

SONAE CAPITAL

REPORT AND ACCOUNTS

30 JUNHO 2020



SONAE CAPITAL



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PART I
MANAGEMENT REPORT

30 JUNE 2020



On 19 November 2019, Sonae Capital sold its entire participation in the share capital of RACE, S.A., its Refrigeration and HVAC segment. In order to ensure comparability between the information reported in 2020 and the information for the same period in 2019, the Consolidated Income Statement for the year 2019 was restated and excludes the contribution of RACE, S.A. up to Net Profit – Continued Businesses. Therefore, the contribution of RACE, S.A. is now only recognised in Net Profit - Discontinued Businesses line.

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1. MAIN HIGHLIGHTS AND CEO'S MESSAGE

- First half 2020 significantly impacted by the rapid spread of the Covid-19 pandemic and the subsequent declaration of State of Emergency in Portugal between March and May, which resulted in the suspension of several operations, namely in Fitness, Hospitality and Tróia Operations;
- June was marked by the restart of the majority of operations, although still strongly limited by the pandemic;
- Business Units Turnover increased by €61.6M in 1H20, to €129.3M, totally driven by the integration of Futura Energía Inversiones;
- Real Estate Assets unit Turnover reaching 10.9M€ in 1H20, driven by sales deeds in the amount of 7.2M€, including 10 residential touristic units in Tróia, for 5.0M€;
- Net Results at negative 14.4M€ in 1H20, 11.5M€ below the same period of 2019;
- Net Financial Debt of €152.8M at the end of the semester, €11.6M above the end of 2019;
- Cash and available credit lines at 81.3M€ in 30 June 2020, ensuring all the refinancing needs planned for 2020, even in the most adverse scenarios.

“As expected, the second quarter of the year proved to be extremely challenging for Sonae Capital. The Fitness, Hospitality and Tróia Operations segments saw their operations suspended for most of the quarter and the Industrial Engineering and Real Estate Assets segments saw, and will certainly continue to see, the activity affected by the climate of uncertainty on a global scale. The Energy segment, the most resilient in our portfolio, did not suffer any material direct impact.

Assuming from the very beginning that there are variables one can not control, namely the absence of revenues resulting from the operations suspension, we focused on increasing resilience levels, acting at the level of operating costs and retaining some investment decisions. At the same time, we continued to work towards strengthening Sonae Capital's liquidity. We had 81.3M€ in cash and available credit lines on 30 June 2020, which allows pursuing Sonae Capital strategic objectives with sufficient confidence to face even more adverse scenarios.

The suspended operations resumed their activity essentially from June onwards. As a result of the commitment of our teams, which have demonstrated an unparalleled adaptability, we have carefully prepared our operations for the “new normal”, guaranteeing the safety and well-being of everyone and taking firm steps to continue to excel in some of our forefronts. The recovery will not be immediate and will continue to put us to the test, but the path taken throughout the past few months makes me believe that this pandemic will be just one more challenge that Sonae Capital will overcome in the course of its history.”

Miguel Gil Mata

2. COVID-19

At Sonae Capital, the Covid-19 pandemic has impacted significantly the 1H20 operating and financial results. The effects already witnessed in the main business indicators during the first quarter of the year became much more evident during the second quarter and, despite the gradual easing of Government restrictions from mid-May, many of these effects still remain in some of our segments.

Following an action plan initiated during the first quarter of the year, the well-being and safety of our employees, customers, suppliers and the community in general continued to be our main priority.

Considering the limitations that resulted from the temporary suspension of our operations, especially in Fitness and Hospitality, where the drop in revenues has been significant, we have been making efforts to protect our resilience levels, namely through:

- reinforcement of optimization and reduction of operating costs: all segments have been particularly focused on the optimization of their cost structure: from external supplies and services, to personnel costs and rental costs which, although not visible in the EBITDA line, are particularly relevant in some segments, namely Fitness and Hospitality. With regard to personnel costs, Sonae Capital has adopted the simplified layoff regime since mid-April, in all the segments including central structures, with Energy as the only exception.
- revision of the investment plan: with the rise and rapid spread of the pandemic, all Capex needs included in the investment plan scheduled for 2020 have been revisited as an incremental measure of prudence. Currently, all material Capex needs are subject to scrutiny by the Executive Committee of Sonae Capital, which is carefully assessing their viability. It should be noted that the investment in Mangualde cogeneration power plant, in Energy, continued to proceed as planned.
- reinforcement of liquidity: the real estate assets monetization plan continues to contribute to the financing of Sonae Capital. In parallel, Sonae Capital has been working with the main banks in relation to refinancing its debt since the end of 2019, aiming not only to optimize the average maturity and cost of debt, but also seeking to strengthen liquidity in order to meet all financing needs. At the end of 1H20, Sonae Capital had €81.3M in cash and available credit lines. In a more adverse scenario, in which expectations in terms of operating cash flow generation for 2020 will continue to be impacted by the effects of the pandemic, Sonae Capital maintains a degree of financial strength considered as adequate, with all the expected financing needs for the current year secured.

Information by segment:

Energy

- The Production activity took place in a context of relative normality. In cogeneration, despite some signs of softening in the activity levels of some plants and the consequent reduction in thermal energy production, the impact of the pandemic was not material. As planned, the Mangualde operation took off in June for an initial commissioning phase, where tests are being carried out. Although this phase already encompasses the production of electric and thermal energy, the plant is expected to reach cruising speed in mid-August, as soon as the testing period is concluded.
- As previously reported, the increase in the volatility of the markets in which the Trading and Commercialization activity operates - from CO₂ emission licenses, to electric energy and natural gas - has led to a preventive slowdown in activity, in order to protect working capital requirements.

Industrial Engineering

- The 2Q20 performance, marked by a level of orders clearly below expectations, shows the negative evolution of confidence levels in the markets where ADIRA operates.
- ADIRA has put an additional effort into its commercial activity (namely through market diversification, searching for new agents and also providing financing solutions to its customers), with the aim of ensuring that its position will be strengthened as soon as uncertainty levels begin to dissipate.

Fitness

- After more than two months of preventive suspension of the Clubs activity, the reopening of the first 21 Clubs took place on 1 June. This group of Clubs was defined in order to guarantee service coverage to all members, in a logic of proximity. From that day until 1 July, another 13 Clubs were reopened.
- After the reopening, the safety of our members and employees has been a constant, being beyond the recommendations issued by the General Health Directorate in many circumstances. Among the various measures implemented, we highlight the launching of a scheduling platform that allows our members to book their classes before going to the Club.
- The average number of active members suffered a significant slowdown, reaching approximately 70 thousand members at the end of 2Q20, circa 35 thousand members below the value registered at the end of March, when the State of Emergency began in Portugal. This decrease results from the effect of some cancellations but also, and in particular, from approximately 20 thousand suspensions that SC Fitness expects to partially revert in the coming quarters. In order to reinforce confidence levels, the maintenance of constant and transparent communication has been paramount, as well as the launching of customer acquisition campaigns. Of particular relevance, the feedback received from members returning to Clubs has been clearly positive.

Hospitality

- During the months of April and May, operations remained practically suspended, with the month of June marked by the progressive resumption of the activity of all units, with the exception of The Artist, in Porto. All units have been following strict safety measures and have the Clean & Safe certification.
- In the Business & City Break destination, the activity of the units located in Porto is largely dependent on the evolution of the aviation sector, which has for now a very residual level of activity.
- In the Sun & Sea destination, Tróia has shown the best performance. The activity of June 2020 remained below the reference levels of 2019, but due to the site specificity has allowed to register some positive signs of recovery. At Aqualuz Lagos, whose activity has always been highly dependent on international markets, namely the United Kingdom, performance has been limited by a very low occupancy rate.

Tróia Operations

- During the months of April and May, all operations in Tróia were conditioned, with the exception of Meu Super supermarket and Atlantic Ferries, which maintained only a part of the careers in operation.
- The gradual resumption of the operations took place from the end of May. Since the lockdown period, the destination Tróia has stood out positively, being sought after by several owners of apartments and houses, at the same time that, since June, there has been some resumption of tourist activity in the Peninsula. Even so, despite the positive signs, the operations performance remained well below the levels recorded in the same period of 2019.

3. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Turnover						
Business Units	31.45	36.41	-13.6%	129.25	67.67	+91.0%
Energy	25.31	14.31	+76.9%	105.78	28.33	>100%
Industrial Engineering	0.90	1.49	-39.6%	3.69	4.07	-9.4%
Fitness	2.24	10.12	-77.9%	12.89	20.15	-36.0%
Hospitality	1.00	7.34	-86.4%	3.30	10.36	-68.2%
Troia Resort - Operations	2.00	3.15	-36.4%	3.59	4.77	-24.6%
Real Estate Assets	5.38	11.27	-52.3%	10.87	15.82	-31.3%
Troia Resort	3.48	5.28	-34.2%	5.87	8.36	-29.8%
Other Real Estate Assets	1.91	5.99	-68.2%	5.00	7.47	-33.1%
Eliminations & Adjustments	-1.89	-2.45	+22.7%	-3.33	-4.32	+23.0%
Consolidated Turnover	34.94	45.24	-22.8%	136.78	79.17	+72.8%
Other Operational Income	1.13	0.69	+64.5%	1.57	1.42	+10.8%
Total Operational Income	36.07	45.92	-21.5%	138.35	80.59	+71.7%
EBITDA						
Business Units	1.67	9.31	-82.0%	6.92	14.24	-51.4%
Energy	4.62	4.87	-5.1%	8.44	8.47	-0.3%
Industrial Engineering	-0.69	-0.95	+27.4%	-1.05	-1.61	+34.8%
Fitness	-1.37	3.03	-	1.91	6.25	-69.4%
Hospitality	-1.12	2.05	-	-2.25	1.19	-
Troia Resort - Operations	0.24	0.31	-24.5%	-0.14	-0.06	<-100%
Real Estate Assets	2.12	5.09	-58.4%	2.88	5.91	-51.3%
Troia Resort	1.31	0.92	+42.8%	1.70	0.95	+79.2%
Other Real Estate Assets	0.80	4.17	-80.7%	1.18	4.96	-76.3%
Eliminations & Adjustments	-2.49	-1.96	-27.1%	-4.54	-3.74	-21.4%
Consolidated EBITDA	1.30	12.44	-89.6%	5.26	16.41	-68.0%
Amortizations & Depreciations	8.53	8.15	+4.7%	16.26	15.48	+5.1%
Provisions & Impairment Losses	-0.02	0.02	-	-0.16	0.00	-
Recurrent EBIT						
Business Units	-6.32	1.79	-	-8.19	0.07	-
Energy	1.37	1.71	-20.0%	2.79	3.00	-7.0%
Industrial Engineering	-1.01	-1.16	+12.8%	-1.70	-2.04	+16.7%
Fitness	-3.84	0.82	-	-3.01	1.84	-
Hospitality	-2.38	0.80	-	-4.76	-1.30	<-100%
Troia Resort - Operations	-0.45	-0.37	-21.0%	-1.52	-1.43	-6.0%
Real Estate Assets	0.66	3.53	-81.2%	0.05	2.79	-98.4%
Eliminations & Adjustments	-1.56	-1.05	-48.9%	-2.70	-1.93	-39.9%
Consolidated Recurrent EBIT	-7.21	4.27	-	-10.85	0.93	-
Non-recurrent costs/income (1)	0.02	0.01	>100%	0.23	0.01	>100%
Consolidated EBIT	-7.23	4.26	-	-11.08	0.92	-
Net Financial Expenses	-1.63	-1.74	+6.6%	-3.18	-3.86	+17.6%
Investment Income and Results from Assoc. Undertakings	0.05	0.00	>100%	0.16	0.47	-67.0%
EBT	-8.81	2.52	-	-14.11	-2.47	<-100%
Taxes	0.11	0.27	-58.4%	0.19	0.29	-33.3%
Net Profit - Continued Businesses	-8.92	2.25	-	-14.30	-2.76	<-100%
Net Profit - Discontinued Businesses	-0.03	-0.07	+55.5%	-0.06	-0.13	+54.6%
Net Profit - Total	-8.96	2.18	-	-14.36	-2.89	<-100%
Attributable to Equity Holders of Sonae Capital	-8.98	1.98	-	-14.60	-3.29	<-100%
Attributable to Non-Controlling Interests	0.02	0.19	-88.5%	0.24	0.40	-39.2%

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

- The Business Units turnover stood at 129.3M€, posting a significant increase when compared to 67.7M€ registered in the same period of 2019. Given the exceptional situation caused by the Covid-19 pandemic, with negative Turnover impact on nearly all operations, this increase was driven by the Retail & Trade business contribution, in Energy (consolidated since the 3Q19). In the same period, the Real Estate Assets Turnover reached 10.9M€, 31.3% below the same period in 2019.
- The Business Units EBITDA stood at 6.9M€, 51.4% below the same period in 2019. This was driven by the negative Turnover evolution and also by the various optimization actions implemented in order to mitigate, as far as possible, the impact of the pandemic in the cost structure. In the Real Estate Assets unit, the EBITDA decreased 51.3%, to 2.9M€.
- The Recurrent EBIT stood at negative 10.9M€, which compares with 0.9M€ in 1H19.
- Net Results totaled negative 14.4M€, 11.5M€ below the same period in 2019, essentially due to:
 - (i) an EBITDA decrease of 11.2M€, due to the pandemic impact in most of the operations;
 - (ii) an increase of 0.8M€ in Amortisations & Depreciations (0.5M€ referred to IFRS 16 Amortisations and 0.3M€ driven by the investment plan in place);
 - (iii) an increase of 0.2M€ in Non-Recurrent costs (mostly at ADIRA, following the ongoing restructuring plan);
 - (iv) a decrease of 0.3M€ in Investment Income and Results from Associated Undertakings (as 1Q19 was impacted by a Badwill recognition, following the acquisition of Aqualuz Lagos operation).

Notwithstanding:

- (v) an increase of 0.7M€ in Net Financial Expenses (including 0.6M€ related with the capitalisation of interest incurred in the development of the Mangualde Biomass-fired cogeneration plant).

3.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Jun 2020	Dec 2019	Δ 20/19
Net Capital Employed	420.33	422.53	-0.5%
Fixed Assets	367.85	369.99	-0.6%
o.w. Rights of Use (IFRS16)	51.65	50.92	+1.4%
Non-Current Investments (net)	11.44	8.99	+27.3%
Working Capital	36.91	41.32	-10.7%
Capex (end of period)	12.78	51.73	-75.3%
% Fixed Assets	11.7%	13.9%	-2.2 pp
CAPEX (L12M) / Depreciations	1.89x	2.07x	-0.17x
Net Debt			
Financial Net Debt	152.76	141.21	+8.2%
Net Debt Total	217.54	204.55	+6.3%
% Net Capital Employed	51.8%	48.4%	+3.3 pp
Debt to Equity	107.3%	93.8%	+13.4 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	25.6%	23.9%	+1.7 pp
Net Debt/EBITDA (recurrent without IFRS16)	7.31x	3.00x	+4.31x
Net Debt/EBITDA (recurrent with IFRS16)	4.98x	3.55x	+1.43x

- Capex totalled 12.8M€ in 1H20, mostly driven by: (i) the ongoing investment in the Mangualde biomass-fired cogeneration project development, in the amount of 4.6M€; (ii) Fitness expansion plan, in the amount of 1.5M€; and, (iii) the investment made in Porto Palácio Hotel and Aqualuz Tróia facilities, for 1.8M€.
- Net Debt stood at 217.5M€ at the end of June 2020, 6.3% above December 2019. The Net Financial Debt amounted to 152.8M€ in the same period, registering an increase of 11.6M€, when compared to the end of 2019.
- Net Financial Debt to EBITDA ratio reached 7.3x and Loan-to-Value stood at 25.6%. The deterioration registered in Net Financial Debt to EBITDA ratio results not only from the Business Units EBITDA decrease, particularly in Fitness and Hospitality, but also from the investment already seen in debt level with no liquidity or EBITDA generation attached (such as the Mangualde project, for instance). In fact, given our prospects for EBITDA evolution in 2020, this ratio is expected to continue under pressure until the investment projects complete a year of broad EBITDA generation.
- At the end of June, Sonae Capital liquidity and available credit lines stood at €81.3M, which allows facing current times of great uncertainty with increased confidence.

4. BUSINESS UNITS

4.1 ENERGY



Operational and Financial Information - Energy						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	25.40	14.37	+76.7%	105.93	28.40	>100%
Turnover	25.31	14.31	+76.9%	105.78	28.33	>100%
Production	11.91	14.31	-16.7%	24.40	28.33	-13.9%
Retail & Trade	13.39	0.00	-	82.17	0.00	-
Other Operational Income	0.09	0.07	+36.4%	0.15	0.08	+96.6%
Total Operational Costs	20.78	9.51	>100%	97.49	19.93	>100%
Cost of Goods Sold	17.94	6.78	>100%	91.63	14.53	>100%
External Supplies and Services	1.29	1.53	-16.1%	2.98	3.07	-3.0%
Staff Costs	1.34	0.94	+42.0%	2.50	1.81	+38.3%
Other Operational Expenses	0.22	0.25	-14.8%	0.39	0.52	-26.1%
EBITDA	4.62	4.87	-5.1%	8.44	8.47	-0.3%
Production	4.51	4.87	-7.2%	8.04	8.47	-5.1%
Retail & Trade	0.10	0.00	-	0.40	0.00	-
EBITDA Margin (% Turnover) - [Production]	37.9%	34.0%	+3.9 pp	33.0%	29.9%	+3.1 pp
Depreciations IFRS16	0.16	0.12	+31.8%	0.32	0.24	+34.0%
Amortizations & Depreciations	3.09	3.04	+1.8%	5.34	5.23	+2.0%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	1.37	1.71	-20.0%	2.79	3.00	-7.0%
Production	1.29	1.71	-24.7%	2.43	3.00	-18.9%
Retail & Trade	0.08	0.00	-	0.36	0.00	-
Recurrent EBIT Margin (% Turnover) - [Production]	10.8%	12.0%	-1.2 pp	10.0%	10.6%	-0.6 pp
Capex	2.85	2.34	+21.8%	6.48	12.70	-49.0%
EBITDA-Capex	1.77	2.53	-30.0%	1.96	-4.23	-
Total Capacity (MW)	81.5	79.7	+2.3%	81.5	79.7	+2.3%
Owned & Operated	74.6	63.9	16.7%	74.6	63.9	16.7%
Operated (not consolidated)	3.2	3.2	0.0%	3.2	3.2	0.0%
Projects in progress (MW)	3.7	12.6	-70.6%	3.7	12.6	-70.6%

- Following the acquisition of Futura Energía Inversiones, the Energy business consolidates two different businesses since 1 August 2019. Two businesses that are different, not only in nature but also in turnover and profitability metrics: the Production business, which includes Cogeneration and Renewables operations, and the Retail & Trade business, which includes the operation developed by Futura Energía Inversiones.
- In the Production business, Turnover decreased by 13.9% when compared to the 1H19, totalling 24.4M€. In the Cogeneration operation, we registered a negative price effect at both electric and thermal energy, particularly due to a change in the electric energy remuneration regime in two power plants (Maia and Carvemagere). Additionally, we have also registered a negative volume effect due to a slowdown in the activity level of some plants. As for the Renewables operation, it has evolved negatively compared to 1H19, due to a lower solar resource availability versus the exceptionally positive year of 2019. In the wind operation, it should be noted that one of Capwatt Alrota's three wind turbines was damaged between January and June 2020, which impacted the electricity produced in the semester. The Production EBITDA decreased 5.1%, to 8.0M€. As previously reported, the EBITDA is impacted by structural costs related to the ongoing expansion plan.
- The Retail & Trade business, whose activity includes trading of natural gas, electricity and CO₂ emission allowances, had a contribution of 82.2M€ and 0.4M€ for Turnover and EBITDA, respectively.
- The CAPEX stood at 6.5M€, mainly due to the investment in the Biomass-fired cogeneration plant, in the amount of 4.6M€. The plant started the testing period in June 2020, and it is expected to reach cruising speed during the month of August.

