

**SONAE CAPITAL**

**PART II**  
**CONSOLIDATED FINANCIAL**  
**STATEMENTS**

31 MARCH 2019



SONAE CAPITAL



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**PART I**  
**MANAGEMENT REPORT**

31 MARCH 2019



Sonae Capital 1Q19 information is subject to the application of IFRS 16 (using the modified retrospective approach). The IFRS 16 is the new financial reporting standard on accounting of leases, effective on 1 January 2019.

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2018 in a pro-forma (PF) logic, per quarter. Additionally, the Balance Sheet for December 2018 year-end is presented in accordance to the same logic.

The Chapter 7 includes additional information on this topic.

## 1. CEO'S MESSAGE AND HIGHLIGHTS

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*"The first quarter of 2019 brought different levels of accomplishment for Sonae Capital portfolio of businesses. In Energy and Fitness, both with a track record of value creation, where we have been consistently showing positive results, we kept on growing. In Energy, the contribution of the Renewables operation drove results significantly up when compared to last year. However, we are also pleased with the results reached by the Cogeneration operation, our reference technology. In Fitness, the growth we experienced in the Clubs we operate, along with the recent acquisition of additional four Clubs, that will be included in the premium low-cost segment - where we operate under the Pump brand -, puts us closer to the market leadership in Portugal. Although not reflected in 1Q19 results, in Hospitality and Refrigeration & HVAC, we remain committed to improve the profitability standards. In Industrial Engineering - Adira - the lower amount of orders that we experienced at the end of 2018 had the impact we were already anticipating, which is the result of the ongoing transformational plan. However, the foundations we have been creating with Clients and Agents, namely the recent developments in the Spanish and North American markets, give us positive expectations for the evolution of the activity in the medium-term.*

*In Real Estate, the asset monetisation plan continues to evolve according to plan. Given its size and intrinsic value, the sale of the assets included in the WTC Fund is one of the most relevant projects we are planning to achieve this year, as long as we ensure reasonable price conditions.*

*The net financial debt stood at 134.4 million euros at the end of March 2019, remaining adequate and, above all, being supported by increasingly favourable financing conditions, which, along with the liquidity generated by the sale of Real Estate Assets, will feed our growth ambitions.*

*I am convinced we have the right conditions for Sonae Capital to continue, over the next quarters, to successfully implement the corporate strategy, delivering results that demonstrate the value we are committed to create."*

Miguel Gil Mata

- Business Units EBITDA increasing by 7.0%, to 4.9M€, despite the nearly neutral turnover performance:
  - Energy showing material Turnover (+17.8%) and EBITDA (+9.2%) growth;
  - Fitness reporting average number of active members above 89 thousand, a growth of 7.5% when compared to 1Q18, fueled by Pump and Solinca chains.
- Real Estate Assets Unit fulfilling, with merit, the financing of the company's corporate strategy:
  - Troia Resort residential touristic units: 6 sales deeds, corresponding to 2.7M€, coupled with 18 PPSAs/Reserves totaling 9.8M€, and 2 sales deeds in the amount of 0.9M€;
  - Other Real Estate Assets: sales deeds in the amount of 4.2M€ and PPSAs of 28.5M€ at the date of this report.
- Net Financial Debt at 134.4M€ at the end of March 2019 (Net Debt at 195.6M€);
- Adequate Capital structure: Net Financial Debt / EBITDA at 2.8x and LTV of 23.6%;
- Business Units positive evolution trend supporting the increase of Continued Businesses Net Profit ( $\Delta$  of 1.6M€), and the increase of Net Results ( $\Delta$  of 3.6M€).

## 2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Turnover</b>				
<b>Business Units</b>	<b>39.14</b>	<b>39.06</b>	<b>+0.2%</b>	<b>39.06</b>
Energy	14.02	11.90	+17.8%	11.90
Industrial Engineering	2.58	3.32	-22.4%	3.32
Fitness	10.02	8.94	+12.1%	8.94
Hospitality	3.02	2.86	+5.4%	2.86
Refrigeration & HVAC	7.96	10.79	-26.2%	10.79
Troia Resort - Operations	1.54	1.25	+22.6%	1.25
<b>Real Estate Assets</b>	<b>4.63</b>	<b>4.54</b>	<b>+1.9%</b>	<b>4.54</b>
Troia Resort	3.15	2.87	+9.9%	2.87
Other Real Estate Assets	1.47	1.67	-11.7%	1.67
Eliminations & Adjustments	-1.87	-1.29	-45.2%	-1.29
<b>Consolidated Turnover</b>	<b>41.90</b>	<b>42.32</b>	<b>-1.0%</b>	<b>42.32</b>
Other Operational Income	0.77	0.62	+22.9%	0.62
<b>Total Operational Income</b>	<b>42.66</b>	<b>42.94</b>	<b>-0.6%</b>	<b>42.94</b>
<b>EBITDA</b>				
<b>Business Units</b>	<b>4.91</b>	<b>4.60</b>	<b>+6.7%</b>	<b>1.99</b>
Energy	3.60	3.30	+9.2%	3.18
Industrial Engineering	-0.66	-0.22	<-100%	-0.22
Fitness	3.22	2.61	+23.6%	1.17
Hospitality	-0.86	-0.47	-80.9%	-1.45
Refrigeration & HVAC	-0.07	-0.03	<-100%	-0.07
Troia Resort - Operations	-0.33	-0.59	+43.6%	-0.63
<b>Real Estate Assets</b>	<b>0.83</b>	<b>0.59</b>	<b>+40.2%</b>	<b>0.55</b>
Troia Resort	0.03	-0.07	-	-0.07
Other Real Estate Assets	0.80	0.66	+21.8%	0.62
Eliminations & Adjustments	-1.82	-1.31	-39.7%	-0.47
<b>Consolidated EBITDA</b>	<b>3.91</b>	<b>3.88</b>	<b>+0.7%</b>	<b>2.08</b>
Amortizations & Depreciations	7.47	7.35	+1.7%	5.81
Provisions & Impairment Losses	-0.01	0.14	-	0.14
<b>Recurrent EBIT</b>				
<b>Business Units</b>	<b>-1.71</b>	<b>-1.80</b>	<b>+4.6%</b>	<b>-2.15</b>
Energy	1.29	0.85	+51.6%	0.84
Industrial Engineering	-0.88	-0.46	-92.7%	-0.45
Fitness	1.03	0.35	>100%	0.17
Hospitality	-2.10	-1.38	-52.4%	-1.55
Refrigeration & HVAC	-0.21	-0.09	<-100%	-0.09
Troia Resort - Operations	-0.84	-1.07	+21.4%	-1.07
<b>Real Estate Assets</b>	<b>-0.88</b>	<b>-1.14</b>	<b>+23.1%</b>	<b>-1.16</b>
Eliminations & Adjustments	-0.96	-0.67	-42.9%	-0.57
<b>Consolidated Recurrent EBIT</b>	<b>-3.55</b>	<b>-3.61</b>	<b>+1.6%</b>	<b>-3.88</b>
Non-recurrent costs/income (1)	0.02	0.68	-96.6%	0.68
<b>Consolidated EBIT</b>	<b>-3.57</b>	<b>-4.28</b>	<b>+16.6%</b>	<b>-4.55</b>
Net Financial Expenses	-2.06	-2.19	+5.8%	-1.11
Investment Income and Results from Assoc. Undertakings	0.47	0.20	>100%	0.20
<b>EBT</b>	<b>-5.17</b>	<b>-6.28</b>	<b>+17.7%</b>	<b>-5.46</b>
Taxes	-0.14	0.37	-	0.37
<b>Net Profit - Continued Businesses</b>	<b>-5.03</b>	<b>-6.65</b>	<b>+24.3%</b>	<b>-5.83</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-0.04</b>	<b>-2.03</b>	<b>+98.2%</b>	<b>-2.03</b>
<b>Net Profit - Total</b>	<b>-5.07</b>	<b>-8.67</b>	<b>+41.6%</b>	<b>-7.86</b>
Attributable to Equity Holders of Sonae Capital	-5.27	-8.28	+36.4%	-7.47
Attributable to Non-Controlling Interests	0.20	-0.40	-	-0.40

(1) Non-recurrent items mainly related to restructuring costs and one-off income

- The Business Units turnover reached 39.1M€, showing an increase of 0.2% when compared to 1Q18, backed by the performance of Energy, Fitness, Hospitality and Troia Operations. In the same period, the Real Estate Assets turnover increased by 1.9%, to 4.6M€.
- The Business Units EBITDA grew to 4.9M€ in 1Q19, 7.0% above 1Q18, showing an EBITDA margin of 12.5%. The Consolidated EBITDA increased 0.7%, to 3.9M€, generating a margin of 9.3%.
- Continued Businesses Net Profit increased by 1.6M€ when compared to 1Q18, totaling negative 5.0M€. This evolution benefited from:
  - (i) a Consolidated EBITDA increase of 0.7%;
  - (ii) a lower level of Non-Recurrent Costs; and,
  - (iii) a positive tax effect, resulting from deferred tax assets;
  - (iv) notwithstanding the Amortizations and Depreciations, which were slightly above last year, due to a larger number of contracts recognised under IFRS 16 (+0.24M€).
- Driven by the evolution of Net Profit (in continued and discontinued businesses), Consolidated Net Profit increased by 3.6M€ in 1Q19, and reached negative 5.1M€.

## 2.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios				
Million euro	Mar 2019	Dec 2018 PF	Δ 19/18	Dec 2018
<b>Net Capital Employed</b>	<b>447.67</b>	<b>438.74</b>	<b>+2.0%</b>	<b>387.81</b>
Fixed Assets	385.14	379.91	+1.4%	328.98
o.w. Rights of Use (IFRS16)	50.03	50.93	-1.8%	0.00
Non-Current Investments (net)	15.33	15.17	+1.1%	15.17
Working Capital	47.20	43.66	+8.1%	43.66
Capex (end of period)	11.89	32.62	-63.6%	32.62
% Fixed Assets	8.9%	8.6%	+0.3 pp	9.9%
CAPEX (L12M) / Depreciations	2.09x	1.34x	0.75x	1.34x
<b>Net Debt</b>				
Financial Net Debt	134.44	119.78	+12.2%	119.78
Net Debt Total	195.60	181.67	+7.7%	119.78
% Net Capital Employed	43.7%	41.4%	+2.3 pp	30.9%
Debt to Equity	77.6%	70.7%	+6.9 pp	44.7%
<b>Capital Structure Ratios</b>				
Loan to Value (Real Estate Assets)	23.6%	21.1%	+2.5 pp	21.1%
Net Debt/EBITDA (recurrent without IFRS16)	2.77x	2.49x	+0.28x	2.49x
Net Debt/EBITDA (recurrent with IFRS16)	3.61x	3.49x	+0.12x	-

- Capex totaled 11.9M€ in 1Q19, mostly driven by the Energy business, namely on the back of the biomass-fuelled cogeneration project development (9.8M€);
- Net Debt stood at 195.6M€ at the end of March 2019. Net Financial Debt reached 134.4M€ in the same period, registering an increase of 14.7M€ when compared to the end of 2018, a typical seasonality effect on the first quarter of the year, nonetheless below the increase registered one year ago (in the amount of 15.9M€);
- We maintain an adequate capital structure when considering the Group's portfolio of businesses and Real Estate Assets held: Net Financial Debt to EBITDA of 2.8x and LTV of 3.6%, both slightly above the figures reported in 2018 year-end.

## 3. BUSINESS UNITS

### 3.1 ENERGY



Operational and Financial Information - Energy				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>14.03</b>	<b>12.11</b>	<b>+15.8%</b>	<b>12.11</b>
<b>Turnover</b>	<b>14.02</b>	<b>11.90</b>	<b>+17.8%</b>	<b>11.90</b>
Other Operational Income	0.01	0.21	-95.7%	0.21
<b>Total Operational Costs</b>	<b>10.43</b>	<b>8.82</b>	<b>+18.3%</b>	<b>8.93</b>
Cost of Goods Sold	7.76	6.23	+24.6%	6.23
External Supplies and Services	1.54	1.40	+9.6%	1.52
Staff Costs	0.86	0.77	+12.5%	0.77
Other Operational Expenses	0.27	0.42	-35.7%	0.42
<b>EBITDA</b>	<b>3.60</b>	<b>3.30</b>	<b>+9.2%</b>	<b>3.18</b>
<i>EBITDA Margin (% Turnover)</i>	25.7%	27.7%	-2.0 pp	26.7%
Depreciations IFRS16	0.12	0.10	+15.0%	0.00
Amortizations & Depreciations	2.20	2.35	-6.3%	2.35
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>1.29</b>	<b>0.85</b>	<b>+51.6%</b>	<b>0.84</b>
<i>Recurrent EBIT Margin (% Turnover)</i>	9.2%	7.1%	+2.0 pp	7.0%
<b>Capex</b>	<b>10.36</b>	<b>5.58</b>	<b>+85.7%</b>	<b>5.58</b>
<b>EBITDA-Capex</b>	<b>-6.76</b>	<b>-2.28</b>	<b>&lt;-100%</b>	<b>-2.40</b>
<b>Total Capacity (MW)</b>	<b>77.7</b>	<b>76.5</b>	<b>+1.6%</b>	<b>76.5</b>
Owned & Operated	63.9	62.3	-	62.3
Operated (not consolidated)	3.2	3.2	-	3.2
Projects in progress (MW)	10.6	11.0	-	11.0

- Energy turnover reached 14,0M€ in 1Q19, growing by 17.8% when compared to 1Q18. This evolution benefited from the Renewables operation, driven by the increased availability of the solar resource in all projects in operation, and also by the Cogeneration operation, which had a positive evolution both in volume and price.
- The EBITDA reached 3.6M€, performing a y.o.y. growth of 9.2%. The EBITDA margin reached 25.7%, 2.0pp below the 1Q18.
- Recurrent EBIT increased by 51.6%, to 1.3M€, registering a performance aligned with the EBITDA evolution, as Depreciations and Amortizations remained almost stable between the two periods in analysis.
- The CAPEX amounted to 10.4M€, almost entirely driven by the ongoing development in the biomass-fuelled cogeneration plant, which stood at 9.8M€ in 1Q19, and is progressing as planned. This project, which will start operating in 2020, will ensure a material and stable flow of cash throughout 25 years (the feed-in tariff period) and is currently CapWatt's most significant project in terms of investment.
- Presently, almost all the projects of this segment operate in the regulated market. The first project to be carried over the free market corresponds to 10MW (solar energy), which should take place in 2H21.
- To date, CapWatt has projects under development with a capacity of 10.6MW, 10MW regarding the biomass-fired cogeneration plant and 0.6MW in Renewables, namely in photovoltaic self-consumption units.



## 3.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>2.77</b>	<b>3.45</b>	<b>-19.8%</b>	<b>3.45</b>
<b>Turnover</b>	<b>2.58</b>	<b>3.32</b>	<b>-22.4%</b>	<b>3.32</b>
Other Operational Income	0.19	0.12	+51.0%	0.12
<b>Total Operational Costs</b>	<b>3.43</b>	<b>3.66</b>	<b>-6.5%</b>	<b>3.67</b>
Cost of Goods Sold	1.65	2.19	-25.0%	2.19
External Supplies and Services	0.55	0.37	+49.4%	0.37
Staff Costs	1.00	0.95	+4.7%	0.95
Other Operational Expenses	0.23	0.15	+57.0%	0.15
<b>EBITDA</b>	<b>-0.66</b>	<b>-0.22</b>	<b>&lt;-100%</b>	<b>-0.22</b>
EBITDA Margin (% Turnover)	-25.7%	-6.5%	-19.1 pp	-6.6%
Depreciations IFRS16	0.01	0.01	+4.5%	0.00
Amortizations & Depreciations	0.20	0.23	-10.4%	0.23
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-0.88</b>	<b>-0.46</b>	<b>-92.7%</b>	<b>-0.45</b>
Recurrent EBIT Margin (% Turnover)	-34.0%	-13.7%	-20.3 pp	-13.5%
<b>Capex</b>	<b>0.21</b>	<b>0.25</b>	<b>-14.3%</b>	<b>0.25</b>
<b>EBITDA-Capex</b>	<b>-0.87</b>	<b>-0.46</b>	<b>-88.8%</b>	<b>-0.46</b>

- The Industrial Engineering segment includes Adira, acquired in July 2017. The 1Q19 results reflect the ongoing restructuring process, which started in 2018, largely based on a new commercial approach, after-sales and customer satisfaction areas.
- In 1Q19, due to a level of orders below the company's potential, particularly in 4Q18 (that we expected to recover), Adira registered a Turnover of 2.6M€ and a negative EBITDA of 0.7M€.
- Throughout 1Q19, Adira has consistently improved a group of operating KPIs such as the *on time delivery* and the *lead time*. At the same time, some actions were taken in order to directly promote the Adira brand in Spain, a market with an enormous potential that has already represented a significant part of the company's sales and that we are keen to regain. Additionally, it should be noted that Adira has recently signed a contract with Mitsubishi for the supply of bending and cutting machines for the United States of America, Canada and Mexico, which, at cruising speed, will guarantee a significant increase in the number of machines produced.

## 3.3 FITNESS



Operational and Financial Information - Fitness				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>10.09</b>	<b>8.99</b>	<b>+12.2%</b>	<b>8.99</b>
<b>Turnover</b>	<b>10.02</b>	<b>8.94</b>	<b>+12.1%</b>	<b>8.94</b>
Other Operational Income	0.07	0.05	+25.8%	0.05
<b>Total Operational Costs</b>	<b>6.87</b>	<b>6.39</b>	<b>+7.6%</b>	<b>7.82</b>
Cost of Goods Sold	0.05	0.06	-13.5%	0.06
External Supplies and Services	3.28	3.17	+3.2%	4.61
Staff Costs	3.02	2.72	+11.1%	2.72
Other Operational Expenses	0.53	0.44	+20.0%	0.44
<b>EBITDA</b>	<b>3.22</b>	<b>2.61</b>	<b>+23.6%</b>	<b>1.17</b>
EBITDA Margin (% Turnover)	32.1%	29.2%	+3.0 pp	13.1%
Depreciations IFRS16	1.37	1.26	+9.2%	0.00
Amortizations & Depreciations	0.82	0.74	+10.9%	0.74
Provisions & Impairment Losses	0.00	0.26	-	0.26
<b>Recurrent EBIT</b>	<b>1.03</b>	<b>0.35</b>	<b>&gt;100%</b>	<b>0.17</b>
Recurrent EBIT Margin (% Turnover)	10.3%	3.9%	+6.4 pp	1.9%
<b>Capex</b>	<b>0.10</b>	<b>9.58</b>	<b>-99.0%</b>	<b>9.58</b>
<b>EBITDA-Capex</b>	<b>3.12</b>	<b>-6.97</b>	<b>-</b>	<b>-8.40</b>
<b># Average number of active members</b>	<b>89 113</b>	<b>82 891</b>	<b>7.5%</b>	<b>82 891</b>
<b># Clubs in Operation</b>	<b>30</b>	<b>28</b>	<b>+2</b>	<b>28</b>

- During 1Q19, the Fitness segment continued its growth strategy. The average number of active members reached 89,113, driven by both Solinca chain and Pump chain, showing an increase of 7.5% when compared to 1Q18.
- At the end of 1Q19, the total number of Clubs stood at 30, further increasing to 35 Clubs as of the date of this report. This includes the opening of the Pump Club in Seixal, on 9 May 2019, as well as the agreement for the acquisition of 4 Urban Fit Clubs, which took place on 15 May 2019 (and is expected to become effective in June 2019). After the completion of the Urban Fit Chain rebranding, for Pump, the Fitness segment will include 20 Solinca Clubs (Value for Money segment), 14 Pump Clubs (Premium Low Cost segment) and 1 Club ONE (Premium segment). In order to comply with a multi-segment strategy, we intend to continue the expansion plan in progress in the coming years, increasing the number of Clubs in each segment.
- The EBITDA stood at 3.2M€, which compares with 2.6M€ in 1Q18, representing a growth of 23.6%. The EBITDA margin totaled 32.1%, 3.0pp above the same period of 2018, giving evidence of the growing maturity of the universe of Clubs.
- The Recurrent EBIT stood at 1.0M€, versus 0.4M€ in 1Q18, an improvement of about 3 times. The Recurrent EBIT margin reached 10.3%, 6.4pp above 1Q18.

