2020 Full-Year Results

18th March 2021

2020 Highlights

Financial Performance

- **Sonae's portfolio displayed a very solid performance**, delivering 6.1% consolidated growth to €6.8 bn and an underlying EBITDA of €593 M, practically in line with last year's figure, despite the challenging context
- Growth in 2020 was strongly driven by online sales, as our main retail businesses achieved online market shares well above their already leading offline shares. Total aggregated **e-commerce revenues of our businesses more than doubled in 2020, reaching ca.€480 M**, clearly showing the digital readiness of our businesses in a context of sudden acceleration of e-commerce demand
- **Sonae's net result (group share)** of €71 M was strongly penalized by the impacts of Covid-19, both at the operational level and due to asset revaluations
- **Free cash flow generation was strong,** thus reinforcing the Group's capital structure. During 2020, Sonae was able to increase its liquidity, extend debt maturities and maintain a low cost of debt. More than €750 M were refinanced. We are proud to highlight the €225 M of ESG and Green loans executed in 2020, stressing our strong commitment with a sustainable future. FY20 net debt decreased 4% yoy to €1,103 M

Portfolio Management Activity

- During the 1H20, Sonae Sierra created **Sierra Prime**, a leading retail real estate JV with APG, Allianz and Elo, and Sonae Fashion announced the acquisition of the remaining 50% stake in Salsa
- In the 3Q20: (i) Sonae reinforced its position in **NOS** and announced the agreement to dissolve the partnership at ZOPT (when executed, these operations will ensure a standalone position of 33.45% in NOS), and (ii) NOS completed the sale of NOS Towering to Cellnex generating proceeds of €375 M (with potential to reach €550 M)
- In the 4Q20, Arctic Wolf – a leader in cybersecurity operations – became **Sonae IM**' second unicorn with a valuation of more than USD1.3 bn, following a new funding round

ESG Highlights

- Sonae's businesses **reduced by 18% yoy their Scope 1 and 2 GHG emissions** during 2020, which is in line with our commitment to have carbon neutral operations by 2040*
- **73% of our plastic packaging in 2020 was recyclable**, a step forward in our commitment to have 100% reusable, recyclable or compostable plastic by 2025
- **CDP** recognized our environmental efforts and awarded **Sonae with an A rating** – the highest possible classification – only bestowed to the World's most advanced companies in terms of disclosure, awareness and management of environmental risks and best practices associated with environmental leadership

The Board of Directors will propose at the Shareholders' AGM a 5.0% dividend increase to 4.86 euro cents per share (a total of €97 M), corresponding to a dividend yield of 7.4%†.

* Considering Scope 1 + 2 greenhouse gas emissions
† Considering the share price at year-end 2020.

CEO Letter

2020 was a year unlike any other. For each and everyone of us, Covid-19 rapidly impacted every aspect of our lives and changed us as an organization at large. We faced incredible disruptions in areas such as health and safety, remote working, supply chains and digital acceleration. And, not only did we stand up to the challenge, but we also leapt into the future.

Today, we are a company fit for the digital age. Our response to the pandemic critically set us apart from the competition. In our retail businesses, we led the way in online sales and digitally-enabled customer loyalty. Brands like Continente and Worten saw e-commerce market shares well above their already leading positions in Portugal, contributing to a total online Group sales of ca.€480 M. Our technology investments under Sonae IM increased significantly in value last year while we accelerated the digitisation of customer touchpoints in retail, financial services and telecommunications.

2020 was a year that proved our collective agility. We moved thousands of people, went remote in matter of days, reshifted purchases and investments, adjusted network and delivery capacities. No doubt, the organisational changes we implemented in recent years and the young talent who have joined us were crucial to achieve this level of readiness and agility.

We have always said that Sonae is more than the sum of its parts. This has never been more true than in 2020. Our people and our businesses leaned on another, learned from each other and were challenged to do better together. I am incredibly proud and humbled by the commitment, resourcefulness and effort made by our people during the pandemic. Needless to say, it's thanks to them we have made it so far.

This was a year that tested us more than ever and we delivered with purpose, staying true to our values. Our purpose energized us to step up to the challenge and make great progress in our social and environmental commitments surrounding carbon emissions, plastics consumption and gender equality. We did not stop there, we went further to increase the support to our communities. We contributed €14 M and mobilised our businesses to donate thousands of goods and personal protective equipment to vulnerable people and health and safety professionals.

All in all, Sonae's diversified portfolio of leading businesses held strong as we were able to grow consolidated turnover by 6.1% to €6,827 M and reach an underlying EBITDA practically in line with 2019. The strength of our operations was underpinned by an active capital deployment management. We implemented multiple cash preservation initiatives across businesses and refinanced important debt facilities in order to further strengthen our capital structure. Our portfolio continued to show its ability to generate cash flow and, in total, the Group's consolidated net debt decreased €47 M to €1,103 M over the last 12 months.

At Sonae, we have built a legacy because of our focus on the future. We trust that scientific developments will swiftly get the pandemic under control. Yet, 2021 will not be an easy year. Our immediate priority will continue to be the protection of our people, while we remain committed to serving our customers and creating value for all our stakeholders. To do so, we must be relentless in innovating and adapting to a fast-moving environment. At the same time, we must remain focused on continuously evolving our portfolio of investments, shifting capital allocation to seize medium-term growth opportunities and ensure that Sonae is future-ready. This has always been our philosophy. It is now more needed than ever.

Cláudia Azevedo, CEO

Group Consolidated Performance

1. Brief Portfolio Update

During 2020, there were 3 main changes in the portfolio:

- In the 1Q Sonae Sierra created Sierra Prime;
- In the 2Q Sonae Fashion announced the acquisition of the remaining 50% stake in Salsa;
- In the 3Q, Sonae announced the agreement to terminate the partnership at ZOPT and the acquisition of a 7.38% stake in NOS.

