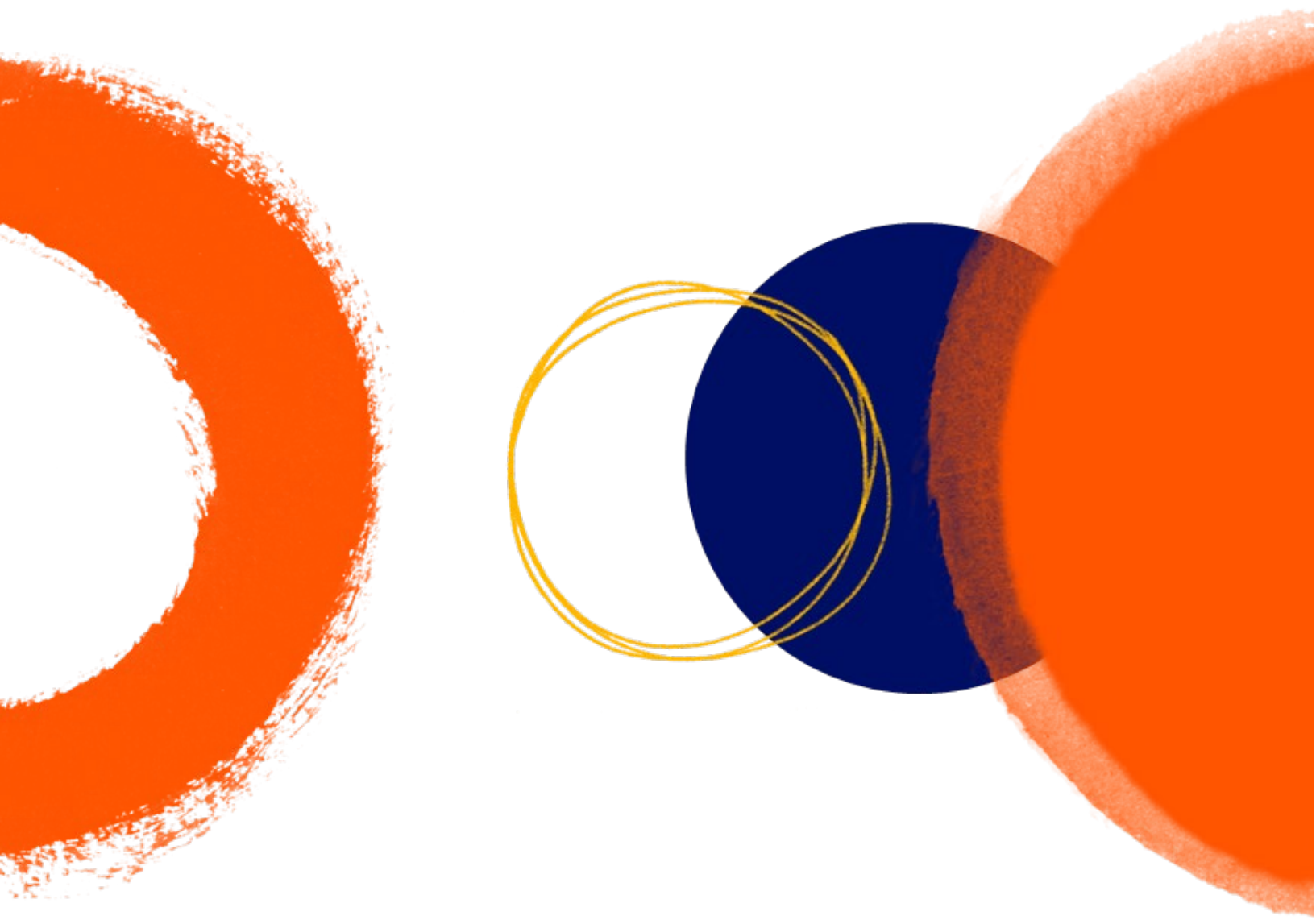


Annual Report 2022



This report is a translation of the Portuguese original version of the Sonaecom Group's official accountability document, submitted at the CMVM website and on April 3rd, 2023, in ESEF format. In case of discrepancies between this version and the official ESEF version, the latter prevails. ANNUAL REPORT 2022

Annual Report 2022

I MANAGEMENT REPORT

1. SONAECOM GROUP
 - 1.1 Group at a glance
 - 1.2 Corporate Developments in 2022
 - 1.3 Disclosure of Non-Financial Information and European Taxonomy
2. SONAECOM BUSINESS
 - 2.1 Consolidated Results 2022
 - 2.2 Bright Pixel 2022
 - 2.3 NOS Telecommunications 2022
 - 2.4 Media 2022
 - 2.5 Risk Management
3. CAPITAL MARKETS
 - 3.1 Equity Capital Market in 2022
 - 3.2 Share Price evolution during 2022
 - 3.3 Shareholding structure and own shares
4. SONAECOM INDIVIDUAL RESULTS
 - 4.1 Operational data
 - 4.2 Financial data
5. SUBSEQUENT EVENTS
6. PROPOSAL FOR THE APPLICATION OF RESULTS

APPENDIX

Glossary
Statement of the Board of Directors
Article 447 and Qualified Shareholding

II CORPORATE GOVERNANCE

Part I – Shareholding Structure, Organisation and Corporate Governance
Part II – Statement of Compliance
Appendix I
Appendix II
Appendix III

III FINANCIAL STATEMENTS

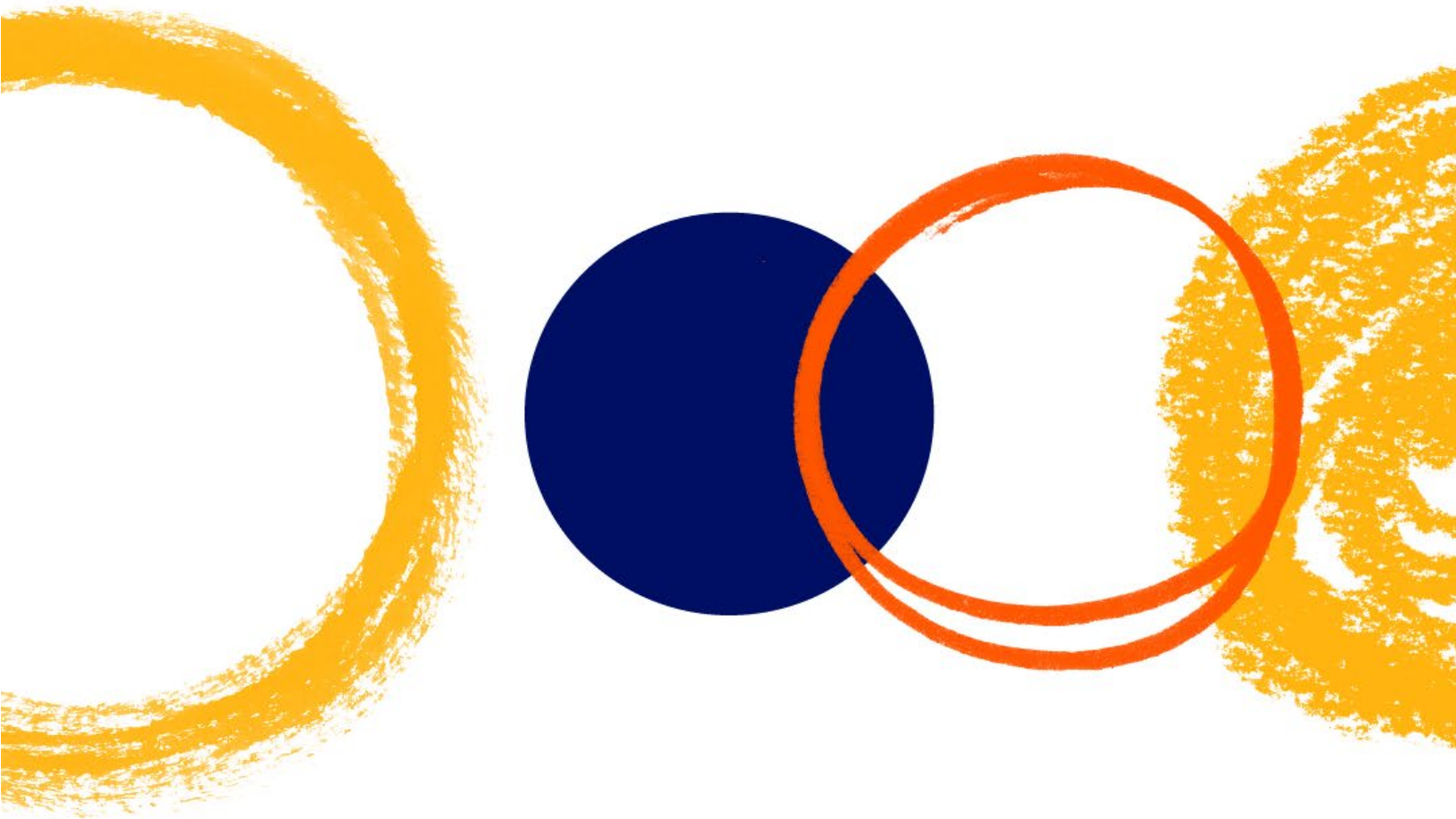
IV LEGAL CERTIFICATION OF ACCOUNTS AND AUDIT REPORT

V REPORT AND OPINION OF THE STATUTRY AUDIT BOARD

MANAGEMENT REPORT

1. Sonaecom Group

- 1.1 Group at a glance
- 1.2 Corporate Developments in 2022
- 1.3 Disclosure of Non-Financial Information and European Taxonomy



1.1 Group at a glance

Sonaecom is a sub-holding of the Sonae Group for the Technology, Media and Telecommunications areas, created in 1994 and first quoted on Euronext Lisbon in 2000. Its business portfolio includes the Software and Technology area, with Bright Pixel Capital (previously Sonae Investment Management), the Online & Media area where there are businesses such as the “Público” daily, generalist newspaper which has been in print for over 33 years in Portugal and the Telecommunications area, which owns an important stake in the NOS group (26.07%), which is the main asset in its portfolio.

1.1.1. About Sonaecom

Our Mission

Sonaecom is an entrepreneurial growth company that chooses exceptional people to work and unlock their full potential.

Sonaecom relentlessly pursues the creation of innovative products, services and solutions that fulfil the needs of its markets and generate superior economic value.

1.1.2. Our values

Lead for impact

We turn ambition into action. This means we strive to have a meaningful impact today and tomorrow. We want to make a difference and have a sustainable impact that is long lasting.

Own what's next

We act as entrepreneurs first and foremost. This means we challenge the status quo and drive what's next.

We explore new businesses and geographies with curiosity and the ambition of growing internationally. These are the ingredients that make us create a better tomorrow for all.

Go further together

We champion our diverse talent. We bring our skills, knowledge, and point of views to learn from one another and put it into action.

We actively search for new opportunities to collaborate across businesses and teams and see it as each person's responsibility to find these synergies.

Make things simple

We move fast and keep things simple. This means we are continuously improving to be more efficient, adaptive, and nimble.

We act quickly to add value but we strive for clarity to make the best decisions. Our strategies are based on facts, data or tests run on a controlled scale.

Do what's right

We commit to doing good business. This means we act independently and transparently to make the right choices.

We are demanding and ambitious, but we clearly state that this ambition will never compromise our integrity and our values.

1.2. Corporate Developments in 2022

Shareholders' Annual General Meeting

On 28 April 2022, Sonaecom's shareholders decided, at the company's Annual General Meeting, to approve all the proposals of the agenda, namely:

1. Discuss and approve the Company's Annual Report, and the Individual and Consolidated Accounts for 2021;
2. Decide on the proposed appropriation of the Net Results for year ended 31 December 2021;
3. Assess the management and audit of the Company;
4. Authorise, for the period of 18 months, the purchase and sale of own shares up to the limit of 10%;
5. Authorise, for the period of 18 months, both purchasing or holding of shares of the Company by affiliated companies, under the limits of Portuguese Company Law and the terms of the proposal submitted by the Board of Directors.

Changes in the portfolio

In December 2022, Sonaecom informed that all the relevant procedures towards the execution of the resolution, taken at ZOPT Shareholder's General Meeting held on 28th September, to terminate the Shareholders' Agreement that governed the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited – were concluded and ZOPT has transferred 134,422,268 shares representing 26.07% of the share capital and voting rights of NOS, SGPS, SA ("NOS") – which are not seized -, in exchange for the amortization of Sonaecom's shareholding in ZOPT and of the reimbursement of the supplementary contributions made by Sonaecom. Accordingly, Sonaecom became the direct holder of 26.07% of NOS share capital and voting rights.

2022 was also marked by an intense portfolio activity at Bright Pixel (Group's technology area):

- Portfolio expansion with six new investments: **Experify**, the first platform to enable a truly authentic product review experience by connecting prospective buyers with purchasers; **Hackuity**, a cybersecurity company, specialized on attack prevention; **Codacy**, a PT-based automated code review and engineering productivity tool; **Afresh**, a leading AI-powered fresh food technology provider; **Chord**, a Platform as a Service that offers commerce businesses technology and data products that help enhance their businesses; and **Mayan**, the company that builds best-in-class optimization and automation technology for Amazon sellers.
- During 1Q, Bright Pixel sold **CiValue** and received a capital distribution from Armilar Venture Partners funds, following the sale of **Safetypay**.

- During 2Q, it was sold to Qualcomm Technologies, the minority stake in **Cellwize**, a company at Bright portfolio since 2019, and was sold the stake in **Beamy** (an early-stage investment).
- In October 2022 it was announced the conclusion of the sale of the total share capital and voting rights of **Maxive – Cybersecurity, SGPS, S.A.**, to Thales Europe, S.A.S following the agreement reached in May, 17th, 2022. This transaction had an underlying Enterprise Value of the target of 120 million euros and generated a positive impact on Sonaecom consolidated results of 64.7 million euros. During 4Q22, Bright Pixel also sold its stake in **StyleSage**, an AI-Powered competitive benchmarking solution for apparel, fashion and home retailers, which was in its portfolio since 2016, to Centric Software; and received some capital distribution from Armilar Venture **Partners'** funds.

Coupled with these acquisitions and disposals, the year of Bright Pixel was also marked by relevant developments in some of its portfolio companies, namely: i) **Cybersixgill**, with a financing round of 35 million dollars led by More Provident and Pension Funds and by REV Venture Partners with the participation of CrowdStrike Falcon Fund, Elron Ventures, Bright Pixel, and OurCrowd; ii) **Sales Layer**, with a financing round of 25 million dollars led by PeakSpan; iii) **Portainer**, that closed a 6.2 million dollar round led by Movac; iv) **IriusRisk**, with a series B round of 28.7 million dollars led by Paladin Capital Group; v) **Probe.ly**, with a series A round of 7.7 million euros co-led by Iberis Capital and Semapa Next; and (vi) **Didimo**, with a series A round of 7.1 million dollars led by Armilar Venture Partners. Bright Pixel participated in all those rounds.

Other developments

On December, 21st, Sonae SGPS launched a voluntary general tender offer for the acquisition of Sonaecom SGPS, SA shares, by a consideration of €2.50 per share, aiming to achieve more than 90% of the voting rights of Sonaecom and then proceed with the delisting of the company. The Offer were subject to (i) the confirmation by the Portuguese Securities Commission (CMVM) that the consideration payable in the context of the squeeze-out mechanism is not higher than the consideration of the Offer, which was already confirmed, and (ii) to the prior registration of that Offer with the CMVM, with the consideration of €2.5, which took place on March 14th 2023.

1.3. Disclosure of Non-Financial Information and European Taxonomy

The non-financial information and the information about diversity at Sonaecom, as required by Decree Law n.89/2017, from July, 28th, which transposes the Directive n. 2014/95/UE from the European Parliament and of the Council, will be disclosed in the GRI Supplement of the Annex to the Sonae Group Management Report, accordingly with the mentioned law and in the terms of article 508^o-G n. 7 from the Portuguese Commercial Companies Code, introduced by that law.

The degree of eligibility of its activities with the criteria set by the Taxonomy as defined by the European Taxonomy Regulation (Regulation 2020/852), the information will also be published in the Taxonomy Supplement of the Sonae Group's Management Report.

MANAGEMENT REPORT

2. SONAECOM BUSINESS

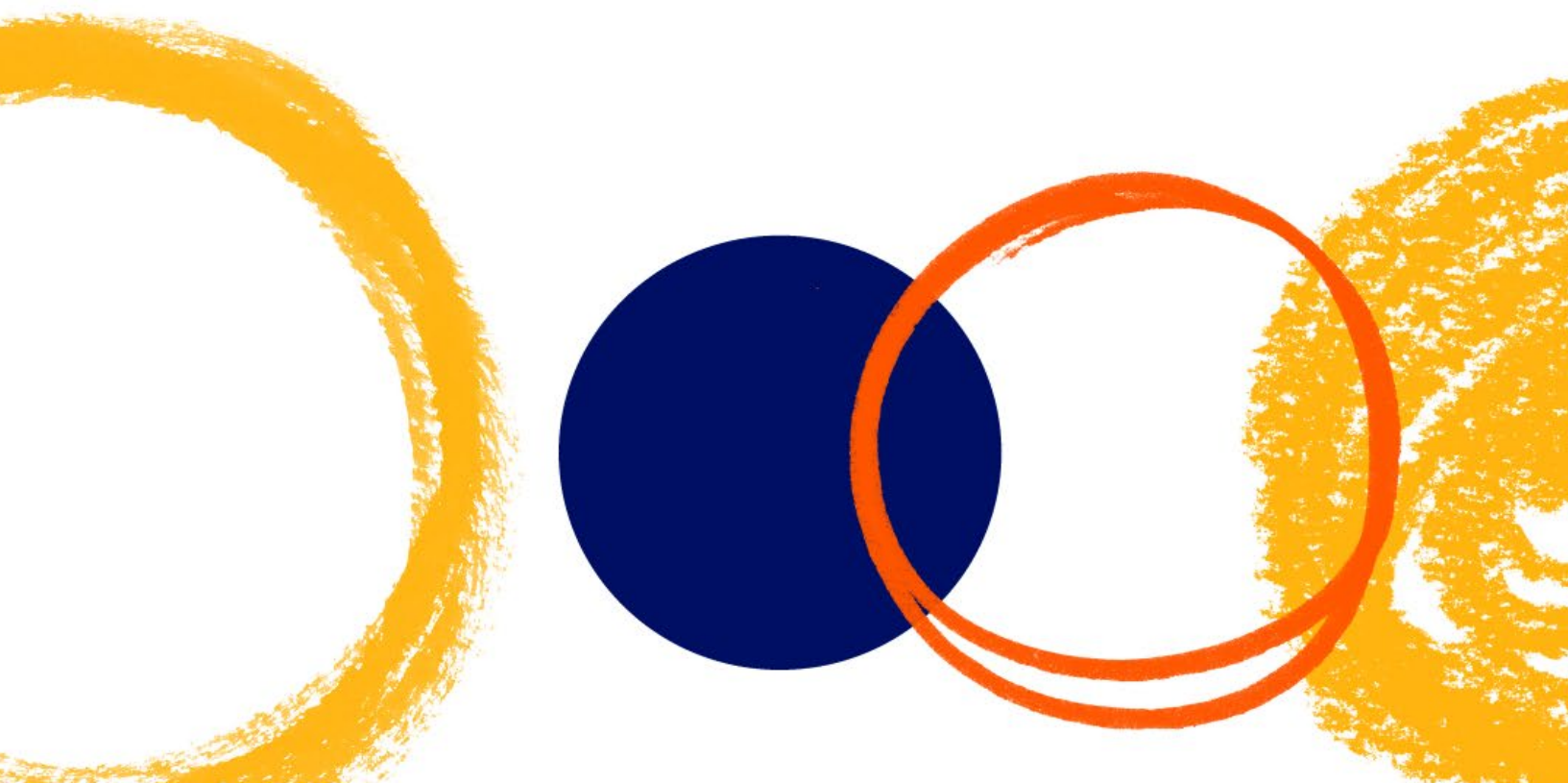
2.1 Consolidated Results 2022

2.2 Bright Pixel 2022

2.3 NOS Telecommunications 2022

2.4 Media 2022

2.5 Risk Management



2.1. Consolidated Results 2022

Introductory note: Since May 2022, Maxive balance sheet figures were classified as held for sale, and all comparative periods were restated to include Maxive results as a discontinued operation in the profit and loss statement.

Key data

€m	4Q21 R Non-audited	4Q22 Non-audited	yoy	2021 R	2022	yoy
Turnover	5.1	4.8	-5.4%	17.1	17.9	4.6%
EBITDA	3.4	73.1	-	44.8	125.7	180.9%
o.w. Equity method ⁽¹⁾	3.4	11.3	-	32.0	55.2	72.3%
o.w. Capital Gains	0.3	64.7	-	23.2	82.5	-
Direct Results	4.3	72.8	-	42.1	123.9	194.4%
Indirect Results⁽²⁾	48.2	-13.1	-	77.7	18.2	-76.6%
Net Income Group Share	52.8	59.8	13.2%	120.7	143.1	18.5%
Net Debt	-272.3	-374.5	-37.5%	-272.3	-374.5	-37.5%

R - Restated according with introductory note;

(1) Includes the 50% holding in Unipress, the 50% holding in SIRS and the 26.07% holding in NOS;

(2) Includes exchange rate impacts on ZAP valuation, equity method and fair value adjustments related with AVP funds and other minority stakes, net of taxes.

Consolidated turnover in 2022 reached €17.9m, increasing 4.6%, when compared to 2021 R, driven by both Media and Bright Pixel businesses, while in 4Q22 decreased by 5.4% to €4.8m driven by Media performance.

EBITDA increased €69.7m to €73.1m in 4Q22, mainly explained by the capital gain generated with the sale of Maxive Group (€64.7m) but also by the contribution from equity method consolidated companies which increased to €11.3m (€3.4m in 4Q21R) and being mostly driven by NOS. In 2022 EBITDA reached €125.7m, a €81.0m growth from 2021R, due to €55.2m from equity method contributions (+72.3% vs. 2021R) and non-recurrent items of €81.7m, mainly driven by the capital gains generated with the sale of Maxive, CiValue, Beamy and Cellwize.

As such, **Direct Results** increased to €72.8m in 4Q22, from €4.3m in 4Q21R, mainly explained by higher EBITDA level, which also justifies the performance in 2022, as Direct Results increased 194.4% yoy to €123.9m.

Indirect Results, despite negative in 4Q22, mainly explained by the exchange rates evolution, reached €18.2m in 2022, reflecting Bright Pixel's portfolio positive revaluation.

Net income group share stood at €59.8m in 4Q22, above the €52.8m presented in 4Q21R, while in 2022 increased 18.5% to €143.1m.

The **net cash position** excluding leasing responsibilities, stood at €381.3m, €99.7m above December 2021 (excluding the impact of cash allocated to assets held for sale), mainly driven by the €175.9m of positive net inflow from investment activity offset by the €59.3m of dividends distribution and the negative operating cash-flow, financial cost and taxes of €15.1m.

Consolidated Balance Sheet

€m	31.12.2021 R	30.09.2022 Non-audited	31.12.2022
Total Net Assets	1,316.9	1,351.4	1,372.6
Non Current Assets	990.7	1,014.4	978.0
Tangible and Intangible Assets and Rights of Use	18.5	7.0	7.8
Goodwill	14.5	1.2	1.2
Investments	934.6	988.2	954.3
Deferred Tax Assets	16.0	11.4	10.9
Others	7.1	6.6	3.9
Current Assets	326.2	280.1	394.6
Trade Receivables	14.5	3.2	3.0
Liquidity	289.3	230.6	381.3
Others	22.4	46.4	10.3
Assets held for sale	-	56.8	-
Shareholders' Funds	1,206.8	1,240.5	1,308.0
Group Share	1,195.9	1,233.2	1,290.7
Non-Controlling Interests	10.9	7.3	17.3
Total Liabilities	110.0	110.9	64.7
Non Current Liabilities	56.7	51.1	41.9
Loans	1.3	0.0	0.0
Provisions	0.6	0.4	0.5
Others	54.9	50.6	41.3
Current Liabilities	53.3	27.0	22.8
Loans	3.0	0.0	0.0
Trade Payables	12.1	1.0	1.6
Others	38.3	26.0	21.3
Liabilities directly associated with the assets held for sale	-	32.8	-
Operating CAPEX ⁽¹⁾	2.0	1.2	2.6
Operating CAPEX as % of Turnover	11.7%	9.3%	14.8%
Total CAPEX	31.3	47.4	49.2
Underlying EBITDA - Operating CAPEX	-8.1	-6.9	-10.4
Gross Debt	17.0	6.8	6.8
Net Debt	-272.3	-223.8	-374.5

R - Restated according with introductory note;

(1) Operating CAPEX excludes Financial Investments.

Consolidated Income Statement

€m	4Q21 R Non-audited	4Q22 Non-audited	yoy	2021 R	2022	yoy
Turnover	5.1	4.8	-5.4%	17.1	17.9	4.6%
EBITDA	3.4	73.1	-	44.8	125.7	180.9%
Underlying EBITDA ⁽¹⁾	-1.9	-2.1	-9.0%	-6.1	-7.8	-28.0%
Non recurrent itens	2.8	63.9	-	24.1	81.7	-
Equity method ⁽²⁾	3.4	11.3	-	32.0	55.2	72.3%
Discontinued Operations ⁽³⁾	-0.9	0.0	100.0%	-5.2	-3.4	35.7%
Depreciation & Amortization	0.5	0.5	-0.3%	1.7	1.9	10.8%
EBIT	2.9	72.6	-	43.0	123.8	187.8%
Net Financial Results	1.0	0.4	-56.7%	2.2	4.2	88.9%
EBT	3.9	73.0	-	45.2	128.0	182.9%
Tax results	0.4	-0.2	-	-3.2	-4.1	-29.6%
Direct Results	4.3	72.8	-	42.1	123.9	194.4%
Indirect Results⁽⁴⁾	48.2	-13.1	-	77.7	18.2	-76.6%
Net Income	52.5	59.7	13.7%	119.8	142.1	18.7%
Group Share	52.8	59.8	13.2%	120.7	143.1	18.5%
Attributable to Non-Controlling Interests	-0.3	-0.1	75.5%	-0.9	-0.9	0.1%

R - Restated according with introductory note;

(1) Includes the businesses fully consolidated by Sonaecom;

(2) Includes the 50% holding in Unipress, the 50% holding in SIRS and the 26.07% holding in NOS;

(3) Includes Bizdirect and Maxive contributions;

(4) Includes exchange rate impacts on ZAP valuation, equity method and fair value adjustments related with AVP funds and other minority stakes, net of taxes.

Consolidated Free Cash Flow

€m	4Q21 R Non-audited	4Q22 Non-audited	yoy	2021 R	2022	yoy
Underlying EBITDA-Operating CAPEX	-3.1	-3.6	-14.0%	-8.1	-10.4	-29.0%
Change in WC	-0.7	4.3	-	-3.1	49.5	-
Non Cash Items & Other	3.0	-10.4	-	3.8	-52.0	-
Operating Cash Flow	-0.8	-9.7	-	-7.4	-12.9	-73.2%
Investments	-9.2	159.6	-	25.7	175.9	-
Dividends and other reserves distribution	74.7	-	-100.0%	74.7	-	-100.0%
Financial results	0.6	0.4	-30.9%	7.9	4.4	-44.6%
Income taxes	0.6	2.3	-	-6.1	-6.6	-8.6%
FCF⁽¹⁾	65.9	152.6	131.4%	94.8	160.8	69.6%

R - Restated according with introductory note;

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

2.2. Bright Pixel 2022

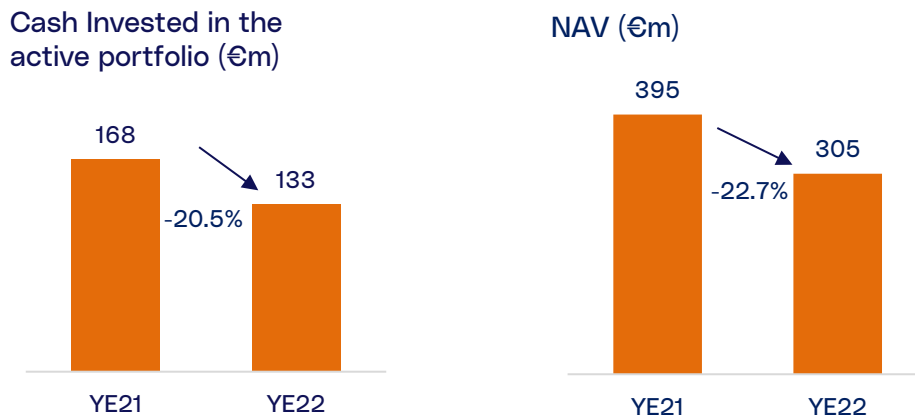
During 2022, Bright Pixel continued very active in its **portfolio management** activity, with investments in new companies, follow-ons in some of its portfolio companies and exits that resulted in important capital gains and cash proceeds.

During the year, Bright expanded its portfolio with six new investments: **Experify**, the first platform to enable a truly authentic product review experience by connecting prospective buyers with purchasers; **Hackuity**, a cybersecurity company, specialized on attack prevention; **Codacy**, a PT-based automated code review and engineering productivity tool; **Afresh**, a leading AI-powered fresh food technology provider; **Chord**, a Platform as a Service that offers commerce businesses technology and data products that help enhance their businesses; and **Mayan**, the company that builds best-in-class optimization and automation technology for Amazon sellers.

2022 was also marked by some disposals – **CiValue, Cellwize, Beamy, Stylesage and Maxive** – which, jointly with some capital distributions from Armilar funds, resulted in 188 million euros of cash received.

Coupled with these acquisitions and disposals, the year of Bright Pixel was also marked by relevant developments in some of its portfolio companies, namely: i) **Cybersixgill**, with a financing round of 35 million dollars led by More Provident and Pension Funds and by REV Venture Partners with the participation of CrowdStrike Falcon Fund, Elron Ventures, Bright Pixel, and OurCrowd; ii) **Sales Layer**, with a financing round of 25 million dollars led by PeakSpan; iii) **Portainer**, that closed a 6.2 million dollar round led by Movac; iv) **IriusRisk**, with a series B round of 28.7 million dollars led by Paladin Capital Group; v) **Probe.ly**, with a series A round of 7.7 million euros co-led by Iberis Capital and Semapa Next; and (vi) **Didimo**, with a series A round of 7.1 million dollars led by Armilar Venture Partners. Bright Pixel participated in all those rounds.

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



Portfolio information

(Non exhaustive)

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

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

Arctic Wolf, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. Bright Pixel, jointly with US technology investors Lightspeed Venture Partners and Redpoint, entered in the company's cap table in 2017 in a series B round. Since then, the Company closed a \$45m series C round in 2018, a \$60m Series D round at the end of 2019, a \$200m Series E round in October 2020 funding at a valuation of \$1.3bn and, in 2021, a \$150m, held by existing and new investors, at an underlying valuation of \$4.3bn.

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

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

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

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

Nextail is a Spanish company that has developed a cloud-based platform that combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations. The company raised a \$10m Series A round led by London and Amsterdam based venture capital firm KEEN Venture Partners LLP ("KEEN"), together with Bright Pixel and existing investor Nauta Capital. The new financing was to be used to accelerate product development and double the size of the team, as it grows internationally.

Cybersixgill is a market leader in deep and dark web cyber threat intelligence. The company helps Fortune 500 companies, financial institutions, governments, and law enforcement agencies protect their finances, networks and reputations from cyberthreats that lurk in the deep, dark and surface webs. The advanced cyber threat intelligence platform automates all phases of the intelligence cycle – collection, analysis and dissemination of data – providing organizations with unparalleled information and actionable insights to protect their various assets in the ever-evolving cyber threatscape. Bright Pixel co-led its series B \$15m round and participated in its new \$35m round raised in 2022 led by More Provident and Pension Funds and REV Venture Partners.

IriusRisk (previously named Continuum Security) is a Spanish based company with an application security platform to address vulnerabilities early in the development process. In order to realise their international growth plans, the company has raised an investment round of €1.5m, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Bright Pixel. In September 2020, the company raised a series A round of \$6.7m participated by Paladin, 360 CP, Swanlaab, JME Venture Capital and Bright Pixel. In August 2022, IriusRisk raised a Series B round of \$28.7m led by Paladin Capital Group with the participation from existing investors Bright Pixel, Swanlaab Venture Factory, 360 Capital and Inveready.

Jscrambler is a Portuguese startup that develops a security solution to protect Web and Mobile Applications (Javascript code). In 2018, the company raised a \$2.3m in a financing round that was led by Bright Pixel with the co-investment of Portugal Ventures. In 2021, the Company raised €10m in a series A with the participation of Ace Capital Partners.

Probe.ly, having started as an internal project of Bright Pixel, won the Caixa Capital Empreender Award 2017, has stepped from MVP (Minimum Valuable Product) to an independent Web Application Security startup. In June 2022, the company raised a series A round of €7.7m co-led by Iberis Capital and Semapa Next and with the participation of Bright Pixel, TIIN Capital | Dutch Security Tech Fund, Caixa Capital, Portugal Ventures and EDP Ventures.

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

Deepfence is a leading US-based cloud-native workload protection platform that aims to provide a unified security platform for kubernetes, virtual machines and serverless workloads. Deepfence ensures business continuity in the face of persistent threats by detecting and disrupting sophisticated attacks targeting cloud-native technologies, the “glue” that keeps the current world connected. Deepfence raised \$9.5m in Series A financing led by AllegisCyber, with participation from Bright Pixel, and existing investor Chiratae Ventures.

Weaveworks is a US company that helps teams to adopt cloud native computing, managing cloud native infrastructure and applications quickly, reliably and at scale. Weaveworks raised a \$36.65m Series C funding round led by some of the world’s leading public cloud and telecommunications companies, including first-time investors Amazon Web Services (AWS), Ericsson, Orange Ventures, Bright Pixel and Telekom Investment Pool (TIP). The round also included follow-on investments from Accel, GV, and Redline Capital.

Sellforte, based in Helsinki, Finland, is a SaaS platform for Retailers, Brands and Telcos, which uses proprietary data science and AI to measure the effectiveness of online and offline marketing investments.

Portainer.io, based in New Zealand, is one of the most popular container management platforms globally. Portainer's universal tool unleashes the power of containerized applications for everyone.

Citcon, is a US-based leading mobile wallet payment provider with a fintech platform that enables seamless global commerce at scale by connecting the world's businesses with more than 100+ mobile wallets, local and alternative payment methods. Citcon raised \$30m in Series C financing led by Norwest Venture Partners and Cota Capital with the participation of Bright Pixel and Sierra Venture.

Safebreach, pioneer in the Breach and Attack Simulation (BAS) market, is the world's most widely used continuous security validation platform. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls against its Hacker's Playbook™, the world's largest collection of attack data broken down by methods, tactics and threat actors. SafeBreach raised \$53.5m in Series D funding, led by Bright Pixel and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

Experify, is the first platform to enable a truly authentic product review experience by connecting prospective buyers with purchasers. Experify raised \$4m seed round, led by Vertex Ventures US, with the participation of Bright Pixel and the Berkeley SkyDeck Fund.

Hackuity, is a risk-based vulnerability management solution that empowers cybersecurity teams and leaders to comprehensively collect, prioritize, and remediate security weaknesses before they can be exploited by their adversaries. Hackuity raised a €12m funding round, led by Bright Pixel with the participation of previous investor Caisse des Dépôts.

Didimo, a leading creator of high-fidelity digital humans with 3D technology. Didimo enables anyone to quickly and easily create lifelike digital models that businesses and individuals can use to interact and to provide or enjoy services online. In 2020, Didimo announced €1m in funding from new investors led by Armilar Venture Partners along with Bright Pixel and PME Investimentos in cooperation with the 200M Co-Investment Fund. In August 2022, Didimo raised \$7.1m in Series A funding led by Armilar Venture Partners, with the participation of Bright Pixel, Portugal Ventures and Techstars.

Codacy, is a PT-based automated code review and engineering productivity tool. It provides intelligence for software engineering teams to reach their full potential. Codacy raised a \$15m Series B funding round led by Bright Pixel Capital, also backed by existing investors Armilar Venture Partners, EQT Ventures, Join Capital, Caixa Capital, Faber Ventures and Iberis Capital.

Afresh, is a US-based leading AI-powered fresh food technology provider. Afresh's AI-powered solutions optimize critical functions in fresh food, including ordering, inventory, merchandising, and operations. Afresh significantly reduces food waste, improves its partners' profitability, and makes fresher, healthier food more accessible to all. Afresh announced a \$115m Series B funding round led by Spark Capital and with participation from Insight Partners, VMG Partners, and Bright Pixel Capital.

Chord, is a US based company with a Platform as a Service that offers commerce businesses technology and data products that help enhance their businesses by giving them cutting-edge headless commerce technology and access to meaningful first-party data. In 2022, Chord raised a \$15M series A

extension round, co-led by Bright Pixel and existing investor Eclipse and with new investors GC1 Ventures, TechNexus Venture Collaborative and Anti Fund VC joining existing investors Imaginary Ventures, Foundation Capital and White Star Capital as participants.

Mayan, a company that builds best-in-class optimization and automation technology for Amazon sellers. Bright Pixel led its series A financing round of 5 million dollars in 2022.

2.3. NOS Telecommunications 2022

NOS published its FY22 results on March 7th. 2022 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's turnover grew 2.1% yoy in the quarter and by 4.8% yoy in the year. The cinema's sales recovered quarter after quarter, in a year without pandemic restrictions, with the Media & Entertainment's turnover increasing by 33.7% in the year, and by 8.9% yoy in the quarter, benefiting also from successful movies exhibited and distributed.

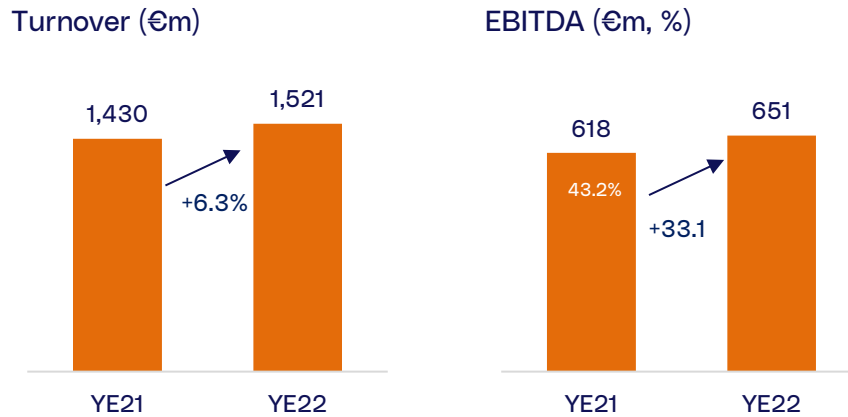
Regarding **profitability**, 4Q22 EBITDA grew 7.6% yoy to €151m, fuelled by the 8.7% yoy improvement in the telco business and totalling €651m in 2022, +€33m yoy, with a 42.8% margin.

All in all, **Net result** excluding gains from towers' sales reached €10m in 4Q22 (-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 €626m in 2022, impacted by the NOS' 5G deployment programme, with already 87% of the population covered at the end of 2022. 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 of the FCF (ex-dividend, financial investments and own shares), that reached €193m in 2022. Net financial debt/EBITDA after lease payments stood at 1.81x, slightly below NOS's target of around 2x.

Regarding the **shareholders' remuneration**, and maintaining a solid capital structure, NOS' 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 sale of towers to Cellnex during the year.

In terms of **ESG**, NOS' already holds more than 55% of its debt linked to sustainability indicators; for the second consecutive year NOS was included in the Blomberg Gender-Equality Index with a score of 84.11% (+19.41 pp); and NOS was recognized by CDP in the fight against climate change, with the highest score (A) in the CDP 2022.



2.4. Media 2022

Público, a reference Portuguese speaking news organization focused on a digital strategy that combines quality of journalism with an innovative and digital image, reinforced its leadership position on the daily Portuguese newspaper sector, and particularly, on the digital subscription market. The positive performance of online subscriptions, newspaper and contents resulted into an overall 3.2% yoy revenue increase in 2022 (-5.5% in 4Q22, driven by advertising performance). Despite the strong increase in direct costs throughout the year, mainly from paper and energy, profitability stood in line or slightly below when compared to 4Q21 and 2021, respectively.

2.5. Risk Management

Risk Management is one of the components of Sonaecom’s culture and a pillar of Corporate Governance. Sonaecom’s activity is exposed to a variety of risks, namely:

Economic Risks

Sonaecom is exposed to the economic environment in Portugal, although, due to the increasing pace of the internationalization of the Software and Technology area, this exposure is more and more mitigated.

In the scope of economic risks, we can highlight the need for constant technological innovation, the risk of competition, the risk of specialization in the scope of Portfolio Management, the risk of business interruption and catastrophic losses, the risk of security of information and the risk of talent retention.

A more detailed description of these risks and the instruments used for their coverage is included in the Corporate Governance Report.

Financial Risks

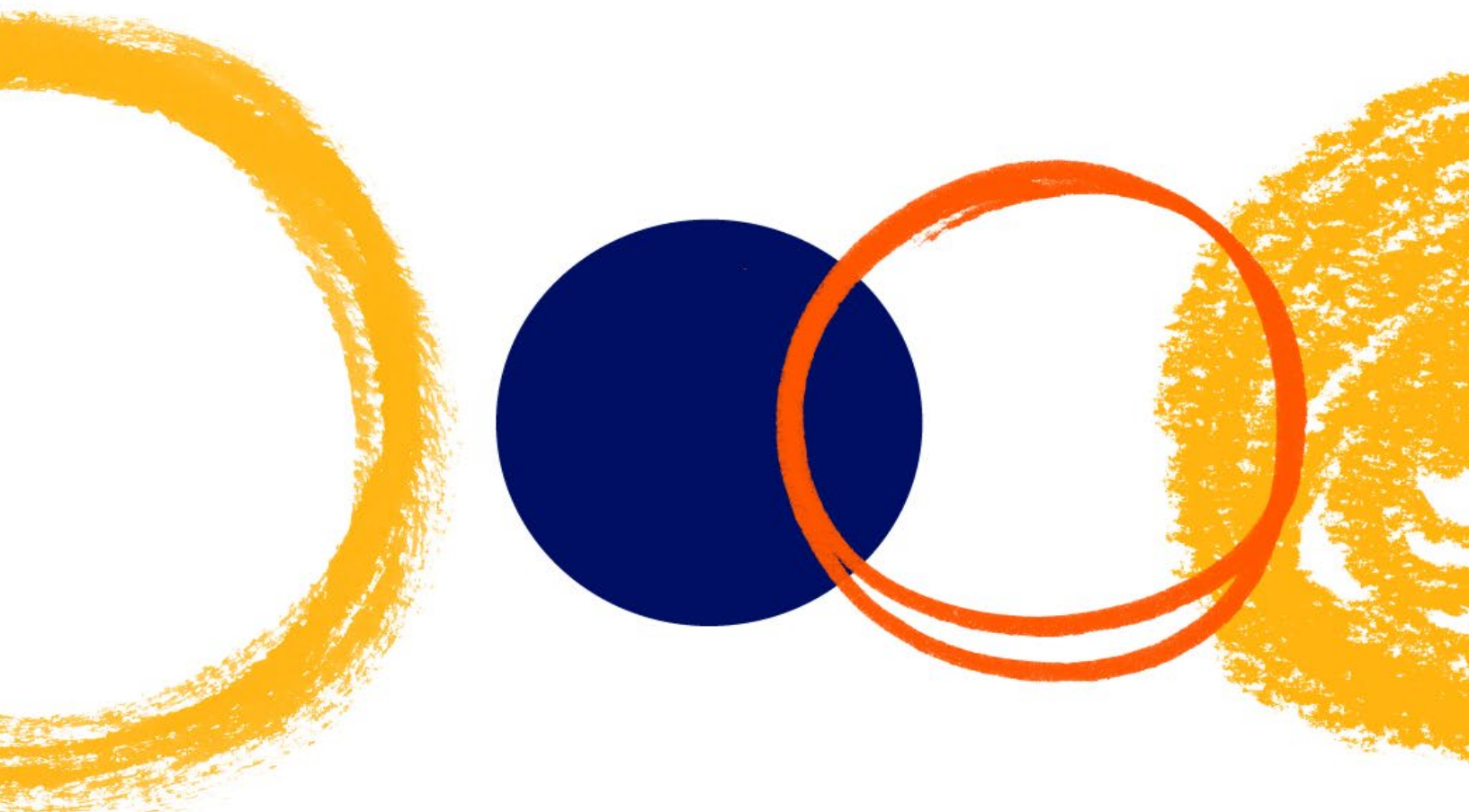
The Company’s activity is exposed to a variety of financial risks such as market risk, interest rate risk, currency risk, liquidity risk and credit risk, arising from the characteristic uncertainty of the financial markets, which is reflected in the ability to forecast cash flows and profitability.

The financial risk management policy of the Company, underlying a perspective of continuity of long term operations seeks to minimize potential adverse effects arising from that uncertainty, using, whenever possible and advisable, derivative hedging instruments.

MANAGEMENT REPORT

3. CAPITAL MARKETS

- 3.1 Equity Capital Markets in 2022
- 3.2 Share price evolution during 2022
- 3.3 Shareholding structure and own shares



3.1. Equity Capital Markets in 2022

Sonaecom shares have been listed on the Portuguese Stock Exchange – Euronext Lisbon – since June 2000, with the symbol SNC. The table below lists the main statistics relating to Sonaecom’s 2022 stock performance.

Sonaecom shares on the stock market during 2022

Stock market	Euronext Lisbon
Ticker	SNC
ISIN	PTSNC0AM0006
Bloomberg code	SNC PL Equity
Reuters code	SNC.LS
Number of shares outstanding	311,340,037
Share capital	230,391,627
Stock price as of last day December (euros)	2.510
Stock price – High (euros)	2.510
Stock price – Low (euros)	1.600
Average daily volume – 2022 (# shares)	17,018
Average daily volume – 2021 (# shares)	25,387
Market capitalisation as of last day December (euros)	781,463,493

Market Performance

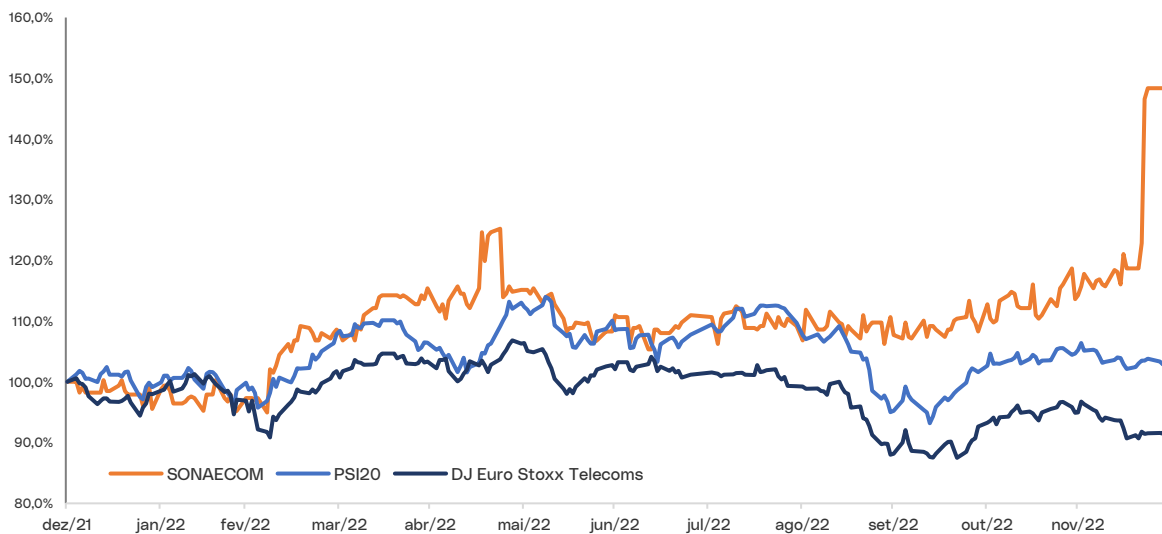


Chart 1 – Sonaecom’s performance vs PSI 20 and DJ Euro Stoxx Telecoms in 2022

At the end of 2022, Sonaecom’s shares reached a market price of 2.510 euros per share, 49% above the closing price of 1.685 euros per share at 31 de December 2021. The share price reached a maximum of 2.510 euros per share, at 30 December 2022, and a minimum of 1.600 euros per share, at 24 February 2022 and at 7 March 2022.