### 3.4 HOSPITALITY



Operational and Financial Information - Hospitality				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>3.11</b>	<b>2.98</b>	<b>+4.2%</b>	<b>2.98</b>
<b>Turnover</b>	<b>3.02</b>	<b>2.86</b>	<b>+5.4%</b>	<b>2.86</b>
Other Operational Income	0.09	0.12	-24.6%	0.12
<b>Total Operational Costs</b>	<b>3.97</b>	<b>3.46</b>	<b>+14.7%</b>	<b>4.43</b>
Cost of Goods Sold	0.42	0.50	-16.1%	0.50
External Supplies and Services	1.65	1.39	+18.3%	2.37
Staff Costs	1.65	1.39	+19.2%	1.39
Other Operational Expenses	0.24	0.17	+38.5%	0.17
<b>EBITDA</b>	<b>-0.86</b>	<b>-0.47</b>	<b>-80.9%</b>	<b>-1.45</b>
EBITDA Margin (% Turnover)	-28.4%	-16.5%	-11.9 pp	-50.6%
Depreciations IFRS16	1.08	0.80	+34.6%	0.00
Amortizations & Depreciations	0.16	0.10	+61.2%	0.10
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-2.10</b>	<b>-1.38</b>	<b>-52.4%</b>	<b>-1.55</b>
Recurrent EBIT Margin (% Turnover)	-69.7%	-48.1%	-21.5 pp	-54.1%
<b>Capex</b>	<b>0.11</b>	<b>0.22</b>	<b>-50.0%</b>	<b>0.22</b>
<b>EBITDA-Capex</b>	<b>-0.97</b>	<b>-0.69</b>	<b>-39.4%</b>	<b>-1.67</b>
<b># Units</b>	<b>6</b>	<b>5</b>	<b>+1</b>	<b>5</b>

- Since 1 January 2019, the Hospitality business includes the contribution of the Aqualuz Lagos operation. In 1Q19, Aqualuz Lagos operation registered a turnover of 153 thousand euros and a negative EBITDA of 263 thousand euros, which reflects the natural seasonality of the business, particularly in this geography.
- In 1Q19, the consolidated RevPar decreased by 16.6% when compared to 1Q18. This evolution is justified on the one hand by the existence of a significant contract a year ago that benefited Porto Palácio Hotel performance in 1Q18 and, on the other hand, by the positive effect of Easter in 1Q18 in Aqualuz Tróia and Aqualuz Lagos.
- Excluding the impact of Aqualuz Lagos operation, Turnover would remain in line with the value registered in 1Q18. As for the EBITDA, it would decrease by 22.5%, to negative 0.6M€, a trend that we expect to revert in the coming quarters.
- The CAPEX reached 0.1M€ in 1Q19 due to the refurbishment of the Porto Palácio Hotel, as well as the starting of the Santa Apolónia Railway Station project, in Lisbon.

### 3.5 REFRIGERATION & HVAC



Operational and Financial Information - Refrigeration & HVAC				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>8.00</b>	<b>10.81</b>	<b>-26.0%</b>	<b>10.81</b>
<b>Turnover</b>	<b>7.96</b>	<b>10.79</b>	<b>-26.2%</b>	<b>10.79</b>
Other Operational Income	0.04	0.02	+62.0%	0.02
<b>Total Operational Costs</b>	<b>8.07</b>	<b>10.84</b>	<b>-25.6%</b>	<b>10.88</b>
Cost of Goods Sold	3.40	5.17	-34.2%	5.17
External Supplies and Services	2.32	3.43	-32.2%	3.47
Staff Costs	2.20	2.10	+4.7%	2.10
Other Operational Expenses	0.14	0.13	+4.5%	0.13
<b>EBITDA</b>	<b>-0.07</b>	<b>-0.03</b>	<b>&lt;-100%</b>	<b>-0.07</b>
EBITDA Margin (% Turnover)	-0.8%	-0.2%	-0.6 pp	-0.7%
Depreciations IFRS16	0.13	0.05	>100%	0.00
Amortizations & Depreciations	0.02	0.01	+14.0%	0.01
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-0.21</b>	<b>-0.09</b>	<b>&lt;-100%</b>	<b>-0.09</b>
Recurrent EBIT Margin (% Turnover)	-2.6%	-0.8%	-1.8 pp	-0.8%
<b>Capex</b>	<b>0.07</b>	<b>0.10</b>	<b>-30.0%</b>	<b>0.10</b>
<b>EBITDA-Capex</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-7.8%</b>	<b>-0.17</b>
<b>Orders backlog</b>	<b>18.2</b>	<b>19.2</b>	<b>-5.2%</b>	<b>19.2</b>

- Turnover totaled 8.0M€ in 1Q19, 26.2% below 1Q18. This was driven by a delay in a group of Refrigeration projects, as well as by a reduction in HVAC activity, an outcome of our strategy for the business, which focuses on projects of greater value and complexity, where our contribution is better perceived.
- The EBITDA stood at negative 66 thousand euros, which compares with negative 26 thousand euros in 1Q18. This is the result of the turnover evolution, notwithstanding our greater focus on Refrigeration, and an improvement in HVAC, related to our strategy of focusing in more profitable projects.
- It should be noted that Refrigeration & HVAC orders backlog reached 18.2M€ at the end of March 2019, representing roughly 4.6 months of turnover.
- The Recurrent EBIT reached negative 0.2M€, which compares with negative 0.1M€ in 1Q18.

### 3.6 TROIA RESORT - OPERATIONS

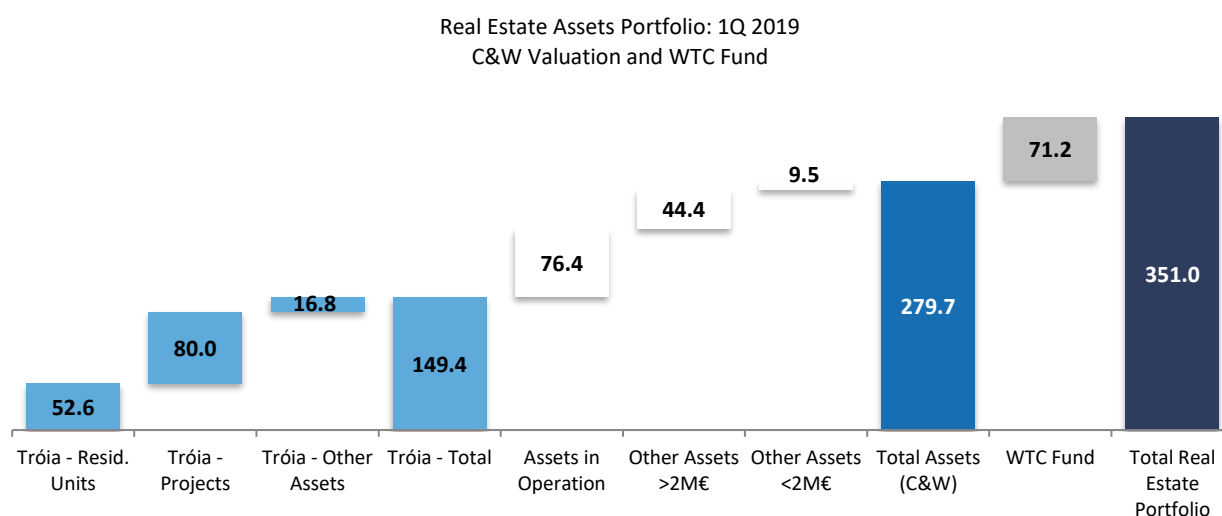


Operational and Financial Information - Troia Resort Operations				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>1.70</b>	<b>1.36</b>	<b>+25.0%</b>	<b>1.36</b>
<b>Turnover</b>	<b>1.54</b>	<b>1.25</b>	<b>+22.6%</b>	<b>1.25</b>
Other Operational Income	0.17	0.11	+53.3%	0.11
<b>Total Operational Costs</b>	<b>2.03</b>	<b>1.95</b>	<b>+4.2%</b>	<b>1.99</b>
Cost of Goods Sold	0.09	0.08	+18.1%	0.08
External Supplies and Services	0.98	0.95	+2.9%	0.99
Staff Costs	0.80	0.75	+6.1%	0.75
Other Operational Expenses	0.17	0.17	-2.3%	0.17
<b>EBITDA</b>	<b>-0.33</b>	<b>-0.59</b>	<b>+43.6%</b>	<b>-0.63</b>
EBITDA Margin (% Turnover)	-21.7%	-47.1%	+25.4 pp	-50.5%
Depreciations IFRS16	0.05	0.04	+3.3%	0.00
Amortizations & Depreciations	0.46	0.45	+3.6%	0.45
Provisions & Impairment Losses	0.00	-0.01	-	-0.01
<b>Recurrent EBIT</b>	<b>-0.84</b>	<b>-1.07</b>	<b>+21.4%</b>	<b>-1.07</b>
Recurrent EBIT Margin (% Turnover)	-54.9%	-85.6%	+30.7 pp	-85.5%
<b>Capex</b>	<b>0.09</b>	<b>0.04</b>	<b>&gt;100%</b>	<b>0.04</b>
<b>EBITDA-Capex</b>	<b>-0.42</b>	<b>-0.63</b>	<b>+32.9%</b>	<b>-0.67</b>

- The operations in Troia Resort includes Atlantic Ferries river transportation and operations such as Tróia Marina, Tróia Market and the Golf course.
- Turnover generated by the operations in Troia Resort reached 1.5M€ in 1Q19, 22.6% above 1Q18. The EBITDA stood at negative 0.3M€, showing an increase of 43.6% versus 1Q18. The performance of Atlantic Ferries, which registered a larger number of travellers and traffic of vehicles, was one of the major drivers of this performance.
- The CAPEX stood at reduced levels, totaling 0.1M€ in 1Q19.

## 4. REAL ESTATE ASSETS

In 31 March 2019, Sonae Capital real estate portfolio amounted to 351.0M€, including the real estate assets valued by Cushman & Wakefield (C&W), in the amount of 279.7M€, and the WTC Fund, with a market value of 71.2M€. On the same date, the capital employed in this group of real estate assets, excluding touristic residential units in Tróia and the WTC Fund, stood at 148.1M.



### 4.1 TROIA RESORT



This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 76 units available for sale at the date of this report (already excluding Reserves and PPSAs).

The turnover reached 3.2M€ in 1Q19, showing an increase of 9.9% y.o.y., on the back of the following contributions:

- 6 sales deeds, corresponding to 2.7M€, which compares with 6 sales deeds in the amount of 2.4M€ in 1Q18. Out of the 6 sales deeds, 5 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), for 0.5M€, in line with the previous year.

Already in 2Q19 and up to the date of this report, we signed 2 additional sales deeds (in the amount of 0.9M€) and there are still in stock 18 promissory purchase and sale agreements and reserves totalling 9.8M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results. We expect the sales deed to take place up to the end of 2019.

## 4.2 OTHER ASSETS

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The other real estate assets unit registered a turnover of 1.5M€ in 1Q19. This includes the rents coming from assets under management, as well as sales deeds of 123 thousand euros.

Already in 2Q19 and up to the date of this report, the amount of sales deeds totalled 4.2M€ (including the “Crotália Project”). Additionally, there is still a group of promissory purchase and sale agreements and reserves for 8.5M€, which included The “Metropolis Building” (6.3M€) and the “Santarém Allotment” (1.5M€).

## 5. BALANCE SHEET

Consolidated Balance Sheet				
Million euro	Mar 2019	Dec 2018 PF	Δ 19/18	Dec 2018
<b>Total Assets</b>	<b>552.93</b>	<b>552.86</b>	<b>+0.0%</b>	<b>501.93</b>
Tangible and Intangible Assets	333.12	327.89	+1.6%	276.96
o.w. Rights of Use (IFRS16)	50.03	50.93	-1.8%	0.00
Goodwill	52.02	52.02	+0.0%	52.02
Non-Current Investments	2.17	2.29	-5.5%	2.29
Other Non-Current Assets	35.17	35.20	-0.1%	35.20
Stocks	60.97	63.26	-3.6%	63.26
Trade Debtors and Other Current Assets	60.79	63.96	-5.0%	63.96
Cash and Cash Equivalents	7.23	7.56	-4.4%	7.56
Assets held for sale	1.45	0.67	>100%	0.67
<b>Total Equity</b>	<b>252.07</b>	<b>257.06</b>	<b>-1.9%</b>	<b>268.03</b>
Total Equity attributable to Equity Holders of Sonae Capital	241.87	247.62	-2.3%	258.59
Total Equity attributable to Non-Controlling Interests	10.21	9.44	+8.1%	9.44
<b>Total Liabilities</b>	<b>300.85</b>	<b>295.79</b>	<b>+1.7%</b>	<b>233.90</b>
<b>Non-Current Liabilities</b>	<b>128.62</b>	<b>127.20</b>	<b>+1.1%</b>	<b>76.80</b>
Non-Current Borrowings	61.92	59.43	+4.2%	59.43
Non-Current Borrowings - IFRS16	49.55	50.39		0.00
Deferred Tax Liabilities	12.90	12.98	-0.6%	12.98
Other Non-Current Liabilities	4.25	4.39	-3.2%	4.39
<b>Current Liabilities</b>	<b>172.23</b>	<b>168.60</b>	<b>+2.2%</b>	<b>157.10</b>
Current Borrowings	79.74	67.91	+17.4%	67.91
Current Borrowings - IFRS16	11.62	11.50		0.00
Trade Creditors and Other Current Liabilities	74.56	83.57	-10.8%	83.57
Liabilities associated to assets held for sale	6.31	5.62	+12.3%	5.62
<b>Total Equity and Liabilities</b>	<b>552.93</b>	<b>552.86</b>	<b>+0.0%</b>	<b>501.93</b>

## 6. CORPORATE INFORMATION

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### 6.1 CORPORATE INFORMATION IN 1Q19

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On 21 January 2019, Sonae Capital informed that, in the context of a tender launched by IP Património – Administração e Gestão Imobiliária, S.A., its subsidiary The House Ribeira Hotel – Exploração Hoteleira, S.A. was awarded with the sub-concession for the creation and operation of a Hotel Unit in Santa Apolónia Railway Station Building, in Lisbon. The sub-concession will have a duration of thirty-five years, with an exception from rent payment for the first two years. The opening of the unit is scheduled for the first half of 2021.

On 6 February 2019, Sonae Capital informed that, following Efanor's intention to sell, it has acquired for 1 euro the operation of "Aqualuz Suite Hotel Lagos". Up to the date of the transaction, the "Aqualuz Suite Hotel Lagos" Hotel operation was fully owned by Aqualuz – Turismo e Lazer, Lda (a subsidiary from Efanor Investimentos, SGPS, S.A.). This transaction had effect from January 1st 2019.

### 6.2 SUBSEQUENT EVENTS

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On 8 April 8, 2019, Sonae Capital informed about the qualifying holding of FundPartner Solutions, representing 5.6% of its share capital.

On 22 April 2019, Sonae Capital completed the sales deed of Crotália Project, in the amount of 4.0 million euros, generating a margin of 2.9M€.

On 29 April, 2019, on Sonae Capital Annual General Shareholders meeting, the Shareholders approved all the Proposals included in the Agenda, including, in particular, the increase in the number of members of the Board of Directors for the current mandate, from seven to nine members, including Mrs. Isabel Maria Pereira Aníbal Vaz and Mr. Pedro Manuel Martins Bruno. On the same day, the Board of Directors decided to elect Mr. Pedro Manuel Martins Bruno for the Executive Committee of Sonae Capital.

On 6 May, 2019, Sonae Capital disclosed that the Dividends related to Sonae Capital 2018 Results will be made available to Shareholders on 27 May 2019. The Proposal for the Application of Results, which was approved at the Shareholders Annual General Meeting, includes the distribution of a gross dividend amounting to 0.0740 euros per share.

On 15 May, 2019, as part of the strategy to increase the number of Clubs in the Fitness business, Sonae Capital reached an agreement to acquire the Urban Fit chain, with 4 Clubs in the metropolitan area of Porto: Vila Nova de Gaia, Maia, Porto (Foz) and Ermesinde. The precedent conditions are expected to be completed up to the end of this month, and the further integration in the Pump chain (which includes the rebranding), should take place in June 2019.

## 7. IFRS 16 AND QUARTERLY PERFORMANCE IN 2018

Sonae Capital 1Q19 information is subject to the application of IFRS 16 (using the modified retrospective approach). The IFRS 16 is the new financial reporting standard on accounting of leases, effective from 1 January 2019.

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2018 in a pro-forma (PF) logic, per quarter. Additionally, the Balance Sheet of December 2018 year-end is presented in accordance to the same logic. Even though the restatement of accounts is not mandatory when the modified retrospective approach is adopted, we considered that the disclosure of the year 2018 on a quarterly basis in a pro-forma logic seems necessary, particularly given the relevance of IFRS 16 in Sonae Capital Hospitality and Fitness businesses.

Seeking to align the presentation of leased assets more closely to owned assets, the IFRS 16 aims to establish a more uniform accounting approach, increasing the comparability between different financing options while providing a more realistic view of the medium-long-term commitments assumed in leasing contracts such as operating leases, rental of equipment and lease agreements.

