initial recognition to designate at fair value through other comprehensive income.

On 31 December 2021 and 2020, the Company did not hold assets classified at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss This category includes debt instruments and equity instruments that do not meet the criteria for qualification as financial assets at amortised cost and which the Company has not classified as financial assets through other comprehensive income at the time of initial recognition. This category also includes all financial instruments whose contractual cash flows are not exclusively capital and interest.

Gains and losses resulting from the change in the fair value of assets measured at fair value through profit or loss are recognised in income for the year in which they occur in the respective caption "Gains and losses on assets recorded at fair value through profit or loss", which include income amounts interest and dividends.

On 31 December 2021 and 2020, the Company did not hold assets classified at fair value through profit or loss.

Financial assets are recognised in the Company's statement of financial position on the trade or contracting date, which is the date on which the Company undertakes to acquire or dispose of the asset. At the initial moment, financial assets are recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss in which transaction costs are immediately recognised in the income statement.

Financial assets are derecognised when: (i) the contractual rights of the Company expire upon receipt of their cash flows; (ii) the Company has transferred substantially all the risks and benefits associated with its detention; or (iii) notwithstanding that it retains a portion, but not substantially all the risks and rewards associated with its detention, the Company has transferred control over the assets.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in 'Interest income from financial assets measured at amortised cost' in 'Financial income'.

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair value changes recognised in other comprehensive income, except for variations related to the recognition of impairment, interest income and gains/(losses) due to foreign exchange differences, which are recognised in income for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, the fair value changes are recorded directly in the other comprehensive income, in the Equity. Future reclassification is not possible, even after derecognition of the investment. Dividends obtained





from these investments are recognised as gains, in results for the year, on the date they are attributed.

Financial assets and liabilities are offset and presented at net value, when and only when the Company has the right to offset the amounts recognised and intends to settle at the net value.

### Financial liabilities

Financial liabilities and equity instruments are classified according to the contractual substance regardless of their legal form. Equity instruments are contracts that show a residual interest in the Company's assets after deducting liabilities. The equity instruments issued by the company are recorded at the amount received, net of the costs incurred with their issuance. Financial liabilities are derecognised only when they are extinguished, that is, when the obligation is settled, cancelled or expired.

Financial liabilities are classified into two categories:

- (i) Financial liabilities at amortised cost
- (ii) Financial liabilities at fair value through profit or loss

In accordance with IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, except for:

- a) Financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, should subsequently be measured at fair value;
- b) Financial liabilities that arise when a transfer of a financial asset does not meet the conditions for derecognition or when the continued involvement approach is applied:
- c) Financial guarantee contracts;
- d) Commitments to grant a loan at a lower interest rate than the market;
- e) The contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies. This contingent consideration should be subsequently measured at fair value, with changes recognised in profit or loss.

The category "Financial liabilities at amortized cost" includes liabilities presented under the heading Loans obtained (Note 1.i)), Trade payables and Other payables. These liabilities are initially recognised at the fair value net of transaction costs and are subsequently measured at amortised cost in accordance with the effective interest rate.

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, are cancelled or expire.

On 31 December 2021 and 2020, the Company has only recognised liabilities classified as "Financial liabilities at amortized cost".

f) Rights of use and leasing

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period of time in exchange for a value.

At the beginning of each contract, it is evaluated and identified whether or not the contract contains a lease. This evaluation involves an exercise of judgment as to whether each contract depends on a specific asset, if the Sonaecom as lessee obtain substantially all the economic benefits from the use of that asset and whether they have the right to control the use of the asset.

All contracts that constitute a lease are accounted by the lessee based on a single recognition model in the balance sheet.

At the date of commencement of the lease, the Company recognises the liability related to lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right of use or "ROU").

The interest on the lease liability and the depreciation of the ROU are recognised separately.

Lease liabilities are remeasured if certain events occur (such as a change in the lease period, a change in future payments that result from a change in the reference rate or rate used to determine such payments). This remeasurement of the lease liability is recognised as an adjustment in the ROU.

#### Rights of use (assets)

The Company recognises the right to use the assets at the start date of the lease (that is, the date on which the underlying asset is available for use).

The right to use the assets is recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurement of lease liabilities. The cost of the right to use the assets includes the recognised amount of the lease liability, any direct costs incurred initially and payments already made prior to the initial rental date, less any incentives received and restoration costs, if exist.

Whenever the Company incurs an obligation to dismantle and remove a leased asset, restore the location in which it is located, or restore the underlying asset to the condition required by the lease terms and conditions, a provision is recognised, in accordance with terms of IAS 37. Expenses are included in the respective right of use.





Leasing incentives (eg.: rental grace periods) are recognised as elements for measuring the right of use and liabilities of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. Such payments are recognized as expenses in the year in which the event or condition giving rise to the payments occurs.

The Rights of use assets are depreciated according to the lease term, using the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Company obtains ownership of the leased asset at the end of the lease term, the recognised right to use the assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the term of the lease.

Rights of use are subject to impairment.

#### Lease liabilities

At the date of commencement of the lease, the Company recognises the liabilities measured at the present value of the future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments on the substance), less any incentives to receive, variable payments, dependent on an index or rate, and expected amounts to be paid under residual value guarantees. The lease payments also include the exercise price of a call option if it is reasonably certain that the Company will exercise the option and penalties for termination of the lease if it is reasonably certain that the Company will terminate the lease.

Payments for non-lease components are not recognised as lease liabilities.

Variable payments that do not depend on an index or a rate are recognised as an expense in the period in which the event giving rise to them occurs.

For the calculation of the present value of the lease payments, the Company uses the incremental loan rate at the start date of the lease if the implied interest rate is not readily determinable.

After the starting date of the lease, the value of the lease liability increases to reflect the increase in interest and reduces the payments made. In addition, the book value of the lease

liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the purchase decision of the underlying asset.

### g) Other receivables

'Other receivables' are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments. Impairment losses of 'Other receivables' are recorded in accordance with the principles described in the policy in note 1.t. The identified impairment losses are recorded in the income statement and other comprehensive income in 'Impairment losses' and subsequently reversed on the net income.

### h) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications with a maturity of less than three months, where the risk of any change in value is insignificant.

The cash flow statement has been prepared in accordance with IAS 7 – 'Statement of Cash Flow', using the direct method. The Company classifies, under the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the statement of financial position caption 'Loans'.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other flows related to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated, subsidiary companies and joint ventures as well as receipts and payments resulting from the purchase and sale of fixed assets.

Cash flows from financing activities include payments and receipts relating to loans obtained, the payments of interest of lease contracts, as well as cash flows from the shareholders' transactions in quality of shareholders.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

#### i) Loans

Loans are recorded as liabilities by the 'amortised cost'. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period





of the loan, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

### j) Financial expenses relating to loans

Financial expenses relating to loans are generally recognised as expenses at the time they are incurred. Financial expenses related to loans for the acquisition, construction or production of assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

#### k) Derivatives financial instruments

The Company only uses derivatives in the management of its financial risks to hedge against such risks. The Company does not use derivatives for trading purposes.

When the hedge accounting is adopted, the management documents, on the initial date of the hedge relationship, the economic relationship between the hedging instruments and the hedge instruments, including the condition of the hedging instruments to compensate or not the changes in the cash flows of the hedge instruments, in accordance with the Risk Management objectives and strategy defined for contracting hedge transactions.

The cash flow hedges used by the Company are related to:

- (i) Interest rate swaps operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption 'Hedging reserves' in Shareholders' funds.
- (ii) Forward's exchange rate for hedging foreign exchange risk. The values and times periods involved are identical to the amounts invoiced and their maturities.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

On 31 December 2021 and 2020, the Company did not have any derivatives financial instruments.

#### I) Provisions and contingencies

Provisions are recognised when, and only when, the Company has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated.

Provisions are reviewed at the statement of financial position date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Company has a detailed plan and if that plan has already been communicated to the parties involved.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes, except if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the financial statements but are disclosed in the notes when future economic benefits are likely to occur.

#### m) Income Tax

'Income tax' expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12 – 'Income Taxes'.

Since 1 January 2015, Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company. Tax losses generated by the companies controlled within the group were offset by the Group's dominant entity. Tax losses generated by the dominated companies not compensated in the year, they will be compensated as the Group recovers, taking into account the future taxable profits of the Group, and the amount to be compensated is registered in non-current assets in an account receivable from the Group. Each company records the income tax on its individual accounts, and the tax recorded is recorded against the group companies account. The special regime for the taxation of groups of companies covers all direct or indirect subsidiaries, and even through companies resident in another Member State of the European Union or the European Economic Area, only if, in the last case, there is an obligation of administrative cooperation, on which the Group holds at least 75% of their share capital, where such participation confers more than 50% of voting rights, if certain requirements are met.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.





In accordance with IAS 12, the company presents deferred tax assets and liabilities at net value, whenever:

- (i) the company has the legally exercisable right to compensate current tax assets and current tax liabilities;
- (ii) deferred tax assets and liabilities relate to income taxes recorded by the same tax authority and on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle liabilities simultaneously, in future years when deferred taxes are expected to be settled or recovered.

'Deferred tax assets' are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are, likely, enabling the recovery of such assets (note 9).

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantially decreed tax rate at relate date.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption. In all other situations, deferred taxes are always recorded in the profit and loss statement.

### Tax impacts of IFRS 16 application

Considering the accounting impacts that result from the application of IFRS 16 - Leases, for a lessee, with the recognition of an asset under the right of use not typified in the tax law and the registration of a lease liability that is only taxally accepted for the payment of rents , management proceeded to recognise the respective deferred tax asset (on the lease liability) net of deferred tax liability (on the asset under direct use), on the initial and subsequent recognition date of the lease agreements. If the Tax Administration changes the tax law, the deferred taxes recognized may have to be revised / changed.

#### n) Accrual basis

Expenses and income are recorded in the year to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current year, where payment and receipt will occur in future years, as well as payments and receipts in the current year but which relate to

future years. The latter shall be included by the corresponding amount in the results of the years to which they relate to.

The costs attributable to current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.1).

## o) Revenue

Revenue includes the fair value of the amount received or receivable for the rendering of services resulting from the debits of management fees to subsidiaries. The revenue is recognised net from taxes.

#### **Dividends**

Dividends are recognised when the Shareholders' rights to receive such amounts are appropriately established and communicated.

## p) Fair value

The measurement of fair value presumes that an asset or liability is changed in an orderly transaction between market participants to see the asset or transfer the liability at the measurement date, under current market conditions.

The measurement of fair value is based on the assumption that the transaction of sell the asset or transfer the liability may occur:

- (i) In the main asset and liability market, or
- (ii) If the main asset and liability does not exist in the market in which an orderly transaction would take place for the asset or liability

The Company uses appropriate valuation techniques to the circumstances and for which there is sufficient data to measure fair value, maximizing the use of observable relevant data and minimizing the use of unobservable data.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which allocates the data to be used in the fair value measurement, into three levels detail below:

- Level 1 Unadjusted quoted prices for identical assets and liabilities in active markets, which the entity can access at the measurement date;
- Level 2 Valuation techniques that use inputs that are not quoted are directly or indirectly observable;
- Level 3 Valuation techniques that use inputs not based on observable market data, ie, based on unobservable data.





The measurement of fair value is classified fully at the lowest level of the input that is significant for the measurement.

## q) Reserves

#### Legal reserve

Portuguese commercial legislation requires that at least 5% of the annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

#### Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and follows the same requirements of legal reserve.

#### Other reserves and Shares Premium

This caption includes retained earnings from previous years that are available for distribution and the share premium.

Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets. Therefore, on 31 December 2021, Sonaecom, have free reserves distributable amounting approximately EUR 61.9 million. To this effect were considered as distributable increments resulting from the application of fair value through equity components already exercised during the year ended on 31 December 2021.

#### r) Own shares

Own shares are recorded as a deduction of Shareholders' funds. Gains or losses related to the sale of own shares are recorded under the caption 'Other reserves'. While shares are owned for the Company must maintain an unavailable reserve equivalent to its book value.

## s) Balances and transactions in foreign currency

The euro is the functional currency of presentation. All transactions in foreign currency are translated for the functional currency at the exchange rate of the transaction date. At each closing date, the exchange restatement of outstanding balances is carried out, applying the exchange rate in effect at that date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at transaction date and those in force at the date of collection, payment or at the statement financial position date are recorded as income and expenses in the profit and loss statement in financial results.

The following rates were used for the translation into Euro:

		2021		2020
	31 December	Average	31 December	Average
American Dollar	0.883	0.846	0.815	0.877

#### t) Assets impairment

Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Depreciation and amortisation' in the case of tangible assets and intangible assets or under the caption "Gains and losses on investments in subsidiaries and joint ventures".

#### Non-financial assets impairment

Impairment tests are performed for assets with undefined useful life at the date of each statement of financial position and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

Impairment tests are performed for assets with defined useful lives and investments in subsidiaries and joint ventures whenever there is evidence that their book value is higher than the recoverable value.

The recoverable amount is the greater of the net selling price and the value of use. Net selling price is the amount obtained upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value of use is the present amount of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life.

The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For investments in associated companies of the group and for assets with defined useful lives, the recoverable amount, calculated in terms of value in use, is determined based on the most recent business plans duly approved by the Company's Board of Directors. For investments in joint ventures, the recoverable amount is determined taking into account various information such as the most recent business plans duly approved by the Company's Board of Directors.

For the value of investments in joint ventures, the recoverable amount is determined based on the Business Plans approved by the Executive Committee of the NOS Group, also taking into account other information such as the average of assessments carried out by external analysts (researches).





Non-financial assets, for which impairment losses have been recorded, are reviewed at each reporting date for reversal of these losses.

#### Financial assets impairment

The Company assesses at each reporting date the existence of impairment in financial assets at amortised cost. The expected loss results from the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognise expected credit losses over the duration of financial instruments that have undergone significant credit risk increases since initial recognition, assessed on an individual or collective basis, taking into account all reasonable and sustainable information, including prospects. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since the initial recognition, the Company measures the provision for losses relating to that financial instrument by an amount equivalent to the expected credit losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates the impairment corresponding to expected losses for all contractual flows until the maturity of the asset.

Regarding accounts receivable under the heading "Other receivables", given the nature of these balances, the calculation of the impairment is not applicable based on the expected credit loss.

Regarding accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due, ii) if the balance a low risk, or (iii) if it has a maturity of less than 12 months. In cases where the amount receivable is immediately payable and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Company only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, the Company applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Company calculates an impairment corresponding to the

amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

The Company prospectively assesses the estimated credit losses associated with the assets at amortized cost. The applied impairment methodology depends on whether or not there has been a significant increase in credit risk.

#### u) Medium-term incentive plans

The accounting treatment of Medium-Term Incentive Plans is based on IFRS 2 – 'Share-based Payments'.

Under IFRS 2, when the settlement of plans established by the Company involves the delivery of Sonaecom's own shares, the estimated responsibility is recorded, as a credit entry within the caption 'Shareholders' funds' and is charged as an expense under the caption 'Employee benefits expense' in the profit and loss statement.