As far as the Portuguese market is concerned, PSI-20, the principal local stock index, ended 2022 at 5,726.11 points, which reflects a positive variation of 2.8% versus year-end 2021. DJ Euro Stoxx Telecommunications index, ended 2022 at 261.81 representing a decrease of 9.3% versus 2021.

Sonaecom's market capitalisation stood at approximately 781.5 million euros at the end of 2022. The average daily trading volume reached approximately 17,018 shares, a 33.0% decrease compared to 2021 (less 8,639 shares).

3.2. Share price evolution during 2022

Sonaecom's share performance

In 2022, Sonaecom's market share price increased 49.0%, compared to 2021.

Sonaecom shares would have been influenced by various milestones during the year, as follows:

7 March 2022: Sonaecom full-year 2021 consolidated results released;

- a. 31 March 2022: Sonaecom announces the appointment of the Substitute Secretary of the Company;
- b. 28 April 2022: Shareholders' Annual General Meeting held with release of information on approved decisions;
- c. 6 May 2022: Information about the payment of the dividends for 2021;
- d. 9 May 2022: Sonaecom first quarter 2022 consolidated results released;
- e. 17 May 2022: Information about the agreement between the subsidiary Sonae IM and Thales Europe, S.A.S;
- f. 22 July 2022: Sonaecom first-half 2022 consolidated results released;
- g. 15 September 2022: Information about gender equality plan;
- h. 28 September 2022: Information about the termination of its partnership in ZOPT;
- i. 11 October 2022: Information about the completion of the transaction between the subsidiary Sonae IM and Thales Europe SAS;
- j. 3 November 2022: Sonaecom first nine months 2022 consolidated results released;
- k. 13 December 2022: Information about the termination of its partnership in ZOPT;
- l. 21 December 2022: Sonae SGPS launched a voluntary general tender offer for the acquisition of Sonaecom SGPS, SA shares, by a consideration of €2.50 per share, aiming to achieve more than 90% of the voting rights of Sonaecom and then proceed with the delisting of the company;
- m. 23 December 2022: Information about qualified participation.

3.3. Shareholding structure and own shares

In accordance with the Portuguese Securities Code, shareholdings amounting to or exceeding the thresholds of 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.67% and 90% of the total share capital must be reported to the Portuguese Securities Market Commission and disclosed to the capital market. Reporting is also required if the shareholdings fall below the same percentages.

Simplified Sonaecom shareholding structure

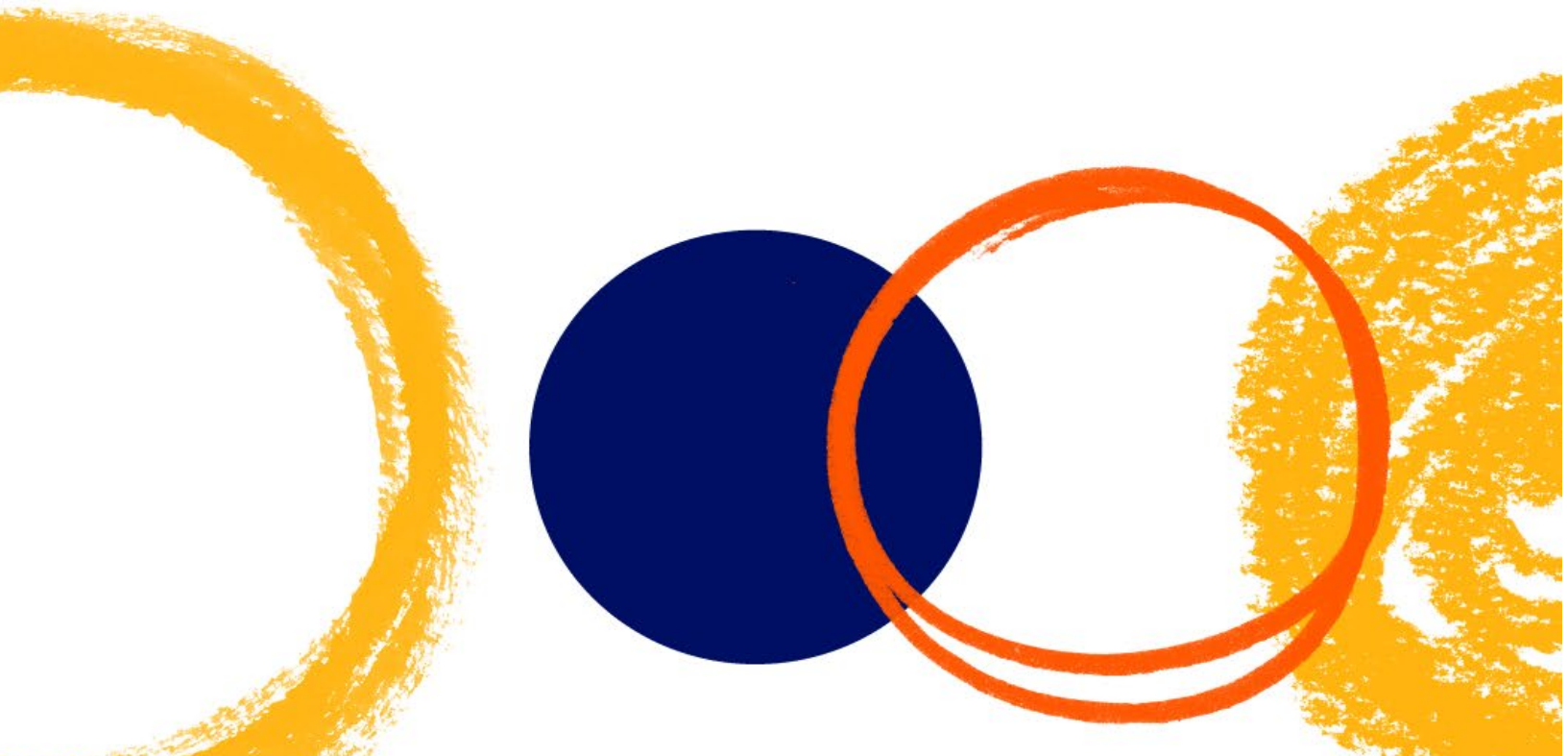
Shareholder	Number of shares held	% Shareholding as at 31 Dec. 2022
Sonae - SGPS, S.A.	275,712,593	88.56%
Own shares	5,571,014	1.79%
Other	30,056,430	9.65%

Sonae – SGPS, S.A. (Sonae) is Sonaecom’s largest shareholder, owning an 88.56% stake in Sonaecom (direct and indirect), equivalent to 90.17% of the voting rights. Sonae is a Portuguese multinational retail company, market leader in Portugal in food and specialised retail formats, with two core partnerships: shopping centres and telecoms. At 31 December 2022, the free float stood at approximately 9.65%. The free float is the percentage of shares not held or controlled by shareholders with qualified holdings and excluding own shares.

MANAGEMENT REPORT

4. SONAECOM INDIVIDUAL RESULTS

- 4.1 Operational data
- 4.2 Financial data



4.1. Operational Data

Sonaecom SGPS's individual results for the years ended 31 December 2022 and 2021 are summarised as follows:

Million euros	2021	2022	Difference	%
Service Revenues	0.4	0.2	-0.2	-40%
Operating Costs (1)	2.2	2.2	0.0	1%
EBITDA	-0.1	-1.4	-1.3	-1878%
EBIT	-0.1	-1.4	-1.3	-1239%
Dividends Received	68.9	2.8	-66.1	-96%
Net Financial Activity	1.1	1.8	0.8	72%
Other Financial Results	-23.4	4.1	27.5	118%
EBT	46.5	7.4	-39.2	-84%
Net Income	46.5	7.2	-39.4	-85%

(1) Excludes Amortization, Depreciation and Provisions

On 31 December 2022, the headcount of Sonaecom SGPS includes only one director.

Service revenues

This line totaled 0.2 million euros and it essentially comprises management services provided to its subsidiaries.

Total operational costs

Total operating costs exclude depreciation, amortisation charges and provisions. This line amounted to 2.2 million euros, in line with 2021.

EBITDA

EBITDA was negative by 1.4 million euros, decreasing 1.3 million euros versus the previous year almost fully explained by a VAT reimbursement of 1.6 million euros recorded in 2021.

Dividends received

In 2022, Sonaecom SGPS received dividends from PCJ – Público, Comunicação e Jornalismo, S.A., in the amount of 2.8 million euros. In 2021, Sonaecom received 68.9 million euros of dividends from ZOPT.

Net financial activity

The net financial activity (interest income less interest expenses) was positive by 1.8 million euros, which compares with 1.1 million euros in 2021.

Other financial results

In 2022, other financial results were positive by 4.1 million euros due to the capital gain generated with the sale of Sonaecom – Serviços Partilhados, S.A. to Sonae Investment Management – Software and Technology, SGPS, S.A., in the same amount. In 2021, other financial results were negative by 23.4 million euros mainly due to impairments recorded in the financial investments amounting 23.9 million euros.

Net income

Net results for the year were positive by 7.2 million euros, below previous year. In 2021, the higher net income was mainly driven by dividends received from ZOPT, partially compensated by the recognition of some impairments in the financial investments.

The amount of 96,900.00 euros is already reflected in the net income and is planned for a part of the short term variable bonus of executive directors, as a distribution of profit, pursuant to art. 33 n.2 of the Articles of Association as proposed by the Remunerations Committee, which is responsible for the implementation of these remuneration policy approved at the General Meeting held on April 30th, 2021.

4.2. Financial data

The following table summarises the major cash movements during the year ended at 31 December 2022:

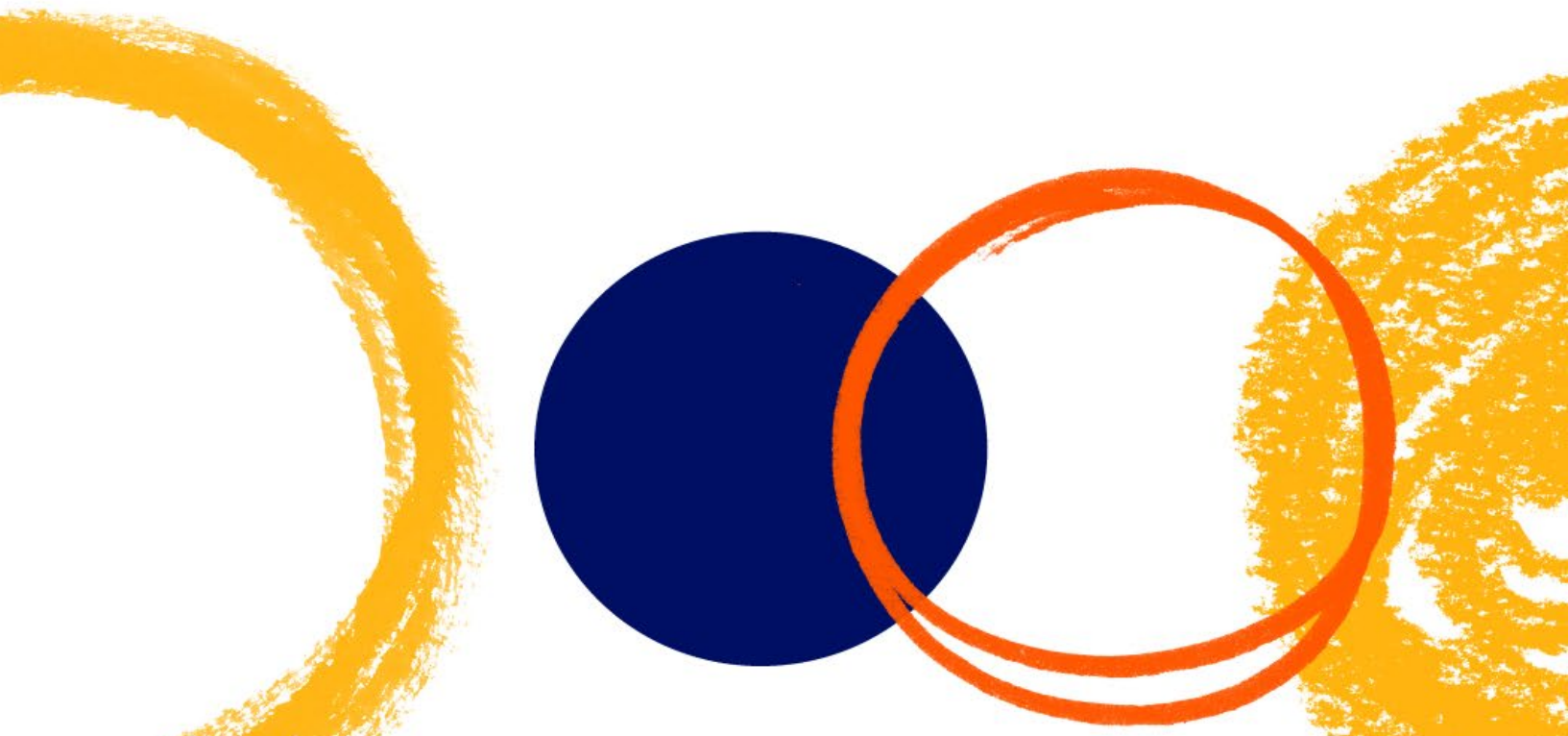
Changes in Sonaecom SGPS Liquidity	Million euros
Sonaecom SGPS stand-alone liquidity as at 31 December 2021	242.9
Cash and Bank	240.9
Treasury Applications	2.1
Bank	-
Subsidiaries	2.1
Changes in Nominal Gross Debt	0.0
External Debt	0.0
Treasury applications from subsidiaries	-
Shareholder Loans and Supplementary capital granted	182.8
Dividend paid	-59.3
Free Cash Flow	-65.1
Interest paid	0.0
Interest received	2.0
Dividends and other reserves distribution	2.8
Operational Free Cash Flow and others	-69.8
Sonaecom SGPS stand-alone liquidity as at 31 December 2022	301.4
Cash and Bank	206.4
Treasury Applications	95.0
Bank	95.0
Subsidiaries	-

During the year 2022, Sonaecom's stand-alone liquidity increased EUR 58.4 million to EUR 301.4 million due to the following movements:

- (i) Supplementary capital placed in subsidiaries decreased by EUR 176.3;
- (ii) Loans granted to subsidiaries decreased EUR 6.5 million;
- (iii) Payment of dividends amounted to EUR 59.3 million;
- (iv) Negative FCF of EUR 65.1 million.

MANAGEMENT REPORT

5. SUBSEQUENT EVENTS



5. Subsequent events

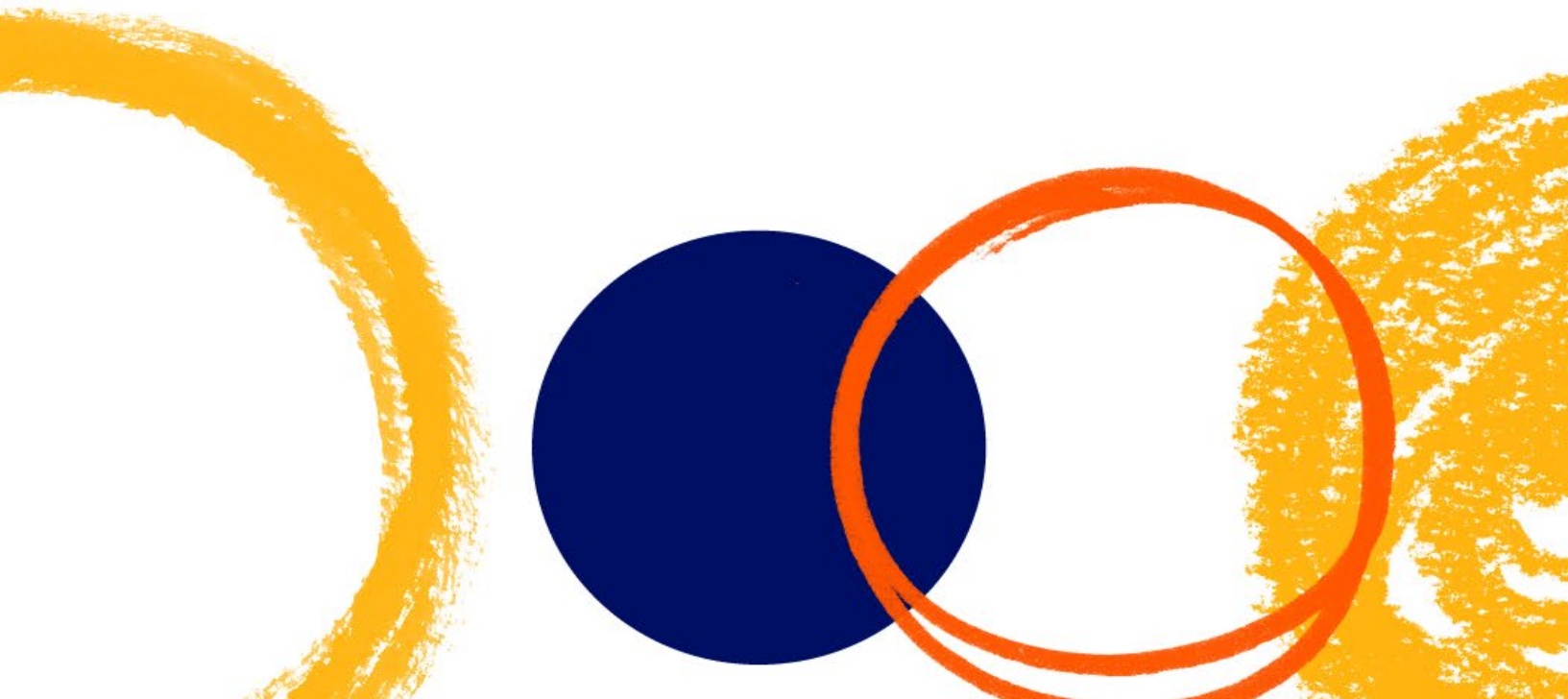
On 14 March 2023, the Management Board of the Portuguese Securities Market Commission (CMVM) passed a resolution to register the general and voluntary takeover bid of 35,228,749 shares of Sonaecom, SGPS, S.A., that was preliminarily announced to the market by Sonae, SGPS, S.A. ("Sonae") on 21 December 2022. This implies the approval of the respective prospectus.

CMVM also informed that:

- a) Since it is Sonae's intention to resort to the squeeze-out mechanism provided for in Article 194 of the Portuguese Securities Code (in case the requirements are met), the following understanding will apply:
 - i. in the event of Sonae reaching 90% of the voting rights corresponding to the share capital of Sonaecom, Sonae can, after the tender offer, exercise the squeeze-out mechanism at the bid price (€ 2.50), provided that until the date of the squeeze-out, it does not acquire Sonaecom shares at a higher price;
 - ii. the calculation of the mentioned threshold (90% of the voting rights representing the share capital) shall consider all Sonaecom's shares, including the 5,571,014 own shares which Sonaecom has committed not to sell in the context of the offer. The threshold will be reached if Sonae acquires, at least, 4,094,746 shares corresponding to 1.315% of the share capital.
- b) Sonae waived the condition of the tender offer's effectiveness, which means that will acquire all shares for which no acceptance order is given, even if it does not acquire 90% of voting rights representing share capital.

MANAGEMENT REPORT

6. PROPOSAL FOR THE APPLICATION OF RESULTS



6. Proposal for the application of results

The Board of Directors proposes that the net profit in the Individual accounts, in the amount of **EUR 7,172,477.88** be transferred as follows:

- i) EUR 358,623.89 to legal reserves; and
- ii) EUR 6,813,853.99 is distributed to shareholders.

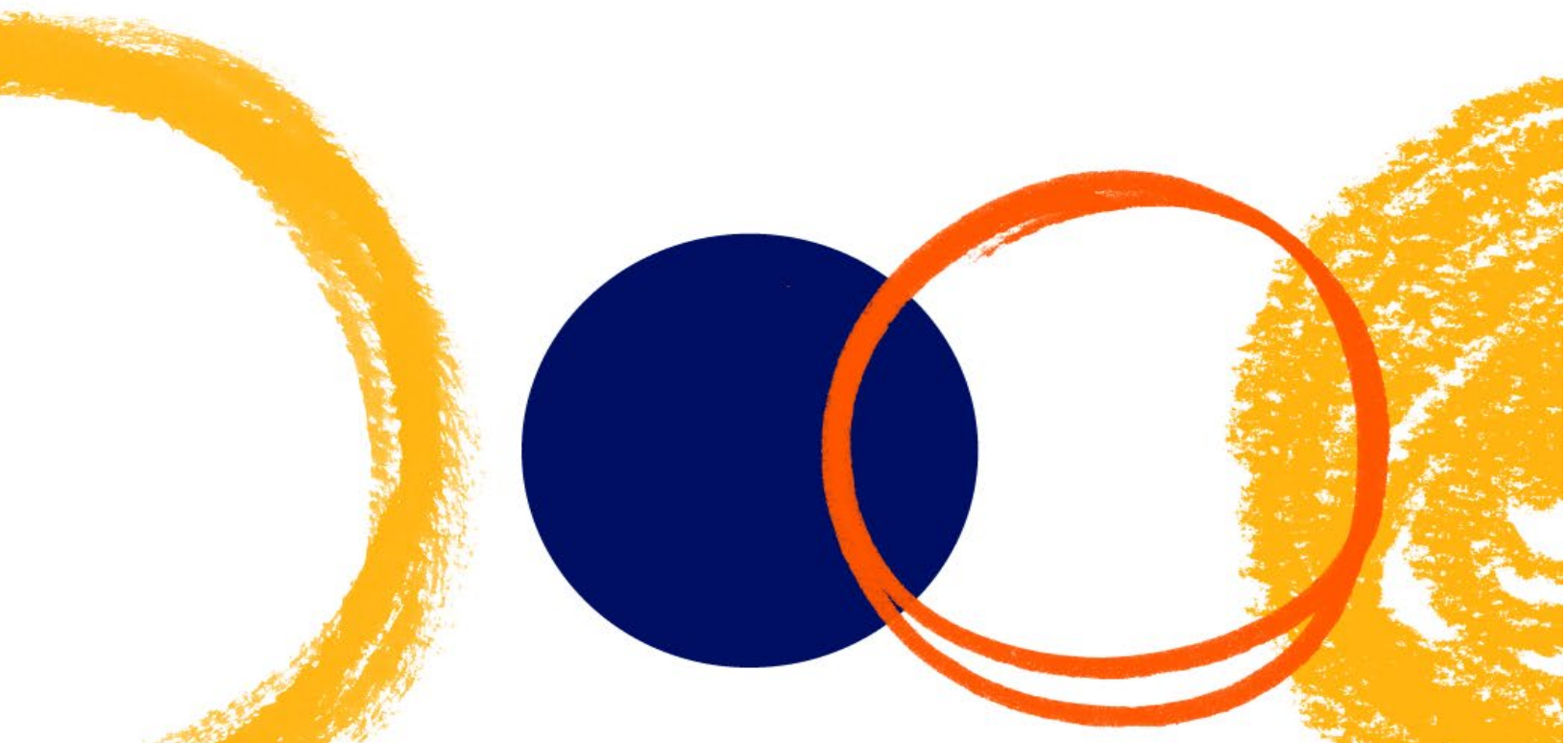
The Board of Directors also proposes that an amount of EUR 2,526,347.12 from Other Reserves to be paid to shareholders.

Since it is not possible to determine precisely the number of treasury shares that will be held by the company on the date of the above mentioned payments without limiting the company's capacity for intervention, we highlight the following:

- i) Each share issued will be paid a gross dividend of EUR 0.03;
- ii) The amount corresponding to the shares that belong to the Company itself on the day of the payment of the abovementioned amount (calculated on said unit amount of EUR 0.03 per issued share) will not be paid to shareholders, but will instead be maintained in Other Reserves.

MANAGEMENT REPORT

7. APPENDIX



GLOSSARY

EBITDA	Underlying EBITDA + Equity Method results + non recurrent items (when applicable)
Underlying EBITDA	Operating Results excluding Amortizations and Depreciations
EBIT	Direct EBT deducted from financial result or EBITDA deducted from Depreciations and Amortizations
EBT	Direct Result before minority results and taxes
Indirect Results	Fair Value adjustments related to minority stakes recorded at Fair Value through profit and loss and equity method results related to Armilar Venture Funds, both net of tax impacts. Also includes Exchange rate impacts related to ZAP valuation.
CAPEX	Gross Investments in tangible and intangible assets and investments in acquisitions
Operating CAPEX	CAPEX excluding Financial Investments
Free Cash Flow (FCF)	EBITDA – CAPEX – change in working capital – financial results – taxes
Gross Debt	Bonds + bank loans + other loans + shareholder loans + financial leases
Net Debt	Bonds + bank loans + other loans + shareholder loans + financial leases – cash, bank deposits, current investments and other long term financial applications

Statement of the Board of Directors

Statement under the terms of Article 29-G Paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Individual Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the business evolution and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

The Board of Directors

Ângelo Gabriel Ribeirinho dos Santos Paupério

Maria Cláudia Teixeira de Azevedo

João Pedro Magalhães da Silva Torres Dolores

Eduardo Humberto dos Santos Piedade

Cristina Maria de Araújo Freitas Novais

Article 447 and Qualified Shareholdings

- Article 447

Board of Directors

	Date	Additions		Reductions		Position at 31.12.2022	Balance at 31 December 2022
		Quantity	Market price €	Quantity	Market Price €		
Ángelo Gabriel Ribeirinho dos Santos Paupério							
Enxomil - Consultoria e Gestão, S.A. ^{(10) (a)}						Dominant	1,007,523
Enxomil - Sociedade Imobiliária, SA ^{(11) (a)}							
Sonae SGPS, S.A. ⁽⁶⁾							
Shares attributed under the Medium Term Incentive Plan							
	01.04.2022	562,898	1,042				
Maria Cláudia Teixeira de Azevedo							
Efanor Investimentos, SGPS, S.E. ⁽¹⁾						Minority	1,017,900
Linhacom, SGPS, S.A. ^{(4) (a)}							
Sonae SGPS, S.A. ⁽⁶⁾							
Shares attributed under the Medium Term Incentive Plan							
	01.04.2022	293,193	1,042				
João Pedro Magalhães da Silva Torres Dolores							
Sonae SGPS, S.A. ⁽⁶⁾							66,175
Shares attributed under the Medium Term Incentive Plan							
	01.04.2022	55,869	1,042				
Eduardo Humberto dos Santos Piedade							
Sonae SGPS, S.A. ⁽⁶⁾							28,516
Shares attributed under the Medium Term Incentive Plan							
	01.04.2022	63,937	1,042				
Share sale							
	06.04.2022			60,000	1,016		
Cristina Maria de Araújo Freitas Novais							
Sonae SGPS, S.A. ⁽⁶⁾							13,168

a) Includes shares held indirectly.

Management

	Date	Additions		Reductions		Position at 31.12.2022	Balance at 31 December 2022
		Quantity	Market price €	Quantity	Market price €		
(1) Efanor Investimentos, SGPS, S.E.							
Sonae - SGPS, S.A. ⁽⁶⁾						Dominant	200,100,000
Pareuro, BV ⁽²⁾							
(2) Pareuro, BV							
Sonae - SGPS, S.A. ⁽⁶⁾							849,533,095
(3) Migrecom, SGPS, S.A.							
Imparfin - Investimentos e Participações Financeiras, S.A. ⁽⁵⁾						Minority	4,221,599
Sonae - SGPS, S.A. ⁽⁶⁾							
(4) Linhacom, SGPS, S.A.							
Imparfin - Investimentos e Participações Financeiras, S.A. ⁽⁵⁾						Minority	189,314
Sonae - SGPS, S.A. ⁽⁶⁾							
(5) Imparfin - Investimentos e Participações Financeiras, S.A.							
Sonae - SGPS, S.A. ⁽⁶⁾							5,398,465
(6) Sonae - SGPS, S.A.							
Sonae SGPS, S.A. ⁽⁹⁾						Dominant	
Sonae Investments BV ⁽⁷⁾							
Sontel BV ⁽⁸⁾							
(7) Sonae Investments BV							
Sontel BV ⁽⁸⁾						Dominant	
Sontel BV							
Sonae SGPS, S.A. ⁽⁹⁾						Dominant	
Sontel BV							
(8) Sontel BV							
Sonae SGPS, S.A. ⁽⁹⁾						Dominant	5,571,014
Sontel BV							
(9) Soneecom, SGPS, S.A.							
Sonae - SGPS, S.A. ⁽⁶⁾						Dominant	2,021,855
Sontel BV							
(10) Enxomil - Consultoria e Gestão, S.A.							
Sonae - SGPS, S.A. ⁽⁶⁾						Dominant	662,987
Sontel BV							
(11) Enxomil - Sociedade Imobiliária, SA							
Sonae - SGPS, S.A. ⁽⁶⁾							

Qualified Shareholding

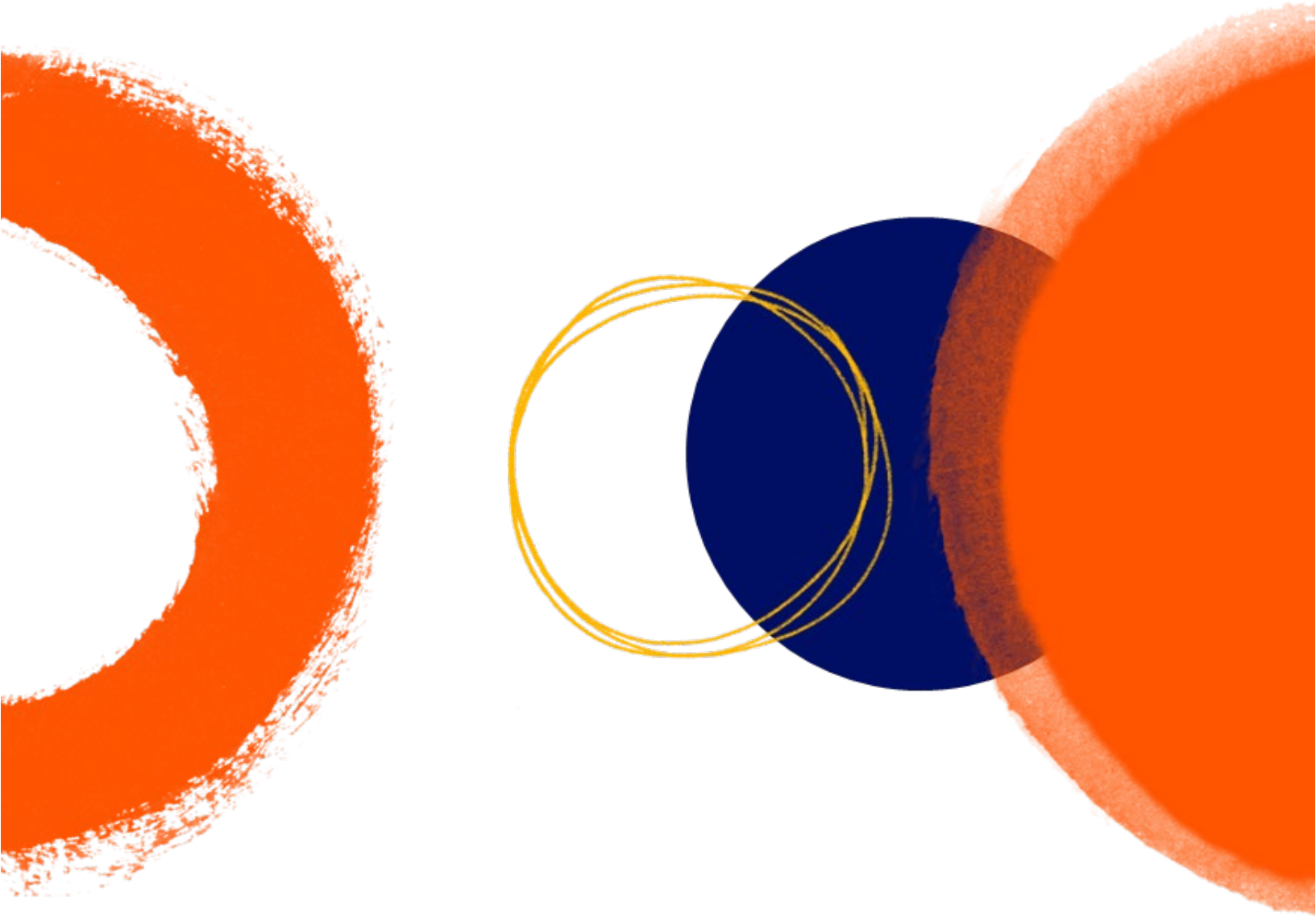
Shareholder	Number of shares	% of Share capital	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, S.E.⁽¹⁾	275,712,593	88.56%	88.56%	90.17%
Sontel BV (company controlled by Sonae SGPS)	194,063,119	62.33%	62.33%	63.47%
Sonae - SGPS, S.A. (company controlled by Efanor SGPS,S,E)	81,649,474	26.23%	26.23%	26.70%

(1) Sonaecom SGPS,S.A. is a company indirectly controlled by Efanor Investimentos SGPS, SE ('Efanor'), as Efanor indirectly controls Sonae SGPS, SA and Sontel BV. With effects as from 29th November 2017, Efanor ceased to have a controlling shareholder, under the terms of articles 20° and 21° of the Portuguese Securities Code.

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

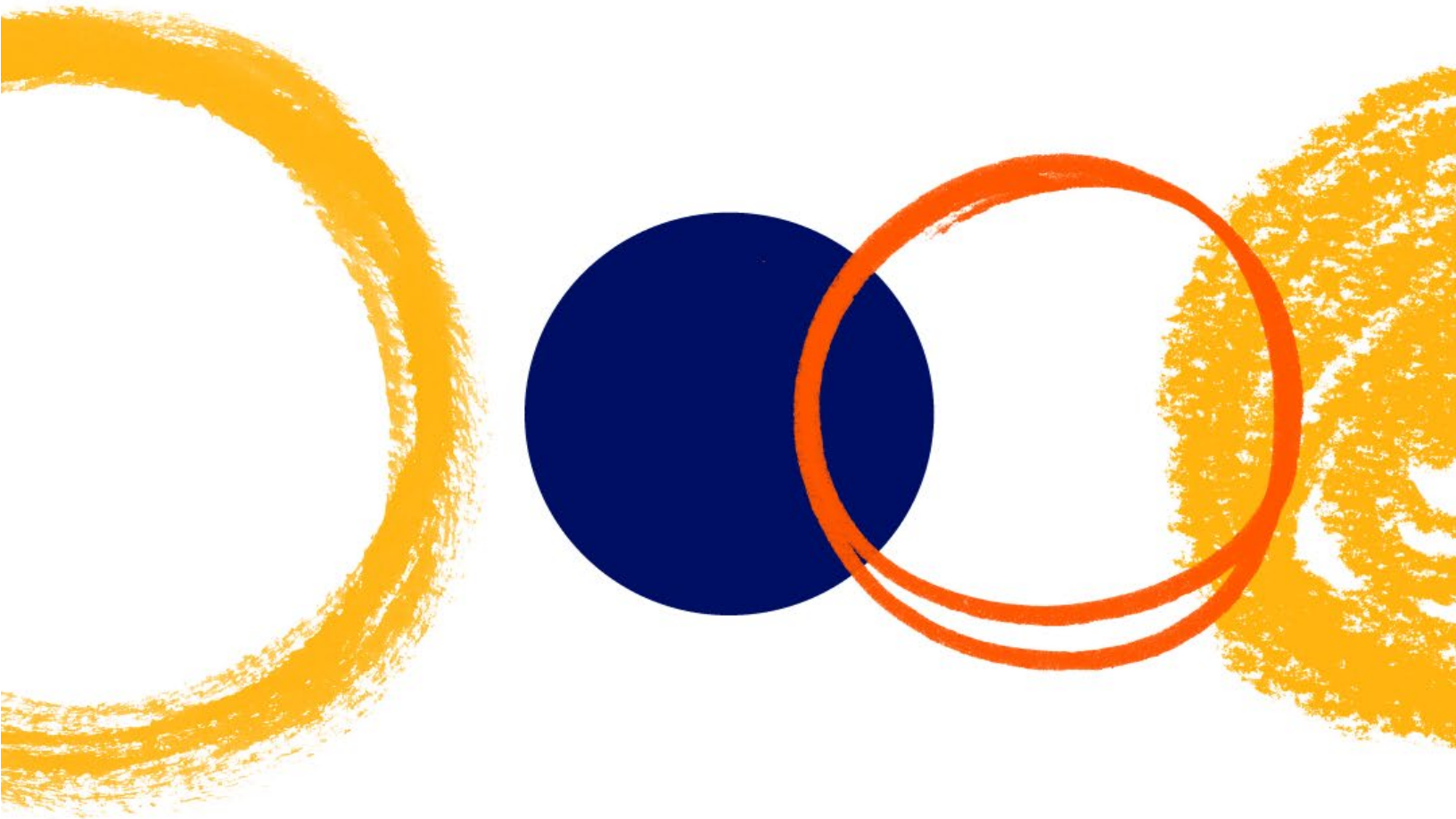
II – CORPORATE GOVERNANCE



Part I - Shareholding Structure, Organisation and Corporate Governance

Part II - Assessment of Corporate Governance

Appendix I, II and III



Part I - Shareholding Structure, Organisation and Corporate Governance

A. Shareholding Structure

I - Share capital structure

1. Share capital structure

The share capital of Sonaecom – SGPS, S.A. (hereinafter “Sonaecom” or the “Company”) is 230,391,627.38 euros, fully subscribed and paid up and is divided into 311,340,037 registered ordinary shares with a nominal value of 0.74 Euro each.

All shares representing the share capital of Sonaecom are traded in the Euronext Lisbon regulated market.

2. Restrictions on share transferability and ownership

There are no restrictions on the transferability or ownership of Sonaecom shares.

3. Treasury shares

At 31 December 2022, Sonaecom held 5,571,014 treasury shares, representing 1.789% of its share capital.

4. Impact of the change of Sonaecom’s shareholder control on significant agreements

There are no agreements entered into by Sonaecom that include clauses intended to constitute defensive measures against change of its shareholding control or which would terminate in case of change of control of the Company after a takeover bid.

The majority of Sonaecom’s share capital is attributable to one sole shareholder.

5. System to which the renewal or removal of defensive measures are subject, in particular those which establish the limitation of the number of votes that can be cast or exercised by a single shareholder individually or in agreement with other shareholders

There are no defensive measures in place.

6. Shareholders’ agreements

Sonaecom is not aware of any shareholders’ agreements concerning the Company.

II - Shareholdings and holdings of bonds

7. Qualified shareholdings

In compliance with Article 8, paragraph 1, subparagraph (b) of the Securities and Exchange Commission Regulation 05/2008, and according to the notifications received by the Company concerning Articles 16 and 29-R of the Portuguese Securities Code, the qualified shareholdings representing at least 5% of the share capital of Sonaecom, indicating the number of shares held and the percentage of voting rights calculated in accordance with article 20 of the Portuguese Securities Code, as of 31 December 2022, are described below:

Shareholder	Number of shares	% of Share capital	% Share capital and voting rights*	% of exercisable voting rights**
Efanor Investimentos, SGPS, S.E.⁽¹⁾	275,712,593	88.56%	88.56%	90.17%
Sontel BV (company controlled by Sonae SGPS)	194,063,119	62.33%	62.33%	63.47%
Sonae - SGPS, S.A. (company controlled by Efanor Investimentos, SGPS,S.E.)	81,649,474	26.23%	26.23%	26.70%

(1) Sonaecom SGPS,S.A. is a company indirectly controlled by Efanor Investimentos SGPS, S.E. ('Efanor'), as Efanor indirectly controls Sonae SGPS, SA and Sontel BV. With effects as from 29th November 2017, Efanor ceased to have a controlling shareholder, under the terms of articles 20° and 21° of the Portuguese Securities Code.

* Voting rights calculated based on the Company's share capital with voting rights, as per subparagraph b) of paragraph 3 of article 16 of the Portuguese Securities Code

**Voting rights calculated based on the Company's share capital with voting rights that are not subject to suspension of exercise

This issue is also dealt with in the Management Report.

The updated information regarding qualified shareholdings is available on <http://www.sonaecom.pt/investidores/informacao-sobre-accao/estrutura-accionista/?l=en>.

8. Number of shares and bonds held by the members of the management and supervisory bodies, submitted pursuant to art. 447 paragraph 5 of the Portuguese Companies Code

The information can be found in the Appendix to the Management Report.

9. Powers of the Board of Directors regarding share capital increases

The Board of Directors does not have powers to deliberate on this matter. This is an exclusive competence of the Shareholders' General Meeting.

10. Business relationships between the owners of qualified shareholdings and the Company

Business transactions with holders of qualified shareholdings are part of the usual and regular activity of the subsidiaries that comprise the portfolio of Sonaecom and are carried out under normal market practices and conditions.

No significant business transactions were carried out in 2022 between the Company and any owners of qualified shareholdings in the Company.

B. Statutory Governing Bodies and Committees

I - Shareholders' General Meeting

a) Composition of the Board of the Shareholders' General Meeting

11. Identification and roles of the members of the Shareholders' General Meeting Board and respective mandate

The Shareholders' General Meetings are directed by a Board elected by the shareholders for a four-year mandate, which begins and ends within the same calendar mandate as that of the other statutory governing bodies.

The members of the Board of the Shareholders' General Meeting throughout the reference year were:

Manuel Eugénio Pimentel Cavaleiro Brandão	Chairman	Mandate 2020-2023
Maria da Conceição Henriques Fernandes Cabaços	Secretary	Mandate 2020-2023

All the resources necessary for the performance of its duties are provided to the Board of the Shareholders' General Meeting, notably through the Secretary of the Company.

b) Exercise of Voting Rights

12. Possible restrictions on voting rights

The Company's Articles of Association do not envisage any restriction in terms of voting rights. The Company's share capital is fully represented by a single category of shares and one vote corresponds to each share.

Pursuant to the law and the Company's Articles of Association, shareholders with voting rights have the right to participate, discuss and vote at the Shareholders' General Meeting if, on the registration day (which is considered to be at 0:00 GMT of the fifth trading day before the meeting), they own shares which grant them, at least, one vote. Shareholders shall also comply with the legal formalities as described in the corresponding notice of the meeting.

The right to vote by proxy and how such right may be exercised are also provided for in the notice for each General Meeting, pursuant to the law and Articles of Association.

Notwithstanding the need to prove the shareholding capacity, shareholders can vote by post regarding all matters under appreciation at the General Meeting. Each General Meeting notice shall contain adequate information about postal voting.

The Company also has an electronic voting system in place (in the form of voting through electronic means) which allows shareholders unlimited access to exercise their voting rights. Shareholders are advised how to vote electronically in the General Meeting notice, and, for this purpose, the Company makes available a form for the request of the technical elements necessary for its exercise.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by a group of shareholders that are related to the latter as set forth in paragraph 1 of article 20

There is no statutory limitation on exercising voting rights.

14. Shareholder decisions which, due to the Articles of Association, may only be taken with a qualified majority

As per the Company's Articles of Association, any decisions made by the Shareholders' General Meeting shall be taken by simple majority, unless otherwise required by law.

On second call, the Shareholders' General Meeting may deliberate regardless of the number of shareholders present or represented and of the percentage of the share capital held.

The rules regarding the deliberative quorum of the Shareholders' General Meeting comply with the Portuguese Companies Act.

II – Management

a) Composition

15. Identification of the adopted governance model

This Company has adopted the monist governance model, whose management structure is committed to the Board of Directors.

The Board of Directors is the body in charge of managing the Company's business, performing all the administration functions pertaining to the corporate purpose, monitoring risks, pursuing the organisation's objectives and setting out the Company's strategy.

The supervisory structure includes a Statutory Audit Board and a Statutory External Auditor.

The Board of Directors considers the governance model that was adopted by the Company to be suitable for the proper fulfilment of the duties of each of the corporate bodies, ensuring both their independence and interface in a balanced manner.

16. Statutory regulations on procedural and material requirements applicable to the appointment and replacement of the members of the Board of Directors

The members of the Board of Directors are appointed in accordance with the provisions established by the law and the Articles of Association, in the terms specified in the proposal approved in the Shareholders' General Meeting.

The Articles of Association establish that, should shareholders representing at least 10% of the share capital vote against the winning proposal for the election of the directors, a director will be elected by the shareholders in said minority, in the same meeting, and the director elected shall automatically replace the person with the lowest number of votes in the winning list, or, in case of an equal number of votes, the person in the last position in the list. One shareholder may not nominate more than one candidate.

Should candidates be nominated by more than one group of shareholders, the vote shall concern those candidates as a whole. These regulations shall not apply to the election of a substitute director. It is also statutorily established that in case of death, resignation, or any temporary or definitive incapacity of any director (other than a director elected under the minority rule), the Board of Directors shall replace that director through co-option. This appointment shall be subject to ratification by the shareholders in the following Shareholders' General Meeting.

However, the definitive absence, for any reason, of a director appointed under the aforementioned special rules shall lead to a new election by the Shareholders' General Meeting.

The Board of Directors shall appoint its Chairman.

Recognizing the benefits of diversity within its board of directors and audit board as pillar of good governance, the Company adopted a Diversity Policy for the management and supervisory bodies. With such policy, the Company seeks a significant and differentiated representation of gender, origins, qualifications and professional experience, as a way to ensure its alignment with the stakeholders' interests and to achieve an enhanced balance in its composition. Such policy takes into account not only the nature and complexity of the activities carried out by the Company, but also the context in which it operates.

In this sense, the Company undertakes to develop all efforts to ensure that, in the selection of the members of these corporate bodies, there are imperative criteria to ensure that they meet the greatest possible width and diversity of knowledge, skills, experience and values.

These criteria focus mainly on: (i) gender diversity; ii) the professional qualification alongside with the necessary renewal of the composition of the governing bodies, in order to ensure a compatibility between seniority and the diversification of career paths, avoiding group thinking; iii) the plurality of knowledge and iv) not considering age as an obstacle and without a restrictive view on the limits of such age, in particular regarding the following:

- a) Gender: gender diversity aims to promote the existence of different perspectives and styles, bringing innovation and creativity to the respective body;
- b) Professional experience: the coexistence of professional and diversified backgrounds provides appropriate know-how to the Company's activities and to the defined strategy, namely in the following areas: financial, accounting, legal, corporate governance, securities / derivatives market, retail, industry, investor relations, banking, corporate social responsibility, risk management, auditing, procurement and asset management, marketing, environment and sustainability;
- c) Qualifications: a balanced diversity of professional qualifications enables the Company to have the skills necessary to carry out its activities and the defined strategy, taking into account their complexity. The inclusion of different areas such as engineering, economics, management, law and other areas, promotes the diversity of technical knowledge, which will allow a better understanding of the issues, risks and opportunities inherent to the activity of the Company; and
- d) Age: the Company does not have a restrictive view of the age limits for the exercise of managing or supervisory functions. The Company trusts that age diversity will allow to combine the experience of older members with the perspective of younger ones, which may result in a more innovative, agile and thoughtful decision-making process.