The major impacts of IFRS 16 in Sonae Capital Consolidated 2018 Results are summarised on the following table:

Profit and Loss Statement (M€) (Difference over the figures reported)	1Q18	2Q18	3Q18	4Q18	2018
Turnover	-	-	-	-	-
EBITDA	1.80	2.00	2.16	2.05	8.03
D&A	1.54	1.57	1.67	1.75	6.53
EBIT	0.27	0.43	0.49	0.30	1.50
Net Financial Results	-1.08	-1.08	-1.10	-1.10	-4.36
EBT	-0.82	-0.65	-0.61	-0.80	-2.86
Net Income	-0.82	-0.65	-0.61	-0.80	-2.86

Balance sheet (M€)	2018
Tangible and Intangible Assets	50.9
Shareholder's Equity	-11.0
Liabilities / Debt	61.5



**MANAGEMENT REPORT**  
31 MARCH 2019

Consolidated Profit and Loss Account				
Million euro	1Q 2018 PF	2Q 2018 PF	3Q 2018 PF	4Q 2018 PF
<b>Turnover</b>				
<b>Business Units</b>	<b>39.06</b>	<b>45.69</b>	<b>51.92</b>	<b>46.88</b>
Energy	11.90	13.64	14.17	12.84
Industrial Engineering	3.32	3.03	2.50	3.06
Fitness	8.94	8.80	8.57	9.81
Hospitality	2.86	6.39	10.66	3.93
Refrigeration & HVAC	10.79	11.27	10.03	15.61
Troia Resort - Operations	1.25	2.55	5.98	1.63
<b>Real Estate Assets</b>	<b>4.54</b>	<b>6.14</b>	<b>9.83</b>	<b>39.12</b>
Troia Resort	2.87	3.72	7.86	4.09
Other Real Estate Assets	1.67	2.42	1.97	35.03
Eliminations & Adjustments	-1.29	-1.60	-3.61	-1.29
<b>Consolidated Turnover</b>	<b>42.32</b>	<b>50.23</b>	<b>58.13</b>	<b>84.71</b>
Other Operational Income	0.62	1.18	0.60	2.61
<b>Total Operational Income</b>	<b>42.94</b>	<b>51.42</b>	<b>58.73</b>	<b>87.32</b>
<b>EBITDA</b>				
<b>Business Units</b>	<b>4.60</b>	<b>8.27</b>	<b>12.77</b>	<b>6.77</b>
Energy	3.30	4.03	4.27	4.03
Industrial Engineering	-0.22	-0.26	-0.36	-0.96
Fitness	2.61	2.97	2.56	2.80
Hospitality	-0.47	1.54	3.47	-0.25
Refrigeration & HVAC	-0.03	0.21	0.49	1.79
Troia Resort - Operations	-0.59	-0.23	2.35	-0.64
<b>Real Estate Assets</b>	<b>0.59</b>	<b>0.02</b>	<b>3.43</b>	<b>4.58</b>
Troia Resort	-0.07	-0.91	2.45	-0.90
Other Real Estate Assets	0.66	0.93	0.99	5.48
Eliminations & Adjustments	-1.31	-1.65	-1.39	-1.99
<b>Consolidated EBITDA</b>	<b>3.88</b>	<b>6.63</b>	<b>14.82</b>	<b>9.36</b>
Amortizations & Depreciations	7.35	7.22	8.13	8.21
Provisions & Impairment Losses	0.14	-0.05	-0.02	-2.08
<b>Recurrent EBIT</b>				
<b>Business Units</b>	<b>-1.80</b>	<b>2.18</b>	<b>5.90</b>	<b>-0.60</b>
Energy	0.85	1.73	1.25	1.03
Industrial Engineering	-0.46	-0.50	-0.62	-1.55
Fitness	0.35	0.96	0.40	0.58
Hospitality	-1.38	0.63	2.55	-1.19
Refrigeration & HVAC	-0.09	0.14	0.38	1.65
Troia Resort - Operations	-1.07	-0.77	1.95	-1.11
<b>Real Estate Assets</b>	<b>-1.14</b>	<b>-1.79</b>	<b>1.23</b>	<b>5.34</b>
Eliminations & Adjustments	-0.67	-0.92	-0.42	-1.43
<b>Consolidated Recurrent EBIT</b>	<b>-3.61</b>	<b>-0.53</b>	<b>6.71</b>	<b>3.31</b>
Non-recurrent costs/income (1)	0.68	0.04	0.05	-0.59
<b>Consolidated EBIT</b>	<b>-4.28</b>	<b>-0.58</b>	<b>6.66</b>	<b>3.90</b>
Net Financial Expenses	-2.19	-1.97	-2.12	-1.90
Investment Income and Results from Assoc. Undertakings	0.20	0.02	0.08	0.43
<b>EBT</b>	<b>-6.28</b>	<b>-2.53</b>	<b>4.61</b>	<b>2.42</b>
Taxes	0.37	0.29	0.37	-0.22
<b>Net Profit - Continued Businesses</b>	<b>-6.65</b>	<b>-2.81</b>	<b>4.24</b>	<b>2.65</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-2.03</b>	<b>-0.02</b>	<b>-1.21</b>	<b>-0.21</b>
<b>Net Profit - Total</b>	<b>-8.67</b>	<b>-2.84</b>	<b>3.03</b>	<b>2.44</b>
Attributable to Equity Holders of Sonae Capital	-8.28	-3.09	3.01	1.73
Attributable to Non-Controlling Interests	-0.40	0.27	0.01	0.71

(1) Non-recurrent items mainly related to restructuring costs and one-off income

## 8. METHODOLOGICAL NOTES

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The quarterly consolidated financial information presented in this report is not audited and has been prepared in accordance with the International Financial Reporting Standards ("IAS / IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

With the aim of continuing to provide the best financial information not only at the Consolidated level, but also, at each Business Unit level and aligning with the best market practices, the international operations (Mozambique and Brazil) of the Refrigeration & HVAC segment are considered as assets held for sale and therefore their contribution to the consolidated results is recognized as discontinued operations.

## GLOSSARY

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CAPEX	Investment in Tangible and Intangible Assets
EBITDA	Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) – Reversal of Impairment Losses and Provisions (including in Other Operation Income)
EBITDAR	EBITDA + Building Rents
Gearing: Debt to Equity	Net Debt / Equity
HVAC	Heating, Ventilation and Air Conditioning
Loan to Value	Net Debt of real estate assets / Real estate assets Valuation
Net Debt	Net Debt + IFRS 16 Impact
Net Financial Debt	Non-Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments
Operational Cash Flow	EBITDA - Capex
PPSA	Promissory Purchase and Sale Agreement
RevPar	Revenue Per Available Room

**SONAE CAPITAL**

**PART II**  
**CONSOLIDATED FINANCIAL**  
**STATEMENTS**

31 MARCH 2019



SONAE CAPITAL



**SONAE CAPITAL, SGPS, SA**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019 AND 31 DECEMBER 2018**

(Amounts expressed in euro)

<b>ASSETS</b>	<b>Notes</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>NON-CURRENT ASSETS:</b>			
Tangible assets	8	322 282 602	266 257 880
Intangible assets	8	10 834 311	10 697 642
Investment properties		-	-
Goodwill	9	52 024 808	52 024 808
Investments		-	-
Investments in associated companies and joint ventures	5	1 733 013	1 623 907
Other investments	6	435 072	670 435
Deferred tax assets	13	23 148 290	22 997 895
Other debtors	10	12 024 342	12 200 567
<b>Total non-current assets</b>		<b>422 482 438</b>	<b>366 473 134</b>
<b>CURRENT ASSETS:</b>			
Inventories	11	60 972 266	63 263 441
Trade account receivables and other current assets	12	60 627 361	63 963 437
Financial instruments		-	-
Cash and cash equivalents	14	7 228 055	7 558 360
<b>Total Current Assets</b>		<b>128 827 682</b>	<b>134 785 238</b>
<b>Assets held for sale</b>		<b>1 452 253</b>	<b>668 342</b>
<b>TOTAL ASSETS</b>	-	<b>552 762 373</b>	<b>501 926 714</b>

<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>31 March 2019</b>	<b>31 December 2018</b>
<b>EQUITY:</b>			
Share capital	15	250 000 000	250 000 000
Own Shares	15	(1 115 470)	(1 192 808)
Reserves and retained earnings	15	(1 079 993)	13 641 396
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(5 269 819)	(3 860 952)
Equity attributable to the equity holders of Sonae Capital		242 534 718	258 587 636
Equity attributable to non-controlling interests	16	9 539 244	9 440 091
<b>TOTAL EQUITY</b>		<b>252 073 962</b>	<b>268 027 727</b>
<b>NON-CURRENT LIABILITIES:</b>			
Bank Loans	17	112 757 905	59 425 830
Other non-current liabilities	18	1 170 791	1 312 947
Deferred tax liabilities	13	12 903 777	12 984 582
Provisions	31	3 079 824	3 079 824
<b>Total Non-Current Liabilities</b>		<b>129 912 297</b>	<b>76 803 183</b>
<b>CURRENT LIABILITIES:</b>			
Bank Loans	17	89 908 381	67 912 342
Trade creditors	20	71 120 914	80 280 437
Provisions	21	3 441 683	3 286 698
<b>Total Current Liabilities</b>		<b>164 470 978</b>	<b>151 479 477</b>
<b>Liabilities associated with assets held for sale</b>		<b>6 305 135</b>	<b>5 616 327</b>
<b>TOTAL LIABILITIES</b>		<b>300 688 410</b>	<b>233 898 987</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>552 762 373</b>	<b>501 926 714</b>

The accompanying notes are part of these financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018

(Amounts expressed in euro)

	Notes	31 March 2019	31 March 2018
Sales		24 321 926	24 533 422
Services rendered		16 543 232	15 739 681
Other operating income	23	1 123 142	1 320 944
Cost of sales		(12 317 024)	(12 590 750)
Changes in stocks of finished goods and work in progress		(1 471 867)	(1 774 072)
External supplies and services		(12 202 107)	(13 975 953)
Staff costs		(10 579 094)	(10 222 681)
Depreciation and amortisation		(7 470 937)	(5 812 621)
Provisions and impairment losses (Increases)/Decreases		191 862	(514 845)
Other operating expenses		(1 710 153)	(1 254 973)
<b>Operational profit/(loss)</b>		<b>(3 571 020)</b>	<b>(4 551 848)</b>
Financial Income		126	50 570
Financial Expenses		(2 064 443)	(1 156 846)
<b>Net financial income / (expenses)</b>		<b>(2 064 317)</b>	<b>(1 106 276)</b>
<b>Profit/(Loss) in associated and jointly controlled companies measured using the equity method</b>	5	<b>109 106</b>	<b>193 402</b>
<b>Investment income</b>	24	<b>359 678</b>	<b>4 816</b>
<b>Profit/(Loss) before taxation</b>		<b>(5 166 553)</b>	<b>(5 459 906)</b>
Taxation	25	(136 997)	370 463
<b>Profit/(Loss) for the year - continued operations</b>		<b>(5 029 556)</b>	<b>(5 830 370)</b>
<b>Profit/(Loss) for the year - discontinued operations</b>		<b>(36 352)</b>	<b>(2 027 527)</b>
<b>Profit/(Loss) for the year</b>	26	<b>(5 065 908)</b>	<b>(7 857 897)</b>
Attributable to:			
Equity holders of Sonae Capital		(5 269 819)	(7 466 372)
Non-controlling interests	16	203 911	(391 525)
Profit/(Loss) per share - continued operations			
Basic	28	(0.02106)	(0.02192)
Diluted	28	(0.02106)	(0.02192)
Profit/(Loss) per share - discontinued operations			
Basic	28	(0.00015)	(0.00817)
Diluted	28	(0.00015)	(0.00817)

The accompanying notes are part of these financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS**  
31 MARCH 2019

SONAE CAPITAL, SGPS, SA

**CONSOLIDATED INCOME STATEMENTS BY NATURE**

**FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018**

(Amounts expressed in euro)

	Notes	1st Quarter 2019 *	1st Quarter 2018 *
Sales		24 321 926	24 533 422
Services rendered		16 543 232	15 739 681
Other operating income		1 123 142	1 320 944
Cost of sales		(12 317 024)	(12 590 750)
Changes in stocks of finished goods and work in progress		(1 471 867)	(1 774 072)
External supplies and services		(12 202 107)	(13 975 953)
Staff costs		(10 579 094)	(10 222 681)
Depreciation and amortisation		(7 470 937)	(5 812 621)
Provisions and impairment losses (Increases)/Decreases		191 862	(514 845)
Other operating expenses		(1 710 153)	(1 254 973)
<b>Operational profit/(loss)</b>		<b>(3 571 020)</b>	<b>(4 551 848)</b>
Financial Income		126	50 570
Financial Expenses		(2 064 443)	(1 156 846)
<b>Net financial income / (expenses)</b>		<b>(2 064 317)</b>	<b>(1 106 276)</b>
<b>Profit/(Loss) in associated and jointly controlled companies measured using the equity method</b>		<b>109 106</b>	<b>193 402</b>
<b>Investment income</b>		<b>359 678</b>	<b>4 816</b>
<b>Profit/(Loss) before taxation</b>		<b>(5 166 553)</b>	<b>(5 459 906)</b>
Taxation		(136 997)	370 463
<b>Profit/(Loss) for the year - continued operations</b>		<b>(5 029 556)</b>	<b>(5 830 369)</b>
<b>Profit/(Loss) for the year - discontinued operations</b>		<b>(36 352)</b>	<b>(2 027 527)</b>
<b>Profit/(Loss) for the year</b>		<b>(5 065 908)</b>	<b>(7 857 896)</b>
Attributable to:			
Equity holders of Sonae Capital		(5 269 819)	7 466 372
Non-controlling interests		203 911	(391 525)

The accompanying notes are part of these financial statements.

\* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited



# **CONSOLIDATED FINANCIAL STATEMENTS** **31 MARCH 2019**

SONAE CAPITAL, SGPS, SA  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018  
(Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital											
	Share Capital	Own Shares	Demerger Reserve (Note 15)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves	Sub-Total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
Balance as at 1 January 2018	250 000 000	(1 305 839)	132 638 253	146 352	-	6 370	(94 517 538)	38 273 437	(6 513 485)	280 454 113	10 915 176	291 369 289
Total consolidated comprehensive income for the period	-	-	-	23 591	-	-	-	23 591	(7 466 372)	(7 442 781)	(391 525)	(7 834 306)
Appropriation of profit of 2017:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(6 513 485)	(6 513 485)	6 513 485	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	(339 504)	(339 504)
(Acquisition)/Sales of own shares	-	113 031	-	-	-	-	-	-	-	113 031	-	113 031
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	(4 116 071)	(4 116 071)	-	(4 116 071)	(537 742)	(4 653 813)
Other changes	-	-	-	-	-	-	627 119	627 119	-	627 119	-	627 119
Balance as at 31 March 2018	250 000 000	(1 192 808)	132 638 253	169 943	-	6 370	(104 519 975)	28 294 591	(7 466 372)	269 635 411	9 646 405	279 281 816
Balance as at 1 January 2019	250 000 000	(1 192 808)	132 638 253	359 097	-	6 370	(119 362 322)	13 641 396	(3 860 952)	258 587 636	9 440 091	268 027 727
Total consolidated comprehensive income for the period	-	-	-	(93 546)	-	-	-	(93 546)	(5 269 819)	(5 363 365)	203 911	(5 159 454)
Appropriation of profit of 2018:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(3 860 952)	(3 860 952)	3 860 952	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-
(Acquisition)/Sales of own shares	-	77 338	-	-	-	-	-	-	-	77 338	-	77 338
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	202 905	202 905	-	202 905	(104 759)	98 146
Balance as at 31 March 2019	250 000 000	(1 115 470)	132 638 253	265 551	-	6 370	(133 990 165)	(1 079 993)	(5 269 819)	242 534 718	9 539 244	252 073 962

The accompanying notes are part of these financial statements.

**SONAE CAPITAL, SGPS, SA**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018**

(Amounts expressed in euro)

	31 March 2019	31 December 2018
<b>Consolidated net profit/(loss) for the period</b>	<b>(5 065 908)</b>	<b>(7 857 897)</b>
<b>Items that may be reclassified subsequently to net profit / (loss):</b>		
Changes in the currency translation differences	(93 546)	23 591
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Tax related to other comprehensive income captions	-	-
<b>Other comprehensive income for the period - continued operations</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period - discontinued operations</b>	<b>(93 546)</b>	<b>23 591</b>
<b>Total comprehensive income for the period</b>	<b>(5 159 453)</b>	<b>(7 834 306)</b>
Attributable to:		
Equity holders of Sonae Capital	(5 363 364)	(7 442 781)
Non-controlling interests	203 911	(391 525)

The accompanying notes are part of these financial statements.

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

SONAE CAPITAL, SGPS, SA  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018  
(Amounts expressed in euro)

	Notes	31 March 2019	31 March 2018
<b>OPERATING ACTIVITIES:</b>			
Cash receipts from trade debtors		43 975 640	43 840 868
Cash paid to trade creditors		(35 919 711)	(30 894 801)
Cash paid to employees		(9 663 556)	(9 941 566)
Cash flow generated by operations		(1 607 627)	3 004 501
Income taxes (paid) / received		(228 561)	(565 100)
Other cash receipts and (payments) relating to operating activities		(76 998)	(2 533 361)
<b>Discontinued operations</b>		<b>70 601</b>	<b>938 383</b>
<b>Net cash from operating activities (1)</b>		<b>(1 983 787)</b>	<b>844 423</b>
<b>INVESTMENT ACTIVITIES:</b>			
<u>Cash receipts arising from:</u>			
Investments		97 930	74 899
Tangible assets		1 425 173	2 572 535
Intangible assets		-	-
Subsidies		-	-
Interest and similar income		53	43 177
Loans granted		4 092	-
Dividends		-	-
Others		6 631	-
Changes in consolidation perimeter (companies in)		-	81 143
		1 533 879	2 771 754
<u>Cash Payments arising from:</u>			
Investments		(13 370)	(8 274 667)
Tangible assets		(12 993 744)	(8 337 265)
Intangible assets		(449 347)	(232 351)
Loans granted		-	-
		(13 456 461)	(16 844 283)
<b>Discontinued operations</b>		<b>-</b>	<b>28 749</b>
<b>Net cash used in investment activities (2)</b>		<b>(11 922 582)</b>	<b>(14 043 780)</b>
<b>FINANCING ACTIVITIES:</b>			
<u>Cash receipts arising from:</u>			
Loans obtained		20 032 631	21 120 666
Sale of own shares		77 338	-
		20 109 969	21 120 666
<u>Cash payments arising from:</u>			
Loans obtained		(5 305 621)	(9 105 205)
Interest and similar charges		(770 260)	(870 911)
Reimbursement of capital and paid in capital		-	-
Dividends		-	(339 504)
		(6 075 881)	(10 315 620)
<b>Discontinued operations</b>		<b>31 364</b>	<b>896 689</b>
<b>Net cash used in financing activities (3)</b>		<b>14 002 724</b>	<b>9 908 357</b>
<b>Net increase in cash and cash equivalents (4) = (1) + (2) + (3)</b>		<b>96 355</b>	<b>(3 291 000)</b>
Effect of foreign exchange rate		(539)	-
Cash and cash equivalents at the beginning of the period	14	7 131 160	7 233 498
Cash and cash equivalents at the end of the period	14	7 228 054	3 942 498

The accompanying notes are part of these financial statements.

# 1. INTRODUCTION

SONAE CAPITAL, SGPS, SA (“Group”, “Group” or “Sonae Capital”) whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent Group of a group of companies, as detailed in Notes 5 to 7 (“Sonae Capital Group”) and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, SGPS, SA, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder's General Meeting held on 14 December 2007.

Reflecting the current management structure, the reporting segments were revised, addressing the strategic business areas identified in the Group:

- Troia Resort Operations
- Hospitality
- Fitness
- Energy
- Refrigeration & HVAC
- Industrial Engineering
- Real Estate
- Holding & Others

The non-strategic assets (including non-tourism real estate assets and financial shareholdings) are included in the segment “Holding & Others”.

The Shares of Sonae Capital are traded in Lisbon Euronext Stock Exchange.

Shareholders have the ability to change the Financial Statements after they have been approved for issue.

## 2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the acGrouping consolidated financial statements are as follows.

### 2.1 BASIS OF PREPARATION

The acGrouping consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" – previously named International Accounting Standards – "IAS") adopted by the European Union, issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the "International Financial Reporting Interpretations Committee" ("IFRIC"), previously named "Standing Interpretations Committee" ("SIC"), beginning on 1 January 2018.

Interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

The acGrouping consolidated financial statements have been prepared from the books and accounting records of the Group and of its subsidiaries on a going concern basis and under the historical cost convention, except for derivative financial instruments which are stated at fair value. In preparing the financial statements, the Group followed the historical cost convention modified, when applicable, by the Group measurement at fair value of i) financial assets at fair value through profit or loss and ii) financial assets at fair value through other comprehensive income.

## 3. CHANGES IN ACCOUNTING POLICIES

Changes in international accounting standards that took effect on or after 1 January 2019 (Note 2.1) - IFRS 16, had impact on the financial statements at 31 March 2019 as reflected on Note 29.