The quantification of this responsibility is based on its fair value at the attribution date and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, at any point in time, is calculated based on the proportion of the vesting period that has 'elapsed' up to the respective accounting date.

For plans settled in cash, the estimated liability is recorded under the statement of financial position captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Employee benefits expense', for the cost relating to the vesting period that has 'elapsed' up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each statement of financial position date. When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount.

Equity-settled plans to be liquidated through the delivery of shares of Sonae SGPS are recorded as if they were settled in cash, which means that the estimated liability is recorded under the statement of financial position captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Employee benefits expense', for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each statement of financial position date.





On 31 December 2021, the plans granted during the year 2019, 2020 and 2021 are not covered, by the contract and so a liability is recorded at fair value was record. The responsibility of all plans is recorded under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Employee benefits expense'.

#### v) Distribution of dividends

The distribution of dividends to shareholders is recognised as a responsibility in the year in which the dividends are approved by the shareholders.

### w) Subsequent events

Events occurring after the date of the statement of financial position which provide additional information about conditions prevailing at the time of the statement of financial position ('adjusting events') are reflected in the financial statements. Events occurring after the statement of financial position date that provide information on post- statement of financial position conditions ('non-adjusting events'), when material, are disclosed in the notes to the financial statements.

## x) Judgements and estimates

The most significant judgements and accounting estimates reflected in the financial statements of the years ended at 31 December 2021 and 2020 are as follows:

- (i) Impairment analysis of investments in subsidiaries and joint ventures (notes 6,7 e 8);
- (ii) Recognition of impairment losses on assets (loans and trade debtors), provisions and analysis of contingent liabilities; and
- (iii) Recoverability of deferred tax assets (note 9).

The estimates used are based on the best information available during the preparation of the financial statements and are based on the best knowledge of past and present events. Although future events are neither foreseeable nor controlled by the Company, some could occur and have impact on such estimates. Changes to the estimates used by the management that occur after the approval date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors', using a prospective methodology.

The mainly estimates and assumptions related to future events included in the preparation of the financial statements are described in the corresponding notes, when applicable

#### Impairment of non-financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, management assesses, namely n the projection of cash flows from assets included in business plans, growth rate in perpetuity and discount rate of cash flows.

The sensitivity analysis to the variation of the assumptions in the impairment calculation is reflected in notes 6 and 7.

#### Impairment of financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, management assesses, among other factors, the duration and extent of the circumstances under which the recoverable amount of these assets may be lower than their book value. The balances of 'Other receivables' and 'Other current assets' are valued for factors such as default history, current market conditions, and estimated prospective information by reference to the end of each reporting year, the most critical evaluation elements for the purpose of analysing estimated credit losses.

The sensitivity analysis to the variation of the assumptions in the calculation of impairment is reflected in note 6.

### Recoverability of deferred tax assets

'Deferred tax assets' are recognized only when there are reasonable expectations of sufficient future taxable income to use these deferred tax assets. At the end of each year, a review of the deferred taxes recorded is made, as well as of the unrecognized taxes, which are reduced whenever their future use is no longer probable to be used in the future, or recorded, provided that, and to the extent that, it becomes probable the generation of taxable profits in the future that allow their recovery.

The remaining judgments and indicators are indicated in the corresponding notes annexed, when applicable

### y) Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity to project cash flows and profits. The Company's financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, every time it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.k).





The Company is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

#### Market risk

#### a) Foreign exchange risk

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of results to chages in foreign exchange rates.

Whenever possible, the Company uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Company adopts derivative financial hedging instruments (note 1. k).

Considering the reduced values of assets and liabilities in foreign currency, the impact of a change in exchange rate will not have significant impacts on the financial statements.

## b) Interest rate risk

In the year ended on 31 December 2021, Sonaecom has no indebtedness. However, Sonaecom has credit lines (note 16) that are indexed to variable rates.

Interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments, when it is considered necessary. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with third parties (banks) to exchange, in predetermined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Company's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Company uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the statement of financial position date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are not considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge, are recognised under statement financial position and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Company, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed/ variable).

Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2021 and 2020, are not contracted any derivatives instruments of hedging of the interest rate changes.

### Liquidity risk

The existence of liquidity in the Company requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related with that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments in the respective dates of maturity as well as any eventual not forecasted requests for funds, in the deadlines set for this; (ii) Safety, i.e., to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial efficiency, i.e., to ensure that the Company maximises the value/ minimise the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity should be applied to the alternatives and by the order described below:

 (i) Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments.





- (ii) Consolidated management of liquidity the existing liquidity in group companies, should mainly be applied in group companies, to reduce the use of bank debt at a consolidated level; and
- (iii) Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board of Directors and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to assure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equalise the forecasted payments (or the applications should be easily convertible, in case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the treasury estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

Considering the low value of the liabilities of the company is understood that the liquidity risk is very low.

### Credit risk

The Company's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities, cash investments and other non-current assets supplies.

#### (i) Cash and cash equivalents

Sonaecom holds financial assets arising from its relationship with subsidiary and with financial institutions (note 13). There is a credit risk associated with the potential pecuniary default of the Financial Institutions that are counterparts in these relationships, however, in general, the exposure related to this type of financial assets is widely diversified and of limited duration in time.

Credit risk associated with relationships with financial institutions is limited by the management of risk concentration and a rigorous selection of counterparties with ahigh prestige and national and international recognition and based on their respective ratings, taking into account the nature, maturity and size of operations.

The Company uses credit assessment agencies and has specific departments for credit control, collection and litigations' management, as well as credit insurance, which help to mitigate such risk. The management of this risk is aimed at ensuring the effective collection of its credits within the established deadlines without affecting the financial balance of the Company.

#### (ii) Loans granted to related parties

There are no impairment losses for Loans granted to related parties.

Loans granted to related parties (note 8) are considered to have low credit risk and, therefore, impairment losses recognised during the year are limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term.

### (iii) Other receivables

To measure the expected credit losses, the unpaid amounts and contractual assets were grouped based on the common credit risk characteristics and the days of late payment. The expected loss rates are based on the sales payment profiles over a period of 48 months (4 years) before 31 December 2021, and the corresponding historical credit losses verified during this period. Historical loss rates are adjusted to reflect current and prospective information on macroeconomic factors that affect customers' ability to settle outstanding amounts.

As such, the impairment losses on 31 December 2021 were determined considering these assumptions of IFRS 9.

Considering the afore mentioned policies, the Board of Directors does not foresee the possibility of any occurrence of any material breach of contractual obligations.

The amounts related to cash and cash equivalents, other noncurrent assets (loans granted) and other third-party debts presented in the financial statements, which are net of impairment, represent the maximum exposure of the Company to credit risk.

#### Capital risk

Sonaecom's capital structure, determined by the ratio of equity and net debt, is managed in a way that ensures the continuity and development of its operating activities, maximises shareholder returns and optimises the cost of financing.





Sonaecom periodically monitors its capital structure, identifying risks, opportunities and necessary adjustment measures in order to achieve the referred objectives.

In 2021, Sonaecom reported a negative accounting average gearing, obtained by the ratio of the average net debt of the year to the average of the equity of the year, of 18.8% (19.1% negative in 2020). The average gearing in market values in 2021 was negative in 39.0% (43.4% negative in 2020).





## 2. Property, plant and equipment

The changes in Property, plant and equipment and in the corresponding accumulated depreciation and impairment losses in the years ended on 31 December 2021 and 2020 was as follows:

							2021
	Buildings and	Plant			Fixtures	Other	
	other constructions	and machinery	Vehicles	Tools	and fittings	tangible assets	Total
Gross assets							
Balance at 31 December 2020	347,208	43,858	22,060	171	248,961	101	662,359
Balance at 31 Deceber 2021	347,208	43,858	22,060	171	248,961	101	662,359
Accumulated depreciation							
Balance at 31 December 2020	344,697	43,858	22,060	171	248,222	101	659,109
Depreciation for the year	494	-	-	-	494	-	988
Balance at 31 Deceber 2021	345,191	43,858	22,060	171	248,716	101	660,097
Net value	2,017	-	-	-	245	-	2,262

							2020
	Buildings and	Plant			Fixtures	Other	
	other constructions	and machinery	Vehicles	Tools	and fittings	tangible assets	Total
Gross assets							
Balance at 31 December 2019	347,208	43,858	22,060	171	248,961	101	662,359
Balance at 31 Deceber 2020	347,208	43,858	22,060	171	248,961	101	662,359
Accumulated depreciation							
Balance at 31 December 2019	344,203	43,858	22,060	171	246,905	101	657,298
Depreciation for the year	494	-	-	-	1,317	-	1,811
Balance at 31 Deceber 2020	344,697	43,858	22,060	171	248,222	101	659,109
Net value	2,511	-	-	-	739	-	3,250

## 3. Intangible assets

The changes in intangible assets and the corresponding accumulated amortisation in the years ended on 31 December 2021 and 2020 was as follows:

			2021
	Brands patents and other rights		Total
Gross assets			
Balance at 31 December 2020	11,522	195,879	207,401
Balance at 31 December 2021	11,522	195,879	207,401
Accumulated amortisation			
Balance at 31 December 2020	10,150	194,797	204,947
Amortisation for the year	190	578	768
Balance at 31 December 2021	10,340	195,375	205,715
Net value	1,182	504	1,686

			2020
	Brands patents and other rights		Total
Gross assets			
Balance at 31 December 2019	9,931	195,879	205,810
Adictions	1,591	-	1,591
Balance at 31 December 2020	11,522	195,879	207,401
Accumulated amortisation			
Balance at 31 December 2019	9,931	194,129	204,060
Amortisation for the year	219	668	887
Balance at 31 December 2020	10,150	194,797	204,947
Net value	1,372	1,082	2,454





## 4. Rights of use

For the years ended on 31 December 2021 and 2020, the changes occurred in the value of the rights of use, as well as its depreciations and amortisations, were as detailed below:

		2021
	Vehicles	Total
Gross assets Balance at 31 December 2020 Additions Balance at 31 December 2021	123,696 34,517 158,213	123,696 34,517 158,213
Accumulated amortisation Balance at 31 December 2020 Depreciation for the year	59,202 33,000	59,202 33,000
Balance at 31 December 2021  Net value	92,202 66,011	92,202 66,011

		2020
	Vehicles	Total
Gross assets		
Balance at 31 December 2019	144.608	144.608
Disposals and write-offs	(20,912)	(20,912)
Balance at 31 December 2020	123,696	123,696
Accumulated amortisation		
Balance at 31 December 2019	52,238	52,238
Depreciation for the year	27,876	27,876
Disposals and write-offs	(20,912)	(20,912)
Balance at 31 December 2020	59,202	59,202
Net value	64,494	64,494

## 5. Breakdown of financial instruments

On 31 December 2021 and 2020, the breakdown of financial instruments, according to IFRS 9, was as follows:

				2021
	Assets measured at amortised cost	Total financial assets	Others not covered by IFRS9	
Non-current assets				
Other non-current assets (note 8)	23,100,473	23,100,473	181,140,605	204,241,078
	23,100,473	23,100,473	181,140,605	204,241,078
Current assets				
Income tax assets (note 10)	=	-	788,383	788,383
Other receivables (note 11)	67,919	67,919	151,349	219,268
Other current assets (note 12)	64,175	64,175	37,702	101,877
Cash and cash equivalents (note 13)	242,946,357	242,946,357	-	242,946,357
	243,078,451	243,078,451	977,434	244,055,885





				2020
	Assets measured at amortised cost	Total financial assets	Others not covered by IFRS9	
Non-current assets				
Other non-current assets (note 8)	21,649,209	21,649,209	192,241,393	213,890,602
	21,649,209	21,649,209	192,241,393	213,890,602
Current assets				
Income tax assets (note 10)	=	-	788,383	788,383
Other receivables (note 11)	118,042	118,042	111,849	229,891
Other current assets (note 12)	59,175	59,175	32,676	91,851
Cash and cash equivalents (note 13)	186,694,487	186,694,487	-	186,694,487
	186,871,704	186,871,704	932,908	187,804,612

				2021
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9	
Non-current liabilities Lease liabilities (note 18) Other non-current liabilities (note 19)	-	-	34,762 185,140	34,762 185,140
		=	219,902	219,902
Current liabilities Other payables (note 20) Lease liabilities (note 18)	1,276,516	1,276,516	25,492 32,707	1,302,008 32,707
Other current liabilities (note 21)	589,044	589,044	172,009	761,053
	1,865,560	1,865,560	230,208	2,095,768

				2020
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9	
Non-current liabilities				44.004
Lease liabilities (note 18)	-	-	41,094	41,094
Other non-current liabilities (note 19)	<u>-</u>	<u> </u>	104,238	104,238
	-	E	145,332	145,332
Current liabilities				
Other payables (note 20)	1,159,081	1,159,081	19,040	1,178,121
Lease liabilities (note 18)	-	-	25,199	25,199
Other current liabilities (note 21)	600,259	600,259	91,979	692,238
	1,759,340	1,759,340	136,218	1,895,558

Considering the nature of the balances, the amounts to be paid and received to/from State and other Public Entities as well as the specialised costs with the action plan, given their nature, were considered as financial instruments not covered by IFRS 9. On the other hand, the deferred costs/profits recorded in the captions other current and non-current assets and liabilities, were considered as non-financial instruments.

The Sonaecom's Board of Directors believes that the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.





### 6. Investments in subsidiaries

On 31 December 2021 and 2020, this caption included the shares of capital held in group companies and had the following composition:

Company	2021	2020
Sonae Investment Management - Software and Technology, SGPS, S.A. ("Sonae IM")	52,241,587	52,241,587
Público - Comunicação Social S.A. ('Público')	35,037,204	33,537,204
PCJ - Público Comunicação e Jornalismo S.A. ('PCJ')	24,456,948	24,456,948
Sonaecom - Serviços Partilhados S.A. ('Sonaecom SP')	8,050,000	8,050,000
Bright Tech Innovation I - Fundo de Capital de Risco (Bright Tech Innovation I)	3,000,000	3,000,000
	122,785,739	121,285,739
Impairment losses (note 17)	(48,450,447)	(45,764,130)
Total investments in subsidiaries	74,335,292	75,521,609

In the years ended on 31 December 2021 and 2020, the total amount of impairment losses is related with the subsidiaries Público and PCJ in the amounts of EUR 35,037,204 (EUR 32,413,429 in 2020) and EUR 13,413,243 (EUR 13,350,701 in 2020), respectively (note 17).