The Company undertakes to implement and monitor the alignment of this policy with the most advanced corporate governance standards and to review it with adequate frequency (always in reasonable time before each elective general meeting), taking into account also the rules and principles of non-discrimination, including on the basis of ethnic origin, race, disability or sexual orientation.

Furthermore, candidates to be appointed to the management and supervisory bodies should possess an adequate experience in senior offices within companies or similar organisations that enables them to (i) assess, challenge and develop the Company's senior officers; (ii) assess and challenge the group's and its main subsidiaries' corporate strategy; (iii) assess and challenge the Company's operational and financial performance; and (iv) assess the organisation's fulfilment of the Company's values.

Each candidate should in addition make their individual contribution in enabling the Board of Directors, as a whole, to gain in-depth and international knowledge of Sonaecom's main business sectors, knowledge of the main markets and geographies where the business areas operate, and knowledge and

competencies regarding management techniques and technologies that are key for the success of relevant companies in the business sectors of the Company.

Candidates should furthermore possess the human qualities, purpose clarity, analytical qualities and synthesis and communication skills that are required to address a large number of diversified and complex issues, within a limited time-frame, with the necessary depth to allow for a timely and high-quality decision-making.

In what regards the compliance with the described policy, reference is made to Appendix I, where the *curricula* of the members of the Board of Directors and the Statutory Audit Board of the Company are available, showing its diversity in what refers to gender, age, academic qualifications, experience and professional profile.

In addition, the Company maintains in force a Plan for Gender Equality that is applicable to the employees and members of the Group's corporate bodies fully available on <http://www.sonaecom.pt/investidores/governo-das-sociedades/plano-para-a-igualdade-de-genero/> Within both the Board of Directors and the Statutory Audit Board, whose composition is described in paragraph 17 and section III, a) below, the proportion of members representing each gender complies with the provisions of Article 5 of Law 62/2017 of 1 August.

17. Composition of the Board of Directors

Pursuant to Sonaecom's Articles of Association, the Board of Directors may be composed by an odd or even number of members, between a minimum of three and a maximum of twelve, appointed by the shareholders in the Shareholders' General Meeting. The Board of Directors' term of office is four years and its members may be re-elected.

In 2022, the composition of the Board of Directors was as follows:

Members	Date of 1 st Appointment	End of term of office
Ângelo Gabriel Ribeirinho dos Santos Paupério	24/04/2007	31/12/2023
Maria Cláudia Teixeira de Azevedo	05/04/2006	31/12/2023
João Pedro Magalhães da Silva Torres Dolores	12/03/2019	31/12/2023
Eduardo Humberto dos Santos Piedade	30/04/2019	31/12/2023
Cristina Maria de Araújo Freitas Novais	29/04/2020	31/12/2023

18. Description of the members of the Board of Directors

All members of the Company's Board of Directors perform executive duties.

Members

Ângelo Gabriel Ribeirinho dos Santos Paupério	Chairman of the Board of Directors
Maria Cláudia Teixeira de Azevedo	Director
João Pedro Magalhães da Silva Torres Dolores	Director
Eduardo Humberto dos Santos Piedade	Director
Cristina Maria de Araújo Freitas Novais	Director

19. Professional qualifications of the members of the Board of Directors

The academic qualifications, experience and duties of the directors are disclosed in Appendix II to this report.

20. Significant family, professional, and commercial relationships of the members of the Board of Directors with shareholders with qualified shareholdings

Maria Cláudia Teixeira de Azevedo is an executive member of the Board of Directors of Sonae, SGPS, A.A. and is also a shareholder and member of the Board of Directors of Efanor Investimentos, SGPS, S.E., a Company that (indirectly) holds the control of Sonaecom's share capital. She is also the sister of Duarte Paulo Teixeira de Azevedo, a shareholder of Efanor Investimentos, SGPS, S.E. and the Chairman of the Board of Directors of Sonae – SGPS, S.A., a company to which, as of 31 December 2022, 88.56% of the share capital of Sonaecom was attributable, corresponding to 90.17% of the voting rights.

The Chairman of the Board of Directors of Sonaecom, Ângelo Gabriel Ribeirinho dos Santos Paupério, is a member of the Board of Directors of Sonae – SGPS, S.A. and of Efanor Investimentos, SGPS, S.E., shareholders of Sonaecom in the terms described above.

João Pedro Magalhães da Silva Torres Dolores, member of the Board of Directors, is also an executive member of the Board of Directors of Sonae – SGPS, S.A., shareholder of Sonaecom in the terms described above.

21. Distribution of competences among the various corporate bodies, committees, and/or Company departments, including information about delegation of competence, in particular regarding delegation of the Company's daily management

i) Distribution of competences among the various corporate bodies and their respective committees:

Sonaecom's corporate structure clearly describes the functions, responsibilities and duties of its bodies.



Board of Directors

The Board of Directors is responsible for managing the Company's business, monitoring risks, handling conflicts of interest, and deploying the organisation's objectives and strategy.

Sonaecom's Articles of Association allow the Board of Directors to delegate powers in one or more Managing Directors or an Executive Committee when it comes to everyday business, duties and management responsibilities. The delegation made by the Board of Directors should exclude the following matters, which shall remain the exclusive competence of the Board of Directors:

- a) Appointment of the Chairman of the Board of Directors;

- b) Co-optation of Directors;
- c) Request to convene General Meetings;
- d) Approval of the Annual Report and Accounts;
- e) Provision of collateral and personal or real guarantees by the Company;
- f) Decision to change the registered office or increase the share capital;
- g) Decision on mergers, spin-offs or transformation of the Company;
- h) Approval of the strategic management of the annual business portfolio and the policies thereof;
- i) Approval of the Company's annual budget and the Group's annual business plan and any changes on the same;
- j) Definition of the organisation and coordination of the corporate structure of the Sonaecom Group;
- k) Approval of every issue that should be deemed as strategical as a consequence of its amount, risk or particular features;
- l) Outline of the Human Resources policies that are applicable to top employees (level GF3 and above) with the exclusion of areas that are the exclusive competence of the Shareholders' General Meeting or of the Shareholders' Remuneration Committee.

The Articles of Association do not allow the Board of Directors to approve share capital increases, which have to be decided in the Shareholders' General Meeting.

The updated version of the terms of reference of the Board of Directors, is fully available for consultation at <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

The corporate structure is assisted by the following functional structures:

Administrative and Financial Department

Main duties:

- To ensure the control of internal processes and transactions and the reliability and timely reporting of financial and tax information;
- Accounting records of transactions and preparation of individual and consolidated financial reports for the companies;
- Efficient management of Sonaecom Group's cash;
- Negotiation and contracting of the most suitable banking products and services for the Group's business needs;
- Efficient and effective management of all the administrative processes for the Sonaecom Group's business;
- Management of financial risk and support in execution of monetary market, interest rate, or exchange transactions;
- Management of the administrative processes for Accounts Payable, Receivables, Cash and Banks, Stocks, and Tangible and Intangible Assets;
- Ensuring the rigour and reliability of the financial information, with the support of the most efficient information system;
- Optimisation of Sonaecom's Group tax efficiency, ensuring the monitoring of tax procedures in all Sonaecom businesses, as well as compliance with tax obligations;
- Management of the Sonaecom transfer pricing dossier;
- Support for decision-making and process implementation in the various areas of the Sonaecom Group;
- Collaboration in the definition of the strategy and tax objectives, in particular providing support to business internationalisation;

- Monitoring of all the litigation processes with the tax authorities;
- Participation in special projects of the Sonaecom Group, such as mergers and acquisitions and corporate restructuring.

Planning and Management Control Department

Main duties:

- Supporting the development of the corporate and/or business strategy;
- Promoting, leading and implementing the annual strategic planning cycle;
- Leading and monitoring the annual Sonaecom budgeting process, as well as preparing the report on budget implementation;
- Challenging the corporate business and areas as regards the goals set so as to constantly improve and optimise the efficiency of Sonaecom's business, performance, and results;
- Preparing and analysing business management information, as well as consolidated data, on a monthly, quarterly, and annual basis, analysing deviations from the budget and proposing corrective actions;
- Supporting decisions for the allocation of capital to ongoing businesses and new business opportunities: analysing the invested capital and the return on the invested capital;
- Creating business plans together with the business management teams;
- Performing technical and benchmark studies for the businesses and the Company as a whole in order to evaluate its performance in comparison with competitors and other players in the market.

Risk Management Department

Risk Management is ensured not only at corporate level but also at the business level. Thus, each business unit is involved in the functional processes, with the responsibility of implementing internal controls and managing specific risks. In general, the main responsibilities of the Risk Management Department of each one of the businesses involves:

- Promoting a culture of risk awareness, as well as mediating and managing the business risks that interfere with the achievement of objectives and the creation of value in the organisation;
- Collaborating to identify the critical risks and monitoring their development and the implementation of risk indicators and mitigation actions;
- Promoting and monitoring the implementation of programmes and actions aimed at bringing risk levels closer to the acceptable levels established by the management.

Internal Audit Department

Main duties:

- Assessing risk exposure and checking the effectiveness of risk management and internal controls through the execution of audits of business processes and information systems;
- Proposing measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings.

Legal Department

Main duties:

- Relations with Euronext Lisbon, with the Portuguese Securities Market Commissions and with shareholders regarding legal issues;
- Legal management of corporate governance policy and monitoring of compliance with best practices in this area;
- Monitoring, controlling and ensuring legal compliance of the business activities of the Company;
- Drafting and/or analysing contracts to maximise security and reduce legal risks and potential costs;
- Management of all aspects pertaining to the intellectual and industrial property of the various businesses, such as brands, trademarks, names, patents, logos domain names and copyright;
- Execution of all public deeds, registrations and notarial procedures required for business, whether commercial, property or corporate;
- Management of all dispute processes;
- Support to obtain the various licences required for business;
- Monitoring the development of the legislation relevant to the Group's business;
- Legal support in national and international operations of the Company's business, as well as analysis of new national and international operations, in particular, in the latter, regarding the legal environment in the countries under analysis;
- Mergers/demergers, acquisitions, winding up, liquidations and similar corporate restructuring.

Human Resources Department

Main duties:

- Support to top management on the implementation and development of human resources policies;
- Defining and implementing the human resources strategy, planning and talent management on various levels;
- Ensuring the presence and development of the technical and management competences of Sonaecom executives, either through the implementation of adequate recruitment and selection practices, or through the design and implementation of transversal training and/or individualised training and development plans;
- Developing human resources management models and processes in areas such as remuneration and benefit policy; career management; social climate monitoring and development; administrative management and salary processing; staff budgeting and reporting on human resources issues; occupational health, hygiene and safety management;
- Monitoring legal occupational issues;
- Representing the Company in official bodies and associations linked to this area.

Investor Relations Department

Main duties:

- Manage the relationship between Sonaecom and the financial community, through the continuous preparation and disclosure of relevant and up to date information about the Company;
- Support to the Board of Directors, providing relevant information about the capital markets;
- Support in the definition of the corporate message to be disclosed to the capital market.

b) Functioning**22. Existence and location of the Regulation of the Board of Directors**

The Internal Regulation of the Board of Directors is available at

<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>.

23. Number of meetings held and attendance record of each member of the Board of Directors

The Sonaecom Board of Directors meets at least four times every year, as specified by the Company's Articles of Association, and whenever the Chairman or two members of the Board of Directors call a meeting.

Seven meetings of the Board were held in 2022 with a 100% attendance rate of the directors Ângelo Gabriel Ribeirinho dos Santos Paupério, Maria Cláudia Teixeira de Azevedo, João Pedro Magalhães da Silva Torres Dolores, Eduardo Humberto dos Santos Piedade and Cristina Maria de Araújo Freitas Novais.

The following table displays detailed information about the attendance at meetings:

Date	Participants
7 March 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
24 March 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
9 May 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
7 June 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
21 July 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
3 November 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais
16 December 2022	Ângelo Paupério Cláudia de Azevedo João Dolores Eduardo Piedade Cristina Novais

The minutes of meetings are written down in the minutes book.

24. Competent governing bodies of the Company for the assessment of the performance of the Executive Directors

The Company does not have an Executive Committee, nor does it have any Managing Directors. To establish the variable component of remuneration, an individual evaluation of the Directors' performance is carried out by the Remuneration Committee, which represents the Company's shareholders, according to the remuneration policy approved at the Shareholders' General Meeting. This assessment takes place once the Company's results are disclosed.

Without prejudice to the overall and individual performance assessment of the Directors, which is carried out by the Remuneration Committee, the Board of Directors shall annually carry out the evaluation of its performance, having as reference the fulfilment of Company's strategic plan and budget, its risk management, internal functioning and its relations with other Sonaecom's bodies. This evaluation is usually carried out in the Board of Directors' meeting where the discussion of the previous years' accounts takes place.

In addition, and in accordance with article 376 of the Companies Code, the Shareholders' General Meeting annually reviews the management of the Company through a confidence or no confidence vote.

25. Pre-determined criteria for assessing the performance of the Executive Directors

The performance assessment of executive directors is based on pre-determined criteria, consisting of objective performance indicators set for each period and in line with the overall strategy of growth and positive business performance. These indicators consist of the business, economic and financial Key Performance Indicators (KPIs), subdivided into collective, departmental and personal KPIs.

The collective business KPIs consist of economic and financial indicators that are defined based on the budget and on the performance of each business unit.

Departmental business KPIs, in turn, are similar in nature to the previous ones, and they measure the specific contribution of the director to the performance of the business.

Personal KPIs include objective and subjective indicators and are intended to measure compliance with duties and commitments individually taken on by the executive director.

Additional information can be found in sections 71 to 75 below.

The pre-determined criteria to be used in the assessment of the Directors' performance are the consequence of the application of the Remuneration and Compensation Policy that was approved by the Shareholders' General Meeting following the proposal of the Shareholders' Remuneration Committee of the Company.

In 2022 the Remuneration Policy in place was the one approved by the Shareholders' General Meeting held on 30 April 2021, available at <http://www.sonaecom.pt/investidores/assembleia-geral/>, on the 2021 tab: proposal n.º 4 and appendix to proposal n.º4.

26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the financial year.

The information regarding the positions held by the Company directors simultaneously in other companies, inside and outside the group, is disclosed in Appendix II to this Report.

Each of the members of the Board of Directors has consistently demonstrated their availability to perform their duties, having regularly attended the meetings and participated in its work.

c) Board of Directors' committees and managing directors

27. Identification of the committees created within the Board of Directors and where to find their operating regulations

The Board of Directors believes that in view of the current size of the Company and the composition of the Board itself, the maintenance or creation of any committees is not justified.

The Company has a Corporate Governance Officer, who reports to the Board of Directors, through the Chairman, and this solution is deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters.

The main duties of the Corporate Governance Officer are:

- (i) Ensuring the smooth running of the activities of the Board and, when applicable, of the Board Committees;
- (ii) Participating in Board Meetings and, if applicable, relevant Board Committee Meetings and, when appointed, serving as a member;
- (iii) Facilitating the acquisition of information by all Board members and by all members of its committees, when applicable;
- (iv) Supporting the Board in defining its role, objectives and operating procedures; taking a leading role in organising Board evaluations and assessments;
- (v) Keeping all Legislative, Regulatory and Corporate Governance issues under close review; supporting and challenging the Board to achieve the highest standards in Corporate Governance;
- (vi) Ensuring that the Board is conscious of the concept of stakeholders and the need to protect minority interests, when important business decisions are being taken by the Board of Directors;
- (vii) Helping to ensure that the procedure to nominate and appoint Directors is properly carried out and assist in the induction of new directors;
- (viii) Acting as a primary point of contact and source of advice and guidance for Non-Executive Directors in particular as regards the Company and its activities; facilitating and supporting the Independent Non-Executive Directors in the assertion of their 'independence';
- (ix) Helping to ensure compliance with the continuing obligations of listed companies under the Portuguese Securities Market Commission;
- (x) Participating in making arrangements for and managing the process of Shareholders' General Meetings;
- (xi) Participating in the arrangement of insurance cover for Directors and Officers;
- (xii) Participating, on behalf of the Company, in external initiatives to debate and improve Corporate Governance regulations and practices in Portugal.

The main duties of the Corporate Governance Officer listed above have as their main purpose to allow the Corporate Governance Officer to evaluate the adopted corporate governance structure and practices, to verify the effectiveness thereof and to propose to the relevant bodies any improvement measures to be taken.

28. Composition, if applicable, of the Executive Committee and/or identification of the managing director(s)

The Company does not have an Executive Committee nor does it have any Managing Directors.

29. Indication of the powers of each of the committees created and a summary of the activities carried out in the exercise of those powers

The Board of Directors believes that in view of the adopted governance model, which takes into account and is considered appropriate in view of the current shareholding structure (with a small free-float) and size of the Company, as well as the composition of the Board itself, it is not justified to maintain any specialized committee within the Board of Directors.

As previously mentioned, the Company has a Corporate Governance Officer, whose functions and responsibilities are disclosed in section 27 of this Report and this solution is, in view of the current context of the Company, deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters.

The Company has also a Company Secretary, who is responsible for:

- i) Ensuring the minutes and attendance lists of the Shareholders' General Meeting;
- ii) Sending notices and other legal documents necessary to hold the General Meeting;
- iii) Supervising the preparation of supporting documentation for the General Meetings and Board of Directors' meetings and drawing up the corresponding minutes;
- iv) Responding to requests for information by the shareholders within the legal framework;
- v) Proceeding with the legal registration of any act or decision of the Company's governing bodies.

III – Audit

a) Composition

30. Identification of the supervisory bodies

The Statutory Audit Board and the Statutory External Auditor are, under the governance model currently adopted, the supervisory bodies of the Company.

31. Composition

In accordance with the Company's Articles of Association, the Statutory Audit Board may be composed of an even or odd number of members, with a minimum of three and a maximum of five members, elected for four-year terms. The Statutory Audit Board also includes one or two substitute members, depending on whether the number of members is three or more.

In 2022, the members of Statutory Audit Board appointed for the mandates referred below, were:

João Manuel Gonçalves Bastos	Chairman	2020/2023
Maria José Martins Lourenço Fonseca	Member	2020/2023
Óscar José Alçada da Quinta	Member	2020/2023
António Augusto Almeida Trabulo	(Substitute Member)	2020/2023

The Statutory External Auditor is identified in Chapter IV of this Report.

32. Level of independence of the members of the Statutory Audit Board

The majority of the members of the Statutory Audit Board are independent under the terms of article 414, paragraph 5 and they are not covered by any incompatibility under the terms of article 414-A, paragraph 1, both from the Portuguese Companies Code. The Chairman of the Statutory Audit Board is independent, fulfilling thereby the requirement of Article 3, paragraph 2, subparagraph c) of Law no. 148/2015 of 9th September, that approves the Legal Regime for Audit Supervision.

The members of the Statutory Audit Board are required to immediately inform the Company of any occurrence during their term of office that may cause incompatibilities or the loss of independence, as required by law.

33. Professional qualifications

Professional qualifications and other relevant curricular elements are disclosed in Appendix II to this Report.

b) Functioning

34. Regulation and annual activity report

The operating regulation of the Statutory Audit Board can be read at <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>, in the tab “Statutory Audit Committee”.

The annual report and statements of the Statutory Audit Board are published in each financial year, together with the annual accounts documents prepared by the Board of Directors, available at <http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/> (regarding 2022 documents, in the tab R&A 2022/Chapter IV).

35. Meetings of the Statutory Audit Board

The resolutions of the Statutory Audit Board are taken by a majority of the votes and are always recorded in the minute’s book, with dissenting members being required to state their reasons for dissent in said minutes.

The Statutory Audit Board meets at least once a quarter. In 2022, the Statutory Audit Board held sixteen meetings with a 100% attendance rate.

36. Availability of each of the members, indicating the positions held in other companies, inside and outside the Group, and other relevant activities carried out by members of the Statutory Audit Board

Each of the members of the Statutory Audit Board has consistently demonstrated their availability to perform their duties, having regularly attended the meetings and participated in its work.

The information on other positions held by members of the Statutory Audit Board, their qualifications and professional experience is included in Appendix II to this Report.

c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the purpose of contracting additional services from the External Auditor

It is the responsibility of the Statutory Audit Board to approve the rendering of services, other than audit services, to be provided by the External Auditor.

To that end, the Statutory Audit Board schedules a work plan that includes supervision the External Auditor's activity in matters concerning: *(i)* the External Auditor's annual activity plan; *(ii)* monitoring the audit work, reviewing the financial statements and discussing the respective conclusions; *(iii)* supervising the External Auditor's independence; and *(iv)* assessing the annual activity carried out by the External Auditor concerning the compliance with the IPCG Recommendation VII.2.3. Decisions regarding the approval for the rendering of services other than audit services are taken by the Statutory Audit Board in a duly explained manner, before the provision thereof, in accordance with Law no. 140/2015, of 7 September.

In assessing the criteria that backed the contracting of services, other than audit services, from the External Auditor, the Statutory Audit Board verifies the presence of the following safeguards:

- contracting additional services, other than audit services, does not affect the independence of the External Auditor;
- services other than audit services represent an adequate proportion of all services rendered;
- services other than audit services, not prohibited (according to the legislation currently in force), shall be provided with high levels of quality, autonomy and independence in relation to the services carried out as part of the audit process;
- the quality system applied by the External Auditor (internal control), in accordance with the information provided by this body, monitors the risks of loss of independence or possible conflicts of interest with the Company and ensures the quality of the services that are provided in compliance with ethical and independence standards.

38. Other functions of the supervisory bodies

38.1 Statutory Audit Board

The Statutory Audit Board, while performing its statutory and legally assigned functions, including the ones set out in article 420 of the Portuguese Companies Code, has the following main duties, among others:

- a) To supervise the Company's management, in accordance with corporate governance best practises and with full respect for the competencies thereof;
- b) To ensure compliance with the Law and the Company's Articles of Association;
- c) To prepare the annual report on the supervisory work performed, addressed to the shareholders, that should include the description of the supervisory work performed and possible constraints detected, and issue an opinion on the management report, accounts and other proposals submitted by the Board of Directors, in which it should express its agreement or not with the management report and the annual accounts;
- d) To convene the Shareholders' General Meeting, should the Chairman of the General Meeting fail to do this when required to do so;
- e) To confirm whether the disclosed corporate governance report includes the information listed in article 29-H of the Portuguese Securities Code;
- f) To assess the effectiveness of the risk management system, internal control system and internal audit system;
- g) To receive communications of irregularities presented by the Company's shareholders, employees or others;
- h) To appoint and hire services from experts to help one or more members in the exercise of their duties. The hiring and fees of these experts should take into consideration the complexity of the matters involved and the financial position of the Company;

- i) To supervise the process of preparation and disclosure of financial information by the management body, including notably the adequacy of the accounting policies, estimations, judgements, relevant disclosures and the consistent application thereof throughout the financial years in a duly documented and communicated manner;
- ii) To select the Statutory External Auditor, represent the Company before the external auditor and the Statutory External Auditor and propose to the Shareholders' General Meeting its appointment and removal and also to approve its remuneration and assess its performance making sure that the Company provides the Statutory External Auditor with the necessary conditions for carrying out its duties, to intermedicate between the latter and the Company, and making sure it is the main recipient of the external auditor's reports, with full respect for the duties and competencies of the management body in this matter;
- k) To supervise the accounts audit concerning the Company's financial documents;
- l) To evaluate the independence of the Statutory External Audit;
- m) To give its prior approval to the audit services and additional services to be provided by the external auditor or by any other person that maintains a participation relationship with the latter or is part of the same network, and to approve its remuneration, ensuring that those services are legally permitted, do not surpass any reasonable limit and does not hinder the independence of the external auditor;
- n) To evaluate the independence of the internal auditor, notably concerning limitations to its organisational independence and lack of resources in the course of the internal audit activity;
- o) To issue a specific opinion and justification to support the possible decision of not rotating the external auditor, taking into account its independence conditions in such a circumstance as well as the advantages and costs associated with its substitution;
- p) To supervise the internal audit activity;
- q) To issue a prior opinion on business transactions with Related Parties, in accordance with the terms of the Internal Policy Regarding Transactions with Related Parties, attached to the Terms of Reference of the Statutory Audit Board, and the terms of articles 29-S to 29-V of the Portuguese Securities Code;
- r) To comply with all other attributions foreseen by the Law or the Articles of Association.

In order to duly perform its duties, the Statutory Audit Board establishes a calendarized activity plan, where it should be included:

A – Monitorisation of the Company's activity, notably concerning:

- Assessment of the functioning of the internal control and risk management system and, whenever deemed convenient, giving its opinion regarding the risk policy and the strategic guidelines that came to its knowledge through the Board of Directors, including at a time prior to their approval;
- Supervision of the financial documents and disclosure of financial information;
- Issuing opinions and recommendations.

B – Supervision of the Internal Audit and Risk Management activity with the following scope:

- Annual activity plan;
- Receiving the regular reports on the developed activity;
- Assessment of the results and conclusions reached;
- Assessment of the existence of possible irregularities and analysis of irregularity reports that are conveyed to it;
- Issuing any relevant instructions.

C – Information regarding irregularities

The Statutory Audit Board is the recipient of irregularity reports, in accordance with Article 420, 1, paragraph j) of the Companies Code, that are addressed directly to it or that are remitted to a different body.

The Statutory Audit Board is also the addressee of the reports of infractions sent to the Internal Reporting Channel, as well as of the final reports prepared by the Legal Department, which embody the case reported, the evaluation of the procedures carried out, its results and the adopted measures.

The Statutory Audit Board obtains from the Board of Directors all information necessary for the performance of its duties, namely regarding the Company's operational and financial evolution, changes in the business portfolio, terms of all transactions that occurred and details of the decisions taken. In addition, in support of the activity of the Statutory Audit Board, the Company provides the human and technical resources necessary for the organisation of meetings, preparation of agendas, minutes and supporting documentation and their timely distribution. These meetings are attended by the internal liaisons considered relevant to the issues under discussion, for presentation and explanation of the issues raised by the Statutory Audit Board.

The Statutory Audit Board is the overall supervision body of the Company for matters of internal control and risk management, it acts in an independent manner and has primacy over other bodies regarding the supervision of those matters.

The Supervisory Board represents the Company before the Auditor and proposes to the Shareholders' General Meeting its appointment, as well as its dismissal, also evaluating the activity performed by the Auditor, ensuring that the appropriate conditions exist within the Company for the performance of its services. The Statutory Audit Board is the Company's liaison and first recipient of the respective reports. The Statutory Audit Board annually prepares a report on its supervisory action in the financial year, including an annual assessment of the Statutory External Auditor, and it issues an opinion on the management report, the consolidated and individual financial statements and the Corporate Governance report presented by the Board of Directors, in order to comply with the legal deadlines for disclosure at the date established for the Annual General Meeting. The annual report on its audit activity is included in the reports and accounts made available on the Company's website.

The Terms of Reference of the Statutory Audit Board are available at <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>, in the tab "Statutory Audit Committee".

IV – Statutory External Auditor

38.2 Statutory External Auditor

The Statutory External Auditor is the supervisory body responsible for the legal certification of the Company's financial information. Its main duties are:

- a) Check the consistency of all the books, accounting records and supporting documents;
- b) Whenever it deems convenient and through such means as it deems appropriate, verify the accuracy of cash and amounts of assets or securities of any type belonging to the Company or received by the Company by way of guarantee, deposit or for any other purpose;
- c) Check the accuracy of the financial statements and express its opinion on them in the Legal Certification of Accounts and in the Audit Report;
- d) Verify that the accounting policies and valuation criteria adopted by the Company result in the correct valuation of the assets and results;
- e) Perform any necessary examinations and tests for the audit and legal certification of accounts and perform all procedures stipulated by law;

- f) Verify the enforcement of policies and the effectiveness and functioning of the internal control mechanisms, reporting any deficiencies to the Statutory Audit Board, under the terms of and within the scope and limits of its legal and procedural powers;
- g) Cooperate with the Statutory Audit Board, providing immediate information on any irregularities relevant to the performance of the functions of the supervisory body it may have detected, as well as any difficulties encountered in the exercise of its duties;
- h) Verify whether the Corporate Governance Report includes the elements referred to in article 29-H of the Securities Code.

Since 1 January 2016, the activity and services of the Statutory External Auditor are regulated by the new Estatuto da Ordem dos Revisores Oficiais de Contas, approved by Law no 140/2015, of 7 September.

39. Identification of the Statutory Audit Firm and of the statutory auditor that represents it

The Statutory External Auditor of Sonaecom is PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda., registered at OROC under the no. 183 and at the Portuguese Securities Market Commission under the no. 20161485, represented by António Joaquim Brochado Correia for the mandate of 2020/2023.

The substitute Statutory External Auditor is Joaquim Miguel de Azevedo Barroso (Statutory External Auditor no. 1426, registered at the Portuguese Securities Market Commission under the no. 20161036).

40. Number of consecutive years in which the Statutory External Auditor has performed duties for the Company and/or for the group

PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. has been acting as Statutory External Auditor of the Company for 7 (seven) consecutive years now and was elected for the position for the first time in 2016, for the mandate 2016-2019.

In 2020, a new mandate corresponding to the 2020/2023 four-year period began and PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. was re-elected by the Company to the position of Statutory External Auditor, in compliance with the maximum time limits legally established for the exercise of functions.

41. Description of other services rendered to the Company by the Statutory External Auditor

PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, LDA. performs the duties of Statutory External Auditor. A Company belonging to the same network rendered tax consulting services under the supervision of the Statutory Audit Board.

V –External Auditor

42. Identification of External Auditor designated for the purposes of article 8 and of the Statutory Auditor partner who represents it in the performance of those duties, as well as the respective registry number at the Portuguese Securities Market Commission

The Sonaecom External Auditor, appointed for the purposes of Article 8 of the Portuguese Securities Code, is PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. registered at OROC under the no. 183 and at the Portuguese Securities Market Commission under the no. 20161485, represented by António Joaquim Brochado Correia.

The substitute Statutory External Auditor is Joaquim Miguel de Azevedo Barroso (Statutory External Auditor no. 1426, registered at the Portuguese Securities Market Commission under the no. 20161036).

43. Number of consecutive years in which the External Auditor and the respective Statutory Auditor partner who represents it have performed duties for the Company and/or for the group

PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. was first elected on 29 April 2016, for the mandate 2016/2019, and is performing duties at the company for 7 (seven) years).

In 2020 a new mandate was started (2020-2023) and the Company decided to elect PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. in accordance with the time limitations legally foreseen for this role.

44. Policy and frequency of rotation of the External Auditor and the respective Statutory Auditor partner representing it

The Statutory Audit Board has adopted the recommended principle of not replacing the External Auditor after the end of two four-year mandates only if, after careful assessment, it concludes that the supervision of its activity does not interfere with the independence of the External Auditor, and that the advantages and costs analysis advises the renewal of office. Such principle shall also meet the conditions set forth in article 54, paragraphs 4 and 5 of Law no. 140/2015 of 7 September.

45. Body in charge of assessing the External Auditor and frequency of assessment

In accordance with the Company's governance model, the election or dismissal of the Statutory External Auditor/External Auditor is decided by the Shareholders' General Meeting, upon proposal of the Statutory Audit Board.

The Statutory Audit Board supervises the performance of the External Auditor and the work throughout each financial year, considers and approves additional work to be provided and annually conducts an overall assessment of the External Auditor, which includes an assessment of its independence.

46 and 47. Work other than auditing performed by the External Auditor for the Company and/or for companies with which it is in a control relationship, as well as reporting on the internal procedures for purposes of approval of the contracting of such services and the reasons for such hiring and the annual remuneration paid by the Company and/or by legal entities in a control or group relationship to the Auditor and to other individuals or legal entities belonging to the same network, and breakdown of the percentages for each service

The remuneration paid to the Statutory External Auditor and to the External Auditor, PwC – PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. in 2021 and 2022, under proposal of the Statutory Audit Board, and to other individuals and entities of the same company network, supported by the Company and/or by corporate entities belonging to the same Group, are as follows, analysed by type of service:

	2022		2021	
	Values in €	%	Values in €	%
For the company *				
Audit services	106,995	54%	47,530	24%
By entities included in the Group **				
Audit services	91,280	46%	151,202	76%
Total				
Audit services	198,275	100%	198,732	100%
Total	198,275	100%	198,732	100%

*Includes individual and consolidated accounts

** In 2021, fees with the companies (and respective subsidiaries) of the Sonaecom Group that were sold are included.

Services other than auditing services were hired from the External Auditor upon authorisation from the Statutory Audit Board, which recognised that the hiring of those services did not affect the External Auditor's independence, and corresponded to the satisfaction of the Company's interests, given the provider's expertise, the history of providing services in those areas and the knowledge of the Company and its Group.

In addition, the following safeguards were observed:

- a) the acquisition of services other than auditing services did not affect the External Auditor's independence;
- b) services other than auditing services, when duly framed, are not prohibited services according to paragraph 8 of Article 77 of Law 140/2015;
- c) services other than audit services represented an adequate proportion of all services rendered;
- d) tax consulting services and the other services, when existing, are provided by experts other than those who were involved in the audit process;
- e) the fees paid by Sonaecom group to the PwC group represented less than 1% of PwC's total annual billing in Portugal;
- f) the auditors' internal control system, according to the provided information, monitors the potential loss of independence risks, or of any conflicts of interest with Sonaecom and ensures the quality and the rules of ethics and independence.

The Statutory External Auditor has remitted to the Statutory Audit Board, in accordance with paragraph 6 of Article 24 of Law no 148/2015, of 9 September, which approved the legal framework for the auditing supervision ("Regime Jurídico da Supervisão de Auditoria"), an "Independence Declaration" where it describes the services rendered by it and by other entities, as well as the safeguard measures applied, which were assessed by the Statutory Audit Board.

INTERNAL ORGANISATION

I – Articles of Association

48. Rules applicable in the case of amendments to the Company's Articles of Association

Amendments to the Company's Articles of Association follow the terms set out in the Portuguese Companies Code, requiring a majority of two thirds of the votes cast for approval. For a Shareholders' General Meeting to be held, in the first occasion it is convened, the Company's Articles of Association require that a minimum of 50% of the issued share capital should be present or represented at the meeting.

II - Reporting Irregularities

49. Means and policy for reporting irregularities occurring in the Company

Sonaecom's values and principles, widespread and deeply rooted in the culture of its people, are based on absolute respect and the adoption of rules of good conduct in the management of conflicts of interests and duties of care and confidentiality, having adopted a Code of Ethics which sets out the principles and standards of conduct that reflect the culture of the Company.

This Code of Conduct, which should guide the actions of its employees when exercising their functions, is available [at http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/](http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/).

Regarding the mechanisms for detecting and preventing irregularities, these are described in the Regulation of the Company's Statutory Audit Board.

Any individual who seeks to report an irregularity that they think has been or know to have been committed by any manager, employee or partner of Sonaecom shall do so through a letter sent to the Statutory Audit Board, at the Company's registered office, with a brief description of the facts. The identity of the discloser will be kept anonymous if this is expressly requested. The complaint will be analysed and, if there are grounds for reporting an irregularity, appropriate steps will be taken.

Within this procedure, the Statutory Audit Board has the responsibility to receive reports of alleged irregularities, submitted by Company shareholders, employees or by other parties. After receipt, the Statutory Audit Board must record all alleged irregularities reported, undertake an investigation with due diligence by the Board of Directors and/or through internal and/or external auditing, and to report its/their conclusions.

Furthermore, the Whistleblowing Policy adopted by the Company, is included in the Code of Conduct and is available on the Company's website - <http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/>. - covering the entire perimeter of the Sonaecom Group.

The communications made under Law no. 93/2021 of 20th December, which establishes the General Regime for the Protection of Whistleblowers as well as those made under Decree-Law no. 109-E/2021 of 9th December (which establishes the General Regime for the Prevention of Corruption), shall be presented in the Internal Reporting Channel created by the Company for that purpose, in the terms set forth in the Regulation for Communication of Infractions ("Whistleblowing") available at <http://www.sonaecom.pt/investidores/governo-das-sociedades/regulamento-denuncia-infracoes/>. Communications shall be sent using one of the following channels: by post addressed to Sonaecom, SGPS, S.A. Apartado 6034, EC TECMAIA, 4471-908 Maia, with the reference "Confidential"; and/or by email to canal.denuncias@sonaecom.pt.

III - Internal control and risk management

50. Individuals, bodies, or committees in charge of internal auditing and/or implementing internal control systems

Risk Management is one of the components of Sonaecom's culture and a pillar of the Corporate Governance, which is why each business unit in Sonaecom has, as part of its competencies in the functional processes, the responsibility of implementing internal controls and management of specific risks.

At the same time, the Internal Audit Department evaluates the exposure to risk and verifies the effectiveness of risk management in the internal controls of business processes and information systems. Additionally, it proposes measures to improve controls and monitor the evolution of risk exposure associated with the main audit findings and conclusions.

51. Explanation (if necessary by including an organisation chart) of the hierarchical and/or functional dependency relationships with other bodies or committees of the Company

The Board of Directors monitors the activities of the Internal Audit Department, which reports functionally to the Statutory Audit Board, as a supervisory body and independent entity of the Board of Directors. Internal Audit can meet with the Statutory Audit Board, without the presence of any member of the Board of Directors.

As regards matters of internal control and risk management, the Statutory Audit Board is the supervisory statutory body, acting independently and with the responsibility of overseeing the Internal Audit plan of activities, gathering regular information on their work, evaluating findings and issuing the guidelines it deems necessary.

The External Auditor, within the scope of the annual audit process, analyses the functioning of internal control mechanisms and reports identified shortcomings.

Responsibilities for the creation, operation and periodic evaluation of the internal control and risk management systems are published under the Regulations of the Board of Directors and the Statutory Audit Board, all of which are available at the Company's website.

52. Existence of other functional areas with risk control competencies

Besides the areas mentioned above, Sonaecom has other functional areas and business processes with competency in controlling and monitoring risks, in particular the following:

- The area of Planning and Control, along with the respective pivots in the business areas, is responsible for preparing and monitoring the execution of annual plans of action and resources, as well as budgets and forecasts in the finance and operating areas;
- The various business areas have processes and indicators to monitor operations and KPIs;
- Technical areas have indicators and alerts for interruption of service and safety incidents at the operating level.

53. Identification and description of the main types of risks (economic, financial and legal) to which the Company is exposed in the performance of its activity

Risks are presented and ranked, in the present section, based on the ranking and structure of Sonaecom's *Business Risk Management (BRM)*. BRM is a systematic way of identifying risks that affect the organisation (everyday language) and makes it possible to define and group risks along with their main causes (dictionary of risks).

Economic risks

According to Sonaecom's BRM, economic risks are associated with the following risk categories: business environment, strategy, operations, information processing and technology, empowerment and integrity.

Economic influences

Sonaecom is exposed to the current adverse economic environment in Portugal, although, due to the increasing pace of internationalisation of the companies in the Technology area, this exposure is more and more mitigated.

In the case of Público, the exposure to a segment that is going through a period of financial crisis and changing of reading trends has been forcing constant restructuring and adaptation. With the need to ensure sustainability without compromising its role as an independent information source in Portugal, Público has been focusing on meeting the growing demands in the digital world and reducing its operational cost structure.

Inovretail, as all other minority shareholdings in the Technology area, including those that are quite incipient, act in the technological market with high potential for growth and international expansion, thereby mitigating its operational risk.

With respect to Armilars' venture capital funds, the economic risk is mitigated by asset portfolio diversification, which operates in different segments and different geographic markets.

Technological innovation

For Sonaecom, having an optimised technology infrastructure is a critical success factor that helps to reduce potential failures in leveraging technological developments. Accordingly, its various businesses continue to take actions to optimize the technological structure and boost innovation.

Until October 2022, Sonaecom, through its subsidiary Sonae Investment Management – Software and Technology, SGPS, S.A. (“Bright Pixel Capital”), held a majority shareholding in the share capital of Maxive – Cybersecurity, SGPS, S.A., which owns S21Sec and Excellium, companies that operate in a sector that demands constant innovation and a clear domain of all technological trends and continuously invest in research and innovation..

Público has continued with restructuring of its layout and content and in adopting technological innovations in its online edition. These innovations are designed to ensure a greater alignment with the new reading habits of the Portuguese, offering new access channels to information using smartphones and tablets, as well as sustaining Público's position as the leading non-specialist online newspaper.

The minority shareholdings in the Technology area are all technological and innovative companies with high levels of investment in research and development.

Competition

Sonaecom's various companies are exposed to risks of competition from other players in the domestic and international markets in its respective businesses sectors.

In the cybersecurity area, Sonaecom, through its S21sec and Excellium subsidiaries, held, until October 2022, one of the most relevant “pure players” (a company solely specialised in cybersecurity) in Europe, whether in revenue or in number of cybersecurity specialists.

Business portfolio

The risk of specialization and consequent limitation of activity due to portfolio has been mitigated at Sonaecom level due to the diversity of investments made in different segments – Media, Telecommunications, Retail Technology, Digital Infrastructures, Cybersecurity – and in all Sonaecom's businesses, through the expansion of the product line, of the geographic markets or business segments.

Inovretail, despite its focus on retail segment and product sales, also includes a significant component of professional services in its portfolio.

The Technology area, with its minority shareholdings, explores different activities and is the only technological link with the retail, digital infrastructures and cybersecurity segments.

Business interruption and catastrophic losses (Business Continuity Management)

Since Sonaecom businesses are particularly focused on the use of technology, potential faults with technical/operational resources (information system applications, servers etc.) can present a significant risk of business interruption if they are not well managed. This, in turn, can pose other risks to the Company, such as adverse impacts on reputation and the brand, on the integrity of revenues and client satisfaction, and on quality of service. These can lead to loss of clients.

In the IT sector, business clients typically have a lower tolerance for interruptions. In this context, technology companies face risks associated with the availability of software platforms that support the companies' processes as well as the corresponding clients.

To identify this specific set of risks and to implement actions for prevention and mitigation that guarantee continuity of critical services and operations, Sonaecom has adopted a Business Continuity Management (BCM) programme over several years.

These plans have been updated to incorporate action measures in order to avoid business disruptions resulting from adverse weather events or the fast dissemination of infectious diseases.

Confidentiality, integrity and availability (Information Security Management)

Since Sonaecom is primarily a technology, media and telecommunications group, all its subsidiary companies extensively use technology and information that are typically subject to availability, integrity, confidentiality and privacy risks.

In addition to being a technological issue, security should also be considered as a cultural and behavioural issue. In this sense, awareness is a key success factor when it comes to promoting a strong culture of information security among employees, partners and key stakeholders. Sonaecom has developed several initiatives to raise awareness and accountability over the past few years, of which the following stand out:

- A security communication plan based on campaigns to raise awareness of the issues considered most relevant in each year;
- Clauses on personal data protection and confidentiality in contracts with employees and business partners. All employees are bound to obligations of confidentiality, secrecy and protection of personal data. As such, they are forbidden from disclosing to third parties information to which they have access as a result of their roles in the Company. These obligations and these duties shall remain in force even after the end of the employment relationship between the Company and the employee. Our business partners have, generally, the same confidentiality obligations.

Finally, regarding the cybersecurity risk, several actions were undertaken, most importantly the renewal of the rating service Bitsight and the development of information and training sessions mainly focused on phishing campaigns.

Product-Service failure (Professional Liability)

As Sonaecom companies are customer-oriented, we give special attention to the impact that the potential failure of our products or services may have on our customers, which, although intrinsic to their respective businesses, can generate professional civil liability. Risk events can be physical (for example: damage to equipment or facilities) or non-physical (for example: error in a software installation) and, usually, they are related to accidents, unintentional acts, errors or omissions by employees or subcontractors.

The risk management strategy selected by Sonaecom for this type of risk, involves the transfer of risk through insurers in addition to the implementation of internal controls. In this context, Sonaecom continues to carry out the actions designed and implemented in previous years relating to professional liability insurance, and which consist of:

- Implementation of improvements in certain internal controls to further reduce the causes of risk;
- Renewal of existing professional liability insurance that incorporates an extended scope of coverage and is adapted to the business realities of Technology companies and Media;

- Additional subscriptions of professional liability insurance for foreign companies, improving coverage in certain international locations where our general insurance policy is not applicable due to legal restrictions.

Talent Retention

In an increasingly competitive and dynamic environment, human capital is the true competitive advantage of organisations. Only just with employees talented, committed and aligned with the company's values, it is possible to successfully execute the business strategy.

The segments in which Sonaecom's businesses operate, namely in the areas of information and communication technologies, are high-growth markets with scarce resources, which turns talent retention even more challenging.

In this sense, the Human Resources area of the various businesses is constantly concerned with defining remuneration policies that guarantee the attraction and retention of talented professionals, that guarantee stability and represent a relevant and material contribution to the sustainability of the business.

Financial risks

Sonaecom's businesses are exposed to a variety of financial risks associated with its operations, namely interest rate risk, foreign exchange risk, liquidity risk, and credit risks (described and analysed in detail in the Appendix to the Annual Consolidated Financial Statements).

The financial risks management policy is determined by the Board of Directors, and the risks are identified and monitored by the Administrative and Finance Department.

In addition to a management policy for each of the identified risks and the implementation of control mechanisms to identify and determine them, Sonaecom uses, among others, natural hedges, credit insurances and, occasionally, derivative financial hedging instruments. The Group's attitude in relation to financial risk management is conservative and prudent, refusing speculative purposes and resorting only to high credit quality financial institutions.

Legal, statutory and regulatory risks

Sonaecom and its businesses have the support of legal and tax departments permanently dedicated to the specifications of the corresponding activity, under management's supervision, and exercising their competencies in interaction with other functions and departments, in order to pre-emptively ensure the protection of the Company's interests and businesses, in compliance with their legal obligations, as well as by applying good practices. The teams in these departments have specialized training and participate in in-house and external training courses to update their knowledge.

Legal and tax advice is also provided, nationally and internationally, by outsourced resources selected from firms with established reputations and which always have the highest standards of competence, ethics and experience.

The companies in the Technology area face an additional risk relating to the globalisation process, arising because these companies have a presence in several countries, which involves specific risks relating to very different legal frameworks in each country. Furthermore, they are exposed to specific national, local and sectorial laws and regulations of each market in which they operate and are naturally exposed to the risk arising from any regulatory or legislative changes that may condition business and, consequently, prejudice or hinder the achievement of the strategic goals.

Sonaecom collaborates with the authorities with the aim of defining an optimal legal and regulatory framework that, in our opinion, promotes the development of the information technology sector in Portugal. Such collaboration may involve sending comments in response to public consultations issued by national and international entities.

54. Description of the process of identification, assessment, monitoring, control and risk management

The risk management process is supported by a consistent and systematic methodology, based on the international standard Enterprise Risk Management – Integrated Framework issued by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This methodology aims to identify business risks, assess their causes, measure triggers, manage the identified risks and, finally, monitor them.

Derived from this general framework, the management and control of the main risks facing Sonaecom, are achieved through the following key approaches and methods:

Concerning the Corporate Risk Management, this approach allows Sonaecom's businesses to prioritise and identify critical risks that might compromise their performance and goals and to take actions to manage those risks, within the predefined levels of acceptance. This is achieved through constant monitoring of risks and the implementation of certain corrective measures.

Regarding Information Safety Management, the implementation of Information Security Management processes is intended to manage the risks associated with the availability, integrity, confidentiality, and privacy of information. The scope of this process also includes the development and maintenance of the Information Security Policy, verification of compliance with policy procedures, development of training programmes and awareness, setting and supervision of KPIs for Information Security.

Finally, regarding the Specific Risk Management Cycles or Processes, the development of specific risk management cycles/processes enables the mitigation of critical risks that can impact certain processes, areas or entities, positioning these risks within the levels defined by the management team. In addition, it identifies and monitors other operational risks that management considers relevant.

