

RESULTS
ANNOUNCEMENT
9M20



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



1. Main Highlights

Services rendered increasing 4.5% y.o.y., partially offsetting the decrease on technology resale

Improved performance in 3Q with revenue growing 6.5% y.o.y., and Underlying EBITDA keeping the positive evolution

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

NOS recorded a remarkable recovery in telco revenues posting a strong quarterly improvement

Technology area with solid growth and profitability improvements, at cybersecurity companies, and relevant valuation increase in some minority stakes

2. Sonaecom Consolidated Results

Introductory note:

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

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

- The technology area did not feel significant impacts from this situation on its 9M20 results, except a slowdown on Professional Services revenues, on Technology Reselling (either due to a reduction in demand or a drop in supply) and specially on the rhythm of commercial activity for new businesses.
- At NOS, the main operating impacts of the pandemic in 9M20 revenues were felt namely in: i) Cinemas and Audiovisuals: reduction on cinemas attendance, the complete closure of NOS theatres on 16 March until July 2 and the postponement of major movies launches, only partially compensated by the rents reduction; ii) Roaming and international calls: traffic and revenues impacted by restrictions imposed on international travel; iii) Premium sport channels: reduction in revenues with subscriptions being offered during the national football championship suspension; iv) Mobile Data: the quarantine and isolation situations imply an increase of wireless usage versus mobile data; and iv) Equipment: fall in sales due to closure of all non-essential retail activity namely in shopping centres and to general restrictions to circulation.
- Público's activity was materially impacted, namely in and in advertising revenues and offline newspaper sales, with the close of the majority of points of sale during 2Q20.

The potential impact that this situation may still have depends on the extension, namely on time and level of evolution and contagion of the virus, making projections difficult. At this stage, the possibility of a second lock-down, but in a different level, and the consequent financial crisis, still predict a very challenging fourth quarter.

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





Telecommunications area, which includes a 50% stake in ZOPT - consolidated through the equity method - which owns 52.15% stake in NOS, presented a recovery in revenues, especially in telco revenues. However, the Company continued to feel some impacts from the restrictions imposed by the COVID-19 pandemic. In the telco business the most relevant impact was the decline in roaming revenues which have dropped to absolute lows due to the restrictions on non-essential international travel. The Cinema and Audiovisuals business was the most impacted on a relative basis given the very tenuous pick-up in spectator numbers since the re-opening of theatres on 2 July which in turn impacted audiovisual revenues given the latter's high exposure to cinema distribution. OPEX efficiencies across the board helped to offset revenues decline.

During 9M20, Technology area continued to enlarge its portfolio, reinforcing its investment in some portfolio companies and entering in the capital of four new companies. Relevant evolutions occurred in some of these minority stakes, namely the series E round raised in Arctic Wolf with an implicit valuation that turns the company into a unicorn and that resulted in a capital gain of circa 29 million recorded directly in equity (other comprehensive income).

Turnover

Consolidated turnover in 9M20 reached 99.5 million euros, decreasing 3.0%, when compared to 9M19.

This negative evolution was driven by both Media and Technology areas, the latter fully driven by transactional business of third-party products.

Operating costs

Operating costs amounted to 104.6 million euros, 5.6% below 9M19. Employee benefits expenses decreased 2.0% and Commercial costs decreased 8.6% to 54.6 million euros, mainly driven by the lower cost of goods sold, aligned with the lower level of sales. Other expenses decreased 2.3%, mainly explained by the lower level of Outsourcing costs.

EBITDA

Total EBITDA decreasing from 37.4 to 8.4 million euros, fully explained by the decrease on equity results and non-recurrents itens. Underlying EBITDA with relevant improvements, specially at Cybersecurity companies of technology area.