4.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	1.07	1.69	-36.7%	3.92	4.46	-12.0%
Turnover	0.90	1.49	-39.6%	3.69	4.07	-9.4%
Other Operational Income	0.17	0.20	-14.9%	0.23	0.38	-39.6%
Total Operational Costs	1.76	2.64	-33.4%	4.97	6.06	-18.1%
Cost of Goods Sold	0.58	1.09	-47.0%	2.18	2.74	-20.3%
External Supplies and Services	0.46	0.64	-28.3%	0.99	1.19	-16.6%
Staff Costs	0.69	0.85	-18.9%	1.66	1.85	-10.2%
Other Operational Expenses	0.03	0.06	-44.5%	0.14	0.29	-52.6%
EBITDA	-0.69	-0.95	+27.4%	-1.05	-1.61	+34.8%
EBITDA Margin (% Turnover)	-76.3%	-63.5%	-12.8 pp	-28.5%	-39.5%	+11.1 pp
Depreciations IFRS16	0.02	0.01	+87.5%	0.03	0.02	+84.0%
Amortizations & Depreciations	0.31	0.20	+50.4%	0.61	0.41	+49.9%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	-1.01	-1.16	+12.8%	-1.70	-2.04	+16.7%
Recurrent EBIT Margin (% Turnover)	-112.2%	-77.8%	-34.4 pp	-46.0%	-50.0%	+4.0 pp
Capex	0.12	0.23	-47.8%	0.18	0.44	-59.1%
EBITDA-Capex	-0.81	-1.18	+31.4%	-1.23	-2.05	+40.0%

- The activity of the industrial sector is highly dependent on the evolution of confidence levels which, in turn, have been impacted by the Covid-19 pandemic on a global scale. Given the prevailing times of uncertainty, several industrialists have put their investment decisions on hold, which has had an impact on ADIRA's level of orders.
- Industrial Engineering turnover stood at €3.7M, 9.4% below the same period in 2019, reflecting the impact of the pandemic on the evolution of the number of orders. EBITDA improved by 34.8% in 1H20, totaling negative 1.1M€.

4.3 FITNESS



Operational and Financial Information - Fitness						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	2.59	10.23	-74.7%	13.43	20.32	-33.9%
Turnover	2.24	10.12	-77.9%	12.89	20.15	-36.0%
Other Operational Income	0.35	0.10	>100%	0.54	0.17	>100%
Total Operational Costs	3.96	7.20	-45.0%	11.52	14.07	-18.1%
Cost of Goods Sold	-0.01	0.04	-	0.04	0.09	-58.9%
External Supplies and Services	1.53	3.41	-55.1%	4.92	6.69	-26.4%
Staff Costs	2.08	3.07	-32.5%	5.64	6.09	-7.3%
Other Operational Expenses	0.36	0.68	-47.2%	0.92	1.21	-24.0%
EBITDA	-1.37	3.03	-	1.91	6.25	-69.4%
EBITDA Margin (% Turnover)	-61.2%	29.9%	-91.1 pp	14.8%	31.0%	-16.2 pp
Depreciations IFRS16	1.43	1.39	+2.8%	2.94	2.76	+6.3%
Amortizations & Depreciations	1.00	0.82	+21.7%	1.94	1.64	+18.2%
Provisions & Impairment Losses	0.05	0.00	-	0.05	0.00	-
Recurrent EBIT	-3.84	0.82	-	-3.01	1.84	-
Recurrent EBIT Margin (% Turnover)	-171.8%	8.1%	-179.9 pp	-23.4%	9.2%	-32.5 pp
Capex	0.08	5.70	-98.6%	1.52	5.80	-73.8%
EBITDA-Capex	-1.45	-2.67	+45.8%	0.39	0.45	-13.3%
# Average number of active members	69 590	104 468	-33.4%	69 590	104 468	-33.4%
# Clubs in Operation	37	35	+2	37	35	+2

- The Fitness business ended the 1H20 with 34 Clubs in operation. Aimed at matching our offer to current demand levels, 3 Clubs remain closed for now, namely the Pump Clubs from Avenida da República, Gaia and Nações.
- The Covid-19 pandemic interrupted a sustained growth path of almost 7 years. We ended 1H20 with approximately 70 thousand active members, impacted by almost 20 thousand suspensions, which we expect to partially revert through our customer retention program. Besides reinforcing the offer with the launching of [ginásio.online](#), [ginásio.outdoor](#) and promotional membership campaigns, SC Fitness has been working in order to communicate frequently, clearly and transparently, showing strict compliance with safety rules, even beyond those recommended by the General Health Directorate.

MANAGEMENT REPORT

30 JUNE 2020

- Turnover stood at 12.9M€ in 1H20, 36.0% below the same period of 2019 and EBITDA totaled 1.9M€, 69.4% below the same period of 2019.
- Capex reached 1.5M€, driven by the expansion plan in course.

4.4 HOSPITALITY



Operational and Financial Information - Hospitality						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	1.21	7.37	-83.6%	3.60	10.48	-65.7%
Turnover	1.00	7.34	-86.4%	3.30	10.36	-68.2%
Other Operational Income	0.21	0.03	>100%	0.30	0.12	>100%
Total Operational Costs	2.33	5.32	-56.2%	5.84	9.29	-37.1%
Cost of Goods Sold	0.03	0.40	-92.5%	0.19	0.65	-70.7%
External Supplies and Services	1.19	2.67	-55.5%	2.74	4.50	-39.0%
Staff Costs	1.04	1.97	-47.1%	2.64	3.62	-27.0%
Other Operational Expenses	0.07	0.28	-74.9%	0.26	0.52	-49.9%
EBITDA	-1.12	2.05	-	-2.25	1.19	-
EBITDA Margin (% Turnover)	-112.2%	27.9%	-140.1 pp	-68.0%	11.5%	-79.5 pp
Depreciations IFRS16	1.10	1.09	+0.9%	2.19	2.17	+0.9%
Amortizations & Depreciations	0.16	0.16	+0.4%	0.32	0.32	-0.4%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	-2.38	0.80	-	-4.76	-1.30	<-100%
Recurrent EBIT Margin (% Turnover)	-237.8%	10.9%	-248.7 pp	-144.1%	-12.6%	-131.5 pp
Capex	1.21	0.38	>100%	1.82	0.50	>100%
EBITDA-Capex	-2.33	1.67	-	-4.07	0.69	-
# Units	6	6	+0	6	6	+0

- The Hospitality segment consolidates the operation of six Hotel Units: three units located in Porto (Porto Palácio Hotel, The Artist and The House), two units located in the Peninsula of Tróia (Aqualuz Tróia and Tróia Residence) and, since 1 January 2019, one unit in the Algarve region (Aqualuz Lagos).
- The 2Q20 performance was impacted by the suspension of the activity of most hotel units during the months of April and May, in which there was almost no room for revenue generation. However, despite the operations resumption, essentially since June, the hotels performance was conditioned by low occupancy levels, mostly in the city of Porto.
- Turnover stood at 3.3M€ in 1H20, 68.2% below the same period in 2019. The EBITDA totaled negative 2.3M€, which compares with positive 1.2M€ in 1H19.
- The CAPEX reached 1.8M€, due to the Santa Apolónia Railway Station Hotel unit project in Lisbon, as well as the requalification of Porto Palácio Hotel and Aqualuz Tróia.

4.5 TROIA RESORT – OPERATIONS

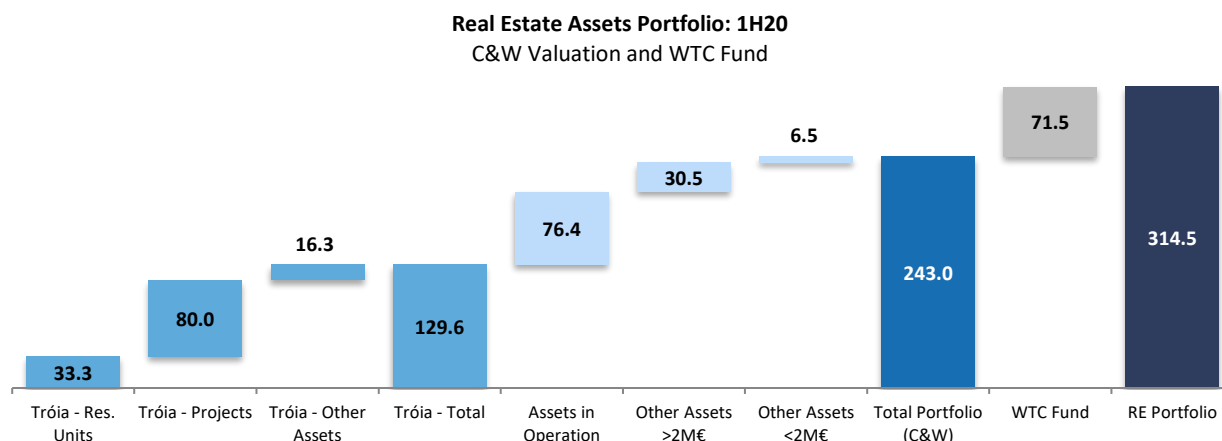
TROIA

Operational and Financial Information - Troia Resort Operations						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	2.31	3.40	-32.1%	4.13	5.25	-21.4%
Turnover	2.00	3.15	-36.4%	3.59	4.77	-24.6%
Other Operational Income	0.31	0.26	+21.2%	0.53	0.49	+9.8%
Total Operational Costs	2.07	3.09	-32.8%	4.27	5.31	-19.6%
Cost of Goods Sold	0.24	0.32	-24.0%	0.32	0.41	-21.1%
External Supplies and Services	1.03	1.60	-35.6%	2.14	2.72	-21.4%
Staff Costs	0.72	1.00	-27.5%	1.59	1.82	-12.3%
Other Operational Expenses	0.08	0.17	-54.9%	0.21	0.36	-41.2%
EBITDA	0.24	0.31	-24.5%	-0.14	-0.06	<-100%
EBITDA Margin (% Turnover)	11.8%	10.0%	+1.9 pp	-3.9%	-1.2%	-2.8 pp
Depreciations IFRS16	0.06	0.05	+11.3%	0.11	0.10	+12.6%
Amortizations & Depreciations	0.63	0.64	-1.3%	1.26	1.27	-1.1%
Provisions & Impairment Losses	0.00	0.00	-	0.01	0.00	+61.6%
Recurrent EBIT	-0.45	-0.37	-21.0%	-1.52	-1.43	-6.0%
Recurrent EBIT Margin (% Turnover)	-22.5%	-11.8%	-10.7 pp	-42.2%	-30.0%	-12.2 pp
Capex	0.17	0.58	-70.7%	0.67	0.71	-5.6%
EBITDA-Capex	0.07	-0.27	-	-0.81	-0.77	-5.9%

- This segment aims to promote Tróia as a touristic and leisure destination, with high standards in terms of quality of service and environmental sustainability, through an integrated management of its infrastructures. Besides Atlantic Ferries river transportation, it includes operations such as Tróia Marina, “Meu Super” supermarket, the Roman Ruins, a sports centre and a Golf course, among others.
- Turnover from Operations in Tróia totaled 3.6M € in 1H20, 24.6% below the 1H19. Despite the gradual improvement in the level of activity throughout the month of June, this was not sufficient to offset the impact of activities suspension between March and May 2020. On a quarterly basis, it should be noted that, despite the expected decrease in EBITDA when compared to 1H19, EBITDA in 2Q20 was positive, totaling 0.2M€, largely due to the cost optimization measures implemented.
- The CAPEX reached 0.7M€, mostly as a consequence of investments made in Atlantic Ferries operation.

5. REAL ESTATE ASSETS

On 30 June 2020, the value of Sonae Capital Real Estate Assets portfolio was at 314.5M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 243.0M€, and the WTC Fund, with a market value of 71.5M€. On the same date, the capital employed in this group of Real Estate Assets amounted to 191.6M€.



5.1 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 44 units available for sale at the date of this report (considering the stock of Reserves and PPSAs).

The Turnover reached 5.9M€ in 1H20, showing a decrease of 29.8% y.o.y., on the back of the following contributions:

- 10 sales deeds, corresponding to 5.0M€, in comparison to 15 sales deeds in the amount of 6.8M€, in 1H19; 4 sales deeds were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels and Touristic Units in operation), in the amount of 0.8M€.

Up to the date of this report, we had already completed 11 sales deeds, coupled with a stock of 13 promissory purchase and sale agreements and reserves totalling 7.0M€.

5.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 5.0M€ in 1H20, 33.1% below the 1H19 (a reduction partially explained by the positive impact of Crotália sales deed, in 1H19, for 4.0M€). This includes the rents received from assets under management, as well as sales deeds of 2.2M€ (including the sales deed of Casa da Ribeira, in the amount of 1.5M€).

At the date of this report, there are still in stock Reserves and PPSAs in the global amount of 14.2M€, of which: (i) 8.0M€ of Maia Country Club; (ii) 4.8M€ of Costa D'Oiro Allotment; and (iii) 1.4M€ of Quinta da Malata.

6. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Jun 2020	Dec 2019	Δ 20/19
Total Assets	578.53	558.93	+3.5%
Tangible and Intangible Assets	334.21	336.36	-0.6%
o.w. Rights of Use (IFRS16)	51.65	50.92	+1.4%
Goodwill	33.64	33.64	+0.0%
Non-Current Investments	2.29	2.12	+8.0%
Other Non-Current Assets	29.28	30.63	-4.4%
Stocks	48.45	49.14	-1.4%
Trade Debtors and Other Current Assets	84.30	83.57	+0.9%
Financial Instruments	15.91	15.82	+0.6%
o.w. Other Financial Assets	6.48	5.69	+13.9%
Cash and Cash Equivalents	30.38	7.59	>100%
Assets held for sale	0.05	0.05	-6.9%
Total Equity	202.80	217.98	-7.0%
Total Equity attributable to Equity Holders of Sonae Capital	201.43	215.79	-6.7%
Total Equity attributable to Non-Controlling Interests	1.37	2.18	-37.3%
Total Liabilities	375.73	340.95	+10.2%
Non-Current Liabilities	176.86	161.04	+9.8%
Non-Current Borrowings	112.30	88.40	+27.0%
Non-Current Borrowings - IFRS16	44.84	49.29	-9.4%
Deferred Tax Liabilities	12.21	12.43	-1.8%
Other Non-Current Liabilities	7.51	10.91	-31.2%
Current Liabilities	198.87	179.91	+10.5%
Current Borrowings	75.24	64.43	+16.8%
Current Borrowings - IFRS16	19.93	14.05	+41.8%
Trade Creditors and Other Current Liabilities	95.85	91.40	+4.9%
Financial Instruments	7.39	9.57	-22.8%
o.w. Other Financial Liabilities	2.09	1.66	+25.8%
Liabilities associated to assets held for sale	0.46	0.47	-2.1%
Total Equity and Liabilities	578.53	558.93	+3.5%

Note: Trade Debtors and Other Current Assets and Trade Creditors and Other Current Liabilities include a balance of 44.3M€ and 2.1M€, respectively, related with the consolidation of Futura Energía Inversiones. The Financial Instruments line reflects the mark-to-market of swaps and options referred to the outstanding positions in Futura Energía Inversiones' subsidiaries, at the end of June 2020. These positions are related to risk coverage of the corresponding underlying assets, as Futura Energía Inversiones policy involves managing assets and liabilities in order to cover almost all the risks involved.

7. CORPORATE INFORMATION

7.1 CORPORATE INFORMATION IN 2Q20

On **6 April 2020**, Sonae Capital informed about the Board of Directors resolution, revoking the decision previously taken, on 21 February 2020, regarding a proposal for shareholder remuneration at the 2020 Shareholders Annual General Meeting. This decision was taken for prudence reasons, with the objective of ensuring Sonae Capital increased financial stability, essential to guarantee its resilience in the most disruptive scenarios that the current situation leads to address. The Board of Directors also informed that it considers re-evaluating this decision when there is greater visibility about the future, the normality of all the operations is resumed and, above all, taking into account the adequacy of the capital structure to the type of assets and businesses held by Sonae Capital.

On the same day, Sonae Capital released the notice of meeting and proposals for the Shareholders Annual General Meeting, to be held on 29 April 2020 by telematic means.

On **29 April 2020**, following the Shareholders Annual General Meeting, Sonae Capital disclosed the resolutions taken by the Shareholders. All proposals on the agenda were approved unanimously.

