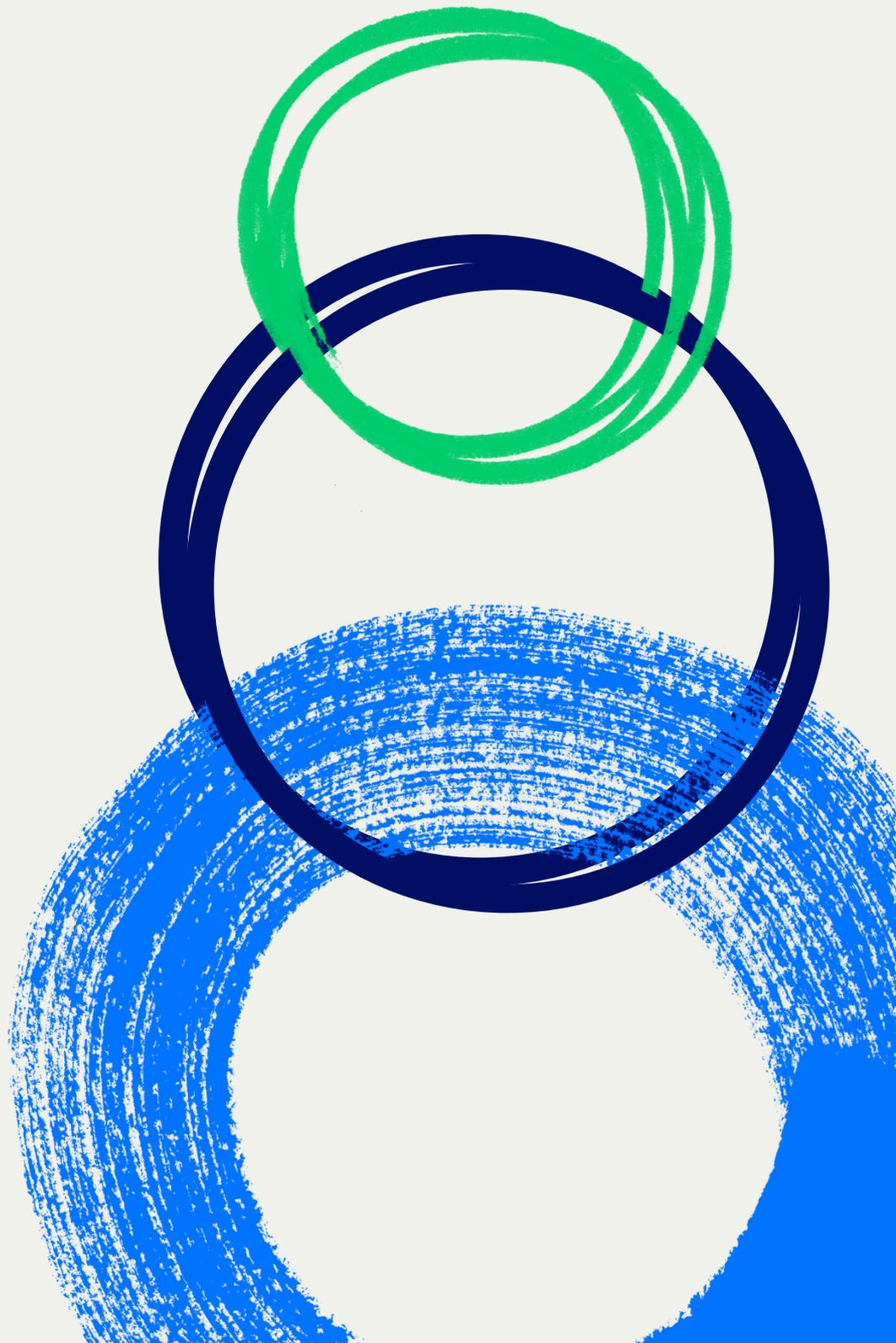


2022 Full Year  
Results Report

# Shaping tomorrow, today

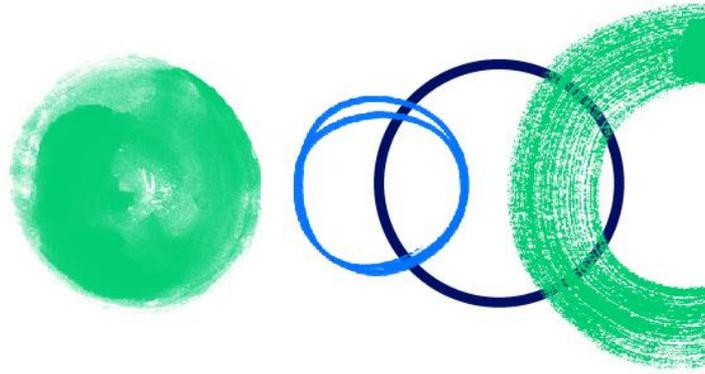


**Sonae**



# Results

# Sonae



Maia, 16<sup>th</sup> March 2023

## 2022 Highlights

### Key Financial Indicators

- **NAV** stood at €4bn, slightly below last year's figure (-1%), mainly due to the performance of capital markets and related market multiple contraction, almost fully offset by the solid operational performance of our businesses coupled with our value accretive portfolio moves.
- **Total Shareholder Return (TSR)** was also penalized by the performance of capital markets, as Sonae's share price decreased 7% during the year, following strong volatility due to the global macro-outlook evolution, and despite the 5% increase in dividends distributed.
- **Consolidated turnover reached €7.7bn in 2022**, a double-digit yoy increase fuelled by solid market share gains across the portfolio, and underpinned by the strong investment level which totalled €634m (a €160m increase vs 2021).
- **Online sales** decelerated during the year when compared to the lockdown periods, although in 4Q22 online sales increased 8% yoy, with positive performances from all of our retail formats. Total online sales represented 5.3% of our consolidated revenues in 2022.
- **In terms of profitability**, underlying EBITDA reached €635m, a 41bps decrease in margin to 8.2% in the year, impacted by continued efforts to absorb inflationary pressures to shield our customers and ensure the competitiveness of our offerings, coupled with the large increase in energy costs, especially during the 9M22.
- **Recurrent Net result** (group share) decreased 17% yoy to €179m, penalized by the Indirect Result of -€43m, namely in 4Q22 (-€92m) following impairments in our fashion businesses, the devaluation of Sierra properties and forex impact at Bright Pixel. Total Net Result stood at €342m at the end of 2022, strongly influenced by non-recurrent capital gains from asset sales.
- **Free Cash flow** (before dividend payments) totalled €187m, driving net debt down to €540m, the **lowest level** in many years. All in all, Sonae ended 2022 with a strong financial position, with low leverage, significant available liquidity, and a good debt maturity profile. At the holding level, LTV decreased by 1.5pps yoy to 5.9%, impacted by the net debt evolution.

### Portfolio Management Activity

- During the last quarter of the year: (i) **Universo, our financial services business**, completed the sale of MDS for €104m and reached a preliminary agreement with Bankinter Consumer Finance for the creation of a leading consumer credit operator in Portugal, through a 50/50 equity partnership; (ii) **Bright Pixel** completed the sale of Maxive, sold its stake in StyleSage, and received some capital distributions from Armilar Venture Partners funds, totalling €124m of cash proceeds; (iii) **Sonaecom** terminated the Zopt partnership, previously announced, and

received a 26.07% stake in NOS and an amount in cash (€38m); and (iv) we increased our direct stake in NOS by 0.52% to 11.3% (37.4% in total, including Sonaecom's shareholding).