Portfolio and accounting method		
Company	Stake	Consolidation method
Sonae MC	100%	Full consolidation
Worten	100%	Full consolidation
Sonae Sierra	70%	Full consolidation
Sonae Fashion	100%	Full consolidation
Sonae FS	100%	Full consolidation
Sonae IM	90%	Full consolidation
NOS	31%	Equity method
ISRG	30%	Equity method

Note: 23% stake in NOS is consolidated by equity method and 7.38% acquired by Sonae is a financial investment.

2. Consolidated Performance

P&L

Sonae's consolidated performance in such a challenging year clearly proved the benefits of a well-balanced portfolio. Despite having been impacted by severe operating restrictions in some sectors, overall Sonae's portfolio showed a remarkable performance on the back of strong value propositions, digital readiness and ability to rapidly adapt to a volatile context.

From a statutory point of view, Sonae's consolidated turnover **grew by 6.1% yoy to €6.8 bn** mainly driven by the positive contributions of Sonae MC and Worten, which more than compensated the evolutions at Sonae Sierra and Sonae Fashion. In the 4Q, and despite several restrictions implemented by national authorities, Sonae's consolidated turnover's increased 6.6% yoy to €1.9 bn.

In terms of operational profitability, **underlying EBITDA** reached €187 M in the 4Q, 4.6% below 4Q19, driven by the restrictions that impacted mainly Sonae Fashion and Sonae Sierra. In the **full year, underlying EBITDA** stood at €593 M, only 1% below 2019.

€M	2019	2020	yoy	4Q19	4Q20	yoy
Turnover	6,433	6,827	6.1%	1,799	1,919	6.6%
Underlying EBITDA	601	593	-1.3%	196	187	-4.6%
margin	*9.3%*	*8.7%*	*-0.7 p.p.*	*10.9%*	*9.8%*	*-1.2 p.p.*
Equity method results [1]	94	32	-65.9%	17	9	-48.4%
o.w. S. Sierra	62	14	-77.4%	19	2	-90.5%
o.w. NOS	32	27	-15.4%	0	6	-
Non-recurrent items	0	6	-	-4	-2	62.7%
EBITDA	694	631	-9.2%	209	194	-7.0%
margin	*10.8%*	*9.2%*	*-1.6 p.p.*	*11.6%*	*10.1%*	*-1.5 p.p.*
D&A	-209	-215	-2.6%	-54	-55	-3.2%
D&A - RoU	-122	-128	-4.9%	-31	-33	-6.4%
Provisions and impairments	-19	-72	-	-8	-18	-
EBIT	345	216	-37.3%	116	89	-23.7%
Net Financial results	-110	-106	3.3%	-25	-24	3.6%
from lease liabilities	-72	-75	-3.7%	-18	-19	-6.5%
from financing	-38	-32	16.3%	-7	-4	31.5%
EBT	235	110	-53.2%	91	65	-29.1%
Taxes	-20	4	-	-10	10	-
Direct result	215	114	-46.9%	82	75	-8.6%
Indirect result	19	-59	-	22	-5	-
Net result	235	56	-76.3%	103	70	-
Non-controlling interests	-69	15	-	-26	5	-
Net result group share	166	71	-57.2%	78	75	-3.4%

(1) Equity method results: includes direct income by equity method results from Sonae Sierra statutory accounts, income related to investments consolidated by the equity method (mainly NOS/Zopt and ISRG) and discountinued operations results.

The **Direct Result of €114 M** was impacted by (i) lower equity results from Sonae Sierra, NOS and ISRG, and (ii) extraordinary provisions and impairments directly related with Covid-19 (€27 M) but also related with Worten's reorganization process in Spain. **Indirect result** stood at -€59 M, negatively impacted by a total of €91 M reduction in the value of Sonae Sierra's investment properties and a positive impact from Sonae IM's portfolio revaluations of €39 M. Despite the negative impacts caused by Covid-19, **Sonae's Net result (group share) reached €71 M.**

Cash Flow, Net Debt evolution and Financial Structure

Sonae's **capex** in 2020 was significantly higher than in 2019, which demonstrates the financial strength of the group and the confidence in the current strategies of our businesses. Not only did we continue to invest in the improvement of our value propositions and in the digitisation of our operations, we also reinforced our shareholding positions in NOS (7.38%) and Salsa (50%).

Additionally, in terms of **portfolio management**, and apart from Sonae IM's regular M&A activity, Sonae Sierra concluded the Sierra Prime transaction and Sonae MC executed further sale and leaseback transactions, generating total cash proceeds of €335 M.

€M	2019	2020	yoy
Total capex	399	502	25.7%
Operational capex	298	264	-11.4%
Sonae MC	223	205	-7.9%
Worten	35	32	-9.8%
Sonae Fashion	18	13	-25.1%
Sonae IM	4	3	-28.2%
Sonae FS	0	4	-
Sonae Sierra	3	1	-
Financial/M&A capex	101	237	-