8. METHODOLOGICAL NOTES

The consolidated financial information presented in this report is unaudited 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.

GLOSSARY

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
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

9. BACKUP

Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared in accordance with applicable International Financial Reporting Standards (IFRS), as adopted by the European Union, and give a true and fair view of the assets and liabilities, the financial position and the consolidated and individual results of Sonae Capital, SGPS, S.A., and of the companies included in the consolidation perimeter and that the Management Report faithfully exposes the businesses' evolution, the performance and position of Sonae Capital, SGPS, S.A., and the companies included in the consolidation perimeter, and contains a description of the main risks and uncertainties that they face.

Approved in the Board of Directors' meeting of 28 July 2020.

The Board of Directors

Duarte Paulo Teixeira de Azevedo, Chairman of the Board of Directors

Álvaro Carmona e Costa Portela, Member of the Board of Directors

Miguel Jorge Moreira da Cruz Gil Mata, Chairman of the Executive Committee, CEO

Ivone Pinho Teixeira, Member of the Executive Committee, CFO

Pedro Manuel Bruno, Member of the Executive Committee

Maria Cláudia Teixeira de Azevedo, Member of the Board of Directors

Ângelo Gabriel Ribeirinho dos Santos Paupério, Member of the Board of Directors

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

Francisco de La Fuente Sánchez, Member of the Board of Directors

Isabel Maria Vaz, Member of the Board of Directors

Qualified Shareholdings

Qualifying holdings in the capital of the Company, reflected on 30 June 2020 (shareholders that hold a stake equal to or greater than 2% of the share capital of Sonae Capital, SGPS, S.A.), in accordance with the notifications received by the Company, under the terms of the Articles 16 and 248 B, both from the Portuguese Securities Code, with the indication of the number of shares held and the percentage of corresponding voting rights, as well as the percentage of capital and attributable votes and the source and causes of imputation, calculated under the terms of Article 20 of the Portuguese Securities Code, in compliance with the Article 8(1)(b), of the Portuguese Securities Market Commission (CMVM) Regulation No. 05/2008:

Qualified Shareholdings			
Shareholder	Number of shares	% Share capital	% Voting rights
Efanor Investimentos, SGPS, S.A.			
Detidas Directamente	88 859 200	35.544%	36.006%
Através da Pareuro, BV (controlled by Efanor)	66 600 000	26.640%	26.987%
Através de Maria Margarida Carvalhais Teixeira de Azevedo (Membro of the Board of Directors of Efanor)	838 862	0.336%	0.340%
Através de Maria Cláudia Teixeira de Azevedo (Membro of the Board of Directors of Efanor)	449 213	0.180%	0.182%
Através da Linhacom, SGPS, S.A. (controlled by Maria Cláudia Teixeira de Azevedo, Member of the Board of Directors of Efanor and Sonae Capital)	43 912	0.018%	0.018%
Através da Migracom, S.A. (controlled by Duarte Paulo Teixeira de Azevedo, Member of the Board of Directors of Efanor and Sonae Capital)	213 076	0.085%	0.086%
Total attributable	157 004 263	62.802%	63.619%
Quaero Capital			
Total attributable	12 588 400	5.035%	5.101%
Norges Bank			
Total attributable	5 470 282	2.188%	2.217%

Source: last communications received from the holders of qualifying holdings addressed to the Company, as of 30 June 2020.

(1) Efanor Investimentos SGPS, SA, with effect from 29 November 2017, no longer has a controlling shareholder under the terms and for the purposes of the Articles 20 and 21 of the Portuguese Securities Code.

SONAE CAPITAL

PART II
CONSOLIDATED FINANCIAL
STATEMENTS

30 JUNHO 2020



SONAE CAPITAL



SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 June 2020 AND 31 DECEMBER 2019

(Amounts expressed in euro)

	ASSETS	Notes	30 June 2020	31 December 2019
NON-CURRENT ASSETS:				
Tangible assets		8	257 354 129	260 554 068
Assets held for use		8	68 275 974	66 216 081
Intangible assets		8	8 584 411	9 585 320
Goodwill		9	33 637 373	33 637 373
Investments in associated companies and joint ventures		5	1 823 241	1 667 459
Other investments		6	469 120	454 391
Deferred tax assets		14	20 582 152	20 671 070
Other debtors		10	8 699 102	9 960 667
Total non-current assets			399 425 502	402 746 429
CURRENT ASSETS:				
Inventories		11	48 453 223	49 143 560
Trade account receivables and other current assets		12	84 303 140	83 571 959
Financial instruments		13	15 913 829	15 824 463
Cash and cash equivalents		15	30 380 921	7 587 355
Total Current Assets			179 051 112	156 127 337
Assets held for sale			51 157	54 941
TOTAL ASSETS			578 527 771	558 928 705

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

	EQUITY AND LIABILITIES	Notas	30 June 2020	31 December 2019
EQUITY:				
Share capital		16	250 000 000	250 000 000
Own Shares		16	(1 020 877)	(1 105 573)
Reserves		16	(32 952 204)	(19 518 755)
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital			(14 600 237)	(13 581 680)
Equity attributable to the equity holders of Sonae Capital			201 426 682	215 793 992
Equity attributable to non-controlling interests		17	1 368 469	2 184 277
TOTAL EQUITY			202 795 151	217 978 269
NON-CURRENT LIABILITIES:				
Bank loans		18	33 361 734	24 641 703
Bonds		18	70 088 518	55 092 987
Lease liabilities		23	53 476 989	57 738 403
Other non-current liabilities		19	4 597 543	8 008 222
Deferred tax liabilities		14	12 208 449	12 432 090
Provisions		22	3 130 648	3 123 285
Total Non-Current Liabilities			176 863 881	161 036 690
CURRENT LIABILITIES:				
Bank Loans		18	68 438 016	56 567 612
Bonds		18	2 000 000	2 000 000
Lease liabilities		23	22 984 424	17 697 925
Other loans		18	1 745 644	2 213 099
Financial Instruments		13	7 387 612	9 565 632
Trade creditors		21	92 941 811	88 489 705
Provisions		22	2 909 390	2 907 863
Total Current Liabilities			198 406 897	179 441 836
Liabilities associated with assets held for sale			461 842	471 909
TOTAL LIABILITIES			375 732 620	340 950 435
TOTAL EQUITY AND LIABILITIES			578 527 771	558 928 705

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED 30 June 2020 AND 2019

(Amounts expressed in euro)

	Notes	30 June 2020	30 June 2019
Sales		112 159 378	49 903 220
Services rendered		20 034 704	38 320 468
Other operating income	24	2 873 183	5 759 163
Cost of sales		(95 334 765)	(24 803 936)
Changes in stocks of finished goods and work in progress		(445 661)	(2 622 535)
External supplies and services		(15 849 111)	(25 745 327)
Staff costs		(16 297 681)	(21 716 815)
Depreciation and amortisation		(16 258 972)	(15 773 001)
Provisions and impairment losses on non-financial assets (Increases)/Decreases		402 291	675 591
Other operating expenses		(2 361 109)	(3 240 880)
Operational profit/(loss)		(11 077 744)	755 948
Financial Income		741 295	159 838
Financial Expenses		(3 925 843)	(3 908 212)
Net financial income / (expenses)		(3 184 548)	(3 748 374)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method	5	155 782	108 745
Investment income	26	-	363 353
Profit/(Loss) before taxation		(14 106 510)	(2 520 329)
Taxation	27	191 412	170 311
Profit/(Loss) for the year - continued operations		(14 297 921)	(2 690 640)
Profit/(Loss) for the year - discontinued operations		(59 784)	(197 483)
Profit/(Loss) for the year		(14 357 705)	(2 888 123)
Attributable to:			
Equity holders of Sonae Capital	27	(14 600 237)	(3 286 740)
Non-controlling interests	17	242 532	398 618
Profit/(Loss) per share - continued operations			
Basic	30	(0,05897)	(0,01255)
Diluted	30	(0,05897)	(0,01255)
Profit/(Loss) per share - discontinued operations			
Basic	30	(0,00024)	(0,00080)
Diluted	30	(0,00024)	(0,00080)

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

**FOR THE 2ND QUARTER
2020 AND 2019**

(Amounts expressed in euro)

	Notes	2nd Quarter 2020 *	2nd Quarter 2019 *
Sales		28 645 784	25 581 294
Services rendered		5 186 814	21 777 236
Other operating income		1 634 677	4 636 021
Cost of sales		(19 697 712)	(12 486 913)
Changes in stocks of finished goods and work in progress		(452 179)	(1 150 668)
External supplies and services		(6 216 645)	(13 543 220)
Staff costs		(7 058 104)	(11 137 721)
Depreciation and amortisation		(8 529 646)	(8 302 064)
Provisions and impairment losses (Increases)/Decreases		(169 408)	483 729
Other operating expenses		(578 348)	(1 530 727)
Operational profit/(loss)		(7 234 767)	4 326 967
Financial Income		390 317	159 712
Financial Expenses		(2 017 799)	(1 843 769)
Net financial income / (expenses)		(1 627 482)	(1 684 058)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method		51 887	(361)
Investment income		-	3 675
Profit/(Loss) before taxation		(8 810 362)	2 646 223
Taxation		113 155	307 308
Profit/(Loss) for the year - continued operations		(8 923 518)	2 338 916
Profit/(Loss) for the year - discontinued operations		(33 020)	(161 130)
Profit/(Loss) for the year		(8 956 538)	2 177 785
Attributable to:			
Equity holders of Sonae Capital		(8 978 920)	1 983 079
Non-controlling interests		22 382	194 706

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 June 2020 AND 2019

(Amounts expressed in euro)

	30 June 2020	30 June 2019
Consolidated net profit/(loss) for the period	(14 357 705)	(2 888 123)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	20 441	(92 928)
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	20 441	(92 928)
Total comprehensive income for the period	(14 337 264)	(2 981 050)
Attributable to:		
Equity holders of Sonae Capital	(14 579 796)	(3 379 668)
Non-controlling interests	242 532	398 618

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**FOR THE 2ND QUARTER
2020 AND 2019**

(Amounts expressed in euro)

	2nd Quarter 2020 *	2nd Quarter 2019 *
Consolidated net profit/(loss) for the period	(8 956 538)	2 177 785
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	22 279	618
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		
Other comprehensive income for the period - continued operations	-	-
Other comprehensive income for the period - discontinued operations	22 279	618
Total comprehensive income for the period	(8 934 259)	2 178 403
Attributable to:		
Equity holders of Sonae Capital	(8 956 642)	1 983 697
Non-controlling interests	22 383	194 706

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 June 2020 AND 2019
(Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital										
	Share Capital	Own Shares	Demerger Reserve (Note 15)	Translation Reserves	Hedging Reserves	Other Reserves	Subtotal	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
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	-	-	-	(92 928)	-	-	(92 928)	(3 286 740)	(3 379 668)	398 618	(2 981 050)
Appropriation of profit of 2018:											
Transfer to legal reserves and retained earnings	-	-	-	-	-	(3 860 952)	(3 860 952)	3 860 952	-	-	-
Dividends paid	-	-	-	-	-	(18 228 359)	(18 228 359)	-	(18 228 359)	-	(18 228 359)
(Acquisition)/Sales of own shares	-	87 236	-	-	-	-	-	-	87 236	-	87 236
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	231 043	231 043	-	231 043	(87 420)	143 623
Balance as at 30 June 2019	250 000 000	(1 105 573)	132 638 253	266 169	6 370	(152 175 578)	(19 264 789)	(3 286 740)	226 342 898	9 729 373	236 072 271
Balance as at 1 January 2020	250 000 000	(1 105 572)	132 638 253	145 508	-	(152 302 516)	(19 518 755)	(13 581 680)	215 793 992	2 184 277	217 978 269
Total consolidated comprehensive income for the period	-	-	-	20 441	-	-	20 441	(14 600 237)	(14 579 796)	242 532	(14 337 264)
Appropriation of profit of 2019:											
Transfer to legal reserves and retained earnings	-	-	-	-	-	(13 581 680)	(13 581 680)	13 581 680	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	(1 042 737)	(1 042 737)
(Acquisition)/Sales of own shares	-	84 695	-	-	-	-	-	-	84 695	-	84 695
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-
Application of IFRS16	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	127 791	127 791	-	127 791	(15 605)	112 186
Balance as at 30 June 2020	250 000 000	(1 020 877)	132 638 253	165 949	-	(165 756 405)	(32 952 204)	(14 600 237)	201 426 682	1 368 469	202 795 151

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 June 2020 AND 2019
(Amounts expressed in euro)

	Notes	30 June 2020	30 June 2019	2nd Quarter 2020 *	2nd Quarter 2019 *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		149 803 747	92 546 814	56 161 242	48 571 174
Cash paid to trade creditors		(137 718 129)	(61 367 264)	(39 450 931)	(25 447 553)
Cash paid to employees		(15 270 436)	(19 800 238)	(6 950 395)	(10 136 682)
Cash flow generated by operations		(3 184 819)	11 379 312	9 759 916	12 986 939
Income taxes (paid) / received		(687 689)	(986 421)	(33 455)	(757 860)
Other cash receipts and (payments) relating to operating activities		(913 880)	(2 287 275)	(753 149)	(2 210 277)
Discontinued operations		(23 748)	6 542	(21 880)	(64 059)
Net cash from operating activities (1)		(4 762 640)	8 099 074	8 995 192	10 082 861
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments		1 290 969	706 185	1 278 593	608 255
Tangible assets		5 360 713	7 335 213	1 156 408	5 910 040
Intangible assets		-	-	-	-
Subsidies		-	-	-	-
Interest and similar income		108 164	154 748	58 404	154 695
Loans granted		-	-	-	-
Dividends		-	73 556	-	73 556
Others		-	6 631	-	-
Changes in consolidation perimeter (companies in)		-	-	-	-
		6 759 846	8 276 333	2 493 405	6 746 546
<u>Cash Payments arising from:</u>					
Investments		(157 022)	(3 898 051)	(21 920)	(3 884 681)
Tangible assets		(11 568 467)	(16 461 427)	(4 427 300)	(3 467 683)
Intangible assets		(442 229)	(707 203)	(66 225)	(257 856)
Loans granted		-	-	-	-
		(12 167 718)	(21 066 681)	(4 515 445)	(7 610 220)
Discontinued operations		-	-	-	-
Net cash used in investment activities (2)		(5 407 872)	(12 790 348)	(2 022 040)	(863 674)
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained		90 193 030	86 074 092	36 241 954	66 037 369
Capital increases, additional paid in capital and share premiums		-	-	-	-
Sale of own shares		84 696	87 236	84 696	9 898
		90 277 726	86 161 328	36 326 650	66 047 267
<u>Cash payments arising from:</u>					
Loans obtained		(55 480 228)	(44 197 653)	(32 317 505)	(38 892 032)
Interest and similar charges		(1 487 138)	(2 353 874)	(698 203)	(1 583 614)
Reimbursement of capital and paid in capital		-	-	-	-
Dividends		(312 406)	(18 223 858)	-	(18 223 858)
		(57 279 772)	(64 775 385)	(33 015 708)	(58 699 504)
Discontinued operations		23 748	(7 179)	21 880	(38 543)
Net cash used in financing activities (3)		32 974 206	21 393 122	3 289 062	7 386 306
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		22 803 695	16 701 848	10 262 214	16 605 493
Effect of foreign exchange rate		10 129	822	(3 229)	1 361
Cash and cash equivalents at the beginning of the period	20	7 587 355	7 131 161	-	-
Cash and cash equivalents at the end of the period	20	30 380 921	23 832 187	10 265 443	16 604 132

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA (Company, 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 at 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 consolidated financial statements are as follows. These policies were applied in a consistent manner in the comparative periods.

2.1. BASIS OF PREPARATION

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

The consolidated financial statements have been prepared from the books and accounting records of the Group and of its subsidiaries (Notes 4 and 6) on a going concern basis and under the historical cost convention, except for derivative financial instruments which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

Changes in international accounting standards that took effect on or after 1 January 2020, had no significant impact on the financial statements at 30 June 2020.

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 30 June 2020 and 31 December 2019, are as follows:

			Percentage of capital held			
			30 June 2020		31 December 2019	
Company	Head Office		Direct	Total	Direct	Total
Sonae Capital, SGPS, S.A.	Maia		Holding		Holding	
Hospitality						
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%	100,00%	100,00%
Aqualuz -Turismo e Lazer, Lda.	a)	Lagos	100,00%	100,00%	100,00%	100,00%
Tróia Resort Operations						
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%
Troiaresort-Investimentos Turísticos, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Troiaresort, 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%
Fitness						
Acrobatic Title, S.A.	a)	Lisbon	100,00%	100,00%	100,00%	100,00%
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%	100,00%	100,00%
Urban Fit Ermesinde - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Urban Fit Foz - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Urban Fit Gaia - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Urban Fit Maia - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Energy						
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%
Engenho Novo Gás PT, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Engenho Novo Electricidade PT, 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 Decentralized Solar 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%

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2020

1)	Capwatt Graciosa – Green Storage, S.A.	a)	Santa Cruz da Graciosa	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%
	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)	Mexico City	100,00%	100,00%	100,00%	100,00%
	Futura Energía Inversiones, S.L.	a)	Madrid	100,00%	100,00%	100,00%	100,00%
	Futura Carbono, S.L.	a)	Madrid	100,00%	100,00%	100,00%	100,00%
	Futura Energía y Gas, S.L.	a)	Madrid	100,00%	100,00%	100,00%	100,00%
	Futura Green Renovables, S.L.	a)	Madrid	100,00%	100,00%	100,00%	100,00%
	Ecofutura Luz Energía, S.L.	a)	Madrid	100,00%	100,00%	100,00%	100,00%
Real Estate							
	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)	Lisbon	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%
	TROIAMED – Sociedade Mediação Imob., S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Industrial Engineering							
	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%
	Guimadira - Máquinas e Ferramentas, Lda.	a)	V. N. Gaia	100,00%	100,00%	100,00%	100,00%
Holding & Others							
	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)	Amsterdam	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%
2) & 3)	Spinarq Moçambique, Lda.	a)	Maputo	70,00%	70,00%	70,00%	70,00%
	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%	100,00%	100,00%
	Sociedade de Construções do Chile, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Vastgoed One - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
	Vastgoed Sun - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%

- 1) Company founded during the period in consideration;
- 2) Alteration of segment from Refrigeration & HVAC to Holding & Others;

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

- 3) Discontinued Operations;
- a) Majority of voting rights.