- During the 9M22, our main portfolio moves were the acquisition of an additional 10% stake in Sierra and 3.4% directly in NOS. Bright Pixel also maintained an active portfolio management activity during the balance of the year, having concluded the sale of its stakes in Cellwize and CiValue, and the acquisition of several minority stakes in technology companies, aside from the regular follow-on investments in some of its portfolio companies.

### Key ESG<sup>1</sup> Indicators

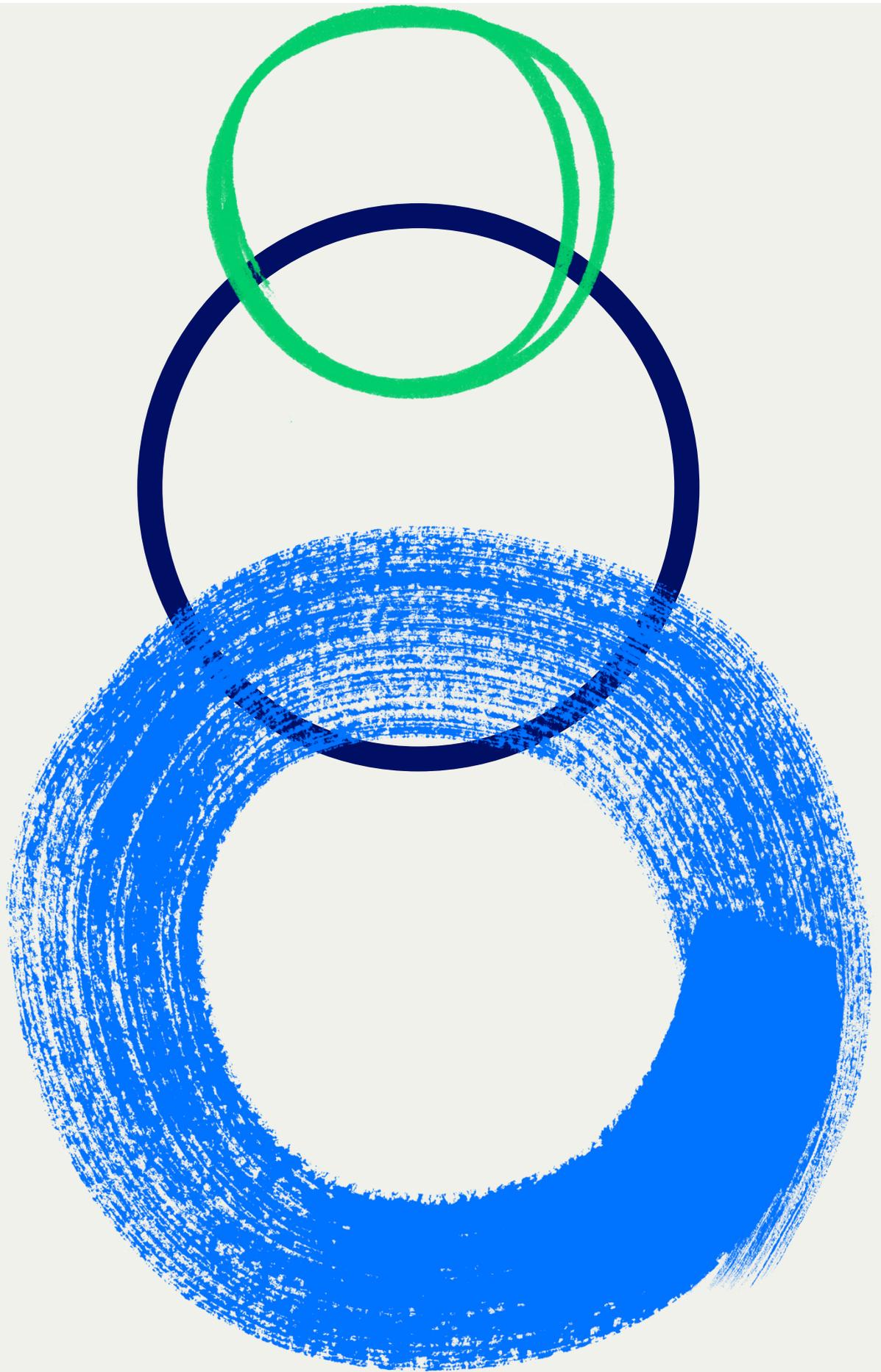
- **GHG emissions** (scope 1 and 2): our portfolio continued to be on track toward its 2030 reduction target, with a decrease of 24% at the end of 2022, when compared to the base line of 2018.
- **CDP Climate 2022**: our efforts in the fight against climate change were recognized, maintaining the leadership A- category.
- 80% of our **plastic** packaging in 2022 was recyclable, up 6pps when compared to 2021, another step towards our commitment to reach 100% reusable, recyclable or compostable plastic packaging in our own brand products by 2025.
- New commitment, "**Zero Deforestation**" by 2030, subscribed to by our portfolio companies.
- Reinforced position in the 2023 **Bloomberg Gender-Equality Index (GEI)**, a global index that brings together companies that stand out for their transparency and good practices in promoting gender equality. We reached a score of 85.6%, an increase of 7.7bps from 2022, surpassing the world average of 72.9%.
- We achieved, one year ahead of time, our target of having **39% of leadership positions held by women**.
- Stronger investment in our **communities** up to €31m, an increase of 47% when compared to 2021.
- 68% of our Total Long-Term credit facilities are already linked to **Sustainable, Green or ESG performance**, which clearly demonstrates our and our lenders' commitment to social and environmental sustainability.

The Board of Directors will, in compliance with Sonae's Dividend Policy, propose at the Shareholders' AGM, a dividend of 5.37 euro cents per share, corresponding to a dividend yield of 5.7%<sup>2</sup>.

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<sup>1</sup> Environmental, Social and Governance.

<sup>2</sup> Based on the share price at year-end 2022.





**CEO letter**

2022 marks the last year of the current Board of Directors' mandate, a period which I faced with great pride and sense of responsibility as the Group's CEO. The last four years have been quite eventful and challenging. But I am proud of what we have achieved collectively. As the world around us has changed, we have changed too. But our purpose has remained the same: to create economic and social value, improving the lives of people around us. We made strong progress on all fronts, despite the immeasurable external challenges that we faced.

In 2022, and after two years of pandemic, the invasion of Ukraine brought consequences that we are still dealing with, and which will persist for a long period of time. During the year, inflation surged to levels the world had not witnessed this century, mostly driven by sharp rises in energy costs and disruptions in the supply chains that spread to the entire economy. High inflation, together with increasing interest rates, put significant pressure on households' disposable income and, consequently, their spending patterns. At Sonae, we quickly understood the potential impact on our communities and acted swiftly to mitigate them. To avoid greater stress on family budgets, our retail businesses absorbed part of the inflationary pressure, at the expense of their own profitability. However, with dedication, innovation, and intrapreneurship, we continued to improve our value propositions to consumers. We quickly adapted our offerings to cater to changing market needs, and these efforts were clearly recognised by customers, as we saw our market shares increase across all businesses, despite the more intense competitive environments.