55. Key elements of the internal control and risk management systems implemented in the Company with regard to the financial disclosure process

Sonaecom acknowledges that, as with other listed companies with similar activities, it is potentially exposed to risks related to the financial and accounting reporting processes, in addition to other financial risks, as detailed above. Sonaecom's attitude concerning financial risk management is conservative and prudent, and these principles have been maintained during 2022.

Therefore, Sonaecom is committed to ensuring an effective internal control environment, regarding the financial reporting process, seeking, systematically, to identify and improve the most relevant processes in terms of the preparation and disclosure of financial information, with the objectives of transparency, consistency, simplicity and materiality. The internal control system aims to obtain reasonable assurance regarding the preparation of financial statements, in accordance with accounting principles and adopted policies, and warranting the quality of financial reporting.

The internal control system for the accounting and the preparation of financial statements includes the following key controls:

- i. The process of disclosing financial information is documented, the risks and key controls are identified, the criteria for its preparation and disclosure are duly established and approved, and they are periodically reviewed;
- ii. There are three main types of controls: high-level controls (entity level controls), information systems' controls (IT level controls) and process controls (process level controls). Those include a set of procedures related to the execution, supervision, monitoring and process improvement, with the main purpose of preparing the Company's financial reporting;
- iii. The accounting principles used, which are disclosed throughout the notes to the financial statements (see chapter III, section 1.2, note 1 in the Report and Accounts), constitute one of the fundamental pillars of the control system;
- iv. The plans, procedures and records of the Group, provide a reasonable assurance that transactions are executed solely with the general or specific authorisation of management and that those transactions are recorded to ensure that financial statements comply with the generally accepted accounting principles. This also ensures that the Company keeps updated records regarding assets, that the access to said assets rely on management authorisation and that whenever differences occur checking against existing assets, appropriate measures are taken;
- v. During the process of preparing and reviewing financial information, a schedule is first established and shared with the different areas involved, and all documents are reviewed in detail. This includes a review of the principles followed, verifying the accuracy of the provided information, and the consistency with the principles and policies defined and followed in previous periods;
- vi. The Group's financial statements are prepared and reviewed by the Administrative and Finance Department, under the supervision of the Group's Board of Directors. The Management Report and the Corporate Governance Report are both prepared by the Investor Relations Department, with the input and further review by several business and support areas and with the support and the supervision of the Director of Corporate Governance and the Legal Department. The set of documents that constitute the annual report are sent for review and approval by the Sonaecom Statutory Audit Board and the Board of Directors. After approval, the documents are sent to the Statutory External Auditor, which issues its Legal Certification of Accounts and the Audit Report.
- vii. The group's consolidated financial statements for the year ended 31 December 2022 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation). For this purpose, several procedures were adopted for the prior validation of the making of information in the consolidated financial statements, in XBRL format using iXBRL technology, and for the correct conversion of the annual report to XHTML format.

The most significant accounting estimates are disclosed in the notes to the financial statements. These estimates were based on the best information available during the preparation of the financial statements, and in the best knowledge and experience of past and/or present events. The most significant balances and transactions with related parties are disclosed in the notes to the financial statements. These are mainly associated with the operational activities of the Group, as well as the granting and obtaining of loans under arm's length conditions. More specific information regarding how these and other risks were mitigated is disclosed in the notes to the financial statements.

IV - Investor Support

56. Service responsible for investor support, composition, duties, information made available by this service and contact information

The Investor Relations Department is responsible for managing Sonaecom's relationship with the financial community - current and potential investors, analysts and market regulatory authorities - with the goal of enhancing their knowledge and understanding of the Sonaecom group by providing relevant, updated and reliable information.

The department regularly prepares presentations and communications covering quarterly, half-year and annual results. It is also its responsibility to make any announcements to the market, whenever necessary, and disclose or clarify any relevant event that could influence Sonaecom's share price.

In addition to the Investor Relations Department, all disclosed information is available on the webpage of the Portuguese Securities Commission ("Comissão do Mercado de Valores Mobiliários": www.cmvm.pt) and the Company's webpage <http://www.sonaecom.pt/investidores/comunicados> you may find the information required by Article 3 of the CMVM Regulation no. 4/2013, as well as general information on Sonaecom, in addition to other relevant information, as recommended by the IPCG Corporate Governance Code 2018 (amended in 2020), notably:

- Quarterly, half-year and annual results concerning the last five years;
- Management Reports;
- Corporate Governance Reports;
- Internal Regulations of the management and auditing bodies;
- Contacts of the Investor Relations Department and of the Representative for Relation with the Market;
- Description of Sonaecom's stock price performance in the Portuguese Stock Market;
- Information concerning the Company's Shareholders' General Meetings;
- Annual Investor Calendar on Shareholders' General Meetings and annual, half-year and quarterly disclosure events.

Any interested party may contact the Investor Relations Department using the following contact details:

Tel: (+351) 22 013 2349

Email: <mailto:investor.relations@sonaecom.pt>

Address: Lugar do Espido - Via Norte - 4471-909 Maia

Website: www.sonaecom.pt

57. Representative for capital market relations

By resolution of the Board of Directors taken on 11 May 2020 and during the year 2022, Célia da Conceição Azevedo das Neves Sá Miranda was the Market and CMVM Liaison Representative.

Notwithstanding that the representative for Market Relations remained throughout the financial year under review, as of January 25, 2023, she was replaced by Cristina Maria de Araújo Freitas Novais, with the following contacts:

Contacts:

Tel: (+351) 22 013 2349

Email: market.relations@sonaecom.pt / cristina.novais@brpx.com

Address: Lugar do Espido – Via Norte – 4470-177 Maia

58. Details regarding information requests received during the target year or pending from previous years, amount and average response time

During 2022, the Investor Relations Department received a normal number of information requests, considering the size of the Company in the capital markets. These information requests were submitted either by e-mail or post, or by phone. The average response time, without prejudice to the complexity of the matter, did not exceed 2 working days.

V – Website**59. Address**Company's website: www.sonaecom.pt**60. Location of the information mentioned in Article 171 of the Portuguese Companies Code**Website: <http://www.sonaecom.pt/investidores/governo-das-sociedades/identificacao-da-sociedade/>**61. Location of the Articles of Association and the regulations of the corporate bodies and/or committees**

Website:

<http://www.sonaecom.pt/investidores/governo-das-sociedades/estatutos/><http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/> in the

documents called “Internal Regulation of the Board of Directors” and “Regulation of the Statutory Audit Board”.

62. Location of the information concerning the identity of the statutory governing bodies, the representative for market relations, the Investor Relations Department, functions and contact details

Websites:

<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/><http://www.sonaecom.pt/investidores/contactos/>**63. Location of the accounting documents and calendar of corporate events**Accounting documents: <http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/>Calendar of corporate events: <http://www.sonaecom.pt/investidores/calendario-do-investidor/>**64. Location of the notices for shareholders' general meetings and all related preparatory and subsequent information**Website: <http://www.sonaecom.pt/investidores/assembleia-geral/> in the document identified as “Notice of meeting” included in each of the annual folders.**65. Location where the historical records are available with resolutions adopted at the shareholders' general meeting, the represented share capital and the voting results, with reference to the previous 3 years**Website: <http://www.sonaecom.pt/investidores/assembleia-geral/>

C. Remuneration

I - Power to decide

66. Competence for determining the remuneration of the governing bodies, members of the executive committee or managing director of the Company

The Remuneration Committee is responsible for approving the remuneration of the members of the Board of Directors and other Statutory Governing Bodies, on behalf of the shareholders and in accordance with the remuneration policy approved at the Shareholders' General Meeting.

II - Remuneration committee

67. Composition of the remuneration committee, including identification of individuals or companies hired to provide support and a statement on the independence of each member and advisor

The Remuneration Committee consists of two members: Duarte Paulo Teixeira de Azevedo, on behalf of Sonae SGPS, S.A. and Francisco de la Fuente Sánchez, on behalf of Sontel BV.

The Company has not hired any entities to provide regular support to the Remuneration Committee.

When establishing the remuneration policy, the Remuneration Committee resorts to benchmark studies on remuneration practices annually disclosed by the internationally renowned consultants Mercer and Korn Ferry, and also by companies that issued stocks that are listed in Euronext Lisbon in order to ensure that the statutory governing bodies' remuneration policy to be submitted to the approval of the Shareholders' Annual General Meeting fulfils comparable market standards. In the course of its activity during 2022, the Shareholders' Remuneration Committee did not hire any consultancy services.

The members of the Remuneration Committee are independent in relation to the Board of Directors.

68. Knowledge and experience of the members of the Remuneration Committee on remuneration policy

The experience and professional qualifications of the members of Sonaecom's Remuneration Committee are disclosed in their curricula vitae and available for consultation in Appendix III to this report. These qualifications allow them to discharge their responsibilities competently and accurately, each having the appropriate skills to perform their duties.

During 2022, the Remuneration Committee held 2 (two) meetings with a 100% attendance rate.

III – Remuneration Structure

69. Description of the remuneration policy of the management and supervisory bodies

At the Shareholders' General Meeting held on 30 April 2021, in compliance with the provisions of articles 26-A to 26-F of the Portuguese Securities Code, the Remuneration Policy to be applied until the end of the current mandate (2020-2023), prepared in line with the principles of the Remuneration Policy previously in force and which is available at <http://www.sonaecom.pt/investidores/assembleia-geral/>, in the "2021" tab.

The report on Remunerations referred to in article 26-G of the Portuguese Securities Code ("CVM") constitutes Annex I to this Corporate Governance Report and it also contains relevant information to the structure of the Remuneration Policy.

The policy is based on the assumption that initiative, competence, commitment and ethics are essential basis to a good performance – that should be aligned with the Company’s medium and long-term strategy in view of its sustainability) and based on the following principles:

Competitiveness

When establishing the Remuneration Policy applicable to the members of the Company’s statutory bodies, the main goal is to acquire and retain the best professionals, with high potential talent and proven experience, that may ensure stability and make a relevant and material contribution for the sustainability of the Company’s businesses.

The Policy and its positioning are defined by comparison with the national and international market, according to the main reference remuneration surveys carried out for Portugal and European markets conducted by Mercer and Korn Ferry, including comparison with the practice of the companies that make up the pool of comparable companies are those that issued stocks listed in Euronext Lisbon.

Accordingly, the remuneration parameters of the members of the governing bodies are established and periodical reviewed taking into account market conditions, the activity carried out and the responsibilities inherent to the positions held. For this purpose, the profile and curriculum of the member, the nature and description of functions, the competency framework of the governing body in question and the member himself, as well as the degree of direct correlation between the individual performance and the performance of the business are, among others, considered.

In order to determine the remuneration values for this segment, the general guidelines for positioning and competitiveness in the market advocated by the organization are considered, within the framework of the Group’s general remuneration policy, are considered.

Guidance to performance

Regarding executive directors, the Policy provides for the attribution of variable short and medium term performance bonuses, calculated according to the Company’s results and the level of performance, both at individual and group level, in order to promote the sustainable growth of its business and individual commitment to pre-defined objectives. If predefined objectives are not achieved, as measured through Key Performance Indicators (KPIs), the value of short- and medium-term incentives is properly reduced, in partial of total form.

Alignment of the interests

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus – when applicable at Sonaecom - is deferred for at least three years after its attribution. The deferred component is affected by the following two factors: (i) maintenance of the professional relationship between the director and the company for the deferral period; (ii) continued positive performance of the company throughout that period, which shall be measured according to the criteria to be determined by the Remuneration Committee.

The remuneration of non-executive directors, members of the supervisory bodies and the Board of the General Meeting consists exclusively of a fixed remuneration.

Transparency

All aspects of the remuneration structure are clear and openly disclosed (internally and externally) – among them, the voting results of the Remuneration Policy and the date of the respective approval at the General Meeting - through documentation published on the Company's website, in accordance with the Group's general remuneration policy.

Reasonability

The Company's Remuneration Policy aims to ensure a balance between Sonaecom's long-term interests and market positioning and best practices, the expectations and motivations of the members of our statutory bodies, as well as the objective of attracting and retaining talent.

Consistency and equity

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies.

For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

In the architecture of the Remuneration Policy for statutory governing bodies and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonaecom's overall benchmark in terms of competitive positioning against the comparable market, for each job, is normally the median for the fixed remuneration and the third quartile for the variable component of remuneration, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

Other Conditions

The term of office of the members of the management and supervisory bodies and the members of the Board of the General Meeting is established in accordance with the Articles of Association and the resolutions of the Shareholder's General Meeting and to the termination of functions, the rules prescribed by law apply. There are no contracts or agreements concluded between the Company and those members, namely with the purpose of establishing the duration of functions or the attribution of ant compensation for their termination.

The Policy maintains the principle of not contemplating the allocation of compensation payments to Board Directors or to members of Statutory Governing Bodies related to the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter.

If, by definitive decision with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based, the Board of Directors, at the request of the Shareholders'

Remuneration Committee, shall take the appropriate steps to recover the variable remuneration unduly awarded.

The application of the Remuneration Policy considers work in Companies with which there is a dominating or group relationship.

Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board is based exclusively on fixed annual amounts that do not depend on the Company's performance or its value. It includes an annual responsibility allowance, established taking into account the characteristics of the Company and comparable market practices.

Statutory External Auditor

The Company's Statutory External Auditor is remunerated, under the supervision of the Statutory Audit Board, in accordance with the standard fees for similar services, regarding comparable market practices.

70, 71, 72 and 73. Information regarding how remuneration is structured to align the interests of management body members with the Company's long-term interests, as well as how it is based on performance evaluation and lack of incentives to take on excessive risk. Reference, if applicable, to the variable remuneration policy and how performance evaluation can potentially affect this component. Deferred payment of the variable remuneration component, specifying the deferral period. Criteria underpinning the attribution of variable remuneration in shares, as well as the Executive Directors' retention of these shares in the event of any contracts related to them, specifically hedging or risk transfer contracts, limitations thereto and their relationship with the total annual remuneration.

Executive Directors

The remuneration of Executive Directors normally includes two components: a fixed component and a variable component.

The variable component incorporates control mechanisms into its structure, considering the connection to individual and collective performance, in order to prevent and discourage excessive risk-taking behaviors. This objective is further guaranteed by the fact that each Key Performance Indicator (KPI) is limited to a maximum value.

The following table presents the architecture of the Remuneration Policy for the Executive Directors, as well as the way in which it contributes to the Company's business strategy, to its long-term interest and to its sustainability:

Type of Remuneration	Fixed Remuneration	Variable Remuneration		Benefits
		Short-term	Medium-term	
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan. Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance.	It is equivalent to a maximum of 50% of the total variable bonus. Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus; payment deferred for at least three years, after its attribution. The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre-established targets at the beginning of the year, approved by the Shareholders' Remuneration Committee.	The bonus depends on the increase in the share price	Under the Company's general benefits Policy.
Target	Not applicable	The target value of the bonus may vary between 30% and 60% of the Total Remuneration, determined according to the job performed		
Performance Conditions	Not applicable	Collective KPIs (70%) Individual KPIs (30%)	Dependent upon the company's positive performance during the deferral period, assessed accordingly with the criteria determined by the Shareholders' Remuneration Committee.	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 68% of the Total Remuneration, depending on the job level		There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.

With regard to the two components of remuneration:

The fixed remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

The variable remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Company's performance indicators, of the work teams under their responsibility and their own individual performance. This will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out. The variable remuneration is divided into two parts:

- I. Short-Term Performance Bonus (STPB): equivalent to a maximum of 50% of the total variable bonus. This bonus is paid in cash in the first half of the year following the year to which it relates, although it may, at the discretion of the Shareholders' Remuneration Committee, be paid within the same period in shares, under the terms and conditions of the Medium-Term Performance Bonus;
- II. Medium-Term Performance Bonus (MTPB) aimed at strengthening the Executive Directors' commitment to the Company, aligning their interests with those of the Shareholders and

increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for no less than three years after its attribution.

The determination of the short- and medium-term performance bonuses, STPB and MTPB, can consider necessary adjustments that may be necessary due to outside factors and/or unforeseen conditions.

The amount of the Executive Directors' variable remuneration results from the degree of achievement of collective, departmental and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental KPIs. The collective KPIs are based on economic and financial objectives accordingly with the Company's budget, the performance of each business unit as well as the consolidated results of the Company. The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director. The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators. Since the attribution of the variable remuneration's respective value depends on achieving objectives, its payment is not guaranteed.

This variable remuneration component is calculated by the Shareholders' Remuneration Committee after the Company's results are known.

Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job. The calculation of the value attributed includes a minimum limit of 0% and a maximum of 140%, concerning the objective value previously defined. The weight of the variable component awarded in the total annual remuneration depends on two factors: (i) weight of the pre-defined target value of the variable component in the total remuneration and (ii) degree of compliance with the associated objectives. Combining these two factors results in the attribution of a variable bonus whose weight on the total actual annual remuneration may vary between 0% and 68%.

The Medium-Term Performance Bonus covers four years, including the year in which it is granted and the subsequent of at least three-year deferral period. Once awarded, the value in euros will be divided by the average share price, to calculate the number of shares it corresponds to. During the deferral period mentioned above, the value of the bonus will be adjusted using the variations in the share capital or dividends (Total Share Return) during the deferral period. The vesting of this component of the Medium-Term Performance Bonus is subject to the maintenance of the professional relationship between the director and the company for the deferral period, as well as to the continued positive performance of the company over such period, which will be assessed in accordance with the criteria defined by the Shareholders' Remuneration Committee. Pursuant to the idea of a Policy of reinforcing the alignment of the Executive Directors with the Company's medium and long-term interests, the Shareholders' Remuneration Committee may, at its discretion, determine a percentage of discount granted to the Executive Directors for the acquisition of shares, determining a contribution in their acquisition, to be borne by them, in an amount corresponding to a percentage of the listed value of the shares, with a maximum limit of 5% of their listed value at the date of the share transmission. On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead.

Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

The payment of the variable bonus can be made by any of the means for extinguishing an obligation foreseen in the Law and the Articles of Association.

The criteria for the attribution and eligibility for variable remuneration in shares are described below:

Main features of the Medium-Term Performance Bonus (MTPB)

MTPB is one of the components of Sonaecom's Remuneration Policy. This plan may be composed of Sonaecom's and/or Sonaec – SGPS, S.A. shares and is distinct from others due to its restrictive and volunteer nature, with attribution conditional upon the eligibility rules described in this document.

Scope of MTPB

MTPB is part of the annual variable bonus. It is a way of aligning the executive directors' interests with the organisation's objective, reinforcing their commitment and strengthening their understanding of the importance of their performance to the success of Sonaecom, as expressed by the market capitalization of Sonaecom shares.

Duration of MTPB

MTPB is set on an annual basis, for a period of three years (thus contemplating a period of four years, considering the year to which it relates and the deferral period of at least three years).

MTPB reference amount

The MTPB awarded is converted into shares at the award date of attribution using prices which represent the price of the share, in the Portuguese stock market, considering for this effect the most favourable of the following: closing share price of the first day of trading after the General Meeting of Shareholders or the average closing share price (regarding the thirty-day period of trading prior to the Shareholders' Annual General Meeting of Shareholders).

The participants have the right to purchase a number of shares corresponding to the quotient between the value of their medium-term variable bonus awarded and the share market price at the attribution date, calculated under the terms of the previous paragraph. Such right can be exercised three years after attribution.

If, subsequent to the award of the shares attribution rights and before these rights vest, dividends are distributed, changes are made to the nominal value of shares, the Company's share capital is changed or any other change to the Company's capital structure which impacts in the value of the rights already awarded occur, then the number of shares subject to the acquisition rights shall be adjusted to an equivalent number, taking into account the effect of the mentioned changes.

The vesting of MTPB is conditional upon the maintenance of the professional relationship between the director and the company for a period of 3 years, as well as to the continued positive performance of the company over this period, which will be assessed in accordance with the criteria to be defined by the Remuneration Committee.

In line with the policy for enhancing the alignment of Executive Directors with the Company's longterm interests, the Shareholders' Remuneration Committee may, at its discretion, adjust the discount percentage to be granted to the Executive Directors on the acquisition of the shares, by determining that the Executive Directors contribute to the acquisition in an amount corresponding to, at the maximum, 5% of the share market price at the share transfer date.

The MTPB reference value (% of target total variable remuneration) shall correspond to at least fifty percent (50%) of the total variable bonus amount.

Delivery by the Company

At the time of the exercise of the share acquisition right under the MTPB, the Company reserves the right to deliver the cash equivalent amount of the market value of the shares at the exercise date, instead of shares.

Conditions to exercise acquisition rights

The exercise of the right to acquire shares attributed at the end of the MTPB Plan shall lapse should the employment relationship between the participant and the Company cease before the end of the three years following their attribution, notwithstanding the provisions of the following paragraph. The right to acquire shares shall remain in force in the case of permanent incapacity or death of the participant, in which case the payment shall be made to them or to their heirs on the due date. If the participant retires, the right to acquire shares may be exercised on the respective due date.

Non-Executive Directors

The remuneration of Non-Executive Directors, when applicable, is established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. There is no remuneration by way of a variable bonus, or that depends on the Company's performance.

74. Criteria underpinning the assignment of variable remuneration in options, indication of the deferral period and the exercise price

The Company did not establish any variable remuneration in options.

75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits

The main parameters and reasoning concerning the variable remuneration system are disclosed in the remuneration policy approved in the Shareholders General Meeting, held on 30 April 2021, which is available for consultation at the Company's website www.sonaecom.pt, at: <http://www.sonaecom.pt/investidores/assembleia-geral/>, in the tabs "Proposal n.º4" and "Appendix to Proposal n.º4". The Executive Directors are provided with a range of benefits such as health insurance, life insurance and personal accident insurance, as part of the Group's general benefits Policy, applicable to all employees, and whose terms and values are in line with market practices.

76. Main features of the Directors' complementary pensions or early retirement schemes and date of approval by the Shareholders' General Meeting

No company specific system of retirement benefits or supplementary pensions for members of the management and supervisory bodies and other managers is part of the Remuneration Policy.

IV - Disclosure of remuneration

77, 78 and 79. Indication of the annual remuneration earned, in aggregate and individual amount, by the Company's members of the Board of Directors, including fixed and variable remuneration. Related to this, reference to the different components that led to them, amounts of any kind paid by other controlled or group companies, or those under shared control, and remuneration paid as profit sharing and/or bonus payments and the reasons why such bonuses and/or profit-sharing payments were made

The remuneration for each Sonaecom director, awarded by the Company, subsidiaries and group companies during the year 2021 and 2022, is summarized in the charts below.

Remuneration earned by Directors in the company

Directors' participation in MTPB

Amounts in euros	2022				2021			
	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Individual breakdown								
Executive Directors								
Ángelo Gabriel Ribeiro dos Santos Paupério (CEO)	183,900	96,900	96,900	377,700	183,900	113,700	113,700	411,300
Maria Cláudia Teixeira de Azevedo ⁽¹⁾	-	-	-	-	-	-	-	-
João Pedro Magalhães da Silva Torres Dolores ⁽¹⁾	-	-	-	-	-	-	-	-
Eduardo Humberto dos Santos Piedade ⁽¹⁾	-	-	-	-	-	-	-	-
Cristina Maria de Araújo Freitas Novais ⁽¹⁾	-	-	-	-	-	-	-	-
Total	183,900	96,900	96,900	377,700	183,900	113,700	113,700	411,300

⁽¹⁾ Directors not remunerated at Sonaecom

Remuneration earned by Directors in other controlled or group companies

Amounts in euros	2022				2021			
	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Name								
Ángelo Gabriel Ribeiro dos Santos Paupério	141,604	-	-	141,604	142,204	-	-	142,204
Maria Cláudia Teixeira de Azevedo	514,800	544,200	544,200	1,603,200	505,600	551,000	551,000	1,607,600
João Pedro Magalhães da Silva Torres Dolores	360,600	292,400	292,400	945,400	280,294	283,700	283,700	847,694
Eduardo Humberto dos Santos Piedade (Note 1)	226,810	306,904	306,904	840,618	219,530	280,523	280,523	780,576
Cristina Maria de Araújo Freitas Novais (Note 1)	89,400	96,740	96,740	282,880	75,400	85,880	85,880	247,160
Total	1,333,214	1,240,244	1,240,244	3,813,702	1,223,028	1,201,103	1,201,103	3,625,234

Note 1: Variable remuneration for 2022 and 2021 include extraordinary amount based on outperforming profitability targets on shareholdings sold in the year

The short-term performance bonus includes a participation in the profits of the Company.

The variable remuneration of the Executive Directors was measured in accordance with the performance assessment and the remuneration policy approved at the General Meeting of April 30, 2021, detailed in the preceding paragraph 71 and reflected in the remuneration table above.

80. Compensation paid or owed to former Executive Directors following end of office

No compensation was paid or is currently owed to former Executive Directors in relation to end of office during 2022.

The Remuneration Policy of the Company upholds the principle of not attributing compensation to Directors or members of other statutory governing bodies associated with the end of office, whether this termination occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any applicable legislation in force.

81. Indication of the annual remuneration earned, in aggregate and individual amount, by the members of the Company's Statutory Audit Board

The remuneration of the members of the Statutory Audit Board is made up of fixed annual fees, based on the Company's financial situation and market practice, and does not include any variable remuneration. Thus, the Chairman of the Statutory Audit Board earned 9,900 euros in 2022 and 2021 and the other members earned, in the same period, 7,900 euros. The substitute members of the Statutory Audit Board did not receive any remuneration.

82. Remuneration in the reference year for the Chairman of the Board of the Shareholders' General Meeting

The Chairman of the Board of the Shareholders' General Meeting earned a fixed annual remuneration of 5,000 euros and the Secretary earned a fixed annual remuneration of 2,500 euros.

V - Agreements with remuneration implications

83. Contractual limitations on compensations to be paid upon to Directors' dismissal without cause and its relation with the variable component of the remuneration

There are no agreements in place with members of the Board of Directors that establish amounts to be paid in case of dismissal without cause, without prejudice to the applicable legal provisions.

84. Reference to the existence and description, stating the sums involved, of the agreements between the Company and members of the Board of Directors, providing for compensation in case of dismissal without cause or termination of the employment relationship, following a change of control of the Company

There are no agreements made between the Company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change of control of the Company.

VI - Share attribution plans or stock options

85 and 86. Identification of the plan and its recipients. Plan features (assignment conditions, share transfer clauses, share price and option exercise price criteria, period during which options can be exercised, features of the shares or options to be assigned, incentives to acquire shares and/or exercise options).

The Medium-Term Performance Bonus – MTPB, as described in paragraph 73, is intended for Executive Directors, as well as employees of the Group's Companies, in terms to be defined by the respective Boards of Directors.

The MTPB is designed to align the interests of the Executive Directors with the Company, reinforcing their engagement and the perception of the impact of their performance on the success of Sonaecom in accordance with its market cap.

The characterization of the share allocation plan is made in paragraphs 71,72 and 73.

The Remuneration Policy of the governing bodies, as well as the share allocation plan in force, were approved at the Annual General Meeting held on 30 April 2021, on a proposal from the Remuneration Committee in compliance with the provisions of articles 26-A to 26-F of the Portuguese Securities Code and Recommendations V.2.1 to V.2.10 of the IPCG 2018 Corporate Governance Code, amended in 2020.

The resolutions of the Annual General Meeting under consideration can be consulted at <http://www.sonaecom.pt/investidores/assembleia-geral/>.

87. Option rights granted to acquire shares ("stock options") where the beneficiaries are the Company's employees

There are no stock options attributed to acquire shares.

88. Planned control mechanisms for any employee share capital participation scheme, to the extent voting rights are not directly exercised by them

There are no control mechanisms established to control employee participation in the Company's capital.

D. Transactions with related parties

I - Mechanisms and control procedures

89. Mechanisms implemented by the Company to monitor transactions with related parties (for the purposes of IAS 24)

Sonaecom endeavours to carry out transactions with related parties based on principles of rigour and transparency, and in strict observance of legal rules and market standards. Such transactions are subject to specific internal procedures based on mandatory standards, (i) considering the Company's best interests, (ii) on an arms' length basis pursuant to any legal requirements and disclosed in a transparent manner, and (iii) adequately protecting minority shareholders' interests and treating every shareholder equally.

In this regard, Sonaecom has adopted an Internal Policy Concerning Transactions With Related Parties, as approved by the Board of Directors and the Statutory Audit Board. Within the scope of this Policy, the Company has put in place a set of specific procedures in order to prevent conflicts of interest, such as promoting communication between the Board of Directors and the Statutory Audit Board and ensuring that a record of all transactions with related parties is kept, together with all relevant supporting documents. This information is remitted at least on a half-year regular basis to the Statutory Audit Board. The Statutory Audit Board then reviews the documentation and determines whether the relevant transactions are deemed as Transactions in the Ordinary Course of Business, as defined in the Internal Policy Concerning Transactions With Related Parties and it makes all necessary recommendations and questions. Conclusions drawn from this work are then included in the Statutory Audit Board's annual report and presented to the Board of Directors.

90. Indication of transactions subject to control in the reference year

Transactions subject to control in the course of the year 2022 fall within the Company's scope of activity, were executed on arm's length conditions and side-by-side with other equivalent transactions executed with national and international parties, in terms that abide by the framework of Sonaecom's practice under the supervision of the Statutory Audit Board, as described in the Company's Consolidated Financial Statements' Appendix, mentioned in section 92 below. The Company did not execute any transaction with any member of the management or supervisory bodies during 2022.

91. Description of the procedures and criteria for intervention of the Statutory Audit Board for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code

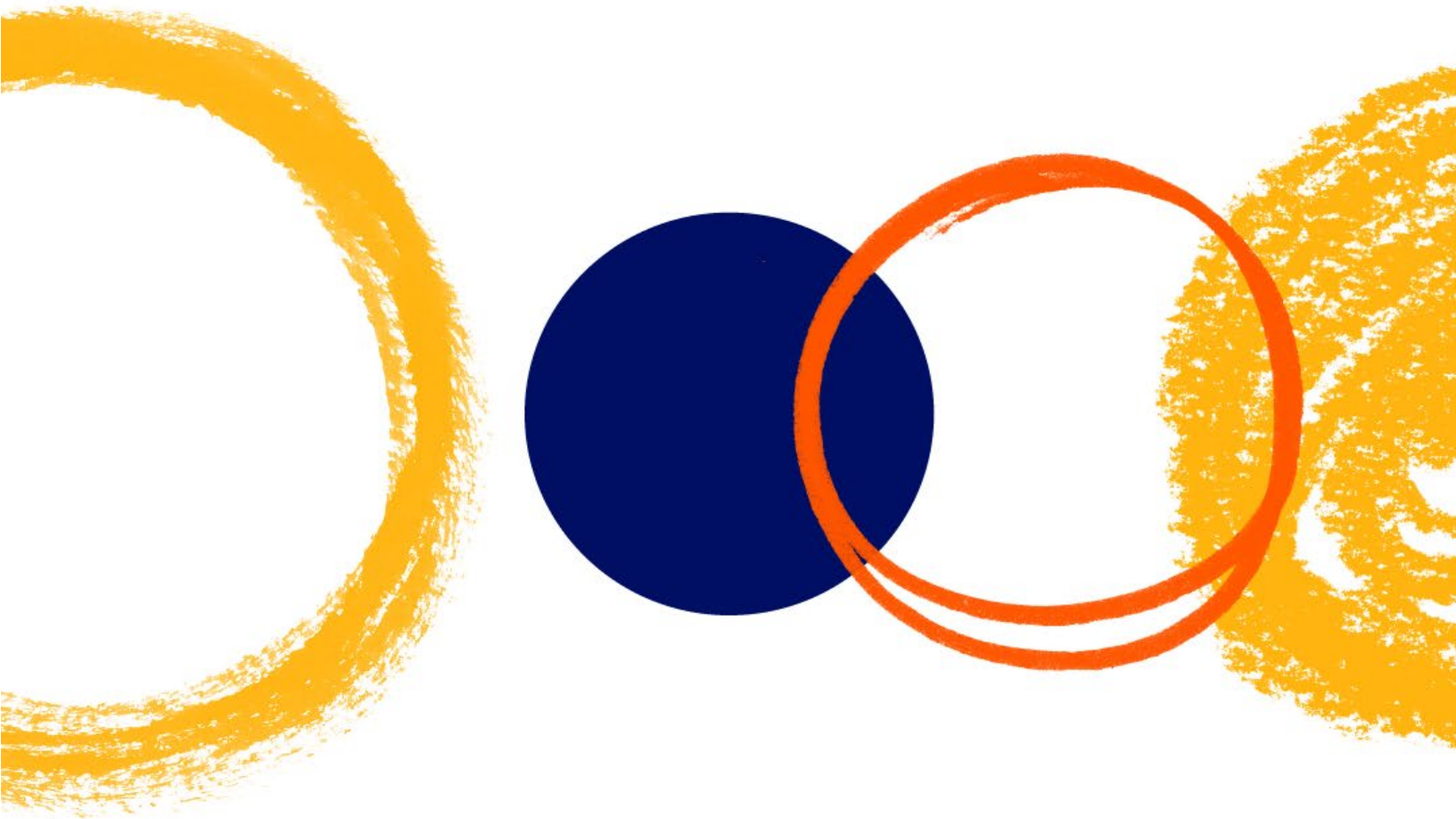
Transactions with owners of qualified shares or with entities related in any way with them, under the terms of article 20 of the Portuguese Securities Code, are subject to a formal prior opinion by the Statutory Audit Board, if they do not qualify as Transactions in the Ordinary Course of Business or their value exceeds 10 million euros. In addition, a record of all transactions with related parties is kept, together with all relevant supporting documents. This information is remitted at least on a half-year regular basis to the Statutory Audit Board.

II - Business related elements

92. Location where the information on transactions with related parties is available on the accounting documents, according to IAS 24 or, alternatively, reproduction of said information

Information on transactions with related parties, in accordance with IAS 24, can be found in note 37 to the 2022 Consolidated Financial Statements' Appendix.

Part II – Assessment of Corporate Governance



1. Identification of the adopted Corporate Governance Code

The Corporate Governance Report provides a description of the Corporate Governance structure, policies and practices followed by the Company and complies with the standards of the article 29° - H of the Portuguese Securities Code and information duties required by the Portuguese Securities Market Commission (CMVM) Regulation no. 4/2013, of 1 August. This Report additionally discloses, in light of the principle *comply or explain*, the terms of compliance by the Company with the Portuguese Institute of Corporate Governance (IPCG) Recommendations contained in the IPCG Corporate Governance Code, published in 2018 (and reviewed in 2020), available on the website of this entity at <https://www.cgov.pt>, and to which the Company voluntarily submits.

Regarding the structure, this Corporate Governance Report follows the model foreseen in Appendix I to CMVM Regulation no. 4/2013, of 1 August.

The corporate governance practices adopted by Sonaecom aim at promoting and developing the Company's performance, as well as the capital market and strengthening the confidence of investors, employees and the general public in the quality and transparency of management and supervision and in the Company's sustainable development.

This Report should be read as a part of the Management Report and the Individual and Consolidated Financial Statements for the year 2022.

The requirements for the provision of information as per Law 50/2020, of 25 August, article 447 of the Portuguese Companies Code, article 29-H of the Portuguese Securities Code and CMVM Regulation no. 5/2008, as amended by CMVM Regulation no. 7/2018, have also been fulfilled.

All of the rules and regulations mentioned in this Report are available at www.cmvm.pt, www.cgov.pt and www.cam.cgov.pt.

Unless otherwise expressly stated, all references are to be deemed as being made to the Report itself.

2. Analysis of compliance with the adopted Corporate Governance Code

The governance model adopted by Sonaecom enabled the Board of Directors to operate normally, and none of the other statutory governing bodies have reported any constraints to their normal functioning. The Statutory Audit Board exercised its supervisory function, having received appropriate support from the Board of Directors to this end, via regular provision of information.

The Statutory External Auditor monitored the Company's activities and conducted the examinations and verifications deemed necessary to review and legally certify the accounts, interacting with the Statutory Audit Board, within the framework of their duties and responsibilities and with full cooperation from the Board of Directors.

The Board of Directors has been carrying out its duties and cooperating with the Statutory Audit Board and the Statutory External Auditor, when so requested, in a transparent and rigorous manner and in compliance with their regulations and best corporate governance practices.

The full text containing the corporate governance guidelines currently adopted by Sonaecom - whether published by specific regulation, recommendation or voluntarily, including the Code of Conduct, are made publicly available on our website <http://www.sonaecom.pt/home/?l=en> and also on the CMVM website: www.cmvm.pt.

Below is a list of the recommendations included in the Corporate Governance Code approved and adopted in 2018 (and reviewed in 2020) by the Portuguese Institute of Corporate Governance and the analysis of compliance with the aforementioned recommendations by Sonaecom as of 31 December 2022.

CHAPTER I – GENERAL PROVISIONS

I.1. Company's relationship with investors and information

I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous manner, timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.

RECOMMENDATION ADOPTED – Sections 56 to 58, Part I.

The Company possesses within its organisational structure the departments with specific competencies regarding timely disclosure of information in a suitable and rigorous manner to its statutory bodies, shareholders, investors and other stakeholders, financial analysts and the general market.

The Company, through its website - <http://www.sonaecom.pt/home/?l=en> – provides access to relevant and updated economic, financial and governance information to all stakeholders, in Portuguese and English, which enables them to increase knowledge and understanding of the Company, its strategy, its current positioning, and its evolution.

In addition, the Company has an investor support office with permanent contact with the market, whose duties are listed under section 56 of this Report, which responds to investors' requests in a timely manner, keeping a record of these requests and of the treatment they have been given. This department ensures the symmetry of information available to the market and the fair treatment of all shareholders, investors and other stakeholders, upon the immediate drafting and disclosure of privileged information; it makes sure that the regular financial disclosure duties are complied with and it actively and timely assesses the information publicly disclosed by the market research analysts that follow the Company (when they exist) and it corrects inaccurate or out-of-date information disclosed by those professionals. However, Sonaecom is currently not followed by any of those market research analysts.

The Board of Directors ensures, in a timely and adequate manner, the flow of information necessary for the exercise of legal and statutory powers to each of the other bodies, speeding up, in particular, the necessary resources for the drafting and issuance of notices, minutes and supporting documentation concerning the decisions taken.

The notices and minutes of the meetings of the Board of Directors are made available to the Chairman of the Statutory Audit Board, who obtains from the Board of Directors and / or the Executive Committee, if applicable - in an expeditious, clear and complete manner - all information necessary for the performance of their duties, namely the operational and financial evolution of the Company, changes in the business portfolio, terms of all transactions that occurred and details of the decisions taken, reviewing at each meeting the minutes of the Board of Directors and, when applicable, of the Executive Committee.

The Statutory Audit Board may request the persons responsible for the various Departments of the companies of Sonaecom group to provide the required information for the performance of its duties and, if necessary, request the Board of Directors the collaboration of one or more members with experience in the areas of their competence, to provide information and carry out work, in order to substantiate its analysis and conclusions.

I.2. Diversity in the composition and functioning of the Company's governing bodies

I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides

individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.

RECOMMENDATION ADOPTED – Sections 16, 19, 26, 33 and 36, Part I.

The Company adopted a Diversity Policy for the Management and Supervisory Bodies, the description of which is included in Section 16 of Part I of this Report. This policy seeks, on the one hand, to ensure a significant and differentiated representation of gender, origins, qualifications and professional experience, as a way of ensuring an adequate composition of the interests of all its stakeholders and, on the other hand, allowing an enhanced balance in its structure, taking into account, not only the nature and complexity of the activities carried out by the Company, but also the context in which it operates. In this sense, the Company undertakes all efforts to ensure that, in the selection of the members of these corporate bodies, there are imperative criteria to ensure that they meet the largest possible width of diversity of knowledge, skills, experience and values. These criteria focus mainly on: (i) gender diversity; ii) the professional qualification alongside with the necessary renewal of the composition of the governing bodies, in order to ensure compatibility between seniority and the diversification of career paths, avoiding group thinking; iii) the plurality of knowledge and iv) not considering age as an obstacle and without restrictive views on age limitations for exercising corporate functions.

Furthermore, candidates to be appointed to the management and supervisory bodies should possess an adequate experience in senior offices within companies or similar organisations that enables them to (i) assess, challenge and develop the Company's senior officers; (ii) assess and challenge the group's and its main subsidiaries' corporate strategy; (iii) assess and challenge the Company's operational and financial performance; and (iv) assess the organisation's fulfilment of the Company's values.

Each candidate should in addition make their individual contribution in enabling the board of Directors, as a whole, to gain in-depth and international knowledge of Sonaecom's main business sectors, knowledge of the main markets and geographies where the business areas operate and knowledge and competencies regarding management techniques and technologies that are key for the success of relevant companies in the business sectors of the Company.

Candidates should furthermore possess the human qualities, purpose clarity, analytical qualities and synthesis and communication skills required to address a large number of diversified and complex issues, within a limited time-frame, with the necessary depth to allow for a timely and high-quality decision-making.

I.2.2. The Company's managing and supervisory boards, as well as their committees, should have internal regulations - namely regulating the performance of their duties, their chairmanship, periodicity of meetings, their functioning and the duties of their members -, and minutes of the meetings of each of these bodies should be drafted.

RECOMMENDATION ADOPTED – Sections 22, 27, 29, 34 and 61, Part I.

Both the Board of Directors and the Statutory Audit Board of the Company have adopted Internal Regulations, establishing their powers, chairmanship, periodicity of meetings, functioning and framework of duties of its members.

The Board of Directors has adopted the Regulation which is available on the Company's website (in Portuguese and English versions) and which includes the regulation regarding the functioning of the Executive Committee when this exists. This Regulation can be found in:

<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

The Statutory Audit Board has adopted the Regulation which is available on the Company's website (in Portuguese and English versions) and can be found in:

<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

Detailed minutes of all meetings of the aforementioned bodies are drafted and written down.

Currently, the Company does not have an Executive Committee or any other committees within the Board of Directors. In light of this, the company considers this recommendation not to be applicable in such regard.

I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.

RECOMMENDATION ADOPTED – Sections 23, 35 and 67, Part I.

The composition of the management and supervisory bodies and of their internal committees, where applicable, as well as the number of their annual meetings, is available in Portuguese and English versions on the Company's website.

I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested

RECOMMENDATION ADOPTED – Sections 38 and 49, Part I.

The Company has adopted and implemented a Irregularities Communication Policy that is a part of the Code of Conduct and available at the Company's website -

<http://www.sonaecom.pt/investidores/governo-das-sociedades/codigo-de-etica-e-conduta/> - and concerns all Sonaecom Group companies.

As per this Policy, it is the responsibility of the Statutory Audit Board to determine the mechanisms of detection and prevention of irregularities, and it is its duty to verify the existence thereof in accordance with the applicable legal provisions regarding confidentiality, information dealing and the inexistence of retaliation on the whistle-blowers.

The Statutory Audit Board receives the irregularity reports from shareholders, employees or third parties. It should afterwards put them on record and promote the necessary swift investigation by the Board of Directors and/or by the internal and/or external audit, and then report on the conclusions reached.

The Company has also available an Internal Reporting Channel for the presentation of reports concerning act or omissions carried out in a wilful or negligent manner, as described in articles 2 paragraph 1 of Law no. 93/2021 of 20th December (which approves General Regime for the Protection of Whistleblowers) and article 3 of Decree-Law no. 109-E/2021, of 9th December (which establishes the General Regime for the Prevention of Corruption).

The Company further approved a Regulation for the Communication of Infractions (*Whistleblowing*) – available at the Company's website at <http://www.sonaecom.pt/investidores/governo-das-sociedades/regulamento-denuncia-infracoes/> - which establishes a set of internal rules and procedures for the reception, record and treatment of communications of Infractions, in compliance with the legal and regulatory framework applicable at each given time, as well as with the rules, principles and values set out in the Company's Policy for the Prevention of Corruption and Related Offenses. The Company ensures that the communications of infractions received on the Internal Reporting Channel are submitted to an effective, prompt and adequate system for their detection, investigation and resolution, in accordance with the highest ethical standards approved by the Company, preserving notwithstanding the principles of confidentiality and non-retaliation.

I.3. Relationships between the Company bodies

I.3.1. The bylaws, or other equivalent means adopted by the Company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and Company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the Company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.

RECOMMENDATION ADOPTED – Sections 22, 34 and 61, Part I.

Vide Section I.1.1.

I.3.2. Each of the Company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.

RECOMMENDATION ADOPTED – Sections 22, 34 and 61, Part I.

Vide Section I.1.1.

I.4. Conflicts of interest

I.4.1. The duty should be imposed, to the members of the Company's boards and committees, of promptly informing the respective board or committee of facts that could constitute or give rise to a conflict between their interests and the Company's interest.

RECOMMENDATION ADOPTED – Section 49, Part I.

The Company has adopted a policy to regulate possible conflicts of interest, according to which (and to the regulation of the Board of Directors) the members of the Board of Directors or of its Committees, if applicable, shall promptly inform the respective governing body or committee about facts that may constitute or cause a conflict (whether actual or potential) between their own interests and the interests of the Company.

Pursuant to its Regulation, the members of the Statutory Audit Board must inform the Company with reasonable anticipation, if possible, or immediately, if unforeseeable, of any circumstance affecting their independence and exemption or that establishes a legal incompatibility for the exercise of the position.

I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.

RECOMMENDATION ADOPTED – Section 49, Part I.

The Company has adopted a policy to regulate possible conflicts of interest, according to which (and to the regulation of the Board of Directors) the members of the Board of Directors or of its Committees, if applicable, shall promptly inform the respective governing body or committee about facts that may constitute or cause a conflict (whether actual or potential) between their own interests and the interests of the Company.

The member who, in accordance with the preceding paragraph, declares to be in conflict of interest, shall not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications that the governing body, the committee or its members may request.

I.5. Related party transactions

I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.

RECOMMENDATION ADOPTED – Sections 38, 89 to 91, Part I.

During the 2020 financial year, the Board of Directors has approved, upon previous binding opinion from the Statutory Audit Board, an Internal Policy Concerning Transactions With Related Parties, which remains in force and is attached to the Regulation of the Board of Directors and to the regulation of the Statutory Audit Board, both available on <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>. This policy contains the rules foreseen in article 29.º - S of the Portuguese Securities Code.

I.5.2. The managing body should report all the transactions contained in Recommendation I.5.1. to the supervisory body, at least every six months.

RECOMMENDATION NOT APPLICABLE*

* In accordance with the note regarding the interpretation of the IPCG Corporate Governance Code (reviewed in 2020) issued by the Monitoring Commission.

It is the responsibility of the supervisory body (and no longer of the managing body) to assess periodically transactions with related parties.

CHAPTER II – SHAREHOLDERS AND GENERAL MEETINGS

II.1. The Company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.

RECOMMENDATION ADOPTED – Section 12, Part I.

The Articles of Association of the Company do not provide for any restriction on the right to vote. The Company's share capital is fully represented by a single category of shares, each share corresponding to one vote, in order to encourage its shareholders to participate in the Shareholders' General Meetings.

II.2. The Company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.

RECOMMENDATION ADOPTED – Section 14, Part I.

In accordance with the provisions of the Company's Articles of Association, the resolutions of the Shareholders' General Meeting shall be taken by a simple majority, unless otherwise required by law.

II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.

RECOMMENDATION ADOPTED – Section 12, Part I.

The Company's Articles of Association foresee the possibility of holding the General Meeting by telematic means - provided that the necessary resources, the authenticity of the declarations and the security of the communications are guaranteed.

Considering the positive experience of the last two years, the Company has implemented the necessary conditions for the shareholders to remotely attend the Shareholders' General Meeting.

In 2022, the Company has made available all the previous information concerning the Annual General Meeting on its website only.

On the other hand, the exercise of voting rights and information rights (as well as other relevant communications in this context) were carried out via email only.

II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.

RECOMMENDATION ADOPTED – Section 12, Part I.