In 9M20, the non-recurrent items stood at negative 9.6 million euros, mainly driven by the gross capital loss of 9.1 million euros as a result of the redemption of participation units held in the Armilar Venture Partners II Fund. Despite the loss recorded, this redemption, that generated a gross capital distribution of 21 million euros, represents a value improvement of 37%, when compared to the distribution occurred in 2018, and increases the cumulative return on Armilar Funds to 2.3x cash on cash. In 9M19, the non-recurrent itens stood positive at 13.8 million euros, driven by the capital gain generated by Saphety and WeDo's sale.

The equity results, mostly driven by ZOPT contribution which, in turn, depends on NOS net income evolution, decreased to 21.2 million euros.

Net results

Sonaecom's EBIT decreased to 1.7 million euros, from 31.1 million in 9M19, mainly explained by the lower level of EBITDA but also by the higher level of depreciations.

Sonaecom's earnings before tax (EBT) decreased from 31.1 million to 1.3 million euros, driven by the lower EBIT and financial results.

Indirect results reached 0.2 million euros, that compare with negative 0.5 million euros in 9M19, impacted by Armilar Venture Funds' portfolio fair value adjustments.

Net results group share stood at 6.7 million euros, below the 34.0 million euros presented in 9M19.

Operating CAPEX

Sonaecom's operating CAPEX decreased to 3.6 million euros, reaching 3.6% of turnover, 1.9 p.p. below 9M19. Excluding the IFRS 16 impact, operating CAPEX would be 2.6 million euros, 0.4 million euros below 9M19.

Capital structure

The net cash position stood at 216.4 million euros, decreasing 20.0 million euros since December 2019. Excluding IFRS 16 impacts, Net cash position stood at 229.2 million euros, 21.5 million below December 2019, mainly driven by 8.7 million euros of positive net inflow from investment activity, the negative operating cash-flow and taxes of 8.0 million euros, the 6.0 million euros received as capital subscription in a new investment vehicle, the 2.8m of IFRS16 rents payment and the 25.4 million euros of dividends distribution.

2.1 Telecommunications

NOS operating revenues were 1,013.6 million euros in 9M20, decreasing 7.2% y.o.y.. EBITDA reached 471.2 million euros, decreasing 6.5% when compared to 9M19 and representing a 46.5% EBITDA margin. CAPEX excluding leasings amounted to 269.6 million euros in 9M20, a decrease of 1.9% y.o.y. As a consequence of EBITDA and CAPEX evolution, EBITDA- CAPEX decreased 12.1%.

At the end of 9M20, total net debt including leasings and long-term contracts (according to IFRS 16) amounted to 1,347.9 million euros. Net Financial Debt/EBITDA after lease payments (last 4 quarters) now stands at 1.4x EBITDA, and with an average maturity of 2.6 years.

NOS published its 9M20 results on 4th November 2020, which are available at www.nos.pt.

During 9M20, NOS share price decreased 36.9% from €4.800 to €3.030, whilst PSI20 decreased by 22.0%.

Operational Indicators

Million euros								
Operational Indicators ('000)	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Total RGUs	9,613.6	9,885.8	2.8%	9,760.7	1.3%	9,613.6	9,885.8	2.8%
Convergent + Integrated RGUs	4,622.1	4,890.7	5.8%	4,823.9	1.4%	4,622.1	4,890.7	5.8%

Financial indicators

Million euros								
NOS HIGHLIGHTS	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Operating Revenues	370.5	346.9	-6.4%	321.3	8.0%	1,092.0	1013.6	-7.2%
EBITDA	172.7	160.6	-7.0%	157.9	1.7%	504.1	471.2	-6.5%
EBITDA margin (%)	46.6%	46.3%	-0.3pp	49.1%	-2.8pp	46.2%	46.5%	0.3pp
Net Income	47.9	44.1	-7.9%	45.3	-2.7%	138.1	79.1	-42.7%
CAPEX excluding Leasings	92.2	97.8	6.0%	83.5	17.1%	274.7	269.6	-1.9%
EBITDA-CAPEX excluding Leasings	80.4	62.8	-21.9%	74.3	-15.5%	229.4	201.6	-12.1%

2.2 Technology

The Technology area aims to build and manage a portfolio of technology businesses around retail and telecommunications, as well as cybersecurity, with an international scale. This area currently comprises, alongside with minority stakes, Bright Pixel, Vector I fund and Bright Innovation fund, four controlled companies – S21Sec, Excellium, Bizdirect and Inovretail- that generated circa 41.6% of its revenues outside the Portuguese market with 70.8% out of the total 654 employees based abroad.