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 30 June 2020 and 31 December 2019 are as follows:

30 June 2020										
Percentage of Capital Held										
Company name	Head Office	Direct	Total	Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
Holding & Others										
a) Lidergraf - Artes Gráficas, Lda	Vila do Conde	24,50%	24,50%	14 920 759	5 824 945	4 367 713	4 446 988	9 095 814	79 275	1 494 410
Energy										
b) Feneralt - Produção de Energia, ACE	Barcelos	25,00%	25,00%	1 383 714	236 868	177 768	355 955	1 146 846	178 187	328 830
a) Data from March 2020				16 304 473	6 061 813	4 545 481	4 802 943	10 242 660	257 462	1 823 241
b) Data from February 2020										

31 December 2019										
Percentage of Capital Held										
Company name		Direct	Total	Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
Holding & Others										
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24,50%	24,50%	15 844 203	6 869 577	20 843 471	21 557 498	8 974 625	714 027	1 445 296
Energy										
Feneralt - Produção de Energia, ACE	Barcelos	25,00%	25,00%	1 119 859	104 267	1 307 226	2 322 818	1 015 593	1 015 593	222 162
				16 964 062	6 973 844	22 150 697	23 880 316	9 990 218	1 729 620	1 667 459

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

As at 31 December 2019, the balance sheet values result from the reduction of the acquisition value by applying the equity method, discontinuing the recognition of its share of additional losses under IAS 28.

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

During the periods ended 30 June 2020 and 31 December 2019, movements in investments of associated and jointly controlled companies may be summarized as follows:

	30 June 2020	31 December 2019
Opening balance as at 1 January	1 667 459	1 623 906
Acquisitions in the period	-	-
Disposals in the period	-	-
Equity method	155 782	303 238
Dividends received	-	(259 686)
Change in the consolidation method	-	-
Closing balance as at 31 December	1 823 241	1 667 459
Accumulated impairment losses (Note 22)	-	-
	1 823 241	1 667 459

The use of the equity method had the following impacts: 155,782 euros recorded on share of results of associated undertakings (303,238 euros at 31 December 2019), and 0 euros in changes in reserves in 31 December 2019 and 30 June 2020.

During the year ended 31 December 2019 dividends were received totalling 260,000 euros paid by the companies Lidergraf-graphic arts, Lda and Feneralt-Energy Production, ACE.

6. OTHER INVESTMENTS

The head offices, percentage of share capital held and book value of Other Investments as at 30 June 2020 and 31 December 2019 are made up as follows:

		Percentage of capital held					
		30 June 2020		31 December 2019		Book value	
Company		Direct	Total	Direct	Total	30 June 2020	31 December 2019
Troia Resort Operations							
Infratróia - Infraestruras de Tróia, E.M.	Grândola	25,90%	25,90%	25,90%	25,90%	64 747	64 747
Holding & Others							
Net, SA	Lisbon	0,98%	0,98%	0,98%	0,98%	23 034	23 034
Other Investments						381 339	366 610
Total						469 120	454 391

As at 30 June 2020 and 31 December 2019, movements in investments were as follows:

	30 June 2020		31 December 2019	
	Non-current	Current	Non-current	Current
Investments at acquisition cost				
Opening balance as at 1 January	746 229	-	962 273	-
Acquisitions in the period	43 986	-	93 796	-
Disposals in the period	(29 405)	-	(294 278)	-
Transfers	148	-	-	-
Merger	-	-	-	-
Changes in consolidation perimeter	-	-	(15 562)	-
Closing balance as at 31 December	760 958	-	746 229	-
Accumulated impairment losses (Note 31)	(291 838)	-	(291 838)	-
	469 120	-	454 391	-
Other Investments	469 120	-	454 391	-

7. CHANGES TO THE CONSOLIDATION PERIMETER

During the period ended 30 June 2020 the only alteration within the consolidation perimeter was the founding of Capwatt Graciosa – Green Storage, S.A.

8. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 30 June 2020 and 31 December 2019, movements in tangible assets as well as in amortisation and accumulated impairment losses, are made up as follows:

	Tangible Assets							
	Land and Natural Resources	Buildings and Other Constructions	Plant and Machinery	Vehicles	Fixtures and Fittings	Other Tangible Assets	Tangible Assets in progress	Total Tangible Assets
Gross Cost:								
Opening balance as at 1 January 2018	46 894 417	157 722 696	290 993 985	804 015	4 646 076	3 122 412	18 562 090	522 745 691
Changes in consolidation perimeter (companies in) (Note 8)	-	2 132 485	3 503 303	27 388	457 256	83 001	11 278	6 214 711
Changes in consolidation perimeter (companies out) (Note 8)	-	(824)	(479 319)	(59 513)	(589 854)	(427 517)	(44 136)	(1 601 163)
Transfer of financial leases	-	-	(36 166 400)	-	-	-	-	(36 166 400)
Capital expenditure	469 698	581 093	519 156	41 714	427	69 802	35 800 143	37 482 033
Disposals	(2 329 570)	(6 028 807)	(3 929 878)	(185 400)	(75 730)	(8 955)	(85 091)	(12 643 431)
Exchange rate effect	-	-	-	168	9	-	725	902
Transfers	93 116	1 203 467	6 535 555	(168)	297 581	291 016	(6 357 349)	2 063 218
Opening balance as at 1 January 2019	45 127 661	155 610 110	260 976 402	628 204	4 735 765	3 129 759	47 887 660	518 095 561
Capital expenditure	147 583	831 480	131 857	-	-	6 927	12 167 506	13 285 353
Disposals	(804 075)	(2 574 733)	(1 645 651)	-	(2 102)	-	-	(5 026 561)
Exchange rate effect	-	-	-	(1 293)	(73)	-	(8 883)	(10 249)
Transfers	-	9 068	239 259	1 293	122 587	134 599	(3 377 101)	(2 870 295)
Closing balance as at 30 June 2020	44 471 169	153 875 925	259 701 867	628 204	4 856 177	3 271 285	56 669 182	523 473 809
Accumulated depreciation								
Opening balance as at 1 January 2018	-	47 007 288	171 521 141	716 256	3 685 341	2 421 478	-	225 351 503
Changes in consolidation perimeter (companies in) (Note 8)	-	550 430	2 618 209	11 364	403 561	72 820	-	3 656 384
Changes in consolidation perimeter (companies out) (Note 8)	-	(824)	(361 586)	(59 513)	(580 419)	(352 453)	-	(1 354 795)
Transfer of financial leases	-	-	(19 264 304)	-	-	-	-	(19 264 304)
Charges for the period	-	3 256 479	18 199 705	17 241	364 493	149 809	-	21 987 727
Disposals	-	(2 029 861)	(1 630 444)	(148 050)	(77 032)	(7 716)	-	(3 893 103)
Exchange rate effect	-	-	-	168	7	-	-	175
Transfers	-	-	-	(976)	(49)	7	-	(1 018)
Opening balance as at 1 January 2019	-	48 783 512	171 082 721	536 490	3 795 902	2 283 945	-	226 482 570
Charges for the period	-	1 662 141	8 908 532	12 600	177 248	81 321	-	10 841 842
Disposals	-	(598 001)	(450 038)	-	(2 102)	-	-	(1 050 141)
Exchange rate effect	-	-	-	(1 293)	(55)	-	-	(1 348)
Transfers	-	-	(711 164)	1 293	38	-	-	(709 833)
Closing balance as at 30 June 2020	-	49 847 652	178 830 049	549 090	3 971 031	2 365 266	-	235 563 088
Accumulated impairment losses								
Opening balance as at 1 January 2018	4 213 519	21 444 385	5 478 404	-	-	-	-	31 136 308
Charges for the period	16 011	12 662	523	-	-	-	-	29 196
Reversals for the period	(26 366)	(79 693)	(523)	-	-	-	-	(106 583)
Opening balance as at 1 January 2019	4 203 164	21 377 354	5 478 404	-	-	-	-	31 058 922
Charges for the period	4 316	3 244	-	-	-	-	-	7 560
Reversals for the period	(3 106)	(506 784)	-	-	-	-	-	(509 890)
Closing balance as at 30 June 2020	4 204 374	20 873 814	5 478 404	-	-	-	-	30 556 592
Carrying amount								
As at 31 December 2019	40 924 497	85 449 244	84 415 277	91 714	939 863	845 814	47 887 660	260 554 068
As at 30 June 2020	40 266 795	83 154 459	75 393 414	79 114	885 146	906 019	56 669 182	257 354 129

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

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

	30 June 2020	31 December 2019
Troiaresort	2 413 386	1 864 554
Refurbishment of Factories and Management Projects	47 470 505	42 909 497
Refurbishment / Openings within the Hospitality Segment	1 775 907	1 031 671
Refurbishment of Health Clubs	1 547 367	1 341 787
Refurbishment / Maintenance of Marmagno + Aqualuz de Tróia	2 475 431	315 110
Refurbishment / Maintenance of Troia Resort Operações Segment	869 547	241 898
Industrial Engineering	94 827	43 897
Others	22 212	139 246
	56 669 182	47 887 660

The amounts within Refurbishment of Factories and Management Projects include the project of the cogeneration central that is under development within the Energy segment.

The value of the right-of-use assets at 30 June 2020 via the adoption of the IFRS 16 was the following:

	Buildings and Other Constructions	Plant and Machinery	Vehicles	Total Tangible Assets
Gross Cost:				
Opening balance as at 1 January 2018	50 087 064	18 278	1 929 721	52 035 063
Changes in consolidation perimeter (companies in) (Note 8)	142 817	-	11 923	154 740
Changes in consolidation perimeter (companies out) (Note 8)	(204 723)	-	(924 173)	(1 128 896)
Transfer of financial leases	-	36 166 400	-	36 166 400
Capital expenditure	6 115 544	-	1 249 562	7 365 106
Disposals	-	-	(425 757)	(425 757)
Opening balance as at 1 January 2019	56 140 702	36 184 678	1 841 276	94 166 656
Capital expenditure	5 509 937	880 720	190 157	6 580 814
Disposals	(1 518 102)	(2 504)	(98 760)	(1 619 366)
Transfers	-	2 645 098	-	2 645 098
Closing balance as at 30 June 2020	60 132 537	39 707 992	1 932 673	101 773 202
Accumulated depreciation				
Opening balance as at 1 January 2018	-	-	-	-
Changes in consolidation perimeter (companies in) (Note 8)	48 445	-	2 878	51 323
Changes in consolidation perimeter (companies out) (Note 8)	(51 357)	-	(437 644)	(489 001)
Transfer of financial leases	-	19 264 304	-	19 264 304
Charges for the period	6 380 187	1 868 770	930 513	9 179 470
Disposals	-	-	(55 521)	(55 521)
Opening balance as at 1 January 2019	6 377 275	21 133 074	440 226	27 950 575
Charges for the period	3 316 234	1 231 019	311 099	4 858 352
Disposals	(8 332)	-	(14 533)	(22 865)
Transfers	-	711 164	-	711 164
Closing balance as at 30 June 2020	9 685 178	23 075 258	736 793	33 497 228
Carrying amount				
As at 31 December 2019	49 763 427	15 051 604	1 401 050	66 216 081
As at 30 June 2020	50 447 359	16 632 734	1 195 880	68 275 974

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

The amount referring to right-of-use assets includes financial leaseings that were already considered within the fixed tangible assets previous to the application of the IFRS 16. The amount related to financial leaseings was 17,086,821 euros and was transferred to right-of-use assets under the scope of the IFRS 16.

During the periods ended 30 June 2020 and 31 December 2019, 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	Other Intangible Assets	Intangible Assets in Progress	Total Intangible Assets
Gross Cost:					
Opening balance as at 1 January 2018	9 208 866	5 346 783	5 116 864	2 154 467	21 826 981
Changes in consolidation perimeter (companies in) (Note 8)	-	73 544	-	-	73 544
Changes in consolidation perimeter (companies out) (Note 8)	-	(735 159)	-	(21 782)	(756 941)
Capital expenditure	31 792	58 589	281 890	1 363 709	1 735 980
Disposals	-	(117)	(1 155 653)	(3 325)	(1 159 095)
Transfers	278 267	392 022	810 540	(1 841 253)	(360 424)
Opening balance as at 1 January 2019	9 518 925	5 135 662	5 053 641	1 651 816	21 360 044
Capital expenditure	-	-	-	212 806	212 806
Disposals	-	-	(1 436 549)	-	(1 436 549)
Transfers	6 863	28 008	788 270	(18 893)	804 248
Closing balance as at 30 June 2020	9 525 788	5 163 670	4 405 362	1 845 729	20 940 549
Accumulated amortization					
Opening balance as at 1 January 2018	3 014 039	4 346 694	3 079 070	-	10 439 803
Changes in consolidation perimeter (companies in) (Note 8)	-	68 721	-	-	68 721
Changes in consolidation perimeter (companies out) (Note 8)	-	(674 599)	-	-	(674 599)
Charges for the period	417 417	680 882	153 412	-	1 251 711
Disposals	-	(447)	-	-	(447)
Opening balance as at 1 January 2019	3 431 456	4 421 251	3 232 482	-	11 085 189
Charges for the period	196 095	230 930	154 960	-	581 985
Transfers	-	-	(571)	-	(571)
Closing balance as at 30 June 2020	3 627 551	4 652 181	3 386 871	-	11 666 603
Accumulated amortization					
Opening balance as at 1 January 2018	89 536	-	600 000	-	689 536
Opening balance as at 1 January 2019	89 536	-	600 000	-	689 536
Closing balance as at 30 June 2020	89 536	-	600 000	-	689 536
Carrying amount					
As at 31 December 2019	5 997 933	714 411	1 221 159	1 651 816	9 585 320
As at 30 June 2020	5 808 701	511 489	418 491	1 845 729	8 584 411

At 30 June 2020 and 31 December 2019, there are no impairment losses relating to Intangible Assets.

At June 2020 net assets of Marina de Troia amount to 5,026,992 euros (5,097,526 euros at December 2019) recorded in Industrial property and other rights.

9. GOODWILL

During the periods ended 30 June 2020 and 31 December 2019, movements in goodwill, as well as in corresponding impairment losses, are as follows

	30 June 2020	31 December 2019
Gross amount:		
Opening balance	62 858 391	77 503 717
Acquisitions with increase in percentage ownership	-	-
Increases - acquisition of affiliated companies	-	9 020 352
Decreases - disposals of affiliated companies	-	23 665 678
Write-off	-	-
Closing balance	62 858 391	62 858 391
Accumulated impairment losses (Note 22):		
Opening balance	29 221 018	25 478 909
Increases	-	3 742 109
Transfers	-	-
Decreases	-	-
Closing balance	29 221 018	29 221 018
Total	33 637 373	33 637 373

10. OTHER NON-CURRENT DEBTORS

As at 30 June 2020 and 31 December 2019, other non-current assets are detailed as follows:

	30 June 2020	31 December 2019
Loans granted to related parties		
Others	34 916	34 916
	34 916	34 916
Impairment losses (Note 22)	(34 916)	(34 916)
	-	-
Trade accounts receivable and other debtors		
Sale of financial investments	7 541 942	8 803 506
Others	1 117 903	1 117 903
Impairment losses (Note 22)	-	-
	8 659 845	9 921 409
Other financial assets	39 258	39 258
Deferred costs		
Financing charges	-	-
	-	-
Total financial instruments	8 699 102	9 960 667
Other non-current debtors	8 699 102	9 960 667

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 2020 and 2019 in Others, Trade accounts receivable and Other Debtors, are essentially related to payments to the State originating from a benefit from a 2002 tax amnesty (803,000 euros) and others.

11. INVENTORIES

Inventories as at 30 June 2020 and 31 December 2019 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 June 2020		31 December 2019	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Goods for sale	11 038 540	8 945 413	11 333 334	10 036 775
Goods for resale held by third parties	4 084	-	-	-
Raw materials, by-products and consumables	2 661 828	-	3 168 424	-
Finished goods	7 088 081	5 791 281	7 980 772	6 434 958
Work in progress	31 599 201	30 545 927	31 085 000	30 612 987
	52 391 734	45 282 621	53 567 530	47 084 720
Accumulated impairment losses on stocks (Note 22)	(3 938 512)	(2 640 351)	(4 423 970)	(2 850 218)
Total Operations	48 453 223	42 642 270	49 143 560	44 234 502

12. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2020 and 31 December 2019, trade accounts receivable and other current assets are detailed as follows:

	30 June 2020	31 December 2019
Trade accounts receivable	56 231 741	55 874 552
Accumulated impairment losses on Trade Debtors (Note 22)	(2 754 790)	(3 230 862)
	53 476 951	52 643 690
State and other public entities	8 895 926	8 735 445
Loans and other receivables from related companies	19 888	848 039
Other current assets		
Suppliers c / c - debit balances	2 021 348	869 776
Other debtors	2 363 059	4 490 477
Debtors f of financial investments	11 449 407	11 449 407
Debtors of tangible fixed assets	-	5
	15 853 702	17 657 704
Increase in income - Interest receivable	-	8
Add. Income - Billing to be issued for services rendered	1 359 538	856 153
Other accrued income	3 181 575	2 626 363
Expenses to recognize - rentals	483 265	294 159
Expenses to be recognized - external supplies and services	1 323 477	1 411 130
Expenses to be recognized - financial charges	130 002	114 397
Other current assets	1 267 896	902 103
	7 745 753	6 204 313
Accumulated impairment losses on other current assets (Note 22)	(1 669 193)	(1 669 193)
Clients and other current assets	84 303 140	83 571 959

The caption Other debtors is made up of an amount to be received from Prédios Privados relating to the sale of plots of land in 2017 (496,000 euros), among others.

At June 2020 the sale of financial Investments includes (i) balance receivable from the sale of UPK – Gestão de Facilities e Manutenção S.A. and BoxLines Navegação S.A. and (ii) amounts to receive from the alienation of the Group Prédios Privados – Imobiliária, S.A. (10,000,000 euros).

The item Other current assets includes accruals of revenue relating to work in progress at the end of the period.