The changes that occurred in investments in this caption during the years ended on 31 December 2021 and 2020 were as follows:

Company	Balance at 31 December 2020	Δdditions	Transfers and write-offs	Balance at 31 December 2021
Sonae IM	52,241,587	=	-	52,241,587
Público	33,537,204	1,500,000	-	35,037,204
PCJ	24,456,948	=	=	24,456,948
Sonaecom SP	8,050,000	=	=	8,050,000
Bright Tech Innovation I	3,000,000	<u>-</u> _	-	3,000,000
	121,285,739	1,500,000	-	122,785,739
Impairment losses (note 17)	(45,764,130)	(1,318,574)	(1,367,743)	(48,450,447)
Total investments in subsidiaries	75,521,609	181,426	(1,367,743)	74,335,292

Company	Balance at 31 December 2019	Additions	Transfers and write-offs	Balance at 31 December 2020
Sonae IM	52,241,587	-	-	52,241,587
Público	32,537,204	1,000,000	=	33,537,204
PCJ	19,690,000	4,766,948	-	24,456,948
Sonaecom SP	6,050,000	2,000,000	-	8,050,000
Bright Tech Innovation I		3,000,000		3,000,000
	110,518,791	10,766,948	-	121,285,739
Impairment losses (note 17)	(44,040,002)	(1,533,679)	(190,449)	(45,764,130)
Total investments in subsidiaries	66,478,789	9,233,269	(190,449)	75,521,609

For the year ended on 31 December 2021, the 'Additions' in Público in the amount cash EUR 1,500,000 corresponds to a capital increase made in cash.

For the year ended on 31 December 2020, the 'Additions' are related to capital increases made in cash with amount of EUR 1,000,000 in Público and EUR 2,000,000 in PCJ and Sonaecom SP. A capital increase in the amount of EUR 2,766,948 was made in PCJ to cover losses. Additionally, in the year ended on 31 December 2020, Sonaecom subscribed to participating units in Bright Tech Innovation I - Venture Capital Fund for the amount of EUR 3,000,000.

The amount of 'Transfers and write-offs' in 'Impairment losses' for the year ended on 31 December 2021, corresponds to the reallocation of the impairment of Publico's supplementary capital due from the capital increase (notes 8 and 17).

The amount of 'Transfers and write-offs' in 'Impairment losses' for the year ended on 31 December 2020, corresponds to the reallocation of the impairment of PCJ's supplementary capital due from the capital increase and the return of supplementary capital (notes 8 and 17).





On 31 December 2021 and 2020, the main financial information (according to IFRS standards) regarding the subsidiaries and joint ventures directly owned by the company is as follows:

(Amounts expressed in thousand Euro)				2021			2020
Company	Head office	% Holding	Shareholders' Funds	Net Profit / (Loss)	% Holding	Shareholders' Funds	Net Profit / (Loss)
ZOPT (note 7) (a) *	Matosinhos	50%	2,126	120	50%	2,209	99
Sonae IM (b)	Maia	100%	206,773	65,122	100%	154,098	13,985
PCJ	Maia	100%	11,345	117	100%	11,307	2,537
Sonaecom SP	Maia	100%	12,094	264	100%	11,909	2,677
Público	Maia	100%	3,298	(1,917)	100%	2,973	(2,605)
Bright Tech Innovation I	Maia	10%	29,212	(651)	10%	29,863	(137)

<sup>(</sup>a) Consolidated Financial Statements

The measurement of the existence or not of impairment of the main amounts of interests in group companies recorded in financial statements is made considering the cash generating units, based on the last business plans approved by the Group's Board of Directors made on an annual basis unless there are indications of impairment, which are prepared using cash flows projected for periods between 2 and 5 years.

On 31 December 2021 and 2020, the assumptions used are based on the subsidiaries' various businesses and the growth in the various geographic areas where the subsidiaries operate:

2021				Media
Assumptions	Retail	Cybersecurity	Others	
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use
Discount rate	6.25%	6% - 6.25%	-	7.25%
Growth rate in perpetuity	3%	3%	-	0.01%

2020				Media
Assumptions	Retail	Cybersecurity	Others	
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use
Discount rate	6.50%	5.50% - 9.75%	6.50%	7.25%
Growth rate in perpetuity	3%	3%	0.45%	0.01%

The average growth rate considered for the turnover in the projected period varied between 12% and 30.6% for the Technologies sector, respectively (10.4% in 2020). For the Media sector, the average growth rate of the considered volume the projected period was about 4.2% (4.05% in 2020).

The discount rates used are based on the weighted average capital costs estimated based on the segments and geographies where the companies are included. In Europe, discount rates are used between 6% and 6.25% (between 5.5% e 7.25% in 2020) and in Latin America are used rates of 9.75% in 2020.

Despite the context of uncertainty regarding the level of evolution and contagion of the virus and the economic slowdown caused by the pandemic context, as mentioned in introductory note, with the exception of the telecommunications segment referred to in note 7, the operations of the participated companies were not significantly affected. This way, the analysis of the impairment and the review of the impairment projections and tests have not lead to losses, during the year ended at 31 December 2021, beyond the amounts registered in the income statement (note 17). For the sensitivity analysis made, required by IAS 36 - Impairment of Assets, varying the discount rate by 0.1 pp in the media sector and in the technology sector or in the perpetuity growth rate, would not lead to material changes in the recovery amounts.

<sup>(</sup>b) Separate financial statements

<sup>\*</sup> At 31 December 2021, the market capitalization of NOS amounted to 1,757 million euros.





## 7. Investments in joint ventures

On 31 December 2021 and 2020, this caption included the following investments in joint ventures and was as follows:

Company	2021	2020
ZOPT SGPS S.A. ('ZOPT')	591,901,459	597,666,944
	591,901,459	597,666,944
Impairment losses (note 17)	(22,532,329)	-
Total investments in joint ventures	569,369,130	597,666,944

The changes that occurred in this caption during the years ended on 31 December 2021 and 2020 were as follows:

Company	31 December 2020	Additions	Disposals	Transfers	31 December 2021
ZOPT	597,666,944	_	(5,765,485)		591,901,459
	597,666,944	-	(5,765,485)	-	591,901,459
Impairment losses (note 17)		(22,532,329)	-		(22,532,329)
Total investments in joint ventures	597,666,944	(22,532,329)	(5,765,485)		569,369,130
Company	Balance at	Additions	Disposals	Transfers	Balance at
Company	31 December 2019	Additions	Disposais	Transiers	31 December 2020
7∩PT	507 666 011	_	_	_	507 666 044

ZOPT is a joint venture of Sonaecom, Kento Holding Limited and Unitel International Holdings BV, created as a holding for participation in NOS SGPS, SA ("NOS"). At the year ended on 31 December 2021 and 2020, ZOPT held 52.15% of participation in NOS.

On 31 December 2021, the item "Decreases" refers to the part of the share premium distribution associated with its participation in ZOPT approved by the General Meeting.

During the year ended on 31 December 2021, the Company received the amount of EUR 68,917,696 referring to dividends from ZOPT SGPS (note 25).

In the year ended on 31 December 2021, the impairment tests carried out on the part of the capital invested in the company led to the recording of impairment losses in the amount of EUR 22,532,329 (note 17).

In the sensitivity analysis carried out by Sonaecom, varying the discount rate and the perpetuity growth rate by 0.1 p.p., it would lead to an impairment of about 3.3% and 2,8%, respectively, of the total investment value.

Notwithstanding the communication made regarding the intention to liquidate the ZOPT, in more detail ahead, the Board of Directors considers that the market price of the shares representing the share capital of NOS, SA, a subsidiary of ZOPT, on 31 December 2021, does not reflect their fair value. The Board of Directors considers that the company's use value represents, at the present date, the best estimate of the fair value of that company.

In this way, the assessment of the existence or not of impairment is determined taking into account various information such as the business plan approved by the NOS Board of Directors for 5 years, whose implicit average growth rate of the operating margin amounts to 2.8% (2.9% in 2020).

	2021	2020
Assumptions	NOS SGPS	NOS SGPS
Basis of recoverable amount Discount rate	Value in use 5.3% - 8%	Value in use 5.7%-8.3%
Growth rate in perpetuity	1.4%	1.5%





During the year 2020, the disease caused by the virus (COVID-19) was classified by the World Health Organization (WHO) as a pandemic. Since then, several measures have been taken to contain the virus, forcing the world to change its habits, with limitations on the rights to travel and closure of various facilities and establishments, with varying levels over these two years, according to the degree of spread and severity perceived by public health experts.

As a result of the population confinement measures, people and companies were forced to adapt to a new reality, transforming both the way we work and the way we socialize.

Given the uncertainties, it was essential that companies delineate and implement, in a timely manner, structured and efficient contingency plans to guarantee the protection of employees and business continuity or, at least, to mitigate the resulting effects.

In this context, from the very first moment, NOS has a permanent COVID-19 Monitoring Office, whose mission is to provide the organization with the necessary conditions to manage this risk, as well as to analyse and monitor the evolution of the different phases.

The impacts on ZOPT through participation in NOS were already felt mainly in the results of the financial year ended of 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: reduction in affluence to movie theaters and complete closure of NOS' theatres from 16 March to 2 July, and postponement of a number of movie premieres, slightly offset by cinema rentals negotiations;
- ii. Roaming and international calls: traffic and revenues impacted by restrictions imposed on international travel;
- iii. Equipment sales: with the closure of shopping centers and travel restrictions, there was a reduction in the sale of mobile phones and equipment, which is partially offset by the increase in online sales (in the long run there may be a positive effect on the evolution customer take-up of digital channels);
- iv. Mobile data revenues: quarantine and isolation situations imply an increase in the use of wireless networks, reducing the use of mobile data; and,
- v. Drop in revenue related to premium sports during the period when the national championship was suspended and advertising content.

In 2020, the projections made for the Portuguese economy, led to a reassessment of projections and estimates, which resulted in the reinforcement, in the first quarter of 2020, of impairments of accounts receivable (EUR 28.2 million) and other costs recognised, related to onerous contracts (EUR 10.8 million), as well as the recording of impairments in the item "Losses / (Gains) in subsidiaries", in the amount of EUR 8.6 million.

At the year ended 31 December 2021, the greatest impacts by COVID-19 on NOS were felt, particularly, in cinemas and audiovisual with the shutdown of the cinema rooms in between mid-January and April of 2021 and in segment Telco with impacts in terms of roaming revenue. At the end of the exercise, with the relief of physical distancing measures, there was a recovery of the cinematographic exhibition.

In the set of 2 years, the most affected segment by COVID-19 was the cinema segment, with a recovery estimation to pre-pandemic values in 2023.

Additionally, the consolidated financial statements of ZOPT have exposure to the African market, particularly through financial holdings that Group holds in entities operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The net book value of African subsidiaries in the financial statements of ZOPT at 31 December 2021, recognized by the equity method, amounts to approximately EUR 44 million.

Impairment tests were carried out for those assets, considering the business plans approved by the Board of Directors for a period of 5 years, with average revenue growth rates of 2.7% in Angola and 4.7% in Mozambique (9,7% and 4.7% in 2020, respectively). The business





plans also consider a growth rate in perpetuity of 7% in Angola and 6% in Mozambique (6% in Angola and Mozambique in 2020) and a discount rate ("WACC") in perpetuity of 14.4% in Angola and 14.3% in Mozambique (17.10% and 20.30% in 2020, respectively).

The impairment tests carried out, based on the assumptions identified above, led to a reversal of impairment losses (in the ZOPT financial statements) of EUR 14.9 million (around EUR 6.5 million reversal of impairments in 2020).

Regarding ZOPT's financial holdings in Finstar and ZAP Media (consolidated Finstar), the Board of Directors of NOS and ZOPT are convinced that the seizure of assets to Mrs. Eng<sup>a</sup> Isabel dos Santos, in the specific case of the holdings held by her in Finstar and ZAP Media (where it holds 70% of the capital) does not change the control profile, in this case, joint-control as defined in IFRS 11, and 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.

On April 4, 2020, Sonaecom was informed by its subsidiary ZOPT of the communication it received from the Central Criminal Investigation Court of Lisbon ('Tribunal') to proceed with the preventive seizure of 26.075% of NOS share capital, corresponding to half of the shareholding in NOS held by ZOPT and, indirectly, by the companies Unitel International Holdings, BV and Kento Holding Limited", controlled by Mrs. Eng. a Isabel dos Santos. Under the terms of the communication, the arrested shares (134,322,268.5 shares) would be deprived of the exercise of voting rights and the right to receive dividends, the latter of which should be deposited with Caixa Geral de Depósitos, S.A. at the Court's order. 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 SONAECOM - was not subject to seizure, nor the rights attached to it were subject to any limitation.

It is the understanding of the boards of directors of ZOPT and Sonaecom that the seizure measure enacted is illegitimate and offends several fundamental rights of ZOPT - third in relation to the enacted seizure -, having no legal basis, and is not 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, a deprivation that is understood for that reason, to be null and of no effect. In this regard, ZOPT has deducted third party embargoes.

On 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 the share capital of NOS preventively arrested at the order of the Court. This notification reinforces the understanding of the Boards of Directors of ZOPT and Sonaecom, according to which the conditions of control of ZOPT over NOS are fulfilled, and that that measure will have no material effect on the control of this company.

Sill in June 2020, the Investigating Judge rejected the third party embargoes deducted by ZOPT on the grounds of incompetence of the Portuguese courts to assess and decide, a decision that, having been appealed by ZOPT, was revoked by the Court of Appeal, already in 2021. By judgment of 11.25.2021, the Investigating Judge dismissed the embargoes and maintained the preventive arrest. ZOPT appealed against that decision to the Lisbon Court of Appeal.

On 19 August 200, Sonaecom communicated the intention of the shareholders of ZOPT (Sonaecom itself, 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.

During 2020 and 2021, ZOPT was notified with a set of decisions regarding Kento's actions that occurred in a retention process, which are specifically the following: (i) preventive arrest at the process n° 210/20.4TELSB, by the Central Criminal Investigation Court, Single Section, which incised 32.65% of capital of ZOPT held by Unitel International Holdings and 124,234,675 shares of ZOPT held by KENTO, also with no exercise of the right to vote and the right to receive dividends; (ii) decreed arrest at the process n° 14012/20.4T8PRT, of Judge 6 of the Central Civil Court of Póvoa de Varzim, over the shares held by pela Unitel International Holdings in ZOPT, with all the respective property rights, included the right to receive dividends; (iii) pledge decreed on the process n° 7418/21.3T8LSB, of Judge 2 of the Lisbon Enforcement Court, of the 124.234.675 shares held by Kento in ZOPT and dividends from these shares; (iv) decreed arrest at the process n° ° 17561/21.3T8LSB-A, of Judge 12 of the Central Civil Court of Lisbon, on the ZOPT shares held by Kento and Unitel International Holdings and on the dividends that have not yet been distributed or that may be decided upon. Regardly to pledge, identify at paragraph (iii), ZOPT was also notified by Caixa Geral de Depósitos (CGD), as the beneficiary of the pledge of the shares 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, C.G.D. as Kento's pledge creditor, must act in accordance with Kento's instructions, which means voting in the sense defined by Kento.