Controlled Companies

S21Sec is a reference multinational MSSP (Managed Security Services Provider), focused on the delivery of cyber security services and development of proprietary supporting technologies, with a global customer base, leveraging its teams in Spain, Portugal and Mexico. Since June 2018, with the integration of Nextel, S21Sec is the most relevant “pure player” (company specializing exclusively in the cybersecurity sector) in Spain and Portugal in terms of turnover and number of cybersecurity experts.

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

This investment, together with the stake on S21sec, turns Sonae IM's cybersecurity group as one of the most relevant cybersecurity services pure players in Europe, counting with more than 500 professionals and direct presence in 13 cities across 6 countries.

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



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

The cloud business unit continued to improve its presence on helping customers in digital transformation and the solutions business unit achieved important new customer references. Bizdirect Competence Center, in Viseu, contributed to the international revenues that already represent 5.2% of total revenues.

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

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

Minority Stakes (non-exhaustive)

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

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

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

StyleSage is a strategic analytics SaaS platform that helps fashion, home and beauty retailers and brands with critical pre, in and post season decisions globally. Every day, StyleSage pulls product data from competitors' ecommerce websites from around the world. Then, with groundbreaking technology in machine learning and visual recognition, StyleSage cleans, organizes, and analyzes the massive amounts of collected data into a cloud-based dashboard that empowers brands and retailers to make informed, data-driven decisions in areas such line planning, markdown optimization, and global expansion.

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

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

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

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

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

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



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

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

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

Cellwize is a leading provider of Mobile Network Automation and Orchestration solutions for telco, based in Israel. Cellwize offers modular solutions for an agile adoption of 'zero-touch' network automation capabilities on top of a virtualized service orchestration platform. It supports network operations, especially given the increase in network density and complexity driven by 5G adoption. Sonae IM invested in a series B round of \$15M led by Deutsche Telekom Capital Partners.

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

IriusRisk (previously named Continuum Security) is a Spanish based company with an application security platform to address vulnerabilities early in the development process. In order to realise their international growth plans, the company has raised an investment round of 1.5 million euros, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Sonae IM. In September 2020, the company raised a series A round of 6.7 million euros participated by Paladin, 360 CP, Swanlaab JME Venture Capital and Sonae IM.

Jscrambler is a Portuguese startup that develops a security solution to protect Web and Mobile Applications (Javascript code). The company raised a 2.3 million dollars in a series A financing round that was led by Sonae IM with the co-investment of Portugal Ventures.

Probe.ly, having started as an internal project of Bright Pixel, won the *Caixa Capital Empreender Award 2017*, has stepped from MVP (minimum valuable product) to an independent Web Application Security startup.

Sales Layer is a Spanish based company with a cloud-based Product Information Management (PIM) platform, helping brands and retailers to transform their catalogs into a digital, enriched and multichannel control center. Sonae IM recently led its series A round.