## 4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 31 March 2019 and 31 December 2018, are as follows:

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

Group			Percentage of capital held			
			31 March 2019		31 December 2018	
			Direct	Total	Direct	Total
Sonae Capital, SGPS, S.A.		Head Office	Holding	Holding	Holding	Holding
<b>Hospitality</b>						
Porto Palácio Hotel, S.A.	a)	Porto	100,00%	100,00%	100,00%	100,00%
SC Hospitality, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
The Artist Porto Hotel & Bistrô - Actividades Hoteleiras, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
The House Ribeira Hotel – Exploração Hoteleira, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Aqualuz Tróia, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
2ndRoom - Exploração Hoteleira, S.A.	a)	Maia	100,00%	100,00%		
I) Aqualuz -Turismo e Lazer, Lda.	a)	Lagos	100,00%	100,00%		
<b>Tróia Resort Operations</b>						
Atlantic Ferries - Tráf. Loc. Flu. e Marít., S.A.	a)	Grândola	95,77%	95,77%	95,77%	95,77%
Marina de Tróia, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Tróia Market, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Tróia Natura, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Troiareort-Investimentos Turísticos, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Troiareort, SGPS, S.A.	a)	Matosinhos	100,00%	100,00%	100,00%	100,00%
Golf Time - Golfe e Invest. Turísticos, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
<b>Fitness</b>						
Acrobatic Title, S.A.	a)	Lisboa	100,00%	100,00%	10,00%	10,00%
Solinca - Health & Fitness, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC Fitness, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Pump, S.A.	a)	Maia	100,00%	100,00%		
<b>Energy</b>						
Atelgen - Produção Energia, ACE	a)	Barcelos	51,00%	51,00%	51,00%	51,00%
CAPWATT – Brainpower, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
CAPWATT – ACE, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Colombo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Engenho Novo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Hectare - Heat Power, ACE	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Évora – Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt III - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt IV – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Maia - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Martim Longo - Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Vale do Caima - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Vale do Tejo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Estuário – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Lousado – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Alrota – Wind Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Chamusca – Bio Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Ferreira – Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
CAPWATT – SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Carvemagere - Manutenção e Energias Renováveis, Lda.	a)	Barcelos	65,00%	65,00%	65,00%	65,00%
Companhia Térmica SERRADO, ACE	a)	Maia	70,00%	70,00%	70,00%	70,00%

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

	Companhia Térmica Tagol, Lda.	a)	Oeiras	100,00%	100,00%	100,00%	100,00%
	Soternix - Produção de Energia, ACE	a)	Barcelos	51,00%	51,00%	51,00%	51,00%
	Suncoutim - Solar Energy, S.A.	a)	Faro	85,00%	85,00%	85,00%	85,00%
	Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.	a)	Mangualde	90,00%	90,00%	90,00%	90,00%
	Capwatt México, S. de R. L. de C.V	a)	Cidade do México	100,00%	100,00%		
<b>Refrigeration &amp; HVAC</b>							
	QCE - Desenvolvimento e fabrico de Equipamentos, S.A.	a)	Matosinhos	100,00%	70,00%	100,00%	70,00%
	RACE - Refrigeration & Air Conditioning Engineering, S.A.	a)	Matosinhos	100,00%	70,00%	100,00%	70,00%
	RACE, SGPS, S.A.	a)	Matosinhos	70,00%	70,00%	70,00%	70,00%
2)	Sistavac Sistemas HVAC - R do Brasil, Ltda.	a)	São Paulo	100,00%	70,00%	100,00%	70,00%
	Sopair, S.A.	a)	Madrid	100,00%	70,00%	100,00%	70,00%
2)	Spinarq Moçambique, Lda.	a)	Maputo	70,00%	70,00%	70,00%	70,00%
<b>Real Estate</b>							
	Bloco Q - Soc. Imobil, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Casa da Ribeira - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Centro Residencial da Maia, Urban., S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Cinclus Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Contry Club da Maia - Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Empreend. Imob. Quinta da Azenha, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Fundo Esp. Inv. Imo. Fec. WTC	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Imoclub - Serviços Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Imodivor - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Imohotel - Emp. Turist. Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Imoponte - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Imosedas - Imobiliária e Serviços, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Implantação – Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Porturbe - Edifícios e Urbanizações, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Praedium II - Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Predisedas - Predial das Sedas, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Promessa Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	SC Assets, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Sete e Meio Herdades - Inv. Agr. e Tur., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Soira - Soc. Imobiliária de Ramalde, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Sótaqua - Soc. de Empreend. Turísticos	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Spinveste - Promoção Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Spinveste - Gestão Imobiliária SGII, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Urbisedas - Imobiliária das Sedas, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Vistas do Freixo - Emp. Tur. Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Soltroia - Imob. de Urb. Turismo de Tróia, S.A.	a)	Lisboa	100,00%	100,00%	100,00%	100,00%
	SII - Soberana Invest. Imobiliários, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Tulipamar - Expl. Hoteleira Imob., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Marmagno - Expl. Hoteleira Imob., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Imopenínsula - Sociedade Imobiliária, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Imoresort - Sociedade Imobiliária, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
	Marvero - Expl. Hotel. Im.. S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
<b>Industrial Engineering</b>							
	SC, INDUSTRIALS, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Adira - Industrial Engineering Forming Solutions, S.A.	a)	Porto	100,00%	100,00%	100,00%	100,00%

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

Guimadira - Máquinas e Ferramentas, Lda.	a)	V. N. Gaia	100,00%	100,00%	100,00%	100,00%
<b>Holding &amp; Others</b>						
Imobeauty, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC - Sociedade de Consultadoria, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC Finance BV	a)	Amesterdão	100,00%	100,00%	100,00%	100,00%
SC For - Ser. Formação e Desenvolv. Recursos Humanos, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
UP Invest., SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Praedium – Serviços, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Inparvi, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Société de Tranchage Isoroy, S.A.S.	a)	Honfleur	100,00%	100,00%	100,00%	100,00%
Andar - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Sociedade de Construções do Chile, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Vastgoed One - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Vastgoed Sun - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%

- 1) Group acquired during the period in consideration;  
2) Discontinued operations;

These group companies are consolidated using the full consolidation method as described in Note 2.2.a.



## 5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 31 March 2019 and 2018 are as follows:

31 March 2019										
C ompany name	Head Office	Percentage of Capital Held		Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
		Direct	Total							
Associated Companies										
Holding & Others										
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	16 824 116	8 502 149	5 013 482	5 076 646	8 321 967	63 164	1 500 772
Energy										
Feneralt - Produção de Energia, ACE	Barcelos	25.00%	25.00%	1 305 083	455 748	1 390 005	2 239 340	849 335	849 335	232 241
				18 129 199	8 957 897	6 403 487	7 315 986	9 171 302	912 499	1 733 013
1) Data from December 2018										

31 December 2018										
C ompany name	Head Office	Percentage of Capital Held		Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
		Direct	Total							
Associated Companies										
Holding & Others										
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24.50%	24.50%	17 369 362	8 468 351	21 671 826	22 694 820	8 901 011	1 022 994	1 438 114
Energy										
Feneralt - Produção de Energia, ACE	Barcelos	25.00%	25.00%	1 305 083	455 748	1 390 005	2 239 340	849 335	849 335	185 792
				18 674 445	8 924 099	23 061 831	24 934 160	9 750 346	1 872 329	1 623 907

Associated and jointly controlled companies are consolidated using the equity method.

At 31 December 2018, nil balances shown result from the reduction of the acquisition cost of amounts determined by the equity method, discontinuing the recognition of its part of additional losses under the terms of IAS 28.

During the periods ended 31 March 2019 and 31 December 2018, movements in investments of associated and jointly controlled companies may be summarized as follows:

	31 March 2019	31 December 2018
<b>Opening balance as at 1 January</b>	<b>1 623 907</b>	<b>1 419 028</b>
Acquisitions in the period	-	-
Disposals in the period	-	-
Equity method	109 106	444 700
Dividends received	-	(239 822)
Change in the consolidation method	-	-
<b>Closing balance as at 31 December</b>	<b>1 733 013</b>	<b>1 623 907</b>
Accumulated impairment losses (Note 31)	-	-
	<b>1 733 013</b>	<b>1 623 907</b>

The use of the equity method had the following impacts: 109 106 euro recorded on share of results of associated undertakings (444,700 euro at 31 December 2017), and 0 euro in changes in reserves in 31 March 2019 and 31 December 2018.

During the year ended 31 December 2018 dividends were received totalling 240.000 euros paid by the companies Lidergraf-graphic arts, Lda and Feneralt-Energy Production, ACE.

There are no contingent liability commitments or significant restrictions on the ability to transfer funds in favour of Sonae Capital by associates and joint ventures.

## 6. OTHER INVESTMENTS

The head offices, percentage of share capital held and book value of Other Investments as at 31 March 2019 and 31 December 2018 are made up as follows:

		Percentage of capital held					
		31 March 2019		31 December 2018		Book value	
Company	Head Office	Direct	Total	Direct	Total	31 March 2019	31 December 2018
<b>Troia Resort Operações</b>							
Infratróia - Infraestruras de Tróia, E.M.	Grândola	25.90%	25.90%	25.90%	25.90%	64 747	64 747
<b>Holding &amp; Outros</b>							
Fundo de Investimento Imobiliário Imosonae Dois	Maia	-	-	-	-	-	-
Net, SA	Lisbon	0.98%	0.98%	0.98%	0.98%	23 034	23 034
Fundo de Capital de Risco F-HITEC	Lisbon	6.48%	6.48%	6.48%	6.48%	250 950	250 950
Outros Investimentos						96 341	331 704
<b>Total</b>						<b>435 072</b>	<b>670 435</b>

As at 31 March 2019 and 31 December 2018, movements in investments were as follows:

	31 March 2019		31 December 2018	
	Non-current	Current	Non-current	Current
<b>Investments at acquisition cost</b>				
<b>Opening balance as at 1 January</b>	<b>962 273</b>	-	<b>870 268</b>	-
Acquisitions in the period	22 230	-	155 162	-
Changes in consolidation perimeter	-	-	-	-
Disposals in the period	(261 345)	-	(72 816)	-
Transfers	-	-	-	-
Merger	-	-	10 687	-
Changes in consolidation perimeter	3 752	-	(1 029)	-
<b>Closing balance as at 31 December</b>	<b>726 910</b>	-	<b>962 273</b>	-
Accumulated impairment losses (Note 31)	(291 838)	-	(291 838)	-
	<b>435 072</b>	-	<b>670 435</b>	-
<b>Other Investments</b>	<b>435 072</b>	-	<b>670 435</b>	-

## 7. CHANGES TO THE CONSOLIDATION PERIMETER

During the period ended 31 March 2019 the following companies were acquired:

Group	Head Office	Percentage of Capital held at the date of Disposal	
		Direct	Total
Aqualuz - Turismo e Lazer, Lda.	Lagos	100%	100%

At the beginning of 2019, we successfully integrated the acquisition of the total capital and voting rights of Aqualuz-Turismo e Lazer, Lda. which operates the Hotel Aqualuz Lagos in Algarve.

Impacts in the consolidated financial statements at the inclusion date were as follows:

	Acquisition date	31 March 2019
<b>Net assets acquired</b>		
Tangible and intangible assets (Notes 10 and 11)	456 507	448 027
Financial investments	3 752	3 624
Holding & Others	380 114	133 561
Cash and cash equivalents	212 488	18 880
Other liabilities	(466 026)	(458 931)
	<b>586 835</b>	<b>145 161</b>
<b>Total equity</b>	<b>586 835</b>	<b>145 161</b>
<b>Income statements from the acquired companies</b>		
Cost of sales	131 137	6 215
Changes in stocks of finished goods and work in progress	-	-
External supplies and services	2 785 288	415 717
Staff costs	736 635	142 991
Depreciation and amortisation	97 729	24 278
Provisions and impairment losses	(1 249)	(2 311)
Other operating expenses	3 709	6 148
<b>Operational expenses</b>	<b>3 753 249</b>	<b>593 038</b>
Sales	13 526	882

Services rendered	3 589 903	151 760
Other operating income	18 114	2 423
<b>Operational income</b>	<b>3 621 543</b>	<b>155 065</b>
<b>Operational profit/(loss)</b>	<b>(131 706)</b>	<b>(437 973)</b>
Financial income	-	-
Financial expenses	1 458	226
<b>Net financial income / (expenses)</b>	<b>(1 458)</b>	<b>(226)</b>
Investment income	-	-
<b>Investment income</b>	<b>-</b>	<b>-</b>
<b>Profit/(Loss) before taxation</b>	<b>(133 164)</b>	<b>(438 199)</b>
Taxation	(13 401)	(3 132)
<b>Profit/(Loss) for the year</b>	<b>(146 565)</b>	<b>(441 331)</b>
Gain/(Loss) on acquisition (Note 41)	586 834	
Acquisition price	1	
Payments made	1	
<b>Net cash flow from the acquisition</b>		
Payments made	1	
Cash and equivalents acquired	212 488	
	<b>212 489</b>	

## 8. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 31 March 2019 and 31 December 2018, movements in tangible assets as well as in amortisation and accumulated impairment losses, are made up as follows:

# **CONSOLIDATED FINANCIAL STATEMENTS** **31 MARCH 2019**

	Tangible Assets							
	Land and Natural Resources	Buildings and Other Constructions	Plant and Machinery	Vehicles	Fixtures and Fittings	Others	Tangible Assets in progress	Total Tangible Assets
<b>Gross Cost:</b>								
<b>Opening balance as at 1 January 2019</b>	<b>46 894 417</b>	<b>157 673 915</b>	<b>288 512 357</b>	<b>803 486</b>	<b>4 402 483</b>	<b>3 048 211</b>	<b>18 562 090</b>	<b>519 896 960</b>
Changes in consolidation perimeter (companies in)	-	48 781	2 481 628	529	243 593	74 201	-	2 848 730
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-
Capital expenditure	71 330	7 068	71 339	-	-	42 601	11 267 525	11 459 864
Capital expenditure	-	49 748 113	18 278	2 038 024	-	-	-	51 804 415
Disposals	(131 025)	(391 261)	(770 490)	-	(247)	-	-	(1 293 023)
Exchange rate effect	-	-	-	(117)	(7)	-	135	11
Transfers	52 684	(10 178)	3 051 184	(163)	275 110	125 156	(365 338)	3 128 456
<b>Closing balance as at 31 March 2019</b>	<b>46 887 406</b>	<b>207 076 438</b>	<b>293 364 296</b>	<b>2 841 759</b>	<b>4 920 932</b>	<b>3 290 169</b>	<b>29 464 413</b>	<b>587 845 413</b>
<b>Accumulated depreciation</b>								
<b>Opening balance as at 1 January 2019</b>	<b>-</b>	<b>46 958 507</b>	<b>169 485 778</b>	<b>715 727</b>	<b>3 442 989</b>	<b>2 352 588</b>	<b>-</b>	<b>222 955 589</b>
Changes in consolidation perimeter (companies in)	-	48 781	2 035 363	529	242 352	68 890	-	2 395 915
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-	-	-	-
Charges for the period	-	-	-	-	9	-	-	9
Charges for the period	-	2 355 814	4 473 146	235 843	82 509	32 394	-	7 179 706
Disposals	-	(50 705)	(446 921)	(6 258)	(247)	-	-	(504 131)
Exchange rate effect	-	-	-	(117)	(4)	-	-	(121)
Transfers	-	48 781	2 035 363	(163)	242 340	68 898	-	2 395 219
<b>Closing balance as at 31 March 2019</b>	<b>-</b>	<b>49 361 177</b>	<b>177 582 729</b>	<b>945 561</b>	<b>4 009 948</b>	<b>2 522 771</b>	<b>-</b>	<b>234 422 186</b>
<b>Accumulated impairment losses</b>								
<b>Opening balance as at 1 January 2019</b>	<b>4 213 519</b>	<b>21 444 385</b>	<b>5 478 404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 136 308</b>
Changes in consolidation perimeter (companies in)	-	-	-	-	-	-	-	-
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-	-	-	-
Charges for the period	1 581	2 213	523	-	-	-	-	4 317
Reversals for the period	-	-	-	-	-	-	-	-
Exchange rate effect	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>Closing balance as at 31 March 2019</b>	<b>4 215 100</b>	<b>21 446 598</b>	<b>5 478 927</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 140 625</b>
<b>Carrying amount</b>								
<b>As at 31 December 2018</b>	<b>42 680 898</b>	<b>89 271 023</b>	<b>113 548 175</b>	<b>87 760</b>	<b>959 494</b>	<b>695 623</b>	<b>18 562 090</b>	<b>266 257 880</b>
<b>As at 31 March 2019</b>	<b>42 672 306</b>	<b>136 268 662</b>	<b>110 302 639</b>	<b>1 896 197</b>	<b>910 984</b>	<b>767 397</b>	<b>29 464 413</b>	<b>322 282 602</b>

Major amounts included in the caption Tangible Assets in progress, refer to the following projects:

	31 March 2019	31 December 2018
Troiaresort	1 796 779	1 859 128
Cogeneration Project	24 435 653	14 165 316
Refurbishment of Health Clubs	526 225	469 797
Refurbishment / Maintenance of Marmagno + Aqualuz de Tróia	875 629	268 290
Refurbishment / Maintenance of Troia Resort Operações Segment	263 782	203 347
Industrial Engineering	1 435 697	1 415 505
Others	130 647	180 707
	<b>29 464 412</b>	<b>18 562 090</b>

During the periods ended 31 March 2019 and 31 december 2018, movements in intangible assets as well as in amortisation and accumulated impairment losses, are made up as follows:

Intangible Assets					
	Patents and other similar rights	Software	Others	Intangible Assets in progress	Total Intangible Assets
<b>Gross Cost:</b>					
<b>Opening balance as at 1 January 2019</b>	<b>9 208 866</b>	<b>5 302 028</b>	<b>5 116 864</b>	<b>2 154 467</b>	<b>21 782 225</b>
Changes in consolidation perimeter (companies in)	-	44 755	-	-	44 755
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-
Capital expenditure	-	-	-	-	-
Capital expenditure	-	-	208 750	219 887	428 637
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	2 941	185 273	-	(136 009)	52 205
<b>Closing balance as at 31 March 2019</b>	<b>9 211 807</b>	<b>5 532 056</b>	<b>5 325 614</b>	<b>2 238 345</b>	<b>22 307 822</b>

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

**Accumulated amortization**

<b>Opening balance as at 1 January 2019</b>	<b>3 014 039</b>	<b>4 305 631</b>	<b>3 079 070</b>	<b>-</b>	<b>10 398 740</b>
Changes in consolidation perimeter (companies in)	-	41 063	-	-	41 063
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-
Charges for the period	-	-	-	-	-
Charges for the period	102 919	165 548	34 643	-	303 110
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	-	41 063	-	-	41 063
<b>Closing balance as at 31 March 2019</b>	<b>3 116 958</b>	<b>4 553 305</b>	<b>3 113 713</b>	<b>-</b>	<b>10 783 976</b>

**Accumulated amortization**

<b>Opening balance as at 1 January 2019</b>	<b>89 536</b>	<b>-</b>	<b>600 000</b>	<b>-</b>	<b>689 536</b>
Changes in consolidation perimeter (companies in)	-	-	-	-	-
Changes in consolidation perimeter (companies out) - Note 8	-	-	-	-	-
Charges for the period	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	-	-	-	-	-
<b>Closing balance as at 31 March 2019</b>	<b>89 536</b>	<b>-</b>	<b>600 000</b>	<b>-</b>	<b>689 536</b>

**Carrying amount**

<b>As at 31 December 2018</b>	<b>6 105 291</b>	<b>996 397</b>	<b>1 437 794</b>	<b>2 154 467</b>	<b>10 697 642</b>
<b>As at 31 March 2019</b>	<b>6 005 313</b>	<b>978 751</b>	<b>1 611 901</b>	<b>2 238 345</b>	<b>10 834 311</b>

At 31 March 2019 and 31 December 2018, there are no impairment losses relating to Intangible Assets.

As at December 2018 net assets of Marina de Troia amount to 5,131,893 euros (5,166,004 euros at December 2018) recorded in "Industrial property and other rights".