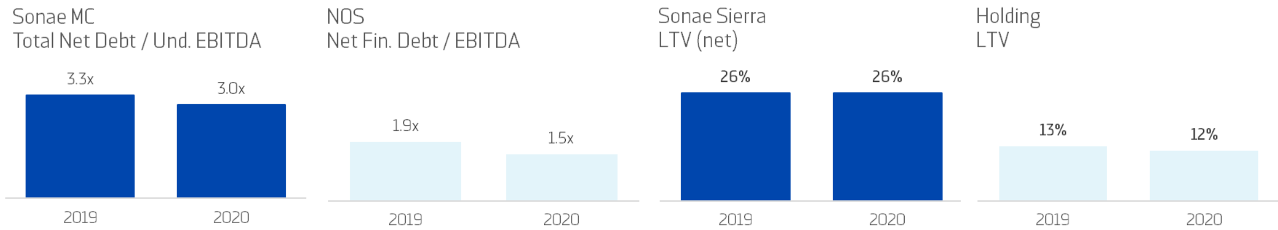
In terms of **cash flow, Sonae generated a Free Cash Flow before dividends paid of €220 M,** 24% below last year's figure, mainly due to a lower level of dividends received from Zopt (which is a temporary effect, driven by the current judicial situation) and also due to Sonae Sierra portfolio changes. Nevertheless, and despite this challenging year, Sonae was able to deliver an improved operational cash flow from its full consolidated businesses (+28.9% yoy), which, coupled with asset sales, more than compensated the cash spent in the abovementioned M&A transactions. Sonae's free cash flow generation, coupled with the dividends paid to Sonae' shareholders and to minority shareholders of Sonaecom and Sonae Sierra (totalling €166 M of dividends in 2020), implied a **4% decrease of its Net Debt level to €1,103 M** when compared to the end of 2019. Once again, Sonae **was able to decrease net debt and further reinforce its capital structure.**

€M	2019	2020	yoy
Operational cash flow	110	142	28.9%
Net financial activity	-38	-32	-16.3%
M&A capex	-101	-237	135.6%
Sale of assets	193	335	73.2%
Dividends received	127	13	-89.7%
FCF bef. Dividends	291	220	-24.3%

€M	2019	2020	yoy
Net invested capital	**5,448**	**4,751**	**-12.8%**
Shareholders funds	3,107	2,440	-21.5%
Lease liabilities	1,191	1,208	1.4%
Net debt	**1,150**	**1,103**	**-4.1%**

The group's **financing conditions** continued to be robust. In 2020, Sonae maintained, despite challenging market conditions, a stable cost of debt of ca. 1.2% (ca. 1.0% excluding Sonae Sierra), and the average maturity profile was kept above 4 years. Since the end of 2019, Sonae refinanced more than €750 M in long term facilities. To highlight the €225 M of ESG and Green loans executed in 2020, stressing our strong commitment with a sustainable future.

Additionally, all companies in Sonae's portfolio continued to hold **conservative and solid balance sheets**: Sonae MC ended 2020 with a 3.0x total net debt to underlying EBITDA ratio (-0.3x vs 2019), NOS' capital structure was further strengthened by the towers sale and reached a ratio of 1.5x financial net debt to EBITDA, and Sonae Sierra's loan-to-value stood at 26%. Loan-to value at the holding level, decreased slightly to 12%. At the end of 2020, NAV stood at €4.2 bn, 3% below the figure at the end of 2019.



Portfolio Performance

1. Fully consolidated companies

Sonae's fully consolidated portfolio showed a solid and resilient performance in 2020, mainly driven by Sonae MC and Worten.

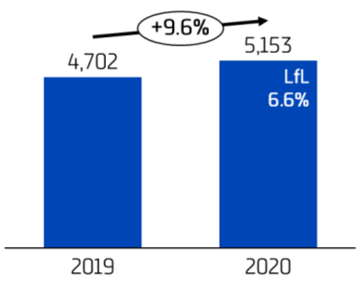
	Turnover breakdown						Und. EBITDA margin					
€M	4Q19	4Q20	yoy	2019	2020	yoy	4Q19	4Q20	yoy	2019	2020	yoy
Sonae MC	1,275	1,383	8.5%	4,702	5,153	9.6%	10.9%	11.0%	*0.1 p.p.*	10.2%	10.2%	*0.0 p.p.*
Worten	344	386	12.2%	1,088	1,161	6.8%	8.2%	8.8%	*0.6 p.p.*	5.2%	6.4%	*1.1 p.p.*
Sonae Sierra	40	21	-46.7%	166	94	-43.4%	31.5%	5.1%	*-26.5 p.p.*	31.8%	12.2%	*-19.6 p.p.*
Sonae Fashion	114	112	-1.6%	392	344	-12.2%	17.2%	10.2%	*-7.1 p.p.*	11.4%	3.8%	*-7.6 p.p.*
Sonae FS	11	9	-22.2%	38	35	-9.1%	31.8%	22.4%	*-9.5 p.p.*	26.5%	23.8%	*-2.7 p.p.*
Sonae IM	25	25	0.0%	116	115	-0.8%	-1.5%	2.7%	*4.2 p.p.*	-4.5%	-0.5%	*4.1 p.p.*
Total	**1,799**	**1,919**	**6.6%**	**6,433**	**6,827**	**6.1%**	**10.9%**	**9.8%**	***-1.2 p.p.***	**9.3%**	**8.7%**	***-0.7 p.p.***

Sonae MC[‡]

Sonae MC has already published its trading performance for the full year of 2020. In such an atypical and turbulent year, total sales performance showed that the company was recognized in a very positive way by its customers and emerged as a winner in the sector. Sonae MC's agile and assertive response capacity, coupled with its differentiated value proposition, translated into a superior performance, reinforcing its leadership position in the Portuguese food retail market. 2020 might have been the year in the Company's history with the highest market share increase and the biggest improvements in customer preference scores and brand metrics.

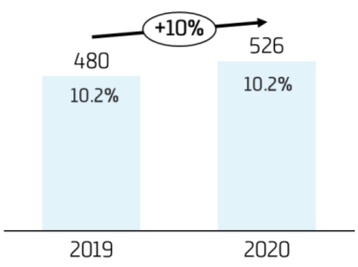
Overall, the robust sales development of the food formats, positively impacted by higher eat-at-home consumption, more than compensated the different challenges posed by the pandemic to some of the New Growth Businesses formats and, in consolidated terms, total **Turnover surpassed the five billion euro mark, reaching a total of € 5,153 M.** This represented a total growth of 9.6% yoy, and a LfL sales increase of 6.6% in a context of a 2.1% inflation of food products. These record top line figures were also a reflection of the company's unprecedented presence and leadership in the online channel – **online sales increased 80% in the full year,** Simultaneously, Sonae MC kept investing on its digital transformation, with a focus on adapting the customer experience, business models, processes, and culture.