Without prejudice to the mandatory proof of shareholder status, shareholders may vote by correspondence in all matters subject to the Shareholders' General Meeting.

The Company also allows to its shareholders to vote through electronic means, without any restriction. In the notice of the General Meeting, the Company provides adequate information on how to exercise postal voting and voting by electronic means.

In addition, the Company makes available on its website, from the publication of the notice of each General Meeting, document templates intended to facilitate access to information necessary for shareholders to issue the communications required to ensure their presence at the Meeting. The Company also provides an e-mail address for the clarification of any doubts and to receive all communications regarding the participation in the General Meeting.

II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution - without increased quorum in comparison to the legally established - and in that resolution, all votes cast will be counted without observation of the imposed limits.

RECOMMENDATION NOT APPLICABLE – Sections 5 and 13, Part I.

The Articles of Association do not establish any limitation to the number of votes that may be held or exercised by a sole shareholder, individually or together with other shareholders.

II.6. The Company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.

RECOMMENDATION ADOPTED – Sections 4 and 84, Part I.

The Company has not adopted any measures to this effect.

CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

III.1. Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator, from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.

RECOMMENDATION NOT APPLICABLE.

The Board of Directors of the Company does not have any independent director, as the Company believes that, given its current size, its shareholder structure and the low dispersion of the share capital, such is not justified. Therefore, the appointment of a lead non-executive director is also unjustified.

III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the Company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.

RECOMMENDATION ADOPTED– Section 18, Part I.

At the Shareholders' General Meeting held on 29 April 2020, it was resolved to increase the number of members of the management body from 4 to 5.

The management of all corporate matters is now the exclusive competence of the Board of Directors, all of its members assuming from that date on the capacity of executive directors – a solution that the Board deems appropriate given the size of the Company, the complexity of the risks of its activity and its shareholding structure, as well as the reduced dispersion of its share capital. This is because, pursuant to the aforementioned variables, the suitability judgment made by the Company leads to the conclusion that all *apports* that Non Executive Directors typically bring to the table (especially as challengers of the decisions made) are duly accounted for and internalized by the current composition of the Board of Directors.

The Statutory Audit Board is composed of three members, one being the Chairman – this composition is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, as detailed on paragraph III, a), b) and c) of this Report.

The Board of Directors believes that, given the current size of the Company, there is no justification for the existence of any specific committee for financial matters (the adopted corporate governance model does not include a specific committee for financial matters).

III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.

RECOMMENDATION NOT ADOPTED.

In view of its current size, its shareholder structure and the reduced dispersion of the share capital, the Company considers that there is no justification for the existence of a board of directors with a large number of members. Currently, the Board of Directors is composed by a total number of 5 (five) members, who are jointly in charge of the management of all corporate matters, all of its members assuming from that date on the capacity of executive directors.

III.4. Each Company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the Company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

- I. having carried out functions in any of the Company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;
- II. having been a prior staff member of the Company or of a Company which is considered to be in a controlling or group relationship with the Company in the last three years;
- III. having, in the last three years, provided services or established a significant business relationship with the Company or a Company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;
- IV. having been a beneficiary of remuneration paid by the Company or by a Company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;
- V. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of Company directors or of natural persons who are direct or indirect holders of qualifying holdings, or
- VI. having been a qualified holder or representative of a shareholder of qualifying holding.

RECOMMENDATION NOT APPLICABLE.

The Board of Directors of the Company does not have any Non-Executive Director, as the Company believes that, given its current size, its shareholder structure and the low dispersion of the share capital, such is not justified, as previously explained. Therefore, the appointment of any Independent Non Executive Directors is also unjustified.

III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the Company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).

RECOMMENDATION NOT APPLICABLE.

The Company does not have any Director in such circumstances.

III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.

RECOMMENDATION ADOPTED – Section 38, Part I.

The Terms of Reference of the Statutory Audit Board, where its duties are described - beyond those assigned by law - are available on the Company's website (<http://www.sonaecom.pt/home/?l=en>), at <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

In accordance with Article 6, paragraph 2, c) of the Terms of Reference mentioned above, the members of the Statutory Audit Board should, besides their general and individual monitoring duties, monitor, assess and issue an opinion regarding the strategic guidelines and the internal control and risk management policy established by the Board of Directors, whenever deemed convenient, prior to its approval, proposing the optimisation measures it deems necessary, issuing guidelines and recommendations, and reports on such system in its statements and annual report that is disclosed together with the remainder of the financial documents, available on <http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/>(tab MR&A 2022/Chapter V).

III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.

RECOMMENDATION ADOPTED - Sections 27 and 29, Part I.

Given the current size of the Company and the limited complexity of its structure (it has a reference shareholder holding about 89% of the share capital) and the small free-float (currently about 9% of the share capital) the Board of Directors believes that there is no justification for the existence of any internal specialised commission, notably concerning nomination, remuneration and assessment of the performance of the Directors. The Company believes that the governance structure adopted is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, notably in what concerns remuneration and performance assessment, which is a responsibility of the Shareholders Remuneration Committee, which is composed by members who are independent from the Board of Directors. In addition, the identification of potential candidates with the right profile to take on leading or director roles may be conducted by the Shareholders Remuneration Committee, that may on its part hire the necessary or convenient advisory services in order to better fulfil its duties, and may also prepare general information concerning any contingency plans and talent management in general.

Regarding corporate governance matters, the Company maintains a Corporate Governance Officer who reports hierarchically to the Board of Directors and whose main responsibilities are to evaluate the structure and practices of governance adopted, verify its effectiveness and propose to the competent bodies the measures to be implemented in order to improve it. Its main duties are described in the Corporate Governance Report (paragraph 27, p. 14) and it is part of the organic administrative structure of the Company, side by side with other departments that support the activity of the management body. In this manner it is deemed as materially equivalent to the existence of an internal committee, specialised in corporate governance matters – in other words, the duties that are discharged by the Corporate Governance Officer and its extensive experience and knowledge regarding corporate governance matters allows us to draw the conclusion that this office is in fact and in substantial terms performed by a uninominal commission, regardless of the *nomen juris* given to it.

CHAPTER IV – EXECUTIVE MANAGEMENT

IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

RECOMMENDATION ADOPTED.

The regulation of the Board of Directors, available on <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/> and the policy regarding conflicts of interest in place provide that exercise by any member of the Board of Directors of an executive role or a significant position outside of the group that has not been authorised by the Company's Shareholders' General Meeting should be approved in advance by the Board of Directors.

Directors of the Company are not allowed to perform any competing activities or roles if no express permission is granted by the Company's Shareholders' General Meeting.

IV.2. The managing body should ensure that the Company acts consistently with its objects and does not delegate powers, namely, in what regards: i. the definition of the strategy and main policies of the Company; ii. the organisation and coordination of the business structure; iii. matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.

RECOMMENDATION ADOPTED – Sections 21, 27 and 28, Part I.

The Company does not currently possess an Executive Committee. In compliance with the terms of the Board of Directors' Regulation, it may delegate in an Executive Committee the every-day management of the Company as it sees fit, establishing how it should operate and how it should exercise the delegated powers, with the following exceptions:

- a) Appointment of the Chairman of the Board of Directors;
- b) Co-optation of Directors;
- c) Request to convene General Meetings;
- d) Approval of the Annual Report and Accounts;
- e) Provision of collateral and personal or real guarantees by the Company;
- f) Decision to change the registered office or increase the share capital;
- g) Decision on mergers, spin-offs or transformation of the Company;
- h) Approval of the strategic management of the annual business portfolio and the policies thereof;
- i) Approval of the Company's annual budget and the Group's annual business plan and any changes on the same;
- j) Definition of the organisation and coordination of the corporate structure the Sonaecom Group;
- k) Approval of every issue that should be deemed as strategical as a consequence of its amount, risk or particular features;

- I) Definition of the Human Resources policies that are applicable to top employees (levels GF3 and above) with the exclusion of areas that are the exclusive competence of the Shareholders' General Meeting or of the Shareholders' Remuneration Committee.

IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.

RECOMMENDATION ADOPTED – examples are Sections 69 to 76, 85 and 86, and Chapter III Section 1.2, note 1, of the Annual Report and Accounts.

As provided for in the Annual Report and in this Corporate Governance Report, the Company's strategy and main policies encompass a wide range of stakeholders, far beyond that of shareholders. From employees and their families to investors; from suppliers to customers; from the financial community to the general public, it is the Company's and the Groups' consistent drive to contribute to the reinforcement of the credibility and sustainability of the financial system and the capital market, thereby strengthening trust from the public, national and international investors and small investors. Simultaneously, the country's image and reputation is also solidified.

For exemplifying purposes only, through (i) thorough mechanisms of control of the services provided to the Company, (ii) the proactive detection of breaches of the Company's values within the scope of the Ethics Code and (iii) the consistent and long-term alignment between the remuneration incentives of the members of the management body and the interests of the Company, it has been possible to sustain the ambition of continuously sharing with the community the genetics and praxis of a long-living company based upon values, hard work, respect for stakeholders, sustainability and diversity concerns. It is furthermore the Company's conviction that the right thing to do is to keep pushing to take the benefits of progress to an ever-increasing number of people.

CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENTS

V.1 Annual evaluation of performance

V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the Company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the Company's other bodies and committees.

RECOMMENDATION ADOPTED.

The assessment of the performance of the members of the management body is conducted in accordance with the principles, valuation and rules set out in the Remuneration and Compensation Policy that is proposed by the Shareholders' Remuneration Committee and approved by the Annual Shareholders' General Meeting.

The Board of Directors, in accordance with its Regulation, annually evaluates its performance, and did so regarding 2021, taking into account the accomplishment of the Company's strategic plan and budget, its risk management, internal functioning and its relations with other Sonaecom bodies. At its meeting of 28 March 2023, the Board of Directors conducted this self-assessment.

In addition, and in accordance with article 376 of the Companies Code, the Shareholders' General Meeting annually reviews the management of the Company through a confidence or no confidence vote. Currently, the Company does not have an Executive Committee or any other committees within the Board of Directors. In light of this, the company considers this recommendation not to be applicable in such regard.

V.2 Remuneration

V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.

RECOMMENDATION ADOPTED – Sections 66 to 68, Part I.

The Company possesses a Shareholders' Remuneration Committee, appointed under the terms of article 399 of the Commercial Companies Code, whose members - Duarte Paulo Teixeira de Azevedo and Francisco de la Fuente Sánchez - are independent from the members of the Board of Directors and act in this capacity and with relevant knowledge and experience concerning remuneration policy. The *curricula vitae* of the members of the Remuneration Committee are available in Appendix III to this Report.

V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.

RECOMMENDATION ADOPTED – Sections 66 to 68, Part I.

The remuneration of the members of the management and supervisory bodies of the Company is set by the Shareholders' Remuneration Committee, appointed under the terms of article 399 of the Commercial Companies Code.

The Company's remuneration policy has the features foreseen in Sections 69 to 75 of Part I of this Report and which are in line with this recommendation.

The Remuneration Committee, appointed in the General Meeting and representing the shareholders, is the responsible corporate body for evaluating the performance and approval of the remunerations of the members of the Board of Directors and other corporate bodies, according with the Remuneration Policy approved by the shareholders at the General Meeting.

V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.

RECOMMENDATION ADOPTED.

The Shareholders' General Meeting, held on 29 April 2020, approved the Remuneration and Compensation Policy, upholding the principle of not attributing compensation to Directors or members of other statutory governing bodies associated with the loss of office, whether this termination occurs according to their original mandate or whether it is anticipated for whatever reason, without prejudice to the obligation of the Company to comply with any applicable legislation in force.

During 2022 the Company has not made any payment of such nature.

V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the Company's boards and committees or if such presence has been requested by the shareholders.

RECOMMENDATION ADOPTED.

The Shareholders' Remuneration Committee agrees with this Recommendation and appoints, out of its members, the one that should represent it at the Shareholders' General Meeting.

The Chairman of the Shareholders' Remuneration Committee, Duarte Paulo Teixeira de Azevedo, attended the Annual Shareholders' General Meeting held on 28 April 2022.

V.2.5. Within the Company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the Company, of necessary or convenient consulting services to carry out the committee's duties.

RECOMMENDATION ADOPTED – Section 67, Part I.

The Remuneration Committee of the Company may freely hire the necessary or convenient advisory services for the exercise of its duties.

V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee

RECOMMENDATION ADOPTED – Section 67, Part I.

The Remuneration Committee, when hiring any advisors to support the performance of its duties, always focuses on choosing consultants of recognized competence and international presence and must make sure that the selected specialists possess the independence necessary to fulfil the purpose for which they are hired and especially that such independence is not hindered by the provision of material services to the Company or any related parties. The independence of these hired consultants is ensured either by the autonomy before the Board of Directors, the Company and the Group, either because they have no connection with the Board of Directors, or because of their wide experience and recognition in the market.

V.2.7 Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.

RECOMMENDATION ADOPTED – Sections 69 to 76 of Part I and remuneration policy approved by the Shareholders' General Meeting.

A significant part of the remuneration of Sonaecom's executive directors is determined by the success of the Company. The variable component of remuneration is structured in such a way as to establish a link between the sums awarded and the level of performance, both at individual and group level. If predefined objectives are not achieved, measured through KPIs applicable to the business and to the individual performance, the value of short- and medium-term incentives will be partially or totally reduced.

Sonaecom reviews its remuneration policy annually as part of its risk management process, in order to ensure that it is entirely consistent with its desired risk profile. During 2022, no problems relating to payment practice were found that posed significant risks to the Company.

In designing remuneration policy, care has been taken not to encourage excessive risk-taking behaviour, attributing significant importance, but at the same time a balanced approach, to the variable component, thus closely linking individual remuneration to group performance.

Sonaecom has in place internal control procedures concerning remuneration policy, which target the identification of potential risks. Firstly, the variable remuneration structure is designed in such a way as to discourage excessive risk-taking behaviour to the extent that remuneration is linked to the evaluation of performance. The existence of objective KPIs constitutes an efficient control mechanism. Secondly, the adopted policy does not allow contracts to be entered into that would minimise the importance of the Medium-Term Incentive Plan (MTIP). This policy includes forbidding any transaction that might eliminate or mitigate the risk of share price variations.

The remuneration of the members of the Statutory Audit Board is exclusively made up of fixed annual fees, based on comparable market practices, and does not include any variable remuneration.

The Company's Statutory External Auditor is paid according to the standard fees table for similar services, at market rates and under a proposal from the Statutory Audit Board.

The remuneration policy presented to the Shareholders' General Meeting on 29 April 2020 is available on <http://www.sonaecom.pt/investidores/assembleia-geral/>, Tab 2021, Proposal no. 4 and Appendix to Proposal no. 4.

V.2.8 A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.

RECOMMENDATION ADOPTED – Sections 71 to 73 and 86, Part I.

Part of the variable remuneration of Executive Directors is paid in shares and deferred for a period of three years.

Considering that the value of the shares is linked to the performance of the Company, the remuneration paid will be affected by the way the Executive Director contributes to such performance. Consequently, an alignment of the Director with the interests of the shareholders and with the medium-term performance is ensured.

V.2.9 When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.

RECOMMENDATION NOT APPLICABLE.

The variable component of the remuneration of the Company does not contemplate the allocation of options or other instruments, directly or indirectly dependent on the value of the shares.

V.2.10 The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.

RECOMMENDATION NOT APPLICABLE.

The Company does not include any Non-Executive members in its Board of Directors.

V.3. Appointments

V.3.1. The Company should, in terms considered suitable by it, and in a substantiated manner, see that proposals for the appointment of the members of the Company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.

RECOMMENDATION ADOPTED – Sections 16, 22, 29 and 31, Part I.

The Company has a long-term controlling shareholder who has consistently presented the proposals for the appointment of members to the governing bodies, which have been presented to and approved by the Shareholders' General Meeting.

These proposals are accompanied by the *curricula vitae* of the proposed members, and shareholders - both the ones indicating the candidates and those who vote for the proposal -, and also the Company, consider that it becomes clear from the *curriculum vitae* the adequacy of the profile, skills, *curriculum* and experience to the role to be performed by such candidates.

In addition, the presentation of the proposals accompanied by the respective *curricula vitae* enables any shareholder to assess their suitability to comply with the requirements defined in the Diversity Policy approved by the Company.

Therefore, the Company considers that the appointment of members to the governing bodies for the current mandate was in compliance with the principles set out in these documents.

The proposals presented at the Shareholders' General Meeting on 29 April 2020 mention the adequacy of the profile of the candidates for the offices they hold, by reference to their *curricula vitae*.

V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the Company's size.

RECOMMENDATION ADOPTED AND EXPLAINED – Sections 27, 29 and 67, Part I.

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

Given the current size of the Company and the limited complexity of its structure (it has a reference shareholder that holds about 89% of the share capital) and the small free-float (currently around 9% of the share capital) the Board of Directors believes that there is no justification for the existence of any internal specialised commission, notably concerning support and monitoring of top management nominations. The Company believes that the governance structure adopted is appropriate given the size of the Company and the complexity of the risks of its activity and is also sufficient in order to effectively performing its duties, notably in what concerns identification of potential candidates with the right profile to take on leading or director roles, as this may be conducted by the Shareholders Remuneration Committee, that can on its part hire the necessary or convenient advisory services in order to better fulfil its duties, and may also prepare general information concerning any contingency plans and talent management in general.

V.3.3. This nomination committee includes a majority of non-executive, independent members.

RECOMMENDATION NOT APPLICABLE – Sections 27, 29 and 67, Part I.

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

However, the Company has a Remuneration Committee, appointed by the Shareholders General Meeting, which efficiently ensures the functions assigned to it in terms of nomination, remuneration and evaluation of performance and composed of members who are independent of the Board of Directors.

V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for the presentation of proposals are the ones who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.

RECOMMENDATION ADOPTED AND EXPLAINED

The Company does not have a nomination committee for the reasons listed in sections 27, 29 and 67 of Part I of this Report.

However, the identification of potential candidates with a profile for the performance of management duties (in particular when the Board of Directors decides to co-opt a Board member) is carried out by the Remuneration Committee. To this end, the Remuneration Committee may freely hire the necessary or convenient advisory services for the exercise of its duties, as well as for providing oversight of succession planning, contingency planning and talent management in general for Board members and other persons discharging managerial responsibilities, through transparent selection processes, including effective mechanisms for identifying potential candidates, having regard to the requirements of the function, merit and appropriate diversity, in particular considering gender.

As described in point 16 of Part I of this Report, the Company also has a Diversity Policy for the Management and Supervisory Bodies, within which it ensures a significant and differentiated representation of genders, origins, qualifications, and professional experiences, allowing a greater balance in its composition.

CHAPTER VI –INTERNAL CONTROL

VI.1. The managing body should debate and approve the Company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.

RECOMMENDATION ADOPTED – Sections 51 to 54, Part I.

The competencies of the management body are in compliance with the rules set out in this recommendation.

VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.

RECOMMENDATION ADOPTED.

The Board of Directors has put in place a proactive system of internal control and risk management. The Statutory Audit Board assesses the effectiveness of such risk management systems and proposes all improvement measures deemed necessary. It furthermore gives its opinion on its annual Report, available, together with the remainder of the accounts documentation, on

<http://www.sonaecom.pt/investidores/informacao-financeira/relatorios/?l=en> (tab MR&A 2022/ Chapter V).

The Statutory Audit Board also supervises the activity of the internal audit, receives the reports concerning the activity that was carried out, assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.

RECOMMENDATION ADOPTED - Sections 50 to 55, Part I.

The Company has implemented a structured internal control system, in accordance with its size and complexity of the risks posed by its activity. The Statutory Audit Board supervises this system and proposes the necessary adjustments.

VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.

RECOMMENDATION ADOPTED – Sections 37, 38 and 50, Part I.

The Statutory Audit Board is the Company's global supervisory body concerning internal control and risk management issues. It acts independently and it prevails over other bodies regarding supervision of such issues. The Statutory Audit Board, together with the internal audit, set out the action plan to be deployed, and the Statutory Audit Board supervises the latter's activity and receives periodic reporting of such activity. It assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

The Terms of Reference of the Statutory Audit Board are available on the Company's website at <http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>.

VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.

RECOMMENDATION ADOPTED – Sections 37, 38 and 50, Part I.

The Statutory Audit Board receives periodic reporting of the activity carried out by the internal audit, assesses the results and conclusions thereof, verifies the existence of possible irregularities and issues the appropriate guidelines.

VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.

RECOMMENDATION ADOPTED - Sections 50 to 55, Part I.

Internal risk management systems, with all adequate components, were put in place by the Board of Directors, which analyze and calculate, for each identified risk, the specific probability of occurrence and its respective impact, as well as the adoption and implementation of preventive and corrective measures.

VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.

RECOMMENDATION ADOPTED - Sections 29, 38.1, 50 to 52, 54 and 55.

The Board of Directors has implemented a monitoring, assessment and adjustment system for the internal control of the performance of the risk management system that enables adaptation to new circumstances or contingencies. The Statutory Audit Body has not proposed any changes to the risk management system nor to the internal control system.

CHAPTER VII – FINANCIAL INFORMATION

VII.1 Financial information

VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated manner.

RECOMMENDATION ADOPTED – Section 38, Part I.

The Regulation of the Statutory Audit Board complies with the rules set out in this recommendation.

VII.2 Statutory Audit of Accounts and Supervision

VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.

RECOMMENDATION ADOPTED – Sections 38, 42 to 47, Part I.

The Regulation of the Statutory Audit Board complies with the rules set out in this recommendation.

VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the Company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the Company.

RECOMMENDATION ADOPTED – Section 38, Part I.

It is responsibility of the Statutory Audit Board to supervise the activity and independence of the Statutory External Auditor, to receive its reports and ensuring direct interaction with it, in the terms of its competencies and functioning rules set out in the Regulation of the Statutory Audit Board available on the Company's website at

<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

The Statutory Audit Board is also competent to propose to the Shareholders' General Meeting the appointment and dismissal of the Statutory External Auditor, as well as its remuneration, to supervise the activity and independence of the Statutory External Auditor and the External Auditor, making sure the Company makes available the necessary conditions for the rendering of their services, to be the first recipient of their reports, interacting with it directly in the framework of its duties and provisions set out in the Statutory Audit Board's Regulation available on the Company's website:

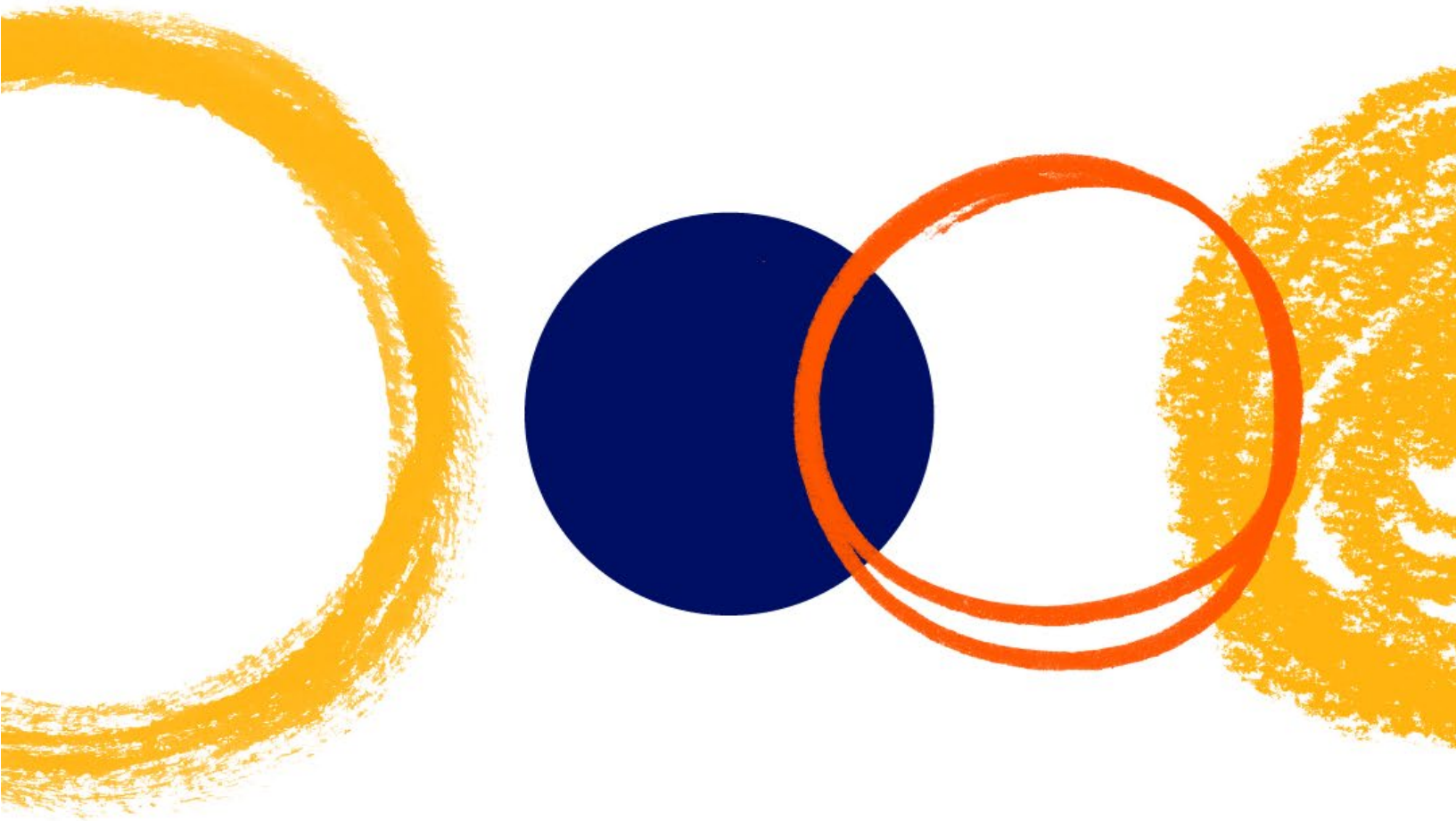
<http://www.sonaecom.pt/investidores/governo-das-sociedades/orgaos-de-governacao/>

VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, its independence and suitability in performing its duties, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.

RECOMMENDATION ADOPTED – Section 38, Part I.

The Statutory Audit Board annually assesses the Statutory External Auditor. Such assessment is included in its annual report and opinion, and is made available together with all other accounting documents at <http://www.sonaecom.pt/investidores/informacao-financieira/relatorios?l=en>.

APPENDIX I - Remuneration Report
(prepared in accordance with the terms of subparagraphs 1 and 2
of article 26-G of the Portuguese Securities Code)



1. Remuneration Policy Principles

At the Shareholders' General Meeting held on 30th April 2021 it was approved, in compliance with articles 26-A to 26-F of the Portuguese Securities Code, a Remuneration Policy for the remainder years of the current mandate, 2021-2023, prepared in line with the principles of the Remuneration Policy previously in force.

The Shareholders' General Meeting resolution is available at

<http://www.sonaecom.pt/investidores/assembleia-geral/>, in the tab 2021, Proposal n.º 4 and Appendix to the Proposal n.º 4.

The remuneration policy is structured in order to find a balance between different essential features aiming at the sustainability of the business and the performance of the members of the Board of Directors, following, namely:

- The overall national and international market comparisons in order to ensure the attraction, motivation and retention of high qualified and high-performance talent;
- The practices of comparable companies, including other business areas of Sonae that are in comparable situations;
- The compromise, individual responsibility, experience and performance of each Executive Director for the achievement of short and long-term results, in accordance with the Company's strategy and long-term sustainability;
- The alignment with the principles set forth in the overall remuneration policy of the Company;
- A management oriented for the long-term interests of the Company and its shareholders, as well as for the adoption of behaviors that weighted the risks incurred.

The Remuneration Policy lays on the fulfillment of the following principles, duly complied with throughout 2022:

Competitiveness:

In designing the Remuneration Policy of the statutory governing bodies of the Company, the main objective is to attract and retain the best professionals with high potential talent and proven experience, ensuring stability and representing a relevant and material contribution to the sustainability of the Company's businesses. The Policy and its positioning are defined by comparison with the national and international markets, according to the main reference studies carried out for Portugal and the European markets by consultants Mercer and Korn Ferry, including comparison with the practice of the companies with securities admitted to trading on Euronext Lisbon.

To that extent, the remuneration parameters of the members of the statutory governing bodies and other managers are set and periodically reviewed, taking into account the market conditions, the activity carried out and the responsibilities inherent to their positions. The profile and curriculum of the member, their experience, the job nature and description, the competency framework of the body in question and that of the member, as well as the degree of the direct correlation between the individual's performance and the performance of the business, among other factors, shall be considered.

The general market positioning and competitiveness guidelines recommended by the organisation are considered to determine the remuneration values of this segment within the framework of the Group's general Remuneration Policy.

Performance orientation

Concerning the Executive Directors, the Policy provides, when remunerated by the company, for the attribution of short and medium-term bonuses, calculated according to the Company's results and the level of performance, both individual and collective, to encourage the sustainable growth of its businesses, as well as individual commitment to predefined objectives. If these objectives, measured

through Key Performance Indicators (KPIs), are not achieved, the value of the short and medium-term Bonus is appropriately partially or totally reduced.

Alignment of interests

An alignment between the Director's and the Shareholders' interests and medium-term performance is ensured to promote the sustainability of the business. Part of the Executive Directors' variable bonus – when applicable at Sonaecom - is deferred for at least three years after its attribution. The deferred component is affected by the following two factors: (i) maintenance of the professional relationship between the director and the company for the deferral period; (ii) continued positive performance of the company throughout that period, which shall be measured according to the criteria to be determined by the Remuneration Committee. The remuneration of Non-Executive Directors (when applicable), members of the supervisory bodies and members of the Board of the Shareholders' General Meeting consists exclusively of fixed remuneration.

Transparency

All aspects of the remuneration structure are clear and disclosed internally and externally – among them, the voting results of the Remuneration Policy and the date of the respective approval at the General Meeting - through documents published on the Company's website and are in line with the Group's general Remuneration Policy.

Reasonableness

The Company's Remuneration Policy aims to ensure a balance between Sonaecom's long-term interests, market positioning and best practices, the expectations and motivations of the members of the statutory governing bodies and other managers, as well as the objective of attracting and retaining talent.

Consistency and equity

The employment and remuneration conditions of the Group's employees are taken into consideration in determining the remuneration of each member of the statutory governing bodies. For this purpose, the employment and remuneration conditions of full-time equivalent employees in the Company are taken into account to ensure consistency and equity in terms of remuneration, by reference to the importance of the respective qualifications, responsibilities, experience, availability and the specific nature of the risk associated with the job. In turn, the framework of the global Remuneration Policy adopted by the Company is benchmarked against comparable peers, adjusted for its particular market conditions, to balance the objectives of sustainability and talent retention.

In the architecture of the Remuneration Policy for statutory governing bodies and the remaining Company employees, and to determine the applicable remuneration, the jobs are considered under an evaluation system that includes differentiation criteria as to complexity, qualification, experience required, autonomy and responsibilities. This system is based on Korn Ferry's international methodology to promote equity in remuneration and employment conditions, in the light of the differentiation criteria described above, applicable to the various jobs, and to allow comparability/ benchmarking with equivalent jobs in the market.

As a result, Sonaecom's overall benchmark in terms of competitive positioning against the comparable market, for each job, is normally the median for the fixed remuneration and the third quartile for the variable component of remuneration, notwithstanding the necessary adaptations under market conditions and the Company's particular situation.

Legal and regulatory framework: The Remuneration Policy applicable to the members of the governing bodies and persons discharging managerial responsibilities within the Company is in line with European guidelines, national law and IFCG Corporate Governance Code Recommendations.

2. Determination of remuneration of the statutory governing bodies

The Shareholders' Remuneration Committee is responsible for approving remunerations, in particular of the members of the Board of Directors and the Statutory Audit Board in representation of the shareholders and in accordance with the Remuneration Policy approved at the Shareholders' General Meeting.

In the application of the Remuneration Policy by the Remuneration Committee, the exercise of functions in companies in a controlling or group relationship by the Executive Directors was considered.

The Shareholders' Remuneration Committee is composed of two independent members, with recognised qualification and experience, appointed at the Shareholders' General Meeting for the four year mandate 2020-2023, having determined, as well, the remuneration of each of its members (see section 67 of the Corporate Governance Report).

The determination of the Remuneration of the Statutory Auditor was supervised by the Supervisory Board, appointed by the Shareholders' Meeting on the proposal from that body.

3. Remuneration Components

One of the fundamental principles of the Remuneration Policy is the adoption of a structure promoting the long-term alignment of interests, discouraging excessive risk taking and optimising the conditions for the promotion of a sustainability culture, merit promotion and transparency.

3.1. Non-Executive Directors

The Company does not currently have Non-Executive Directors. If and when they exist, the respective remuneration will be, in accordance with the approved Policy, established according to market benchmarks, under the following principles: (i) attribution of a fixed remuneration; (ii) attribution of an annual responsibility allowance. For the role performed in the company by the Non-Executive Directors, there is no remuneration by way of a variable bonus, or that depends on the Company's performance.

3.2. Executive Directors

The Remuneration Policy for Executive Directors includes two components: fixed remuneration and variable remuneration.

The fixed remuneration includes a base salary and a responsibility allowance, which are established annually and defined according to personal skills, the level of responsibility of the job, and the recommended positioning concerning the comparable market.

The application of the Policy also takes into account the time allocated by each of the directors to other companies in the Group.

Concerning the variable component of the remuneration, it incorporates control mechanisms in its structure, considering the link to individual and collective performance to prevent and dissuade excessive risk taking behavior. This objective is further ensured because i) each Key Performance Indicator (KPI) is limited to a maximum value, ii) the settlement and award of the Medium Term Performance Bonus, corresponding to 50% of the total variable remuneration, is deferred for a period of 3 years, being settled in the fourth year by reference to the performance year; iii) its amount is subject to the evolution of the Company's performance throughout the deferral period, measured according to criteria to be established by the Remuneration Committee.

The following table presents the architecture of the Remuneration Policy Executive Directors and how it contributes to the Company's business strategy, its long-term interests, and sustainability:

Type of Remuneration	Fixed Remuneration	Variable Remuneration		Benefits
		Short-term	Medium-term	
Purpose	Attracting, retaining and motivating outstanding executives needed to deliver strategy and drive business performance.	Drive annual strategy and results, as well as individual performance, in line with the business plan. Recognise and reward individual contributions to the business.	Deferral of payment to ensure alignment with Shareholders' long-term interests following the successful delivery of short-term targets.	Provide appropriate and market-competitive benefits that drive engagement and motivation.
Characteristics	It consists of base salary and a responsibility allowance.	It is equivalent to a maximum of 50% of the total variable bonus. Paid in cash in the first half following the year to which it relates; may be paid, within the same period, in shares under the terms and conditions established for the Medium-Term Performance Bonus.	Corresponds, at least, to 50% of the total variable bonus; payment deferred for at least three years, after its attribution. The Medium-Term Performance Bonus may consist of attributing the right to acquire shares; the number of shares is determined by reference to the value attributed and the share price at the grant date.	Health and Life Insurance / Personal Accident Insurance.
Definition	Annual, depending on the level of responsibility of the job and the positioning defined concerning the comparable market.	Payment subject to compliance with pre-established targets at the beginning of the year, approved by the Shareholders' Remuneration Committee.	The bonus depends on the increase in the share price	Under the Company's general benefits Policy.
Target	Not applicable	The target value of the bonus may vary between 30% and 60% of the Total Remuneration, determined according to the job performed		
Performance Conditions	Not applicable	Collective KPIs (70%) Individual KPIs (30%)	Dependent upon the company's positive performance during the deferral period, assessed accordingly with the criteria determined by the Shareholders' Remuneration Committee.	Not applicable
Maximum	Although there is no set maximum, any increments usually are made in line with the Company's overall increments.	Maximum of 68% of the Total Remuneration, depending on the job level		There is no set maximum, but an estimated value; any benefit updates are carried out according to general Policy.

The variable remuneration aims to guide and reward Executive Directors for achieving predetermined objectives based on the Group's performance indicators and their own individual performance. Since the attribution of the variable remuneration's respective value depends on the achievement of objectives, its payment is not guaranteed. The variable remuneration will be awarded after the accounts for the financial year have been finalised, and the performance assessment has been carried out and can consider the necessary adjustments that may be necessary due to outside factors and/or unforeseen conditions, being composed of:

- a) **Short Term Performance Bonus (STPB)**, equivalent to a maximum of 50% of the total variable bonus. This bonus is paid in cash in the first half of the year following the year to which it relates, although it may, at the discretion of the Shareholders' Remuneration Committee, be paid within the same period in shares, under the terms and conditions of the Medium Term Performance Bonus;
- b) **Medium-Term Performance Bonus (MTPB)**, aimed at strengthening the Executive Directors' commitment to the Company, aligning their interests with those of the Shareholders and increasing awareness of the importance of their performance to the Company's overall and sustainable success. The amount corresponds, at least, to 50% of the total variable bonus, with payment deferred for no less than three years after its attribution.

The Short-Term Performance Bonus results from the degree of achievement of collective and individual KPIs. Approximately 70% of its value is determined by business, economic and financial objectives. Those objectives are divided either in collective and departmental KPIs.

The collective KPIs are based on economic and financial objectives accordingly with the Company's budget, the performance of each business unit as well as the consolidated results of the Company. The departmental KPIs have a similar nature and are directly influenced by the performance of the Executive Director. The remaining 30% derives from individual KPIs, which can combine subjective and objective indicators.

Considering the two variable components, the value of the pre-set target varies between 30% and 60% of the total annual remuneration (made up of the sum of the fixed remuneration and the target value of the variable remuneration), depending on the level of responsibility of each member's job.

The calculation of the value attributed includes a minimum limit of 0% and a maximum of 140%, concerning the objective value previously defined.

The weight of the variable component awarded in the total annual remuneration depends on two factors: *(i)* weight of the pre-defined target value of the variable component in the total remuneration and *(ii)* degree of compliance with the associated objectives.

Combining these two factors results in the attribution of a variable bonus whose weight on the total actual annual remuneration may vary between 0% and 68%.

The Medium-Term Performance Bonus covers four years, including the year in which it is granted and the subsequent of at least three-year deferral period. Once awarded, the value in euros will be divided by the average share price, to calculate the number of shares it corresponds to. During the deferral period mentioned above, the value of the bonus will be adjusted using the variations in the share capital or dividends (Total Share Return) during the deferral period. The vesting of this component of the Medium-Term Performance Bonus is subject to the maintenance of the professional relationship between the director and the company for the deferral period, as well as to the continued positive performance of the company over such period, which will be assessed in accordance with the criteria

defined by the Shareholders' Remuneration Committee. Pursuant to the idea of a Policy of reinforcing the alignment of the Executive Directors with the Company's medium and long-term interests, the Shareholders' Remuneration Committee may, at its discretion, determine a percentage of discount granted to the Executive Directors for the acquisition of shares, determining a contribution in their acquisition, to be borne by them, in an amount corresponding to a percentage of the listed value of the shares, with a maximum limit of 5% of their listed value at the date of the share transmission. On the maturity date, the Company has the option to deliver the corresponding value of shares, in cash instead. Payment in cash of the variable bonus may be made by any means of extinguishing the obligation provided for in the law and the articles of association.

The determination of the variable remuneration for the year ended 31st December 2022 was made by the Remuneration Committee, in compliance with the principles abovementioned, after being known the results of the Company and made the evaluation of the performance.

4. Members of the Statutory Audit Board

The remuneration of the members of the Company's Statutory Audit Board during 2022, and in compliance with the Remuneration Policy, was composed of solely a fixed annual amount, that was not dependent upon the Company's performance or its value.

5. Statutory External Auditor

The remuneration of the Company's Statutory External Auditor is determined by standard fees for similar services, regarding comparable market practices.

6. Other Benefits and Conditions

The Company granted the Executive Directors a health insurance, a life insurance and personal accidents' insurance, in line with the Group's policy, applicable to the Company's employees, and which terms and amounts are in line with the market practice.

The Remuneration Policy does not embody the principle of allocation of compensation to Directors or members of other statutory governing bodies in connection with the termination of their mandate, whether such termination occurs at the end of the respective term of office or in advance, notwithstanding, in the latter case, to the Company's obligation to comply with the legal provisions in force on this matter. In 2022 no termination of mandate occurred.

The Remuneration Policy determines the taking of appropriate measures to recover the variable remuneration unduly awarded if by definitive decision with no right to appeal, it is found that the variable remuneration was based, totally or partially, on information fraudulently provided by the Director in question and on which the variable remuneration was based on. There was no verification of this framework in the 2022 financial year.

7. Disclosure of Remuneration

During 2022 the Remuneration Policy was applied without any derogation.

The remuneration of each of the members of the Board of Directors, awarded by the Company, during 2022, in compliance with the principles set forth in the Remuneration Policy and considering the time allocated and the exercise of functions in other companies of the Group, by each of the directors, is described in the following tables:

Amounts in euros	2022					% Fixed Remuneration	% Variable Remuneration
	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total			
Executive Directors							
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)	183,900	96,900	96,900	377,700	49%	51%	
Maria Cláudia Teixeira de Azevedo ⁽¹⁾	-	-	-	-	-	-	
João Pedro Magalhães da Silva Torres Dolores ⁽¹⁾	-	-	-	-	-	-	
Eduardo Humberto dos Santos Piedade ⁽¹⁾	-	-	-	-	-	-	
Cristina Maria de Araújo Freitas Novais ⁽¹⁾	-	-	-	-	-	-	
Total	183,900	96,900	96,900	377,700	49%	51%	

⁽¹⁾ Directors not remunerated at Sonaecom

Open MTPB plans attributed to the current Directors:

Executive Directors	Plan (Performance Year)	Award Date	Vesting Date	Value Vested and Paid in 2022	Open Plans Value on Awarded Date	Open Plans Value on 31 December 2022*
Ângelo Gabriel Ribeirinho dos Santos Paupério (CEO)	2018	mar/19	mar/22	190,792		
	2019	mar/20	mar/23		136,400	243,874
	2020	mar/21	mar/24		123,900	165,218
	2021	mar/22	mar/25		113,700	109,775
	Total				190,792	374,000
Total				190,792	374,000	518,867

Values in euros

* Calculated using the closing price of last trading day in 2022 (31 December 22).

The remuneration of the members of the Board of Directors of Sonaecom awarded by other controlled or group companies, pursuant to article 26.º G, n.º 2, d) of the CVM, during 2022, is summarised in the table below:

Amounts in euros	2022			
	Fixed Remuneration	Short Term Variable Bonus	Medium Term Variable Bonus	Total
Name				
Ângelo Gabriel Ribeirinho dos Santos Paupério	-	-	-	-
Maria Cláudia Teixeira de Azevedo	-	-	-	-
João Pedro Magalhães da Silva Torres Dolores	-	-	-	-
Eduardo Humberto dos Santos Piedade	226,810	306,904	306,904	840,618
Cristina Maria de Araújo Freitas Novais	89,400	96,740	96,740	282,880
Total	316,210	403,644	403,644	1,123,498

The remuneration of the members of the Statutory Audit Board during 2022, in compliance with the principles set forth in the Remuneration Policy was as follows:

Member of the Statutory Audit Board	2022	Remuneration awarded by other controlled or Group Companies (2021)*
Amounts in euros		
João Manuel Gonçalves Bastos	9,900	-
Maria Jose Martins Lourenço Fonseca	7,900	-
Óscar José Alcada Quinta	7,900	-
Total	25,700	-

* Companies from the same Group, in accordance with the terms of article 26-G of the Portuguese Securities Code

The remuneration of the Statutory External Auditor during 2022, in compliance with the principles set forth in the Remuneration Policy was as follows:

Remuneration paid by the Company	2022	
	Values in €	%
Statutory Audit and Accounts Certification	106,995	100%
Total	106,995	100%

*Includes individual and consolidated accounts

Remuneration paid by the Group's Companies**	2022	
	Valor	%
Statutory Audit and Accounts Certification	91,280	100%
Total	91,280	100%

* Companies from the same Group, in accordance with the terms of article 26-G of the Portuguese Securities Code

The variation between the annual remuneration, the Company's performance and the medium remuneration of the full-time equivalent employees, excluding the members of the management and supervisory bodies, during the previous five years was as follows:

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	5Year Average Variation (2022 vs 2018)
Consolidated Turnover (1)	21,2%	21,1%	-2,5%	9,9%	4,6%	10,9%
Average Employees' Remuneration	2,2%	4,2%	8,2%	3,8%	0,2%	3,7%

(1) Restated

Negative evolution in 2017 is mainly explained by exchange rate impacts (real vs euro)

Statutory Audit Board	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	5Year Average Variation (2022 vs 2018)
João Manuel Gonçalves Bastos	0%	0%	0%	0%	0%	
Maria Jose Martins Lourenço Fonseca	0%	0%	0%	0%	0%	
Óscar José Alçada Quinta	0%	0%	0%	0%	0%	
	0%	0%	0%	0%	0%	0%

Total Remuneration	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	5Year Average Variation (2022 vs 2018)
Executive Directors						
Ângelo Gabriel Ribeirinho dos Santos Paupério*	1%	-4%	-5%	-5%	-8%	-4%
Maria Cláudia Teixeira de Azevedo (1) **	13%	-2%	-	-	-	6%
João Pedro Magalhães da Silva Torres Dolores (1)	-	-	-	-	-	-
Eduardo Humberto dos Santos Piedade (1)***	-	-	28%	28%	7%	-
Cristina Maria de Araújo Freitas Novais (1) ****	-	-	-	1%	12%	-
	6%	-3%	-26%	9%	2%	-3%

(1) Not remunerated at Sonaecom, considering the time allocated to other Group companies

* The negative evolution since 2019 is explained by a higher allocation to other group companies in which is remunerated

** Eleita CEO da Sonae SGPS a 30.04.2019 deixando a partir desta data de ser remunerada pela Sonaecom. Valor de 2019 anualizado para efeitos de cálculo

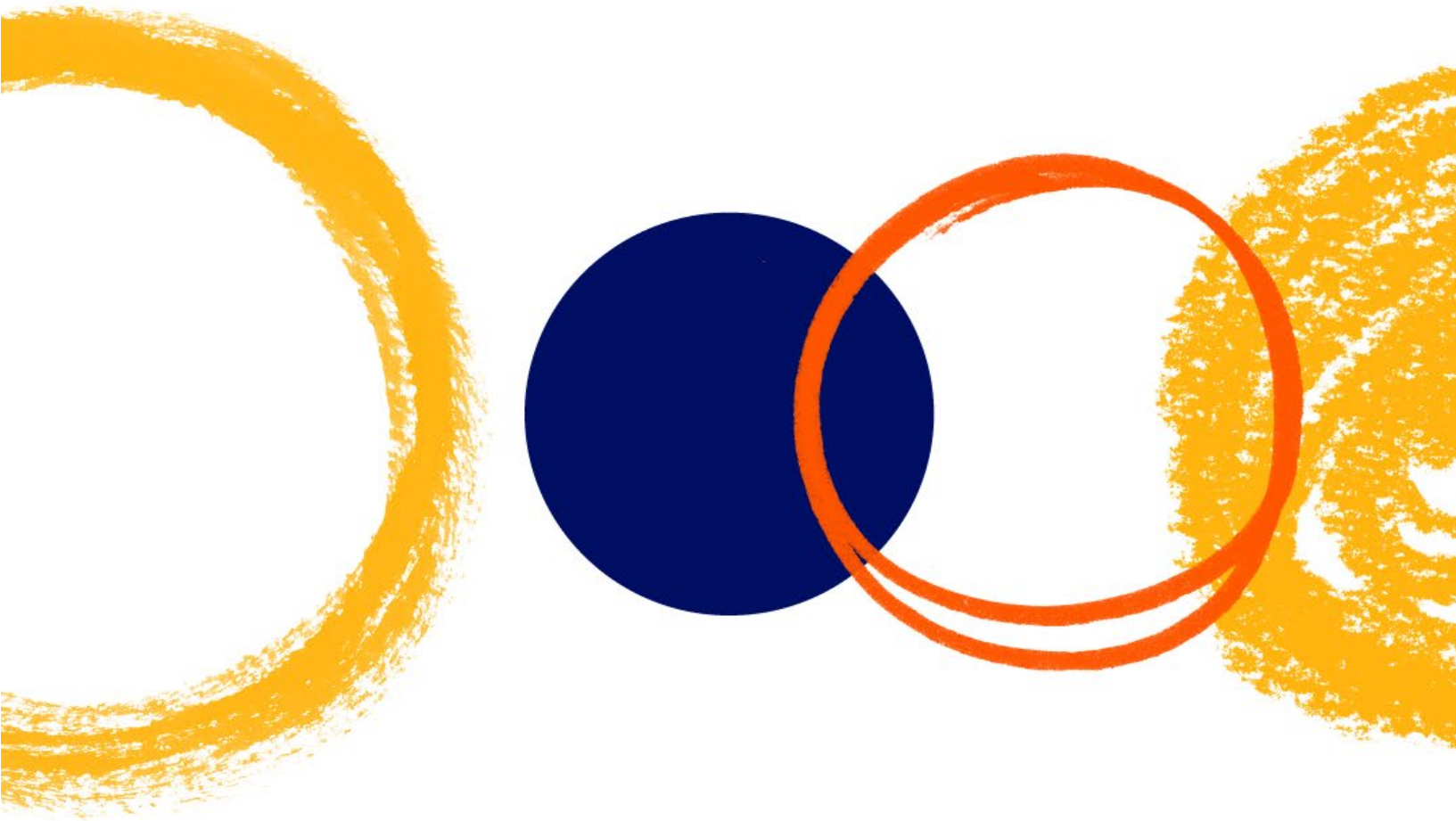
*** Elected at the AGM on 2019.04.30. His remuneration in 2019 was anualized for the calculation. Remuneration for 2020 and 2021 considered for calculation excludes extraordinary amounts.