Financial indicators

Million euros

TECHNOLOGY AREA	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Turnover	24.0	26.5	10.5%	37.2	-28.7%	90.3	89.4	-1.0%
Services Rendered	11.1	11.1	-0.1%	11.4	-2.3%	31.4	33.5	6.6%
Sales	12.9	15.4	19.7%	25.8	-40.3%	58.9	55.9	-5.1%
Other Income	0.4	0.2	-48.1%	0.5	-62.6%	1.0	1.0	-2.9%
Operating Costs	26.0	27.0	3.5%	37.6	-28.3%	96.0	92.1	-4.1%
Employee Benefits Expenses	9.4	8.7	-7.1%	8.5	2.8%	26.8	26.2	-2.5%
Commercial Costs ⁽¹⁾	12.2	14.3	17.4%	24.9	-42.4%	57.0	53.2	-6.6%
Other Expenses ⁽²⁾	4.4	3.9	-12.3%	4.2	-6.7%	12.1	12.6	4.1%
Underlying EBITDA⁽³⁾	-1.8	-0.2	91.2%	0.4	-	-4.9	-1.2	74.9%
Underlying EBITDA Margin (%)	-7.4%	-0.6%	6.8pp	1.1%	-1.7pp	-5.4%	-1.4%	4.0pp
Operating CAPEX ⁽⁴⁾	0.8	1.0	23.2%	1.0	0.8%	4.1	3.0	-27.4%
Operating CAPEX as % of Turnover	3.3%	3.6%	0.4pp	2.6%	1.1pp	4.5%	3.3%	-1.2pp
Underlying EBITDA - Operating CAPEX	-2.6	-1.1	56.3%	-0.6	-102.3%	-9.0	-4.2	53.1%
Total CAPEX	8.1	4.5	-44.4%	1.6	189.7%	25.1	10.9	-56.8%

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

Turnover

Turnover decreased 1.0% y.o.y explained by the decrease on the transactional business of third-party products, but with an improved performance in the quarter presenting a 10.5% yoy growth.

Services rendered, mainly cybersecurity services, presented a growth when compared to 9M19.

Operating costs

Operating costs decreased 4.1% to 92.1 million euros mainly explained by the 5.6% decline at Commercial costs, aligned with the lower level of sales. Other expenses increased 4.1%, mainly explained by the higher level of Outsourcing Costs.

Underlying EBITDA

Underlying EBITDA stood at negative 1.2 million euros, but significantly better than 9M19 (+74.9%), driven by the relevant improvements in Cybersecurity companies.

Underlying EBITDA-operating CAPEX

Underlying EBITDA-operating CAPEX stood at negative 4.2 million euros, increasing when compared to 9M19, mainly explained by the higher EBITDA but also driven by the lower level of Operating CAPEX. Excluding the IFRS 16 impacts, operating CAPEX would have reached 2.0 million euros, 0.3 million euros below 9M19.

2.3 Media

During 9M20, Público continued to pursue its digital strategy reinforcing digital competencies and presence in online platforms and continued to implement important initiatives aimed at strengthening Público as the reference Portuguese speaking news organisation.

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

The positive performance of online business was not enough to mitigate the negative evolution of offline revenues which translated into an overall 16.4% revenue decrease, when compared to 9M19.