Turnover evolution (€M)



Despite the pandemic context, which led to some temporary investment delays, Sonae MC largely maintained its pace of expansion with the opening of 89 new company-operated stores (of which 13 proximity stores Continente Bom Dia), and an increase of more than 3% (net) of its total square meters (+31k sqm). Overall, in 2020, Sonae MC invested €205 M, -8% yoy.

Underlying EBITDA evolution (€M, %)



Regarding profitability, Sonae MC was able to deliver an underlying EBITDA evolution in line with sales growth, leading to a stable and benchmark margin of 10.2%, with higher sales offsetting the Covid-19 related costs (the direct costs related to Covid-19 accounted for approximately €30 M in the year).

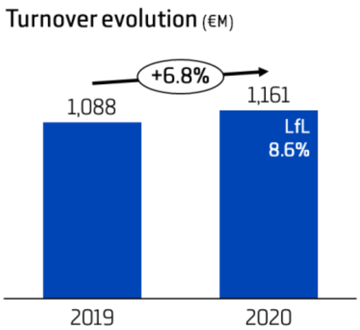
‡ For more information please see Sonae MC FY20 results in www.sonae.pt

All in all, the company's positive operating result (including rents), a good working capital management, a controlled capex and the completion of S&LB operations led to a cash flow generation of €202 M, an increase of €111 M vs 2019. **Consequently, Sonae MC ended 2020 with a better financial net debt position of €464 M (-21.5% yoy), which led to an improved ratio of 3.0x total net debt to underlying EBITDA**, a reduction from 3.3x in 2019.

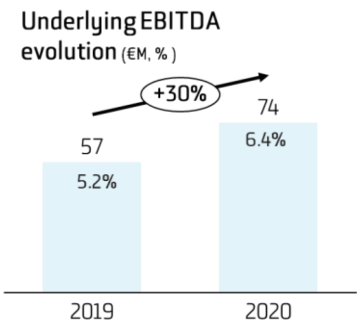
In what concerns **ESG performance**, 2020 was also an important year. The decarbonisation program for operations had important developments, **with a renewable energy production growth of around 33%.** In parallel, different initiatives to promote eco-efficiency were implemented and progress was made in electric consumption, which led to a **reduction of 23% in GHG emissions**. Regarding **plastic consumption**, the Company registered a **packaging recyclability rate of 74%**, according to the recyclability matrix of *Sociedade Ponto Verde* – a very positive evolution in a key priority area.

In a year in which our communities faced extremely difficult situations, Sonae MC played a very active role in mobilizing different sectors of society, with campaigns like *Todos por Todos*, and reinforcing its overall community support, which grew by 25% yoy.

Worten



Worten had a very positive year, and the last quarter was no exception, in spite of the challenges brought by the pandemic. In 4Q20, Worten continued to register a robust top line growth of 12.2% and 12.8% in LfL terms, clearly showing that its omnichannel approach is a winning value proposition. In the full year, **Worten delivered a 6.8% yoy growth and 8.6% LfL to reach a total turnover of €1.2 bn.** By leveraging both convenient locations and a distinctive online presence (which includes a growing marketplace offering), Worten once again delivered a **remarkable e-commerce performance, more than doubling sales versus last year both in the 4Q and in the year.**



This robust top line performance benefited from an increased demand, more noticeably for IT and small domestic appliances due to pandemic context, and from the company's ability to quickly adapt its operation to respond to spikes in demand, especially in the online channel. Worten further reinforced market share in Portugal in both channels, with the **online market share already surpassing that of the offline**. Online sales accounted for the first time a double-digit weight of total turnover in 2020.

In terms of profitability, Worten's strong top line performance, coupled with efficiency gains in spite of the Covid-19 related costs, resulted in an **underlying EBITDA of €74 M,** €17 M above last year, and a 6.4% margin.

In terms of **ESG** performance, and due to the huge e-commerce demand in 2020 (an increase of 191% in dedicated vehicles and 90% in miles travelled), the team launched a program with the main suppliers in order to **optimize logistics flows**, by increasing the occupancy rate of vehicles and optimizing the space per pallet. The **plastic footprint mapping completion** in terms of packaging, product and operation, will reinforce the principles of circularity, namely in terms of recyclability and incorporation of recycled raw material in Worten's own brand. The **promotion of reusable and recycling models** were very expressive axes in Worten's action: through the **Depreciated Items Treatment Unit**, Worten has already given a second life to more than 736 thousand pieces of equipment since 2005, around 50 thousand pieces of equipment per year, and through the ***Worten Transforma*** program, Worten has ensured the collection of more than 5,800 tonnes of equipment which were transformed into 474 new products distributed to 144 entities.

In the beginning of 2021, **a new strategy was deployed in Spain mainland, focused on the digital channel, while maintaining an omnichannel proposition in the Canary Islands**. As previously announced, Worten reached an agreement with Media Markt for the sale of 17 stores and closed another 14 stores in mainland. This was an important step to reinforce Worten's future profitability, with an expected increase of in underlying EBITDA margin from 5.2% in 2019 to over 6.5% post-reorganisation.

Sonae Sierra

In 2020, Sonae Sierra was severely impacted by the pandemic and associated footfall and/or store closure restrictions imposed across the world. Sonae Sierra was the most impacted company in our portfolio.