## 9. GOODWILL

During the periods ended 31 March 2019 and 31 December 2018, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	31 March 2019	31 December 2018
<b>Gross amount:</b>		
<b>Opening balance</b>	<b>82 421 619</b>	<b>82 421 619</b>
Acquisitions with increase in percentage ownership	-	-
Increases - acquisition of affiliated companies	-	-
Decreases - disposals of affiliated companies	-	-
Write-off	-	-
<b>Closing balance</b>	<b>82 421 619</b>	<b>82 421 619</b>
<b>Accumulated impairment losses (Note 31):</b>		
Opening balance	30 396 811	30 396 811
Increases	-	-
Decreases	-	-
<b>Closing balance</b>	<b>30 396 811</b>	<b>30 396 811</b>
<b>Total</b>	<b>52 024 808</b>	<b>52 024 808</b>

## 10. OTHER NON-CURRENT DEBTORS

As at 31 March 2019 and 31 December 2018, other non-current assets are detailed as follows:

	31 March 2019	31 December 2018
<b>Loans granted to related parties</b>		
Others	34 916	34 916
	34 916	34 916
Impairment losses (Note 31)	(34 916)	(34 916)
<b>Trade accounts receivable and other debtors</b>		
Sale of financial investments	10 505 000	10 505 000
Others	1 519 342	1 614 353
Impairment losses (Note 31)	-	-
	<b>12 024 342</b>	<b>12 119 353</b>
<b>Deferred costs</b>		

Financing charges	-	81 214
	-	<b>81 214</b>
<b>Total financial instruments</b>	<b>12 024 342</b>	<b>12 200 567</b>
<b>Other non-current debtors</b>	<b>12 024 342</b>	<b>12 200 567</b>

Generally, values included in Other Non-Current Debtors bear interest at market rates, and it is estimated that their fair value does not significantly differ from amounts in the balance sheet.

At 31 March 2019 and 31 December 2018 the amounts within the caption Trade Accounts Receivable and Other Debtors, Sale of Financial Investments included (i) amounts to receive from the alienation of UPK - GESTÃO DE FACILITIES E MANUTENÇÃO, S.A. and (ii) amounts to receive from the alienation of the Group Prédios Privados – Imobiliária, S.A.

The amounts considered in 2019 and 2018 in Others, Trade accounts receivable and Other Debtors, are essentially related with (i) amount receivable related to the sale of real estate held during 2017 (496,000 euros), (ii) payment to the State to benefit from a 2002 tax amnesty (803,000 euros) and others.

## 11. INVENTORIES

Inventories as at 31 March 2019 and 31 December 2018 can be detailed as follows, highlighting the value attributable to real estate developments:

	31 March 2019		31 December 2018	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Goods for sale	14 301 685	13 313 076	14 393 602	13 282 113
Goods for resale held by third parties	1 281	-	2 069	-
Raw materials, by-products and consumables	5 555 105	-	6 318 496	-
Finished goods	11 292 716	11 081 219	12 124 200	12 613 221
Sub-products, waste, residues and scrap	-	-	-	-
Work in progress	35 955 249	34 268 391	36 577 949	62 728 774
Payments on account	-	-	-	-
	<b>67 106 036</b>	<b>58 662 686</b>	<b>69 416 316</b>	<b>88 624 108</b>
Accumulated impairment losses on stocks (Note 31)	(6 133 771)	(5 161 721)	(6 152 875)	(5 240 945)
<b>Total Operations</b>	<b>60 972 266</b>	<b>53 500 965</b>	<b>63 263 441</b>	<b>83 383 163</b>

## 12. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 31 March 2019 and 31 December 2018, trade accounts receivable and other current assets are detailed as follows:

	31 March 2019	31 December 2018
<b>Trade accounts receivable</b>	29 081 628	31 691 859
Accumulated impairment losses on Trade Debtors (Note 22)	(5 817 321)	(6 230 300)
	23 264 307	25 461 559
State and other public entities	7 498 927	7 919 234
Loans and other receivables from related companies	91 094	70 758
Other current assents		
Suppliers c / c - debit balances	112 370	796 119
Other debtors	4 356 354	4 342 209
Debtors f of financial investments	12 146 040	12 214 412
Other debtors - Tangible Assets	2 833 342	3 226 160
	19 539 200	20 649 658
Increase in income - Interest receivable	89	35
Add. Income - Billing to be issued for services rendered	827 638	609 273
Other accrued income	3 286 306	3 192 919
Expenses to recognize - rentals	358 460	793 225
Expenses to be recognized - external supplies and services	2 099 057	1 541 589
Expenses to be recognized - financial charges	199 521	228 020
Other current assets	5 397 517	5 416 508
	12 168 588	11 781 569
<b>Accumulated impairment losses on other current assets (Note 22)</b>	<b>(1 843 663)</b>	<b>(1 848 583)</b>
Clients and other current assets	60 627 361	63 963 437

At 31 March 2019 and 31 December 2018, the amounts included in Other Debtors – Tangible Assets are related to the amount receivable related to the sale of real estate executed last year.

At December 2018 the sale of financial Investments includes (i) balance receivable for which impairment loss was recorded during the year of 2016, (ii) balance receivable from the sale of “UPK – Gestão de Facilities e Manutenção S.A.” and “BoxLines Navegação S.A.” and (iii) amounts to receive from the alienation of the Group Prédios Privados – Imobiliária, S.A. (10,000,000 euros).

The caption "Others" is made up of taxes recoverable overseas (2,048,000 euros), amount to be received from Prédios Privados relating to the sale of lots of land (496,000 euros, among others).

At 31 March 2019 the caption Other income accruals included (i) income accruals related to work in progress at the end of the year and (ii) amounts to receive related to insurance claims

## 13. DEFERRED TAXES

Deferred tax assets and liabilities as at 31 March 2019 and 31 December 2018 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Amortisation and Depreciation harmonisation adjustments	374 979	252 488	4 458 932	4 527 729
Provisions and impairment losses of non-tax deductible	5 134 723	4 630 120	-	-
Write off of tangible and intangible assets	71 250	71 250	-	-
Revaluation of tangible assets	-	-	245 870	245 870
Tax losses carried forward	16 751 852	16 751 852	-	-
Write off of stocks	-	-	353 692	393 997
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	6 530 128	6 544 704
Others	815 485	1 292 185	1 315 156	1 272 283
	<b>23 148 290</b>	<b>22 997 895</b>	<b>12 903 777</b>	<b>12 984 582</b>

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 March 2019 and 31 december 2018, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

31 March 2019				31 December 2018			
	Tax losses carried forward	Deferred tax assets	Time limit		Tax losses carried forward	Deferred tax assets	Time limit
<b>With limited time use</b>							
Generated in 2014	13 193 576	2 770 651	2026		13 193 576	2 770 651	2026
Generated in 2015	43 854 221	9 209 386	2027		43 854 221	9 209 386	2027
Generated in 2016	12 439 172	2 612 226	2028		12 439 172	2 612 226	2028
Generated in 2017	10 283 755	2 159 589	2022		10 283 755	2 159 589	2022
Generated in 2018	-	-	2023		-	-	2023
Generated in 2019	-	-	2024		-	-	
	<b>79 770 724</b>	<b>16 751 852</b>			<b>79 770 725</b>	<b>16 751 852</b>	
<b>With a time limit different from the above mentioned</b>	-	-			-	-	
	<b>79 770 724</b>	<b>16 751 852</b>			<b>79 770 725</b>	<b>16 751 852</b>	

An analysis was made on the relevance of the recognition of deferred taxes, taking into account the possibility of them to be recovered in accordance with the medium and long term prospects of the Group.

Deferred tax assets and liabilities are calculated and annually evaluated using the tax rates in effect, at the date of reversal of the temporary differences.

Deferred tax assets arising from tax losses have been recorded only when it is likely to occur taxable income in the future.

Deferred tax assets were reassessed against each Group's business plans, which are regularly updated.

Since fiscal year 2014, most of the subsidiaries based in Portugal included in the perimeter of the group of companies that are taxed in accordance with the special taxation regime for groups ("RETGS"), being Sonae Capital, SGPS, S.A. the dominant Group.

Of the analysis made at 31 December 2018, it is concluded that there is a reasonable expectation on the recovery of the recorded deferred tax assets before their limited time use expires.

As at 31 March 2019, tax losses carried forward amounting to 37,506,050 euros (19,157,846 euros as at 31 December 2018) have for prudential reasons not originated deferred tax assets and are detailed as follows:

	31 March 2019			31 December 2018		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
<b>With limited time use</b>						
Generated in 2013	963 693	202 376	2026	963 693	202 376	2018
Generated in 2014	1 190 501	250 005	2027	1 190 501	250 005	2026
Generated in 2015	1 081 029	227 016	2028	1 081 029	227 016	2027
Generated in 2016	13 149 792	2 761 456	2022	12 534 812	2 632 311	2028
Generated in 2017	2 942 732	617 974	2023	2 927 156	614 703	2022
Generated in 2018	17 707 991	3 718 678	2024	-	-	
	<b>37 035 739</b>	<b>7 777 505</b>		<b>18 697 191</b>	<b>3 926 411</b>	
<b>Without limited time use</b>						
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	470 311	104 925		460 654	102 897	
	<b>470 311</b>	<b>104 925</b>		<b>460 654</b>	<b>102 897</b>	
	<b>37 506 050</b>	<b>7 882 430</b>		<b>19 157 846</b>	<b>4 029 308</b>	

## 14. CASH AND CASH EQUIVALENTS

As at 31 March 2019 and 31 December 2018, cash and cash equivalents can be detailed as follows:

	31 March 2019	31 December 2018
Cash at hand	271 567	236 410
Bank deposits	6 960 531	7 311 232
Treasury applications	(4 042)	10 719

<b>Cash and cash equivalents on the balance sheet</b>	7 228 055	7 558 360
Bank overdrafts (Note 17)	-	(427 200)
Guarantee deposit	-	-
<b>Cash and cash equivalents in the statement of cash-flows</b>	<b>7 228 055</b>	<b>7 131 160</b>

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 17).

The caption of other receipts / payments in the Cash Flow Statement includes mainly payments and receipts from other taxes, and settlements and receipts of other operating expenses or income.

## 15. EQUITY

The share capital of Sonae Capital SGPS, S.A. is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each.

As at 31 March 2019, Sonae Capital SGPS, S.A. owns 3,721,073 own shares (4,107,623 own shares at 31 December 2018) booked for 1,115,470 euros (1,192,808 euros at 31 December 2018).

Other reserves includes amounts equal to the value of own shares held by the Group's parent Group. This reserve should be unavailable while these shares are kept by the Group.

The Reserves and retained earnings of Sonae Capital Group in the periods ended 31 March 2019 and 31 December 2018 are as follows:

	31 March 2019	31 December 2018
Demerger reserve	132 638 253	132 638 253
Translation reserves	265 551	359 097
Fair value reserves	-	-
Hedging reserves	6 370	6 370
Others	(133 990 165)	(119 362 322)
	-	-
<b>Other reserves and retained earnings</b>	<b>(1 079 991)</b>	<b>13 641 398</b>

### Demerger reserve

The demerger originated a reserve in the amount of 132,638,253 euros, which has a treatment similar to that of a Legal Reserve. According to Group Law, it cannot be distributed to shareholders, unless the Group is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

### Translation reserves

These reserves are comprised by the conversion into euro of the financial statements of the subsidiaries that have other functional currency.

#### Hedging reserves

This caption is comprised by the fair value of hedging derivatives and the accrued interest of those derivatives. The amounts in this reserve are transferred to the income statement when subsidiaries are sold or liquidated.

Changes in Equity are detailed in the Consolidated Statements of Changes in Equity.

## 16. NON-CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 31 March 2019 and 31 December 2018 are as follows:

	31 March 2019	31 December 2018
<b>Opening balance as at 1 January</b>	<b>9 440 091</b>	<b>10 915 176</b>
Changes in percentage by acquisition / increase capital	-	-
Changes in hedging reserves	-	-
Changes in the percentage of capital held in affiliated companies	-	(762 025)
Changes resulting from currency translation	(47 390)	91 177
Dividends paid	-	(1 384 309)
Others	(57 368)	(20 042)
Profit for the period attributable to minority interests	203 911	600 113
<b>Closing balance</b>	<b>9 539 244</b>	<b>9 440 091</b>

The Non-Controlling Interests are primarily from companies in the Refrigeration and HVAC segment.

## 17. BORROWINGS

As at 31 March 2019 and 31 December 2018, Borrowings are made up as follows:

	31 March 2019		31 December 2018		Repayable on
	Outstanding amount		Outstanding amount		
	Current	Non-Current	Current	Non-Current	
Bank loans					
Sonae Capital SGPS - commercial paper <sup>a)</sup>	3 500 000	-	-	-	Jan/2020
Sonae Capital SGPS - commercial paper <sup>b)</sup>	-	19 500 000	-	13 000 000	Sep/2021
Sonae Capital SGPS - commercial paper <sup>c)</sup>	-	-	-	-	Mar/2028
Sonae Capital SGPS - commercial paper <sup>d)</sup>	10 000 000	-	10 000 000	-	Jun/2019
Sonae Capital SGPS - commercial paper <sup>e)</sup>	2 000 000	7 000 000	2 000 000	8 000 000	Feb/2023
Sonae Capital SGPS - commercial paper <sup>f)</sup>	17 750 000	-	7 650 000	-	Jan/2019
Sonae Capital SGPS - commercial paper <sup>g)</sup>	-	-	-	10 000 000	Jun/2021
Up-front fees	-	(103 771)	-	(60 070)	
Others	1 324 424	1 474 580	1 758 860	1 474 580	
	<b>34 574 424</b>	<b>34 870 808</b>	<b>21 408 860</b>	<b>32 414 510</b>	
Bank overdrafts (Note 14)	-	-	427 200	-	
<b>Bank loans</b>	<b>34 574 424</b>	<b>34 870 808</b>	<b>21 836 060</b>	<b>32 414 510</b>	
		-			
Bond Loans					
Sonae Capital 2014/2019 Bonds <sup>h)</sup>	-	15 000 000	-	15 000 000	Jul/2021
Sonae Capital 2016/2021 Bonds <sup>i)</sup>	42 500 000	-	42 500 000	-	May/2019
Up-front fees	-	(82 038)	-	(116 090)	
<b>Bond Loans</b>	<b>42 500 000</b>	<b>14 917 962</b>	<b>42 500 000</b>	<b>14 883 910</b>	
<b>IFRS16 Leases</b>	<b>10 165 858</b>	<b>50 835 619</b>			
Other loans	48 788	148 601	48 788	145 706	
Derivatives (Note 25)	-	-	-	-	
Obligations under finance leases	2 619 311	12 028 455	3 527 494	12 028 586	
Up-front fees on finance leases	-	(43 540)	-	(46 882)	
	<b>89 908 381</b>	<b>112 757 905</b>	<b>67 912 342</b>	<b>59 425 830</b>	

a) Commercial paper programme, with subscription guarantee, issued on 31 December 2013, with automatic annual renewals up to seven years and six months, unless denounced by either party.

b) Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid to October 2021.

c) Short-term commercial paper programme, issued on 28 March 2008 and valid until 28 March 2018, but was extended for another 10 years. Placed in investors or financial institutions and guaranteed by credit lines, with commitment of at least six months to a year, placed in relationship banks.

d) Commercial paper programme, with subscription guarantee, issued on 30 June 2017 with annual payments, unless denounced by either party.



## CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2019

e) Commercial paper programme, with subscription guarantee, issued on 24 February 2017 and valid until February 2023, with semi-annual payments starting in 2019.

f) Commercial paper programme, without subscription guarantee, issued on 20 December 2017 with annual payments, issued to investors.

g) Commercial paper programme, with subscription guarantee, issued on 23 June 2016 and valid up to five years, with annual payments and grace period for one year.

h) Sonae Capital SGPS - 2016/2021 bond loan in the amount of 15,000,000 euros, with a 5 year maturity, and a sole reimbursement on 29 July 2021, unless the issuer requests a full or partial refund (call option). This bond loan bears interest every six months.

i) Sonae Capital SGPS, SA, 2014/2019 bond loan in the amount of 42,500,000 euros, with a five year maturity, and a sole reimbursement on 28 May 2019. This bond loan bears interest every six months

The interest rate on bonds and bank loans in force on 31 March 2019 was on average 1,9% (2.10% in 31 December 2018)

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

In the case that any bank or investor do not renovate a commercial paper programme, at the given maturity dates, the Group has credit facilities available to cover this gap.

The caption Others includes the Investment Grants received in 2018 and 2019.

Derivatives have not been used.

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	31 March 2019		31 December 2018	
	Nominal value	Interest	Nominal value	Interest
N+1	89 924 076	5 658 087	67 912 343	1 529 573
N+2	19 109 577	4 276 575	6 563 075	573 365
N+3	54 118 295	3 801 078	43 588 345	482 699
N+4	15 791 679	2 941 268	5 707 975	70 782
N+5	9 057 224	2 467 813	3 063 402	23 954
After N+5	39 134 945	7 718 751	726 075	6 201
	<b>227 135 796</b>	<b>26 863 572</b>	<b>127 561 214</b>	<b>2 686 573</b>
Discontinued Operations	-	-	-	-
<b>Total</b>	<b>227 135 796</b>	<b>26 863 572</b>	<b>127 561 214</b>	<b>2 686 573</b>

As at 31 March 2019 and 31 December 2018, the credit lines available and the amount of contracted lines, can be summarized as follows:

	31 March 2019		31 December 2018	
	Commitments < 1 year	Commitments > 1 year	Commitments < 1 year	Commitments > 1 year
Value of available lines	53 250 000	14 750 000	56 750 000	18 250 000
Value of contracted lines	68 750 000	49 250 000	68 750 000	49 250 000

	31 December 2017	Cash	Non-Cash			31 December 2018
			Acquisitions	Up front fees	Changes in consolidation perimeter	
Non Current Loans (Note 23 & 25)	90 411 068	(34 494 302)	-	108 451	3 631 460	59 656 677
Current Loans (Nota 23 & 28)	28 211 634	39 700 708	-	-	-	67 912 342
	<b>118 622 702</b>	<b>5 206 406</b>		<b>108 451</b>	<b>3 631 460</b>	<b>127 569 019</b>

## 18. OTHER NON-CURRENT CREDITORS

As at 31 March 2019 and 31 December 2018 other non-current creditors liabilities can be detailed as follows:

	31 March 2019	31 December 2018
<b>Loans and other amounts payable to related parties</b>		
Others	230 847	230 847
	<b>230 847</b>	<b>230 847</b>
<b>Other creditors</b>		
Creditors in the restructuring process of Torralta	768 471	768 471
Others	20 314	-
	<b>788 785</b>	<b>768 471</b>
<b>Deferred income</b>		
Obligations by share-based payments (Note 27)	151 159	313 629
	<b>151 159</b>	<b>313 629</b>
<b>Pension fund responsibilities</b>	-	-
<b>Other non-current creditors</b>	<b>1 170 791</b>	<b>1 312 947</b>
<b>Discontinued Operations</b>	-	-
<b>Other non current liabilities</b>	<b>1 170 791</b>	<b>1 312 947</b>

## 19. SHARE-BASED PAYMENTS

In 2012 and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital SGPS, SA to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The Group has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date.

As at 31 March 2019 and 31 December 2018, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				31 March 2019	31 December 2018
Shares					
	2015	2018	6	-	569 471
	2016	2019	6	428 993	415 708
	2017	2020	6	426 115	419 031
	2018	2021	12	365 340	-
Total				1 220 448	1 404 210

As at 31 March 2019 and 31 December 2018, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	31 March 2019	31 December 2018
Other non-current creditors	492 540	416 815
Other current creditors	426 115	569 471
Reserves	(416 815)	(277 619)
<b>Staff Costs</b>	<b>501 840</b>	<b>708 667</b>

## 20. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 31 March 2019 and 31 December 2018, suppliers and other current liabilities can be detailed as follows:

	31 March 2019	31 December 2018
<b>Suppliers</b>	<b>16 837 437</b>	<b>27 233 514</b>
<b>Loans and other payables of related companies</b>	<b>398 543</b>	<b>388 792</b>
<b>Other Current Liabilities</b>	<b>-</b>	<b>-</b>
Fixed assets suppliers	1 992 319	3 711 817
Advances from customers	6 536 871	5 613 463
Other creditors	10 026 319	8 923 933
State and other public entities	7 768 423	7 902 003
Accrued personnel expenses	8 221 656	8 472 932
Works not yet completed	3 727 249	4 784 324
Accruals of purchase expenses - Energy segment	480 387	572 687
Financial charges payable	657 311	340 666
Investment subsidies	11 420	36 739
Other liabilities	14 462 979	12 299 567
	<b>53 884 934</b>	<b>52 658 131</b>
<b>Suppliers and other current liabilities</b>	<b>71 120 914</b>	<b>80 280 437</b>

As at 31 March 2019 and 31 December 2018, this caption includes balances payable to other creditors and fixed assets suppliers that do not include interest. The caption includes also advances from customers on promissory sales of Inventories and tangible assets.