Amidst this challenging context, Sonae maintained a high level of investment. In total, the group invested €357m in its operational activities (a 28% increase over 2021) and created over 1,200 new jobs, to reach more than 48,000 employees. We increased our investment and commitment to our Group companies, particularly by increasing our stakes in Sierra and NOS. Our debt level fell to a historically low level, giving us comfort that, despite the high interest rate environment and the challenges we face in each sector, we will be able to continue to invest to create value in our communities for years to come.

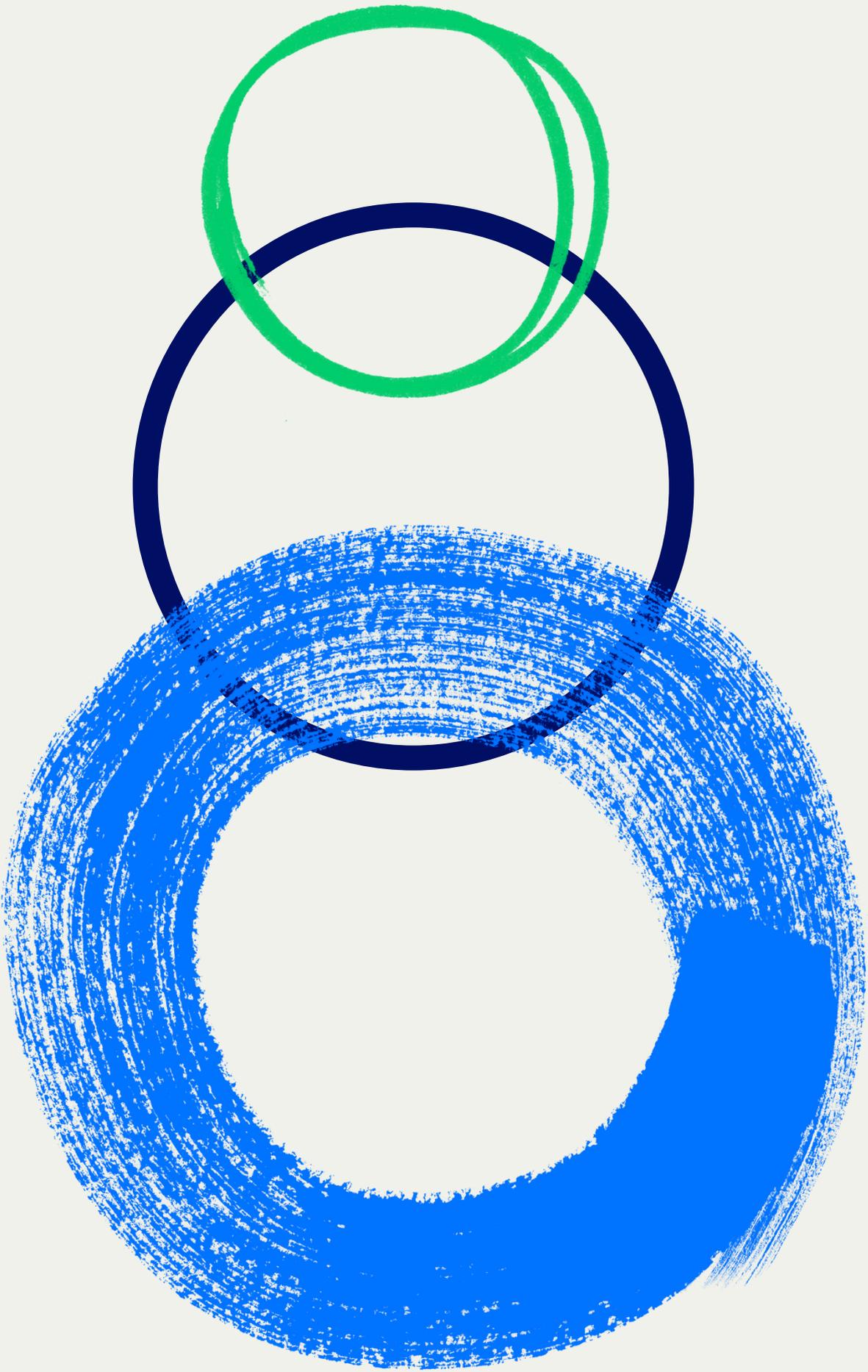
Sonae remained firm in its pursuit for a better future, as we stood by our people and our communities while remaining committed to our environmental goals. Regarding environmental sustainability, not only do we remain well on track to reach our ambitious goal to become carbon neutral by 2040, but we have also established a new pledge, the Zero Deforestation commitment by 2030, a critical step to guarantee that all our businesses will be at the forefront of fighting deforestation. We have also made significant progress towards making the plastic packaging of all our own brand products reusable, recyclable or compostable by 2025, with the recyclability of packaging reaching 80% in 2022.

On the social front, in 2022 we launched the "Sonae for Ukraine Programme" to support the Ukrainian refugees that fled to Portugal. We contributed financially and with employment opportunities, basic items, food, consumer goods and the support of our volunteers. Additionally, we met our goal of having 39% of leadership positions held by women, one year ahead of time, and increased the support to our communities by almost 50% to more than €30m.

When I look back at the last four years, I am truly proud of what we have accomplished. Today, we have a positive impact on the lives of many more people, and that is precisely what drives us. I would like to thank our teams and all our stakeholders who have partnered with us and share the same values, as this allows us to amplify our impact far beyond our own direct reach.

The pace of change will not slow down. And there are always unexpected risks emerging on the horizon. But I am sure we will be ready to deal with them. This year is already packed with dynamic projects and initiatives, filled with innovation and sustainability. We will continue to drive growth and work together to create a better tomorrow for all.

Cláudia Azevedo, CEO



# Overview

## Key Data

€m	31.12.21	31.03.22	30.06.22	30.09.22	31.12.22
NAV	4,015	4,080	3,848	3,966	3,974
Market capitalization	2,006	2,084	2,342	1,649	1,870
Net Debt	563	931	1,103	1,022	540

€m	4Q21 R	4Q22	yoy	2021 R	2022	yoy
Turnover	1,992	2,233	12.1%	6,965	7,726	10.9%
Underlying EBITDA	186	195	4.9%	601	635	5.7%
Underlying EBITDA margin	9.3%	8.7%	-0.6 p.p.	8.6%	8.2%	-0.4 p.p.
Net result group share	109	132	20.6%	267	342	27.7%
Net result group share, excluding non recurrent items	109	-10	-	215	179	-16.7%
Sale of assets	14	229	-	663	301	-54.6%
M&A capex	-22	-46	-	-195	-277	-41.9%
Free cash flow before dividends paid	295	483	63.8%	681	187	-
Dividends paid	-	-	-	-96	-169	76.4%