Proportional basis - management accounts						
M€	2019	2020	yoy	4Q19	4Q20	yoy
Turnover	223	129	-42.2%	58	26	-55.5%
Direct results	68	3	-96.3%	19	-3	-
Indirect results	-8	-44	-	16	-19	-
Net results	60	-42	-	35	-22	-

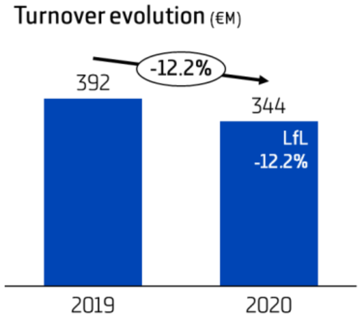
Overall, in Europe, tenant sales and footfall decreased by 34% and 38% yoy on a LfL basis. In addition to the effect of the pandemic, Sonae Sierra's activity and results were materially affected by an extraordinary and unique law imposed by the Portuguese parliament, which led total discounts in Portugal in 2020 to 54% of total rents, which far exceeds any other European country where Sierra operates (where the implied discount averaged 26%). The disproportionate nature of this law did obviously not translate into any practical social or economic benefit as is reflected in collection and occupancy rates which didn't diverge in Portugal from other countries. On the contrary, it led to increased litigation and unnecessary temporary volatility. The Portuguese State Ombudsman has classified the law as unconstitutional and it is now being reviewed by the Portuguese Constitutional Court.

Sonae Sierra's net result since the pandemic started (April to December) totals -€89 M, which led to a full year net result of -€42 M. This is driven by the negative operating performance of Sonae Sierra's European investment portfolio and of the reduction in asset values, which decreased by 7%. As a result, INREV NAV at the end of 2020 stood at €902 M.

On the **sustainability front,** Sonae Sierra continued its long-standing commitment, initiated in 1998, with a focus on the main social and environmental impact areas. Sonae Sierra reduced GHG emissions by 82%, electricity consumption by 54%, water consumption by 35%, and increased waste recycling from 16% to 66%, since 2002. The eco-efficiency measures implemented in the investment properties avoided €15.1 M of operating costs in 2020. Furthermore, **Sonae Sierra was recognised as Green Star in the 2020 GRESB Assessment,** the leading investor led ESG benchmark for real estate assets. Additionally, in 2020 Lloyd's Register certified that Sonae Sierra's Safety, Health and Environment Management System implemented in all managed Shopping Centres reduces risk of contagion of the coronavirus.

Sonae Fashion

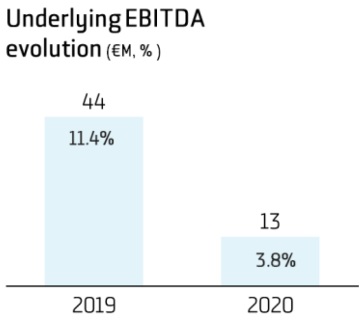
2020 was a challenging year for Sonae Fashion, with footwear and apparel retail being among the most affected sectors globally. The last quarter of 2020 was no exception and was greatly influenced by the evolution of the second wave of the Covid-19 pandemic in all the countries where the company is present which led to general confinements with physical store closures or restrictions in opening hours.



Despite this context, the performance in the 4Q was better than expected, and Sonae Fashion reached a turnover of €112 M, just 1.6% below 4Q19. Similar to previous quarters, there were distinct performances among brands: while the brands associated with adult apparel were more affected by the confinement period, kidswear had its demand less impacted by this context. **In the full year, Sonae Fashion's total turnover stood at €344 M, decreasing by only 12.2% yoy.** Online sales were instrumental for this performance, having doubled their weight in total turnover, from 7% in 2019 to 14% in 2020.

Sonae Fashion clearly outperformed the market in such a challenging backdrop. The ability of all teams to constantly adapt enabled the company to secure all possible additional revenue streams, namely through the introduction of new sales categories (such as the innovative reusable mask, developed by MO) and an extensive portfolio of new digitally-enhanced ways of serving the customer (including its "sale at the wicket" service, the partnership with Glovo or the rollout of a personalised customer service delivered by store staff via Webchat and WhatsApp).

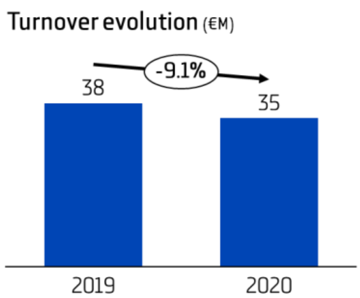
To minimise the impact of the pandemic, Sonae Fashion actively managed its supply chain, inventory and operating expenses. Regarding profitability, Sonae Fashion was able to deliver **a positive underlying EBITDA of €13.0 M in the year**, mainly fuelled by a strong performance in the 4Q (total underlying EBITDA of €11.4 M).



In social and environmental terms, Sonae Fashion **opted for offsetting the emissions** associated with its vehicle fleet (approx. 1,320 tCO_2e) by co-financing the afforestation of the Sonae Forest. **Plastic** is also a key issue for Sonae Fashion, which has successfully completed the mapping of its packaging footprint, product and operations, and is working at an accelerated pace in the transformation of its packaging, which registered an **increase in the recyclability rate of approximately 5%** compared to 2019. Last but not least, Sonae Fashion joined the scientific and industrial community and successfully created and made available worldwide an innovative fabric and face mask (MOxAd-Tech), the first proven to eliminate Covid-19.

Sonae FS

Sonae FS' activity was indirectly impacted by Covid-19 and registered a slowdown during the year, especially due to the reduction of private consumption. Since Universo card was not exposed to credit risk in 2020, no negative impacts arose from this dimension.