4. Appendix

Consolidated income statement

Million euros

CONSOLIDATED INCOME STATEMENT	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Turnover	28.1	29.9	6.5%	40.3	-25.7%	102.6	99.5	-3.0%
Services Rendered	12.7	12.7	0.6%	13.1	-2.5%	36.9	38.5	4.5%
Sales	15.4	17.2	11.3%	27.2	-36.9%	65.7	61.0	-7.2%
Other Income	0.6	0.3	-47.5%	0.7	-54.2%	1.6	1.4	-10.0%
Operating Costs	31.1	31.1	0.0%	41.5	-25.1%	110.8	104.6	-5.6%
Employee Benefits Expenses	11.9	11.2	-6.0%	11.0	1.7%	34.3	33.6	-2.0%
Commercial Costs ⁽¹⁾	13.2	14.8	12.1%	25.2	-41.3%	59.8	54.6	-8.6%
Other Expenses ⁽²⁾	6.0	5.1	-14.9%	5.3	-3.7%	16.7	16.4	-2.3%
EBITDA	17.3	0.8	-95.6%	10.9	-93.1%	37.4	8.4	-77.6%
Underlying EBITDA ⁽³⁾	-2.5	-0.8	69.5%	-0.3	-150.8%	-6.8	-3.2	53.2%
Non recurrent items ⁽⁴⁾	8.6	-9.2	-	-0.3	-	13.8	-9.6	-
Equity method ⁽⁵⁾	11.2	10.7	-4.3%	11.5	-6.5%	31.4	21.2	-32.6%
Discontinued Operations ⁽⁶⁾	0.0	0.0	-100.0%	0.0	-	-1.1	0.0	100.0%
Underlying EBITDA Margin (%)	-9.0%	-2.6%	6.4pp	-0.8%	-1.8pp	-6.6%	-3.2%	3.4pp
Depreciation & Amortization	2.1	2.1	2.5%	2.3	-6.3%	6.3	6.6	6.0%
EBIT	15.3	-1.4	-	8.7	-	31.1	1.7	-94.4%
Net Financial Results	0.0	0.0	-	0.0	-	0.0	-0.5	-
Financial Income	0.6	0.6	-6.7%	0.9	-37.5%	1.5	2.2	45.9%
Financial Expenses	0.6	0.5	-14.2%	0.9	-42.2%	1.5	2.7	77.7%
EBT	15.3	-1.3	-	8.7	-	31.1	1.3	-95.9%
Tax results	0.4	2.5	-	0.8	193.7%	1.8	4.0	117.6%
Direct Results	15.7	1.1	-92.9%	9.5	-88.3%	32.9	5.3	-84.0%
Indirect Results⁽⁷⁾	0.2	0.4	61.0%	-0.4	-	-0.5	0.2	-
Net Income	15.9	1.5	-90.6%	9.1	-83.6%	32.4	5.5	-83.0%
Group Share	16.5	1.8	-88.8%	9.4	-80.4%	34.0	6.7	-80.2%
Attributable to Non-Controlling Interests	-0.6	-0.3	42.7%	-0.3	-30.5%	-1.6	-1.2	21.9%

(1) Commercial Costs = COGS + Mktg & Sales Costs

(2) Other Expenses = Outsourcing Services + G&A + Provisions + others;

(3) Includes the businesses fully consolidated by Sonae.com;

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

(5) Includes the 50% holding in Unipress, the 50% holding in SIRS, the 50% holding in Big Data, the 50% holding in ZOPT, the 40% holding in Alfaros, the 27.45% holding in Secucloud and the 20% holding in Suricate Solutions;

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

(7) Includes equity method adjustments related with AVP funds and related taxes.