13. DERIVATIVES

The company holds derivatives at fair value based on market prices related to energy, gas, electricity and CO₂ licenses. The variation compared to last year in which the value was null is due to the acquisition of the Futura group.

	Assets	Liabilities
Fair Value Hedging	9 432 960	5 301 943
- Raw Material Swaps	8 063 164	4 129 313
Electricity	8 063 164	4 129 313
- Futures	1 369 796	1 172 630
Natural Gas	1 010 469	880 930
CO ₂ Licenses	359 327	291 700
Deposits	6 480 869	2 085 669
Other instruments - Guarantees Received		2 085 669
Other instruments - Guarantees Given	6 480 869	
	15 913 829	7 387 612

The valuation of derivatives is based on quotations indicated by external entities, which are compared on each reporting date with market quotations available on financial information platforms, so in accordance with the requirements of the IFRS 13, the fair value of derivatives is classified as level 2 with no changes between levels in the period. These entities use market information and generally accepted discount techniques for future cash flows.

All financial instruments contracted are to hedge the price. These instruments do not bear interest.

14. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2020 and 31 December 2019 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Amortisation and Depreciation harmonisation adjustments	366 813	362 168	4 068 084	4 196 711
Provisions and impairment losses of non-tax deductible	4 954 200	5 047 662	-	-
Write off of tangible and intangible assets	71 250	71 250	-	-
Revaluation of tangible assets	-	-	187 091	245 870
Tax losses carried forward	14 371 852	14 371 852	-	-
Write off of stocks	-	-	231 886	265 944
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	6 466 841	6 456 560
Others	818 038	818 138	1 254 547	1 267 005
	20 582 152	20 671 070	12 208 449	12 432 090

During the periods ended 30 June 2020 and 31 December 2019, movements in deferred tax are as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Opening balance	20 671 070	22 997 895	12 432 090	12 984 582
Effect in results (Note 25):	-	-	-	-
Amortisation and Depreciation harmonisation adjustments	4 645	(16 894)	(128 627)	(331 018)
Provisions and impairment losses of non-tax deductible	-	-	-	-
Write off of tangible and intangible assets	-	-	-	-
Write off of accruals	-	-	-	-
Revaluation of tangible assets	-	-	(58 779)	-
Tax losses carried forward	-	(2 380 000)	-	-
Impairment of Assets	(93 463)	(59 158)	-	-
Financial Instruments	-	-	-	-
Changes in tax rates	-	-	-	-
Others	(100)	2 653	(36 235)	(221 475)
	(88 918)	(2 453 399)	(223 640)	(552 493)
Effect in reserves:	-	-	-	-
Financial Instruments	-	-	-	-
Others	-	-	-	-
	-	-	-	-
Changes in consolidation perimeter (Note 7)	-	126 575	-	-
Others	-	-	-	-
Closing balance	20 582 152	20 671 070	12 208 449	12 432 090

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2020 and 31 December 2019, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 June 2020			31 December 2019		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	13 046 930	2 739 855	2026	13 046 930	2 739 855	2026
Generated in 2015	43 839 192	9 206 230	2027	43 839 192	9 206 230	2027
Generated in 2016	11 551 269	2 425 767	2028	11 551 269	2 425 767	2028
Generated in 2017	-	-	2022	-	-	2022
Generated in 2018	-	-	2023	-	-	2023
Generated in 2019	-	-	2024	-	-	2024
Generated in 2020	-	-	2025	-	-	
	68 437 391	14 371 852		68 437 391	14 371 852	
With a time limit different from the above mentioned	-	-		-	-	
	68 437 391	14 371 852		68 437 391	14 371 852	

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 Group's subsidiaries based in Portugal belong to the perimeter of the group of companies that are taxed in accordance with the special taxation regime for Group groups (RETGS), being Sonae Capital, SGPS, S.A. the dominant Group.

Of the analysis made at 30 June 2020, it is concluded that there is a reasonable expectation on the recovery of the recorded deferred tax assets before their limited time use expires.

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

As at 30 June 2020, tax losses carried forward amounting to 35,082,374 euros (30,133,980 euros as at 31 December 2019) have for prudential reasons not originated deferred tax assets and are detailed as follows:

	30 June 2020			31 December 2019		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2014	1 064 865	223 622	2026	1 064 865	223 622	2026
Generated in 2015	1 912 800	401 688	2027	1 912 800	401 688	2027
Generated in 2016	1 375 530	288 861	2028	1 375 530	288 861	2028
Generated in 2017	21 131 360	4 437 586	2022	21 131 360	4 437 586	2022
Generated in 2018	3 220 811	676 370	2023	3 220 254	676 253	2023
Generated in 2019	3 542 945	744 018	2024	921 377	193 489	2024
Generated in 2020	18 965 163	3 982 684	2025	-	-	
	51 213 474	10 754 829		29 626 186	6 221 499	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	532 818	118 052		507 794	112 797	
	532 818	118 052		507 794	112 796	
	51 746 292	10 872 881		30 133 980	6 334 296	

15. CASH AND CASH EQUIVALENTS

As at 31 December 2020 and 2019, cash and cash equivalents can be detailed as follows:

	30 June 2020	31 December 2019
Cash at hand	273 270	364 406
Bank deposits	30 102 932	7 218 230
Treasury applications	4 719	4 719
Cash and cash equivalents on the balance sheet	30 380 921	7 587 355
Bank overdrafts (Note 18)	-	-
Guarantee deposit	-	-
Cash and cash equivalents in the statement of cash-flows	30 380 921	7 587 355

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 18).

16. 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 30 June 2020, Sonae Capital SGPS, S.A. owns 3,212,789 own shares (3,670,823 own shares at 31 December 2019) booked at 1,020,877 euros (1,105,573 euros at 31 December 2020).

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 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Demerger reserve	132 638 253	132 638 253
Translation reserves	165 949	145 508
Fair value reserves	-	-
Hedging reserves	-	-
Others	(165 756 406)	(152 302 516)
	-	-
Other reserves and retained earnings	(32 952 204)	(19 518 755)

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 currencies and will be presented as results when the subsidiaries are liquidated or sold off.

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

17. NON-CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020	31 December 2019
Opening balance as at 1 January	2 184 277	9 440 091
Changes in percentage by acquisition / increase capital	-	-
Changes in hedging reserves	-	-
Changes in the percentage of capital held in affiliated companies	-	(7 540 682)
Changes resulting from currency translation	19 820	(160 038)
Dividends paid	-	(854 377)
Others	(35 423)	15 993
Profit for the period attributable to minority interests	(800 205)	1 283 289
Closing balance	1 368 469	2 184 277

The Non-Controlling Interests are primarily from companies in the Energy segment.

18. BORROWINGS

As at 30 June 2020 and 31 December 2019, Borrowings are made up as follows:

	30 June 2020		31 December 2019	
	Outstanding amount		Outstanding amount	
	Current	Non-Current	Current	Non-Current
Bank loans				
Sonae Capital SGPS - commercial paper ^{a)}	-	-	8 900 000	-
Sonae Capital SGPS - commercial paper ^{b)}	-	17 500 000	-	17 500 000
Sonae Capital SGPS - commercial paper ^{c)}	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper ^{d)}	2 000 000	5 000 000	2 000 000	6 000 000
Sonae Capital SGPS - commercial paper ^{e)}	20 500 000	-	33 800 000	-
Sonae Capital SGPS - commercial paper ^{f)}	-	8 250 000	-	-
Sonae Capital SGPS - commercial paper ^{g)}	15 000 000	-	-	-
Sonae Capital SGPS - commercial paper ^{h)}	20 000 000	-	-	-
Up-front fees	-	(13 298)	-	(16 545)
Others	938 016	2 625 032	1 867 612	1 158 248
	68 438 016	33 361 734	56 567 612	24 641 703
Bank overdrafts (Note 15)	-	-	-	-
Bank loans	68 438 016	33 361 734	56 567 612	24 641 703
		-		
Bond Loans				
Sonae Capital 2016/2021 Bonds ⁱ⁾	-	15 000 000	-	15 000 000
Sonae Capital 2019/2024 Bonds ^{j)}	-	15 000 000	-	15 000 000
Sonae Capital 2019/2026 Bonds ^{k)}	-	13 000 000	2 000 000	13 000 000
Sonae Capital 2019/2024 II Bonds ^{l)}	2 000 000	12 500 000	-	12 500 000
Sonae Capital 2020/2024 Bonds ^{m)}	-	15 000 000	-	-
Up-front fees	-	(411 482)	-	(407 013)
Bond Loans	2 000 000	70 088 518	2 000 000	55 092 987
Other loans	1 745 644	-	2 213 099	-
	72 183 660	103 450 252	60 780 711	79 734 690

- a) Commercial paper programme, with subscription guarantee, issued on 4 January 2017, with automatic annual renewals, unless denounced by either party;
- b) Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid until September 2021;
- c) Commercial paper programme, with subscription guarantee, issued on 30 June 2017, with automatic annual renewals, unless denounced by either party;
- d) Commercial paper programme, with subscription guarantee, issued on 24 February 2017 and valid until February 2023, with semi-annual payments beginning from 2019;

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

- e) *Commercial paper programme, with subscription guarantee, issued on 20 December 2017, with automatic annual renewals. Placed with institutional investors;*
- f) *Commercial paper programme, with subscription guarantee, issued on 31 December 2013 and valid until February 2024, with semi-annual payments beginning from 2022;*
- g) *Commercial paper programme, with subscription guarantee, issued on 17 April 2020 and valid until April 2021;*
- h) *Commercial paper programme, with subscription guarantee, issued on 28 May 2020 and valid until May 2021;*
- i) *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.*
- j) *Sonae Capital SGPS - 2019/2024 bond loan in the amount of 15,000,000 euros, with a 5 year maturity, and with reimbursements on the 8th and 10th coupon, with maturity on 26 June 2024. This bond loan bears interest every six months.*
- k) *Sonae Capital SGPS - 2019/2026 bond loan in the amount of 15,000,000 euros, with a 7 year maturity, and with reimbursements in annual installments beginning from the 2nd coupon, inclusive, with maturity on 28 June 2026. This bond loan bears interest every six months.*
- l) *Sonae Capital SGPS - 2019/2024 II bond loan in the amount of 12,500,000 euros, with a 5 year maturity, and with reimbursement via a single installment on 8 August 2024. This bond loan bears interest every six months.*
- m) *Sonae Capital SGPS - 2020/2024 bond loan in the amount of 15,000,000 euros, with a 4 year maturity, and with reimbursement via a single installment on 20 March 2024. This bond loan bears interest every six months.*

The interest rate on bonds and bank loans in force on 30 June 2020 was on average 1.11% (1.10% in 31 December 2019).

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 item Others includes investment grants received in 2019 and 2020.

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

	30 June 2020		31 December 2019	
	Nominal value	Interest	Nominal value	Interest
N+1	75 235 635	1 852 703	64 426 440	1 442 393
N+2	43 695 209	1 224 121	40 384 194	1 172 157
N+3	16 473 086	873 850	7 899 454	729 481
N+4	31 368 957	691 985	10 098 372	526 589
N+5	15 559 145	205 198	25 258 873	363 507
After N+5	5 444 742	65 473	5 000 000	69 375
	187 776 774	4 913 330	153 067 334	4 303 502
Discontinued Operations	-	-	-	-
Total	187 776 774	4 913 330	153 067 334	4 303 502

19. OTHER NON-CURRENT CREDITORS

As at 30 June 2020 and 31 December 2019 other non-current creditors liabilities can be detailed as follows:

	30 June 2020	31 December 2019
Loans and other amounts payable to related parties		
Others	216 645	216 645
	216 645	216 645
Other creditors		
Creditors in the restructuring process of Torralta	898 701	853 007
Others	3 233 601	6 551 628
	4 132 302	7 404 635
Deferred income		
Obligations by share-based payments (Note 20)	248 597	386 943
	248 596	386 943
Pension fund responsibilities	-	-
Other non-current creditors	4 597 543	8 008 222
Discontinued Operations	-	-
Other non current liabilities	4 597 543	8 008 222

20. 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 year 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 30 June 2020 and 31 December 2019, 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	
				30 June 2020	31 December 2019
Shares					
	2016	2019	-	-	114 344
	2017	2020	1	22 945	469 633
	2018	2021	14	223 171	401 908
	2019	2022	14	269 410	391 351
	2020	2023	13	452 418	-
Total				967 943	1 377 236

As at 30 June 2020 and 31 December 2019, 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:

	30 June 2020	31 December 2019
Other non-current creditors (Note 19)	226 960	392 748
Other current creditors (Note 21)	211 980	659 361
Reserves	(409 888)	(670 544)
Staff Costs	29 052	381 564

21. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 June 2020 and 31 December 2019 trade accounts payable can be detailed as follows:

	30 June 2020	31 December 2019
Suppliers	13 090 895	31 993 293
Loans and other payables of related companies	1 505 663	732 495
Other Current Liabilities		
Fixed assets suppliers	3 205 031	2 978 336
Advances from customers	3 699 242	3 300 637
Other creditors	8 492 878	7 742 060
State and other public entities	5 259 495	4 149 161
Accrued personnel expenses	7 481 253	7 824 249
Works not yet completed	-	3 455 130
Accruals of purchase expenses - Energy segment	451 947	513 924
Financial charges payable	347 993	268 048
Investment subsidies	-	-
Other liabilities	49 407 414	25 532 372
	78 345 253	55 763 917
Suppliers and other current liabilities	92 941 812	88 489 705

The amount considered in the caption Others includes amounts related to creditors for accrued expenses and income to be recognized.

22. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 June 2020 and 31 December 2019 were as follows:

Captions	Balance as at 1 January 2020	Increases	Decreases	Utilisations	Transfers	Balance as at 30 June 2020
Accumulated impairment losses on:						
Tangible Assets (Note 8)	31 058 922	7 560	(509 890)	-	-	30 556 592
Intangible Assets (Note 8)	689 536	-	-	-	-	689 536
Goodwill (Note 9)	29 221 018	-	-	-	-	29 221 018
Other Investments (Note 6)	291 838	-	-	-	-	291 838
Other non-current assets (Note 10)	34 916	-	-	-	-	34 916
Trade accounts receivable (Note 12)	3 230 862	222 731	(182 398)	(516 405)	-	2 754 790
Other current assets (Note 12)	1 669 193	-	-	-	-	1 669 193
Stocks (Note 11)	4 423 970	46 116	(531 574)	-	-	3 938 512
Non-current provisions	3 123 285	7 363	-	-	-	3 130 648
Current provisions	2 907 863	263 085	(3 134)	(258 425)	-	2 909 390
Total	76 651 402	546 855	(1 226 996)	(774 830)	-	75 196 433

Captions	Balance as at 1 January 2019	Increases	Decreases	Utilisations	Transfers	Balance as at 31 December 2019
Accumulated impairment losses on:						
Tangible Assets (Note 8)	31 136 308	29 196	(106 582)	-	-	31 058 922
Intangible Assets (Note 8)	689 536	-	-	-	-	689 536
Goodwill (Note 9)	25 478 909	3 742 109	-	-	-	29 221 018
Other Investments (Note 6)	291 838	-	-	-	-	291 838
Other non-current assets (Note 10)	34 916	-	-	-	-	34 916
Trade accounts receivable (Note 12)	6 230 300	442 589	(1 562 563)	(8 306)	(1 871 158)	3 230 862
Other current assets (Note 12)	1 848 583	246 233	(425 623)	-	-	1 669 193
Stocks (Note 11)	6 152 875	1 127 700	(2 856 605)	-	-	4 423 970
Non-current provisions	3 079 824	43 461	-	-	-	3 123 285
Current provisions	3 286 698	485 881	(504 071)	(360 646)	-	2 907 863
Total	78 229 787	6 117 169	(5 455 444)	(368 952)	(1 871 158)	76 651 402

At June 2020 and December 2019, 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 30 June 2020 and 31 December 2019 detail of other provisions was as follows:

	30 June 2020	31 December 2019
Judicial claims	1 657 060	1 657 060
Provision for secured income	501 930	632 625
Others	3 881 048	3 741 464
	6 040 038	6 031 148

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 amount to be charged through the marketing of real estate is estimated based on the average of the values obtained in previous years.

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.

23. LEASE LIABILITIES

As at 30 June 2020 and 2019 the impact of the adoption of the IFRS 16 was as follows:

	Notes	30 June 2020	30 June 2019
Depreciation Expenses	8	3 633 105	3 579 212
Interest Rate Expenses		2 337 581	2 172 664
Short-term Lease Expenses		634 649	760 758
Expenses related to low value leases		186 044	754 321
Expenses related to variable costs		35 278	58 857
Payments made		4 725 595	6 080 710
Net Right-of-Use Assets at the end of the period	8	51 645 351	49 991 111
Obligations related to Lease liabilities - Current Liabilities		19 932 450	13 937 648
Obligations related to Lease liabilities - Non-Current Liabilities		44 841 349	47 763 044

As at 30 June 2020 and 2019 the amount of the lease liabilities was as follows:

	30 June 2020	30 June 2019
Current lease liabilities	22 984 424	17 697 925
Non-Current lease liabilities	53 476 989	57 738 403
Total passivos da locação	76 461 413	75 436 328

24. OTHER OPERATIONAL INCOME

Other operational income for the year ended 30 June 2020 and 2019 was as follows:

	30 June 2020	30 June 2019
Own work capitalised	725 042	772 901
Gains on sales of assets	1 154 826	4 144 435
Supplementary income	347 169	270 992
Others	646 146	570 835
Continued Operations	2 873 183	5 759 163
Discontinued Operations	(3 218)	341 689
Total	2 869 965	6 100 852

25. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2020 and 31 December 2019 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 June 2020	31 December 2019
Guarantees given:		
on VAT reimbursements	5 199 346	5 199 346
on tax claims	16 439 274	16 244 854
on judicial claims	-	-
on municipal claims	556 599	556 599
on loans	19 892 152	20 489 349
Others	24 913 359	24 499 690

Others include the following guarantees:

- 10,752,959 euros as at 30 June 2020 (10,752,959 euros as at 31 December 2019) 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.