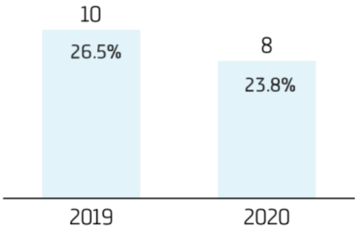


Regarding the Universo card, in 2020 production was slightly below the value recorded in 2019, namely due to the 25% drop in ATM withdrawals. Still, **Universo registered record credit card production market shares in the months of April and May - with 18.1% and 16.4% respectively - and ended the year with 13.8%,** which represents an increase of 100 basis points when compared to the end of last year.

Universo's digital approach was critical for this performance, resulting in a growth of the digital customer base of more than 40%, reaching 428 thousand clients. The overall activity rate started to recover after having registered minimum levels in April (during the lockdown), and the year ended already with values above historical levels.

Overall, Sonae FS' **turnover** in the 4Q stood at €9 M, leading to a total of €35 M in 2020, -9.1% vs 2019. Regarding **profitability**, underlying EBITDA followed the top line trend, reducing yoy to €2 M and €8.2 M in the 4Q and full year, respectively.

Underlying EBITDA evolution (€M, %)



Sonae IM

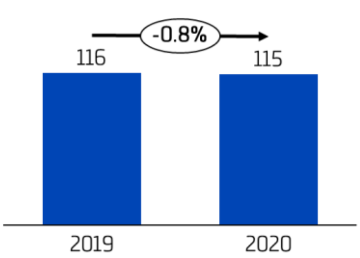
During 2020, the investment activity slowed down in the first half of the year, due to travel bans and event cancellations but slowly recovered throughout the second half of the year. In total, Sonae IM completed 5 new investments during the year, made some follow-on investments in portfolio companies and achieved relevant evolutions in some of its minority stakes.

As already announced in the 3Q results, Artic Wolf raised USD200 M in Series E funding at a valuation of USD1.3 bn. This funding round was led by Viking Global Investors, with additional participation from DTCP and existing investors, and allowed Sonae IM to record a capital gain of almost €29 M.

With regard to new investments, Sonae IM made two early stage investments, Replai, a distinctive short video technology and Didimo, a 3D technology for virtual interactions, and entered in the share capital of SalesLayer (retail), Deepfence (cybersecurity), and Weaveworks (digital platform). In addition, Sonae IM has decided to consolidate its cybersecurity companies (S21Sec and Excellium) into a new holding company, Maxive Cybersecurity, one of the largest MSSPs (Managed Security Services Provider) pure players in Europe both in terms of business and specialized personnel and will offer its customers a wider set of services combining best practices and capabilities from both companies.

Sonae IM's consolidated portfolio, despite the double-digit growth at cybersecurity companies, stood slightly below last year in terms of **turnover** with €115 M in 2020, but with significant improvement on **underlying EBITDA** when compared to 2019 (+€5 M), with almost all of the consolidated companies registering positive performances yoy.

Turnover evolution (€M)



Already in 2021, one of Sonae IM's minority investments indirectly held through Armilar funds, **Outsystems**, that reached an unicorn valuation back in 2018, announced a 150 million dollars capital raise co-led by Abdiel Capital and Tiger Global, at an underlying valuation of 9.5 billion dollars. Despite being a relatively small transaction, it is a good sign of the company's strong evolution.

2. Equity consolidated companies

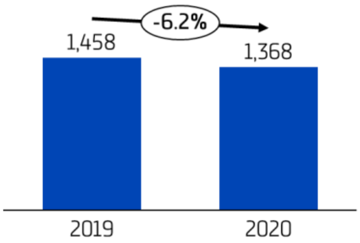
The equity method results' line in Sonae's P&L is mainly related with: (i) the equity method contribution line of Sonae Sierra' statutory accounts which corresponds to the shopping centres in which the company holds minority stakes (see page 16), (ii) NOS (Sonaecom's indirect 26% stake) and Zopt's proportional net results and (iii) ISRG's net result. During 2020, all of these businesses were impacted by the Covid-19 pandemic, especially Sonae Sierra's shopping centres and ISRG.

€M	2019	2020	yoy	4Q19	4Q20	yoy
Sonae Sierra	62	14	-77.4%	19	2	-
NOS/Zopt	32	27	-15.4%	0	6	-
ISRG	7	2	-	0	6	-

NOS

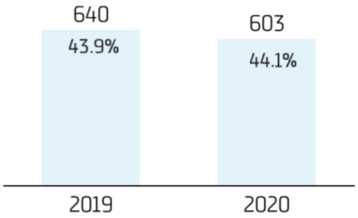
NOS already published its FY20 results on March 10th. Similar to other businesses, NOS still felt the effects of the pandemic in the 4Q. In the telco business, the main impact was the reduction in roaming revenues associated with travel restrictions, and, in the cinemas business, a drop in ticket sales due shopping center restrictions.

Operating revenues evolution (€M)



All in all, telco revenues increased 1% yoy in the 4Q, after three quarters with a negative trend, which was nevertheless not enough to compensate the significant drop of revenues in the cinema and audiovisuals business. **In total, revenues in the quarter stood at €354 M, -3.3% compared to last year, leading to a total of €1,368 M in 2020.** Regarding profitability, the telco business registered an increase of 1.5% in EBITDA and the cinema and audiovisual business, despite the negative yoy trend, had a positive sequential quarterly improvement due to cost efficiencies. In **consolidated terms, EBITDA stood at €132 M in the 4Q and €603 M in 2020, -2.9% and -5.7% yoy respectively. Net income** was €12.9 M in the 4Q and €92.0 M in the FY20, 36% below last year, implying a lower equity contribution to Sonae's results.