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

### 8. Other non-current assets

On 31 December 2021 and 2020, this caption can be decomposed as follows:

	2021	2020
Financial assets		
Medium and long-term loans granted to subsidiaries and joint-ventures:		
Sonae IM (note 28)	23,095,000	21,640,000
	23,095,000	21,640,000
Supplementary capital:		
Zopt	115,000,000	115,000,000
Sonae IM	61,278,190	74,346,721
Público	7,407,796	6,807,796
PCJ PCJ	83,052	83,052
	183,769,038	196,237,569
	206,864,038	217,877,569
Accumulated impairment losses (note 17)	(2,628,433)	(3,996,176)
Others	5,473	9,209
	204,241,078	213,890,602

In the year ended on 31 December 2021 the amount of impairment losses is related entirely to the subsidiary Público in the amount of EUR 2,628,433 (EUR 3,996,176 in 2020).

During the years ended on 31 December 2021 and 2020, the changes that occurred under the caption 'Medium and long-term loans granted to subsidiaries and joint ventures were as follows:

				2021
Company	Opening balance	Increases	Decreases	Closing balance
Sonae IM	21,640,000	16,570,000	(15,115,000)	23,095,000
	21,640,000	16,570,000	(15,115,000)	23,095,000
				2020
Company	Opening balance	Increases	Decreases	Closing balance
Sonae IM	16,235,000	21,640,000	(16,235,000)	21,640,000
	16,235,000	21,640,000	(16,235,000)	21,640,000

During the years ended on 31 December 2021 and 2020, the movements in the caption 'Supplementary capital' were as follows:

				2021
Company	Opening balance	Increases	Decreases	Closing balance
ZOPT	115,000,000	-	-	115,000,000
Sonae IM	74,346,721	29,831,469	(42,900,000)	61,278,190
Público	6,807,796	600,000	-	7,407,796
PCJ	83,052	-		83,052
	196,237,569	30,431,469	(42,900,000)	183,769,038





				2020
Company	Opening balance	Increases	Decreases	Closing balance
ZOPT	115,000,000	-	-	115,000,000
Sonae IM	64,482,518	34,449,203	(24,585,000)	74,346,721
Público	5,507,796	1,300,000	-	6,807,796
PCJ	2,850,000	-	(2,766,948)	83,052
	187,840,314	35,749,203	(27,351,948)	196,237,569

The increases and decreases in Supplementary capital in Sonae IM, Público and PCJ are related to the equity and financial position of each of the companies.

Loans granted to subsidiaries and joint ventures have a repayment (shareholders loans) term of more than one year, and the repayment term after this period is not defined, so information on its maturity is not presented.

During the years ended 31 December 2021 and 2020, loans granted to subsidiaries and joint ventures earned interest at an average rate of 2.60% and 2.10%, respectively. Supplementary capital does not bear interest and do not have a repayment term.

The assessment of the existence or not of impairment for the main loans granted to group companies recorded in the financial statements is made based on the latest business plans approved by the respective Boards of Directors, which are prepared using projected cash flows. for periods of 5 years, based on the discount and growth rates in perpetuity presented in Notes 6 and 7.

#### 9. Deferred taxes

On 31 December 2021 and 2020 the total amount of deferred tax has the following composition:

	2021	2020
Tax provisions not accepted	83,638	68,356
Tax benefits	2,403,477	2,475,000
	2,487,115	2,543,356

The changes in deferred tax assets for the years ended at 31 of December 2021 and 2020 were as follows:

	2021	2020
Opening balance	2,543,356	67,473
Variation in provisions not accepted for tax purposes	15,282	883
Variation in tax benefits	(71,523)	2,475,000
Closing balance	2,487,115	2,543,356

During 2020, the Company subscribed units of participation in the private investment fund Bright Tech Innovation I. This fund aims to invest in companies dedicated to research and development, which, in particular, have a technological or underlying basis for their activity an innovative business concept. In compliance with the Investment Tax Code (CFI) and, as usual in the scope of obtaining SIFIDE, the Company presented in 2021 an application to SIFIDE under the terms of paragraph f), paragraph 1 of article 37 of CFI.

In the year ended 31 December 2021, the Company recorded deferred tax assets in the amount of EUR 2,403,477 (EUR 2,475,000 in 2020) related to this benefit. Expenses that, due to insufficient collection, cannot be deducted in 2020, may be deducted until 2030.

Since Sonaecom is included in the group of companies taxed under the Special Taxation Regime Group of Companies (RETGS), of which Sonae SGPS is the dominant company, the total IRC that will no longer be paid is shown at the level of Group, without prejudice to the right of recourse by the tax due to the Company, under the terms and for the purposes of article 115° of the CIRC.

On 31 December 2021 and 2020, an assessment was made of deferred taxes to be recognised, which essentially results of tax benefits and other temporary differences. Deferred tax assets were recorded only to the extent that it is probable, with reasonable certainty, that





in future taxable income they will be usable. This assessment was based on the business plans approved by the Boards of Directors of the companies and the recovery capacity of the Fiscal Group

On 31 December 2021 and 2020, the amount of deferred taxes of unrecorded tax losses not recorded were EUR 1,989,007 (generated in 2014 and available for use up to 2028). Additionally, there are impairment losses in amount of EUR 51,078,879 (EUR 49,760,306 in 2020) that did not need to do registration of deferred tax assets, but which can be used in the case of liquidation of the respective companies.

On 31 December 2021 and 2020, the tax rate used to calculate deferred tax assets related to tax losses was 21%. In the case of temporary differences, namely of not accepted provisions and impairment losses, the rate used in 2021 and 2020 was 22.5%.

The state surcharge was not considered as deferred tax, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

The reconciliation between the earnings before tax and the tax recorded for the years ended on 31 December 2021 and 2020 is as follows:

	2021	2020
Earnings before tax	46,531,462	475,923
Tax (21%)	(9,771,607)	(99,944)
Autonomous taxation surcharge	(10,167)	(4,838)
Temporary differences from the year without record deferred tax	(5,007,590)	236,520
Adjustments of results not tax deductible	14,800,866	(6,428)
Tax benefits use from deferred tax assets recorded in previous years by Fiscal Group	71,523	-
Recorded/(utilization) of deferred tax from tax benefits	(71,523)	2,475,000
Income taxation recorded in the period (note 27)	11,502	2,600,310

The tax rate used to reconcile the tax expense and the accounting profit was 21% in the years of 2021 and 2020 because it is the standard rate of the corporate income tax in Portugal in 2021 and 2020.

In the year ended on 31 December 2021, "Adjustments of results not tax deductible" refer essentially to dividends received in the amount of EUR 68,917,696 (note 28) and the amount received under the Special Regime for Settlement of Tax and Social Security Debts ('RERD - Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social'), in the amount of EUR 1,597,605 (note 23), which do not contribute to the formation of taxable profit for the year. The adjustments to the net results not tax deductible referring to 2021 and 2020 also includes adjustments that do not contribute to taxable income for the year.

In the year ended on 31 December 2021 and 2020, "Temporary differences from the year without record deferred tax assets" refers essentially to impairments of financial investments recorded in the year (note 17).

Portuguese Tax administration can review the income tax returns of the Company for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in progress, in which circumstances, the periods are extended or suspended.

The Board of Directors believes that any correction that may arise as a result of such review would not produce a significant impact in the accompanying financial statements.

Supported by the Company's lawyers and tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements on 31 December 2021.





#### 10. Income tax receivable

On31 December 2021 and 2020, the caption 'Income tax receivable' had the following composition:

	2021	2020
Special account payment	705,712	705,712
Corporate income tax	82,671	82,671
	788,383	788,383

The heading 'Special account payment' is essentially composed by previous values to Special Taxation Regime Group of Companies of which Sonae SGPS is the dominant company, and for which reimbursement was requested.

## 11. Other receivables

On 31 December 2021 and 2020, this caption can be detailed as follows:

	2021	2020
Trade debtors	67,919	118,042
State and other public entities	151,349	111,849
	219,268	229,891

On 31 December 2021 and 2020, the caption 'Other receivables' included amounts receivable from various group companies. Given the nature of this caption, it is the Board Directors belief that it does not present a credit risk (note 28).

On 31 December 2021 and 2020, the caption 'State and other public entities' corresponds to Value Added Tax.

### 12. Other current assets

On 31 December 2021 and 2020, this caption had the following composition:

	2021	2020
Accrued income		
Interest receivable (note 28)	58,749	37,241
Invoices to be issued	-	12,629
Other accrued income	5,426	9,305
	64,175	59,175
Deferred costs		
Insurance	37,471	32,550
Other deferred costs	231	126
	37,702	32,676
	101,877	91,851





## 13. Cash and cash equivalents

On 31 December 2021 and 2020, the breakdown of 'Cash and cash equivalents' was as follows:

	2021	2020
Cash	280	265
Bank deposits repayable on demand	240,871,077	186,694,222
Treasury applications	2,075,000	
	242,946,357	186,694,487

On 31 December 2021 and 2020, the detail of the 'Treasury applications' is as follows:

	2021	2020
Sonae IM (note 28)	2,075,000	-
	2,075,000	-

In the years ended on 31 December 2021 and 2020, Sonaecom entered financial transaction contracts with Sonae SGPS, Sonae IM. During the year of 2020, Sonaecom entered financial transaction contracts with Público. As a result of these financial transactions, income was registered in the note 26.

The treasury applications immediately available, mentioned above, were paid-off during the year ended on 31 December 2021 with an interest average rate of 0.31% (0.30% in 2020).

## 14. Share capital

On 31 December 2021 and 2020, the share capital of Sonaecom was comprised by 311,340,037 ordinary shares registered of EUR 0.74 each. At those dates, the Shareholder structure was as follows:

		2021		2020
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	62.33%	194,063,119	62.33%
Sonae SGPS	81,022,964	26.02%	81,022,964	26.02%
Discerene Group LP	8,694,396	2.79%	8,694,396	2.79%
Azvalor Asset Management S.G.I.I.C. S.A.	-	-	6,340,147	2.04%
Shares traded on the Portuguese Stock Exchange ('Free Float')	21,988,544	7.06%	15,648,397	5.03%
Own shares (note 15)	5,571,014	1.79%	5,571,014	1.79%
	311,340,037	100.00%	311,340,037	100.00%

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

### 15. Own shares

During the years ended on 31 December 2021 and 2020, Sonaecom did not acquired, sold or delivered own shares, whereby the amount held to date is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of EUR 1.515.





## 16. Loans

#### Short-term loans and other loans

In the years ended on 31 December 2021, Sonaecom is not using a short-term credit line, although it has a bank credit line in the form of current or overdraft account commitments, in the amount of EUR 1 million. This credit line has maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

The credit line bear interest at market rates, indexed to the Euribor of the respective term.

On 31 December 2021 and 2020, the available credit lines are as follows:

					Maturity
		Amount			More than 12
Credit	Limit	outstanding	Amount available	Until 12 months	months
2021					
Authorised overdrafts	1,000,000		1,000,000	X	
	1,000,000	-	1,000,000		
2020					
Authorised overdrafts	1,000,000	-	1,000,000	Х	
	1,000,000		1,000,000		

On 31 December 2021 and 2020 there are no financial instruments of interest rate hedging.

## 17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended on 31 December 2020 and 2021 were as follows:

	Opening balance	Increases	Reductions	Transfers and utilizations	Closing balance
2021					
Accumulated impairment losses on investments in group companies (notes 6 and 25)	45,764,130	1,318,574	-	1,367,743	48,450,447
Accumulated impairment losses on investments in joint ventures (notes 7 and 25)	-	22,532,329	-	-	22,532,329
Accumulated impairment losses on other non-current assets (notes 8 and 25)	3,996,176	-	-	(1,367,743)	2,628,433
Provisions for other liabilities and charges (note 23)	263,952	7,528	(104,539)	-	166,941
	50,024,258	23,858,431	(104,539)	-	73,778,150
2020					
Accumulated impairment losses on investments in group companies (notes 6 and 25)	44,040,002	1,533,679	-	190,449	45,764,130
Accumulated impairment losses on other non-current assets (notes 8 and 25)	6,846,176	-	(2,659,551)	(190,449)	3,996,176
Provisions for other liabilities and charges (note 23)	199,812	64,139	-		263,952
	51,085,990	1,597,818	(2,659,551)	-	50,024,258

The increases in provisions and impairment losses are registered under the captions "Provisions" and "Impairment losses" in the profit and loss statement except for increase and decrease of the impairment losses in investments in group companies, investments in joint ventures and other non-current assets, which, due to their nature, are recorded under the caption "Gains and losses on investments in subsidiaries and joint ventures" (note 25).

On 31 December 2021 and 2020, the changes in the caption 'Accumulated impairment losses on investments in group companies' correspond to an increase and a reduction in the impairment of financial investments in Público and PCJ (note 6).

On 31 December 2020, the reduction in 'Accumulated impairment losses on other non-current assets' corresponds to the reversal of impairment associated with supplementary capital contributions granted to PCJ (notes 8 and 25).

The amount of 'Transfers and uses' for the year ended 31 December 2021 corresponds to the reallocation of the impairment of Público from 'Supplementary Capital' to 'Investments in Subsidiaries', resulting from the capital increase (Note 6 and 8).





The amount of 'Transfers and utilizations' for the year ended 31 December 2021 corresponds to the reallocation of impairment in PCJ from 'Supplementary Capital' to 'Investments in subsidiaries', resulting from the capital increase and the return of Supplementary Capital (notes 6 and 8).

#### 18. Lease liabilities

On 31 December 2021 and 2020, these balances were related to amounts payable associated with asset's use rights contracts.

The expected repayment plan for these balances, on 31 December 2021 and 2020 was as follows:

	2021			2020
	Leasing payments	Update of the leasing payments	Leasing payments	Update of the leasing payments
2021	-	-	26,307	25,199
2022	33,359	32,707	26,307	25,825
2023	16,115	15,931	9,429	9,362
2024	12,516	12,431	5,921	5,907
2025	6,424	6,400	<u>-</u>	-
	68,414	67,469	67,964	66,293
Interest	(945)		(1,671)	
	67,469	67,469	66,293	66,293
Short-term		(32,707)		(25,199)
	67,469	34,762	66,293	41,094

## 19. Other non-current liabilities

This caption on 31 December 2021 and 2020 was composed of the amounts related to medium-term and long-term incentive plans, in the amount of EUR 185,140 and EUR 104,238 respectively (note 31).

## 20. Other payables

On 31 December 2021 and 2020, this caption was detailed as follows:

	2021	2020
Other creditors	1,276,516	1,159,081
State and other public entities	25,492	19,040
	1,302,008	1,178,121

On 31 December 2021 and 2020, the caption "Other payables" is mainly composed of balances with group companies, mainly consisting of amounts payable under the Special Regime for the Taxation of EUR 1,090,395 (EUR 1,065,119 in 2020) which includes amounts payable to companies that are no longer part of the Group on 31 December 2021 and 2020.