	1Y	3Y	5Y	10Y
Total Shareholder return*	-2%	7%	2%	8%

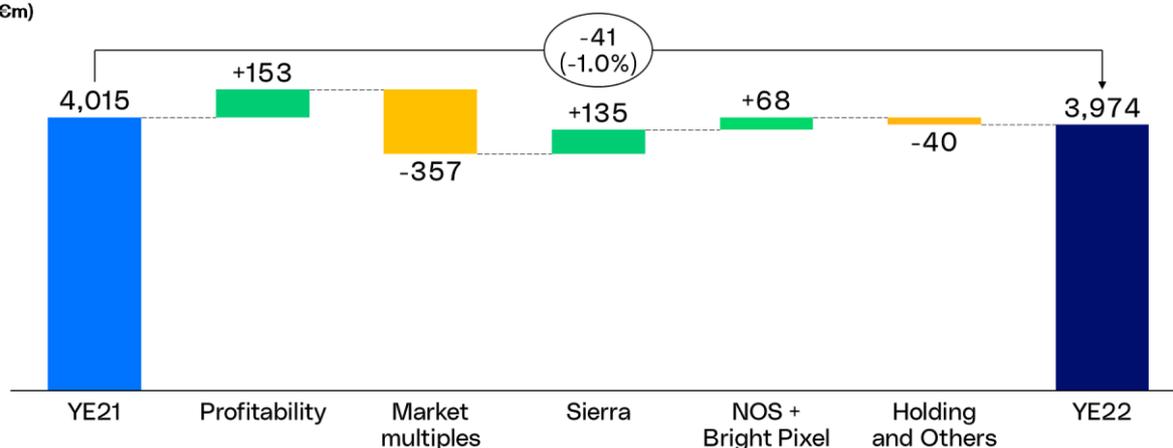
\*Source: Bloomberg.

R - Restated as Maxive from Bright Pixel was considered as asset held for sale and all periods in 2021 and 1Q22 were restated to consider this asset as discontinued operation.

Sonae's NAV is based on market references, such as trading multiples of comparable peers, external valuations, funding rounds and market capitalisations. Valuation methods and details per business unit are available in Sonae's Investor Kit at [www.sonae.pt](http://www.sonae.pt).

Sonae's NAV amounted to €4bn at the end of the year, slightly below year end of 2021, owing to operational performance of our businesses coupled with our active portfolio management, which almost fully offset the turmoil of the capital markets reflected in the contraction of market multiples.

NAV bridge  
(€m)



## NAV detail

Company (€m)	Ownership	31.12.21	31.12.22	Var.	Major drivers
MC	75%	1,870	1,824	-2.5%	Lower multiples despite improved operational performance
Sierra	90%	740	875	18.2%	Increased stake and higher NAV
NOS <sup>(1)</sup>	35%	538	686	27.6%	Increased stake and share price performance
Bright Pixel	90%	356	276	-22.5%	NAV decreased due to portfolio activity
Worten	100%	244	203	-16.8%	Lower multiples
ISRG	30%	213	183	-14.1%	Lower multiples despite improved operational performance
Universo	100%	51	45	-10.6%	Lower multiples
Zeitreel	100%	124	38	-69.2%	Lower multiples
Other investments <sup>(2)</sup>		175	75	-56.8%	Completion of MDS transaction
Holding Real Estate		176	183	4.2%	
Holding Structure		-131	-143	-9.2%	
Holding Net Debt <sup>(3)</sup>		-318	-248	21.9%	
Minorities		-23	-23	-2.9%	
<b>Total</b>		<b>4,015</b>	<b>3,974</b>	<b>-1.0%</b>	

(1) Stake calculated as the sum between Sonae's direct stake and 90% of SonaeCom's stake (2) Other investments include Gosh and MDS (until the deal was completed, 4Q22).  
(3) Normalized average net debt.

During 2022, Sonae's businesses faced a challenging macro environment, with sharply rising inflation and interest rates, soaring energy prices, continued disruptions in global supply chains, and the lingering pandemic, but most of all by the Russian invasion of Ukraine. Against this backdrop, Sonae and its portfolio showed once again a strong resilience, with total consolidated turnover reaching €7.7bn and underlying EBITDA staying at €635m, with a margin of 8.2%, implying a contraction of 41bps yoy due to the impact of inflation and pressure on our cost base. Equity method consolidated businesses also continued to deliver improved operational performances which, coupled with significant capital gains from the disposals of MDS and Maxive, led consolidated EBITDA to reach €927m at the end of year.

Indirect result stood at -€43m in 2022, fuelled by the 4Q22 figure of -€92m, which was mainly influenced by (i) the negative impact in the value of Sierra's investment properties (-€31m) in an environment of yield expansion and despite the improved operational performance of its assets; (ii) the negative impact in the value of Bright Pixel's portfolio mainly due to exchange rate effects (-€22.5m) and (iii) impairments related to our fashion business (-€48m), considering the expected negative impact from the macroeconomic context on fashion consumption. Consequently, at the end of 2022, net result (group share) stood at €342m. Excluding non-recurrent results, mainly related with asset sales, net result was €179m (-17% yoy) driven by indirect results.

In terms of operational cash flow, Sonae's portfolio generated €101m during 2022, implying a decrease when compared to last year, mainly due to higher levels of investment, that were back to pre-pandemic levels. Sonae's portfolio management activity had a positive impact on cash flow as the cash proceeds from asset sales more than offset the M&A capex.

All in all, our businesses' operational performance coupled with our portfolio activity and dividends received led to a FCF before dividends payment of €187m at the end of the year. Therefore, and after dividends paid, consolidated net debt slightly decreased yoy to €540m, the lowest level in many years.

€m	2021	2022	var.
EBITDA (inc. rents and taxes)	400	416	4.0%
Working cap. and others	32	42	28.3%
Operational capex	-279	-357	-27.9%
<b>Operational cash flow</b>	<b>154</b>	<b>101</b>	<b>-34.5%</b>
Net financial activity	-31	-21	33.0%
M&A capex	-195	-277	-41.9%
Sale of assets	663	301	-54.6%
Dividends received	91	83	-8.9%
<b>FCF bef. dividends paid</b>	<b>681</b>	<b>187</b>	<b>-</b>

In terms of capital structure, Sonae ended the year with a very solid financial position, characterized by comfortable leverage ratios and liquidity levels (c.€1.3bn of available liquidity – cash and unused credit facilities), and an average maturity profile above 4 years. On top of this, 68% of our total long-term facilities are already linked to sustainable, green or ESG performance targets.

# Portfolio Performance

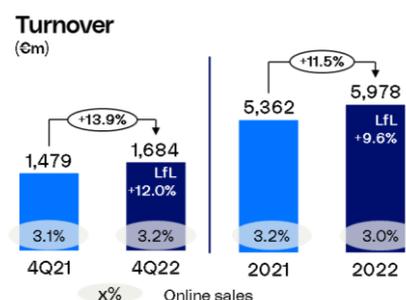
## 1. Fully consolidated companies

Despite the challenging environment in the 4Q, our businesses reinforced their support to customers, fostering market share gains, which led to a consolidated yoy growth of 12% and 5% in terms of turnover and underlying EBITDA, respectively. In the year, consolidated turnover grew by 11% yoy driven by all our businesses and underlying EBITDA grew only 6% yoy, following the negative impact on the margin due to inflation and cost pressures.

### MC – food retail<sup>3</sup>

MC published its FY22 trading performance last January 25<sup>th</sup>. The year was challenging for the Portuguese food retail market, with an increase of the families’ standard cost of living, fuelled by record-high inflationary trends and rising mortgage interest expenses. In fact, food inflation reached 19.5% in the last quarter of the year and 13% in 2022.