Consolidated balance sheet

Million euros

CONSOLIDATED BALANCE SHEET	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Total Net Assets	1,168.3	1,191.6	2.0%	1,190.0	0.1%	1,168.3	1,191.6	2.0%
Non Current Assets	856.2	911.1	6.4%	905.0	0.7%	856.2	911.1	6.4%
Tangible and Intangible Assets and Rights of Use	22.6	19.2	-15.0%	20.2	-5.0%	22.6	19.2	-15.0%
Goodwill	14.5	14.5	0.0%	14.5	0.0%	14.5	14.5	0.0%
Investments	805.6	863.5	7.2%	855.7	0.9%	805.6	863.5	7.2%
Deferred Tax Assets	5.5	4.5	-18.1%	4.7	-3.2%	5.5	4.5	-18.1%
Others	8.0	9.4	18.2%	9.9	-5.0%	8.0	9.4	18.2%
Current Assets	312.0	280.4	-10.1%	284.9	-1.6%	312.0	280.4	-10.1%
Trade Receivables	17.2	19.9	15.6%	34.7	-42.6%	17.2	19.9	15.6%
Liquidity	271.2	233.1	-14.1%	222.3	4.8%	271.2	233.1	-14.1%
Others	23.6	27.5	16.4%	27.9	-1.7%	23.6	27.5	16.4%
Shareholders' Funds	1,063.8	1,076.6	1.2%	1,051.9	2.3%	1,063.8	1,076.6	1.2%
Group Share	1,064.2	1,072.3	0.8%	1,047.3	2.4%	1,064.2	1,072.3	0.8%
Non-Controlling Interests	-0.4	4.3	-	4.6	-7.4%	-0.4	4.3	-
Total Liabilities	104.5	115.0	10.1%	138.0	-16.7%	104.5	115.0	10.1%
Non Current Liabilities	55.5	58.1	4.6%	66.0	-11.9%	55.5	58.1	4.6%
Loans	4.9	2.3	-53.3%	2.4	-3.4%	4.9	2.3	-53.3%
Provisions	20.9	22.6	8.5%	30.4	-25.5%	20.9	22.6	8.5%
Others	29.8	33.1	11.4%	33.2	-0.2%	29.8	33.1	11.4%
Current Liabilities	48.9	56.9	16.3%	72.1	-21.1%	48.9	56.9	16.3%
Loans	2.8	1.3	-53.5%	1.6	-19.0%	2.8	1.3	-53.5%
Trade Payables	10.0	17.4	74.3%	26.9	-35.5%	10.0	17.4	74.3%
Others	36.1	38.2	5.8%	43.5	-12.2%	36.1	38.2	5.8%
Operating CAPEX ⁽¹⁾	1.1	1.1	0.5%	1.2	-1.3%	5.7	3.6	-36.4%
Operating CAPEX as % of Turnover	4.1%	3.8%	-0.2pp	2.9%	0.9pp	5.5%	3.6%	-1.9pp
Total CAPEX	8.5	4.7	-44.6%	1.8	166.1%	26.7	11.5	-56.9%
Underlying EBITDA - Operating CAPEX	-3.7	-1.9	47.8%	-1.5	-30.5%	-12.5	-6.8	45.6%
Gross Debt	20.4	16.6	-18.4%	17.7	-5.9%	20.4	16.6	-18.4%
Net Debt	-250.8	-216.4	13.7%	-204.6	-5.8%	-250.8	-216.4	13.7%

(1) Operating CAPEX excludes Financial Investments.

Consolidated levered FCF

Million euros

LEVERED FREE CASH FLOW	3Q19	3Q20	Δ 20/19	2Q20	q.o.q.	9M19	9M20	Δ 20/19
Underlying EBITDA-Operating CAPEX	-3.7	-1.9	47.8%	-1.5	-30.5%	-12.5	-6.8	45.6%
Change in WC	0.3	2.6	-	-6.6	-	-3.7	-1.0	74.0%
Non Cash Items & Other	-4.5	0.4	-	2.2	-82.9%	-2.3	2.9	-
Operating Cash Flow	-7.8	1.1	-	-5.9	-	-18.5	-4.9	73.6%
Investments	52.9	15.3	-71.1%	-2.9	-	48.2	8.7	-82.0%
Dividends	11.5	0.0	-100.0%	0.0	-	47.0	0.0	-100.0%
Financial results	0.3	-0.1	-	0.0	-	0.5	-0.2	-
Income taxes	0.9	-4.2	-	0.7	-	1.6	-2.8	-
FCF⁽¹⁾	57.7	12.0	-79.3%	-8.0	-	78.8	0.7	-99.1%

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

Sonaecom SGPS is listed on the Euronext Stock Exchange. Information is available on Reuters under the symbol SNC.LS and on Bloomberg under the symbol SNC:PL.

SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that are not historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, the telecommunications industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors, analysts and, generally, the recipients of this document are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

Report available on Sonaecom's corporate website
www.sonaecom.pt

Investor Relations Contacts
investorrelations@sonaecom.pt
Tlf: +351 22 013 23 49

Report available on Sonaecom's corporate website
www.sonaecom.pt

Investor Relations Contacts
investorrelations@sonaecom.pt
Tlf: +351 22 013 23 49