On 31 December 2021 and 2020, the caption 'State and other public entities' were detailed as follows:

	2021	2020
Personal income tax	11,731	9,671
Social security contributions	13,761	9,369
	25,492	19,040





## 21. Other current liabilities

On 31 December 2021 and 2020, this caption has the following composed:

	2021	2020
Accrued costs		
Staff expenses	472,861	448,717
Medium Term Incentive Plans (note 31)	172,009	91,979
Consultancy	80,553	115,449
Other accrued costs	35,630	36,093
	761,053	692,238

## 22. Services rendered

On 31 December 2021 and 2020, the Services rendered corresponded to the debiting of management fees to the subsidiaries (note 28).

## 23. Other income

On 31 December 2021 and 2020, the caption 'Other income' was as follows:

	2021	2020
Supplementary income	24,429	2,068
Decrease of provisions (note 17)	104,539	=
Others	1,597,605	19,056
	1,726,573	21,124

In the year ended on 31 December 2021, the amount on 'Others' is related to the favorable conclusion of one of the tax proceedings paid under the Special Regime for Regularization of Debts to the Tax and Social Security Debts (RERD - (Law Dec. 248-A of 2002 and Decree-Law no. 151-A/2013) and, as required by the CMVM, such payments were allocated to the Company's results.

# 24. External supplies and services

On 31 December 2021 and 2020, this caption was detailed as follows:

	2021	2020
Specialised work	514,528	610,360
Insurance	65,469	51,730
Communications	7,177	12,340
Travel and accommodation	6,719	24,839
Other external supplies and services	155,605	74,906
	749,498	774,175

The heading of "Specialised work" is essentially composed by fees from Sonaecom - Serviços Partilhados and costs with public relations services, auditing and consulting.





# 25. Gains and losses in investments in subsidiaries and joint ventures

On 31 December 2021 and 2020, the captions 'Gains and losses in investments in subsidiaries and joint ventures' were detailed as follows:

	2021	2020
Gains and losses in investments in subsidiaries and joint ventures		
Gains related to the investments (notes 6, 7, 8 and 17)	-	2,659,551
Losses related to the investments (notes 6, 7, 8 and 17)	(23,850,902)	(1,533,679)
Dividends obtained (note 28)	68,917,696	
	45,066,794	1,125,872

On 31 December 2021 and 2020, "Losses related to the investments" include the reinforcement of impairment losses on investments in PCJ, 2021 and in Público, 2020 (note 17). In the year ended on 31 December 2021, they also include the impairment losses on the investment in ZOPT (note 17).

On 31 December 2020, 'Gains related to investments' include the reversal of impairment losses associated with supplementary capital payments paid to PCJ (Note 17).

On 31 December 2021, 'Dividends obtained' is relate to dividends received from Zopt (note 28).

## 26. Financial results

The financial results for the years ended on 31 December 2021 and 2020 are detailed as follows ((costs)/gains):

	2021	2020
Financial expenses		
Interest expenses	(1,472)	(1,775)
Foreign currency exchange losses	(585)	(636)
Other financial expenses	(56,709)	(60,631)
	(58,766)	(63,042)
Financial income		
Interest earned on financial assets at amortized cost with related parties (Note 28)	1,070,339	932,407
Interest earned on financial assets at amortized cost	11	2,167
Foreign currency exchange gains	944	250
Other financial income	555,839	45,272
	1,627,133	980,096

On 31 December 2021, the amount of 'Other financial income' is related to indemnity and late payment interest received under RERD (EUR 555,839) (note 23).

## 27. Income Taxation

Income tax recognised during the years ended on 31 December 2021 and 2020 are detailed as follows ((costs) / gains):

	2021	2020
Current tax	67,742	124,427
Deferred tax (note 9)	(56,240)	2,475,883
Closing balance	11,502	2,600,310





# 28. Related parties

During the years ended on 31 December 2021 and 2020, the most significant balances and transactions with related parties were as follows:

						Balances at 31 December 2021
	Accounts receivable	Accounts payable	Other assets	Other liabilities	Loans granted	Treasury applications
	(note 11)	(note 20)	(note 8 and 12)	(note 21)	(note 8)	(note 13)
Parent Company (Sonae SGPS)	-	19,915	2,303	24,964	-	-
Joint Ventures	14,169	145,909	-	765	-	-
Others related parties	-	5,337	32,618	-	-	-
Subsidiaries	52,107	34,768	57,400		23,095,000	2,075,000
	66,276	205,929	92,321	25,729	23,095,000	2,075,000

						Balances at 31 December 2020
	Accounts receivable	Accounts payable	Other assets	Other liabilities	Loans granted	Treasury applications
	(note 11)	(note 20)	(note 8 and 12)	(note 21)	(note 8)	(note 13)
Parent Company (Sonae SGPS)	125,203	42,531	7,106	25,035	-	-
Joint Ventures	25,258	145,484	12,629	827	-	-
Others related parties	23,575	675	28,040		-	-
Subsidiaries	64,364	68,398	37,463	-	21,640,000	-
	238,400	257,088	85,238	25,862	21,640,000	-

				Transactions at 31 December 2021
	Sales and services	Supplies and services	Interest and similar	Supplementary
	rendered (note 22)	received (note 24)	income (note 26)	income (note 23)
Parent Company (Sonae SGPS)	-	311,168	418,992	7,421
Joint Ventures	15,025	14,277	=	-
Others related parties	=	76,465	=	-
Subsidiaries	374,975	115,893	651,347	2,062
	390,000	517,803	1,070,339	9,483

				Transactions at 31 December 2020 (restated)
	Sales and services rendered (note 22)	Supplies and services received (note 24)	Interest and similar income (note 26)	Supplementary income (note 23)
Parent Company (Sonae SGPS)	-	257,466	524,616	-
Joint Ventures	-	17,920	-	-
Others related parties	-	30,691	-	-
Subsidiaries	411,000	155,607	407,791	2,068
	411,000	461,684	932,407	2,068

During the year ended on 31 December 2021, the Company distributed as dividends the amount of EUR 7,859,228 to Sonae SGPS (EUR 6,724,906 in 2020) and EUR 18,824,122 to Sontel BV (EUR 16,107,238 in 2020).

During the year ended on December 2021, the Company recognised the amount of EUR 68,917,696, referring to dividends from Zopt (note 25).

All the above transactions were made at market prices.

Both accounts receivable and payable with related companies will be settled in cash and have no guarantees attached.

The remuneration attributed to key personnel is disclosed in note 32.





# 29. Guarantees provided to third parties

Guarantees provided to third parties on 31 December 2021 and 2020 were as follows:

Beneficiary	Description	2021	2020
Autoridade Tributária e Aduaneira (Portuguese tax authorities)	Additional tax assessments (Stamp and Income tax)	25,330,753	23,998,744
		25,330,753	23,998,744

Regarding the value of the guarantees, on 31 December 2021, Sonae was the guarantor of Sonaecom, up to the amount of EUR 7,112,129 and Sonaecom of Público up to the amount of EUR 564,900.

On 31 December 2021, the Board of Directors of the Company believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the financial statements.

On 31 December 2021 and 2020, the contingencies for which guarantees, and sureties were considered as remote.

## 30. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the year (EUR 69,029,084 in 2021 and EUR 3,076,233 in 2020) by the average number of shares outstanding during the years ended on 31 December 2021 and 2020, net of own shares (305,769,023 in 2021 and 2020).

On 31 December 2021 and 2020, the earnings per share are 0.23 and 0.01, respectively.

## 31. Medium Term Incentive Plans

In June 2000, the Company created a discretionary Incentive Plan for more senior employees, based on Sonaecom options and shares and Sonae, SGPS, S.A. shares which on 10 March 2014 Sonaecom share plans been converted into Sonae shares. The period of the rights occurs three years after their attribution, provided that the employee stays in the company during this period.

In March 2021, the 2020 plan was assigned to Sonaecom Directors.

The 2017 plan was delivered in April 2021.

Therefore, the outstanding plans on 31 December 2021 and 2020 are as follows:

			Vesting period		31 dezembro 2021
	Share price			Aggregate number of	
	31 December 2021	Award date	Vesting date	participations	Number of shares
Sonae SGPS shares					
2018 Plan	1.003	mar/19	mar/22	1	183,102
2019 Plan	1.003	mar/20	mar/23	1	248,130
2020 Plan	1.003	mar/21	mar/24	1	168,102
					599.334

			Vesting period		31 dezembro 2020
	Share price 31 December 2020		Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares			J · · · ·	har a character	
2017 Plan	0.662	mar/18	mar/21	1	148,346
2018 Plan	0.662	mar/19	mar/22	1	172,579
2019 Plan	0.662	mar/20	mar/23	1	233,869
			· · · · · · · · · · · · · · · · · · ·		554,794





During the year ended on 31 December 2021, the changes that occurred in the plans can be summarised as follows:

		Sonae SGPS shares
	Aggregate number of participations	Number of shares
Outstanding on 31 December 2020:		
Unvested	3	554,794
Total	3	554,794
Movements in period:		
Awarded	1	158,440
Vested (1)	(1)	(148,346)
Corrected (2)	-	34,446
Outstanding on 31 December 2021:		
Unvested	3	599,334
Total	3	599,334

 $<sup>^{(1)}</sup>$  Of the vested shares 148,346 were delivered in cash

The responsibility for all plans was recognised under 'Other current liabilities' and 'Other non-current liabilities'.

Share plan costs are recognised in the accounts over the period between the award and the vesting date of those plans.

The costs recognised for the outstanding plans and for the plan delivered in the year ended 31 December 2021 and 2020 are as follows:

	2021	2020
Costs recognised in previous years	196,217	254,232
Costs recognised in the year (note 32)	276,419	42,980
Costs of plans vested in the year	(115,487)	(100,995)
Total cost of the plans	357,149	196,217
Recorded in 'Other current liabilities' (note 21)	172,009	91,979
Recorded in 'Other non-current liabilities' (note 19)	185,140	104,238

# 32. Employee benefits expense

For the years ended on 31 December 2021 and 2020, the heading 'Employee benefits expense' was detailed as follows:

	2021	2020
Remuneration	947,273	918,100
Charges on remuneration	130,812	97,547
Medium Term Incentive Plan (note 31)	276,419	42,980
Others	24,594	15,159
	1,379,098	1,073,786

During the years 2021 and 2020, the remuneration attributed from Sonaecom to the members of the Board of Directors was as follows:

	2021	2020
Short-term employee benefits	297,600	282,800
Share-based payments	113,700	123,900
	411,300	406,700

 $<sup>^{(1)}</sup>$  Corrections in the number of shares are made based on the dividend paid during the plan period.





The amounts included in the Short-Term Employee Benefits line include Fixed Remuneration and the Performance Premium, the latter calculated on an accrual basis. The value of Share-based Payments for 2021 and 2020 corresponds to the value of the medium-term incentive plan to be awarded in 2022 and relative to the performance of 2021 (and attributed in 2021 relative to the performance of 2020, to the value of 2020), whose shares, or the corresponding cash value, will be delivered in March 2025 and March 2024, respectively, and for which the expense is recorded during the period from 2022 to 2025 (2021 to 2024 for the value of 2020).

## 33. Average number of employees

During the years ended on 31 December 2021 and 2020, the average number of employees employed by the company was 14 and 6, respectively. on 31 December 2021, the number of workers was 13 (6 on 31 December 2020).

# 34. Fees of the Statutory Auditor

During the year ended on 31 December 2021 and 2020 the Company agreed as a fee to the ROC, PriceWaterhouseCoopers SROC, and to its network of companies, the following amounts:

	2021	2020
Audit services	47,530	41,000
	47,530	41,000

## 35. Contingent assets

Contingent assets related to tax proceedings paid within the scope of debt settlement programs to the Tax Authorities and Social Security

Within the scope of the Exceptional Regime for Settlement of Tax Debts and Social Security (DL 67/2016 of 3/11, DL 151-A/2013 of 31/10 and DL 248-A/2002 of 11/14), Sonaecom Group made tax payments to the State in the amount of around Eur 5.4 million, of which Eur 3.8 million are still in associated judicial challenge proceedings.

As provided for in the diplomas supporting the programmes, the Group maintains legal procedures aimed at ensuring that it is justified in the specific situations.

## 36. Subsquent events

On 24 February 2022, Russian troops invaded Ukraine, starting a war that is already having several effects on the macroeconomic environment. The growing wave of reactions with the imposition of sanctions in Russian and Belarusian entities, the volatility and uncertainty of capital markets, the increase in fuel prices are some of the effects that already make us anticipate a very challenging year 2022.

These financial statements have been approved by the Board of Directors and authorised for issue on 24 March 2022, however subject to the approval by the Shareholders' General Meeting.





# Appendix

On 31 December 2021 the related parties of Sonaecom, SGPS, S.A. are as follows:

Subsidiaries				
Bright Development Studio, S.A.	Maxive - Cybersecurity, SGPS, S.A			
Bright Tech Innovation I - Fundo Capital de Risco	PCJ-Público, Comunicação e Jornalismo, S.A.			
Bright Vector I - Fundo Capital de Risco	Praesidium Services Limited			
Bright Ventures Capital SCR, S.A.	Público - Comunicação Social, S.A.			
Excellium Group, S.A.	S21 Sec Gestion, S.A.			
Excellium Services Belgium, S.A.	S21 Sec Information Security Labs, SL			
Excellium Services, S.A.	S21SEC Portugal - Cybersecurity and Intelligence Services, S.A.			
Inovretail España, SL	Sonae Investment Management - Software and Technology, SGPS, S.A.			
Inovretail, S.A.	Sonaecom - Serviços Partilhados, S.A.			

Associated companies and joint ventures	
Big Picture 2 Films, S.A.	NOS Lusomundo Audiovisuais, S.A.
Big Picture Films, SL	NOS Lusomundo Cinemas, S.A.
Dreamia Holding B.V.	NOS Madeira Comunicações, S.A.
Dreamia Servicios de Televisión, S.L.	NOS Mediação de Seguros, S.A.
Dreamia Serviços de Televisão, S.A.	NOS Property, S.A.
Dualgrid - Gestão de Redes Partilhas, S.A.	NOS SGPS, S.A.
Empracine - Empresa Promotora de Atividades Cinematográficas, Lda.	NOS Sistemas España, SL
FINSTAR - Sociedade de Investimentos e Participações, S.A.	NOS Sistemas, S.A.
Fundo de Capital de Risco NOS 5G	NOS Tecnhology - Concepção Construção e Gestão de Redes de Comunicação, S.A.
Lusomundo - Sociedade de Investimentos Imobiliários, SGPS, S.A.	NOS Wholesale, S.A.
Lusomundo Imobiliária 2, S.A.	Per-Mar - Sociedade de Construções, S.A.
Lusomundo Moçambique, Lda.	SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.
/ISTAR, S.A.	Sontária - Empreendimentos Imobiliários, S.A.
NOS Açores Comunicações, S.A.	Sport TV Portugal, S.A.
NOS Audio - Sales & Distribution, S.A.	Teliz Holding, B.V.
NOS Audiovisuais, SGPS, S.A.	Unipress - Centro Gráfico, Lda.
NOS Comunicações, S.A.	Upstar Comunicações, S.A.
NOS Corporate Center, S.A.	ZAP Media, S.A.
NOS Inovação, S.A.	ZOPT, SGPS, S.A.
NOS Internacional, SGPS, S.A.	