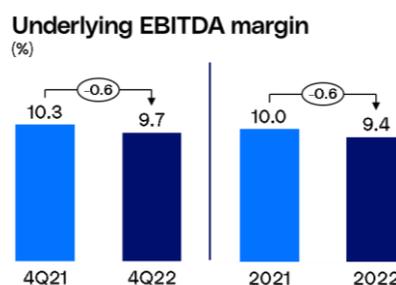
In this demanding and challenging context, MC kept focused in ensuring the recognition of its value proposition and meeting its customers’ needs. **Turnover** grew on top of a strong base to c.€6.0bn, up by 11.5% yoy and 9.6% in LfL terms (+13.9% yoy and +12.0% LfL in 4Q22), mainly fuelled by the food formats, which delivered a positive top line growth associated with high inflation that more than compensated slightly lower LfL volumes and mix effects, namely from trading down movements towards private label products. All the other MC formats continued to benefit from the post pandemic normalization of consumption behaviours.



The company continues to enhance its **omnichannel** proposition, with online sales more than doubling versus pre-pandemic levels, posting a resilient growth on top of two extraordinary years and maintaining a 3% share of total turnover in 2022.

In terms of **market dynamics**, MC recorded once again market share gains during another challenging year and reinforced its leadership position in Portugal.

The mix and trading down movements, combined with MC’s partial absorption of the inflationary pressure to protect customers and higher energy prices, contributed to a profitability margin erosion during the year of 59bps to 9.4% (9.7% in the 4Q) and **underlying EBITDA** stood at €563m in the year (vs €537m in 2021). Consequently, net income in 2022 decreased by €39m yoy to €179m.



In terms of **expansion**, MC accelerated its pace in 4Q22, opening a total of 65 new company-operated stores during the year (representing +25k square meters of sales area), of which 15 additional Continente Bom Dia stores, and refurbished 33 stores. Additionally, MC also invested in powering its digital and logistics infrastructures. Overall, in 2022 total capex stood at €218m, including €43m related with store openings.

The positive operational performance, coupled with a disciplined capex execution, led to a solid FCF generation of €214m in the year, which compares with €243m generated in 2021, that included €68m of cash proceeds from the sale of the 50% stake in Maxmat. Consequently, and after the dividend payment of €243m, MC’s net financial debt reached €408m, at the end of 2022, and the ratio of total net debt to underlying EBITDA remained stable yoy at 2.7x, with an average maturity profile of 4 years.

<sup>3</sup> For more information, please see MC 2022 results in [www.sonae.pt](http://www.sonae.pt)

In terms of **ESG** performance, the company continues committed to integrate sustainability into its business, and in 2022 achieved significant progress in the environmental front, namely (i) by avoiding €54m of food waste (+44% yoy), (ii) increasing the recyclability of own brands plastic packaging to 80% (+5.3pps yoy), (iii) decarbonizing its operations by reducing 5% further its GHG emissions (scope 1+2) and (iv) endorsing the Group’s Zero Deforestation commitment. While in the social front, **MC**: (i) also continued to push forward its mission to provide support to its communities, significantly increasing its direct contributions to c.€30m (+52% yoy); and (ii) surpassed 39% of leadership positions held by women.

**Worten – electronics retail**

In 2022, Worten proved again the resilience of its omnichannel proposition, growing in electronics and appliances as well as in new categories, successfully leveraging its marketplace and services offering, and reinforcing its leading market position. Performance in the fourth quarter was also positive, with the company’s **turnover** increasing by 7.9% yoy (+5.0%LfL), pushing the full year total turnover to €1.2bn (+5.4% yoy and +3.8% LfL).

The **online channel** grew in 4Q22 but did not fully offset the contraction observed in 1Q22, resulting from the pandemic and confinement context in 2021. Therefore, in 2022 total online sales contracted, and now account for 16% of turnover. Notwithstanding the deceleration observed in 2022 in comparison with 2021, online sales are more than 2.7x those of the pre-pandemic period.

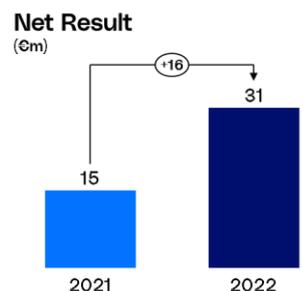
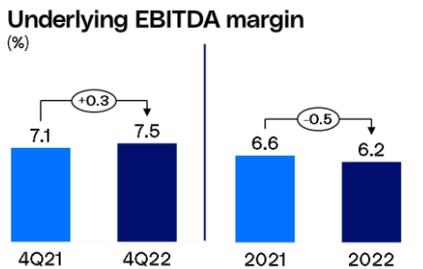
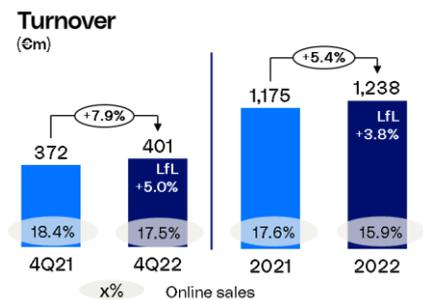
In terms of **profitability**, in the last quarter of the year Worten increased the underlying EBITDA by €3.5m yoy, with a margin of 7.5% (+34bps yoy). However, in the full year, Worten’s investment in its ongoing digital transformation and significant cost inflation (especially energy costs), led to an underlying EBITDA of €76.2m, slightly below last year (€77.8m), with a margin of 6.2%.

Regarding **ESG**, it is important to highlight that, in 2022, Worten (i) largely surpassed its GHG emissions’ target (scope 1+2), namely due to efficiency measures and the acquisition of green energy, (ii) excelled the recyclability target of its own brand products packaging to 95%, and (iii) endorsed the Group’s Zero Deforestation commitment. Finally, in what concerns gender equality, Worten reported 29% of leadership positions held by women, in line with the defined target.

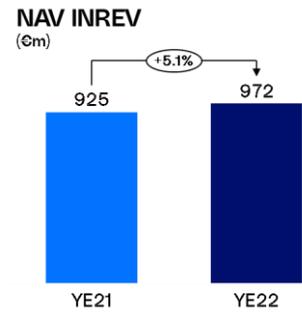
**Sierra – real estate**

Sierra had a very positive 2022, achieving impressive operational performance through the successful recovery of its shopping centre portfolio activity and a renewed strategy to expand into new businesses, sectors and geographies.

The recovery of the European shopping centre portfolio is evident, with a significant 35% yoy increase in tenant sales, surpassing pre-pandemic levels by 10%, and occupancy rates rising to 98% in Europe and reaching a staggering 99% in Portugal. Moreover, Sierra's services business witnessed a strong growth, with a noteworthy 18% yoy increase in top line across its different business lines. To further develop its services business, Sierra took important steps in 2022, expanding to new geographies and increasing the non-shopping centre assets under management by €700m to €1.3bn by the end of 2022.



Despite the challenging macroeconomic context, Sierra's **Net Result** rose by €16m yoy in 2022, reaching €31m. On a proportional accounting basis, the Direct Result was approximately €45m (vs. €30m in 2021), while the Indirect Result stood at -€14m, mainly due to investment properties valuation which was negatively impacted by the macroeconomic environment that drove yield expansion (25bps in Europe and 50bps in Brazil and Colombia), partially offset by improved operational performance. According to INREV methodology, **Sierra's NAV** at the end of 2022 increased by 5% compared to YE21, mainly driven by the positive net result in the year and the favourable exchange rate impact. Sierra's gross loan-to-value ratio also reduced to 43% in 2022 from c.46% in YE21.