26. INVESTMENT INCOME

As at 30 June 2020 and 2019, Investment income was made up as follows:

	30 June 2020		30 June 2019	
Dividends		-		-
Liquidation of "Fundo Hitec"	-		(235 440)	
Adjustment to the selling price of "Spred SGPS SA"	-		6 632	
Adjustment to the selling price of "Box Lines Navegação"	-		7 327	
Others	-		-	
Losses on sales of group companies	-		-	
Gains in the acquisition of group companies	-		584 834	
Gains of investments in group companies		-		363 353
Equity settlement in other investments (Note 6)	-		-	
Impairment losses (Note 22)	-		-	
Gains/(Losses) on sale of other investments		-		-
Others		-		-
Investment Income	-	-	-	363 353
Discontinued Operations		-		-
Total Operations	-	-	-	363 353

27. TAXATION

As at 30 June 2020 and 2019, Taxation was made up as follows:

	30 June 2020	30 June 2019
Current tax	394 934	(2 013 237)
Deferred tax	(203 523)	2 183 547
Taxation	191 412	170 311

28. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 June 2020 and 2019, the reconciliation of consolidated net profit can be analysed as follows:

	30 June 2020	30 June 2019
Aggregate net profit - continued operations	(4 484 927)	36 216 397
Aggregate net profit - discontinued operations	(59 784)	(197 483)
Harmonisation adjustments	570 872	(102 637)
Elimination of intragroup dividends	(14 226 412)	(39 305 181)
Share of gains/(losses) of associated undertakings	157 164	108 745
Elimination of intragroup capital gains/(losses)	-	399 752
Elimination of intragroup impairment	110 363	-
Adjustments of gains/(losses) of financial shareholdings sale	3 573 045	-
Others	1 975	(7 717)
Consolidated net profit for the year - continued operations	(14 297 920)	(2 690 640)
Consolidated net profit for the year - discontinued operations	(59 784)	(197 483)
Consolidated net profit for the year	(14 357 705)	(2 888 123)

29. RELATED PARTIES

Balances during the periods ended 30 June 2020 and 31 December 2019 and transactions during the periods ended 30 June 2020 and 2019 with related parties are detailed as follows:

	30 June 2020		30 June 2019	
Transactions	Sales and services rendered	Purchases and services obtained	Sales and services rendered	Purchases and services obtained
Parent company				
Associated companies	9 478	(3 759)	12 266	10 532
Feneralt - Produção de Energia, ACE	9 478	(7 728)	7 873	(12 510)
Lidergraf - Artes Gráficas, Lda	-	3 969	4 393	23 042
Vastgoed Sun	-	-	-	-
Entidades parceiras, accionistas e participadas	2 183 141	3 261 108	12 934 951	1 021 541
Águas Furtadas - Soc. Agrícola, SA	-	-	1 302	-
Algarveshopping- Centro Comercial, S.A.	-	-	816	-
Alpêssgo - Sociedade Agrícola, SA	-	-	1 739	(6 940)
Casa Agrícola de Ambrães, S.A.	-	-	840	(350)
Aqualuz - Turismo e Lazer, Lda	-	-	-	(803)
Arrábidasshopping- Centro Comercial, S.A.	-	-	934	(445)
BB Food Service, SA	-	-	62 399	(24 221)
BOM MOMENTO - Comércio Retalhista, SA	-	-	6 139	(8 632)
Prod. Agric.Biológica, S.A.	-	-	126 357	(1 349)
Cascaishopping- Centro Comercial, S.A.	-	(3 520)	-	3 411
Coimbrashopping- Centro Comercial, S.A.	-	-	-	2 136
Centro Colombo- Centro Comercial, S.A.	232 434	207 893	336 773	307 549
Continente Hipermercados, S.A.	-	2 309	3 263 096	(380 635)
Contimobe-Imobil.Castelo Paiva,SA	-	-	-	925
Companhia Térmica Tagol, Lda.	-	(443 460)	-	-
Digitmarket-Sistemas de Informação,SA	-	91 968	-	136 165
Efanor Investimentos, SGPS, S.A.	2 743	-	885	-
Efanor Serviços de Apoio à Gestão, S.A.	34 274	-	34 990	-
Capwatt Lousado - Heat Power, Unipessoal, Lda.	-	(344 810)	-	-
Euroresinas-Indústrias Químicas,SA	-	10 176	-	10 141
Fashion Division, S.A.	-	-	2 331	(2 107)
Gaiashopping I- Centro Comercial, S.A.	-	-	-	(133)
Gaiashopping II- Centro Comercial, S.A.	-	-	-	68
Sonae Arauco Deutschland AG	-	-	560	-
Go Well, S.A.	-	(1 500)	-	-
Guimarãesshopping- Centro Comercial, S.A.	-	-	504	-
RCG - Risk Consulting Group, Ltda.	951	-	951	-
Imoplamac Gestão de Imóveis,SA	14 432	182 774	31 984	238 160
Fundo de Invest. Imobiliário Imosede	-	-	-	(1 572)
Imosistema-Sociedade Imobiliária,SA	-	-	108 199	-
Infocfield-Informática,SA	-	-	475	-
Inovretail, S.A.	-	-	101 829	(103 178)
Isoroy SAS	-	2 775	-	-
Le Terrazze - Shopping Centre S.r.l.	-	-	(1 750)	(629)
Loop 5 - Shopping Centre, GmbH	-	-	-	(27)
NOS Lusomundo Audiovisuais, S.A.	-	-	-	(63)
Maiequipa-Gestão Florestal,SA	-	3 887	-	21 352
Pátio Sertório Shopping Ltda	-	-	11 103	-
Modelo - Dist.de Mat. de Construção,S.A.	127 362	415 315	5 379 158	(2 786 292)
Modelo Continente Hipermercados,SA	-	-	101	-

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

Modelo Hipermercados Trading, S.A.	227 590	(3 451)	216 002	(7 269)
MDS RE-Mediador de Resseguros, S.G.P.S., S.A.	164	-	185	-
MDS Africa SGPS, S.A.	1 268	-	1 268	-
MDS Auto - Mediação de Seguros, SA	6 271	207	5 758	2 000
RCG - Risk Consulting Group, S.A.	-	-	365	-
Mds Knowledge Centre, Unipessoal, Lda	655	-	2 003	(588)
Modalfa-Comércio e Serviços,SA	-	-	-	112
Modelo Hiper Imobiliária,SA	-	-	88	-
Nova Equador P.C.O. e Eventos	-	80 877	-	95 562
Norteshopping-Centro Comercial, S.A.	-	1 191 185	119 058	1 404 338
Pareuro, BV	-	-	517	(14 065)
PCJ-Público, Comunic e Jornalismo, SA	-	3 755	175	-
Predilugar - Sociedade Imobiliária, SA	10 077	5 050	19 189	(2 471)
Prosa - Produtos e Serviços Agrícolas,S.A.	(215)	3 144	195	3 362
Rio Sul - Centro Comercial, SA	-	-	-	70 134
Saphety Level - Trusted Services S.A.	1 481	-	-	-
Sierra Developments Italy S.r.l.	-	-	13 927	(6 396)
SONAESR - Serviços e logística, S.A.	-	-	-	6 107
Sondis Imobiliária,SA	-	-	996	-
Sonae Investimentos, SGPS, SA	1 286 053	1 295 432	1 875 982	1 108 015
Sonae Arauco Portugal, S.A.	223 973	168 304	260 244	184 349
Sonae Industria de Revestimentos,SA	(50)	8 647	999	6 755
Sierra Management II-Gestão de C.C. S.A.	-	35 720	2 617	76 010
Sociloures-Soc.Imobiliária,SA	-	1 375	54 516	11 447
Siaf-Soc.Iniciat.Aprov.Florestais,SA	-	2 297	-	-
Sonae Holdings, SA	3 200	157 279	8 023	371 676
Sonaecom - Serviços Partilhados, S.A	-	111 976	-	111 742
SFS - Gestão de Fundos, SGFI, S.A.	-	-	-	(815)
Modelo Continente, SGPS, S.A.	-	23 541	793 102	93 827
Sonaerp - Retail Properties, SA	9 922	20 271	3 053	25 000
Sonae UK,Ltd.	-	-	1 090	-
SPF- Sierra Portugal	262	5 379	-	9 717
Sport Zone España-Com.Art.de Deporte,SA	-	11 725	6 462	29 654
Tafiber,Tableros de Fibras Ibéricas,SL	294	-	221	-
Sonae Arauco Suisse, S.A.	-	-	55 745	-
Torre Ocidente, Imobiliária,SA	-	-	5 712	-
VALOR N, S.A.	-	1 951	-	2 927
We Do Technologies Mexico,S	-	(3 582)	13 164	(13 429)
Worten España Distribución, SL	-	16 219	2 433	51 369
ZIPPY - Comercio y Distribución, S.A.	-	-	147	(60)
	2 192 619	3 257 349	12 947 217	1 032 073

CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2020

	30 June 2020		31 December 2019		
	Balances	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Parent company					
Associated companies	7 805	-	8 871	1 980	
Andar-Sociedade Imobiliária,SA	-	-	-	-	
Feneralt - Produção de Energia, ACE	7 771	-	8 837	-	
Lidergraf - Artes Gráficas, Lda	34	-	34	1 980	
Other partners and Group companies	931 923	3 123 480	1 488 884	3 398 831	
Águas Furtadas - Soc. Agrícola, SA	273	(1 002)	279	(1 002)	
Alpêssogo - Sociedade Agrícola, SA	266	-	266	-	
Bright Brands SportsGoods, S.A.	(28 688)	-	(28 688)	-	
Casa Agrícola de Ambrães, S.A.	182	-	186	-	
Cascaishopping- Centro Comercial, S.A.	-	-	416	-	
Centro Colombo- Centro Comercial, S.A.	79 863	221 087	54 384	109 832	
Continente Hipermercados, S.A.	136 674	1 131	144 366	12 965	
Digitmarket-Sistemas de Informação,SA	105 819	18 418	164 531	100 577	
Efanor Investimentos, SGPS, S.A.	15 162	-	15 136	8 168	
Efanor Serviços de Apoio à Gestão, S.A.	1 311	10 487	3 311	10 487	
Sonaerp - Retail Properties, SA	-	4 757	-	17 758	
Go Well, S.A.	615	-	1 845	-	
Sonae Arauco Deutschland AG	-	-	231	-	
Fundo de Invest. Imobiliário Imosede	14 317	246 727	24 244	131 398	
Inovretail, S.A.	-	-	-	107 716	
Insco Insular de Hipermercados, S.A.	-	-	2 237	-	
S21SEC Portug-Cyber Security Services,S.A.	11 561	-	14 335	-	
MDS Africa SGPS, S.A.	-	-	89	4	
RCG - Risk Consulting Group, S.A.	-	922	-	922	
MDS Corretor de Seguros, SA	11 306	80 088	62 695	95 954	
MDS RE-Mediador de Resseguros, S.G.P.S., S.A.	(838)	-	(838)	4	
Modalfa-Comércio e Serviços,SA	46	-	46	-	
Modelo Continente Hipermercados,SA	140 266	712 354	494 032	1 197 088	
Modelo Hipermercados Trading, S.A.	150	-	150	-	
Norteshopping-Centro Comercial, S.A.	-	119 348	15 846	108 739	
NOS Sistemas S.A.	-	74 448	-	70 561	
NOS Comunicações, S.A.	-	454 158	(1 545)	258 763	
PHARMACONTINENTE - Saúde e Higiene, S.A.	-	1 188	-	15 593	
Prosa - Produtos e Serviços Agrícolas,S.A.	2 066	1 606	-	2 716	
Público-Comunicação Social,SA	-	274	237	-	
Grupo Salsa	(1 045)	-	(966)	-	
SEKIWI, SGPS., S.A.	(25)	-	-	-	
SFS, Gestão e Consultoria, S.A.	983	136 776	36	116 589	
SFS - Financial Services, IME, S.A.	350	350	404	350	
Sierra Management Portugal-Gest. CC,S.A.	48 622	1 173	29 729	12 653	
SIRS-Soc.Ind.Radiodifusão Sonora,SA	-	7 698	4 889	9 282	
Sonae Indústria - Management Services, S.A.	-	-	-	2	
Sohi Meat Solut-Distr. Carnes	-	5 536	-	4 832	
Sonae Arauco Portugal, S.A.	225 651	723 280	331 486	358 930	
Sonae MC - Serviços Partilhados, SA	41 285	175 376	47 828	417 934	
Sonae Industria de Revestimentos,SA	123 751	81 162	92 624	137 700	
Sonae Indústria-SGPS,SA	271	-	765	14	
Sonae Investimentos, SGPS, SA	-	11 250	-	-	
Sonae SGPS, SA	875	8 917	2 887	50 044	
Sonae.com,SGPS,SA	-	-	-	216	
Sonae Holdings, SA	-	5 074	-	13 219	
SONAESR - Serviços e logística, S.A.	-	3 262	-	3 262	
SFS - Gestão de Fundos, SGFI, S.A.	236	16 432	-	17 113	
Sonae Arauco South Africa (Pty) Ltd.	17	-	17	-	
Sonae Arauco France SAS	-	-	395	10	
Sport Zone-Comércio Art.Desporto,SA	422	-	422	-	
Tableros Tradema,S.L.	130	-	130	-	
Sonae Arauco, S.A.	-	-	812	8	
Textil do Marco,SA	-	-	9 067	-	
Worten-Equipamento para o Lar,SA	(50)	1 203	-	8 430	
Sonae Corporate, S.A.	99	-	568	-	
	939 728	3 123 480	1 497 755	3 400 811	

30. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2020 and 2019 were calculated taking into consideration the following amounts:

	30 June 2020	30 June 2019
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(14 600 237)	(3 286 740)
Net profit taken into consideration to calculate diluted earnings per share	(14 600 237)	(3 286 740)
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	246 559 459	246 074 377
Weighted average number of shares used to calculated diluted earnings per share	246 559 459	246 074 377
Earnings per share (basic and diluted) - Continued operations	(0,05897)	(0,01255)
Earnings per share (basic and diluted) - Discontinued operations	(0,00024)	(0,00080)
Earnings per share (basic and diluted)	(0,05922)	(0,01336)

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

31. SEGMENT INFORMATION

In 30 June 2020 and 31 December 2019, the following segments were identified:

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

The contribution of the business segments to the Income Statement of the periods ended 30 June 2020 and 2019 can be detailed as follows:

30 June 2020										
Profit and Loss Account	Troia Resort Operations	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	3 129 897	3 327 124	12 887 314	105 780 869	-	3 687 313	6 131 021	1 923 163	(4 672 618)	132 194 083
Other operational income	432 012	298 697	685 774	155 149	-	257 058	1 579 365	34 252	(569 123)	2 873 183
Total operational income	3 561 909	3 625 820	13 573 088	105 936 018	-	3 944 371	7 710 386	1 957 415	(5 241 741)	135 067 266
Operational cash-flow (EBITDA)	(192 578)	(2 327 613)	1 862 860	8 446 022	-	(1 284 176)	3 086 522	(2 101 436)	(2 308 373)	5 181 229

30 June 2019										
Profit and Loss Account	Troia Resort Operations	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	3 885 731	10 428 748	20 146 277	28 325 317	16 603 904	4 070 866	8 358 568	3 009 381	(6 605 103)	88 223 688
Other operational income	176 191	125 945	267 306	77 488	106 852	394 163	4 592 359	1 478	17 380	5 759 163
Total operational income	4 061 922	10 554 694	20 413 583	28 402 805	16 710 756	4 465 029	12 950 927	3 010 859	(6 587 725)	93 982 851
Operational cash-flow (EBITDA)	(857 577)	1 114 689	6 240 094	8 467 882	129 790	(1 608 914)	6 666 537	(1 198 602)	(2 424 951)	16 528 948

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2020

The contribution of the business segments to the Balance Sheet Statement for the periods ended 30 June 2020 and 31 December 2019 can be detailed as follows:

30 June 2020										
Balance Sheet	Troia Resort Operations	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible, Intangible and Goodwill	56 148 198	44 973 576	97 627 868	101 131 188	-	16 394 652	124 536 094	(1 945 428)	(71 014 261)	367 851 887
Investments	162 287 552	10 745 071	89 141	376 159	-	62 807	11 293 186	224 510 783	(407 072 339)	2 292 360
Other Assets	68 443 453	4 673 892	3 245 474	76 595 338	-	8 138 951	55 316 100	475 164 234	(483 193 919)	208 383 524
Total Assets	286 879 203	60 392 539	100 962 484	178 102 686	-	24 596 410	191 145 380	697 729 589	(961 280 520)	578 527 771
Total Liabilities	191 932 064	57 375 652	89 361 246	160 280 017	-	34 842 023	164 826 582	184 082 433	(506 967 397)	375 732 620
Technical investment	1 753 892	3 254 291	2 521 002	5 952 374	-	176 775	846 204	15 860	(140 172)	14 380 226
Gross Debt	7 456 666	32 513 998	58 677 356	9 176 711	-	1 422 022	33 299	170 851 926	(28 036 652)	252 095 325
Net Debt	5 722 264	32 371 049	58 402 471	4 277 257	-	1 267 336	(2 173 353)	149 881 498	(28 036 652)	221 714 405

31 December 2019										
Balance Sheet	Troia Resort Operations	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Real Estate	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible, Intangible and Goodwill	58 241 210	42 082 180	97 016 681	100 872 650	-	16 846 311	126 389 345	(825 642)	(70 629 894)	369 992 842
Investments	157 934 939	10 742 460	78 920	265 234	-	60 305	11 194 759	251 617 462	(429 772 229)	2 121 850
Other Assets	68 217 032	5 415 018	3 236 793	70 893 966	54 941	8 057 780	57 915 897	436 370 769	(463 348 180)	186 814 016
Total Assets	284 393 181	58 239 658	100 332 394	172 031 850	54 941	24 964 396	195 500 001	687 162 589	(963 750 303)	558 928 708
Total Liabilities	188 275 483	51 249 819	83 594 319	151 000 311	471 909	33 514 537	169 460 572	148 954 371	(485 570 886)	340 950 435
Technical investment	3 303 298	1 605 016	2 731 095	28 675 288	-	939 449	1 898 864	397 930	(320 627)	39 230 313
Gross Debt	7 966 002	29 955 604	55 744 730	11 591 379	-	1 635 758	35 970	135 648 109	(26 625 823)	215 951 729
Net Debt	7 757 521	29 689 032	55 381 285	10 540 325	-	1 410 854	(4 995 729)	135 206 909	(26 625 823)	208 364 374

32. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 June 2020.

33. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 28 July 2020. However, they are still subject to approval at the General Shareholders' Meeting.

The Board of Directors

Duarte Paulo Teixeira de Azevedo
Chairman of the Board of Directors

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

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

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

Miguel Jorge Moreira da Cruz Gil Mata
CEO

Ivone Pinho Teixeira
CFO

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors

Pedro Manuel Martins Bruno
Member of the Board of Directors

Ângelo Gabriel Ribeirinho dos Santos Paupério
Member of the Board of Directors

SONAE CAPITAL

**PART III
SEPARATED FINANCIAL
STATEMENTS**

30 JUNE 2020



SONAE CAPITAL



SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA

INDIVIDUAL BALANCE SHEET AS AT 30 JUNE 2020 AND 31 DECEMBER 2019

(Amounts expressed in euro)

	Notes	30 Junho 2020	31 Dezembro 2019
ASSETS			
NON-CURRENT ASSETS:			
Tangible assets		84 155	97 580
Investments	4	236 608 359	236 108 359
Investments in associated companies and joint ventures	4	1 125 301	1 125 301
Other investments	4	24 394	24 394
Deferred tax assets	7	14 371 852	14 371 852
Other non-current debtors	5	397 613 683	398 798 247
Total non-current assets		649 827 744	650 525 733
CURRENT ASSETS:			
Trade account receivables		9 678	141 688
Other debtors	6	36 048 137	14 068 628
Income tax receivable	6	1 960 817	1 487 561
Other taxes receivable	6	98 224	98 224
Other current assets	6	4 000 091	3 913 225
Cash and cash equivalents	8	20 924 898	386 696
Total Current Assets		63 041 844	20 096 022
TOTAL ASSETS		712 869 588	670 621 755
EQUITY:			
Share capital	9	250 000 000	250 000 000
Own Shares	9	(1 020 877)	(1 105 573)
Reserves	10	282 718 264	280 340 993
Retained earnings		0	0
Profit/(Loss) for the year		6 924 950	2 278 295
TOTAL EQUITY		538 622 337	531 513 716
NON-CURRENT LIABILITIES:			
Bank Loans	11	30 736 702	23 483 637
Bonds	11	70 088 518	55 092 987
Obligation under finance leases	11	28 491	42 648
Other non-current liabilities	13	94 820	158 790
Total Non-Current Liabilities		100 948 530	78 778 062
CURRENT LIABILITIES:			
Bank Loans	11	67 500 000	54 700 000
Bonds	11	2 000 000	2 000 000
Obligation under finance leases	11	30 210	28 911
Trade creditors	13	512 970	166 515
Other creditors	12	2 352 617	2 196 727
Income tax payable	13	-	-
Other taxes payable	13	104 462	69 475
Other current liabilities	13	798 462	1 168 350
Total Current Liabilities		73 298 721	60 329 978
TOTAL LIABILITIES		174 247 251	139 108 039
TOTAL EQUITY AND LIABILITIES		712 869 588	670 621 755

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019

(Amounts expressed in euro)

	Notes	30 Junho 2020	30 Junho 2019
Other operating income	17	26 302	26 736
External supplies and services	14	(933 537)	(671 097)
Staff costs	15	(701 040)	(735 209)
Depreciation and amortisation		(15 126)	(7 431)
Other operating expenses	17	(17 667)	(11 665)
Operational profit/(loss)		(1 641 067)	(1 398 666)
Financial Income	16	3 805 174	5 396 141
Financial Expenses	16	(1 235 525)	(1 569 869)
Net financial income / (expenses)		2 569 649	3 826 272
Investment income	16	5 217 315	25 489 934
Profit/(Loss) before taxation		6 145 897	27 917 540
Taxation	18	779 053	979 445
Profit/(Loss) for the year		6 924 950	28 896 985
Profit/(Loss) per share			
Basic	19	0,0281	0,1174
Diluted	19	0,0281	0,1174

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA

INDIVIDUAL INCOME STATEMENTS BY NATURE

FOR THE 2ND QUARTER OF 2018 AND 2019

(Amounts expressed in euro)

	Notes	2nd Quarter 2020 (Unaudited) *	2nd Quarter 2019 (Unaudited) *
Other operating income		12 085	12 126
External supplies and services		(330 623)	(338 789)
Staff costs		(338 312)	(461 779)
Depreciation and amortisation		(7 297)	1 707
Other operating expenses		(3 940)	(1 052)
Operational profit/(loss)		(668 087)	(787 786)
Financial Income		1 922 788	2 748 483
Financial Expenses		(668 536)	(670 233)
Net financial income / (expenses)		1 254 252	2 078 251
Investment income		3 354 495	25 193 501
Profit/(Loss) before taxation		3 940 660	26 483 966
Taxation		384 370	860 433
Profit/(Loss) for the year		4 325 030	27 344 399

The accompanying notes are part of these financial statements.

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

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019

(Amounts expressed in euro)

	30 Junho 2020	30 Junho 2019
Net profit/(loss) for the period	6 924 950	28 896 985
Total comprehensive income for the period	6 924 950	28 896 985

The accompanying notes are part of these financial statements.

SONAE CAPITAL, SGPS, SA

INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER OF 2018 AND 2019

(Amounts expressed in euro)

	2nd Quarter 2020 (Unaudited) *	2nd Quarter 2019 (Unaudited) *
Net profit/(loss) for the period	4 325 030	27 344 399
Total comprehensive income for the period	4 325 030	27 344 399

The accompanying notes are part of these financial statements.

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

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2020

SONAE CAPITAL, SGPS, SA INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019 (Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital						Net Profit/(Loss)	Total Equity
	Share Capital (Note 9)	Own Shares (Note 9)	Legal Reserves (Note 10)	Other Reserves (Note 10)	Retained Earnings	Subtotal		
Balance as at 1 January 2019	250 000 000	(1 192 808)	10 789 547	282 191 290	-	292 980 837	5 294 899	547 082 928
Total comprehensive income for the period	-	-	-	-	-	-	28 896 985	28 896 985
Appropriation of profit of 2018:								
Transfer to legal reserves and retained earnings	-	-	264 745	-	5 030 154	5 294 899	(5 294 899)	-
Dividends paid	-	-	-	(13 198 205)	(5 030 154)	(18 228 359)	-	(18 228 359)
(Acquisition)/Sales of own shares	-	87 236	-	-	-	-	-	87 236
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	293 617	-	293 617	-	293 617
Balance as at 30 June 2019	250 000 000	(1 105 573)	11 054 292	269 286 702	-	280 340 993	28 896 985	558 132 406
Balance as at 1 January 2020	250 000 000	(1 105 573)	11 054 292	269 296 702	-	280 350 994	2 278 295	531 523 716
Total comprehensive income for the period	-	-	-	-	-	-	6 924 950	6 924 950
Appropriation of profit of 2019:	-	-	-	-	-	-	-	-
Transfer to legal reserves and retained earnings	-	-	-	-	2 278 295	2 278 295	(2 278 295)	-
Dividends paid	-	-	-	-	-	-	-	-
(Acquisition)/Sales of own shares	-	84 696	-	-	-	-	-	84 696
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	88 976	-	88 976	-	88 976
Balance as at 30 June 2020	250 000 000	(1 020 877)	11 054 292	269 385 678	2 278 295	282 718 264	6 924 950	538 622 337

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

SONAE CAPITAL, SGPS, SA
INDIVIDUAL STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND 2019
(Amounts expressed in euro)

	Notes	30 Junho 2020	30 Junho 2019	2nd Quarter 2020 (Unaudited) *	2nd Quarter 2019 (Unaudited) *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		-	-	-	-
Cash paid to trade creditors		(944 192)	(799 709)	(487 324)	(352 697)
Cash paid to employees		(619 274)	(444 468)	(293 791)	(287 124)
Cash flow generated by operations		(1 563 467)	(1 244 177)	(781 115)	(639 821)
Income taxes (paid) / received		(468 499)	7 906 046	(2 787)	8 037 350
Other cash receipts and (payments) relating to operating activities		1 220 114	313 119	445 808	157 773
Net cash from operating activities (1)		(811 853)	6 974 988	(338 094)	7 555 302
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments	23	1 261 564	622 838	1 261 564	603 675
Interest and similar income		3 716 399	4 768 545	9 456	651
Dividends	18	3 354 495	24 929 031	3 354 495	24 929 031
Others		1 862 820	789 015	-	260 795
Changes in consolidation perimeter (companies in)		-	-	-	-
		10 195 278	31 109 429	4 625 515	25 794 152
<u>Cash Payments arising from:</u>					
Investments	23	(2 460 000)	(39 461 839)	(2 460 000)	(39 458 344)
Loans granted	23	(20 339 362)	(4 750 503)	1 904 000	11 953 889
		(22 799 362)	(44 212 342)	(556 000)	(27 504 455)
Net cash used in investment activities (2)		(12 604 084)	(13 102 913)	4 069 515	(1 710 303)
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained	11	58 250 000	717 900 000	5 000 000	430 500 000
Sale of own shares		84 696	87 236	84 696	9 898
		58 334 696	717 987 236	5 084 696	430 509 898
<u>Cash Payments arising from:</u>					
Loans obtained	11	(23 200 000)	(674 938 250)	(1 496 000)	(399 540 350)
Interest and similar charges		(1 173 557)	(2 016 772)	(548 316)	(1 429 326)
Dividends		-	(18 223 858)	-	(18 223 858)
		(24 373 557)	(695 178 880)	(2 044 316)	(419 193 534)
Net cash used in financing activities (3)		33 961 139	22 808 356	3 040 380	11 316 363
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	-	20 545 202	16 680 431	6 771 800	17 161 363
Cash and cash equivalents at the beginning of the period	8	386 696	888 068	14 160 097	407 136
Cash and cash equivalents at the end of the period	8	20 924 898	17 568 499	20 924 898	17 568 499

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting

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 Commercial Companies Code.

The Company's financial statements are presented as required by the Commercial Companies Code. 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

The functional and presentation currency is the euro.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted are consistent with those used in the financial statements presented for the year ended 31 December 2019.

2.1. BASIS OF PREPARATION

The interim financial statements are presented on a quarterly basis in accordance with IAS 34 - "Interim Financial Reporting".

These financial statements were prepared based on the books and accounting records on the assumption of continuity of operations and based on the historical cost, except for some financial instruments that are recorded at fair value.

3. CHANGES IN ACCOUNTING POLICIES

Changes in international accounting standards that took effect on or after 1 January 2020, had no significant impact on the financial statements at 30 June 2020.

4. FINANCIAL INVESTMENTS

As at 30 June 2020 and 31 December 2019 Investments are detailed as follows:

	30 June 2020	31 December 2019
Investments in affiliated and associated undertakings	360 490 635	358 030 635
Investments in other companies		
Sonae RE - (0,04%)	1 360	1 360
Matadouro Alto Alentejo, S.A. - (0,89%)	-	-
NET Novas Tecnologias, S.A. - (0,98%)	23 034	23 034
Fundo F HITEC - (6,48%)	-	-
	360 515 029	358 055 029
Impairment	(122 756 975)	(120 796 975)
	237 758 054	237 258 054

4.1. INVESTMENTS IN AFFILIATED AND ASSOCIATED UNDERTAKINGS

As at 30 June 2020 and 31 December 2019, the detail of Investments in Affiliated and Associated Companies is as shown in the table below:

	30 June 2020			
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	19 225 000	21 530 382	1 741 188
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	71 512 508	668 973
Troiaresort, SGPS, S.A.	100%	167 132 793	78 679 274	(446 774)
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 974 625	714 027
SC Assets S.G.P.S., SA	100%	40 563 728	6 594 994	542 990
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	5 061 042	(119 765)
SC Finance B.V.	100%	10 963 698	5 484 379	(41 295)
SC-Industrials, S.G.P.S., S.A.	100%	35 853 624	1 215 606	(170 392)
SC Fitness, S.A.	100%	26 946 268	25 319 705	(747 926)
		360 490 635		

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

31 December 2019				
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	19 225 000	23 143 689	3 354 495
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	73 343 535	4 663 599
Troiaresort, SGPS, S.A.	100%	167 132 793	79 126 048	(742 710)
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 974 625	714 027
SC Assets S.G.P.S., SA	100%	38 603 728	4 092 004	351 321
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	5 180 808	3 852 794
SC Finance B.V.	100%	10 963 698	5 525 674	(95 327)
SC-Industrials, S.G.P.S., S.A.	100%	35 353 624	885 999	(314 001)
SC Fitness, S.A.	100%	26 946 268	26 067 630	(465 830)
		358 030 635		

Investments recorded at acquisition cost correspond to investments not traded in regulated markets and for which the fair value is not reliably estimated.

In 2020, financial investments were subject to impairment tests in order to measure their fair value, the calculation of which took into account external valuations obtained from the real estate assets of the subsidiaries, or valuations from the perspective of Discounted Cash Flows (DCF).

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 at 30 June 2020 and 31 December 2019, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below.

	30 June 2020	31 December 2019	Variation
Troiaresort, SGPS, S.A.	(48 317 116)	(48 317 116)	-
SC Assets, SGPS, S.A.	(40 563 728)	(38 603 728)	(1 960 000)
SC Finance BV	(2 022 507)	(2 022 507)	-
SC, Industrials, SGPS, S.A.	(31 853 624)	(31 853 624)	-
	(122 756 975)	(120 796 975)	(1 960 000)

5. OTHER NON-CURRENT ASSETS

As at 30 June 2020 and 31 December 2019, other non-current assets are detailed as follows:

	30 June 2020	31 December 2019
Loans granted		
CAPWATT, SGPS, S.A.	69 386 000	68 725 000
SC Assets, SGPS, S.A.	121 052 826	123 596 826
SC Finance BV	6 458 900	6 458 900
SC Fitness, S.A.	12 041 300	12 041 300
SC Hospitality, SGPS, S.A.	6 418 072	6 418 072
SC Industrials, SGPS, S.A.	25 301 000	25 301 000
Solinca - Health & Fitness, S.A.	-	-
Troiaresort, SGPS, S.A.	155 677 495	155 677 495
	396 335 592	398 218 592
Impairment		
SC Assets, SGPS, S.A.	(5 035 093)	(6 995 093)
SC-Industrials, S.G.P.S., S.A.	(1 228 759)	(1 228 759)
SC Finance BV	-	-
	(6 263 852)	(8 223 852)
Up-front fees not yet charged to income statement	-	-
	390 071 741	389 994 741
Other debtors	7 541 942	8 803 506
	7 541 942	8 803 506
	397 613 683	398 798 247

The balance recorded under the heading Other debtors refers to the amount receivable for the sale of Race SGPS, SA

As at 30 June 2020, loans granted matured as follows:

2020	2021	2022	2023	2024	Total
199 764 800	9 489 072	39 367 300	86 633 900	61 080 520	396 335 592

These assets were not due or impaired as at 30 June 2020. The fair value of loans granted to Group companies is basically the same as their book value.

Loans to group companies interest at market rates and are repayable within a period exceeding one year. The interest rate as at 30 June 2020 stood, in average, at approximately de 1.82% (2019: 1.82%).

6. OTHER CURRENT ASSETS AND INCOME TAX

As at 30 June 2020 and 31 December 2019, other current assets and Income tax are made up as follows:

	30 June 2020	31 December 2019
Other debtors - Group	3 778 499	2 951 006
Loans granted	31 616 463	9 394 101
Other debtors	653 176	1 723 521
Other debtors	36 048 137	14 068 628
Accrued income	3 814 133	3 749 519
Deferred costs	185 958	163 707
Other current assets	4 000 091	3 913 225
Income tax	1 960 817	1 487 561
Income tax withheld	98 224	98 224
	42 107 269	19 567 639

The balance registered at Shareholding, other Operations is related to the values transferred from subsidiaries under the IRC regime (RETGS).

As at 30 June 2020 and 31 December 2019, the item Loans Granted is related to financial operations with the following subsidiaries:

	30 June 2020	31 December 2019
Loans granted		
CAPWATT, SGPS, S.A.	11 906 601	2 149 000
SC Assets, SGPS, S.A.	177 601	225 500
SC Finance BV	68 500	-
SC Fitness, S.A.	6 773 000	3 303 500
SC Hospitality, SGPS, S.A.	2 670 551	912 000
SC Industrials, SGPS, S.A.	2 591 000	640 500
SC SGPS, S.A.	1 242 901	663 900
Troiaresort, SGPS, S.A.	6 186 308	1 499 700
	31 616 463	9 394 101

Loans to group companies interest at market rates and are repayable within a period inferior to one year. The interest rate as at 30 June 2020 stood, in average, at approximately de 0.99% (2019: 0.99%).

As at 30 June 2020, the item Other Debtors includes includes the amount of 514,876 euros (2019: 1,568,022 euros) related to credits acquired from Race, SA.

The amount recorded in the accrued income includes 3,791,952 euros relating to interest on loans granted to subsidiaries (2019: 3,703,178 euros) as well as 22,180 euros relating to commissions of guarantees given to subsidiaries (2019: 46,341 euros) (Nota 21).

Deferred costs include 127,096 euros relating to bank charges, which are deferred over the loan period (2019: 100,682 euros).

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 2016 to 2019, 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 financial statements as at 30 June 2020. As mentioned in 2.9 note 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 2020, 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 euros subject to and not exempt from Corporate Income Tax, the following state levy fees are levied: 3% over 1,500,000 euros and less than 7,500,000 euros; 5% on the upper part to 7,500,000 euros and up to 35,000,000 euros; and 7% that is levied on the part of the taxable income that exceeds 35,000,000 euros.

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.

The Corporate income tax rate in force for 2020 is 21%.