The balance of others includes the debt of the purchase of a financial participation Group for 3,700,000 euros (Note 45).

The Board of Directors believes that the fair market value of these payables is approximately their book value, and that effects of discounting these balances are immaterial.

## 21. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 31 March 2019 and 31 December 2018 were as follows:

Captions	Balance as at 1 January 2019	Increases	Decreases	Utilisations	Balance as at 31 March 2019
<b>Accumulated impairment losses on:</b>					
Tangible Assets (Note 10)	31 136 308	4 317	-	-	31 140 625
Intangible Assets (Note 11)	689 536	-	-	-	689 536
Goodwill (Note 12 and 41)	30 396 811	-	-	-	30 396 811
Other Investments (Notes 5, 6 and 41)	291 838	-	-	-	291 838
Other non-current assets (Note 13)	34 916	-	-	-	34 916
Trade accounts receivable (Note 15)	6 230 300	167 224	(395 093)	(185 111)	5 817 321
Other current assets (Note 16)	1 848 583	-	(4 920)	-	1 843 663
Stocks (Note 14)	6 152 875	(65)	(19 039)	-	6 133 771
<b>Non-current provisions</b>	<b>3 079 824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 079 824</b>
<b>Current provisions</b>	<b>3 286 698</b>	<b>82 160</b>	<b>(45 550)</b>	<b>118 375</b>	<b>3 441 683</b>
<b>Total</b>	<b>83 147 689</b>	<b>253 636</b>	<b>(464 602)</b>	<b>(66 736)</b>	<b>82 869 988</b>

On March 2019 and December 2018, the amounts recorded in provisions and impairment losses were recognized for prudence; it is not possible to predict when these provisions and impairment charges will result in future cash flows.

As at 31 March 2019 and 31 December 2018 detail of other provisions was as follows:

	31 March 2019	31 December 2018
Judicial claims	1 831 101	1 831 101
Provision for secured income	943 196	861 036
Others	3 747 211	3 674 386
	<b>6 521 507</b>	<b>6 366 522</b>

The amount considered in Provision for secured income is calculated estimating the difference between the amount to be charged through the properties leased in Tróia and the secured income to be paid to property owners. The judicial claims in progress relate essentially to litigation / damages in companies Inparvi SGPS, S.A. and Societe de Tranchage Isoroy SAS.

In Others, the provisions refer to dismantling of assets.

## 22. CONTINGENT ASSETS AND LIABILITIES

As at 31 March 2019 and 31 December 2018 the most important contingent liabilities referred to guarantees given and were made up as follows:

	31 March 2019	31 December 2018
<b>Guarantees given:</b>		
on VAT reimbursements	5 199 346	5 199 346
on tax claims	17 733 678	17 587 976
on judicial claims	-	-
on municipal claims	577 795	577 795
on loans	21 957 006	25 192 891
Others	34 185 011	39 524 891

Others include the following guarantees:

- 4,293,904 euros as at 31 March 2019 (3,954,871 euros as at 31 December 2018) of guarantees on construction works given to clients;
- 9,678,131 euro as at 31 March 2019 (9,207,045 euro as at 31 December 2018) of guarantees given concerning building permits in the Resorts segments.

The Group has not registered provisions for the events/disagreements for which these guarantees were given since the Group believes that the above mentioned events will not result in a loss for the Group.

## 23. OTHER OPERATIONAL INCOME

Other operational income for the year ended 31 March 2019 and 2018 was as follows:

	31 March 2019	31 March 2018
Own work capitalised	416 941	98 652
Gains on sales of assets	317 107	599 230
Supplementary income	133 849	136 711
Others	255 245	486 351
<b>Continued Operations</b>	<b>1 123 142</b>	<b>1 320 944</b>
<b>Discontinued Operations</b>	<b>5 706</b>	<b>(194 214)</b>
<b>Total</b>	<b>1 128 848</b>	<b>1 126 730</b>

The caption “Gains on sales of assets” in 31 March 2019 includes the gain obtained in the sale of real estate assets located in Tróia.

## 24. INVESTMENT INCOME

As at 31 March 2019 and 31 December 2018 , Investment income was made up as follows:

	31 March 2019		31 December 2018	
<b>Dividends</b>		-		-
Adjustment to the liquidation price of "Sodesa SA."	(235 440)		-	
Adjustment to the liquidation price of "Powercer SA."	6 632		-	
Adjustment to the selling price of "Box Lines Navegação"	3 652		-	
Sale of UPK - Gestão de Facilities e Manutenção, SA	-		4 816	
Others	-		-	
Losses on sales of group companies	-		-	
Gains in the acquisition of group companies (Note 8)	584 834		-	
<b>Gains of investments in group companies</b>		<b>359 678</b>		<b>4 816</b>
				-
Equity settlement in other investments (Note 6)	-		-	
Impairment losses (Note 31)	-		-	
Sale of investment units from Fundo de Investimento Imobiliário Fechado Imosede	-		-	
Settlement of the sale agreement of UPK - Gestão de Facilities e Manutenção S.A.	-		-	
	-		-	
<b>Gains/(Losses) on sale of other investments</b>		-		<b>4 816</b>
<b>Others</b>		-		-
<b>Investment Income</b>	-	<b>359 678</b>	-	<b>4 816</b>
<b>Discontinued Operations</b>		-		-
<b>Total Operations</b>	-	<b>359 678</b>	-	<b>4 816</b>



## 25. TAXATION

As at 31 March 2019 and 31 December 2018 , Taxation was made up as follows:

	31 March 2019	31 December 2018
Current tax	(32 372)	284 093
Deferred tax	(104 625)	86 370
<b>Taxation</b>	<b>(136 997)</b>	<b>370 463</b>
<b>Discontinued Operations</b>	<b>-</b>	<b>-</b>
<b>Continued Operations</b>	<b>(136 997)</b>	<b>370 463</b>

## 26. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 31 March 2019 and 31 December 2018 , the reconciliation of consolidated net profit can be analysed as follows:

	31 March 2019	31 March 2018
Aggregate net profit - continued operations	(5 521 090)	(4 442 433)
Aggregate net profit - discontinued operations	19 622	(2 157 979)
Harmonisation adjustments	431 821	(306 719)
Elimination of intragroup dividends	-700 000	(1 688 496)
Share of gains/(losses) of associated undertakings	109 106	193 402
Elimination of intragroup capital gains/(losses)	-	570 262
Elimination of intragroup impairment	-	-
Adjustments of gains/(losses) of financial shareholdings sale	584 834	-
Others	9 800	(25 934)
<b>Consolidated net profit for the year - continued operations</b>	<b>(5 029 555)</b>	<b>(5 830 370)</b>
<b>Consolidated net profit for the year - discontinued operations</b>	<b>(36 352)</b>	<b>(2 027 527)</b>
<b>Consolidated net profit for the year</b>	<b>(5 065 908)</b>	<b>(7 857 897)</b>

## 27. RELATED PARTIES

Balances and transactions during the periods ended 31 March 2019 and 31 December 2018 with related parties are detailed as follows:

Transactions	31 March 2019		31 December 2018	
	Sales and services rendered	Purchases and services obtained	Sales and services rendered	Purchases and services obtained
Parent company				
Associated companies	5 750	10 554	6 507	765
Andar-Sociedade Imobiliária,SA	-	-	-	-
Feneralt - Produção de Energia, ACE	3 937	(6 292)	3 937	(3 855)
Lidergraf - Artes Gráficas, Lda	1 813	16 846	2 570	4 620
Other partners and Group companies	5 661 707	(1 479 828)	7 675 096	1 301 375
8ª Avenida - Centro Comercial, SA	-	-	6 412	-
Águas Furtadas - Soc. Agrícola, SA	-	-	648	-
Algarveshopping- Centro Comercial, S.A.	-	-	4 443	-
Alpêsego - Sociedade Agrícola, SA	-	6 940	629	-
Casa Agrícola de Ambrães, S.A.	-	350	431	-
Aqualuz - Turismo e Lazer, Lda	-	803	241 851	731
Arrábidasshopping- Centro Comercial, S.A.	467	445	-	-
BB Food Service, SA	31 638	24 221	68 254	1 874
BOM MOMENTO - Comércio Retalhista, SA	4 160	8 632	37 849	1 199
Prod. Agric.Biológica, S.A.	10 077	1 346	81 633	164
Cascaishopping- Centro Comercial, S.A.	-	3 411	-	-
Coimbrashopping- Centro Comercial, S.A.	-	2 136	-	-
Centro Colombo- Centro Comercial, S.A.	137 815	119 535	83 459	317 960
Continente Hipermercados, S.A.	1 301 367	370 278	655 258	59 561
Contimobe-Imobil.Castelo Paiva,SA	-	300	-	1 211
Digitmarket-Sistemas de Informação,SA	-	75 306	-	77 900
Efanor Investimentos, SGPS, S.A.	498	-	13	-
Efanor Serviços de Apoio à Gestão, S.A.	17 458	-	17 024	-
Euroresinas-Indústrias Químicas,SA	-	10 141	-	147
Fashion Division, S.A.	293	2 107	82	-
Gaishopping I Centro Comercial, SA	-	133	-	-
Gaishopping II- Centro Comercial, S.A.	-	68	-	-
Iberosegur - Sociedade Ibérica de Mediação de Seguros, Lda	476	-	476	-
Fundo de Invest. Imobiliário Imosede	8 770	111 978	11 433	140 894
Imosistema-Sociedade Imobiliária,SA	-	1 572	-	-
Inovretail, S.A.	475	-	1 357	-
Inscio Insular de Hipermercados, S.A.	14 382	102 884	408 811	5 841
LCC LeiriaShopping Centro Comercial SA	1 750	629	140	-
Loureshopping-Centro Comercial, S.A.	-	27	-	1 437
NOS Sistemas S.A.	-	-	-	151 331
MDS Corretor de Seguros, SA	108 214	2 644	88 602	2 503
MDS RE-Mediador de Resseguros, S.G.P.S., S.A.	-	-	-	-
MDS África SGPS, S.A.	82	-	275	-
MDS Consulting, SA	3 023	2 000	2 785	1 450
Modalfa-Comércio e Serviços,SA	1 302	588	66	-
Norteshopping-Centro Comercial, S.A.	-	47 005	4 534	117 504
Parklake Shopping, S.A.	-	14 065	-	-
PHARMACONTINENTE - Saúde e Higiene, S.A.	-	-	29	-
Prosa - Produtos e Serviços Agrícolas, S.A.	-	3 337	7 428	471
Saphety Level - Trusted Services S.A.	-	35 459	-	34 942
SONAESR - Serviços e Logística, S.A.	9 047	6 396	6 837	-
RACE, SGPS, S.A.	-	6 107	-	-
Sonae Arauco Portugal, S.A.	930 830	554 955	449 854	233 081
Sonae Industria de Revestimentos,SA	136 435	94 923	107 088	116 525
Sonae MC – Serviços Partilhados, SA	4 783	201 566	13 726	123 924
Sonaeegest-Soc.Gest.Fundos Investimentos	-	55 408	745	58 137
Modelo Continente, SGPS, S.A.	-	815	-	-
Sonae SGPS, SA	1 882	12 500	1 205	24 000
Centro Vasco da Gama-Centro Comercial,SA	-	1 951	-	976
We Do Consulting-SI,SA	-	17 996	-	23 636
We Do Technologies Mexico,S	-	53 481	-	-
Worten-Equipamento para o Lar,SA	12 592	14 356	7 183	33
Sonae Corporate, S.A.	2 433	27 366	-	-
ZIPPY - Comércio e Distribuição, SA	147	60	4 039	-
	5 667 457	(1 469 274)	7 681 603	1 302 140

**CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

Transactions	Interest income	Interest expenses	Interest income	Interest expenses
Parent company				
Other partners and Group companies	-	7	-	19 759
Plaza Mayor Parque de Ocio, SA	-	-	-	19 759
	-	7	-	-
	-	7	-	19 759

	31 March 2019		31 December 2018	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Parent company				
Associated companies	11 639	6 764	7 870	3 881
Andar-Sociedade Imobiliária,SA	-	-	-	-
Feneralt - Produção de Energia, ACE	9 375	-	6 716	-
Lidergraf - Artes Gráficas, Lda	2 264	6 764	1 154	3 881
Other partners and Group companies	5 518 228	2 947 466	10 434 743	2 958 929
8ª Avenida - Centro Comercial, SA	-	-	3 655	-
Águas Furtadas - Soc. Agrícola, SA	273	(335)	296	(1 002)
Algarveshopping- Centro Comercial, S.A.	16 479	-	16 479	-
Alpéssego - Sociedade Agrícola, SA	2 882	648	21 063	-
Arrábidasshopping- Centro Comercial, S.A.	191	-	191	-
Asprela - Sociedade Imobiliária, S.A.	(1 513)	-	(1 513)	-
Aqualuz - Turismo e Lazer, Lda	-	-	86 255	57 536
BB Food Service, SA	21 419	(5 098)	46 934	(670)
BOM MOMENTO - Comércio Retalhista, SA	6 257	-	174 087	-
Prod. Agric.Biológica, S.A.	11 803	-	300	-
Casa Agrícola de Ambrães, S.A.	555	444	550	-
Cascaishopping- Centro Comercial, S.A.	59 471	-	59 471	-
Centro Colombo- Centro Comercial, S.A.	139 027	91 887	164 360	226 297
Contimobe-Imobil.Castelo Paiva,SA	-	1 004	408	1 004
Continente Hipermercados, S.A.	1 360 255	18 860	2 429 864	5 939
Digitmarket-Sistemas de Informação,SA	75 293	27 618	132 082	14 171
Efanor Investimentos, SGPS, S.A.	13 472	2 223	60	-
Efanor Serviços de Apoio à Gestão, S.A.	749	5 575	3 292	5 575
Sonaerp - Retail Properties, SA	95 768	25 255	18 960	87 330
Fashion Division, S.A.	3 909	-	6 662	-
	-	-	1 747 852	-
Fundo de Invest. Imobiliário Imosede	12 120	49 129	17 159	39 955
Gaiashopping II- Centro Comercial, S.A.	(163)	(163)	(163)	(163)
Go Well, S.A.	-	3	-	3
Gulmarëshopping- Centro Comercial, S.A.	-	-	3 207	-
Infofield-Informática,SA	1 683	-	1 683	-
Inovretail, S.A.	-	-	-	123 000
Loureshopping-Centro Comercial, S.A.	-	-	-	122
MDS Africa SGPS, S.A.	-	-	109	4
MDS Consulting, SA	364	3 372	364	1 292
MDS Corretor de Seguros, SA	19 156	418 913	110 202	304 474
Modalfa-Comércio e Serviços,SA	2 002	-	1 345	-
MODALLOOP - Vestuário e Calçado, SA	6 235	6 235	6 235	6 235
Modelo - Dist.de Mat. de Construção,S.A.	2 048	-	4 641	-
Modelo Continente Hipermercados, Suc.	220	2 500	220	2 500
Prosa - Produtos e Serviços Agrícolas,S.A.	3 318	7 838	41 957	2 552
Raso, SGPS, SA	-	-	592	-
Rio Sul - Centro Comercial, SA	3 375	-	5 270	-
Saphety Level - Trusted Services S.A.	-	15 050	-	18 370
SEKIWI, SGPS., S.A.	(25)	-	-	-
SFS, Gestão e Consultoria, S.A.	9	136 828	16	106 785
Sierra Management Portugal-Gest. CC,S.A.	1 048	24 534	472 609	34 346
SIRS-Soc.Ind.Radiodifusão Sonora,SA	-	8 525	-	10 035
Sonae Arauco, S.A.	-	226	404	-
Sonae MC – Serviços Partilhados, SA	30 724	243 437	20 525	170 589
Sonae Industria de Revestimentos,SA	170 380	102 723	106 230	71 041
Sonae Indústria-SGPS,SA	732	14	807	16
SONAESR - Serviços e Logística, S.A.	6 003	3 420	12 031	-
Sondis Imobiliária,SA	-	60	-	60
Sonae Arauco South Africa (Pty) Ltd.	17	-	17	-
Sonae Arauco France SAS	539	-	-	-
Sport Zone-Comércio Art.Desporto,SA	1 379	7 675	17 279	13 562
Tableros Tradema,S.L.	3 125	38	1 030	14
Tafiber,Tableros de Fibras Ibéricas,SL	-	-	-	-
Viajens y Turismo de Geotur España, S.L.	-	-	-	-
We Do Consulting-SI,SA	49 380	22 500	70 000	62 209
Worten España Distribución, SL	-	-	-	-
Worten-Equipamento para o Lar,SA	1 722	9 100	3 297	9 624
ZIPPY - Comercio y Distribución, S.A.	-	-	-	-
ZIPPY - Comércio e Distribuição, SA	180	-	23	-
Sonae Corporate, S.A.	-	-	16	52 971
	5 529 867	2 954 230	10 442 613	2 962 810

## 28. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2019 and 31 December 2018 were calculated taking into consideration the following amounts:

	31 March 2019	31 March 2018
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period )	(5 269 819)	(7 466 372)
Net profit taken into consideration to calculate diluted earnings per share	(5 269 819)	(7 466 372)
<b>Number of shares</b>		
Weighted average number of shares used to calculated basic earnings per share	248 471 740	248 085 190
Weighted average number of shares used to calculated diluted earnings per share	248 471 740	248 085 190
<b>Earnings per share (basic and diluted) - Continued operations</b>	<b>(0.02106)</b>	<b>(0.02192)</b>
<b>Earnings per share (basic and diluted) - Discontinued operations</b>	<b>(0.00015)</b>	<b>(0.00817)</b>
<b>Earnings per share (basic and diluted)</b>	<b>(0.02121)</b>	<b>(0.03010)</b>

There are no convertible instruments based on shares in Sonae Capital, SGPS, S.A., hence there is no dilutive effect in earnings.

## 29. SEGMENT INFORMATION

In 31 March 2019 and 31 December 2018 , the following were identified as segments:

- Troia Resort Operations
- Hospitality
- Fitness
- Energy
- Refrigeration & HVAC
- Industrial Engineering
- Real Estate
- Holding & Others

The contribution of the business segments to the income statement of the periods ended 31 March 2019 and 31 December 2018 can be detailed as follows:

31 March 2019										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	1 375 232	3 047 564	10 023 861	14 019 382	7 959 948	2 579 244	3 525 186	1 447 713	(3 112 972)	40 865 158
Other operational income	117 080	90 105	104 829	9 083	39 238	194 350	558 420	2 700	7 337	1 123 142
Total operational income	1 492 312	3 137 670	10 128 690	14 028 465	7 999 186	2 773 594	4 083 606	1 450 413	(3 105 636)	41 988 300
Operational cash-flow (EBITDA)	(415 350)	(923 031)	3 220 930	3 601 422	(88 853)	(661 706)	868 697	(654 087)	(1 048 104)	3 899 917

## CONSOLIDATED FINANCIAL STATEMENTS

### 31 MARCH 2019

31 December 2018										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	1 217 866	2 857 739	8 940 449	11 903 228	10 785 448	3 324 301	2 438 243	1 648 978	(2 843 150)	40 273 103
Other operational income	192 068	122 128	146 435	256 978	23 497	123 315	765 154	404	(309 035)	1 320 944
Total operational income	1 409 934	2 979 867	9 086 884	12 160 206	10 808 945	3 447 616	3 203 397	1 649 382	(3 152 185)	41 594 047
Operational cash-flow (EBITDA)	(602 402)	(1 449 613)	1 092 065	3 228 670	(411 352)	(218 375)	599 548	(714 185)	(124 735)	1 399 621

Contribution of the main business segments to the balance sheet statement for the periods ended 31 March 2019 and 31 December 2018 can be detailed as follows:

31 March 2019										
Balance Sheet	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible, Intangible and Goodwill	63 450 856	45 334 171	89 498 825	86 200 433	10 727 333	16 931 352	137 529 639	598 436	(65 129 322)	385 141 721
Investments	154 958 823	10 734 763	59 974	267 948	26 207	55 703	6 209 286	226 395 761	(396 540 381)	2 168 085
Holding & Others	71 206 730	5 764 848	2 282 872	13 135 846	38 761 389	9 954 263	81 579 211	460 099 528	(517 332 121)	165 452 567
Total Assets	289 616 408	61 833 781	91 841 672	99 604 227	49 514 930	26 941 317	225 318 136	687 093 725	(979 001 824)	552 762 373
Total Liabilities	176 520 151	58 132 939	100 148 054	91 997 373	18 932 828	30 857 306	207 804 727	156 618 746	(540 323 714)	300 688 410
Technical investment	329 872	112 761	104 835	10 358 062	65 394	211 731	943 431	41 958	(279 545)	11 888 500
Gross Debt	9 115 733	33 139 597	52 696 655	9 536 143	843 350	2 527 509	21 970	124 443 899	(29 658 570)	202 666 286
Net Debt	8 564 968	32 962 619	52 392 268	9 351 432	100 794	2 499 560	(4 781 453)	124 006 614	(29 658 570)	195 438 231

## 30. IFRS 16 – LEASES

Changes in international accounting standards that took effect on or after 1 January 2019, IFRS 16 – Financial had impact on the financial statements at 31 March 2019 as Note 29.