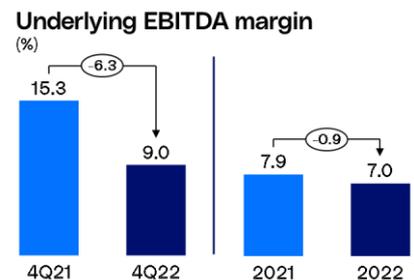
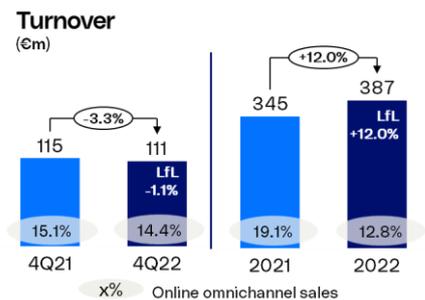
In terms of **ESG**, Sierra continues to pursue its commitments and achieved several significant milestones in 2022. During the year, the company conducted a Climate Change Risk Assessments exercise and defined a decarbonization roadmap for around 90% of the portfolio. Sierra also applied to the 2030 Science-Based Targets initiative (SBTi) approval and became a signatory of the Principles for Responsible Investment (PRI). The company also subscribed to Sonae's "Zero Deforestation" commitment, ensuring none of its activities will contribute to deforestation from 2030 onwards, and reinforced the ESG clauses in contracts with tenants.

**Zeitreel – fashion retail**

After two challenging years for the fashion industry, in a pandemic context, 2022 brought additional headwinds, namely with a negative macroeconomic context that impacted consumers' confidence and disposable income, and also aggravated the industry's cost structure. However, and despite still below 2019 figures due to this context, Zeitreel was able to reach double-digit yoy sales growth.

Therefore, **top line** increased by 12.0% yoy, with a LfL of +12.0%, to €387m in 2022, with positive contributions from all Zeitreel brands. Online sales continued to represent an important sales channel, maintaining a strong evolution compared to the pre-pandemic periods (13% of total omnichannel sales in 2022 vs 10% in 2019), although naturally below the extraordinary figures registered during the pandemic periods.

The **underlying EBITDA** stood practically in line with last year's figure of €27m, leveraging a more efficient cost base that allowed Zeitreel to minimize the impact of rising operational costs in an inflationary context.



In addition, Zeitreel strengthened its commitment to manage under **ESG** criteria, namely by setting up internal workstreams to address impacts across the value chain. In fact, the company (i) launched several circularity projects, (ii) reduced its plastic packaging, and (iii) decreased by 34% its GHG emissions (scope 1+2) vs. base year (2018), while mapping its scope 3 emissions baseline. Additionally, the company endorsed the Group's Zero Deforestation commitment, under which Zeitreel commits with sourcing cellulose-based fibres, animal leather and wood only from certified or traceable responsible sources. Finally, Zeitreel maintains its commitment to gender equality, reaching 53% of leadership positions held by women.

**Universo – financial services**

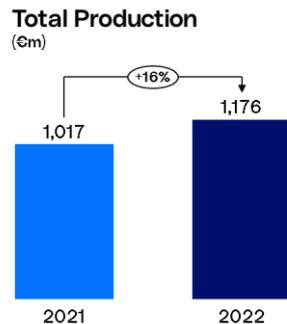
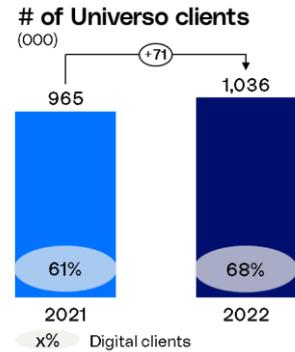
During 2022, Universo’s clients continued to recognize its value proposition, surpassing the 1 million clients threshold. Total production registered a strong evolution across all business lines during 2022, increasing 16% yoy to €1.2bn. In the 4Q22, total production grew by 15% yoy, mainly fuelled by personal loans and “Cartão Dá” business lines.

The **client base** rose by 71k at the end of 2022 vs. the end of last year and by 15k vs. the end of September 2022. The company also continued to expand its digital footprint, surpassing 700 thousand digital users (68% of total).

Finally, Universo’s **operational performance** benefited from a more mature credit portfolio and stronger cross-selling initiatives in line with the defined strategy. Consequently, in 2022, both Turnover and underlying EBITDA increased yoy by €15m and €13m, respectively.

At the end of the year, Sonae took another important step towards the implementation of its strategy for financial services. After the successful partnership with Banco CTT that will continue until the end of 2023, Sonae and Bankinter Consumer Finance reached a preliminary agreement for the creation of a leading consumer credit operator in Portugal, through a 50/50 partnership, resulting from the combination of Universo and Bankinter Consumer Finance in Portugal.

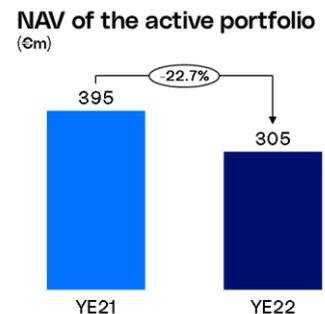
Universo also completed the sale of MDS, which was announced to the market in the end of 2021, but due to the required regulatory authorizations was only completed in 4Q22. The sale of MDS resulted in a cash in of €104m and a capital gain of €81m.



**Bright Pixel – investment in technology**

During 2022, Bright Pixel continued very active in its **portfolio management activity**, with investments in new companies, follow-ons in some of its portfolio companies and exits that resulted in important capital gains and cash proceeds.

In the last quarter of the year, several financing rounds of its portfolio companies were announced, in which Bright Pixel reinforced its **investment**, namely a €5.2m financing round at Habit, a \$28.7m series B financing round at Iriusrisk, a \$7.1m series A financing round at Didimo and a €7.7m series A financing round at Probe.ly. Overall, during 2022, Bright Pixel invested a total of €48.7m in its portfolio companies, and in new ones across the different segments. Regarding **exits** and during 4Q22, Bright Pixel (i) generated a capital gain of €64.7m with the sale of Maxive, and its subsidiaries S21sec and Excellium, to Thales Europe; (ii) sold its stake in StyleSage, an AI-Powered competitive benchmarking solution for fashion and home retailers, which was in its portfolio since 2016, to Centric Software; and (iii) received some capital distributions from Armilar Venture Partners funds. All in all, Bright Pixel reached a total €124m of cash proceeds during the quarter and €188m during the year.



Notwithstanding, the significant level of investment and the positive evolution in total portfolio value, the 4Q exits coupled with other asset sales during the year (Cellwize, ciValue, Beamy and Safetypay), led to a decrease in **NAV** and **Cash Invested** in the active portfolio to €305m and €133m, respectively. Bright Pixel maintained its excellent value creation track record with a cash-on-cash of 2.3x in its active portfolio.