EBITDA evolution (€M, %)



Total FCF before dividends totalled €445 M in FY20 reflecting an operational cash flow of €127.5 M and the cash already received from the tower sale deal in 3Q.

NOS was able to **reinforce its balance sheet during 2020 and** recorded a financial **net debt to EBITDA ratio of 1.5x**. The Company's Board of Directors has proposed the payment of a 27.8 euro cents per share dividend, in line with last year.

In terms of **ESG**, this year NOS was recognized by CDP with an A- classification and was awarded with the "Advanced" rating by VigeoEiris in September, a clear demonstration of the Company's efforts in the sustainability front.

ISRG §

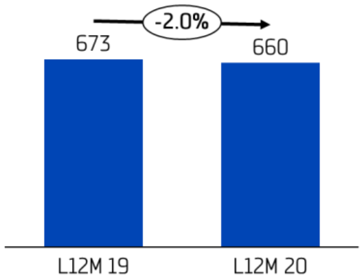
ISRG was one of the businesses most affected by the pandemic, having had all stores closed for a long period of time, which significantly affected its business performance.

After a challenging first half of the year, the Company's 3Q (period ended October 31st) had a very solid recovery both in terms of sales and profitability. Turnover increased 9% yoy to €192 M, benefiting from positive performances in all brands, but especially from Sprinter which grew sales by 14%. Online sales more than tripled and already account for ca.10% of sales in the last 12 months.

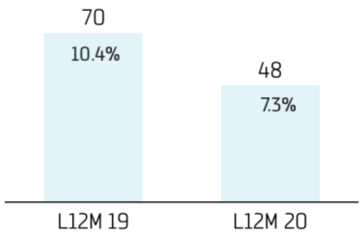
As for operational profitability, all brands registered yoy improvements, which led consolidated EBITDA to increase by more than 40% when compared to the same period of last year, reaching €31 M and representing an EBITDA margin of 16%.

This solid performance in the 3Q allowed to offset part of the losses recorded in the first half of the year and end the last twelve months with **a turnover of €660 M (-2% yoy) and an EBITDA of €48 M. ISRG's performance led its equity method contribution to Sonae's results to a total of €2 M.**

Turnover evolution (€M)



EBITDA evolution (€M, %)



§ Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L12M 20 ended last October 31st.

Corporate Information

Main announcements in the 4Q20

October 20th
Sonae informed on Cash Settled Equity Swap extension.

November 17th
Sonae informed on transaction by person closely connected with a Person Discharging Managerial Responsibilities

December 2nd
Sonae informed on transaction by Person Discharging Managerial Responsibilities

December 10th
Sonae informed about ESG-linked refinancing operations

December 21st
Sonae informed on ESG-linked bond emission

December 21st
Sonae informed on Portuguese Competition Authority decision

Subsequent Events

January 13th
Sonae informed on the reorganisation of the Spanish operation of its subsidiary Worten – Equipamentos do Lar, S.A.

January 29th
Sonae informed on Sonae MC 2020 Trading Statement

March 1st
Sonae - SGPS, SA informed about the completion of the transaction by its subsidiary Worten Equipamentos do Lar, S.A. with Media Markt Saturn S.A.U

March 5th
Sonae informed about communication received from Grosvenor Investments (Portugal) S.Àr.L.

March 17th
Completion of the purchase of 10% of the share capital of Sonae Sierra held by Grosvenor Investments (Portugal) S.Àr.L, for the price of €82.16 million, following the exercise by Grosvenor of its put option right, as announced to the market on March 5th. The main impact of this transaction on the Group's consolidated financial statements will be the transfer of Reserves from "Non-Controlling Interests" to "Equity Holders of the Parent Company", since Sonae already holds a controlling shareholding of 70% in Sonae Sierra.

Outlook and Dividend Proposal

Outlook

2021 is also a year where the Covid-19 pandemic continues to significantly impact our lives and the economies where Sonae operates. Vaccines are currently being rolled out and this is the first step towards a "new normality" but there continues to be significant uncertainty in times ahead. It is very difficult to predict the full impacts of the second lockdowns already implemented in some countries but there is no doubt that 2021 will be another challenging year.

Sonae MC has continued to see positive demand for its food retail formats in these first months of 2021 and should further reinforce its leadership of the Portuguese market. The company will remain focused on serving its customers, protecting its teams, maintaining benchmark returns, while ensuring a sound capital structure.

Worten, after the announced reorganization of its Spanish operation, should now have all the conditions to drive profitability upwards and consolidate even further its leading position in Portugal, while working hard to enhance its presence in the Iberian online channel.

Sonae Fashion and ISRG should continue to face challenging times. In many regions, stores were temporarily closed, and customers reduced visits to commercial spaces. Nevertheless, we expect sales to recover as soon as stores are able to reopen. E-commerce will be critical to compensate an important part of the lost offline sales and ultimately drive additional growth.

Sonae FS will continue to strengthen its market position leveraging the success of Universo card, especially through its digital channels, and widen its offer of financial products to cater to the needs of different customer segments.

Sonae Sierra's activity will still be significantly affected by Covid-19 restrictions in the first half of 2021. Nevertheless, the company will remain focused on protecting the value of its assets, while also looking for further opportunities in the real estate market, namely in investment management, services and selective developments.

NOS will continue to play a crucial role in the digitisation of society and be prepared to embrace all the opportunities associated with 5G. Sonae will remain committed to provide the company with the necessary shareholder stability for the execution of its strategy.

Sonae IM will continuously adapt its investment strategy to new technology trends in retail, digital infrastructure and cybersecurity, and will remain an active investor in these arenas leveraging the successful track record of recent years.

In terms of **financing**, Sonae currently holds a strong liquidity position and we do not foresee any additional financing needs for the next 18 months, nor do we expect in the short term any breach of the existing corporate debt covenants in any portfolio company. The focus of the coming months will be to evaluate possible optimisation opportunities in terms of cost and maturities.