2ndRoom - Exploração Hoteleira, S.A. 3shoppings - Holding, SGPS, S.A.

838 Soluções, Ltda

Accive Insurance - Corretor de Seguros, S.A.

Acrobatic Tittle, S.A.

Adira - MetalForming Solutions, S.A.

Aegean Park Constructions Real Estate and Development, S.A.

Agepan Eiweiler Management, GmbH Agloma Investimentos, SGPS, S.A. Águas Furtadas - Sociedade Agrícola, S.A.

Alfaros SRAL

Aliansce Sonae Shopping Centers, S.A. (Consolidado)

Alpêssego - Sociedade Agrícola, S.A. Andar - Sociedade Imobiliária, S.A. Aqualuz - Turismo e Lazer, Lda.

Aqualuz Troia, S.A. Arat Inmuebles, S.A. Area Sur Shopping, SL Arenal Perfumerias SLU ARP Alverca Retail Park, S.A.

Arrábidashopping - Centro Comercial, S.A. Arrábidashopping - Centro Comercial, S.A.

Aserraderos de Cuellar, S.A. Asprela Sociedade Imobiliária, S.A. Atelgen - Produção Energia, ACE Atlantic Ferries - Tráf.Loc.Flu. e Marit., SA

Axnae Spain Holdings, SL Azulino Imobiliária, S.A. BA Bussiness Angels, SGPS, S.A. BA Capital, SGPS, S.A. BB Food Service, S.A.

Bertimóvel - Sociedade Imobiliária, S.A. Bloco Q - Sociedade Imobiliária, S.A. Bodytone International Sport SL Bom Momento - Restauração, S.A.

BrightCity, S.A.

Bens Consultoria Ltda.

Brio - Produtos de Agricultura Biológica, S.A.

Brokerslink Management AG BUZZEE Insure, Lda.

Canasta - Empreendimentos Imobiliários, S.A.

Candotal Spain SLU Capwatt - ACE, S.A. Capwatt - SGPS, S.A.

Capwatt Alrota - Wind Power, S.A.
Capwatt Biometano Aljustrel, Unip., Lda
Capwatt Biometano Seia, Unipessoal, Lda.
Capwatt Biometano Tomar, Unipessoal, Lda
Capwatt Chamusca - Bio Power, Unipessoal, Lda.

Capwatt Colombo - Heat Power, S.A. Capwatt DDP, Sociedad Limitada Capwatt Decentralized Solar Power, S.A.

Capwatt España, S.L.U.

Capwatt Estuário - Heat Power, Unipessoal, Lda.

Capwatt Évora - Solar Power, S.A.
Capwatt Ferreira - Solar Power, S.A.
Capwatt Graciosa - Green Storage, S.A.
Capwatt Hectare - Heat Power, ACE
Capwatt IV - Heat Power Unipessoal, Lda.
Capwatt Lousado - Heat Power, Unipessoal, Lda.

Capwatt Maia - Heat Power, S.A.
Capwatt Martim Longo - Solar Power, S.A.
Capwatt Mexico, S. de R.L. de CV
Capwatt Services DDP, S.L.U.

Capwatt Services, S.A. Capwatt Vale do Tejo - Heat Power, S.A. Capwtatt Vale do Caima - Heat Power, S.A.

Carvemagere - Manutenção e Energias Renováveis, Lda.

Casa Agrícola de Ambrães

Casa da Ribeira - Sociedade Imobiliária, S.A.
Cascaishopping-Centro Comercial, S.A.
CCCB Caldas da Rainha - Centro Comercial, S.A.
Centro Colombo - Centro Comercial, S.A.
Centro Residencial da Maia, Urban., S.A.
Centro Vasco da Gama - Centro Comercial, S.A.
Chão Verde - Sociedade de Gestão Imobiliária, S.A.

CHPA Holding, S.A.P.I. DE C.V. Cinclus Imobiliária, S.A. Citorres - Sociedade Imobiliária, S.A.

Claybell Limited Closer Look Design, Lda.

Cogen Tepetlaoxtoc, S.A.P.I de C.V. Cogeneración Huasteca I, S. de R. L. de C.V. Cogeneración Pericu I, S. de R. L. de C.V. Coimbrashopping- Centro Comercial, S.A.

Comercial Losan, SLU

Companhia Térmica Serrado, ACE Companhia Térmica Tagol, Lda.

Contimobe - Imobiliária de Castelo de Paiva, S.A.

Continente Hipermercados, S.A. Country Club da Maia - Imobiliária, S.A. Cumulativa - Sociedade Imobiliária, S.A.

Cyclicus DDP Uno S.L. Cyclicus Norte S.L. Deporvillage SL

Desimpacte de Purins Alcarrás, S.A. Desimpacte de Purins Corcó, S.A. Desimpacte de Purins Voltregá, S.A. Desimpacto de Purines Altorricón, S.A. Desimpacto de Purines Eresma, S.A. Desimpacto de Purines Turegano, S.A.

DOC Malaga Holdings SL Doc Malaga Siteco Phase 2, SL DOC Malaga SITECO SLU Duobens - Corretora de Seguros Ltda

Ecociclo, Energia e Ambiente, S.A. Ecofutura Luz Energía, S.L. Efanor - Investimentos, SGPS, S.A. Efanor Serviços de Apoio à Gestão, S.A.

E-FIT, Unipessoal, Lda. Elergone Energias, Lda.

Empreend.Imob. Quinta da Azenha, S.A.

ENC MEDELLIN SA DE CV
ENC POWER MEXICO SA DE CV
ENC ZAPOPAN SA DE CV
Engenho Novo Electricidade PT, S.A.
Engenho Novo Gás PT, S.A.
Estação Viana - Centro Comercial, S.A.
Euroresinas - Indústrias Quimicas, S.A.

Farmácia Selecção, S.A.

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Fashion Division, S.A.

Fashion International Trade, S.A. Feneralt - Produção de Energia ACE

Filhet Allard EspañaCorreduria de Seguros SL

Fozimo - Sociedade Imobiliária, S.A.

Frases e Frações - Imobiliária e Serviços, S.A.

Fundo de Capital de Risco Armilar Venture Partners II

Fundo de Capital de Risco Armilar Venture Partners III

Fundo de Capital de Risco Armilar Ventures Partners Inovação e Internacionalização

Fundo de Investimento Imobiliário Fechado Imosede Fundo de Investimento Imobiliário Imosonae Dois

Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center Fundo de Investimento Imobiliário Shopping Parque Dom Pedro

Fundo Especial de Investimento Imobiliário Fechado WTC

Futura Carbono, SL

Futura Energía Inversiones, SL

Futura Energía y Gas, SL

Futura Green Renovables, SL

Gaiashopping I - Centro Comercial, S.A.

Gaiashopping I - Centro Comercial, S.A.

Gaiashopping II - Centro Comercial, S.A.

Gaiashopping II - Centro Comercial, S.A.

GHP Glunz Holzwerkstoffproduktions, GmbH

Gli Orsi Shopping Centre 1 Srl

Glunz UK Holdings, Ltd.

Glunz UkA GmbH

Go Well - Promoção de Eventos, Caterings e Consultoria, S.A.

Golf Time - Golfe e Inv. Turisticos, S.A.

GOSH! Food Limited

Gracinda e Graça - Sociedade de Mediação de Seguros, Lda.

Guimadira - Máquinas e Ferramentas, Lda.

Guimarāeshopping - Centro Comercial, S.A.

H&W - Mediadora de Seguros, S.A. Halfdozen Real Estate, S.A.

Halldozen Real Estate,

HighDome PCC Limited
HighDome PCC Limited (Cell Europe)

Iberia Shopping Centre Venture Cooperatief UA

Iberian Assets, S.A.

Iberian Holdings Spain, SL

Iberosegur - Sociedade Ibérica de Mediação de Seguros, Lda.

Igimo - Sociedade Imobiliária, S.A.

Iginha - Sociedade Imobiliária, S.A.

Imoassets - Sociedade Imobiliária, S.A.

Imobeauty, S.A.

Imoestrutura - Sociedade Imobiliária, S.A. Imomuro - Sociedade Imobiliária, S.A.

Imopenínsula - Sociedade Imobiliária, S.A.

Imoplamac - Gestão de Imóveis, S.A.

Imoponte-Soc.Imobiliária, S.A.

Imoresort - Sociedade Imobiliária, S.A.

Imoresultado - Sociedade Imobiliária, S.A.

Imosedas-Imobiliária e Serviços, S.A.

Imosistema - Sociedade Imobiliária, S.A.

Impaper Europe GmbH & Co. KG

Implantação - Imobiliária, S.A.

Inparvi, SGPS, S.A.

Ioannina Development of Shopping Centres, S.A.

IPLF - Holding, SA

Irmãos Vila Nova III - Imobiliária, S.A.

Irmāos Vila Nova, S.A.

Iservices, Lda. Isoroy, SAS

ISRG - Iberian Sports Retail Group, SL

IVN - Servicos Partilhados, S.A.

IVN Asia Limited

JD Canary Islands Sports SL

JD Spain Sports Fashion 2010, SL

La Galleria Srl

Laminate Park GmbH & Co. KG

Land Retail BV

Larim Corretora de Resseguros Ltda.

Larissa Development of Shopping Centres, S.A.

Lazam/mds Correctora Ltda.

Le Terrazze - Shopping Centre 1, Srl

Libra Serviços, Lda.

Lidergraf - Artes Gráficas, Lda.

Living Markets I, S.A.

LMGE - Gestão de Edifícios Lda.

LMIT - Innovation & Technology, Lda.

LMSA - Engenharia de Edifícios, S.A.

Losan Colombia, SAS

Losan Logística, SA

Losan Overseas Textile, SL

Losan Rusia

Luz del Tajo - Centro Comercial, S.A.

Madeirashopping - Centro Comercial, S.A.

Maiashopping - Centro Comercial, S.A.

Maiequipa - Gestão Florestal, S.A.

Marcas MC, zRT

Maremor Beauty & Fragances, S.L.

Marina de Tróia, S.A.

Marmagno-Expl.Hoteleira Imob., S.A.

Marvero-Expl.Hoteleira Imob., S.A. MCCARE - Servicos de Saúde. S.A.

MDS - Corretor de Seguros, S.A.

MDS África, SGPS, S.A.

MDS Auto - Mediação de Seguros, S.A.

MDS Insurance - Corretora de Seguros e Resseguros, S.A.

MDS Link Solutions, Lda.

MDS Malta Holding Limited

MDS MG Corretora e Administradora de Seguros, Ltda.

MDS Partners Corretor de Seguros, S.A.

MDS RE - Mediador de resseguros, SGPS, S.A.

MDS, SGPS, S.A.

Média Mais - Mediação de Seguros, Lda

Megantic BV

Mercado Urbano - Gestão Imobiliária, S.A.

Microcom Doi, Srl

MJLF - Empreendimentos Imobiliários, S.A. MKTPLACE - Comércio Eletrónico, S.A.

Modalfa - Comércio e Serviços, S.A.

Modalfa Canarias, SL

Modelo Continente Hipermercados, S.A. Modelo Continente International Trade, S.A.

Modelo Hiper Imobiliária, S.A.

Moneris Correctores de Seguros Lda.

Moneris. Seguros - Mediação de Seguros, Lda.

Movelpartes - Comp. para a Indústria do Mobiliário, S.A.

Norte Shopping Retail and Leisure Centre, BV Norteshopping - Centro Comercial, S.A.

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North Tower BV Novodecor (Pty) Ltd

Nuno Franco - Mediação de Seguros, Lda

Olimpo Asset 1, S.A.
Olimpo Asset 2, S.A.
Olimpo Asset 3, S.A.
Olimpo Asset 4, S.A.
Olimpo Asset 5, S.A.
Olimpo Asset 6, S.A.
Olimpo Asset 7, S.A.

Olimpo Asset 8, S.A. Olimpo Real Estate SGI, S.A. Olimpo Real Estate Socimi, S.A. Olimpo SIGI España, S.A.

PA Cúcuta (Fideicomiso)
Pantheon Plaza BV

Paracentro - Gestão de Galerias Comerciais, S.A. Parcelas e Narrativas - Imobiliária, S.A.

Pareuro, BV

Park Avenue Developement of Shopping Centers, S.A.

Parklake Business Centre Srl Parklake Shopping, S.A.

Parque Atlântico Shopping - Centro Comercial, S.A.

Parque D. Pedro 1, S.à r.l.

Parque de Famalicão - Empreendimentos mobiliários, S.A.

Pharmaconcept - Actividades em Saúde, S.A. Pharmacontinente - Saúde e Higiene, S.A.

Plaza Mayor B.V.

Plaza Mayor Shopping, S.A.

Plenerg Srl

Ponto de Chegada - Sociedade Imobiliária, S.A. Portimão Ativo - Sociedade Imobiliária, SA

Porto Palácio Hotel, S.A.

Porturbe-Edificios e Urbanizações, S.A.

Praedium - Serviços, S.A. Praedium II-Imobiliária, S.A.

Predicomercial - Promoção Imobiliária, S.A. Predilugar- Promoção Imobiliária, S.A. Predisedas - Predial das Sedas, S.A. Process Assessoria e Corretora Seq. Ltda.

Project Sierra 10 BV Project Sierra 11 BV Project Sierra 12 BV Project Sierra Cúcuta BV Project Sierra Four, Srl

Project Sierra Germany 4 (four) - Shopping Centre, GmbH

Prosa Produtos e Serviços Agrícolas, S.A.

Proyecto Cúcuta S.A.S.

OH Consultoria e Corretagem Seguros Ltda RCG - Risk, Consulting Group Ltda. RCG - Risk, Consulting Group, S.A. Realejo - Sociedade Imobiliária, S.A.

Reinsurance Solutions, Soc. Corretora de Resseguros, S.A.

River Plaza B.V. S2 Africa Limited S2 Mozambique, S.A. Salsa Canarias Salsa DE Gmbh

Salsa Distribution USA LLC Salsa France, S.A.R.L. Salsa Luxembourg, Sàrl

Satfiel, Lda.

SC - Sociedade de Consultoria, S.A.

SC Aegean, BV SC Assets, SGPS, S.A. SC Finance, BV SC Fitness, S.A.

SC Hospitality, SGPS, S.A. SC Industrials SGPS, S.A.

SC, SGPS, S.A.

SCBRASIL Participações, Ltda. SDSR - Sports Division, S.A.

Segurtime - Mediação de Seguros, Lda.

Selifa - Empreendimentos Imobiliários de Fafe, S.A.

Sempre à Mão - Sociedade Imobiliária, S.A.

Sempre a Postos - Produtos Alimentares e Utilidades, Lda.

Serra Shopping - Centro Comercial, S.A. Sesagest - Proj.Gestão Imobiliária, S.A.

Sete e Meio Herdades - Investimentos Agrícolas e Turismo, S.A.