## 2. Equity consolidated companies

### NOS – telecommunications<sup>4</sup>

NOS published its FY22 results on March 7<sup>th</sup>. This year was marked by the successful 5G deployment and a notable performance from both the Telco business and the Media & Entertainment segment, with this last quarter of the year also delivering a solid set of results.

**Turnover** increased yoy 3.1% to €398m in 4Q22 and by 6.3% in the year to €1.5bn. Telco revenues grew 2.1% yoy in the quarter and 4.8% yoy in the year. Movie theatre sales recovered quarter after quarter, in a year without pandemic restrictions, with Media & Entertainment revenues increasing by 33.7% in the year, and by 8.9% yoy in the quarter, benefiting also from successful movies exhibited and distributed.

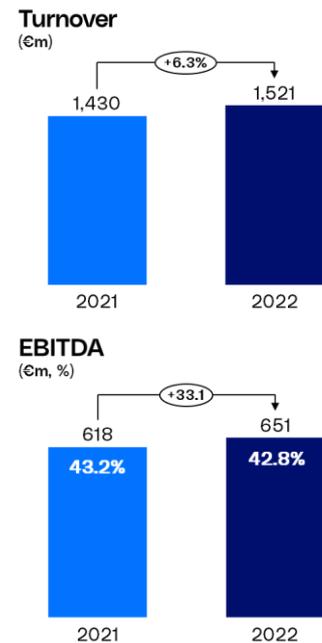
Regarding **profitability**, 4Q22 EBITDA grew 7.6% yoy to €151m, fuelled by the 8.7% yoy improvement in the telco business and totalling €651m in 2022, +€33m yoy, with a 42.8% margin.

All in all, **Net result** excluding gains from tower sales reached €10m in 4Q (-58% yoy) and €139m in FY22 (-4% yoy). During the year, NOS sold a portfolio of towers to Cellnex with capital gains totalling €101m (€26m in the 4Q22), leading to a total net result of €225m (€33m in the 4Q22).

Total **capex** stood at €496m in 2022, impacted by the 5G deployment programme, with already 87% of the population covered at the end of the year. The cash proceeds from the sale of the towers of €45m in 4Q22, in addition to €118m already received in 3Q22, contributed to a positive performance in terms of **FCF** (ex-dividend, financial investments and own shares), that reached €193m in 2022. Net financial debt/EBITDA after lease payments stood at 1.81x.

Regarding **shareholder remuneration**, and maintaining a solid capital structure, the company’s Board of Directors approved a proposal to the next AGM of an ordinary dividend payment of 27.8 euro cents per share, in line with the last 3 years, and an extraordinary dividend payment of 15.2 euro cents per share, linked to the completion of the tower disposals to Cellnex during the year.

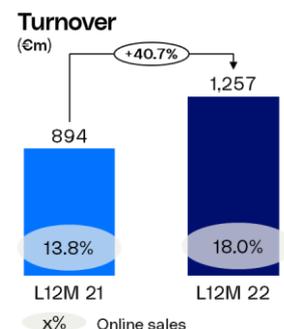
In terms of **ESG**, NOS already holds more than 55% of its debt linked to sustainability indicators and, for the second consecutive year, the company was included in the Bloomberg Gender-Equality Index with a score of 84 (+19 pps). Additionally, in 2022, NOS was recognized by CDP in the fight against climate change, with the highest score (A).



### ISRG – sports retail<sup>5</sup>

In the L3M 22 (Aug-Oct), ISRG’s sales evolution was again remarkable (+8.6% yoy). The macroeconomic context was still challenging, but in this last quarter the supply chain constraints were considerably less visible when compared to the rest of the year (Feb-Jul).

Overall, in the L12M 22 **total sales** increased 41% yoy, surpassing €1.2bn, with positive contributions from both the organic operations and the new businesses.



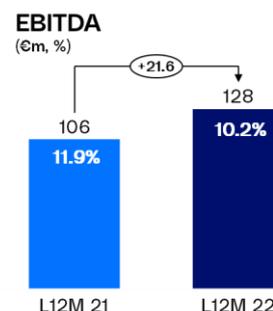
<sup>4</sup> For more information, please see NOS 2022 results in [www.nos.pt](http://www.nos.pt)

<sup>5</sup> Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures for the L12M 22 ended last October 29<sup>th</sup>.

Deporvillage, which was acquired in 2021, continued to be a key driver of the company’s online performance, with online sales reaching 18% of ISRG turnover in the L12M 22 (vs. 14% in the L12M 21). This strong top line evolution fuelled **EBITDA**, leading to a yoy increase of €22m to €128m in 2022, although the margin was affected by a different channel mix and some pressures in operational costs.

All in all, ISRG’s performance resulted in an **equity method contribution** to Sonae’s results of €11m in the 4Q22 and of €22m in 2022 (+€5m yoy).

Despite the high macroeconomic uncertainty level, the company maintained a solid operational performance in the last quarter of its fiscal year (Nov-Jan).



# Outlook and dividend proposal

## Outlook

Looking forward, complexity and uncertainty remain high. The global economy is forecast to grow, albeit at a slower pace.

The degradation of the geopolitical context, the high inflation and the sharp rise in interest rates will continue to impose significant constraints on the economy, namely to households’ disposable income, with a negative impact on private consumption.

Technology and related sectors are poised for growth driven by the dissemination of significant developments in artificial intelligence, 5G and the Internet of Things. Climate change and the invasion of Ukraine are boosting the renewable energy sector, with governments around the world committing to reducing carbon emissions and transitioning to more sustainable and independent energy sources. The uncertainty related to energy and food commodity prices will shape the economic evolution for 2023.

As a holding company, and in face of the current volatile environment, we will remain committed to continuously support our portfolio companies in understanding the implications of the new challenges, and together will develop the adequate solutions to future-proof their business models, improve their performance and continue to create economic and social value.

## Dividend proposal

In view of the Net Results for the 2022 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 5.37 euro cents per share, 5% above the dividend distributed last year. This dividend corresponds to a dividend yield of 5.7%, based on the closing price as of December 31<sup>st</sup>, 2022 (which stood at €0.935), and to a payout ratio of 23%<sup>6</sup> of the consolidated direct result.

<sup>6</sup> Assuming own shares as of 31.12.2022 totalling 79,760,326.

# Corporate information

## Main announcements during 4Q22

October 6<sup>th</sup>

Sonae SGPS, SA informed on transaction by Person Discharging Managerial Responsibilities.

October 11<sup>th</sup>

Sonaecom informed on the completion of the transaction between Bright Pixel Capital and Thales Europe SAS.

December 2<sup>nd</sup>

Sonae SGPS, SA informed that its subsidiary Universo, GC, SA completed the sale of its 50% shareholding in MDS SGPS, SA.

December 12<sup>th</sup>

Sonaecom informed about the termination of its partnership in Zopt.

December 20<sup>th</sup>

Sonae SGPS, SA informed about revision of the terms of its subsidiary Universo's partnership with Banco CTT and about a preliminary agreement with Bankinter for the creation of a joint-venture.

December 21<sup>st</sup>

Sonae SGPS, SA informed about preliminary announcement for the launch of a general tender offer for the acquisition of shares representing the share capital of Sonaecom SGPS, SA.

December 23<sup>th</sup>

Sonaecom, a Sonae subsidiary, informed on qualified shareholding.