**** Elected at the AGM on 2020.04.29. Her remuneration in 2020 was anualized for the calculation. Remuneration for 2020 and 2021 considered for calculation excludes extraordinary amounts.

Statutory Audit and Accounts Certification	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	5Year Average Variation (2022 vs 2018)
External Auditor(1)	34%	-35%	25%	12%	0%	7%

(1) PricewaterhouseCoopers & Associados, SROC, SA since 2016.

APPENDIX II - *Curricula Vitae* and positions held by members of management and supervisory bodies.



Ángelo Gabriel Ribelrinho dos Santos Paupério

CEO of Sonaecom, SGPS, S.A.

Birth date

14 September 1959

Educational qualifications

Degree in Civil Engineering - University of Porto
MBA by Porto Business School

Professional experience

1982-1984	Structural Design Project Manager at Tecnopor (Civil Engineering)
1984-1989	Manager at EDP (Energy)
1989-1991	Leader of the Television Project Team at Sonae Tecnologias de Informação, SA
1991-1994	Head of Planning and Management Control at Sonae Investimentos – SGPS, SA (currently Sonae –SGPS, SA)
1994-1996	Director of several companies within Sonae Distribuição, SGPS, SA (currently Sonae MC, SGPS, SA) – Retail
1994-2007	Member of the Board of Directors of Modelo Continente Hipermercados, S.A.
1996-2007	CFO of Sonae Distribuição, SGPS, SA (currently Sonae MC, SGPS, SA) and director of many of its subsidiaries (Retail)
1996-2007	Executive Member of the Board of Directors of Sonae Capital, SGPS, SA
2000-2007	Executive Member of the Board of Directors, CFO and Chair of the Finance Committee of Sonae – SGPS, SA
2004-2009	Member of the Board of Directors of MDS – Corretor de Seguros, SA
2005-2016	Member of the Board of Directors of Sonae Investments BV
2006-2016	Member of the Board of Directors of Sontel BV
2007- April 2015	Executive Vice-Chair of Sonae – SGPS, SA
2007- March 2018	Member of the Board of Directors of MDS, SGPS, SA (Chair of the Board of Directors since October 2014)
2009-2019	Member of the Board of Directors of Modelo Continente, SGPS, SA (Chair of the Board of Directors since January 2019)
2010-2016	Vice-Chair of the Board of Directors of Sonae – Specialized Retail, SGPS, SA
2010-2016	Chair of the Board of Directors of Sonaerp – Retail Properties, SA
2010-2016	Chair of the Board of Directors of MDS Auto, Mediação de Seguros, SA
2010-2016	Member of the Supreme Counsel of Universidade Católica Portuguesa
2010-2018	Member of the Board of Directors Sonae Center Serviços II, SA (currently Sonae MC – Serviços Partilhados)
2011-2015	Member of the Supreme Counsel of Porto Business School
2012-2016	Chair of the Board of Directors of Sonaecom – Serviços Partilhados, SA
2012-2022	Member of the Board of Directors of ZOPT, SGPS, SA
2013-2016	Chair of the Board of Directors of Sonae RE, SA
2013-2016	Chair of the Board of Directors of Sonaegest – Sociedade Gestora de Fundos de Investimento, SA (currently named SFS – Gestão de Fundos, SGFI, SA)
2014-2019	Chair of the Board of Directors of Sonae Financial Services, SA
2015-2019	Co-CEO of Sonae – SGPS, SA
2016-2019	Chair of the Board of Directors of SFS, Gestão e Consultoria, SA
2018-2019	Member of the Board of Directors of Sonae Corporate, SA
2018-2020	Vice-Chair of the Board of Directors of Iberian Sports Retail Group, S.L.
Since 2007	Member of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2007	Member of the Board of Directors of Sonae MC, SGPS, SA (currently MCRETAIL, SGPS, SA)
Since 2007	Chair of the Board of Directors of Sonaecom, SGPS, SA
Since 2007	Chair of the Board of Directors of Sonae Investment Management – Software and Technology, SA
Since 2007	Chair of the Board of Directors of Público – Comunicação Social, SA
Since 2013	Chair of the Board of Directors of NOS, SGPS, SA (from 2013-April 2020 - Member of the Board of Directors)
Since 2018	Chair of the Board of Directors of Sonae Holdings, SA
Since 2018	Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Since April 2019	Member of the Board of Directors of Sonae – SGPS, SA
Since 2019	Chair of the Board of Directors of Sonae FS, SA (currently Universo Sonae, SA)
Since 2019	Member of the Board of Directors of Sonae Capital, SGPS, SA
Since 2019	Member of the Board of Directors of Fundação Manuel Cargaleiro
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA

Offices held in companies in which Sonaecom is a shareholder

Chairman of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.
Chairman of the Board of Directors of Público - Comunicação Social, S.A.
Chairman of the Board of Directors of NOS, SGPS, S.A.

Offices held in other entities

Non-Executive Member of the Board of Directors of Sonae, SGPS, S.A.
Member of the Board of Directors of Efanor Investimentos, SGPS, S.E.
Chairman of the Board of Directors of Sonae Holdings, S.A.
Member of the Board of Directors of Sonae MC, SGPS, S.A. (currently MCRETAIL, SGPS, S.A.)
Member of the Board of Directors of Sonae Sierra, SGPS, S.A.
Member of the Board of Directors of Sonae Capital SGPS, S.A.
Chairman of the Board of Directors of Sonae FS, S.A. (currently Universo Sonae, S.A.)
Member of the Board of Directors of Sonae Indústria, SGPS, S.A.
Member of the Board of Directors of Love Letters – Galeria de Arte, S.A.
Chairman of the Board of Directors of Enxomil - Consultoria e Gestão, S.A.
Chairman of the Board of Directors of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial
Chairman of the Board of Directors of Enxomil - Sociedade Imobiliária, S.A.
Member of the Board of Directors of Fundação Manuel Cargaleiro

Maria Cláudia Teixeira de Azevedo

Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.

Birth date

13 January 1970

Educational qualifications

 Degree in Management - Catholic University of Porto
 MBA by INSEAD

Professional experience

Since 1990	Chair of the Board of Directors Imparfin – Investimentos e Participações Financeiras, SA
Since 1992	Member of the Board of Directors of Efanor Investimentos, SGPS, SE
Since 2000	Chair of the Board of Directors of Linhacom, SA
Since 2000	Member of the Board of Directors of Sonaecom – SGPS, SA
Since 2000	Member of the Board of Directors of Sonae Investment Management – Software and Technology, SGPS, SA
Since 2002	Chair of the Board of Directors of Praça Foz – Sociedade Imobiliária, SA
Since 2008	Member of the Board of Directors of Efanor – Serviços de Apoio à Gestão, SA
Since 2009	Member of the Board of Directors Público – Comunicação Social, SA
Since 2011	Member of the Board of Directors of Sonae Capital, SGPS, SA
Since 2011	Sole Director of Sekiwi, SGPS, SA
Since 2013	Non-Executive Member of the Board of Directors of NOS, SGPS, SA
Since 2018	Chair of the Board of Directors of Sonae MC, SGPS, SA (currently named by MCRETAIL, SGPS, SA)
Since 2018	Member of the Board of Directors of Sonae Holdings, SA
Since 2018	Chair of the Board of Directors of Sonae Sierra, SGPS, SA
Since 2018	Member of the Board of Directors of Setimanale, SGPS, SA
Since 2018	Member of the Board of Directors of Casa Agrícola de Ambrães, SA
Since 2018	Member of the Board of Directors of Realejo – Sociedade Imobiliária, SA
Since April 2019	CEO da Sonae – SGPS, SA
Since 2019	Member of the Board of Directors of Sonae FS, SA (currently named by Universo Sonae, SA)
Since 2020	Manager Tangerine Wish, Lda.
Since June 2021	Member of the Board of Directors of Sonae Indústria, SGPS, SA
Since July 2021	Member of the Board of Directors of Sonae Food4Future, SA (currently named by Sparkfood, SA)

Offices held in companies in which Sonaecom is a shareholder

Member of the Board of Directors of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.

Member of the Board of Directors of Público - Comunicação Social, S.A.

Non-Executive Member of the Board of Directors of NOS, SGPS, S.A.

Offices held in other entities

Member of the Board of Directors and CEO of SONAE, SGPS, S.A.

Member of the Board of Directors of Efanor - Serviços de Apoio à Gestão, S.A.

Member of the Board of Directors of Efanor - Investimentos, SGPS, S.E.

Member of the Board of Directors of Sonae Capital, SGPS, S.A.

Chairman of the Board of Directors of Sonae MC - SGPS, S.A. (currently named by MCRETAIL, SGPS, SA)

Member of the Board of Directors of Sonae Holdings, S.A.

Chairman of the Board of Directors of Sonae Sierra, SGPS, S.A.

Member of the Board of Directors of Sonae FS, S.A. (currently named by Universo Sonae, SA)

Member of the Board of Directors of Sonae Indústria, SGPS, S.A.

Chairman of the Board of Directors of Sonae Food4Future, S.A. (currently named by Sparkfood, SA)

Chairman of the Board of Directors of IMPARFIN - Investimentos e Participações Financeiras, S.A.

Chairman of the Board of Directors of Linhacom, S.A.

Director of SEKIWI, SGPS, S.A.

Chairman of the Board of Directors of Praça Foz - Sociedade Imobiliária, S.A.

Member of the Board of Directors of SETIMANALE - SGPS S.A.

Member of the Board of Directors of Casa Agrícola de Ambrães, S.A.

Member of the Board of Directors of Realejo – Sociedade Imobiliária, S.A.

Director of Tangerine Wish, Lda.

João Pedro Magalhães da Silva Torres Dolores

Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.

Birth date

21 December 1980

Educational qualifications

MBA - London Business School, London (United Kingdom)

Certificate in Business Management - New York University, New York City (United States)

Degree in Economics - FEP - Faculdade de Economia (University of Porto), Porto (Portugal)

Professional experience

2018 -2019 - Director of the Corporate Center Officer of Sonae SGPS, S.A.

07/2016 - 12/2018 - Strategy Professor - Executive MBA Porto Business School, Porto (Portugal)

09/2015 - 10/2018 - Head of Group Strategy, Planning and Control Sonae - SGPS, S.A., Porto (Portugal)

04/2014 - 09/2015 - Head of Corporate Strategy Sonae - SGPS, S.A., Porto (Portugal)

01/2013 - 04/2014 - Head of Business Unit Cloud Portugal Telecom, Lisbon (Portugal)

02/2011 - 01/2013 - Manager - Innovation Management Portugal Telecom, Lisbon (Portugal)

10/2009 - 01/2011 - Associate McKinsey & Company, Lisbon (Portugal)

04/2005 - 07/2007 - Business Analyst McKinsey & Company, Lisbon (Portugal)

10/2003 - 12/2004 - Brand Manager JW Burmester, S.A., Nova Iorque (Estados Unidos da América)

Offices held in companies in which Sonaecom is a shareholder

Non-Executive Board Member of NOS - SGPS, S.A.

Member of the Board of Directors of Sonae Investment Management - Software and Technology, S.A.

Offices held in other entities

Executive Board Member of Sonae - SGPS, S.A.

Executive Board Member of Sontel BV

Executive Board Member of Sonae Investments BV

Member of the Board of Directors of Sonae Holdings, S.A.

Chairman of the Board of Directors of Sonae Corporate, S.A.

Non-Executive Board Member of Sonae MC, SGPS, S.A. (currently MCRETAIL, SGPS, S.A.)

Non-Executive Board Member of Sonae Sierra, SGPS, S.A.

Member of the Board of Directors of Iberian Sports Retail Group, S.L.

Member of the Board of Directors of Sonae Food4Future, S.A. (currently Sparkfood, S.A.)

Member of the Board of Directors of Sonae FS, S.A. (currently Universo Sonae, S.A.)

Eduardo Humberto dos Santos Piedade

Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.

Birth date

03 April 1978

Educational qualifications

Degree in Business Administration, Faculdade de Economia da Universidade do Porto

MBA Degree with distinction – Concentration in Strategy, London Business School.

Professional experience

Mergers & Acquisitions Manager, Portugal / Brazil - MODELO CONTINENTE – SONAE's sub-holding for the Retail Sector

Corporate Strategy Senior Analyst, Portugal - MODELO CONTINENTE – SONAE's sub-holding for the Retail Sector

Controller – Brazilian Division, Portugal / Brazil - MODELO CONTINENTE – SONAE's sub-holding for the Retail Sector

Strategic Planning Manager, Portugal - Sonae – SGPS, S.A.

Member of the Board of Directors of GeoStar

Member of the Board of Directors of Maxmat

Member of the Board of Directors of Tlantic B.V.

Secretary to the Board of Directors and Executive Committee Head of Investment Management, Portugal - Sonae – SGPS, S.A.

Gerente General - Saphety – Transacciones Electrónicas S.A.S.

Chairman of the Board of Directors of Saphety Level – Trusted Services, S.A.

Chairman of the Board of Directors of WE DO TECHNOLOGIES MÉXICO S.DE R.L. DE C.V.

Chairman of the Board of Directors of WE DO TECHNOLOGIES ESPAÑA - SISTEMAS DE INFORMACIÓN S.L.

Chairman of the Board of Directors of WE DO TECHNOLOGIES LIMITED (UK)

Chairman of the Board of Directors of WE DO TECHNOLOGIES EGYPT LLC

Chairman of the Board of Directors of WE DO TECHNOLOGIES AMERICAS, INC

Chairman of the Board of Directors of WE DO CONSULTING - SISTEMAS DE INFORMAÇÃO, S.A.

Chairman of the Board of Directors of Digitmarket - Sistemas de Informação, S.A.

Member of the Board of Directors of CIValue Systems Ltd

Chairman of the Board of Directors of SONAECOM – SERVIÇOS PARTILHADOS, S.A.

Chairman of the Board of Directors of BRIGHT DEVELOPMENT STUDIO, S.A.

Member of the Board of Directors of Style Sage, Inc.

Member of the Board of Directors of - Context-based 4 Casting (C-B4) LTD

Chairman of the Board of Directors of Mxtel, S.A.

Chairman of the Board of Directors of NEXTEL, S.A.

Chairman of the Board of Directors of S21 SEC, S.A. DE C.V.

Chairman of the Board of Directors of S21 SEC INFORMATION SECURITY LABS, S.U.L.

Chairman of the Board of Directors of GRUPO S21 SEC GESTION, S.A.

Chairman of the Board of Directors of S21SEC PORTUGAL - CYBER SECURITY SERVICES, S.A.

Chairman of the Board of Directors of EXCELLIUM, GROUP, S.A.

Member of the Board of Directors of EXCELLIUM, SERVICES, S.A.

Chairman of the Board of Directors of MAXIVE - CIBERSECURITY, SGPS, S.A.

Offices held in companies in which Sonaecom is a shareholder

CEO of SONAE INVESTMENT MANAGEMENT - SOFTWARE AND TECHNOLOGY, SGPS, S.A.

Chairman of the Board of Directors of INOVRETAIL, S.A.

Director of INOVRETAIL ESPAÑA, S.L.

Director of PRAESIDIUM SERVICES LIMITED

Member of the Board of Directors of Visenze, Pte LTD

Member of the Board of Directors of OMETRIA, LTD.

Board Observer of NEXTAIL Labs Inc.

Member of the Board of Directors of Daisy Intelligence Corporation

Board Observer of SIXGILL, LTD.

Member of the Board of Directors of Sales Layer Tech, S.L.

Member of the Board of Directors of Reblaze Technologies, LTD

Member of the Board of Directors of Hackuity, SAS

Member of the Board of Directors of Safebreach, LTD

Member of the Board of Directors of Bright Ventures Capital, SCR, SA

Member of the Board of Directors of Sonae Food4Future, S.A. (currently Sparkfood, SA)

Cristina Maria de Araújo Freitas Novais	
Executive Member of the Board of Directors of Sonaecom, SGPS, S.A.	
Birth date	
07 May 1977	
Educational qualifications	
2000	Degree in Economics at Faculdade de Economia da Universidade do Porto
Professional experience	
2000 - 2004	Financial auditor - Arthur Andersen/ Deloitte
2004 - 2008	Financial Controller - Optimus Comunicações, S.A.
2008 - 2013	Manager of Planning and Control department in Sonaecom Group
2013 - 2019	Head of Planning and Control department in Sonaecom Group
2018 - 2019	Head of Financial Department in Sonaecom Group
2018-2022	Board member of S21Sec Portugal - Cybersecurity Services, S.A.
Mar - Oct 2019	Secretary of the General Meeting of DIGITMARKET - Sistemas de Informação, S.A.
Nov. 2019 - 2021	Board member of DIGITMARKET - Sistemas de Informação, S.A.
Mar - Oct 2019	Secretary of the General Meeting of Bright Development Studio, S.A.
Nov. 2019 - 2022	Board member of Bright Development Studio, S.A.
2019 - 2020	Secretary of the General Meeting of Sonae IM - Software and Technology, SGPS, S.A.
2019 - 2022	Secretary of the General Meeting of Maxive - Cybersecurity, SGPS, S.A.
2019 - 2022	Secretary of the General Meeting of PÚBLICO - Comunicação Social, S.A.
2019 - 2022	Secretary of the General Meeting of PCJ - Publico, Comunicação e Jornalismo, S.A.
2019 - 2022	Secretary of the General Meeting of SIRS - Sociedade Independente de Radiodifusão Sonora, S.A.
2019 - 2022	Secretary of the General Meeting of SONAECOM - Serviços Partilhados, S.A.
2022	Board member of Sonaecom - Serviços Partilhados, S.A.
Offices held in companies in which Sonaecom is a shareholder	
Since 2018	Board member of INOVRETAIL, S.A.
Since 2018	Director of INOVRETAIL ESPAÑA, S.L.
Since 2020	Board member of Sonae Investment Management - Software and Technology, SGPS, S.A.
Since 2020	President of the Board of Directors of Bright Ventures Capital. SCR, S.A.

Maria José Martins Lourenço da Fonseca
Birth date

4 September 1957

Educational qualifications

1984	Degree in Economics at Faculdade de Economia da Universidade do Porto - Doutor António José Sarmento Prize
1987	Post graduate Program in European Studies at the European Studies Center, Universidade Católica Portuguesa
1992	Participation in the Young Managers Programme at European Institute of Business Administration, Fontainebleau.
2002	Master in Business and Administration at Faculdade de Economia da Universidade do Porto
2015	PhD in Business and Administration at Faculdade de Economia da Universidade do Porto

Professional experience

1984-1985	Invited Assistant at Faculdade de Economia da Universidade do Porto - Microeconomics
1985-1990	Technician in the Department of Economic Studies and Planning at BPI - Banco Português de Investimento, S.A.
1990-1992	Senior Analyst at the Corporate Banking Department at BPI - Banco Português de Investimento, S.A.
1991-1999	Invited Assistant at Faculdade de Economia da Universidade do Porto - Accounting area
1992-1996	Vice-manager at the Corporate Banking Department at BPI - Banco Português de Investimento, S.A.
1996-2006	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) as trainer for the External Auditor Preparatory Course
Since 1996	Lecturer at Católica Porto Business School (Universidade Católica Portuguesa)- Accounting area. Director of the Master's
2002-2008	Cooperation with the Certified Public Accountant Association (OTOC) in the field of professional formation
2008-2009	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) in the field of professional formation
Since 2008	Consulting activity through the Centro de Estudos de Gestão e Economia Aplicada (CEGEA) of Católica Porto Business School
2015	Member of the Selection Board for the Oral Test for External Auditor (ROC)
2015-2022	Cooperation with the Portuguese Institute of Statutory Auditors (OROC) as trainer for the External Auditor Preparatory Course

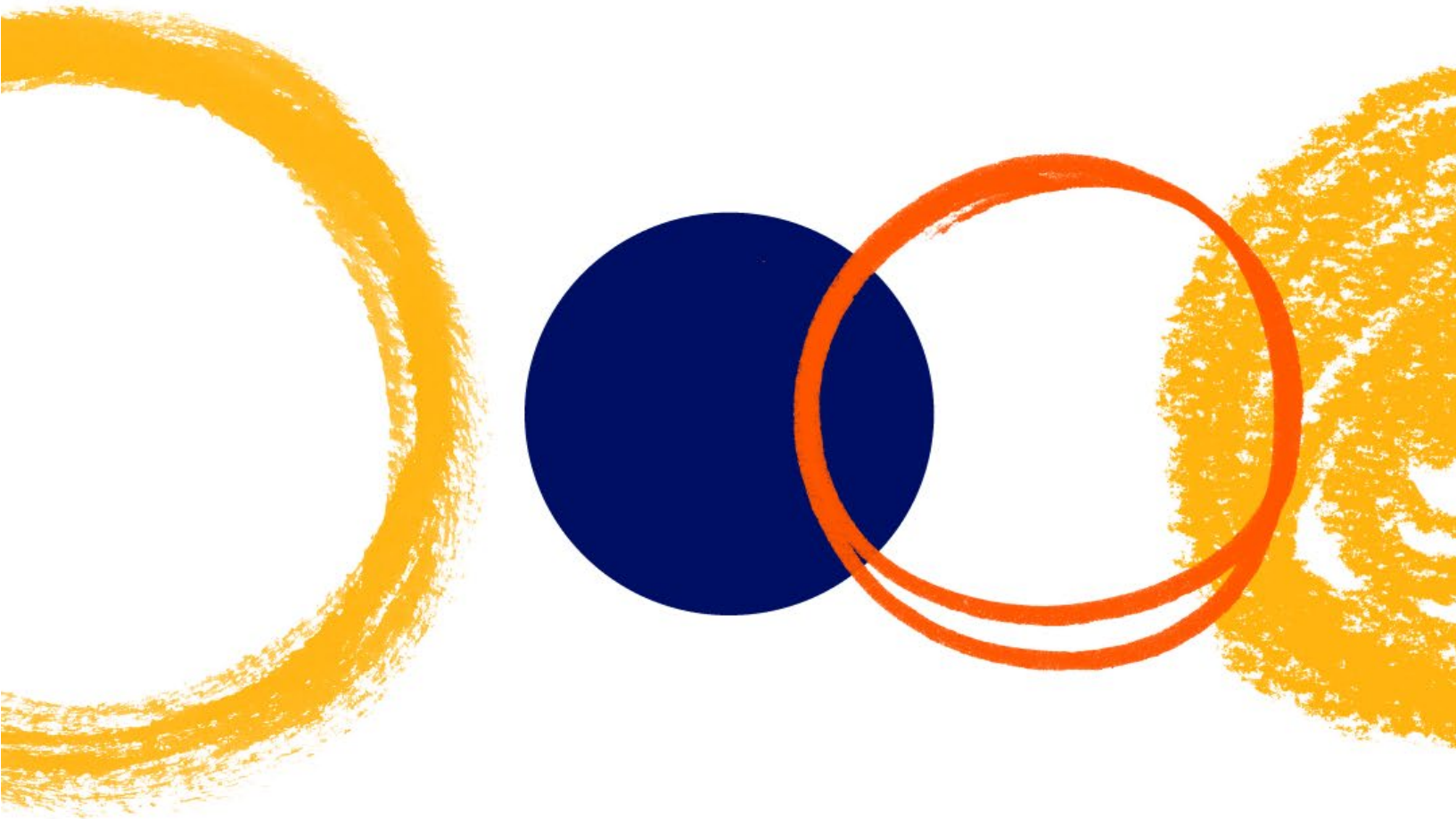
Offices held in other entities

President of the Statutory Audit Committee of Sonae SGPS, S.A.
Member of the Statutory Audit Committee of MCretail SGPS, S.A.
Member of the Statutory Audit Committee of Ibersol SGPS, S.A.
President of the Statutory Audit Committee of SDSR - Sports Division SR, S.A.
President of the Statutory Audit Committee of AEGE - Associação para a Escola de Gestão Empresarial
Lecturer at Católica Porto Business School (Universidade Católica Portuguesa)

João Manuel Gonçalves Bastos	
Birth date	
23 April 1958	
Educational qualifications	
1981	Degree in Economics at Faculdade de Economia da Universidade do Porto
Professional experience	
1981-1984	Teacher of Macroeconomics at Faculdade de Economia da Universidade do Porto
1982-1984	Commercial department in Crédit Lyonnais
1984-1986	Development and Planning department in Sonae Group
1986-1987	Assistant of the Board in Focor Group
1987 - 1998	CFO and member of the Board of several participated companies in Figest Group
1998 - 2007	Senior Manager and member of the Board of several participated companies in Sonae Group
Offices held in other entities	
Shareholder and President of the Board of Arcádia Group	

Óscar José Alçada da Quinta	
Birth date	
1 December 1957	
Educational qualifications	
1982	Degree in Economics at Faculdade de Economia da Universidade do Porto
1990	Statutory auditor
Professional experience	
1982-1986	Administrative and financial responsibilities in the area of textile companies, construction and office equipment
Since 1986	Provision of services related to external audit for Statutory Auditors and for companies in the previous activities
1990-1992	Independent Statutory Auditor
Since 1992	Statutory Auditor and Partner of Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC
Offices held in other entities	
Member of the Board of Directors of Óscar Quinta, Canedo da Mota & Pires Fernandes, SROC	
Member of the Fiscal Council of Caetano-Baviera - Comércio de Automóveis, S.A.	
Member of the Fiscal Council of BA GLASS I - Serviços de Gestão e Investimentos, SA	
Member of the Fiscal Council of Sonae Arauco Portugal S.A.	
Member of the Fiscal Council of Cerealis, SGPS, S.A.	

APPENDIX III - *Curricula Vitae* and positions held by members of the Remuneration Committee



Duarte Paulo Teixeira de Azevedo

Member of Remuneration Committee of Sonaecom, SGPS, S.A.

Date of Birth

31 December 1965

Academic Curriculum

1986	Degree in Chemical Engineering - École Polytechnique Fédérale de Lausanne
1989	MBA - Porto Business School

Executive Education

1994	Executive Retailing Program - Babson College
1996	Strategic Uses of Information Technology Program - Stanford Business School
2002	Breakthrough Program for Senior Executives - IMD Lausanne
2008	Proteus Programme - London Business School
2012	Corporate Level Strategy - Harvard Business School

Professional Experience - Efanor Group

1988-1990	Manager and Analyst of Projeto Novos Investimentos in Sonae Tecnologias de Informação, S.A.
1990-1993	Manager of Projeto de Desenvolvimento Organizativo and Comercial Director in Portugal in New Business in Sonae Indústria
1993-1996	Director of Planning and Strategic Control and Organizational Development in Sonae Investimentos - SGPS, S.A. (currently Sonae - SGPS, S.A.)
1996-1998	Executive Director of Modelo Continente Hipermercados, S.A. (Merchandising, IT e Marketing)
1998-2000	Chairman of the Executive Committee of Optimus - Telecomunicações, S.A. (Operador Móvel)
2000-2007	Member of the executive board of Sonae, SGPS, S.A.
2000-2007	Chairman of the Executive Committee of Sonaecom, SGPS, S.A.
2000-2018	Member of the Board of Directors of Efanor Investimentos, SGPS, S.A.
2002-2007	Chairman of the General Board of Público - Comunicação Social, S.A.
2003-2007	Chairman of the General Board of Glunz, AG
2004-2007	Chairman of the Board of Directors of Tableros de Fibras, S.A. (Tafisa)
2007-2014	Chairman of the Board of Directors of Sonaecom, SGPS, S.A.
2007-2015	Chairman of the Executive Committee of Sonae - SGPS, S.A.
2007-2015	Vice President of the Board of Directors of Sonae Indústria, SGPS, S.A.
2007-2019	Chairman of the Board of Directors of Sonae Sierra, SGPS, S.A.
2007-2018	Chairman of the Board of Directors of Sonae Investimentos, SGPS, SA (currently Sonae MC, SGPS, S.A.)
2008-2014	Chairman of the Board of Directors of MDS, SGPS, S.A.
2009-2013	Chairman of the Board of Directors of Sonaegest, Sociedade Gestora de Fundos de Investimentos
2010-2016	Chairman of the Board of Directors of Sonae - Specialized Retail, SGPS, S.A.
2010-2019	Chairman of the Board of Directors of Sonae MC - Modelo Continente, SGPS, S.A.
2015-2019	Chairman of the Board of Directors and Co-CEO of Sonae - SGPS, S.A.

Professional Experience - Other Entities

1898-1990	Member of the executive board of APGEI - Associação Portuguesa de Gestão e Engenharia Industrial
2001-2002	Chairman of Apritel - Associação dos Operadores de Telecomunicações
2008-2009	Member of the General Council of AEP - Associação Empresarial de Portugal
2008-2022	Member of ERT - European Round Table of Industry. Additionally, since 2019, Member of the Steering Committee and Chair of the Work Group "Jobs, Skills and Impact"
2009-2014	Member of the Board of Trustees of AEP - Associação Empresarial de Portugal
2009-2015	Chairman of the Board of Trustees of Universidade do Porto
2012-2015	Member of the Board of COTEC
2019-2021	Chairman of the BIOPOLIS Project Installing Committee

Offices held

Chairman of the Board of Directors of Sonae - SGPS, S.A.
Chairman of the Board of Directors of Sonae Indústria, SGPS, S.A.
Chairman of the Board of Directors of Sonae Capital, SGPS, S.A.
Chairman of the Board of Directors of Sonae Arauco, S.A.
Member of the Board of Directors of Imparfin - Investimentos e Participações Financeiras, S.A.
Chairman of the Board of Directors of Efanor Investimentos, SGPS, S.E.
Chairman of the Board of Directors of Migracom, S.A.
Member of the Board of Directors of EFANOR - Serviços de Apoio à Gestão, S.A.
Member of the Board of Directors of Pareuro BV
Chairman of the Board of Directors of Tafisa Canadá, Inc.
Member of the Board of Founders of Fundação Casa da Música
Member of the Board of Founders of Serralves
Member of International Advisory Board of Allianz SE
Chairman of the Executive Committee of Fundação Belmiro de Azevedo
Chairman of the Board of Directors of BA Glass I - Serviços de Gestão e Investimentos, S.A.
Chairman of the Board of Directors of BA - Capital, SGPS, S.A.
Chairman of the Board of Directors of BA Glass Portugal, S.A.
Chairman of the Board of Associação Viridia - Conservation in Action
Member of the Board of Directors of Mégantic BV

Francisco de La Fuente Sánchez

Member of Remuneration Committee of Sonaecom, SGPS, S.A.

Birth date

2 January 1942

Educational qualifications

1965 Degree in Electrical Engineering - Technical University

Offices previously held

Chairman of ELECPOR – Associação Portuguesa das Empresas do Sector Eléctrico

Chairman of the Board of Directors and Executive Committee of EDP – Electricidade de Portugal, S.A.

General Director of Direcção de Distribuição Tejo, EDP

Director of EDP Commercial Area

Director of Hidroeléctrica del Cantábrico, S.A. (Spain)

Non-Executive Chairman of CERJ - Companhia de Electricidade do Rio de Janeiro, SA (Brasil)

Non-Executive Chairman of the Board of Directors of EFACEC

Member of the General and Supervision Council of Millennium BCP – Banco Comercial Português

Non-Executive Chairman of the Board of Directors of ONI

Non-Executive Director of GALP Energia

Non-Executive Director of BVLP – Bolsa de Valores de Lisboa e Porto

Co-opted member of the Council of the School Instituto Superior Técnico

Chairman of the National Council of Colégio de Engenharia Electrotécnica from Ordem dos Engenheiros

Member of the Advisory Board of Instituto Português de Corporate Governance

Chairman of Fundação EDP

Advisory Member of Ordem dos Engenheiros

Member of Academia de Engenharia

Co-opted Member of the General Council of Universidade de Lisboa

Member of the Advisory Board of ATEC - Academia de Formação

Member of the Foro Ibero América

Offices currently held

Member of Remuneration Committee of Sonae, SGPS, S.A.

Chairman of the General Meeting of APEDS - Associação Portuguesa de Engenheiros para o Desenvolvimento Social

Chairman of the General Meeting of AAAIST - Associação de Antigos Alunos do Instituto Superior Técnico

President of honor of Hidroeléctrica del Cantábrico, S.A.

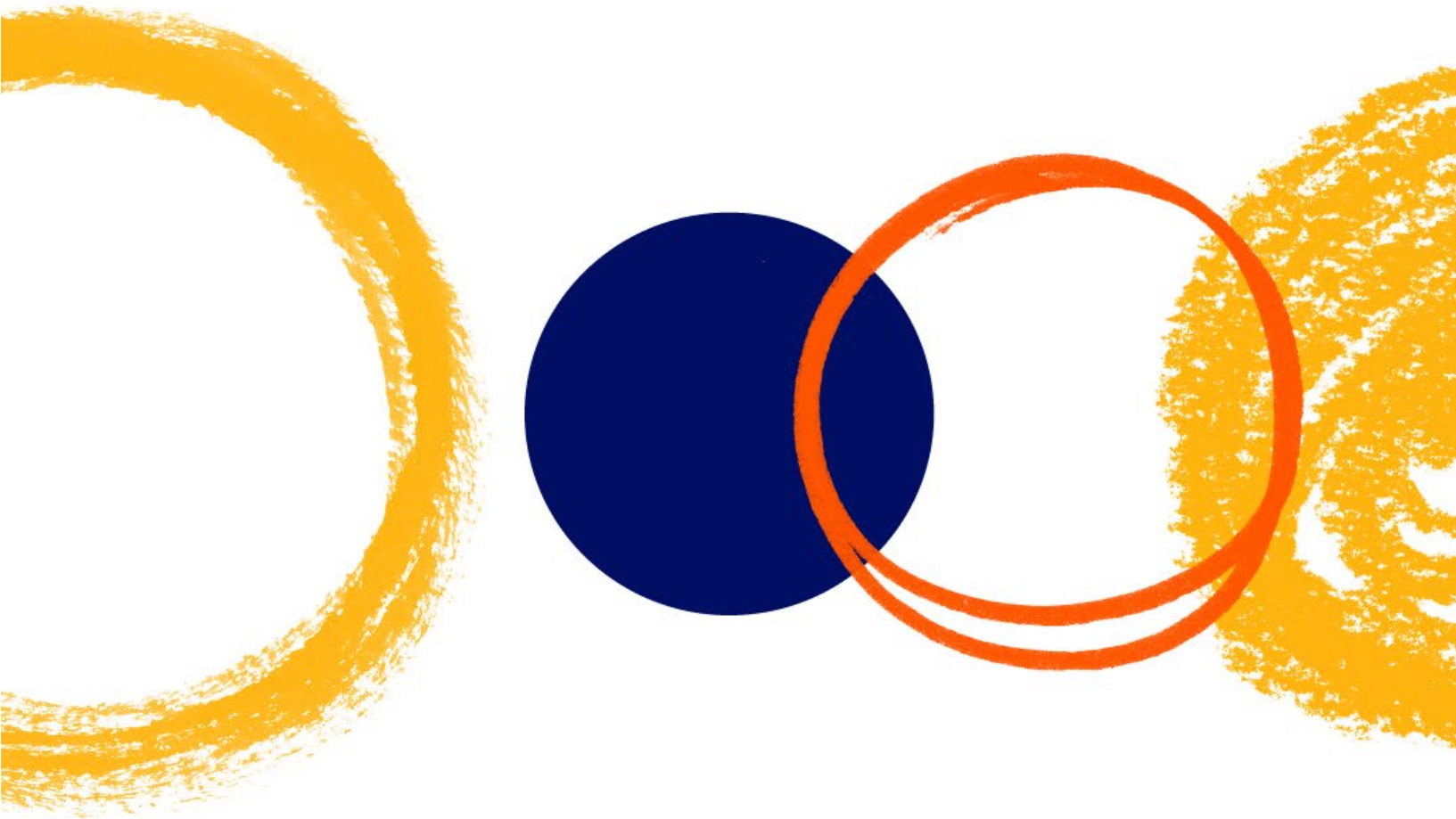
Member of Patronato of Fundação Hidroeléctrica del Cantábrico

Member of the Board of Trustees of Fundação Luso-Brasileira

Member of the Board of Trustees of Fundação Luso-Espanhola

Member of the Representatives Assembly of Ordem dos Engenheiros

III FINANCIAL STATEMENTS



1. Financial Information

1.1. Sonaecom consolidated financial statements

Consolidated statement of financial position

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Assets			
Non-current assets			
Property, plant and equipment	1.c, 1.h and 5	952,523	1,914,103
Intangible assets	1.d, 1.e, 1.x and 6	2,676,327	7,409,063
Right of use assets	1.h and 7	4,194,340	9,149,777
Goodwill	1.f, 1.x and 8	1,165,721	14,520,952
Investments in joint ventures and associated companies	1.b and 9	733,927,098	767,681,204
Financial assets at fair value through other comprehensive income	1.g, 4 and 10	11,704,456	7,998,756
Financial assets at fair value through profit or loss	1.g, 4 and 11	208,671,179	158,924,575
Deferred tax assets	1.p and 12	10,862,167	15,954,811
Other non-current assets	1.g, 1.r, 1.y, 4, 13 and 37	3,861,466	7,132,346
Total non-current assets		978,005,267	990,685,587
Current assets			
Inventories	1.i and 14	376,785	229,658
Trade receivables	1.g, 1.j, 4, 15, 24 and 37	3,039,018	14,484,834
Other receivables	1.g, 1.j, 4, 16, 24 and 37	7,863,445	7,673,126
Income tax assets	1.p, 4 and 28	1,057,150	1,500,778
Other current assets	1.g, 1.r, 1.x, 4, 17 and 37	1,009,059	12,952,648
Cash and cash equivalents	1.g, 1.k, 4, 18 and 37	381,295,408	289,333,311
Total current assets		394,630,865	326,174,355
Total assets		1,372,636,132	1,316,859,942
Shareholders' funds and liabilities			
Shareholders' funds			
Share capital	19	230,391,627	230,391,627
Own shares	1.v and 20	(7,686,952)	(7,686,952)
Reserves and retained earnings	1.u	924,864,725	852,439,043
Consolidated net income/(loss) for the year		143,082,957	120,725,659
		1,290,652,357	1,195,869,377
Non-controlling interests	21	17,323,720	10,945,381
Total Shareholders' funds		1,307,976,077	1,206,814,758
Liabilities			
Non-current liabilities			
Loans	1.g, 1.l, 1.m, 1.q, 4 and 22.a	-	1,277,194
Lease liabilities	1.g, 1.h, 4 and 23	5,193,520	9,579,107
Provisions	1.g, 1.h, 4 and 24	520,547	554,386
Deferred tax liabilities	1.p and 12	35,659,051	44,742,126
Other non-current liabilities	1.g, 1.r, 1.y, 4, 25, 37 and 42	483,403	543,792
Total non-current liabilities		41,856,521	56,696,605
Current liabilities			
Loans	1.g, 1.l, 1.m, 1.q, 4 and 22.b	-	2,977,614
Trade payables	1.g, 4, 26 and 37	1,550,591	12,065,852
Lease liabilities	1.g, 1.h, 4 and 23	1,618,864	3,209,810
Other payables	1.g, 4, 27 and 37	11,674,903	11,634,825
Income tax liabilities	1.p, 4 and 28	-	4,781
Other current liabilities	1.g, 1.q, 1.r, 1.y, 4, 29, 37, 39 and 42	7,959,176	23,455,697
Total current liabilities		22,803,534	53,348,579
Total Liabilities		64,660,055	110,045,184
Total Shareholders' funds and liabilities		1,372,636,132	1,316,859,942

The notes are an integral part of the consolidated financial statements.

The Board of Directors

Consolidated income statement by nature

For the years ended on 31 December 2022 and 2021 (restated)

(Amounts expressed in Euro)	Notes	December 2022	December 2021 (restated)
Sales	1.s, 30 and 37	6,729,639	6,860,976
Services rendered	1.s, 30 and 37	11,133,158	10,221,459
Other income	1.q, 23, 31 and 37	1,822,409	3,118,805
		19,685,206	20,201,240
Cost of sales	1.i and 14	(1,345,696)	(1,195,005)
External supplies and services	1.h, 32 and 37	(11,024,037)	(9,775,416)
Employee benefits expense	1.q, 1.y, 42, 43 and 45	(15,256,591)	(14,209,071)
Amortisation and depreciation	1.c, 1.d, 1.f, 1.h, 5, 6 and 7	(1,917,178)	(1,730,299)
Provisions	1.j, 1.o, 1.x and 24	(236,162)	(29,298)
Impairment losses	1.j, 1.o, 1.x and 24	-	-
Other expenses	33	(336,373)	(166,269)
		(30,116,037)	(27,105,358)
Gains and losses in joint ventures and associated companies	1.b, 9 and 35	55,846,967	62,334,158
Gains and losses on assets at fair value through profit or loss	1.b, 11 and 35	34,972,846	85,163,145
Financial expenses	1.h, 1.m, 1.w, 1.x, 22, 34 and 37	(752,268)	(362,583)
Financial income	1.w, 22, 34 and 37	4,674,987	2,585,568
Current income / (loss)		84,311,701	142,816,170
Income taxation	1.p, 12 and 36	(3,495,513)	(23,193,365)
Consolidated net income/(loss) for the year of continued operations		80,816,188	119,622,805
Consolidated net income/(loss) for the year of discontinued operations	40	61,321,757	156,567
Consolidated net income/(loss) for the year		142,137,945	119,779,372
Attributed to:			
Shareholders of parent company	41	143,082,957	120,725,659
Non-controlling interests	21	(14,039)	495,083
Non-controlling interests (discontinued operations)	21, 40	(930,973)	(1,441,370)
Earnings per share			
Including discontinued operations			
Basic	41	0.47	0.39
Diluted	41	0.47	0.39
Excluding discontinued operations			
Basic	41	0.26	0.39
Diluted	41	0.26	0.39

The notes are an integral part of the consolidated financial statements.

The Board of Directors

Consolidated statement of comprehensive income

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Consolidated net income / (loss) for the year		142,137,945	119,779,372
Components of other consolidated comprehensive income, net of tax, that will be reclassified subsequently to profit or loss:			
Changes in reserves resulting from the application of equity method	9	3,558,630	3,065,866
Changes in currency translation reserve and other	1.w	(5,384)	889
Components of other consolidated comprehensive income, net of tax, that will not be reclassified subsequently to profit or loss:			
Changes in reserves resulting from the application of the equity method	9	(1,673,494)	(419,547)
Changes in fair value of financial assets at fair value through other comprehensive income net of taxes	10	6,383,825	660,821
Other consolidated net income / (loss) for the year		8,263,577	3,308,029
Consolidated comprehensive income for the year		150,401,522	123,087,401
Attributed to:			
Shareholders of parent company		151,353,218	124,014,324
Non-controlling interests		(951,691)	(926,923)

The notes are an integral part of the consolidated financial statements.

The Board of Directors

Consolidated statement of changes in equity

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes			Reserves					Non-controlling Interests (note 21)		
		Share capital (note 19)	Own shares (note 20)	Share premium	Legal reserves	Reserve of own shares	Other reserves	Total reserves	Net Income / (loss)	Total	
2022											
Balance on 31 December 2021		280,391,627	(7,886,952)	775,290,377	20,837,737	7,886,952	48,623,977	852,439,043	10,945,381	120,725,659	1,206,814,768
Appropriation of the consolidated net result of 2021		-	-	-	2,327,148	-	118,398,511	120,725,659	-	(120,725,659)	-
Dividend Distribution	37	-	-	-	-	-	(59,319,190)	(59,319,190)	-	-	(59,319,190)
Percentage change in subsidiaries		-	-	-	-	-	2,764,259	2,764,259	7,392,929	-	10,157,188
Consolidated comprehensive income for the year ended on 31 December 2022		-	-	-	-	-	8,270,256	8,270,256	(951,691)	143,082,957	160,401,522
Other changes		-	-	-	-	-	(15,302)	(15,302)	(62,899)	-	(78,201)
Balance on 31 December 2022		280,391,627	(7,886,952)	775,290,377	23,164,885	7,886,952	118,722,511	924,864,725	17,828,720	143,082,957	1,807,976,077
2021											
Reserve and retained earnings											
(Amounts expressed in Euro)	Notes	Share capital (note 19)	Own shares (note 20)	Share premium	Legal reserves	Reserve of own shares	Other reserves	Total reserves	Non-controlling Interests (note 21)	Net Income / (loss)	Total
Balance at 31 December 2020		280,391,627	(7,886,952)	775,290,377	20,683,925	7,886,952	14,928,257	818,589,511	13,080,206	60,125,890	1,114,500,282
Appropriation of the consolidated net result of 2020		-	-	-	153,812	-	59,972,078	60,125,890	-	(60,125,890)	-
Transfers to other reserves		-	-	-	-	-	(29,859,595)	(29,859,595)	-	-	(29,859,595)
Dividend Distribution	37	-	-	-	-	-	-	-	(1,241,726)	-	(1,241,726)
Percentage change in subsidiaries	21	-	-	-	-	-	-	-	-	-	-
Consolidated comprehensive income for the year ended on 31 December 2021		-	-	-	-	-	3,288,665	3,288,665	(928,923)	120,725,659	123,087,401
Other changes		-	-	-	-	-	94,572	94,572	33,824	-	128,396
Balance on 31 December 2021		280,391,627	(7,886,952)	775,290,377	20,837,737	7,886,952	48,623,977	852,439,043	10,945,381	120,725,659	1,206,814,768

The notes are an integral part of the consolidated financial statements.