SFS - Financial Services IME, S.A. SFS - Gestão de Fundos, SGOIC, S.A. SFS Gestão e Consultoria, S.A. Shopping Centre Colombo Holding, B.V.

SIAL Participações, Ltda.

Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialności

Sierra Balmain Property Managment Spółka z o. o.

Sierra Brazil 1, Sarl Sierra Central, S.A.S.

Sierra Colombia Investments, S.A.S. Sierra Developments Holding B.V. Sierra Developments, SGPS, S.A.

Sierra European Retail Real Estate Assets Holdings B.V.

Sierra Germany GmbH Sierra GP Limited

Sierra Iberian Assets Holding, S.A.U.

Sierra IG, SGOIC, S.A. Sierra Investments (Holland) 1 BV

Sierra Investments (Holland) 2 BV Sierra Investments Holdings BV Sierra Investments SGPS, S.A. Sierra Italy Agency Srl Sierra Italy SGPS, S.A. Sierra Management, SGPS, S.A. Sierra Maroc Services, SARL Sierra Maroc, SARL Sierra Parma Project BV

Sierra Portugal Feeder 2, S.à r.l. Sierra Portugal, S.A. Sierra Real Estate Greece BV Sierra Retail Ventures BV

Sierra Portugal Feeder 1, S.C.A.

Sierra Romania Shopping Centers Services, SRL

Sierra Services Holland BV Sierra Solingen Holding GmbH Sierra Spain Malaga Holdings, SL

Sierra Spain, Shopping Centers Services, S.A.

Sierra VdG Holding BV Sierra Zenata Project B.V. Signal Alpha Republica I, S.A.

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Signal Alpha Republica II, Lda.

SII - Soberana Investimentos Imobiliários, S.A. SLS Salsa - Comércio e Difusão de Vestuário, S.A.

SLS Salsa España - Comercio y Difusión de Vestuario, SAU

Sociedade de Construções do Chile, S.A.

Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.

Société de Tranchage Isoroy SAS Socijofra - Sociedade Imobiliária, S.A. Sociloures - Sociedade Imobiliária, S.A.

Soflorin, BV

Sohi Meat Solutions - Distribuição de Carnes, S.A.

Solinca Classic, S.A. Solinca Light, S.A.

Soltroia-Imob.de Urb.Turismo de Tróia, S.A.

Somit - Imobiliária, S.A. Sonae Arauco (UK), Ltd. Sonae Arauco Beeskow Gmb Sonae Arauco Deutschland GmbH

Sonae Arauco Espana - Soluciones de Madera, S. L.

Sonae Arauco France SAS Sonae Arauco Maroc SARL Sonae Arauco Netherlands BV Sonae Arauco Portugal, S.A. Sonae Arauco South Africa (Pty) Ltd

Sonae Arauco Suisse S.A. Sonae Arauco, S.A. Sonae Capital, SGPS, S.A. Sonae Corporate, S.A. Sonae Food4Future, S.A. Sonae FS, SA

Sonae Holdings, S.A.

Sonae Indústria - Management Services, S.A.

Sonae Indústria - Soc. Gestora de Participações Sociais, S.A.

Sonae Investments, BV

Sonae MC - Serviços Partilhados, S.A. Sonae MC S2 Africa Limited Sonae MC, SGPS, S.A.

Sonae RE, S.A. Sonae Sierra Brazil Holdings S.à r.l. Sonae Sierra, SGPS, S.A. Sonaerp - Retail Properties, S.A. Sondis Imobiliária, S.A.

Sontel, BV Sonvecap, BV

Sotáqua - Soc. de Empreendimentos Turísticos, S.A.

Soternix - Produção de Energia, ACE

SPF - Sierra Portugal

SPF - Sierra Portugal Real Estate, SCA Spinveste - Promoção Imobiliária, S.A. Spinveste. Gestão Imobiliária SGII, S.A. Sport Zone Canárias SportIberica, S.A. Sports Unlimited Retail BV

Sprinter Megacentros del Deporte, SL Suncoutim - Solar Energy, S.A. Surforma. S.A.

Surforma, S.A. Suricate Solutions Tafisa Canadá Inc Tafisa France SAS

Taiber, Tableros Aglomerados Ibéricos, S.L. Tecmasa, Reciclados de Andalucia, SL Tecnologias del Medio Ambiente, S.A.

The Artist Porto Hotel & Bistró - Actividades Hoteleiras, S.A. The House Ribeira Hotel - Exploração Hoteleira, S.A.

Tomenider Tool, GmbH Torre Norte, S.A.

Tovese Corretora de Seguros Ltda Trivium Real Estate Socimi, S.A.

Tróia Market, S.A. Tróia Natura, S.A.

TROIAMED - Sociedade Mediação Imob., S.A. Troiaresort - Investimentos Turísticos. S.A.

Trojaresort, SGPS, S.A.

Tulipamar - Expl.Hoteleira Imob., S.A. Turismo da Samba (Tusal), SARL

UP Invest, SGPS, S.A.

Urban Fit - Gestão de Health Clubs, Lda. Urban Fit Foz - Gestão de Health Clubs, Lda. Urban Fit Maia - Gestão de Health Clubs, Lda. Urbisedas - Imobiliária das Sedas, S.A. Usebti Textile México S.A. de C.V.

Valor N, S.A.

Vastgoed One - Sociedade Imobiliária, S.A. Vastgoed Sun - Sociedade Imobiliária, S.A. Via Catarina - Centro Comercial, S.A. Vistas do Freixo - Emp. Tur. Imobiliários, S.A.

WAD LAB, S.A.

Weiterstadt Shopping B.V.

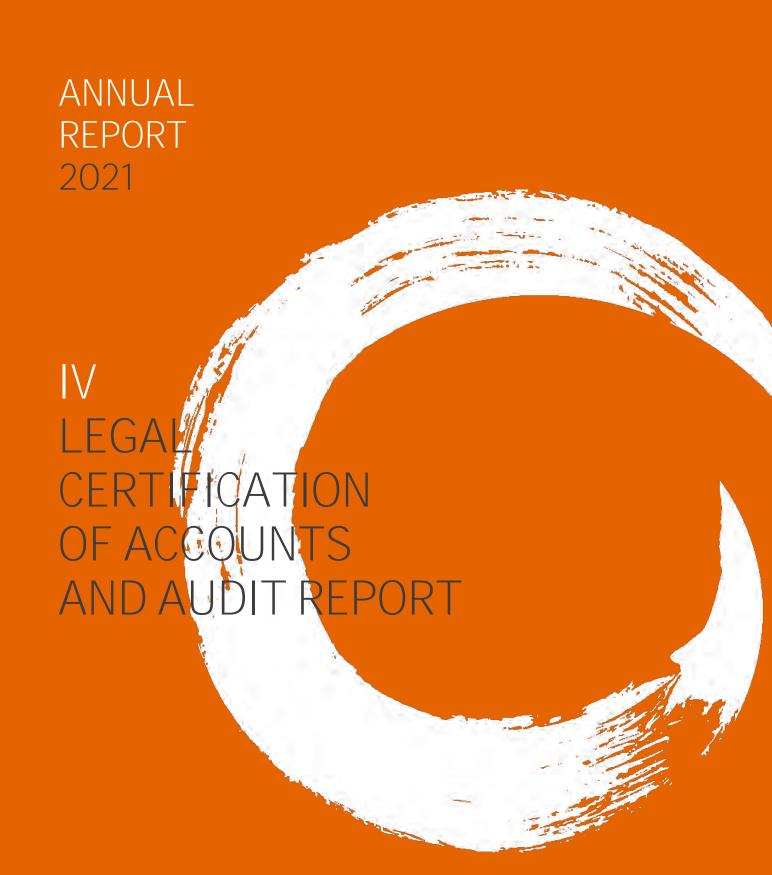
Win Broker - Mediação de Seguros, Lda. Worten - Equipamento para o Lar, S.A.

Worten Canárias. SL

Worten España Distribución, SL Worten International Trade, S.A. Worten Malta Holding Limited

Worten Safe, S.A.

Zaask – Plataforma Digital, S.A. Zenata Commercial Project, S.A. Zippy - Comércio e Distribuição, S.A. Zippy - Comercio y Distribución, S.A.









## Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

#### Opinion

We have audited the accompanying consolidated financial statements of Sonaecom, S.G.P.S., S.A. (the Group), which comprise the consolidated statement of financial position as at 31st December 2021 (which shows total assets of Euros 1,316,859,942 and total shareholders' equity of Euros 1,206,814,758, including a net profit of Euros 120,725,659), the consolidated income statement by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Sonaecom, S.G.P.S., S.A. as at 31st December 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Porto Office Park, Avenida de Sidónio Pais, 163 - piso 1, 4100-467 Porto, Portugal
Tet: -351 225 433 000, Fax: +351 225 433 499, www.pwc.pt
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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

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#### Summary of the Audit Approach

## Measurement of investments in joint ventures

The Group has an investment in the joint venture ZOPT in the amount of Euros 623.0 million. ZOPT, in its turn, controls NOS, and holds investments in Angolan and Mozambican entities Finstar and ZAP Media (Finstar consolidation) and Mstar, in the amount of approximately Euros 44 million, accounted by the equity method. In relation to Finstar, shares representing 70% of its capital, held by the other shareholder, are currently seized, and in January 2022, the replacement of the trustees of the companies was required.

As disclosed in note 9, up to the present date, the following facts involving ZOPT were known:

- preventive seizure of shares representing 26.075% of the NOS' equity held by ZOPT, with limitation of exercising the voting rights (subsequently reversed) and receipt of dividends, in the context of a judicial proceeding involving the partners in the joint venture;
- seizures of shares representing up to 50% of the share capital of ZOPT, held by the partners in the joint venture, in the context of three legal proceedings;
- pledge of shares representing 17.35% of the share capital of ZOPT, held by one of the partners in the joint venture;
- notification of a banking entity to ZOPT, stating that it is vested with the right to exercise the voting rights of shares representing 17.35% of the capital of ZOPT, related with the pledge above.

In August 2020, the Group announced to the market that the shareholders agreed to take the necessary steps to dissolve ZOPT and share its assets proportionally. Up to this date, steps have not been taken to dissolve ZOPT.

We have obtained the consolidated financial statements of the joint venture, as well as the respective statutory audit report.

As the consolidated financial statements of the joint venture are audited by another auditor, we have sent audit instructions, interacted with the respective auditor, evaluated the strategy and the audit plan, as well as the tests performed for the significant areas and the conclusions reached. We have also reviewed the equity accounting.

As a result of the known facts affecting the joint venture, the following audit procedures were performed:

- assessment of the impacts produced by the seizure of Finstar's shares in the measurement of ZOPT's investment in the Angolan entities, and of the reasonableness of the assumptions used in its measurement;
- assessment of the impacts produced by the preventive seizure of shares representing 26.075% of the capital of NOS, in the measurement of the Group's investment in the joint venture, namely through obtaining and analyzing opinions of the joint venture's legal advisors;
- assessment of the impacts produced by the seizures and pledge ZOPT's shares held by the partners in the joint venture, and of the notification received from the bank, in the classification and measurement of this investment in the consolidated financial statements;
- in view of the decision to dissolve ZOPT and of the difference between the book value and the market capitalization of NOS, assessment of the adequacy of value in use to determine the recoverable amount of the joint venture;
- obtaining and analyzing the impairment test of the aforementioned joint venture.

Statutory Audit Report and Auditors' Report 31st December 2021 Sonaecom, S.G.P.S., S.A. PwC 2 of 9





The above-mentioned investment in joint venture is recorded under the equity method. As prescribed in IAS 36, impairment tests are performed whenever there are impairment indicators, and business plans are prepared to determine the recoverable amount.

Considering the magnitude of the value, and subjectivity inherent to the valuation model and assumptions used in determining the recovery of the value of the joint venture, we consider this investment to be a key audit matter.

The related disclosures are presented in Notes 1b), 1x), 9 and 35 to the consolidated financial statements.

#### Summary of the Audit Approach

The analysis of the impairment test of the joint venture, involving internal experts, whenever relevant, included the following procedures:

- analysis of the models prepared to determine the recoverable amount, in order to determine its compliance with the accounting standards:
- reasonableness analysis of the assumptions used in the forecasts made, considering the market conditions and the historical accuracy in preparing forecasts and budgets;
- reperformance of model's calculations;
- sensitivity analysis to some of the model's assumptions.

We have also analyzed the disclosures presented in the notes to the consolidated financial statements.

#### Financial assets measured at fair value

The Group holds equity instruments, which are not traded in an organized market, recorded as financial assets at fair value through other comprehensive income in the amount of Euros 8,0 million, and as financial assets at fair value through profit or loss in the amount of Euros 158,9 million. The change in the fair value of these instruments represented a gain in the consolidated income statement of Euros 67,5 million.

The group also holds investments in the associate companies Armilar II, Armilar III and Armilar I+I, in the amount of Euros 143.8 million, which are investment entities, and measure their financial investments at fair value. These associate companies are measured in the Group's consolidated financial statements, using the equity method, resulting in the recognition of a gain of Euros 30.3 million in the consolidated income statement.

The audit procedures carried out included the assessment that the methodologies, data and assumptions adopted by management to determine the fair value are adequate.

In relation to the equity instruments of entities that have been subject to recent transactions, our procedures involved the analysis of the documentation that supports the respective transaction, in order to corroborate the fair value that was determined.

With regard to equity instruments in entities that did not have recent transactions, our procedures included:

- analysis of the documentation supporting the acquisition;
- management inquiry about the existence of significant changes, facts and circumstances that have occurred since the acquisition date, to determine whether there is sufficient evidence that indicates the need to change the valuation;

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The determination of the fair value of equity instruments involves the application of valuation methodologies that use relevant assumptions and requires the use of significant judgments by management.

Considering the significant degree of uncertainty the fair value of equity instruments, this was a relevant area in our audit.

The related disclosures are presented in Notes 1b), 1g), 9, 10, 11 and 35 to the consolidated financial statements.

## Summary of the Audit Approach

 analysis, on a sampling basis, of the latest financial information available to assess the performance of investments since the acquisition and to validate the valuation of the investment.

Regarding to the associate companies Armilar II, Armilar III and Armilar I+I, we have obtained the financial statements, as well as the respective statutory audit report. As the financial statements of the associates are audited by another auditor, we have sent audit instructions, interacted with the respective auditor and evaluated the procedures carried out and conclusions obtained, with a focus on the valuation of the respective financial investments. We have also reviewed the equity accounting.

We have also analyzed the disclosures presented in the notes to the consolidated financial statements.

#### Goodwill

The consolidated statement of financial position presents a Goodwill of Euros 14.5 million.

Goodwill is not amortized, and it is tested annually, or whenever there are impairment indicators, to verify if there are any losses to be recognized. The recoverable amount is determined using the discounted cash flow model, based on the business plans used by Group's management.