	31 March 2019
Depreciation expenses	1 779 052
Interest expense	1 086 783
Short-term lease expenses	386 624
Low value lease expenses	360 157
Variable component expenses	17 737
Payments made	3 510 405
Amount net of assets under right of use at the end of the period	50 031 620
Commitments Financial Lease - Current Liabilities	10 165 858
Commitments Financial Leasing - Non Current Liabilities	50 835 619

## 31. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 March 2019.

## 32. APPROVAL OF THE FINANCIAL STATEMENTS

The shareholders have the capacity to change the Financial Statements after these have been approved for issuance.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on May 16, 2019.

The Board of Directors



**SONAE CAPITAL**

**PART III  
SEPARATED FINANCIAL  
STATEMENTS**

31 MARCH 2019



SONAE CAPITAL



**SEPARATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

SONAE CAPITAL, SGPS, SA  
 SEPARATED BALANCE SHEET AS AT 31 MARCH 2019 AND 31 DECEMBER 2018  
 (Amounts expressed in euro)

	Notes	31/03/2019	31/12/2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Tangible assets		144 322	26 475
Investments	4	246 447 204	246 447 204
Investments in associated companies and joint ventures	4	1 125 301	1 125 301
Other investments	4	24 234	275 184
Deferred tax assets	7	16 751 852	16 751 852
Other non-current debtors	5	358 818 087	364 233 301
<b>Total non-current assets</b>		<b>623 311 001</b>	<b>628 859 318</b>
<b>CURRENT ASSETS:</b>			
Other debtors	6	67 943 924	45 587 454
Income tax receivable	6		
Other current assets	6	2 990 641	5 132 310
Cash and cash equivalents	8	407 136	888 068
<b>Total Current Assets</b>		<b>71 341 700</b>	<b>51 607 832</b>
<b>TOTAL ASSETS</b>		<b>694 652 701</b>	<b>680 467 150</b>
<b>EQUITY:</b>			
Share capital	9	250 000 000	250 000 000
Own Shares	9	-1 115 470	-1 192 808
Reserves	10	293 239 128	292 980 837
Profit/(Loss) for the year		1 552 586	5 294 899
<b>TOTAL EQUITY</b>		<b>548 971 143</b>	<b>547 082 928</b>
<b>NON-CURRENT LIABILITIES:</b>			
Bank Loans	11	33 484 291	30 948 456
Bonds	11	14 917 962	14 883 910
Other non-current liabilities	13	61 410	138 580
<b>Total Non-Current Liabilities</b>		<b>48 463 663</b>	<b>45 970 946</b>
<b>CURRENT LIABILITIES:</b>			
Bank Loans	11	33 289 071	19 650 000
Bonds	11	42 500 000	42 500 000
Trade creditors	13	102 899	111 994
Other creditors	12	17 475 149	21 590 424
Other taxes payable	13	46 669	48 995
Other current liabilities	13	1 403 720	1 212 714
Provisions		-	-
<b>Total Current Liabilities</b>		<b>97 217 895</b>	<b>87 413 276</b>
<b>TOTAL LIABILITIES</b>		<b>145 681 558</b>	<b>133 384 222</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>694 652 701</b>	<b>680 467 150</b>

The accompanying notes are part of these financial statements.

The Board of Directors

**SEPARATED FINANCIAL STATEMENTS**  
31 MARCH 2019

SONAE CAPITAL, SGPS, SA

SEPARATED INCOME STATEMENTS BY NATURE

FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018

(Amounts expressed in euro)

	Notes	31/03/2019	31/03/2018
Other operating income	17	14 610	29 243
External supplies and services	14	(332 308)	(356 475)
Staff costs	15	(273 430)	(324 772)
Depreciation and amortisation		(9 139)	(499)
Other operating expenses	17	(10 613)	(15 301)
<b>Operational profit/(loss)</b>		<b>(610 880)</b>	<b>(667 803)</b>
Financial Income	16	2 647 657	2 160 960
Financial Expenses	16	(899 636)	(1 016 979)
<b>Net financial income / (expenses)</b>		<b>1 748 021</b>	<b>1 143 982</b>
<b>Investment income</b>	16	<b>296 433</b>	<b>902 901</b>
<b>Profit/(Loss) before taxation</b>		<b>1 433 575</b>	<b>1 379 079</b>
Taxation	18	119 012	264 844
<b>Profit/(Loss) for the year</b>		<b>1 552 586</b>	<b>1 643 923</b>
Profit/(Loss) per share			
Basic	19	0,006249	0,006626
Diluted	19	0,006249	0,006626

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

SEPARATED INCOME STATEMENTS BY NATURE

FOR THE 1ST QUARTER OF 2018 AND 2019

(Amounts expressed in euro)

	Notes	1st Quarter 2019 (Unaudited) *	1st Quarter 2018 (Unaudited) *
Other operating income		14 610	29 243
External supplies and services		(332 308)	(356 475)
Staff costs		(273 430)	(324 772)
Depreciation and amortisation		(9 139)	(499)
Provisions and impairment losses (Increases)/Decreases		-	-
Other operating expenses		(10 613)	(15 301)
<b>Operational profit/(loss)</b>		<b>(610 880)</b>	<b>(667 803)</b>
Financial Income		2 647 657	2 160 960
Financial Expenses		(899 636)	(1 016 979)
<b>Net financial income / (expenses)</b>		<b>1 748 021</b>	<b>1 143 982</b>
<b>Investment income</b>		<b>296 433</b>	<b>902 901</b>
<b>Profit/(Loss) before taxation</b>		<b>1 433 575</b>	<b>1 379 079</b>
Taxation		119 012	264 844
<b>Profit/(Loss) for the year</b>		<b>1 552 586</b>	<b>1 643 923</b>

The accompanying notes are part of these financial statements.

\* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

The Board of Directors

SONAE CAPITAL, SGPS, SA

SEPARATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018

(Amounts expressed in euro)

	31/03/2019	31/03/2018
Net profit/(loss) for the period	1 552 586	1 643 923
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	-	-
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	-	-
Change in the fair value of assets available for sale		
Change in the fair value of cash flow hedging derivatives	-	-
Tax related to other comprehensive income captions	-	-
Other comprehensive income for the period - continued operations	-	-
Other comprehensive income for the period - discontinued operations	-	-
<b>Total comprehensive income for the period</b>	<b>1 552 586</b>	<b>1 643 923</b>
Attributable to:		
Equity holders of Sonae Capital	-	-
Non-controlling interests	-	-

The accompanying notes are part of these financial statements.

The Board of Directors

**SEPARATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

SONAE CAPITAL, SGPS, SA  
 SEPARATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018  
 (Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital							
	Share Capital (Note 9)	Own Shares (Note 9)	Legal Reserves (Note 10)	Other Reserves (Note 10)	Retained Earnings	Subtotal	Net Profit/(Loss)	Total Equity
<b>Balance as at 1 January 2018</b>	<b>250 000 000</b>	<b>(1 305 839)</b>	<b>10 073 164</b>	<b>291 557 752</b>	<b>-</b>	<b>301 630 916</b>	<b>5 589 342</b>	<b>555 914 419</b>
Total comprehensive income for the period	-	-	-	-	-	-	1 643 923	1 643 923
Appropriation of profit of 2017:								
Transfer to legal reserves and retained earnings	-	-	-	-	5 589 342	5 589 342	(5 589 342)	-
Dividends paid	-	-	-	-	-	-	-	-
(Acquisition)/Sales of own shares	-	113 031	514 121	-	-	514 121	-	627 152
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>250 000 000</b>	<b>(1 192 808)</b>	<b>10 587 285</b>	<b>291 557 752</b>	<b>5 589 342</b>	<b>307 734 379</b>	<b>1 643 923</b>	<b>558 185 494</b>
<b>Balance as at 1 January 2019</b>	<b>250 000 000</b>	<b>(1 192 808)</b>	<b>10 789 547</b>	<b>282 191 290</b>	<b>-</b>	<b>292 980 837</b>	<b>5 294 899</b>	<b>547 082 928</b>
Total comprehensive income for the period	-	-	-	-	-	-	1 552 586	1 552 586
Appropriation of profit of 2018:								
Transfer to legal reserves and retained earnings	-	-	-	-	5 294 899	5 294 899	(5 294 899)	-
Dividends paid	-	-	-	-	-	-	-	-
(Acquisition)/Sales of own shares	-	77 338	-	-	-	-	-	77 338
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	258 291	-	258 291	-	258 291
<b>Balance as at 31 March 2019</b>	<b>250 000 000</b>	<b>(1 115 470)</b>	<b>10 789 547</b>	<b>282 449 581</b>	<b>5 294 899</b>	<b>298 534 027</b>	<b>1 552 586</b>	<b>548 971 143</b>

The accompanying notes are part of these financial statements.

The Board of Directors

**SEPARATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

SONAE CAPITAL, SGPS, SA  
 SEPARATED STATEMENTS OF CASH FLOWS  
 FOR THE THREE MONTHS ENDED 31 MARCH 2019 AND 2018  
 (Amounts expressed in euro)

	Notes	31/03/2019	31/03/2018
<b>OPERATING ACTIVITIES:</b>			
Cash receipts from trade debtors		-	-
Cash paid to trade creditors		(447 012)	(420 943)
Cash paid to employees		(157 344)	(174 023)
Cash flow generated by operations		(604 356)	(594 966)
Income taxes (paid) / received		(131 304)	(204 693)
Other cash receipts and (payments) relating to operating activities		155 346	77 733
<b>Net cash from operating activities (1)</b>		<b>(580 314)</b>	<b>(721 926)</b>
<b>INVESTMENT ACTIVITIES:</b>			
<u>Cash receipts arising from:</u>			
Investments		19 163	-
Interest and similar income		4 767 894	3 941 621
Loans granted		-	-
Dividends		-	-
Others		528 220	898 085
		<u>5 315 277</u>	<u>4 839 706</u>
<u>Cash Payments arising from:</u>			
Investments		(3 495)	1 292 678
Tangible assets		-	-
Loans granted		(16 704 392)	16 156 864
		<u>(16 707 887)</u>	<u>17 449 542</u>
<b>Net cash used in investment activities (2)</b>		<b>(11 392 610)</b>	<b>(12 609 836)</b>
<b>FINANCING ACTIVITIES:</b>			
<u>Cash receipts arising from:</u>			
Loans obtained		287 400 000	18 000 000
Sale of own shares		77 338	-
		<u>287 477 338</u>	<u>18 000 000</u>
<u>Cash Payments arising from:</u>			
Loans obtained		(275 397 900)	4 124 400
Interest and similar charges		(587 446)	647 383
Dividends		-	-
		<u>(275 985 346)</u>	<u>4 771 784</u>
<b>Net cash used in financing activities (3)</b>		<b>11 491 992</b>	<b>13 228 216</b>
<b>Net increase in cash and cash equivalents (4) = (1) + (2) + (3)</b>	-	<b>(480 932)</b>	<b>(103 545)</b>
Cash and cash equivalents at the beginning of the period	8	888 068	171 848
Cash and cash equivalents at the end of the period	8	407 136	68 303

The accompanying notes are part of these financial statements.

\* Prepared in accordance with IAS 34 - Interim Financial Reporting

The Board of Directors



## 1. INTRODUCTION

Sonae Capital, SGPS, SA (“the Company” or “Sonae Capital”) whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was set up on 14 December 2007 by public deed, following the demerger from Sonae, SGPS, SA of the whole of the shareholding in the company formerly named Sonae Capital, SGPS, SA, now named SC, SGPS, SA, in compliance with paragraph a) of Article 118 of the Code of Commercial Companies.

The Company’s financial statements are presented as required by the Code of Commercial Companies. According to Decree-Law 158/2009 of 13 July of 2009, the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards.

## 2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the accompanying separated financial statements are consistent with those used in the financial statements presented for the year ended 31 December 2017.

### Basis of preparation

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”. The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments, which are stated at fair value.

## 3. CHANGES IN ACCOUNTING POLICIES

During the period, there were no changes in accounting policies or prior period errors.

## 4. FINANCIAL INVESTMENTS

As at 31 March 2018 and 31 December 2018, Investments are detailed as follows:

	31 March 2019	31 December 2018
Investments in affiliated and associated undertakings	334 564 887	334 564 887
Investments in other companies		
Sonae RE - (0,04%)	1 200	1 200
Matadouro Alto Alentejo, S.A. - (0,89%)	-	1
NET Novas Tecnologias, S.A. - (0,98%)	23 034	23 033
Fundo F HITEC - (6,48%)	-	250 950
	334 589 121	334 840 071
Impairment	(86 992 382)	(86 992 382)
	<b>247 596 739</b>	<b>247 847 689</b>

### 4.1 INVESTMENTS IN AFFILIATED AND ASSOCIATED UNDERTAKINGS

As at 31 March 2019 and 31 December 2018, the detail of Investments in Affiliated and Associated Companies is as shown in the table below:

	31 March 2019			
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	6 788 742	(102 787)
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	71 239 122	759 186
Troiaresort, SGPS, S.A.	100%	167 132 793	100 984 435	(137 463)
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 351 864	539 551
SC Assets S.G.P.S., SA	100%	25 577 659	(9 913 740)	(628 354)
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	1 336 051	8 037
SC Finance B.V.	100%	10 963 698	5 646 050	(37 050)
SC-Industrials, S.G.P.S., S.A.	100%	34 575 100	340 108	(81 368)
Race, SGPS, S.A.	70%	32 492 436	41 096 819	9 213
SC Fitness, S.A.	100%	1 292 678	652 213	(227 657)
		<b>334 564 887</b>		

**SEPARATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

	Impairment
SC Assets S.G.P.S., SA	25 577 659
Troiareort, SGPS, S.A.	21 817 116
SC Finance BV	5 022 507
SC, Industrials, SGPS, S.A.	34 575 100
	<u>86 992 382</u>

	31 December 2018			
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	6 891 529	3 791 932
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	71 179 936	1 619 123
Troiareort, SGPS, S.A.	100%	167 132 793	101 121 898	22 371 727
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 901 011	1 022 994
SC Assets S.G.P.S., SA	100%	25 577 659	(9 285 387)	(22 792 766)
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	1 328 014	(4 944 253)
SC Finance B.V.	100%	10 963 698	5 683 100	(202 815)
SC-Industrials, S.G.P.S., S.A.	100%	34 575 100	421 476	(778 524)
Race, SGPS, S.A.	70%	32 492 436	41 087 606	184 522
SC Fitness, S.A.	100%	1 292 678	880 067	(412 611)
		<u>334 564 887</u>		

	Impairment
SC Assets S.G.P.S., SA	25 577 659
Troiareort, SGPS, S.A.	21 817 116
SC Finance BV	5 022 507
SC, Industrials, SGPS, S.A.	34 575 100
	<u>86 992 382</u>

Investments carried at cost correspond to those in unlisted companies and for which a fair value cannot be reliably estimated

Impairment tests on financial investments were performed in 2017, based on external valuations of the real estate of group companies or DCF methodology, to assess the fair value of such investments

These assessments use discount rates that correspond to the weighted average rates of the cost of capital (WACC), calculated on the basis of the business type in which they operate and its target capital structures, and are in the range [6.68% - 9.63%]. 5 years projections were considered and growth rates in perpetuity were considered void

As a result of these impairment tests as at 31 March 2019 and 31 December 2018, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below:

	31 March 2019	31 December 2018	Variation
Troiaresort, SGPS, S.A.	(21 817 116)	(21 817 116)	-
SC Assets, SGPS, S.A.	(25 577 659)	(25 577 659)	-
SC Finance BV	(5 022 507)	(5 022 507)	-
SC, Industrials, SGPS, S.A.	(34 575 100)	(34 575 100)	-
	<u>(86 992 382)</u>	<u>(86 992 382)</u>	-

## 5. OTHER NON-CURRENT ASSETS

As at 31 March 2019 and 31 December 2018, other non-current assets are detailed as follows:

	31 March 2019	31 December 2018
<b>Loans granted</b>		
CAPWATT, SGPS, S.A.	40 000 000,00	40 000 000
SC Assets, SGPS, S.A.	155 568 399,81	155 568 400
SC Finance BV	6 458 900,00	6 458 900
SC Fitness, S.A.	33 615 500,00	28 615 500
SC Hospitality, SGPS, S.A.	6 155 000,00	6 155 000
SC Industrials, SGPS, S.A.	12 588 000,00	12 588 000
Solinca - Health & Fitness, S.A.	-	-
Troiaresort, SGPS, S.A.	119 960 731,62	130 294 732
	<b>374 346 531,43</b>	<b>379 680 531</b>
<b>Impairment</b>		
SC Assets, SGPS, S.A.	(13 521 162)	(13 521 162)
SC Finance BV	-	-
SC Industrials, SGPS, S.A.	(2 007 282)	(2 007 282)
	<b>(15 528 444)</b>	<b>(15 528 444)</b>

**SEPARATED FINANCIAL STATEMENTS**  
31 MARCH 2019

Up-front fees not yet charged to income statement	-	81 214
	<b>358 818 087</b>	<b>364 233 301</b>

Loans to group companies interest at market rates and are repayable within a period exceeding one year. The interest rate as at 31 March 2019 stood, on average, at approximately 2.62% ( 2018: 2,38%).

## 6. OTHER CURRENT ASSETS AND INCOME TAX

As at 31 March 2019 and 31 December 2018, Other current assets and Income tax are made up as follows:

	31 March 2019	31 December 2018
Other debtors - Group	9 428 324	9 240 365
Loans granted	57 755 066	35 716 674
Other debtors	760 533	630 414
	<b>67 943 924</b>	<b>45 587 454</b>
Accrued income	2 661 350	4 885 576
Deferred costs	329 291	246 735
	<b>2 990 641</b>	<b>5 132 310</b>
Income tax withheld	-	-
	<b>70 934 564</b>	<b>50 719 764</b>

The balance registered at Other debtors - Group is related to the values transferred from subsidiaries under the IRC regime (RETGS).