The Board of Directors

Consolidated cash flow statement

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Operating activities			
Receipts from trade debtors		64,335,387	100,249,245
Payments to trade creditors		(36,002,402)	(55,823,806)
Payments to employees		(41,541,065)	(49,191,076)
Cash flows generated by operations		(12,208,080)	(4,765,637)
(Payments) / receipts relating to income taxes		(8,547,223)	(1,221,617)
Other receipts / (payments) relating to operating activities		2,386,591	(455,696)
Cash flows from operating activities (1)		(18,368,712)	(6,442,950)
Investment activities			
Receipts from:			
Financial investments		179,407,826	53,269,980
Tangible assets		125,682	27,352
Intangible assets		75,998	-
Dividends	9	12	68,917,746
Interest and similar income		3,012,557	1,071,837
Others	9	38,308,165	1,499,916
Payments of:			
Financial investments		(46,275,531)	(27,702,136)
Tangible assets		(644,065)	(633,589)
Intangible assets		(722,232)	(1,219,433)
Cash flows from investment activities (2)		173,288,412	95,231,673
Financing activities			
Receipts from:			
Loans obtained	18	817,224	524,294
Payments of:			
Leasing	18	(3,453,496)	(3,682,494)
Bank commissions, interest and similar expenses		(216,363)	(356,545)
Dividends	37	(59,319,190)	(29,659,595)
Loans obtained	18	(784,458)	-
Cash flows from financing activities (3)		(62,956,283)	(33,174,340)
Net cash flows (4)=(1)+(2)+(3)		91,963,417	55,614,383
Effect of the foreign exchanges		(1,320)	11,434
Cash and cash equivalents at the beginning of the year	18	289,333,311	233,707,494
Cash and cash equivalents at the end of the year	18	381,295,408	289,333,311

The notes are an integral part of the consolidated financial statements.

The Board of Directors

Notes to the consolidated cash flow statement

For the years ended on 31 December 2022 and 2021

1. Description of non-monetary financing activities

	Notes	December 2022	December 2021
a) Bank credit obtained and not used	22	1,000,000	1,901,038
b) Purchase of companies through the issue of shares		Not applicable	Not applicable
c) Conversion of companies loans into shares		Not applicable	Not applicable

2. Acquisition or sale of subsidiaries or other businesses

	Notes	December 2022	December 2021
a) Amounts received of acquisitions			
Sold of participation on Maxive	3.b and 40	90,758,308	-
Zopt paymet	9	37,625,440	-
Sold of participation on Cellwize	3.a and 11	23,673,533	-
Return of capital invested Armilar III	9	15,233,893	-
Sold of participation on Style Sage	3.a and 10	6,541,617	-
Sold of participation on CiValue	3.a and 11	4,745,225	-
Return of capital invested on Armilar I+I	9	201,951	-
Sold of participation on Arctic Wolf	3.a and 11	-	36,417,920
Sold of CB4	3.a and 11	-	8,509,593
Issue premium refund Zopt	9	-	5,765,485
Sold of Case on IT	3.a and 11	-	1,278,422
Sold of Digitmarket	3.c	-	1,337,613
Others	3.c	627,859	(39,053)
		179,407,826	53,269,980
b) Amounts paid of acquisitions / capital increase			
Codacy	3.a and 11	8,000,005	-
Chord	3.a and 11	6,044,731	-
Hackuity	3.a and 11	6,000,000	-
Afresh	3.a and 11	4,784,680	-
Mayan	3.a and 11	4,752,398	-
Sixgill	3.a and 11	4,222,262	-
Didimo	3.a and 11	2,830,189	-
Iriusrisk	3.a and 10	2,205,850	-
Experify	3.a and 11	1,135,272	-
SafeBreach	3.a and 11	71,360	12,943,308
Citcon	3.a and 11	-	4,239,803
Ometria	3.a and 11	-	3,752,188
Sellforte	3.a and 11	-	2,500,003
Visenze	3.a and 11	-	1,467,541
Jscrambler	3.a and 11	-	1,000,000
Replai	3.a and 11	-	493,010
Portaner.io	3.a and 11	1,398,993	415,144
Taikai	3.a and 11	-	350,000
Weaveworks	3.a and 11	326,028	-
Sales Layer	3.a and 11	2,555,120	-
Convertible loan Citcon	3.a and 13	919,287	-
Others	3.a, 10 and 11	1,029,356	541,139
		46,275,531	27,702,136
c) Amounts received of dividends			
ZOPT	9 and 37	-	68,917,696
CAIXA BANK		12	50
		12	68,917,746
d) Amounts paid of dividends			
Sontel BV, Sonae SGPS and other minority interests	37 and 41	59,319,190	29,659,595
		59,319,190	29,659,595

The amount of receipts from financial investments regarding the sale of participation on Maxive include the amount of 'Cash and cash equivalents' on the date of the company (note 3.b).

3. Cash flow breakdown by activity

Activity	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Net cash flows
2022				
Media	(1,892,611)	(277,105)	(546,828)	(2,716,544)
Information Systems	(14,884,849)	134,374,941	(3,030,932)	116,459,160
Holding	(1,591,252)	39,190,576	(59,378,523)	(21,779,199)
	(18,368,712)	173,288,412	(62,956,283)	91,963,417

Activity	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Net cash flows
2021				
Media	(21,091)	(247,971)	(487,489)	(756,551)
Information Systems	(6,803,750)	19,859,380	(1,688,165)	11,367,465
Holding	381,891	75,620,264	(30,998,686)	45,003,469
	(6,442,950)	95,231,673	(33,174,340)	55,614,383

The notes are an integral part of the consolidated financial statements.

The Board of Directors

1.2. Notes to the consolidated financial statements of Sonaecom

Introduction note

SONAECOM, SGPS, S.A. (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal. It is the parent company of the Group of companies listed in note 2 and 3 ('the Group').

Sonaecom SGPS, S.A. is owned directly by Sontel BV and Sonae SGPS, SA and Efanor Investimentos SGPS, S.A. is the ultimate controlling company.

Sonaecom shares are quoted and traded on Euronext Lisbon.

Pargeste, SGPS, S.A.'s subsidiaries in the communications and information technology area were transferred to the Company through a demerger-merger process, executed by public deed dated 30 September 1997.

On 3 November 1999 the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to Euro, being represented by one hundred and fifty million shares with a nominal value of 1 EUR each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully

subscribed for and paid up by Sonae, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 30,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the aforementioned Combined Share Offer, which was EUR 10.

In addition, in this year, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 euro each having been fully subscribed for and paid up at the price of EUR 2.25 per share.

On 30 April 2003, the Company's name was changed by public deed to SONAECOM, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by EUR 70,276,868, from EUR 226,250,000 to Euro 296,526,868, by the issuance of 70,276,868 new shares of 1 euro each and with a share premium of EUR 242,455,195, fully subscribed by France Télécom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders General Meeting held on 18 September 2006, Sonaecom's share capital was increased by EUR 69,720,000, from EUR 296,526,868 to Euro 366,246,868, by the issuance of 69,720,000 new shares of 1 euro each and with a share premium of EUR 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. ('EDP') and Parpública – Participações Públicas, SGPS, S.A. ('Parpública'). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

During the year ended on 31 December 2013, the merger between Zon Multimédia – Serviços de Telecomunicações e Multimédia, SGPS, S.A. ('Zon') and Optimus SGPS, SA (note 9) was closed.

Accordingly, the telecommunications segment was classified, for presentation purposes, as a discontinued operation and the Group's business became of, rather than the holding activity:

- Media;
- Technologies.

Consequently, since the merger mentioned above, the telecommunications segment became joint ventures (note 9).

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital of Sonaecom.

The offer was general and voluntary, with the offered obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients.

The period of the offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the offer were released. The level of acceptance reached 62%, corresponding to 54,906,830 Sonaecom shares.

In 2014 Sonaecom reduced its share capital to Euro 230,391,627.

Thereafter, Euronext Lisbon announced Sonaecom exclusion from the PSI-20 from 24 February 2014 forward.

The Group operates in Portugal and has subsidiaries (from the information systems consultancy segment) operating in about 3 countries (Portugal, Spain and United Kingdom).

On 21 December 2022, Sonae SGPS, S.A. ('Sonae'), communicated the decision to launch the general and voluntary public offer for the acquisition of shares representing the share capital of Sonaecom SGPS, S.A. ('Sonaecom').

The consolidated financial statements are also presented in EUR, rounded to the unit, and the transactions in foreign currencies are included in accordance with the accounting policies detailed below.

Relevant events occurred during the year

After two years in which the Covid-19 pandemic significantly conditioned ways of life, 2022 marked the beginning of the definitive lifting of most restrictions on economic activity in most regions of the world, made possible by the success of vaccination programs and by the growing immunization of the population through contact with the virus. Despite these positive developments, the year was inevitably marked by the escalation of geopolitical tension following Russia's invasion of Ukraine on February 24, 2022. The member countries of the European Union (EU) and NATO, where a large part of of Advanced Economies, quickly demonstrated their solidarity with Ukraine and implemented several sanctions packages on Russia, which in turn retaliated in the same way and made the nuclear threat more present. The economic consequences of this conflict were quickly felt in the world economy, particularly in the international energy and food markets due to the importance of Russia and Ukraine as exporters of these raw materials.

The year 2023 will continue to be marked by a challenging geopolitical context and high levels of uncertainty. As the stalemate continues in the conflict between Ukraine and Russia, the price of food and energy commodities on international markets is likely to remain high and volatile, albeit at a lower level than the values recorded in the months following the invasion. Additionally, the risk of a shortage of natural gas next winter will continue to hang over the EU and, therefore, the balance between demand and supply of this raw material will prove critical to guaranteeing energy security in Europe.

Given the Group's capital structure, with a significant amount of cash and bank deposits and a small amount of interest-bearing debt, no material changes in its liquidity are expected. Furthermore, the Sonaecom Group will continue to implement all the measures it deems appropriate to minimize possible impacts.

1. Basis of presentation

The accompanying financial statements relate to the consolidated financial statements of the Sonaecom Group and have been prepared with an on a going concern basis, based on the accounting records of the companies included in the consolidation through full consolidation method (note 2) in accordance with the International Financial Reporting Standards (IFRS) as adopted and effective in the European Union on 1 January 2022. These financial statements were prepared based on the historical cost, except for the revaluation of some financial instruments.

Sonaecom adopted IFRS for the first time according to SIC 8 (First-time adoption of IAS) on 1 January 2003.

The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union, and have mandatory application to the financial years beginning on or after 1 January 2022:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Amendments to IFRS 3: Reference to the Conceptual Framework	1-jan-22
This amendment updates the references to the Conceptual Framework without changing the accounting requirements for business combinations.	
Amendments to IAS 16: Proceeds before intended use	1-jan-22
This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets.	
Amendments to IAS 37: Onerous Contracts - cost of fulfilling a contract	1-jan-22
This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract can be considered.	
Annual Improvement Cycle 2018-2020	1-jan-22
Improvements to IFRS 1 (Subsidiary as a First-time Adopter), IFRS 9 (Derecognition of financial liabilities), IFRS 16 (Rent concessions) and IAS 41 (Taxation in Fair Value Measurements). This amendments are of prospective application.	

Regarding the new standards that became effective in the year beginning on 1 January 2022, the Group made an analysis of the changes introduced and the impact on the financial statements and concluded that the application of these standards had no material effect in the financial statements.

The following standards, interpretations, amendments and revisions have, until 31 December

2022, been approved (endorsed) by the European Union:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies	1-jan-23
The changes require companies to disclose their material accounting policy information instead of their significant accounting policies.	
Amendments to IAS 8 Accounting policies	1-jan-23
Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies.	
Amendments to IFRS 17: Insurance contracts (includes changes to the standard):	1-jan-23
This new standard replaces IFRS 4 which becomes mandatory since 2004. IFRS 17 apply to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.	
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction	1-jan-23
This amends will require that the companies record deferred tax on certain specific transactions, when their initial recognition originated equal amounts of taxable temporary differences and deductible temporary differences.	
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 -	1-jan-23
This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset for which the insurance company does not apply retrospectively, within the scope of IFRS 9.	

The Group did not apply any of these standards in early application in the financial statements for the year ended 31 December 2022.

Excluding the potential effects of the non-offset presentation of assets and liabilities deferred tax associated with the effects of IFRS 16, no materially relevant effects are expected upon the adoption of these standards.

The following standards, interpretations, amendments and revisions were not, until 31 December 2022, approved ('endorsed') by the European Union:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1-jan-24
This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period.	
Amendments to IFRS 16 - Lease liabilities in a Sale and Leaseback transaction	1-jan-24
This amendment introduces guidelines regarding the subsequent measurement of lease liabilities, for sale and leaseback transactions that qualify as "sales" under IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate.	

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Group in the year ended 31 December 2022, as their application is not yet mandatory.

No materially relevant effects are expected upon the adoption of these standards.

The accounting policies and measurement criteria adopted by the Group as on 31 December 2022 are comparable to those used in the preparation of the financial statements as on 31 December 2021.

Main accounting policies

The main accounting policies used in the preparation of the accompanying consolidated financial statements are as follows:

a) Investments in Group companies

Sonaecom has control of the subsidiary when the company cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights over, variable results from its involvement with the subsidiary; and iii) has the ability to use its power to affect its returns. These Investments were fully consolidated in the accompanying consolidated financial statements. Third party participations in the Shareholders' equity and net results of those companies are recorded separately in the consolidated statement of financial position and in the consolidated profit and loss statement, respectively, under the caption 'Non-controlling interests'.

The total comprehensive income is attributed to both the Shareholders of parent company and the non-controlling interests even if this results in a deficit balance of non-controlling interests.

To acquire subsidiaries, the purchase method is applied. The results of subsidiaries bought or sold during the year are included in the profit and loss statement as from the date of acquisition (or of control acquisition) or up to the date of sale (or of control cession). Intra-Group transactions, balances and dividends are eliminated.

The fully consolidated companies are listed in note 2.

The acquisition cost is the amount of cash or cash equivalents paid or the fair value of other consideration transferred to acquire an asset at the time of its acquisition or constitution or, where applicable, the amount attributed to that asset upon initial recognition in accordance with the specific requirements of IFRS 3.

The transferred consideration may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair value at the acquisition date (for example, non-cash assets or a business of the acquirer). If so, the acquirer shall re-measure the assets or liabilities transferred at their fair value at the acquisition date and recognise any gains or losses arising, if any, on the statement of income. However, sometimes the transferred assets or liabilities remain in the entity acquired after the business is carried out, and therefore, the acquirer retains control over them. In such situation, the acquirer shall measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognise any gain or loss in the statement of profit and loss on assets or liabilities that it controls both before and after the business.

The expenses incurred with the acquisition of investments in Group companies are recorded as cost at the time they are incurred.

b) Investments in joint ventures and associated companies

Financial investments representing shares of capital in joint ventures (companies in which the Group directly or indirectly holds 50% of the voting rights at the General Shareholders' Meeting or holds the power to jointly control their financial and operational policies with the other venturers) are recorded under the caption 'Investments in joint ventures and associates companies', at acquisition cost.

Investments in associated companies (companies over which the Group has significant influence) are

recorded under the caption 'Investments in joint ventures and associates', at acquisition cost, in accordance with the same rationale referred to above. The existence of significant influence is presumed when the investor holds more than 20% of the voting rights of the investee, otherwise it must be clearly demonstrated. The existence of significant influence is usually evidenced by one or more of the following criterias:

- representation on the investee's management or equivalent management body;
- participation in the process of policy' decisions, including participation in decisions on dividends and other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- share of essential technical information.

Participations in joint ventures are recorded using the equity method. According to this method, financial investments are periodically adjusted by the amount corresponding to the share in the net results of joint ventures, against the caption "Gains and losses in joint ventures and associates" in the income statement.

Direct changes in post-acquisition equity of joint ventures are recognized in the amount of the interest against the heading of reserves, in equity.

Additionally, financial holdings may also be adjusted by the recognition of impairment losses.

Dividends received from these companies are recorded as a decrease in the value of financial investments.

The investments in associated companies are recorded using the equity method, except in cases where the investments are held by a venture capital organization or equivalent, where the Group has chosen, at initial recognition, to measure at fair value through profit or loss. in accordance with IFRS 9 (1g iii).

In accordance with the equity method, investments are adjusted annually by the amount corresponding to the Group's share of the net results of associated companies, against a corresponding entry to gain or loss for the year, and by the amount of dividends received, as well as by other changes in the equity of the associated companies, which are recorded by a corresponding entry under the caption 'Other

reserves'. These equity variations, excluding the cost related to NOS's own share plans, are recorded under the caption 'Other Comprehensive Income'. Dividends received are deducted from the value of the share. An assessment of investments in associated companies and joint ventures is carried out annually, in order to verify if there are any situations of impairment.

When the Group's share of accumulated losses of an associated company or a company joint ventures exceeds the book value of the investment, the investment is recorded at null value, except when the Group has assumed commitments to the associated company or a company joint ventures. If that is the case, situation in which it records a provision for other risks and charges for that purpose.

The difference between the acquisition price of the investments in associated companies joint ventures and the fair value of identifiable assets and liabilities at the time of their acquisition, when positive, is included in the investment value and, when negative, after a reassessment, is recorded, directly, in the profit and loss statement under the caption 'Gains and losses in joint ventures and associated companies'.

The description of the associated companies and joint ventures is disclosed in note 9.

c) Property, plant and equipment

'Property, plant and equipment' are recorded at their acquisition cost minus their accumulated depreciation and the estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis from the date the assets are available for use under the necessary conditions to operate as intended by the management, by a corresponding charge under the profit and loss statement caption 'Amortisation and depreciation'.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Buildings and other constructions	10 - 20
Plant and machinery	5 - 7
Fixtures and fittings	1 - 10
Tools and utensils	4
Other tangible assets	4

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Amortisation and Depreciation' in the profit and loss statement.

Current maintenance and repair expenses of tangible assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the remaining estimated useful life of the corresponding assets.

The estimated costs related with the mandatory dismantling and removal of tangible assets, incurred by the Group, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

Work in progress corresponds to tangible assets still in the construction/development stage which are recorded at their acquisition cost. These assets are depreciated as from the moment they are available to be used and when they are ready to start operating as intended by the management.

d) Intangible assets

'Intangible assets' are recorded at their acquisition cost minus their accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised if they were identifiable and if it is likely that they will bring future economic benefits to the Group, if the Group controls them and if their cost can be reasonably measured.

Intangible assets comprise, essentially, software, industrial property, costs incurred with the acquisition of clients portfolios (value attributed under the purchase price allocation in business combinations).

The amortisation of intangible assets are calculated on a straight-line monthly basis, over the estimated useful life of the assets, as from the month in which the corresponding expenses are incurred.

Expenditures with internally-generated intangible assets, namely research expenditures, are recognised in the profit and loss statement when incurred and cannot be reclassified, later. Development expenditures can only be recognised as an intangible asset if the Group demonstrates the ability to complete the project and is able use it or sell it.

Amortisation for the year is recorded in the profit and loss statement under the caption 'Amortisation and depreciation'.

Impairment losses detected in the realisation value of intangible assets are recorded in the year in which they arise, by a corresponding charge under the caption 'Amortisation and depreciation' in the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Brands and patents	1 - 15
Software	1 -15

e) Brands and patents

Brands and patents are recorded at their acquisition cost and are amortised on a straight-line basis over their respective estimated useful life.

All brands and / or patents held by the Group have a defined useful life.

f) Goodwill

The differences between the acquisition price of investments in Group companies, companies joint ventures and associated companies added the value of non-controlling interests (in the case of subsidiaries), the fair value of any interests previously held at the date and the fair value of the identifiable assets, liabilities and contingent liabilities of these companies at the date of business combination, when positive, are considered 'Goodwill'. If related to subsidiaries are recorded under the caption "Goodwill" (note 8), if related to joint ventures and associated companies are included in the value of the investment in the caption "Investments in associated companies and joint ventures" (note 9).

The differences between the price of investments in foreign subsidiaries whose functional currency is not

the Euro, the value of non-controlling interests and the fair value of the identifiable assets and liabilities of these companies at the acquisition date are recorded in the functional currency of those subsidiaries and are they converted into reporting currency of Sonaecom (Euro), at the exchange rate on the date of the statement of financial position. The exchange rates differences that arise upon conversion are recorded in the caption "Reserves and retained earnings".

Contingent consideration is recognised as a liability, at the acquisition-date, according to its fair value, and any changes to its value are recorded as a change in the 'Goodwill', but only as long as they occur during the 'measurement period' (until 12 months after the acquisition-date) and as long as they relate to facts and circumstances that existed at the acquisition date, otherwise these changes must be recognised in profit or loss.

Transactions regarding the acquisition of additional interests in a subsidiary after control is obtained, or the partial disposal of an investment in a subsidiary while control is retained, are accounted for as equity transactions impacting the shareholders' funds captions, and without giving rise to any additional 'Goodwill' and without any gain or loss recognised.

When that a sales transaction generate a loss of control, should be derecognised assets and liabilities of the entity and any interest retained in the entity sold should be remeasured at fair value and any gain or loss calculated on the sale is recorded in profit and loss.

The Goodwill amount is not amortised, being tested annually or whenever there are impairment indices, to verify if there are any impairment losses to be recognised. The recoverable amount is determined based on the business plans used by Sonaecom's management. Goodwill impairment losses of the year are recorded in the profit and loss statement of the year under the caption ' Amortisation and depreciation'.

Goodwill impairment losses can not be reversed.

Goodwill, if negative, is recognised as income on the acquisition date after reconfirmation of the fair value of identifiable assets, liabilities and contingent liabilities.

g) Financial instruments

Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income. Its classification depends on the entity's business model to manage the financial assets and the contractual characteristics in terms of the cash flows of the financial asset.

Changes to the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, as equity instruments, which can never be reclassified to another category.

(i) Financial assets measured at amortised cost

Financial assets measured at amortised cost are those that are part of a business model with the purpose to hold financial assets in order to receive contractual cashflows, although these contractual cash flows can only be capital repayments and interest payments of capital in debt.

(ii) Financial assets at fair value through other comprehensive income

This category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

- a) Regarding debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or on time sale;
- b) Regarding equity instruments, this category includes the percentage of interest held in entities over which the Group does not exercise control, joint control or significant influence, and which the Group irrevocably chose on the date of initial recognition to designate at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss

This category includes debt instruments and equity instruments that do not meet the criteria for qualification as financial assets at amortised cost

and which the Group has not classified as financial assets through other comprehensive income at the time of initial recognition. This category also includes all financial instruments whose contractual cash flows are not exclusively capital and interest.

Under this category are also included the investments in associates, held by a venture capital organization or equivalent, which the Group has chosen, at initial recognition, to measure at fair value through profit or loss in accordance with IFRS 9.

The Group makes this option separately for each associate.

Gains and losses resulting from the change in the fair value of assets measured at fair value through profit or loss are recognised as income for the year in which they occur in the respective caption 'Gains and losses on assets at fair value through profit or loss', which include income amounts interest and dividends.

Financial assets are recognised in the Group's statement of financial position on the trade or date of contract, which is the date on which the Company undertakes to acquire of the asset. At the initial moment, financial assets are recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss in which transaction costs are immediately recognised in the income statement.

Financial assets are derecognised when: (i) they expire or the contractual rights of the Group are transferred to the receipt of its cash flows; (ii) the Group has transferred substantially all the risks and benefits associated with its detention; or (iii) notwithstanding that it retains a portion, but not substantially all the risks and rewards associated with its detention, the Group has transferred control over the assets.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest earned on assets at amortised cost" in caption "Financial income".

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair

value changes recognised in other comprehensive income, except for variations related to the recognition of impairment, interest income and gains/(losses) due to foreign exchange differences, which are recognised in income for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, the fair value changes are recorded directly in other comprehensive income, in the equity. Future reclassification is not possible, even after derecognition of the investment. Dividends obtained from these investments are recognised as gains, in results for the year, on the date they are attributed.

Financial assets and liabilities are offset and presented at net value, when and only when the Group has the right to offset the amounts recognised and intends to settle at the net value.

Financial liabilities

Financial liabilities are classified according to the contractual substance regardless of their legal form. Equity instruments are contracts that show a residual interest in the Group's assets after deducting liabilities. The equity instruments issued by the company are recorded at the amount received, net of the costs incurred with their issuance. Financial liabilities are derecognised only when they are extinguished, that is, when the obligation is settled, cancelled or expired.

Financial liabilities are classified into two categories:

- (i) Financial liabilities at amortised cost
- (ii) Financial liabilities at fair value through profit or loss

In accordance with IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, except for:

- a) Financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, should subsequently be measured at fair value;
- b) Financial liabilities that arise when a transfer of a financial asset does not meet the conditions for derecognition or when the continued involvement approach is applied;
- c) Financial guarantee contracts;

- d) Commitments to grant a loan at a lower interest rate than the market;
- e) The contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies. This contingent consideration should be subsequently measured at fair value, with changes recognised in profit or loss.

The category "Financial liabilities at amortised cost" includes the liabilities presented in the captions Loans obtained (note 1.I), Trade payables and Other payables. These liabilities are initially recognised at fair value net of transaction costs and are subsequently measured at amortised cost at the effective interest rate.

On 31 December 2022 and 2021, the Group only recognises liabilities classified as "Financial liabilities at amortised cost".

h) Rights of use Assets and leasing

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period of time in exchange for a value.

At the beginning of each contract, it is evaluated and identified whether or not the contract contains a lease. This evaluation involves an exercise of judgment as to whether each contract depends on a specific asset, if the companies of Sonaecom Group obtain substantially all the economic benefits from the use of that asset and whether they have the right to control the use of the asset.

All contracts that constitute a lease are accounted for on the basis of a single recognition model in the balance sheet.

At the date of commencement of the lease, the Group recognises the liability related to lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right of use or "RoU").

The interest on the lease liability and the depreciation of the RoU are recognised separately.

Lease liabilities are remeasured if certain events occur (such as a change in the lease period, a change in future payments that result from a change in the reference rate or rate used to determine such payments). This remeasurement of the lease liability is recognised as an adjustment in the RoU.

Rights of use assets

The Group recognises the right of use assets at the starting date of the lease (that is, the date on which the underlying asset is available for use).

The right of use assets are recorded at acquisition cost, less accumulated depreciation and impairment losses and adjusted for any new measurement of lease liabilities. The cost of the right to use assets includes the recognised amount of the lease liability, any direct costs incurred initially and payments already made prior to the initial rental date, less any incentives received and plus restoration costs, if any.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore the location in which it is located, or restore the underlying asset to the condition required by the lease terms and conditions, a provision is recognised, in accordance with terms of IAS 37. Expenses are included in the respective right of use.

Leasing incentives (eg, rental grace periods) are recognised as elements for measuring the right of use and lease liabilities, depreciated in a straight line as long as reduction in rental expenses.

Variable income that does not depend on an index or rate are not included in the measurement of the lease liability, nor of the asset under right of use. Such payments are recognized as expenses in the year in which the event or condition giving rise to the payments is made.

The rights of use assets are depreciated according to the lease term, using the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group obtains ownership of the leased asset at the end of the lease term, the recognised right to use the assets is depreciated on a straight-line based on the lease term.

Rights of use assets are subject to impairment.

Lease liabilities

At the date of commencement of the lease, the Group recognises the liabilities measured at the present value of the future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments on the substance), less any incentives to receive, variable payments, dependent on an index or rate, and expected amounts to be paid under residual value guarantees. The lease payments also include the exercise price of a call option if it is reasonably certain that the Group will exercise the option and penalties for termination of the lease if it is reasonably certain that the Group will terminate the lease.

Payments for non-lease components are not recognised as lease liabilities.

Variable payments that do not depend on an index or a rate are recognised as an expense in the period in which the event giving rise to them occurs.

For the calculation of the present value of the lease payments, the Group uses the incremental loan rate at the start date of the lease if the implied interest rate is not readily determinable.

After the starting date of the lease, the value of the lease liability increases to reflect the increase in interest and reduces the payments made. In addition, the book value of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the purchase decision of the underlying asset.

With respect to the lessor, a lease is classified as a finance lease if it transfers substantially all the risks and rewards inherent in ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards inherent in ownership of an underlying asset. Whether a lease is financial or operational depends on the substance of the transaction and not the form of the contract. Examples of situations that, individually or together, would normally lead to a lease being classified as a finance lease include the following:

- a) The lease transfers ownership of the underlying asset to the lessee at the end of the lease term;
- b) The lessee has the option to purchase the underlying asset at a price that is expected to be sufficiently below fair value at the date the option becomes exercisable so that, at the start date, it is reasonably certain that the option will be exercised;

- c) The lease term refers to most of the economic life of the underlying asset, even if the security is not transferred;
- d) At the start date, the present value of the lease payments amounts to at least substantially the entire fair value of the underlying asset;
- e) The underlying asset is so specialised in nature that only the lessee can use it without major changes;
- f) If the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- g) Gains or losses arising from the fluctuation of the residual's fair value add to the lessee (for example, in the form of a rent rebate that equals most of the proceeds from sales at the end of the lease); and
- h) The lessee has the ability to extend the lease for a secondary period with an income substantially lower than the market rent.

i) Inventories

Inventories are stated at their acquisition cost, net of any impairment losses, which reflects their estimated net realisable value.

The main nature of the Group's inventories corresponds essentially to paper for newspapers printing and hardware.

In calculating the cost of sales, the Group adopts the weighted average costing method.

Accumulated inventory impairment losses reflect the difference between the acquisition cost and the realisable amount of inventories, as well as the estimated impairment losses due to low turnover, obsolescence and deterioration, and are registered in the profit and loss statement, in 'Cost of sales'.

j) Trade and Other receivables

These captions mainly include the amounts of Trade receivables resulting from services rendered within the scope of the Group's activity and other amounts related to operating activities. The amounts are defined as current assets when the collection is estimated within a 12-month period. The amounts are defined as non-current if the estimated collection occurs more than 12 months after the relate date.

'Trade receivables' and 'Other receivables' are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments.

Impairment losses of 'Trade receivables' and 'Other receivables' are recorded in accordance with the principles described in the policy in note 1.x). The identified impairment losses are recorded in the income statement and other comprehensive income in 'Impairment losses', and are subsequently reversed by 'Other income'.

k) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications, with less than three months' maturity, and that can be immediately realized without significant risk of change in value.

The consolidated cash flow statement has been prepared in accordance with IAS 7, using the direct method. The Group classifies, under the caption 'Cash and cash equivalents', investments that mature in less than three months, for which the risk of change in value is insignificant. The caption 'Cash and cash equivalents' in the cash flow statement also includes bank overdrafts, which are reflected in the balance sheet caption 'Loans'.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other flows related to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated, subsidiary companies, joint ventures and other financial investments, receipts and payments resulting from the purchase and sale of fixed assets and receipt of dividends.

Cash flows from financing activities include payments and receipts relating to loans obtained and finance lease contracts, as well as cash flows from the shareholders' transactions, as shareholders.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

l) Loans

Loans are recorded as liabilities by the 'amortised cost'. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the loan, based on the effective interest rate method. The interests

incurred but not yet due are added to the loans caption until their payment.

m) Financial expenses relating to loans obtained

Financial expenses relating to loans obtained are generally recognised as expenses at the time they are incurred. Financial expenses related to loans obtained for the acquisition, construction or production of assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended. Other financial charges on loans obtained are recognised as expenses.

n) Derivatives of financial instruments

The Group only uses derivatives in the management of its financial risks to hedge against such risks. The Group does not use derivatives for trading purposes (speculation).

When adopting hedge accounting, management documents, on the initial date of the hedge relationship, the economic relationship between the hedging instruments and the hedged instruments, including the condition of the hedge instruments whether or not they compensate for changes in the cash flows of the instruments covered, in accordance with the Risk Management objectives and strategy defined for contracting coverage transactions.

The derivatives of financial instruments (cash flow hedges) used by the Group are related to:

- (i) Interest rate swaps to hedge the interest rate risk on loans obtained. The amount of the loans, interest maturities and repayment plans for the loans underlying the interest rate swaps are in all respects identical to the conditions laid down for the contracted loans.
- (ii) Forward's exchange rate for hedging foreign exchange risk, particularly from receipts from customers. The values and time periods involved are identical to the amounts invoiced and their maturities.

Transactions that qualify as hedging instruments in relation to cash flow hedges are recorded in the statement of financial position at fair value and, to the extent that they are considered effective hedges, changes in the fair value of the instruments are

initially recorded as equity and subsequently reclassified to the financial costs caption.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

On 31 December 2022 and 2021, the Group had not contracted any derivative financial instrument.

o) Provisions and contingencies

'Provisions' are recognised when, and only when, the Group has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated.

Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate at that date.

The updating effect arising from the time value of money is recognised against 'Financial expenses' when relevant.

Provisions for restructurings are only registered if the Group has a detailed plan and if that plan has already been communicated to the parties involved.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes, if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but are disclosed in the notes when future economic benefits are likely to occur.

p) Income tax

'Income tax' expense represents the sum of the current tax payable and deferred tax, in accordance with IAS 12 - 'Income Taxes'.

Since 1 January 2015, Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company. Tax losses generated by companies dominated within the Group are partially offset by the Group's dominant entity. Regarding the tax losses generated by the dominated companies not compensated for the year, they will be compensated as the Group recovers, taking into account its future taxable profits, with

the amount to be compensated recorded in non-current assets in an account receivable from the Group. Each company records the income tax in its individual accounts, with the calculated tax recorded against the item of group companies. The special regime for the taxation of groups of companies encompasses all companies directly or indirectly participated, even though through companies resident in another Member State of the European Union or the European Economic Area, provided that, in the latter case, there is an obligation for administrative cooperation, in at least 75% of the capital, provided that such participation grants you more than 50% of the voting rights, provided that certain requirements are met.

Deferred taxes are calculated using the liability method and reflect the time differences between the amount of assets and liabilities for accounting purposes and the respective amounts for tax purposes.

In accordance with IAS 12, the Group presents deferred tax assets and liabilities at net value, whenever:

- (i) the company in question has the legally exercisable right to offset current tax assets and current tax liabilities;
- (ii) deferred tax assets and liabilities relate to income taxes levied by the same tax authority and on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle liabilities simultaneously, in future periods when deferred taxes are expected to be settled or recovered.

'Deferred tax assets' are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are likely, enabling the recovery of such assets (note 12).

Deferred tax liabilities are recognised on all taxable temporary differences, except those related to: i) the initial recognition of goodwill; or ii) the initial recognition of assets or liabilities, which do not result from a concentration of business activities, and

which at the date of the transaction do not affect the accounting or tax result.

When the temporary differences result from the simultaneous initial recognition of an asset against a liability, which do not affect the accounting or tax result, as in the case of the initial recognition of a lease and a provision for dismantling or restoration, the company recognizes the respective deferred tax assets and liabilities.

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantially decreed tax rate at the relate date.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption. In all other situations, deferred taxes are always recorded in the profit and loss statement.

The value of taxes recognised in the financial statements correspond to the understanding of Group on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate. In situations where such positions will be challenged by the tax authorities as part of their skills by their interpretation is distinct from the Group, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50% Sonaecom treats the situation as a contingent liability, i.e. is not recognized any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognized a provision, or if the payment has been made, it is recognized the cost associated.

q) Government subsidies or other public entities

Subsidies non-refundable are recognised as profit during the period in which the Group incurs in its costs and are included in the profit and loss statement under the caption 'Other income' (note 31).

Subsidies awarded to finance investments are recorded as deferred income in the statement of financial position and are included in the profit and loss statement under the caption 'Other income'

(note 31). Subsidies are recognised during the estimated useful life of the corresponding assets.

Subsidies non-refundable related to projects are recognized in the statement of financial position as deferred income and recognized in the income statement under 'Other income'. The incentive is recognized during the project development period.

Repayable grants are recognized in the statement of financial position as a liability under 'Loans' and are amortized in accordance with established payment plans. These subsidies are recorded at amortized cost in accordance with the effective interest rate method (note 22).

r) Accrual basis

Expenses and income are recorded in the year to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions of 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current period, where payments and receipts will occur in future periods, as well as payments and receipts in the current period but which relate to future periods. The latter shall be included by the corresponding amounts in the results of the periods that they relate to.

The costs attributable to the current year and whose expenses will only occur in future years are estimated and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to reliably estimate the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.o).

s) Revenue

Revenue includes the fair value of the consideration received or receivable from the sale or services rendered arising from the normal business activity of the Group. The revenue is recognised net of taxes, any commercial and quantity discounts granted by the Group.

The recognition of the Group's revenue is based on the five-step model established by IFRS 15:

- (i) Identification of the contract with the trade debtor;
- (ii) Identification of performance obligations;
- (iii) Determination of the price of the transaction;
- (iv) Allocation of transaction price to performance obligations; and
- (v) Recognition of revenue.

Thus, at the beginning of each contract, the Group evaluates the promised goods or services and identifies, as a performance obligation, every promise to transfer to the customer any distinct good or service. These promises in client agreements may be express or implied, provided such promises create a valid expectation in the client that the entity will transfer a good or service to the customer, based on the entity's published policies, specific statements or business practices.

To determine the amount of revenue, the Group evaluates for each transaction its performance obligations to its customers, the price of the transaction to be affected by each performance obligation identified in the transaction, and the existence of variable price conditions that may lead to future success to the value of the recorded revenue, and for which the Group makes its best estimate. To determine and allocate the transaction price to each performance obligation, the Group uses the stand-alone prices of the products and services promised at the date of conclusion of the contract with the customer.

Revenue is recorded in the income statement when the control over the product or service is transferred to the customer, that is, at the moment when the customer becomes able to manage the use of the product or service and obtain all the benefits economic conditions associated with it.

The specialisation of revenue is presented as "Assets of customer contracts - Billing to customers" or "Customer contract liabilities - Prepaid billing to customers", under Other current assets and Other current liabilities in the Statement of Financial Position.

Incremental costs for obtaining a contract (which would have been avoided if the Group had not obtained the contract) are capitalised, to the extent that the associated contract has a duration of more than 12 months and there is an expectation of recovering its value in the scope of the contract margin. Likewise, the costs of complying with a

contract are recorded as assets, provided that: i) directly related to a contract, or to an anticipated contract that is specifically identified; ii) generate or improve resources to be used to satisfy performance obligations in the future; and iii) recovery is expected.

Sale of goods

Revenue from the sale of goods is recognised in the Income statement when control over the good is transferred to the customer, that is, when the customer is able to manage the use of the good and obtain all the benefits economics associated with it.

The main natures of sales revenue of the companies in which Sonaecom participates are as follows:

- (i) Revenue from sales of newspapers: recognised in the period in which newspapers are sold and made available to distributors in the total value of sales of newspapers and associated products.

Services rendered

The main types of revenue from services rendered by companies in which Sonaecom participates are essentially as follows:

- (i) Advertising revenues: essentially include advertising for Jornal Publico. These revenues are recognised when each advertising campaign is carried out;
- (ii) Revenue from maintenance services: revenue associated with the maintenance of computer services provided or sold to the customer, recognized on a monthly basis "over the time" since the customer simultaneously receives and consumes the benefits resulting from the company's performance that it provides the service;
- (iii) Revenue from consultancy services: the revenue from services provided in consultancy projects is recognised, in each year, according to the performance obligation to which they refer, depending on the percentage of completion of the same. In other words, with respect to each performance obligation, the Group recognizes revenue over-the-time by measuring progress towards full compliance with such performance obligation; and
- (iv) Revenue from Software as a Service (SaaS): revenue from SaaS service is recognised monthly over-the-time during the contract period. Revenue from the implementation of Software as a Service (SaaS) contracts in some cases must be recognised together with the SaaS service as a single performance obligation on a monthly basis

for the term of the contract. In some of the SaaS contracts, the Software implementation services do not constitute a separate performance obligation, but rather a performance obligation combined with the SaaS service. In these cases, the implementation and initial configuration activities mainly consist of administrative tasks necessary to perform the main SaaS service, but which do not provide an incremental benefit to the customer in isolation. Thus, in these contracts, by analyzing the period and type of implementation carried out in each contract, the Group identifies whether it is facing one or two performance obligations (implementation and SaaS). In the case of a single performance obligation, it recognizes the revenue from that single performance obligation on a monthly over-the-time basis for the period of the contract.

The Group's sales and service contracts do not contain a significant financing component and in the case of variable remuneration, the estimated variable remuneration is restricted to an amount corresponding to what is highly probable that it will not be subject to significant reversals.

t) Fair value

The measurement of fair value presumes that an asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date, under current market conditions.

The measurement of fair value is based on the assumption that the transaction to sell the asset or transfer the liability may occur:

- (i) In the main asset and liability market, or
- (ii) If the main asset and liability market does not exist, in the market in which an orderly transaction would take place for the asset or liability

The Group uses valuation techniques appropriate to the circumstances and for which there is sufficient data to measure fair value, maximising the use of observable relevant data and minimizing the use of unobservable data.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which allocates the data to be used in the fair value measurement, into three levels detailed below:

Level 1 - unadjusted quoted prices for identical assets and liabilities in active markets, which the entity can access at the measurement date;
 Level 2 - Valuation techniques that use inputs that although are not quoted are directly or indirectly observable;
 Level 3 - Valuation techniques that use inputs not based on observable market data, ie, based on unobservable data.

The measurement of fair value is classified fully at the lowest level of the input that is significant for the measurement as a whole.

u) Reserves

Legal reserve

The Portuguese commercial legislation requires that at least 5% of the annual net profit must be appropriated to a 'Legal reserve', until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Group, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Share premiums

The share premiums relate to premiums generated in the issuing of capital or in capital increases. According to Portuguese Commercial law, share premiums follow the same requirements of 'Legal reserves', i.e., they are not distributable, except in case of liquidation, but they can be used to absorb losses, after all the other reserves are exhausted or to increase share capital.

Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and deducted in equity, being unavailable for distribution, while own shares are held.

Other reserves

This caption is essentially related to the results carried over from previous years, also including accumulated exchange differences in the negative amount of approximately EUR 46,5 million (EUR 48 million in 2021). This value includes currency conversion reserves of joint ventures and associated investments appropriate through the equivalence method equity.

v) Own shares

Own shares are recorded at their acquisition value as a deduction of Shareholders' funds. Gains or losses arising from the sale of own shares are recorded under the heading 'Other reserves'.

w) Balances and transactions in foreign currency

Euro is the currency of presentation. All transactions in foreign currency are translated for the functional currency at the exchange rate of the transaction date. At each closing date, the exchange restatement of outstanding balances is carried out, applying the exchange rate in effect at that date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at the transaction date and those in force at the date of collection, payment or at the balance sheet date are recorded as income and expenses in the consolidated profit and loss statement of the year, in financial results.

Assets and liabilities of the financial statements of foreign entities are translated to the functional currency of the Group (EUR) using the exchange rates in force at the statement of financial position date, while expenses and income in such financial statements are translated into euro using the average exchange rate for the period. The resulting exchange differences were recorded under the Shareholders' funds caption 'Other reserves'.

Entities operating abroad with organisational, economic and financial autonomy are treated as foreign entities.

Goodwill and adjustments to fair value generated in the acquisitions of foreign entities reporting in a functional currency other than Euro are translated at the reporting date.

The following rates were used to translate into euros the financial statements of foreign subsidiaries and the balances in foreign currency:

	2022		2021	
	31 December	Average	31 December	Average
Australian Dollar	0.6372	0.6600	0.6404	0.6352
Brazilian Real	0.1774	0.1846	0.1585	0.1569
Canadian Dollar	0.6925	0.7309	0.6948	0.6749
Swiss Franc	1.0155	0.9961	0.9680	0.9251
Pounds Sterling	1.1275	1.1732	1.1901	1.1637
Mexican Peso	0.0480	0.0474	0.0432	0.0417
Mozambique Metical	0.0147	0.0149	0.0138	0.0130
American Dollar	0.9376	0.9515	0.8829	0.8460

x) Assets impairment

Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Amortisation and depreciation' in the case of tangible assets, intangible assets and Goodwill and for the other assets under the caption 'Impairment losses', or under the caption 'Gains and losses in joint ventures and associated companies'.

Non-financial assets impairment

Impairment tests are performed for assets with undefined useful life and Goodwill at the date of each statement of financial position and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

Impairment tests are performed for assets with defined useful lives and investments in associated and joint ventures whenever there is evidence that their book value is higher than the recoverable value.

The recoverable amount is the greater of the net selling price and the value in use. Net selling price is the amount obtainable upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value in use is the present value of the estimated future cash flows expected to result from the continued use of the asset and of its sale at the end of its useful life.

The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For the value of Goodwill, tangible assets, intangible assets and investments in associated companies, the recoverable amount, calculated in terms of value in use, is determined based on the most recent business plans duly approved by the Group's Board of Directors.

For the value of Investments in joint ventures, the recoverable amount is determined taking into account various information such as the most recent business plans duly approved by the NOS Group's Board of Directors and the average of evaluations made by external analysts (researches).

Non-financial assets, except Goodwill, for which impairment losses have been recorded, are reviewed at each reporting date for reanalyze of these losses.

Financial assets impairment

The Group assesses at each reporting date the existence of impairment in financial assets at amortised cost. The expected loss results from the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognize expected credit losses over the duration of financial instruments that have undergone significant credit risk increases since initial recognition, assessed on an individual or collective basis, taking into account all reasonable and sustainable information, including prospects. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since the initial recognition, the Group measures the provision for losses related to that financial instrument by an amount equivalent to the expected credit losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

With regard to the amounts under 'Trade receivables', 'Other receivables' and 'Customer contract assets', impairment losses is calculated based on the expected credit loss, the calculation are of which results from the application of expected loss rates based on payments received in the context of sales and services rendered, over a period of 48 months before 31 December 2022, and historical credit losses.

On 31 December 2022 and 2021, the following expected credit loss rates were considered by business segment:

2022	Tecnologies	Media
Not due	0% - 0.26%	0% - 0.11%
1 to 60 days	0% - 0.33%	0% - 0.16%
60 to 90 days	0% - 1.44%	0% - 0.65%
90 to 180 days	0% - 2.70%	0% - 1.05%
180 to 360 days	0% - 2.18%	0% - 5.40%
More than 360 days	0% - 100%	0% - 100%

2021	Tecnologies	Media
Not due	0%-1.10%	0% -1.02%
1 to 60 days	0%-1.10%	0% -1.46%
60 to 90 days	0%-1.39%	0% -12.62%
90 to 180 days	0%-1.39%	0% -18.12%
180 to 360 days	0%-4.64%	0% -83.43%
More than 360 days	0%-100%	0% -100%

Regarding accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due, ii) if the balance has a low risk, or (iii) if it has a maturity of less than 12 months. In cases where the amount receivable is immediately payable and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Group only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, the Group applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

The Group prospectively estimates the estimated credit losses associated with assets at amortised cost. The methodology of impairment applied depends on whether or not there has been a significant increase in credit risk.

y) Medium Term Incentive Plans

The accounting treatment of Medium Term Incentive Plans is based on IFRS 2 – ‘Share-based Payments’.

Under IFRS 2, when the plans established by the company are liquidated through the delivery of own shares, the estimated liability is recorded as a credit in equity, against the caption ‘Employee benefits expense’ in the income statement. The quantification of this responsibility is based on fair value and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, is calculated based on the proportion of the vesting period that has ‘elapsed’ up to the respective accounting date.

For plans settled in cash, the estimated liability is recorded under the balance sheet captions ‘Other non-current liabilities’ and ‘Other current liabilities’ by a corresponding entry under the income statement caption, for the cost relating to the vesting period that has ‘elapsed’ up to the respective accounting date. The liability is quantified based on the fair value of the shares as of each statement of financial position date. When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount.

Equity-settled plans to be liquidated through the delivery of shares of Sonae are recorded as if they were settled in cash, which means that the estimated liability is recorded under the balance sheet captions ‘Other non-current liabilities’ and ‘Other current liabilities’ by a corresponding entry under the income statement caption ‘Employee benefits expense’. The liability is quantified based on the fair value of the shares as of each statement of financial position date.

When these liabilities are covered by a coverage contract, the accounting is carried out in the same way, but with the liability quantified based on the value established in the contract.