Dividend proposal

In view of the Net Results for the 2020 financial year, and according to our dividend policy, the Board of Directors will propose at the Shareholders' Annual General Meeting the payment of a dividend of 0.0486 euros per share, 5% above the dividend distributed last year. This dividend corresponds to a dividend yield of 7.4%, based on the closing price as at December 31st, 2020 (which stood at €0.66), and to a payout ratio of 85% of the consolidated direct income attributable to equity holders of Sonae.

Consolidated Balance Sheet

M€	2019	2020	yoy
TOTAL ASSETS	9,044	8,149	-9.9%
Non current assets	**6,249**	**6,328**	**1.3%**
Net fixed assets	2,090	2,108	0.9%
Net Rights of Use	1,060	1,054	-0.6%
Goodwill	679	671	-1.2%
Investment properties	348	319	-8.2%
Other investments	1,687	1,776	5.3%
Deferred tax assets	331	358	8.1%
Others	54	41	-23.6%
Current assets	**2,795**	**1,821**	**-34.9%**
Stocks	664	636	-4.2%
Trade debtors	115	148	28.3%
Liquidity	610	767	25.6%
Others	1,406	271	-80.8%
SHAREHOLDERS' FUNDS	3,107	2,440	-21.5%
Equity holders	2,132	1,993	-6.5%
Attributable to minority interests	975	447	-54.1%
LIABILITIES	5,938	5,709	-3.9%
Non-current liabilities	**3,286**	**3,404**	**3.6%**
Bank loans	1,030	1,007	-2.3%
Lease liabilities	1,088	1,100	1.1%
Other loans	562	690	22.6%
Deferred tax liabilities	472	479	1.4%
Provisions	43	47	10.3%
Others	90	81	-10.0%
Current liabilities	**2,652**	**2,305**	**-13.1%**
Bank loans	191	177	-7.5%
Lease liabilities	103	107	4.5%
Other loans	5	16	-
Trade creditors	1,338	1,339	0.0%
Others	1,015	666	-34.4%
SHAREHOLDERS' FUNDS + LIABILITIES	9,044	8,149	-9.9%

Sonae Sierra' statutory accounts

€M	2019	2020	yoy	4Q19	4Q20	yoy
Turnover	166	94	-43.4%	40	21	-46.7%
Underlying EBITDA	53	11	-78.3%	13	1	-91.4%
margin	*31.8%*	*12.2%*	*-19.6 p.p.*	*31.5%*	*5.1%*	*-26.5 p.p.*
Equity method results (1)	62	14	-77.4%	19	2	-90.5%
Non-recurrent items	-14	57	-	1	0	-
EBITDA	100	82	-17.8%	32	3	-91.9%
margin	*60.5%*	*87.8%*	*27.3 p.p.*	*80.3%*	*12.2%*	*-68.0 p.p.*
D&A	-1	-1	15.3%	0	0	-15.1%
D&A - RoU	-2	-2	3.4%	-1	-1	5.9%
Provisions and impairments	-1	-13	-	0	-2	-
EBIT	97	67	30.6%	32	-1	101.8%
Net Financial results	-12	-8	33.2%	-2	-1	25.9%
from lease liabilities	0	0	15.6%	0	0	16.4%
from financing	-12	-8	33.7%	-2	-1	26.3%
EBT	84	59	-30.2%	30	-2	-
Taxes	-5	-2	-	0	-1	-
Direct result	80	57	-27.9%	29	-3	-
Indirect result	14	-104	-	14	-22	-
Net result	93	-46	-	44	-25	-
Non-controlling interests	-33	5	-	-9	3	-
Net result group share	60	-42	-	35	-22	-

Note: FY19 Net Results excludes non-cash effect from recycling of currency translation reserves within equity, resulting from the merger of Sonae Sierra Brasil.

Methodological Notes

The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

Sonae implemented the following changes in its reporting structure: (i) Adoption of the IFRS16 accounting standard in 2019; (ii) Discontinued operations: Saphety and WeDo following the sale from Sonae IM in 1Q19 and 3Q19, respectively; Temasa following the sale from Sonae Fashion and Deeply as an asset available for sale.

Restatement: Sonae IM reassessed the accounting of its minority stakes. Given its active investor approach, and the existence of significant influence in the majority of those stakes, Sonae IM applied the exemption provided by IAS28, and elected to measure those investments at fair value through profit or loss in accordance with IFRS9. Until 3Q20, the referred investments were recorded at fair value through other comprehensive income (equity) and the described restatement generated a positive impact of €0.6 M and €15.8 M respectively in 2019 and 2020 results (before minorities). The 2019 and previous quarters of 2020 presented in this document were restated to include this reclassification.

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Direct results	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
(Direct) EBT	Direct results before taxes.
EoP	End of period.
Indirect results	Includes S. Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sonae Sierra.
Lease Liabilities	Net present value of payments to use the asset.
Like for Like sales (LfL)	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to Value (LTV) - Holding	Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).
Loan to Value (LTV) – Sonae Sierra	Net debt / (Investment properties + properties under development), on a proportional basis.
INREV NAV S. Sierra	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market multiple approach to each one of Sonae's businesses – average net debt – minorities (book value)
Net debt	Bonds + bank loans + other loans + financial leases + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net financial debt	Net debt excluding shareholders' loans.
Net invested capital	Total net debt + total shareholders' funds.
Online sales	Total e-commerce sales, including online marketplaces.
Open Market Value (OMV)	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
Other loans	Bonds, leasing and derivatives.
Right of use (RoU)	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.
RoIC	Return on invested capital.
Total Net Debt	Net Debt + lease liabilities
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

SAFE HARBOUR

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Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SON PL