As at 31 March 2019 and 31 December 2018, the item Loans Granted is related to financial operations with the following subsidiaries:

	31 March 2019	31 December 2018
Loans granted		
CAPWATT, SGPS, S.A.	24 112 800	14 545 000
Inparvi SGPS, S.A.	-	-
SC Assets, SGPS, S.A.	1 801 362	19 000
SC Finance BV	-	-
SC Fitness, S.A.	2 534 500	8 004 100
SC Hospitality, SGPS, S.A.	2 098 796	1 156 502
SC Industrials, SGPS, S.A.	9 132 000	7 473 500
SC SGPS, S.A.	149 800	361 300
Solinca - Health & Fitness, S.A.	-	-
Troiaresort, SGPS, S.A.	17 925 807	4 157 271
	<b>57 755 066</b>	<b>35 716 674</b>

Loans to group companies interest at market rates and are repayable within a period inferior to one year. The interest rate as at 31 March 2019 stood, on average, at approximately 1.26% (2018: 1,26%)..

The item Other Debtors includes as at 31 March 2019 the amount 600.000€ related to the settlement of the sale price of the stake in the company, Box Lines Navegação SA, in previous years.

The amount recorded in the accrued income includes 2.651.289€ relating to interest on loans granted to subsidiaries as well as 10.061€ relating to commissions of guarantees given to subsidiaries.

Deferred costs include 258.925€ relating to bank charges, which are deferred over the loan period.

#### Income Tax

Under current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except if there have been tax losses or tax benefits, or ongoing tax inspections or claims. In these cases, and depending on the circumstances, the time limits are extended or suspended. In this way the Company tax return, from the years 2015 to 2018, could still be subject to review. However, in the opinion of the Company's Board of Directors, it is not expected that any correction relating to the said financial years will be significant for the consolidated financial statements as at 30 September 2018.

The Company is subject to the special regime for the taxation of groups of companies (RETGS) provided for in Article 69 and following of the IRC Code, integrating the taxation group, which is the mother company.

In the fiscal year 2018, the Company is subject to taxation on Corporate Income Tax at the normal rate of 21%, plus municipal taxes at a maximum rate of 1.5%.

In addition, on the part of the taxable profit of more than 1,500,000€ subject to and not exempt from Corporate Income Tax, the following state levy fees are levied: 3% over 1,500,000€ and less than 7,500,000€; 5% on the upper part to 7,500,000€ and up to 35,000,000€; and 7% that is levied on the part of the taxable income that exceeds 35,000,000€.

Under the terms of Article 88 of the Portuguese Income Tax Code, the company is also subject to autonomous taxation on a set of charges at the rates provided for in the mentioned Article.

## 7. DEFERRED TAXES

Deferred tax assets and liabilities as at 31 March 2019 and 31 December 2018 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Tax losses carried forward	16 764 699	16 764 699	-	-
Others	-	-	-	-

**SEPARATED FINANCIAL STATEMENTS**  
**31 MARCH 2019**

The movements in deferred tax assets and liabilities for the periods ended 31 March 2019 and 31 December 2018 were as follows:

	Deferred tax assets		Deferred tax liabilities	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Opening balance	16 751 852	16 764 699	-	-
Effect in results	-	-	-	-
Tax losses carried forward	-	(12 847)	-	-
Others	-	-	-	-
Effect in reserves	-	-	-	-
Closing balance	<b>16 751 852</b>	<b>16 751 852</b>	-	-

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 31 March 2019 and 31 December 2018, tax losses carried forward can be summarized as follows:

	30 September 2018			31 December 2017		
	Tax losses	Deferred tax assets	To be used until	Tax losses	Deferred tax assets	To be used until
Generated in 2014	13 193 576	2 770 651	2026	13 193 576	2 770 651	2026
Generated in 2015	43 854 221	9 209 386	2027	43 854 221	9 209 386	2027
Generated in 2016	12 439 172	2 612 226	2028	12 439 172	2 612 226	2028
Generated in 2017	10 283 755	2 159 589	2022	10 283 755	2 159 589	2022
Generated in 2018	-	-	2023	-	-	2023
Generated in 2019	-	-	2024	-	-	2024
	<b>79 770 724</b>	<b>16 751 852</b>		<b>79 770 724</b>	<b>16 751 852</b>	

The constitution of deferred tax assets was based on the analysis of the relevance of its recognition, notably as regards the possibility of their recovered, given the prospects for medium and long term of the company.

The deferred tax assets recognized resulting from fiscal losses are recorded to the extent that it is probable that taxable profit will occur in the future.

The valuation of deferred tax assets is based on the business plans of the Group companies, periodically reviewed and updated.

Since fiscal year 2014, most of the Group's subsidiaries, based in Portugal, are part of the perimeter of the taxed Corporate Group in accordance with the Special Taxation Regime for Company Groups (RETGS), whose parent company is the Sonae Capital, SGPS, SA. Gains generated by the application of this tax regime are allocated to Sonae Capital SGPS.

The analysis carried out on 31 March 2019, resulted that there is reasonable expectation of recovery of deferred tax assets recorded before their date of expiry.



## 8. CASH AND CASH EQUIVALENTS

As at 31 March 2019 and 31 December 2018, cash and cash equivalents can be detailed as follows:

	31 March 2019	31 December 2018
Cash	-	-
Bank deposits	407 136	888 068
Cash and cash equivalents in the balance sheet	<b>407 136</b>	<b>888 068</b>

## 9. EQUITY

The share capital of Sonae Capital SGPS, SA both in March 2019 and December 2018 is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1€ each.

As at 31 March 2019, Sonae Capital SGPS, SA holds 3,721,073 own shares representing 1.488% of the share capital (4,107,623 shares at 31 December 2018), recorded by 1.115.470€ (1,192,808€ at 31 December 2018) (Note 10).

## 10. RESERVES

As at 31 March 2019 and 31 December 2018 the item Other Reserves can be detailed as follows:

	31 March 2019	31 December 2018
Legal reserves	10 789 547	10 789 547
Free reserves	148 698 461	148 360 229
Demerger reserve	132 635 651	132 638 253
Own shares reserve	1 115 470	1 192 808
	<b>293 239 128</b>	<b>292 980 837</b>

Free Reserves: These reserves result from the transfer of the positive results obtained in retained earnings and can be distributed to shareholders provided they are not required to cover losses.

The overall value of the demerger reserve (Note 1), represents the difference between the book value of the stake in SC, SGPS, SA (382,638,253€) and the share capital of Sonae, SGPS, SA (250,000,000€), which is comparable to the Legal Reserve, according to the Code of Commercial Companies, may not be distributed to the shareholders except in the event of liquidation of the Company, but may be used to absorb accumulated losses, after other reserves are exhausted, or can be incorporated into capital.

Legal Reserve: Under the law, at least 5% of annual net profit, should be allocated to the Legal Reserve until it represents 20% of the share capital. This reserve is not distributable except in the event of liquidation of the company, but can be

used to absorb losses after the other reserves, or increase capital. On 31 March 2019 the value of this item amounts to 10,789,547€ (December 2018: 10,789,547€).

Reserve own shares: This reserve, established in accordance with Article 342 of the CSC, is the same amount of the own shares value held by the company. This reserve is unavailable while the own shares are in possession of the company.

## 11. LOANS

As at 31 March 2019 and 31 December 2018, this item included the following loans:

	31 March 2019		31 December 2018	
	Current	Non Current	Current	Non Current
<b>Bank loans</b>				
Sonae Capital SGPS - commercial paper a)	3 500 000	-	-	-
Sonae Capital SGPS - commercial paper b)	-	19 500 000	-	13 000 000
Sonae Capital SGPS - commercial paper c)	-	-	-	-
Sonae Capital SGPS - commercial paper d)	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper e)	2 000 000	7 000 000	2 000 000	8 000 000
Sonae Capital SGPS - commercial paper f)	17 750 000	-	7 650 000	-
Sonae Capital SGPS - commercial paper g)	-	7 000 000	-	10 000 000
Sonae Capital SGPS - commercial paper c)	-	-	-	-
Up-front fees not yet charged to income statement	-	(97 303)	-	(132 758)
	<b>33 250 000</b>	<b>33 402 697</b>	<b>19 650 000</b>	<b>30 867 242</b>
<b>Bank overdrafts (Note 8)</b>	-	-	-	-
	<b>33 250 000</b>	<b>33 402 697</b>	<b>19 650 000</b>	<b>30 867 242</b>
<b>Bond Loans</b>				
Sonae Capital 2016/2021 h)	-	15 000 000	-	15 000 000
Sonae Capital 2014/2019 i)	42 500 000	-	42 500 000	-
Up-front fees not yet charged to income statement	-	(82 038)	-	(116 090)
	<b>42 500 000</b>	<b>14 917 962</b>	<b>42 500 000</b>	<b>14 883 910</b>
<b>IFRS16 leases</b>	39 071	81 594	-	-
	<b>39 071</b>	<b>81 594</b>	<b>-</b>	<b>-</b>
	<b>75 789 071</b>	<b>48 402 253</b>	<b>62 150 000</b>	<b>45 751 152</b>

- a) Commercial paper programme, with subscription guarantee, issued on 4 January 2017 with automatic annual renewal, unless denounced by either part.
- b) Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid until October 2021.

- c) Short term commercial paper programme, launched on 28 March 2008 and valid until 28 March 2018, with the option of prolonging the duration on initiative of Sonae Capital. Placement with investors or financial institutions and guaranteed by committed credit lines with duration between six months and a year, contracted through relationship banks.
- d) Commercial paper programme, with subscription guarantee, issued on 30 June 2017 with annual renewal, unless denounced by either part
- e) Commercial paper programme, with subscription guarantee, issued on 24 February 2017 valid until February 2023 with amortizations every six months beginning 2019
- f) Commercial paper programme, without subscription guarantee, issued on 20 December 2017 with annual renewal for issues placed with investors
- g) Commercial paper programme, with subscription guarantee, issued on 23 June 2016 valid for a 5-year period, with annual amortizations and a 1-year grace period;
- h) Sonae Capital, SGPS, SA, 2016/2021 bond loan in the amount of 15,000,000€, 5 years until maturity and a sole reimbursement on 29 July 2021, except if the Issuer exercise the Call Option. This bond loan bears interest every six months.;
- i) Sonae Capital, SGPS, SA, 2014/2019 bond loan, 5 years until maturity and a sole reimbursement on 28 May 2019. This bond loan bears interest every six months.

The interest rate on bank loans and bonds in force on 30 September 2018 was on average 1,9%.

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

The nominal value of the loans have the following maturity dates:

	31 March 2019		31 December 2018	
	Capital	Interest	Capital	Interest
N+1	75 789 072	(1 277 232)	62 150 000	(1 239 416)
N+2	4 039 071	(391 133)	2 000 000	(393 125)
N+3	41 539 071	(371 346)	40 000 000	(377 188)
N+4	3 008 746	(15 048)	2 000 000	(20 000)
N+5	-	-	2 000 000	(1 250)
After N+5	-	-	-	-
	124 375 959	(2 054 759)	108 150 000	(2 030 978)

## 12. OTHER CREDITORS

As at 31 March 2019 and 31 December 2018, other creditors can be detailed as follows:

31 March 2019	31 December 2018
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Other creditors:

Group companies - Short term loans	16 535 600	20 633 500
Other creditors	939 549	956 924
	<b>17 475 149</b>	<b>21 590 424</b>

As at 31 March 2019 and 31 December 2018 the item loans granted is relative to financial operations granted to the following subsidiaries::

	31 March 2019	31 December 2018
Race. SGPS, SA	15 625 100	19 720 500
Inparvi	910 500	913 000
	<b>16 535 600</b>	<b>20 633 500</b>

Loans obtained from group companies bear interest at market rates and are repayable within one year. The interest rate as at 31 March 2019 was, on average, approximately 0.050%.

Within the item Other Creditors – other creditors, there is included 922.493€ regarding transfers from subsidiaries of tax estimates under the special regime RETGS.

## 13. SUPLIERS, TAXES, OTHER NON CURRENT AND CURRENT LIABILITIES

As at 31 March 2019 and 31 December 2018, these items were as follows:

	31 March 2019		31 December 2018	
	Current	Non-Current	Current	Non-Current
Trade creditors	<b>102 899</b>	-	<b>111 994</b>	-
Taxes payable - other taxes	<b>46 669</b>	-	<b>48 995</b>	-
Other current liabilities				
Accruals:				
Staff costs	752 474	61 410	820 702	138 580
Interest payable	626 534	-	301 451	-
Other accruals	15 479	-	83 191	-
Deferred income	9 232	-	7 370	-
	<b>1 403 720</b>	<b>61 410</b>	<b>1 212 714</b>	<b>138 580</b>

As at 31 March 2019 and 31 December 2018, interest payable can be detailed as follows:

	31 March 2019	31 December 2018
Interest payable:		
Bank Loans	623 748	300 766
Group companies loans	2 786	685
	<b>626 534</b>	<b>301 451</b>

As at 31 March 2019 and 31 December 2018, the Income tax and Other taxes can be detailed as follows:

	31 March 2019	31 December 2018
Taxes payable - income taxes		
Income taxes	-	-
Taxes payable - other taxes		
Income taxation - amounts withheld	24 420	26 787
VAT	69	69
Social security contributions	22 180	22 138
Stamp tax	-	-
Others	-	-
	<b>46 669</b>	<b>48 995</b>

## 14. EXTERNAL SUPPLIES AND SERVICES

As at 31 March 2019 and 31 December 2018, External Supplies and services can be detailed as follows:

	31 March 2019	31 March 2018
Operational rents	(2 777)	(19 104)
Insurance costs	(13 578)	(10 709)
Travelling expenses	(7 093)	(9 804)
Services obtained	(297 064)	(302 169)
Other services	(11 796)	(14 689)
	<b>(332 308)</b>	<b>(356 475)</b>

In services obtained, stands out the amounts related to fees from shared services, of 56.669€ (2018: 47,449€) and the item Holding costs with the amount of 189.737€ (2018: 171,403€), invoiced by subsidiary SC Consultancy Company, SA. Na rubrica Trabalhos especializados destacam-se os valores relativos à rubrica Fee de serviços partilhados com o valor de 56.669€ (2018: 47.449€) e à rubrica custos com a Holding com o valor de 189.737€ (2018: 171.403€), debitados pela participada SC Sociedade de Consultadoria, S.A..

## 15. STAFF COSTS

As at 31 March 2019 and 2018, staff costs were made up as follows:

	31 March 2019	31 March 2018
Governing bodies' remunerations	(198 076)	(283 410)
Staff and other sectors remunerations	(30 147)	-
Social security contributions	(38 334)	(36 780)
Other staff costs	(6 873)	(4 583)
	<b>(273 430)</b>	<b>(324 772)</b>

## 16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 31 March 2019 and 31 March 2018, Net Financial Expenses and Investment Income can be detailed as follows:

	31 March 2019	31 March 2018
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(106 706)	(85 777)
Bonds	(481 916)	(480 475)
Other	(2 430)	(6 188)
Other financial expenses	(308 583)	(444 539)
	<b>(899 636)</b>	<b>(1 016 979)</b>
Interest receivable and similar income		
Interest income	2 647 657	2 160 960
	<b>2 647 657</b>	<b>2 160 960</b>
<b>Net financial expenses</b>	<b>1 748 021</b>	<b>1 143 982</b>

	31 March 2019	31 March 2018
Reversal of /and Impairment losses	-	-
Dividends received	-	-
Losses on financial investments	-	-
Other income	296 433	902 901
<b>Investment income</b>	<b>296 433</b>	<b>902 901</b>

As at 31 March 2019, the amount mentioned in “Interest arising from other” refers in its entirety to interest on current loans obtained from group companies.

As at 31 March 2019, the amount mentioned in “Interest receivable and similar income” includes interest on loans granted to group companies amounting.

As at 31 March 2019, the amount mentioned in “Other financial expenses” refers to commissions incurred with the assembly and management of bank loans and bonds.

On 31 March 2019, the amount mentioned in “Other income” refers to: i) settlement cost (235.440€); ii) income from investments and real estate funds 521.589€;

## 17. OTHER OPERATIONAL PROFIT AND OTHER OPERATIONAL EXPENSES

As at 31 March 2019 and 31 March 2018, the items Other operational profit and expenses were as follows:

	31 March 2019	31 March 2018
Other operating income		
Other supplementary income - Comissions	14 610	29 243
Other	-	-
	<b>14 610</b>	<b>29 243</b>
Other operating expenses		
Taxes	(10 433)	(15 299)
Other	(180)	(1)
	<b>(10 613)</b>	<b>(15 301)</b>

## 18. TAXATION

As at 31 March 2019 and 2018, Taxation was made up as follows:

	31 March 2019	31 March 2018
Current tax (Note 6)	119 012	264 844
Deferred tax (Note 7)	-	-
	<b>119 012</b>	<b>264 844</b>

As stated in Note 6, the Company is taxable according to the RETGS

## 19. EARNINGS PER SHARE

Earnings per share for the periods ended 31 March 2019 and 2018 were calculated taking into consideration the following amounts:

	31 March 2019	31 March 2018
<b>Net profit</b>		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	1 552 586	1 643 923
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	<b>1 552 586</b>	<b>1 643 923</b>
<b>Number of shares</b>		
Weighted average number of shares used to calculate basic earnings per share	248 471 740	248 085 190
<b>Earnings per share (basic and diluted)</b>	<b>0,006249</b>	<b>0,006626</b>

## 20. COMPLIANCE WITH LEGAL REQUIREMENTS

Art. 5 No. 4 of Decree-Law No. 495/88 of 30 December changed by art 1 of Decree-Law No. 318/94 of 24 December.

In the period ended 31 March 2019 shareholders' loan contracts were entered with: SC Fitness.

In the period ended 31 March 2019 short-term loan contracts were entered with the companies:

Aqualuz Tróia-E.Ho.I.,SA	CAPWATT MARTIM L.-S.P.,SA	Marina de Tróia, S.A.	SOBERANA Invest.Imobil.SA
ATLANTIC FERRIES-LocFluvM	CAPWATT, SGPS, S.A.	MARMAGNO-Expl.Hot.Imob.SA	Solinca - Health & Fitness, SA
CAPWATT ACE, S.A.	Companhia Térmica Tagol,Lda.	PortoPalacioHotelExp.H.SA	The House Ribeira Hotel
Capwatt Alrota-Wind P.,SA	GOLF TIME-Golfe e Invest.	RACE, SA	Tróia Market. S.A.
Capwatt Chamusca-Bi.U.Lda	IMOPENINSULA-SOC.IMOB.,SA	SC FITNESS, S.A.	TROIARESORT-Inv.T,SA
Capwatt Évora-Solar P.,SA	Imoresort-Soc.Imobili.,SA	SIAF - Energia, S.A.	TULIPAMAR-Expl.Hot.Im.SA

As at 31 March 2019 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted



Companies	Closing Balance
CAPWATT, SGPS, S.A.	64 112 800
SC Assets, SGPS, S.A.	157 369 762
SC Finance BV	6 458 900
SC Fitness, S.A.	36 150 000
SC Hospitality, SGPS, S.A.	8 253 796
SC Industrials, SGPS, S.A.	21 720 000
SC SGPS, S.A.	149 800
Troiaresort, SGPS, S.A.	137 886 539
	<b>432 101 597</b>

As at 31 March 2019 , amounts due to affiliated companies can be summarized as follows:

*Short term loans obtained*

Companies	Closing Balance
Inparvi SGPS, S.A.	910 500
RACE, SGPS, S.A.	15 625 100
	<b>16 535 600</b>

## 21. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 31 March 2019.

## 22. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 16 May 2019.

### The Board of Directors

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Rui Manuel Machado Morais

Certified Accountant

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Duarte Paulo Teixeira de Azevedo  
Chairman

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Álvaro Carmona e Costa Portela  
Vice Chairman of the Board of Directors

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Maria Cláudia Teixeira de Azevedo  
Member of the Board of Directors

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Francisco de La Fuente Sánchez  
Member of the Board of Directors

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Paulo José Jubilado Soares de Pinho  
Member of the Board of Directors

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Isabel Maria Pereira Aníbal Vaz  
Member of the Board of Directors

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Miguel Jorge Moreira da Cruz Gil Mata  
CEO

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Ivone Pinho Teixeira  
CFO

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Pedro Manuel Martins Bruno  
Member of the Board of Directors

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