Considering the significance of the amount and the complexity and level of inherent judgment to the model adopted for the calculation of recoverable amount and assumptions used, this issue was a key matter for the purposes of our audit

The related disclosures are presented in Notes 1.f), 1.x) and 8 to the consolidated financial statements.

In order to assess Management's conclusions in relation to the recovery of Goodwill, we have obtained and analyzed the impairment tests prepared by the Group.

Our audit procedures included, among others:

- analysis of the models prepared to determine the recoverable amount, in order to determine its compliance with the accounting standards:
- reasonableness analysis of the assumptions used in the forecasts made, considering the market conditions and the historical accuracy in preparing forecasts and budgets;
- reperformance of models calculations;
- sensitivity analysis to some of the models' assumptions.

We have also analyzed the disclosures presented in the notes to the consolidated financial statements.

Statutory Audit Report and Auditors' Report 31st December 2021 Sonaecom, S.G.P.S., S.A. PwC 4 of 9





#### Summary of the Audit Approach

#### Revenue recognition

The consolidated financial statements include revenue from projects in the segment of information systems in the amount of Euros 59.5 million. The consolidated financial statements also present revenue to be invoiced to customers of Euros 3.8 million and projects invoiced in advance of Euros 10.9 million.

As mentioned in accounting policies, revenue from consulting projects is recognized each year, according to the respective performance obligation, based on their percentage of completion. The percentage of completion is obtained through the proportion of expenses incurred in the estimated costs of the project, based on budgets prepared for this purpose, according to management's best knowledge for each project.

Project schedules supporting the revenue recognition based on the stage of completion have several assumptions, essentially related to the overall budget of project expenditures and expenses to be incurred.

Given the inherent uncertainty of the estimates of the expenses to be incurred, they have to be continually reviewed and, as such, we consider this a key matter for the purposes of our audit.

The related disclosures are presented in Notes 1.s), 17, 29 and 30 to the consolidated financial statements.

To validate the reasonableness of the adjustments related to the percentage of completion accounting, we have obtained the project schedules and performed the following audit procedures:

- reconciliation of the schedules with the values of in the consolidated statement of financial position and consolidated income statement:
- review, on a sample basis, of contracts to support project schedules;
- reasonableness analysis of the percentage of completion considered, taking into account the underlying assumptions;
- comparison of the results obtained with the recognized revenue;
- to validate management's assumptions, regarding the recognized margin, analysis of available information, essentially related to the terms of the contracts, the latest projections, the completion status of the projects, the billings made and the reasonableness of the budgets in the past, compared to actual values.

We have also analyzed the disclosures presented in the notes to the consolidated financial statements.





# Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- the preparation of the Directors' report, the corporate governance report and the remunerations report in accordance with the applicable law and regulations;
- the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error:
- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

#### Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control:
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

Statutory Audit Report and Auditors' Report 31st December 2021 Sonaecom, S.G.P.S., S.A. PwC 6 of 9





- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;
- g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the remunerations report was presented.





#### Report on other legal and regulatory requirements

#### Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

#### Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

#### European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on 31st December 2021 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and
- b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.





#### Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

## Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of Sonaecom, S.G.P.S, S.A. in the Shareholders' General Meeting of 29th April 2016 for the period from 2016 to 2019, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 29th April 2020 for the period from 2020 to 2023.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of 25<sup>th</sup> March 2022.
- d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

25th March 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, ROC no 1076 Registered with the Portuguese Securities Market Commission under no 20160688







## Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

#### Opinion

We have audited the accompanying financial statements of Sonaecom, S.G.P.S., S.A. (the Entity), which comprise the separate statement of financial position as at 31st December 2021 (which shows total assets of Euros 1,094,558,459 and total shareholders' equity of Euros 1,092,075,848, including a net profit of Euros 46,542,964), the separate income statement by nature, the separate statement of comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Sonaecom, S.G.P.S., S.A. as at 31st December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.
Porto Office Park, Avenida de Sidónio Pais, 153 - piso 1, 4100-467 Porto, Portugal
Tel: +351 225 433 000, Fax: +351 225 433 499, www.pwc.pt
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## Summary of the Audit Approach

#### Measurement of equity investments

Sonaecom, SGPS, SA, on 31st December 2021. holds financial interests in group companies and ioint ventures in the amount of Euros 74.3 million and Euros 569.4 million, respectively, which are measured at acquisition cost, less any impairment losses. There is also supplementary capital granted to those entities in the amount of Euros 181.1 million, recorded in Other noncurrent assets. The joint venture ZOPT, in its turn, controls NOS, and holds investments in Angolan and Mozambican entities Finstar and ZAP Media (Finstar consolidation) and Mstar, in the amount of approximately Euros 44 million, accounted by the equity method. In relation to Finstar, shares representing 70% of its capital, held by the other shareholder, are currently seized, and in January 2022, the replacement of the trustees of the companies was required.

As disclosed in note 7 up to the present date, the following facts involving ZOPT were known:

- preventive seizure of shares representing 26.075% of the NOS' equity held by ZOPT, with limitation of exercising the voting rights (subsequently reversed) and receipt of dividends, in the context of a judicial proceeding involving the partners in the joint venture:
- seizures of shares representing up to 50% of the share capital of ZOPT, held by the partners in the joint venture, in the context of three legal proceedings;
- pledge of shares representing 17.35% of the share capital of ZOPT, held by one of the partners in the joint venture;
- notification of a banking entity to ZOPT, stating that it is vested with the right to exercise the voting rights of shares representing 17.35% of the capital of ZOPT, related with the pledge above.

In August 2020, the Group announced to the market that the shareholders agreed to take the necessary steps to dissolve ZOPT and share its In order to validate the Management's assumptions and judgments in the measurement of equity investments, we performed the following procedures:

- assessment of whether or not there is evidence of impairment in equity investments; and
- obtaining and analyzing the impairment tests for equity investments, when applicable.

As result of the known facts affecting the joint venture, the following audit procedures were performed:

- assessment of the impacts produced by the seizure of Finstar's shares in the measurement of ZOPT's investment in the Angolan entities, and of the reasonableness of the assumptions used in its measurement;
- assessment of the impacts produced by the preventive seizure of shares representing 26.075% of the capital of NOS, in the measurement of the group's investment in the joint venture, namely through obtaining and analyzing opinions of the joint venture's legal advisors;
- assessment of the impacts produced by the seizures and pledge ZOPT's shares held by the partners in the joint venture, and of the notification received from the bank, in the classification and measurement of this investment in the financial statements;
- in view of the decision to dissolve ZOPT and of the difference between the book value and the market capitalization of NOS, assessment of the adequacy of value in use to determine the recoverable amount of the joint venture;
- obtaining and analyzing the impairment test of the aforementioned joint venture.

The analysis of impairment tests, based on discounted cash flow models, involving internal experts, whenever relevant, included the following audit procedures:

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assets proportionally. Up to this date, steps have not been taken to dissolve ZOPT.

As mentioned in the accounting policies, impairment tests are carried out on equity investments when there are indicators that their book value is higher that its recoverable amount. The recoverable amount is determined using the discounted cash flow model, based on the business plans used by management.

The measurement of equity investments was considered to be a key audit matter, taking into account the amounts involved and impacts on the separate financial statements (net impairment loss of Euros 23.9 million in 2021), and because in the construction of the models to determine the amount recoverable amount, a high degree of management's judgment is incorporated in the definition of assumptions on cash flow forecasts, growth rates and the discount rate to be applied.

The disclosures are presented in Notes 1.c), 1.d), 1.t), 6, 7, 8, 17 and 25 to the separate financial statements.

## Summary of the Audit Approach

- analysis of the models prepared to determine the recoverable amount, in order to determine its compliance with the accounting standards:
- reasonableness analysis of the assumptions used in the forecasts made, in order to assess its reasonableness;
- reperformance of model's calculations;
- sensitivity analysis to some of the model's assumptions.

We compared the recoverable amount obtained with the book value of the investment, when applicable, and assessed the reasonableness of the impairment losses recorded by the Entity.

We have also analyzed the disclosures presented in the notes to the separate financial statements

#### Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

- the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- the preparation of the Directors' report, the corporate governance report and the remunerations report in accordance with the applicable law and regulations;
- the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of appropriate accounting policies and criteria; and

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e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

## Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;





- g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the remunerations report was presented.

### Report on other legal and regulatory requirements

#### Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

## Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

## European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on 31st December 2021 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others, obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

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In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

### Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

## Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of the Entity in the Shareholders' General Meeting of 29<sup>th</sup> April 2016 for the period from 2016 to 2019, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 29<sup>th</sup> April 2020 for the period from 2020 to 2023.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board of 25th March 2022.
- d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Entity in conducting our audit.

25th March 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda. represented by:

António Joaquim Brochado Correia, ROC no 1076 Registered with the Portuguese Securities Market Commission under no 20160688

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## Report and opinion of the Statutory Audit Board of Sonaecom, SGPS,S.A.

To the Shareholders

## 1 - Report

#### 1.1 – Introduction

In compliance with the applicable legislation and the mandate given to the Statutory Audit Board, we hereby issue our Report and Opinion of the audit performed, as well the documentation concerning the individual and consolidated accounts, for the year ended on 31 December 2021, which are of the responsibility of the Company's Board of Directors.

## 1.2 – Supervisory activities

During the year under analysis, the Statutory Audit Board, in accordance with its competence and in accordance with its Regulation, accompanied the strategic lines and the risk policy approved by the management of the Company and its subsidiaries, and has overseen, with the required scope, the evolution of the operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used as well as the compliance with legal and regulatory requirements.

In the exercise of its competences, the Supervisory Board had sixteen meetings, with an attendance rate of one hundred percent, and minutes of all the meetings held were prepared. In accordance with the nature of the matters to be discussed, the meetings were attended by the Board and head of Planning and Control department, Financial and Administrative department, Internal Audit department and the Society of Statutory and External Auditor, as well as maintained the appropriate interactions with that of Legal Advisory. In addition, the Statutory Audit Board participated in the Board of Directors' meeting that approved the report and accounts for the year and was granted access to all the documentary or personal information that appeared appropriate to the exercise of its audit action.

The Statutory Audit Board verified the effectiveness of the risk management and internal control, analysed the planning and the results of external and internal auditors' activity, accompanied the system involving the reception and follow up of reported irregularities, assessed the process of preparing the individual and consolidated statements, communicated to the Board of Directors information regarding the conclusion and quality of the financial statements audit and its intervention in the process, has pronounced itself in favor of the rendering of non-audit services by the Statutory and External Auditor, having exercised its mandate in what concerns the evaluation of the competence and independence of external auditors, as well as to the supervision of the establishment of the Statutory and External Auditor remuneration.

The Statutory Audit Board, through the elements that were available with regularly throughout the year, followed the process of preparing and disclosing financial information through the information regularly made available by the Board of Directors and by the Company's corporate services, as well as through the audit work carried out by the Statutory Auditor and External Auditor, aiming to ensure the integrity of the process. This follow-up included the appreciation and discussion of the audit plan and strategy and the monitoring of its execution, which included the analysis and discussion

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of the preliminary and final presentations of the respective conclusions, the monitoring of the independence of the Statutory Auditor and Auditor External, the appreciation of the Additional Report to the Supervisory Body and the analysis of the Audit Report and Legal Certification of Accounts issued by the Society of Statutory Auditors, which does not include any emphases or reservations.

During the year, the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had had material impact on the evolution of operations and on the individual and consolidated financial position of Sonaecom SGPS, S.A.. Within the scope of its attributions, the Statutory Audit Board examined the individual and consolidated balance sheets, the individual and consolidated profit and loss accounts by nature, cash flows, comprehensive income, changes in equity and related annexes for the year end 2021, having received from the Statutory and External Auditor all the information and clarifications requested, as well as the Additional Audit Report provided for in article 24 of Law 148/2015, of 9 September.

The Statutory Audit Board, in compliance with article 29º-S, no. 1 of the Portuguese Securities Market Code ('Código dos Valores Mobiliários'), issued a binding prior opinion regarding the review of the internal policy in related to transactions with related parties, a policy that was approved by the Board of Directors. During the year, transactions with related parties or qualified shareholders were part of the Company's current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, and the presence of conflicts of interest was not identified.

The Statutory Audit Board has complied with the IPCG Recommendations of the Corporate Governance Code I.2.2, I.2.3, I.2.4, I.3.1, I.3.2, I.4.1, I.4.2, I.5.1, III.6, VI.2, VI.3, VI.4, VI.5, VI.7, VII.1.1, VII.2.1, VII.2.2, VII.2.3.

Being a governing body, under the terms of al. c) of no. 2 of Article 3 of Law 148/2015, constituted mainly of independent members and the President being an independent member in light of legal criteria and all professionally qualified to exercise their respective functions, the Statutory Audit Board has developed its powers and inter- relations with other corporate bodies and services of the company in accordance with the principles and conduct recommended in the legal and recommendatory provisions, having not received any report from the statutory auditor regarding irregularities or difficulties in the exercise of the respective functions.

Furthermore, the Statutory Audit Board appreciated the Corporate Governance Report, which is attached to the company's Management Report, regarding the consolidated financial accounts, under the terms and for the purpose of no. 5 of Art. 420 of the Portuguese Commercial Code ('Código das Sociedades Comerciais'), having concluded that the report includes the elements referred to in Art. 29º-H of the Portuguese Securities Market Code ('Código dos Valores Mobiliários').

Still, in the fulfilment of its duties, the Statutory Audit Board reviewed the Report of the Board of Directors, including the Corporate Governance Report, and remaining individual and consolidated documents of account prepared by the Board of Directors, concluding that these information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter, and has reviewed the Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with its content.





## 2 - Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) the Report of the Board of Directors;
- b) the individual and consolidated statements of financial position, profit and loss by natures, comprehensive income, changes in equity and of cash flows and related notes for the year ended 31 December 2021;
- c) the proposal of net profit appropriation presented by the Board of Directors.

#### 3 - Responsibility Statement

In accordance with paragraph a), no. 1 of Article 8º of the Regulation of CMVM no. 5/2008 and with the terms defined in paragraph c) no. 1 of the Article 29-G of the Portuguese Securities Market Code ('Código dos Valores Mobiliários'), the members of the Statutory Audit Board declare that, to their knowledge, the information contained in individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonaecom, SGPS, S.A. and companies included in the consolidation perimeter. Also, it is their understanding that the Board of Directors Report faithfully describes the business evolution, performance and financial position of Sonaecom, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with Article 29-H of the Portuguese Securities Market Code (('Código dos Valores Mobiliários').

Maia, 25 March 2022
The Statutory Audit Board
João Manuel Gonçalves Bastos
Maria José Martins Lourenço da Fonseca

Óscar José Alçada da Quinta





Sonaecom SGPS is listed on the Euronext Stock Exchange. Information is available on Reuters under the symbol SNC.LS and on Bloomberg under the symbol SNC:PL.

#### SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the telecommunications industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors, analysts and, generally, the recipients of this document are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available on Sonaecom's corporate website

www.sonaecom.pt

Investor Relations Contacts
Investor.relations@sonaecom.pt

Tlf: +351 22 013 23 49