## Subsequent events

January 4<sup>th</sup>

Sonaecom, a Sonae subsidiary, informed on report of the Board of Directors regarding the opportunity and conditions of the general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom, prepared under the terms and for the purposes of Article 181 of the Portuguese Securities Code.

January 6<sup>th</sup>

Sonaecom, a Sonae subsidiary, informed on announcement received from Sonae.

January 25<sup>th</sup>

Sonae SGPS, SA informed on MC 2022 Trading Statement and announced the appointment of the Secretary of the Company and of the Market and CMVM Liaison Representative

Sonaecom, a Sonae subsidiary, announced the appointment of the Market and CMVM Liaison Representative.

January 31<sup>st</sup>

Sonae SGPS, SA informed on qualified shareholding.

March 14<sup>th</sup>

The Portuguese Market Regulator (CMVM) registered the general tender offer for the acquisition of shares representing the share capital of Sonaecom SGPS, SA, announced by Sonae SGPS, SA on 21<sup>st</sup> December 2022.

March 15<sup>th</sup>

Completion of the purchase of 10% of the share capital of Sierra held by Grosvenor Investments (Portugal) S.Àr.L, for the price of €88.6 million, which represents an implicit discount of c.10% over Sierra's NAV at the end of 2022, after the exercise by Grosvenor of its put option right. Following completion of this transaction, Sonae now holds 100% of the share capital and voting rights in Sierra. 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 in Sierra.

# Consolidated P&L

€m	4Q21 R	4Q22	yoy	2021 R	2022	yoy
<b>Turnover</b>	<b>1,992</b>	<b>2,233</b>	<b>12.1%</b>	<b>6,965</b>	<b>7,726</b>	<b>10.9%</b>
<b>Underlying EBITDA</b>	<b>186</b>	<b>195</b>	<b>4.9%</b>	<b>601</b>	<b>635</b>	<b>5.7%</b>
<i>margin</i>	<i>9.3%</i>	<i>8.7%</i>	<i>-0.6 p.p.</i>	<i>8.6%</i>	<i>8.2%</i>	<i>-0.4 p.p.</i>
Equity method results*	19	46	-	79	129	64.3%
Sierra	9	15	69.3%	29	46	57.3%
NOS	3	20	-	32	63	97.9%
ISRG	7	11	47.2%	17	22	28.9%
Non-recurrent items	1	142	-	52	162	-
<b>EBITDA</b>	<b>206</b>	<b>383</b>	<b>85.9%</b>	<b>732</b>	<b>927</b>	<b>26.6%</b>
<i>margin</i>	<i>10.4%</i>	<i>17.2%</i>	<i>6.8 p.p.</i>	<i>10.5%</i>	<i>12.0%</i>	<i>1.5 p.p.</i>
D&A	-53	-57	-6.6%	-207	-222	-6.8%
D&A - RoU	-32	-34	-5.4%	-126	-132	-5.2%
Prov and imp.	-13	-12	12.7%	-31	-14	54.2%
<b>EBIT</b>	<b>107</b>	<b>281</b>	<b>-</b>	<b>368</b>	<b>559</b>	<b>51.9%</b>
Net Financial results	-26	-29	-9.5%	-105	-95	9.3%
from lease liabilities	-18	-19	-6.1%	-74	-74	-0.7%
from financing	-8	-10	-16.8%	-31	-21	33.0%
<b>EBT</b>	<b>81</b>	<b>252</b>	<b>-</b>	<b>263</b>	<b>464</b>	<b>76.2%</b>
Taxes	7	-8	-	-6	-15	-
<b>Direct result</b>	<b>88</b>	<b>244</b>	<b>-</b>	<b>257</b>	<b>449</b>	<b>74.6%</b>
<b>Indirect result</b>	<b>49</b>	<b>-92</b>	<b>-</b>	<b>73</b>	<b>-43</b>	<b>-</b>
<b>Net result</b>	<b>137</b>	<b>152</b>	<b>10.6%</b>	<b>330</b>	<b>407</b>	<b>23.1%</b>
Non-controlling int.	-28	-20	28.6%	-63	-65	-3.4%
Net result group share	109	132	20.6%	267	342	27.7%
<b>Net result group share excluding non recurrent items</b>	<b>109</b>	<b>-10</b>	<b>-</b>	<b>215</b>	<b>179</b>	<b>-16.7%</b>

R - Restated as Maxive from Bright Pixel was considered as asset held for sale and all periods since 1Q21 were restated to consider this asset as discontinued operation.

\* Equity method results: include direct income by equity method results from Sierra statutory accounts, income related to investments consolidated by the equity method (mainly NOS and ISRG) and discontinued operations results.

# Consolidated Balance Sheet

€m	31.12.21 R	30.09.22 R	31.12.22
<b>TOTAL ASSETS</b>	<b>8,325</b>	<b>8,437</b>	<b>8,647</b>
<b>Non current assets</b>	<b>6,429</b>	<b>6,642</b>	<b>6,709</b>
Net fixed assets	2,161	2,180	2,198
Net Rights of Use	1,020	994	1,028
Goodwill	704	689	664
Investment properties	320	343	343
Other investments	1,831	2,035	2,032
Deferred tax assets	359	362	396
Others	34	39	49
<b>Current assets</b>	<b>1,897</b>	<b>1,796</b>	<b>1,938</b>
Stocks	634	700	727
Trade debtors	131	140	129
Liquidity	832	451	794
Others <sup>(1)</sup>	300	505	288
<b>SHAREHOLDERS' FUNDS</b>	<b>3,147</b>	<b>3,182</b>	<b>3,320</b>
Equity holders	2,541	2,682	2,797
Attributable to minority interests	606	499	524
<b>LIABILITIES</b>	<b>5,179</b>	<b>5,256</b>	<b>5,327</b>
<b>Non-current liabilities</b>	<b>2,793</b>	<b>2,906</b>	<b>2,862</b>
Bank loans	781	862	776
Lease liabilities	1,075	1,067	1,110
Other loans	317	335	331
Deferred tax liabilities	502	510	532
Provisions	21	21	22
Others	97	111	91
<b>Current liabilities</b>	<b>2,386</b>	<b>2,350</b>	<b>2,465</b>
Bank loans	226	277	227
Lease liabilities	106	98	97
Other loans	91	29	29
Trade creditors	1,347	1,307	1,435
Others <sup>(2)</sup>	616	639	678
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>8,325</b>	<b>8,437</b>	<b>8,647</b>

R: Restated to include the adjustments pursuant to the post purchase allocation exercise following Gosh acquisition. (1) includes assets classified as held for sale. (2) includes liabilities directly associated with assets classified as held for sale.

Note: 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.

# Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Cash on cash ratio	Exit value of the investment divided by the initial investment
Direct result	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 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 the remaining 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 from other related income (including dividends); and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sierra.
Lease Liabilities	Net present value of payments to use the asset.
Like for Like sales (LfL)	Sales made by omnichannel 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) - Sierra	Total debt / (Investment properties + properties under development), on a proportional basis.
INREV NAV Sierra	Open market value attributable to Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market value of each Sonae's businesses - average net debt - minorities (book value).
Net debt	Bonds + bank loans + other loans + 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.
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 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
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

## 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 should not be regarded as 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, 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 and analysts, and generally all 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.

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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