As at 30 June 2020 and 31 December 2019, the item Income tax is made up as follows:

	30 June 2020	31 December 2019
Income tax withheld	465 712	742 860
Income tax (advanced payment)	-	1 335 797
Income tax	1 733 938	-
Estimated Income tax	(238 834)	(591 096)
	1 960 817	1 487 561
Others	98 224	98 224
	98 224	98 224

7. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2020 and 31 December 2019 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Tax losses carried forward	14 371 852	14 371 852	-	-

During the periods ended 30 June 2020 and 31 December 2019, movements in deferred tax are as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Opening balance	14 371 852	16 751 852	-	-
Effect in results:				
Tax losses carried forward	-	(2 380 000)	-	-
Effect in reserves	-	-	-	-
Closing balance	14 371 852	14 371 852	-	-

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2020 and 31 December 2019, tax losses carried forward can be summarized as follows:

	30 June 2020			31 December 2019		
	Tax loss	Deferred tax assets	To be used until	Tax loss	Deferred tax assets	To be used until
Generated in 2014	13 046 930	2 739 855	2026	13 046 930	2 739 855	2026
Generated in 2015	43 839 192	9 206 230	2027	43 839 192	9 206 230	2027
Generated in 2016	11 551 269	2 425 766	2028	11 551 269	2 425 766	2028
Generated in 2017	-	-	2022	-	-	2022
	68 437 391	14 371 852		68 437 391	14 371 852	

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 30 June 2020, 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 30 June 2020 and 31 December 2019, cash and cash equivalents can be detailed as follows:

	30 June 2020	31 December 2019
Cash	-	-
Bank deposits	20 924 898	386 696
Cash and cash equivalents in the balance sheet	20 924 898	386 696

9. 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 30 June 2020, Sonae Capital SGPS, S.A. owns 3,212,789 own shares (3,670,823 own shares at 31 December 2019) representing 1.285% of the share capital and booked at 1,020,877 euros (1,105,573 euros at 31 December 2019) (Note 10).

10. RESERVES

As at 30 June 2020 and 31 December 2019 this caption can be detailed as follows:

	30 June 2020	31 December 2019
Legal reserves	11 168 206	11 054 292
Free reserves	137 892 275	135 544 223
Demerger reserve **	132 636 906	132 636 906
Own shares reserve	1 020 877	1 105 573
	282 718 264	280 340 993

** at 31 December 2019 this item included an adjustment related to the application of the IFRS 16 in the amount of -1,346.95 euros.

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

Demerger Reserve: The overall value of the demerger reserve (Note 1), representing the difference between the book value of the stake in SC, SGPS, SA (382,638,253 euros) which was highlighted Sonae, SGPS, SA for the Company and the amount of capital social Society (250,000,000 euros) which is comparable to the legal Reserve, according to the Companies Code, 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 is positive, 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.

As at 30 June 2020 this item amounts to 11,168,206 euros (December 2019: 11,054,292 euros).

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. BORROWINGS

As at 31 December 2020 and 2019, Borrowings are made up as follows:

	30 June 2020		31 December 2019	
	Current	Non-current	Current	Non-current
Bank loans				
Sonae Capital SGPS - commercial paper a)	-	-	8 900 000	-
Sonae Capital SGPS - commercial paper b)	-	17 500 000	-	17 500 000
Sonae Capital SGPS - commercial paper c)	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper d)	2 000 000	5 000 000	2 000 000	6 000 000
Sonae Capital SGPS - commercial paper e)	20 500 000	-	33 800 000	-
Sonae Capital SGPS - commercial paper f)	-	8 250 000	-	-
Sonae Capital SGPS - commercial paper g)	15 000 000	-	-	-
Sonae Capital SGPS - commercial paper h)	20 000 000	-	-	-
Up-front fees not yet charged to income statement	-	(13 298)	-	(16 363)
	67 500 000	30 736 702	54 700 000	23 483 637
Bank overdrafts (Note 8)	-	-	-	-
	67 500 000	30 736 702	54 700 000	23 483 637
Bond Loans				
Sonae Capital 2016/2021 i)	-	15 000 000	-	15 000 000
Sonae Capital 2019/2024 j)	-	15 000 000	-	15 000 000
Sonae Capital 2019/2026 k)	2 000 000	13 000 000	2 000 000	13 000 000
Sonae Capital 2019/2024 II l)	-	12 500 000	-	12 500 000
Sonae Capital 2020/2024 m)	-	15 000 000	-	-
Up-front fees not yet charged to income statement	-	(411 482)	-	(407 013)
	2 000 000	70 088 518	2 000 000	55 092 987
	69 500 000	100 825 220	56 700 000	78 576 624

- a) Commercial paper programme, with subscription guarantee, issued on 4 January 2017, with automatic annual renewals, unless denounced by either party;
- b) Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid to October 2021;
- c) Commercial paper programme, with subscription guarantee, issued on 30 June 2017 with annual payments, unless denounced by either party;
- d) Commercial paper programme, with subscription guarantee, issued on 24 February 2017 and valid until February 2023, with semi-annual payments starting in 2019;

- e) Commercial paper programme, without subscription guarantee, issued on 20 December 2017 with annual payments, issued to investors;
- f) Commercial paper programme, with subscription guarantee, issued on 31 December 2013 and valid until February 2024, with annual payments starting in 2022;
- g) Commercial paper programme, with subscription guarantee, issued on 17 April 2020 and valid to April 2021;
- h) Commercial paper programme, with subscription guarantee, issued on 28 May 2020 and valid to May 2021;
- i) Sonae Capital SGPS - 2016/2021 bond loan in the amount of 15.000.000 euro, 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;
- j) Sonae Capital SGPS - 2019/2024 bond loan in the amount of 15.000.000 euros, with a 5 year maturity, and with reimbursements on the 8th and 10th coupon, with maturity on 26 June 2024. This bond loan bears interest every six months;
- k) Sonae Capital SGPS - 2019/2026 bond loan in the amount of 15.000.000 euros, with a 7 year maturity, and with reimbursements in annual installments beginning from the 2nd coupon, inclusive, with maturity on 28 June 2026. This bond loan bears interest every six months;
- l) Sonae Capital SGPS - 2019/2024 II bond loan in the amount of 12.500.000 euros, with a 5 year maturity, and with reimbursement via a single installment on 8 August 2024. This bond loan bears interest every six months;
- m) Sonae Capital SGPS - 2020/2024 bond loan in the amount of 15.000.000 euro, with a 4 year maturity, and a sole reimbursement on 20 March 2024. This bond loan bears interest every six months;

The interest rate on bonds and bank loans in force on 30 June 2020 was on average 1.11%.

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 case of any Bank institution or commercial paper investor do not renew, at the maturity date, its respective loans, the Company has credit lines available to overcome such renewables

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

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

	30 June 2020		31 December 2019	
	Capital	Interests	Capital	Interests
N+1	69 500 000	(1 585 941)	56 700 000	(1 167 322)
N+2	39 250 000	(1 071 337)	36 500 000	(1 033 958)
N+3	12 750 000	(791 510)	4 000 000	(576 424)
N+4	29 750 000	(649 434)	9 000 000	(495 174)
N+5	14 500 000	(190 174)	24 500 000	(355 764)
After N+5	5 000 000	(63 194)	5 000 000	(69 375)
	170 750 000	(4 351 590)	135 700 000	(3 698 017)

12. OTHER CREDITORS

As at 30 June 2020 and 31 December 2019 other creditors can be detailed as follows:

	30 June 2020	31 December 2019
<u>Other creditors:</u>		
Group companies - Short term loans	871 000	878 000
Other creditors	1 481 617	1 318 727
	2 352 617	2 196 727

As at 30 June 2020 and 31 December 2019 the caption loans granted is relative to financial operations granted to the following subsidiaries:

	30 June 2020	31 December 2019
Inparvi, SGPS, S.A.	871 000	878 000
	871 000	878 000

Loans obtained from group companies bear interest at market rates and are repayable within one year. The interest rate as at 30 June 2020 was, in average, approximately 0.050%.

Within the item Other Creditors, it is included 1,354,040 euros (2019: 1,300,845 euros) regarding transfers from subsidiaries of tax estimates under the special regime RETGS (Note 21).

13. SUPPLIERS, TAXES, OTHER NON-CURRENT AND CURRENT LIABILITIES

As at 30 June 2020 and 31 December 2019 these items were as follows:

	31 December 2019		31 December 2018	
	Current	Non-Current	Current	Non-Current
Trade creditors	512 970	-	166 515	-
Taxes payable - income tax	-	-	-	-
Taxes payable - other taxes	104 462	-	69 475	-
Other current liabilities				
Accruals:				
Staff costs	438 493	94 820	825 350	158 790
Interest payable	300 227	-	237 780	-
Other accruals	46 139	-	88 010	-
Deferred income	13 603	-	17 210	-
	798 462	94 820	1 168 350	158 790
	1 415 894	94 820	1 404 340	158 790

At 30 June 2020, the items Suppliers, Other Accruals and Staff costs include balances with related entities amounting to 485,145 euros, and 8,333 euros respectively (Note 21).

SEPARATED FINANCIAL STATEMENTS
30 JUNE 2020

The amount of staff cost (Non-current) refers to deferred compensation payable in periods exceeding one year.

As at 30 June 2020 and 31 December 2019 interest payable can be detailed as follows:

	30 June 2020	31 December 2019
Interest payable:		
Bank Loans	299 776	237 757
Group companies loans	451	24
	300 227	237 780

As at 30 June 2020 and 31 December 2019 the Income tax and Other taxes can be detailed as follows:

	31 December 2019	31 December 2018
Taxes payable - income taxes		
Income tax (advanced payment)	-	-
Income tax withheld	-	-
Income tax	-	-
Income tax (provision)	-	-
	-	-
Taxes payable - other taxes		
Income taxation - amounts withheld	34 994	31 611
VAT	2 907	9 269
Social security contributions	31 762	28 595
Others	34 799	-
	104 462	69 475

14. EXTERNAL SUPPLIES AND SERVICES

As at 30 June 2020 and 2019 External Supplies and services can be detailed as follows:

	30 June 2020	30 June 2019
Operational rents	3 469	3 094
Insurance costs	20 078	26 195
Travelling expenses	3 198	14 107
Services obtained	846 110	599 624
Office supplies	-	61
Other services	60 681	28 016
	933 537	671 097

Within the item Services obtained the following stands out, Consulting with an amount of 249,960 euros (2019: 25,515 euros) and costs related to the Holding which was debited by the subsidiary SC Sociedade de Consultadoria, S.A. which in 2020 amounted to 379,474 euros, the same value as in 2019.

As at 30 June 2020, the item Other services included costs related to bank services in the amount of 27,077 euros (2019: 11,715 euros), fuel 4,906 euros (2019: 7,792 euros), communication 9,829 euros (2019: 4,861 euros) and maintenance and repairs 7,768 euros (2019: 749 euros).

15. STAFF COSTS

As at 30 June 2020 and 2019, staff costs can be detailed as follows:

	30 June 2020	30 June 2019
Governing bodies' remunerations	581 026	448 416
Staff and other sectors remunerations	-	187 926
Social security contributions	101 529	84 756
Other staff costs	18 485	14 111
	701 040	735 209

16. NET FINANCIAL EXPENSES AND INCOME

As at 30 June 2020 and 2019, Net Financial Expenses and Income can be detailed as follows:

	30 June 2020	30 June 2019
Financial expenses		
Interest arising from:		
Bank loans	(277 313)	(239 414)
Bonds	(522 903)	(823 856)
Other	(562)	(5 793)
Other financial expenses	(434 746)	(500 805)
	(1 235 525)	(1 569 869)
Interest receivable and similar income		
Interest income	3 805 174	5 396 141
	3 805 174	5 396 141
Net financial expenses	2 569 649	3 826 272

As at 30 June 2020, the amount mentioned in Interest arising from Other includes only interest on current loans obtained from group companies.

As at 30 June 2020, the amount mentioned in interest receivable and similar income includes interest on loans granted to group companies.

As at 30 June 2020, the amount mentioned in Other financial expenses refers to commissions incurred with the assembly and management of bank loans and bonds.

17. NET INVESTMENT EXPENSES AND INCOME

As at 30 June 2020 and 2019, Net Investment Expenses and Income can be detailed as follows:

	30 June 2020	30 June 2019
Dividends received	3 354 495	24 929 031
Losses on financial investments	-	(235 440)
Other income	1 862 820	796 343
Investment income	5 217 315	25 489 934

As at 30 June 2020, the amount recorded under Other income relates essentially to income obtained from the WTC Fund, 1,862,820 euros.

18. OTHER OPERATIONAL PROFIT AND OTHER OPERATIONAL EXPENSES

As at 30 June 2020 and 2019 these items were as follows:

	31 December 2019	31 December 2018
Other operating income		
Other supplementary income - Comissions	24 029	26 632
Other	2 274	104
	26 302	26 736
Other operating expenses		
Taxes	(15 367)	(11 473)
Other	(2 300)	(192)
	(17 667)	(11 665)

19. TAXATION

As at 30 June 2020 and 2019, Taxation was made up as follows:

	30 June 2020	30 June 2019
Current tax (Note 6)	779 053	3 359 445
Deferred tax (Note 7)	-	(2 380 000)
	779 053	979 445

As stated in Note 6, the Company is taxable in terms of Corporate Income Tax according to the RETGS.

19.1. RECONCILIATION OF THE EFFECTIVE INCOME TAX

The reconciliation between the profit before taxation and the tax charge for the periods ended 30 June 2020 and 2019 may be summarised as follows:

		30 June 2020		30 June 2019	
		Basis of incidence	Tax amount	Basis of incidence	Tax amount
Profit before income tax (1)		6 145 897		27 917 540	
	tax charge	21%		21%	
Tax charged			(1 290 638)		(5 862 683)
Increases or (decreases) in taxable profit					
Reversal of impairment losses (Note 18)		(6 500 000)	1 365 000	42 642 090	(8 954 839)
Dividends received (Note 18)		(37 076 131)	7 785 988	(25 433 333)	5 341 000
Payment base on shares		(158 919)	33 373	(462 564)	97 138
Gain/loss on financial investments		-	-	(14 655)	3 077
Others		-	-	(2 602)	546
Deduction of tax losses		139	(29)	916	(192)
Tax savings (RETGS)			1 408 749		3 956 774
Municipality and state tax			(73 468)		(67 932)
Autonomous taxes			(3 378)		(2 380)
Effect of increases or decreases in deferred taxes			-		(2 380 000)
Taxation (2)			779 053		979 445
			12,7%		3,5%

20. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2020 and 2019 were calculated taking into consideration the following amounts:

	30 June 2020	30 June 2019
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	6 924 950	28 896 985
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	6 924 950	28 896 985
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246 599 459	246 074 377
Earnings per share (basic and diluted)	0,0281	0,1174

21. COMPLIANCE WITH LEGAL REQUIREMENTS

Art 5 nr 4 of Decree-Law nr 495/88 of 30 December changed by art 1 of Decree-Law nr 318/94 of 24 December.

In the period ended 30 June 2020 shareholders' loan contracts were entered into with the companies: SC Assets SGPS, S.A. and Capwatt, S.A.

In the period ended 30 June 2020 short-term loan contracts were entered with the companies:

2ndRoom – Exploração Hoteleira, S.A.	Imoresort - Sociedade Imobiliária, S.A.
Aqualuz Tróia – Exploração Hoteleira e Imobiliária, S.A.	Marina de Tróia, S.A.
Aqualuz - Turismo e Lazer, Lda.	Marvero - Exploração Hoteleira e Imobiliária, S.A.
Atelgen - Produção de Energia, ACE	Porto Palácio Hotel – Exploração Hoteleira, S.A.
Atlantic Ferries - Tráfego Local Fluvial e Marítimo, S.A.	SC Finance BV
Capwatt ACE, S.A.	SC Fitness, S.A.
Capwatt Alrota – Wind Power, S.A.	Soc.Inic.Aprov.Florest.-Energias, S.A.
Capwatt Chamusca – Bio Power, Unipessoal Lda	SII Soberana - Investimentos Imobiliários, S.A.
Capwatt Colombo - Heat Power, S.A.	Soltróia - Soc. Imobiliária Urbanização e Turismo Tróia, S.A.
Capwatt Estuário – Heat Power, Unipessoal Lda	Soternix - Produção de Energia, ACE
Capwatt Évora – Solar Power, S.A.	Suncoutim - Solar Energy, S.A.
Capwatt Ferreira – Solar Power, S.A.	Companhia Térmica Tagol, Unipessoal, Lda
Capwatt IV – Heat Power, Unipessoal Lda	The Artist Porto Hotel & Bistro - Actividades hoteleiras, S.A.
Capwatt Lousado - Heat Power, Unip., Lda	The House Ribeira - Actividades hoteleiras, S.A.
Capwatt Maia - Heat Power, S.A.	Tróia-Natura, S.A.
Capwatt Martim Longo - Solar Power, S.A.	Tróia Market, S.A.
Capwatt, S.A.	Troiaresort - Investimentos Turísticos, S.A.
Capwatt Services, S.A.	Troiaresort, SGPS, S.A.
Capwatt Vale do Caima - Heat Power, S.A.	Tulipamar - Exploração Hoteleira e Imobiliária, S.A.
Carvemagere - Manutenção e Energias Renováveis, Lda.	
Golf Time - Golfe e Investimentos Turísticos, S.A.	
Imobeauty, S.A.	
Imopeninsula Sociedade Imobiliária, S.A.	

As at 30 June 2020 amounts due by affiliated companies can be summarized as follows:

Shareholders' Loans and Short term loans granted

Companies	Closing Balance
CAPWATT, SGPS, S.A.	81 292 601
SC Assets, SGPS, S.A.	121 230 427
SC Finance BV	6 527 400
SC Fitness, S.A.	18 814 300
SC Hospitality, SGPS, S.A.	9 088 623
SC Industrials, SGPS, S.A.	27 892 000
SC SGPS, S.A.	1 242 901
Troiaresort, SGPS, S.A.	161 863 803
	427 952 055

As at 30 June 2020 amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

	Companies	Closing Balance
Inparvi, SGPS,S.A.		871 000

22. SUBSEQUENT EVENTS

No significant events, requiring further disclosure have occurred after 30 June 2020.

23. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 28 July 2020.

The Certified Accountant

Rui Manuel Machado Morais

The Board of Directors

Duarte Paulo Teixeira de Azevedo
Chairman of the Board of Directors

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

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

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

Miguel Jorge Moreira da Cruz Gil Mata
CEO

Ivone Pinho Teixeira
CFO

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors

Pedro Manuel Martins Bruno
Member of the Board of Directors

Ângelo Gabriel Ribeirinho dos Santos Paupério
Member of the Board of Directors

SONAE CAPITAL