On 31 December 2022, the plans attributed during the years 2020, 2021 and 2022 are not covered, by the contract and so a liability at fair value was recorded. The responsibility of all plans is recorded in the captions ‘Other non-current liabilities’ and ‘Other current liabilities’. The cost is recognised on the income statement under the caption ‘Employee benefits expense’.

z) Dividends distribution

The distribution of dividends to the Group's shareholders is recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by its shareholders.

aa) Subsequent events

Events occurring after the date of the balance sheet which provide additional information about conditions prevailing at the time of the balance sheet (adjusting events) are reflected in the consolidated financial statements. Events occurring after the balance sheet date that provide information on post-balance sheet conditions (non-adjusting events), when material, are disclosed in the notes to the consolidated financial statements.

ab) Judgements and estimates

The most significant accounting estimates reflected in the consolidated financial statements of the years ended on 31 December 2022 and 2021 are as follows:

- (i) Lease term of the rights of use (note 1.h)
- (ii) Impairment of Goodwill, investments in associated companies and joint ventures and of other tangible and intangible assets (note 8 and 9);
- (iii) Financial assets impairment (note 15 and 24);
- (iv) Recognition provisions and analysis of contingent liabilities (note 24 and 28);
- (v) Recoverability of deferred tax assets (note 12);
- (vi) Financial assets at fair value through other comprehensive income (note 1.g), 1.t) and 10) and income (note 1.g), 1.t) and 11);
- (vii) Classification of investments in the venture capital portfolio;
- (viii) Entities included in the consolidation perimeter.

Estimates used are based on the best information available during the preparation of the consolidated financial statements and are based on the best knowledge of past and present events. Although future events are neither foreseeable nor controlled by the Group, some could occur and have impact on such estimates. Changes to the estimates used by the management that occur after the approval date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8 – ‘Accounting Policies, Changes in Accounting Estimates and Errors’, using a prospective methodology.

Lease term of the rights of use assets

The Group determines the end of the lease as the non-cancellable part of the lease term, together with any periods covered by an option to extend the lease if it is reasonably certain that it will be exercised, or any periods covered by an option to terminate the lease agreement, if it is reasonably certain that it will not be exercised.

The Group has the option, under some of its lease agreements, to rent or lease its assets for additional periods. At the beginning of the lease, Sonaecom assesses the reasonableness of exercising the option to renew the contract after the initial period. That is, it considers all the relevant factors that create an economic incentive for the exercise of the renewal. After the start date, the Group reevaluates the end of the contract if there is a significant event or changes in circumstances that are under control and affect its ability to exercise (or not exercise) the option to renew (for example, a change in strategy of business).

Based on the characteristics of the negotiated lease contracts, management assesses on the date of the negotiation of the contract whether it qualifies as a lease or a service contract.

Goodwill impairment, investments in joint ventures and associates and other tangible and intangible assets

The assessment of Goodwill impairment, investments in joint ventures and associated companies and other tangible and intangible assets involves significant judgments and estimates by Management, namely in the projection of cash flows from assets included in business plans, growth rate in perpetuity and discount rate of said cash flows. The sensitivity analysis to the variation of the assumptions in the impairment calculation is reflected in note 8 and 9.

Impairment of financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, Management assesses, among other factors, the duration and extent of the circumstances under which the recoverable amount of these assets may be lower than their book value. The balances of 'Trade receivables', 'Other receivables' and 'Customer contract assets' are valued for factors such as default history, current market conditions, and estimated prospective information by reference to the end of each reporting

period, the most critical evaluation elements for the purpose of analysing estimated credit losses.

Recognition of provisions and analysis of contingent liabilities

Provisions are recognized when, and only when, the Group has a present obligation (legal or implicit) resulting from a past event and it is probable that, for the resolution of that obligation, an outflow of resources will occur and that the amount of the obligation may be reasonably estimated.

The estimated contingent liabilities in each reporting period are disclosed in the notes, unless the possibility of an outflow of funds affecting future economic benefits is remote.

Recoverability of deferred tax assets

'Deferred tax assets' are recognized only when there are reasonable expectations of sufficient future taxable income to use these deferred tax assets. At the end of each year, a review is made of the deferred taxes recorded, as well as of the unrecognized taxes, which are reduced whenever their future use is no longer probable or recorded, provided that, and to the extent that, it becomes probable the generation of taxable profits in the future that allow their recovery.

Tax impacts of IFRS 16 application

Considering the accounting impacts that result from the application of IFRS 16 - Leases, for a lessee, with the recognition of an asset under the right of use not typified in the tax law and the registration of a lease liability that is only taxally accepted for the payment of rents, management proceeded to recognise the respective deferred tax asset (on the lease liability) and the deferred tax liability (on the asset under direct use), on the initial and subsequent recognition date of the lease agreements. If the Tax Administration communicates a different understanding regarding the tax framework of the application of IFRS 16 or changes the tax law, the recognised deferred taxes may have to be revised / changed.

Financial assets at fair value through profit or loss and other comprehensive income

In the absence of a market quotation, the fair value of financial instruments is determined based on the use of prices from recent, similar transactions carried out under market conditions, or based on valuation techniques settled on discounted cash flow methods

or on multiples of market transactions. These methodologies may require the use of assumptions or judgments in determining fair value.

The use of different methodologies and different assumptions or judgments in the application of a certain model could lead to changes in the values of assets in the financial statements.

Classification of investments in venture capital portfolio

In the classification of investments, the Group determines whether the objective of the investment is to make financial means available to the investees, with a return via medium to long-term capital gain and evaluates whether, based on contracts and agreements, it has the capacity to influence decisions and policies of its investees.

Different judgments in relation to these matters could lead to investments being classified and measured differently, with a direct impact on the consolidated financial statements.

Entities included in the consolidation perimeter

To determine the entities to be included in the consolidation perimeter, the Group assesses the extent to which it is exposed, or has rights, to variability in returns from its involvement with that entity and can take possession of them through the power it holds over this entity.

The Group controls an entity even if it does not hold the majority of its voting rights when, by virtue of the voting rights held, agreements entered into, regulations or others, it has the practical capacity to direct the entity's relevant activities and is exposed to variable returns.

The decision that an entity must be consolidated by the Group requires the use of judgment, estimates and assumptions to determine the extent to which the Group is exposed to return variability and the ability to take possession of them through its power. Other assumptions and estimates could cause the Group's consolidation perimeter to be different, with a direct impact on the consolidated financial statements.

The remaining judgments and estimates are described in the corresponding notes, when applicable.

ac) Financial risk management

Due to its activities, the Group is exposed to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity of project cash flows and profits. The Group financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, whenever it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.n)).

The Group is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

Market risk

a) Foreign exchange risk

The Group operates internationally, having subsidiaries that operate in countries with a different currency than Euro namely United Kingdom. The Group also holds financial assets measured at fair value relating to equity interests in companies located in countries with currencies other than the euro. Therefore, the Group is exposed to exchange rate risk.

The exchange rate risk management policy seeks to minimize the volatility of investments and operations expressed in foreign currency, contributing to a lower sensitivity of the Group's results to exchange rate fluctuations.

Whenever possible, the Group uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such a procedure is not possible, the Group adopts derivative financial hedging instruments (note 1.n).

The Group's exposure to foreign exchange rate risk results mainly from the investments in financial assets measured at fair value related to capital interests in companies located in countries with a different currency from euro, making the risk associated with operational activity immaterial.

The amount of assets and liabilities (in Euro) belonging to the Group and recorded in a different currency is as follows:

	Assets		Liabilities	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Brazilian Real	-	-	321	-
Canadian Dollar	1,341,665	1,626,295	-	-
Swiss Franc	-	-	(488)	-
Pounds Sterling	21,762,111	24,891,418	2,928	399,870
Mexican Peso	-	-	-	1,668
Mozambique Metical	-	7,241	-	-
American Dollar	151,850,018	116,469,377	4,286	1,157,197

The Group's sensitivity to the variations of the exchange rate is as follows (increases/(decreases)):

	Change in exchange rates	2022	2021
		Income	Income
Brazilian Real	5%	(16)	-
Canadian Dollar	5%	67,083	81,315
Swiss Franc	5%	24	-
Pounds Sterling	5%	1,087,989	1,224,577
Mexican Peso	5%	-	(83)
Mozambique Metical	5%	-	362
American Dollar	5%	7,592,286	5,765,609
		8,747,367	7,071,780

b) Interest rate risk

Sonaecom's total debt is indexed to variable rates, exposing the total cost of debt to a high risk of volatility. The impact of this volatility on the Group results or on its Shareholders' funds is mitigated by the effect of the following factors (i) relatively low level of financial leverage; (ii) possibility to use derivative financial instruments that hedge the interest rate risk, as mentioned below; (iii) possible correlation between the level of market interest rates and economic growth having the latter a positive effect in other lines of the Group's consolidated results (particularly operational), and in this way partially offsetting the increase of financial costs ('natural hedge'); and (iv) the existence of liquidity alone or consolidated liquidity which is also bearing interest at a variable rate.

The Group only uses derivatives or similar transactions to hedge interest rate risks considered significant.

Three main principles are followed in all instruments selected and used to hedge interest rate risk:

- For each derivative or instrument used to hedge a specific loan, the interest payment dates on the loans subject to hedging must equalise the settlement dates defined under the hedging instrument;

- Perfect match between the base rates: the base rate used in the derivative or hedging instrument should be the same as that of the facility/transaction which is being hedged;
- As from the start of the transaction, the maximum cost of the debt, resulting from the hedging operation is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting rates are within the cost of the funds considered in the Group's business plan.

In Sonaecom are used interest rate swaps and other derivatives, when it is deemed necessary, to hedge future changes in cash flow relating to interest payments. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Group's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Group uses certain methods, such as option valuation and discounted future cash flow models, using assumptions based on market interest rates prevailing at the balance sheet date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are not considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge are recognised under statement financial position and changes in the fair value of such derivatives are recognised directly in the income statement for the year.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Group, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed / variable).

Under the policy defined above, the Board of Directors is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2022 and 2021, there are not any contracted derivatives of interest rate hedging.

c) Price Risk

O Grupo está exposto ao risco de preço decorrentes do valor dos ativos a justo valor através de resultados e de outro rendimento integral (apresentados nas notas 10 e 11). Estes investimentos são efetuados geralmente tendo em conta objetivos estratégicos. Para gerir o risco de preço destes investimentos em instrumentos de capital, o Grupo diversifica a sua carteira.

Liquidity risk

The existence of liquidity in the Group requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related to that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments within the respective dates of maturity as well as any eventual not forecasted requests for funds, within the deadlines set for this; (ii) Safety, i.e. to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial Efficiency, i.e., to ensure companies maximises the value / minimises the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity in the Group should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments;
- (ii) Consolidated management of liquidity – the existing liquidity in Group companies, should mainly be applied in Group companies, to reduce the use of bank debt at a consolidated level; and
- (iii) Applications in the market.

Investment using the market is limited to contracting operations with eligible counterparties, that is, that comply with certain rating notations previously defined by the Board of Directors, and limited to certain maximum amounts per counterparty.

The definition of maximum amounts intends to ensure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equal the forecasted payments (or the applications should be easily convertible, in the case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

The amount related to 'Loans', 'Trade payables', 'Other payables' and other financial liabilities, represents the Group's maximum exposure to liquidity risk.

Taking into account the low value of the liabilities and the high value of the cash and cash equivalents of the Group is understood that the liquidity risk is very low .

Credit risk

The Group's exposure to credit risk is mainly associated to the accounts receivable arising from its operating activities, treasury applications and supplies to other non-current assets.

(i) Cash and cash equivalents

Sonaecom Group holds financial assets arising from its relationship with financial institutions. There is a credit risk associated with the potential pecuniary default of the Financial Institutions that are counterparts in these relationships. However, in general, the exposure related to this type of financial assets is widely diversified and of limited duration in time.

Credit risk associated with relationships with financial institutions is limited by the management of risk concentration and a rigorous selection of counterparties with a high prestige and national and international recognition and based on their respective ratings, taking into account the nature, maturity and size of operations.

(ii) Loans granted to related parties

There are no impairment losses for Loans granted to related parties.

Loans granted to related parties are considered to have low credit risk and, therefore, impairment losses recognised during the year are limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term (note 13 and 16).

(iii) Trade receivables and Other receivables

To measure the expected credit losses, the unpaid amounts and contractual assets were grouped based on the common credit risk characteristics and the days of late payment. Contract assets refer to unbilled work in progress and have substantially the same risk characteristics as accounts receivable for the same types of contracts. The Group therefore concluded that the expected loss rates for trade accounts receivable are a reasonable approximation of the loss rates on the contractual assets. The expected loss rates are based on the sales payment profiles over a period of 48 months (4 years) before 31 December 2022, and the corresponding historical credit losses verified during this period. Historical loss rates are adjusted to reflect current and prospective information on macroeconomic factors that affect customers' ability to settle outstanding amounts.

As such, the impairment losses on 31 December 2022 and 2021 was determined taking into account these assumptions of IFRS 9, as detailed (note 15).

The Group uses credit rating agencies and has specific departments for credit control, collection and management of litigation processes, as well as credit insurance, which help to mitigate this risk. The purpose of managing this risk is to guarantee the effective collection of its credits within the established deadlines without affecting the Group's financial balance.

Considering the aforementioned policies, the Board of Directors does not foresee the possibility of any occurrence of any material breach of contractual obligations.

The amounts related to 'Cash and cash equivalents', 'Other non current assets' (supplies), 'Trade receivables' and 'Other receivables' presented in the financial statements, which are net of impairment, represent the maximum exposure of the Group to credit risk (note 4).

Capital risk

Sonaecom's capital structure, determined by the ratio of equity and net debt, is managed in a way that ensures the continuity and development of its operating activities, maximises shareholder's returns and optimises the cost of financing.

Risks, opportunities and necessary adjustment measures in order to achieve the referred objectives are periodically monitored by Sonaecom.

In December 2022, Sonaecom presented an average accounting gearing, obtained by the ratio of the average net debt of the year by the average of the equity of the year, negative of 22.8% (negative of 20.7% in 2021). Average gearing in market values in 2022 was negative by 45% (negative of 46% in 2021).

ad) Restatement of consolidated financial statements

Disclosure of Maxive's impacts

On 31 december of 2022, effective on 30 of September 2022 a Maxive – Cybersecurity, SGPS, S.A. and its subsidiaries, was alienated to Thales Europe, S.A. (Note 3.c). Maxive Group was classified, for the purpose of presentation, as a discontinued operacional unit.

According to IFRS 5, changes were made to the Consolidated Income Statements by nature for the year ended on 31 December 2021 to reflect a single item ('Net income for the year from discontinued operations'), on the face of the income statement, the after-tax profit or loss of discontinued operations.

The impacts of restatement of the consolidated accounts in accordance with the changes mencionated above for the year ended on 31 december of 2021 can be summarized as follow:

(Amounts expressed in Euro)	December 2021 (reported)	Restatement of Maxive's contribution to discontinued units	December 2021 (restated)
INCOME STATEMENT			
Total Revenues	76,500,619	(59,418,184)	17,082,435
Cost of sales	(16,115,408)	14,920,403	(1,195,005)
Other income	4,258,816	(1,140,011)	3,118,805
External supplies and services	(22,767,098)	12,991,682	(9,775,416)
Employee benefits expense	(44,558,134)	30,349,063	(14,209,071)
Depreciation and amortisation	(7,204,896)	5,474,597	(1,730,299)
Provisions	(123,772)	94,474	(29,298)
Impairment losses	(185,912)	185,912	-
Other expenses	(768,727)	602,458	(166,269)
Financial expenses	(3,025,781)	2,663,198	(362,583)
Financial income	3,762,427	(1,176,859)	2,585,568
Gains and losses in joint ventures and associated companies (note 9)	62,348,630	(14,472)	62,334,158
Gains and losses on assets at fair value through profit or loss (note 11)	85,163,145	-	85,163,145
Income taxation	(22,775,645)	(417,720)	(23,193,365)
Consolidated net income/(loss) for the year of continued operations	114,508,264	5,114,541	119,622,805
Consolidated net income/(loss) for the year of discontinued operations	5,271,108	(5,114,541)	156,567
Non-controlling interests	(913,582)	1,408,665	495,083
Non-controlling interests (discontinued operations)	(32,705)	(1,408,665)	(1,441,370)

2. Companies included in the consolidation

Group companies included in the consolidation through full consolidation method, their head offices, main activities, shareholders and percentage of share capital held on 31 December 2022 and 2021, are as follows:

Company (Commercial brand)	Head office	Main activity	Shareholder	Percentage of share capital held			
				2022		2021	
				Direct	Effective*	Direct	Effective*
Parent company							
SONAECOM, S.G.P.S., S.A. ('Sonaecom')	Maia	Management of shareholdings.	-	-	-	-	-
Subsidiaries							
Bright Development Studio, S.A. ('Bright')	Lisbon	Research, development and commercialization of projects and service solutions in the area of information technology, communications and retail, and consulting activities for business and management.	Bright Pixel	100%	100%	100%	100%
Bright Ventures Capital, SCR, S.A.	Lisbon	Realization of investment in venture capital, management of venture capital funds and investment in venture capital fund units.	Bright	100%	100%	100%	100%
Excellium Group, S.A. ('Excellium') (a) (b)	Contern	Excellium assist enterprises to perform business and risk assessments, define security policies and procedures, respond to security incidents and deliver computer forensics services.	Maxive	Alienated		59.2%	59.2%
Excellium Services, S.A. ('Excellium Services') (a) (b)	Contern	Provide services within the IT and cybersecurity domain mainly to Luxembourgish institutions, banks and insurance companies.	Excellium	Alienated		100%	59.2%
Excellium Services Belgium, S.A. ('Excellium Services Belgium') (a) (b)	Wavre	Provide services within the IT and cybersecurity domain mainly to Belgium institutions, banks and insurance companies.	Excellium	Alienated		100%	59.2%
Inovretail, S.A.	Oporto	Industry and trade of electronic equipment and software; development, installation, implementation, training and maintenance of systems and software products; rental equipment, sale of software use license; consulting business, advisory in retail segments, industry and services.	Bright Pixel	100%	100%	100%	100%
Inovretail España, SL ('Inovretail España')	Madrid	Industry and trade of electronic equipment and software; development, installation, implementation, training and maintenance of systems and software products; rental equipment, sale of software use license; consulting business, advisory in retail segments, industry and services.	Inovretail	100%	100%	100%	100%
Fundo Bright Vector I ('Bright Vector I') (c)	Lisbon	Venture Capital Fund	Bright Pixel	50.13%	50.13%	50.13%	50.13%
Fundo Bright Tech Innovation I ('Bright Tech Innovation I') (c)	Maia	Venture Capital Fund	Bright Pixel Sonaecom Bright PCJ SPAR	10% 10% 10% 10% 10%	50%	10% 10% 10% 10%	50%
PCJ - Público, Comunicação e Jornalismo, S.A. ('PCJ')	Maia	Editing, composition and publication of periodical and non-periodical material and the exploration of radio and TV stations and studios.	Sonaecom	100%	100%	100%	100%
Praesidium Services Limited ('Praesidium Services') (d)	Berkshire	Rendering of consultancy services in the area of information systems.	Bright Pixel	100%	100%	100%	100%
Público - Comunicação Social, S.A. ('Público')	Oporto	Editing, composition and publication of periodical and non-periodical material.	Sonaecom	100%	100%	100%	100%
S21Sec Portugal Cybersecurity Services, S.A. ('S21 Sec Portugal') (a)	Maia	Commercialization of products and management services, implementation and consulting in information systems and technologies areas.	S21 Sec Gestion	Alienated		100%	80.9%
Grupo S21Sec Gestión, S.A.U. ('S21 Sec Gestion') (a) (b)	Guipuzcoa	Consulting, advisory, audit and maintenance of all types of facilities and advanced communications services and security systems. Purchase and installation of advanced communications and security systems produced by others.	Maxive	Alienated		80.9%	80.9%

* Sonaecom effective participation

(a) In February 2022, a Corporate Reorganization was carried out, with Maxive now holding the entire share capital of S21 Gestion and Excellium. With this restructuring, Maxive is also owned by the minority shareholders of S21 Gestion and Excellium in 27.97%;

(b) On 11 October 2022, Bright Pixel sold the entire share capital and voting rights of Maxive - Cybersecurity SGPS, S.A.

(c) The venture capital funds Fundo Bright Vector I and Fundo Bright Tech Innovation I have Bright Ventures Capital SCR as their management company, which performs their operational management.

(d) Company exempt from audit of financial accounts for the year ended on 31 December 2022 under local law (479 A of companies ACT 2006 relating to subsidiary companies).

Company (Commercial brand)	Head office	Main activity	Shareholder	2022		2021	
				Direct	Effective*	Direct	Effective*
Subsidiaries							
S21Sec Information Security Labs, S.L.U. ('S21 Sec Labs') (a) (b)	Navarra	Research, development and innovation, as well as consulting, maintenance and audit for products, systems, facilities and communication and security services.	S21 Sec Gestion	Alienated		100%	80.9%
Maxive - Cybersecurity, SGPS, S.A. ('Maxive') (a) (b)	Maia	Management of shareholdings.	Bright Pixel	Alienated		100%	100%
Maxive CyberSecurity - Permanent Establishment in UK ('Maxive UK') (a) (b)	London	Management of financial investments	Maxive	Alienated		100%	100%
Sonaecom - Serviços Partilhados, S.A. ('Sonaecom SP') (e)	Maia	Support, management consulting and administration, particularly in the areas of accounting, taxation, administrative procedures, logistics, human resources and training.	Bright Pixel Sonaecom	100%	100%	-	-
Sonaé Investment Management - Software and Technology, SGPS, S.A. ('Bright Pixel')	Maia	Management of shareholdings in the area of corporate ventures and joint ventures.	Sonaecom	100%	100%	100%	100%

* Sonaecom effective participation

(e) On 10 Novembro 2022, Sonaecom sold the entire share capital and voting rights of Sonaecom - Serviços Partilhados, S.A. To Bright Pixel.

All the above companies were included in the consolidation in accordance with the full consolidation method under the terms of IFRS 10 - 'Consolidated Financial Statements'.

3. Changes in the Group

During the years ended on 31 December 2022 and 2021, the following changes occurred in the composition of the Group:

a) Acquisitions

Participant	Participated	Date
2022		
Bright Pixel	Experify Inc. ('Experify') (note 11)	Jan-22
Bright Pixel	Hackuity SAS ('Hackuity') (note 11)	Feb-22
Bright Pixel	Cybersixgill Ltd ('Sixgill') (note 11) - increase	Mar-22
Bright Pixel	Sales Layer SL ('Sales Layer') (note 11) - increase	May-22
Bright Pixel	Portainer.io Limited ('Portainer.io') (note 11) - increase	May-22
Bright Tech Innovation I	Reckon.AI, S.A. ('Reckon.AI') (note 11) - increase	May-22
Bright Pixel	Mayan Group. Inc ('Mayan') (note 11)	Jun-22
Bright Tech Innovation I	Qamine Portugal, S.A. ('Codacy Group') (note 11)	Jun-22
Bright VC	Codacy, S.A. ('Codacy Group') (note 11)	Jun-22
Bright Pixel	Afresh Technologies, Inc. ('Afresh') (note 11)	Jul-22
Bright Tech Innovation I	Didimo, S.A. ('Didimo') (note 11)	Aug-22
Bright Pixel	IriusRisk, S.L. ('IriusRisk') (note 10) - increase	Aug-22
Bright Pixel	Chord Commerce, Inc. ('Chord') (note 11)	Sep-22
Bright Pixel	Weaveworks Ltd. ('Weaveworks') (note 11) - increase	Nov-22

Participant	Participated	Date
2021		
Bright Vector I	Automaise, S.A. ('Automaise') (note 11) - increase	Jan-21
Bright Pixel	Sellforte Solutions Oy (Sellforte) (note 11)	Feb-21
Bright Pixel	Aryaka Networks (Aryaka) (note 11)	Apr-21
Bright Pixel	Portainer.io Limited (Portainer) (note 11)	Apr-21
Bright Vector I	Habit Analytics PT, Lda (note 11) - increase	Jul-21
Bright Vector I	Taikai, S.A. ('Taikai') (note 11)	Aug-21
Bright Tech Innovation I	Reckon.AI, S.A. ('Reckon.AI') (note 11)	Aug-21
Bright Pixel	Citcon Limited ('Citcon') (note 11)	Aug-21
Bright Pixel	Jscrambler, S.A. ('Jscrambler') (note 11) - increase	Sep-21
Bright Pixel	Replai (note 11)	Sep-21
Bright Pixel	Visenze PTE, Ltd ('Visenze') (note 11) - increase	Oct-21
Bright Pixel	SafeBreach Ltd ('SafeBreach') (note 11)	Oct-21
Bright Pixel	Ometria Ltd ('Ometria') (note 11) - increase	Nov-21

The acquisitions described above refer to financial assets held at fair value.

b) Alienations

Shareholder	Subsidiary	Date
2022		
Excellium	Suricate Solutions (note 9)	Mar-22
Excellium	Alfaros (note 9)	Mar-22
Bright Pixel	CiValue Systems Ltd. ('ciValue') (note 11)*	Mar-22
Bright	Beamy SAS ('Beamy') (note 11)*	Apr-22
Bright Pixel	Cellwize Wireless Technologies Ltd. ('Cellwize') (note 11)*	Jun-22
Bright Pixel	Style Sage (note 10)*	Oct-22
Bright Pixel	Excellium Group, S.A. ('Excellium')	Oct-22
Bright Pixel	Excellium Services, S.A. ('Excellium Services')	Oct-22
Bright Pixel	Excellium Services Belgium, S.A. ('Excellium Services Belgium')	Oct-22
Bright Pixel	S21Sec Portugal Cybersecurity Services, S.A. ('S21 Sec Portugal')	Oct-22
Bright Pixel	Grupo S21Sec Gestión, S.A.U. ('S21 Sec Gestión')	Oct-22
Bright Pixel	S21Sec Information Security Labs, S.L.U. ('S21 Sec Labs')	Oct-22
Bright Pixel	Maxive - Cybersecurity , SGPS, S.A. ('Maxive')	Oct-22
Bright Pixel	Maxive CyberSecurity - Sucursal no Reino Unido ('Maxive Uk')	Oct-22

* Financial assets held at fair value

Participant	Participated	Date
2021		
Bright Pixel	Secucloud Network GmbH ('Secucloud') (note 9)**	Apr-21
Bright Pixel	Digitmarket - Sistemas de Informação S.A ('Digitmarket') (note 40)	Jul-21
Bright Pixel	Context-Based 4 Casting (C-B4) LTD ('CB4') (note 11)*	Sep-21
Bright Pixel	Case on It, SL ('Case on It') (note 11)*	Nov-21
S21 Sec Gestión	S21 Sec, S.A. de CV ('S21 Sec, S.A. de CV')	Dec-21

* Financial asset at fair value

** Associated company

Effects of the alienation of subsidiaries in the consolidated financial statements

In October 2022, with effect from 30 September 2022, Maxive - CyberSecurity, SGPS, S.A. was sold by the amount of EUR 99,250,618 to Thales Europe, S.A.. As a result of the sale value and the derecognition of the Group, a capital gain of EUR 64,692,863 (net of transaction expenses) was recorded, as follows:

(Amounts expressed in Euro)	September 2022
Assets	
Assets derecognised	
Property, plant and equipment, intangible assets and right of use	10,128,526
Goodwill	13,355,231
Deferred tax assets	3,304,458
Other non-current assets	73,414
Trade receivables	9,057,571
Other current assets	15,053,042
Cash and cash equivalents	5,896,988
	56,869,230
Liabilities derecognised	
Loans	(5,059,345)
Lease liabilities	(3,340,447)
Provisions	(122,790)
Trade payables	(9,287,370)
Other current liabilities	(17,275,874)
	(35,085,826)
Total net assets derecognised	21,783,404
Total net assets of non-controlling interests derecognised	10,157,189
Total net assets after non-controlling interests derecognised	31,940,593
Amount received (net of transaction expenses)	96,633,456
Gain/ (loss) on the sale	64,692,863

In July 2021, with effect from June 30, 2021, Digitmarket - Sistemas de Informação S.A. was sold by the amount of EUR 9,127,104 to Claranet Portugal, S.A. As a result of the sale value and the derecognition of the company Digitmarket, a capital gain of EUR 5,401,927 was recorded, as follows:

(Amounts expressed in Euro)	June 2021
Assets	
Assets derecognised	
Property, plant and equipment, intangible assets and right of use	905,739
Deferred tax assets	155,564
Other non-current assets	61,338
Inventories	198,413
Trade receivables	8,048,295
Other current assets	2,965,334
Cash and cash equivalents	7,789,491
	20,124,174
Liabilities derecognised	
Lease liabilities	(830,923)
Provisions	(12,661)
Trade payables	(8,333,256)
Other current liabilities	(5,980,431)
	(15,157,271)
Total net assets derecognised	4,966,902
Total net assets of non-controlling interests derecognised	(1,241,726)
Total net assets after non-controlling interests derecognised	3,725,177
Amount received	9,127,104
Gain/ (loss) on the sale	5,401,927

The net result of discontinued operations is detailed in note 40.

In December 2021, S21 Sec S.A. de CV was sold for the amount of EUR 85,000 to Nordstern Technologies S.A. de C.V. As a result of the sale value and the derecognition of the company Sec CV, a capital gain of EUR 43,236 was recorded, as follows:

(Amounts expressed in Euro)	December 2021
Assets derecognised	
	846,895
Liabilities derecognised	
	(804,367)
Total net assets derecognised	42,528
Exchange reserves	764
Amount to received	85,000
Gain/ (loss) on the sale	43,236

d) Dissolutions

Participant	Participated	Date
2021		
Excellium	Excellium Factory	Jun-21
S21 Sec Gestion	Mxtel	Dec-21

4. Breakdown of financial instruments

On 31 December 2022 and 2021, the breakdown of financial instruments is as follows:

						2022
	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total financial assets	Others not covered by IFRS 9	Total
Non-current assets						
Financial assets at fair value through other comprehensive income (note 10)	-	11,704,456	-	11,704,456	-	11,704,456
Financial assets at fair value through profit or loss (note 11)	-	-	208,671,179	208,671,179	-	208,671,179
Other non-current assets (note 13)	3,861,466	-	-	3,861,466	-	3,861,466
	3,861,466	11,704,456	208,671,179	224,237,101	-	224,237,101
Current assets						
Trade debtors (note 15)	3,039,018	-	-	3,039,018	-	3,039,018
Other receivables (note 16)	6,769,289	-	-	6,769,289	1,094,166	7,863,445
Other current assets (note 17)	656,588	-	-	656,588	352,471	1,009,059
Cash and cash equivalents (note 18)	381,295,408	-	-	381,295,408	-	381,295,408
	391,750,303	-	-	391,750,303	1,446,627	393,196,930

						2021
	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Total financial assets	Others not covered by IFRS 9	Total
Non-current assets						
Financial assets at fair value through other comprehensive income (note 10)	-	7,998,756	-	7,998,756	-	7,998,756
Financial assets at fair value through profit or loss (note 11)	-	-	158,924,575	158,924,575	-	158,924,575
Other non-current assets (note 13)	7,132,346	-	-	7,132,346	-	7,132,346
	7,132,346	7,998,756	158,924,575	174,055,677	-	174,055,677
Current assets						
Trade debtors (note 15)	14,484,834	-	-	14,484,834	-	14,484,834
Other receivables (note 16)	6,862,803	-	-	6,862,803	810,323	7,673,126
Other current assets (note 17)	4,675,324	-	-	4,675,324	8,277,324	12,952,648
Cash and cash equivalents (note 18)	289,333,311	-	-	289,333,311	-	289,333,311
	315,356,272	-	-	315,356,272	9,087,647	324,443,919

					2022
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9		Total
Non-current liabilities					
Lease liabilities (note 23)	-	-	5,193,520	-	5,193,520
Other non-current liabilities (note 25)	-	-	483,403	-	483,403
	-	-	5,676,923	-	5,676,923
Current liabilities					
Trade payables (note 26)	1,550,591	1,550,591	-	-	1,550,591
Lease liabilities (note 23)	-	-	1,618,864	-	1,618,864
Other payables (note 27)	10,925,716	10,925,716	749,187	-	11,674,903
Other current liabilities (note 29)	2,356,646	2,356,646	5,602,530	-	7,959,176
	14,832,953	14,832,953	7,970,581	-	22,803,534

					2021
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9		Total
Non-current liabilities					
Loans (note 22)	-	1,277,194	-	-	1,277,194
Lease liabilities (note 23)	-	-	9,579,107	-	9,579,107
Other non-current liabilities (note 25)	-	-	543,792	-	543,792
	1,277,194	1,277,194	10,122,899	-	11,400,093
Current liabilities					
Loans (note 22)	2,977,614	2,977,614	-	-	2,977,614
Trade payables (note 26)	12,065,852	12,065,852	-	-	12,065,852
Lease liabilities (note 23)	-	-	3,209,810	-	3,209,810
Other payables (note 27)	8,386,854	8,386,854	3,247,971	-	11,634,825
Other current liabilities (note 29)	3,107,082	3,107,082	20,348,615	-	23,455,697
	26,537,402	26,537,402	26,806,396	-	53,343,798

Considering the nature of the balances, the amounts to be paid and received to/from 'State and other public entities' as well as specialised costs related to the share based plans were considered outside the scope of IFRS 9. On the other hand, the deferred costs/profits recorded in the captions other current and non-current assets/liabilities were considered non-financial instruments. The Board of Directors believes that, the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of

each financial instrument. In addition, other financial assets and other current financial liabilities correspond to assets and liabilities measured at amortised cost that will be satisfied in the short term.

5. Property, plant and equipment

The changes in Property, plant and equipment and in the corresponding accumulated depreciation and impairment losses in the years ended on 31 December 2022 and 2021 was as follows:

							2022
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
Gross assets							
Balance on 31 December 2021	2,586,728	11,625,025	313,634	6,975,912	439,929	138,576	22,079,804
Additions	263,410	153,581	-	208,336	4,738	531,466	1,161,531
Disposals	-	-	(107,866)	(80,070)	-	(40,625)	(228,561)
Transfers and write-offs	(528,497)	(8,235,738)	-	(1,313,938)	(117,408)	(464,507)	(10,660,088)
Perimeter variations	(1,469,860)	(2,546,265)	(178,370)	(4,024,406)	(266,522)	(40,625)	(8,526,047)
Balance on 31 December 2022	851,781	996,603	27,398	1,765,835	60,737	124,285	3,826,639
Accumulated depreciation and impairment losses							
Balance on 31 December 2021	1,820,740	11,244,315	308,137	6,355,451	437,058	-	20,165,701
Depreciation and impairment for the year	40,698	22,356	-	154,102	6,202	-	223,358
Depreciation of discontinued operations	159,131	209,036	2,154	89,823	10,213	-	450,357
Disposals	-	-	(104,523)	(14,992)	-	-	(119,515)
Transfers and write-offs	(538,073)	(8,378,904)	-	(1,464,418)	(210,372)	-	(10,591,767)
Perimeter variations	(1,087,351)	(1,931,077)	(178,370)	(3,856,552)	(200,668)	-	(7,254,018)
Balance on 31 December 2022	395,145	1,165,726	27,398	1,243,414	42,433	-	2,874,116
Net value	456,636	(169,123)	-	522,421	18,304	124,285	952,523

							2021
	Land, Buildings and other constructions	Plant and machinery	Vehicles	Fixtures and fittings	Other tangible assets	Work in progress	Total
Gross assets							
Balance on 31 December 2020	2,622,852	11,288,192	313,634	7,202,922	451,502	189,785	22,068,887
Additions	33,583	132,628	-	163,124	1,679	214,662	545,675
Disposals	-	(2,228)	-	(55,307)	(1,167)	-	(58,702)
Effect of currency translation	6	1,119	-	5,612	23	-	6,760
Transfers and write-offs	55,879	232,221	-	(84,659)	(658)	(265,871)	(63,088)
Perimeter variations	(125,592)	(26,907)	-	(255,780)	(11,449)	-	(419,728)
Balance on 31 December 2021	2,586,728	11,625,025	313,634	6,975,912	439,929	138,576	22,079,804
Accumulated depreciation and impairment losses							
Balance on 31 December 2020	1,854,536	11,012,604	301,674	6,424,249	441,416	-	20,034,479
Depreciation and impairment for the year	38,624	33,338	-	150,761	2,165	-	224,888
Depreciation of discontinued operations	22,814	232,467	6,463	114,031	4,055	-	379,830
Disposals	-	(2,104)	-	(42,418)	(1,167)	-	(45,689)
Effect of currency translation	-	808	-	3,799	17	-	4,624
Transfers and write-offs	(3,577)	(13,019)	-	(100,681)	(562)	-	(117,839)
Perimeter variations	(91,657)	(19,779)	-	(194,290)	(8,866)	-	(314,592)
Balance on 31 December 2021	1,820,740	11,244,315	308,137	6,355,451	437,058	-	20,165,701
Net value	765,988	380,710	5,497	620,461	2,871	138,576	1,914,103

Depreciation, amortisation and impairment losses for the year ended on 31 December 2022 and 2021 can be detailed as follows:

	2022	2021 (restated)
Tangible assets	223,358	224,888
Intangible assets (note 6)	817,708	632,933
Right of Use (note 7)	876,112	872,478
	1,917,178	1,730,299

On 31 December 2022 and 2021, the caption 'Tangible assets' does not include any asset pledged or given as a guarantee for loans obtained.

The caption 'Tangible assets in progress' on 31 December 2022 and 2021 can be decomposed as follows:

	2022	2021
Information systems / IT equipment	118,635	65,565
Other projects in progress	5,650	73,011
	124,285	138,576

During the year ended on 31 December 2022 and 2021, there are no commitments to third parties relating to investments to be made.

6. Intangible assets

In the years ended on 31 December 2022 and 2021, the changes occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, were as follows:

	Brands and patents and other rights	Software	Intangible assets in progress	Internally generated assets - Software	Internally generated assets - Intangible assets in progress	2022 Total
Gross assets						
Balance on 31 December 2021	7,599,198	12,809,037	323,257	26,979,453	569,489	48,280,434
Additions	17,899	591,335	197,288	2,424	1,909,935	2,718,881
Disposals	-	-	(75,998)	-	-	(75,998)
Transfers and write-offs	(19,742)	(2,589,720)	(267,111)	716,332	(819,486)	(2,973,727)
Perimeter variations	(6,572,704)	(6,774,483)	(133,433)	(17,195,334)	(1,078,729)	(31,764,683)
Balance on 31 December 2022	1,024,651	4,036,189	44,003	10,502,875	587,209	16,194,927
Accumulated amortisation and impairment losses						
Balance on 31 December 2021	7,570,142	10,909,838	-	22,391,393	-	40,871,371
Amortisation and impairment for the year (note 5)	4,824	77,615	-	738,469	-	817,708
Amortisation and impairment of discontinued operations (Note 3.c)	11,367	457,502	-	873,395	-	1,342,264
Disposals	-	(18,461)	-	-	-	(18,461)
Transfers and write-offs	(20,217)	(2,755,800)	-	(14,276,764)	-	(2,948,771)
Perimeter variations	(6,566,743)	(6,518,076)	-	(14,476,702)	-	(28,560,821)
Balance on 31 December 2022	1,009,173	3,157,828	-	9,361,801	-	13,518,800
Net value	16,478	878,668	44,003	1,161,074	587,209	2,676,327

	Brands and patents and other rights	Software	Intangible assets in progress	Internally generated assets - Software	Internally generated assets - Intangible assets in progress	2021 Total
Gross assets						
Balance on 31 December 2020	7,613,838	11,475,363	516,188	42,476,482	1,570,784	63,652,655
Additions	30,240	380,705	557,860	-	2,164,983	3,133,788
Effect of currency translation	-	1,144	-	-	-	1,144
Transfers and write-offs	985	1,648,759	(746,481)	(14,333,094)	(3,166,278)	(16,596,109)
Perimeter variations	(45,865)	(696,934)	(4,310)	(1,163,935)	-	(1,911,044)
Balance on 31 December 2021	7,599,198	12,809,037	323,257	26,979,453	569,489	48,280,434
Accumulated amortisation and impairment losses						
Balance on 31 December 2020	5,854,338	11,000,123	-	38,557,284	-	55,411,745
Amortisation and impairment for the year (note 5)	3,788	160,426	-	468,719	-	632,933
Amortisation and impairment of discontinued operations (Note 3.c)	1,756,926	424,908	-	1,018,099	-	3,199,933
Effect of currency translation	-	695	-	-	-	695
Transfers and write-offs	-	(21,646)	-	(16,488,774)	-	(16,510,420)
Perimeter variations	(44,910)	(654,670)	-	(1,163,935)	-	(1,863,515)
Balance at 31 December 2021	7,570,142	10,909,838	-	22,391,393	-	40,871,371
Net value	29,056	1,899,201	323,257	4,588,060	569,489	7,409,063

On 31 december 2021, write-offs in gross assets and amortizations include EUR 16,748,823 related to the Bitcora Software.

On 31 December 2022 and 2021, the additions related with intangible assets in progress include about EUR 1,5 million and EUR 2 million, respectively, of capitalisations of personnel costs related to own work (note 43), mainly related to IT software development projects.

The assessment of impairment for the main tangible and intangible assets, in the various segments, is carried out as described in note 8 ('Goodwill'), to the extent that such assets are closely related to the overall activity of the segment and consequently cannot be analysed separately.

The sensitivity analysis made, required in the IAS 36 - Impairment of Assets, have not lead to material changes of the amounts to be recovered.

7. Rights of use

For the years ended on 31 December 2022 and 2021, the changes occurred in the value of the rights of use, as well as its depreciations and amortisations, were as detailed below:

2022					
	Land, Buildings and other constructions	Equipment	Vehicles	Software	Total
Gross assets					
Balance on 31 December 2021	10,078,076	1,199,285	4,179,465	466,611	15,923,436
Additions	1,351,762	-	1,253,739	-	2,605,501
Disposals	-	(350)	-	-	(350)
Transfers and write-offs	(2,694,088)	-	(494,198)	-	(3,188,286)
Perimeter variations	(3,029,094)	(1,160,257)	(3,727,667)	(466,611)	(8,383,629)
Balance on 31 December 2022	6,706,666	38,678	1,211,439	-	6,956,772
Accumulated amortisation, depreciation and impairment losses					
Balance on 31 December 2021	3,259,689	829,157	2,299,464	385,349	6,773,659
Amortisation depreciation for the year (note 5)	621,778	5,702	248,632	-	876,112
Amortisation depreciation of discontinued operations (Note 3.c)	686,030	144,185	515,259	42,644	1,387,118
Transfers and write-offs	(1,222,952)	-	(320,331)	-	(1,543,283)
Perimeter variations	(1,258,371)	(940,602)	(2,104,208)	(427,993)	(4,731,174)
Balance on 31 December 2022	2,085,174	38,442	638,816	-	2,762,432
Net value	3,621,481	286	572,623	-	4,194,340

2021					
	Land, Buildings and other constructions	Equipment	Vehicles	Software	Total
Gross assets					
Balance on 31 December 2020	10,803,406	1,333,145	5,337,417	392,303	17,866,271
Additions	1,942,666	-	1,165,657	40,186	3,148,509
Disposals	-	(5,652)	-	-	(5,652)
Effect of currency translation	5,425	2,334	2,215	-	9,974
Transfers and write-offs	(1,914,909)	(85,709)	(1,676,131)	34,122	(3,642,627)
Perimeter variations	(758,513)	(44,833)	(649,693)	-	(1,453,039)
Balance on 31 December 2021	10,078,075	1,199,285	4,179,465	466,611	15,923,436
Accumulated amortisation, depreciation and impairment losses					
Balance on 31 December 2020	3,126,569	635,726	3,207,285	287,014	7,256,594
Amortisation depreciation for the year (note 5)	617,701	8,021	246,756	-	872,478
Amortisation depreciation of discontinued operations (Note 3.c)	893,549	303,718	759,517	98,408	2,045,192
Impairments	468,033	-	-	-	468,033
Effect of currency translation	5,163	1,491	784	-	7,438
Transfers and write-offs	(1,584,665)	(86,175)	(1,580,972)	(73)	(3,251,885)
Perimeter variations	(256,661)	(33,624)	(333,906)	-	(624,191)
Balance on 31 December 2021	3,259,689	829,157	2,299,464	385,349	6,773,659
Net value	6,818,386	370,128	1,880,001	81,262	9,149,777

The cash flows generated by finance leases are disclosed in note 18.

There are no restrictions or covenants imposed by the lease.

8. Goodwill

For the years ended on 31 December 2022 and 2021, the caption 'Goodwill' had the following composition by business area were the companies are included:

	2022	
	Retail	Cybersecurity
Goodwill	1,165,721	-

	2021	
	Retail	Cybersecurity
Goodwill	1,165,721	13,355,231

At the years ended on 31 December 2022 and 2021, variations under the heading 'Goodwill' are related to the sale of Maxive's participation.

Goodwill impairment is tested annually. Impairment tests were performed on intangible assets, including Goodwill, which were to determine the recoverable amount using the discounted cash flow method. The measurement of the existence or not of impairment of the main amounts of interests in group companies recorded in the attached financial statements is made taking into account the cash generating units, based on the last business plans approved by the Group's Board of Directors made on an annual basis unless there are indications of impairment, which are prepared using cash flows projected for 5 years (between 2 and 5 years in 2021). In the years ended on 31 December 2022 and 2021, no impairment of Goodwill was recorded.

On 31 December 2022 and 2021, the assumptions used are based on the group's various businesses and the growth in the various geographic areas where the group operates:

2022	Technologies			Media
	Retail	Cybersecurity	Others	
Assumptions				
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use
Discount rate	7.25%	-	-	7.50%
Growth rate in perpetuity	3%	-	-	0.01%

2021	Technologies			Media
	Retail	Cybersecurity	Others	
Assumptions				
Basis of recoverable amount	Value in use	Value in use	Value in use	Value in use
Discount rate	6.25%	6% - 6.25%	-	7.25%
Growth rate in perpetuity	3%	3%	-	0.01%

The average growth rate considered for the turnover in the projection period was 27.1% for the Technology sector (30.6% in 2021) and 3% for the Media sector (4.2% in 2021).

The discount rates used are based on the weighted average capital costs estimated based on the segments and geographies where the companies are located.

In the year ended 31 December 2022, the analysis of impairment signs and review of projections and impairment tests did not lead to the calculation of losses.

For the sensitivity analysis made, required in the IAS 36 - Impairment of Assets, varying the discount rate by 0.5 pp in the Media sector, by varying the discount rate by 0.5 pp and 0.5 pp in the perpetuity growth rate for the Technology sector, would not lead to material changes in the recovery amounts.

9. Investments in joint ventures and associated companies

The associated companies and the joint ventures companies, their head offices, percentage of ownership and value in income statement on 31 December 2022 and 2021, are as follows:

Head Office	Percentage of ownership				Value in profit and loss statement		
	31 December 2022		31 December 2021		31 December 2022	31 December 2021 (restated)	
	Direct	Total	Direct	Total			
ZOPT, SGPS, S.A. ('ZOPT') (a)	Oporto	-	-	50.00%	50.00%	43,862,016	32,061,868
NOS, SGPS, S.A. ('NOS') (a)	Oporto	26.07%	26.07%	-	-	20,725,610	-
Unipress - Centro Gráfico, Lda. ('Unipress')	Vila Nova de Gaia	50.00%	50.00%	50.00%	50.00%	5,721	(36,604)
SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. ('Rádio Nova')	Oporto	50.00%	50.00%	50.00%	50.00%	(10,227)	13,479
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II) (b)	Lisboa	47.78%	47.78%	44.33%	44.33%	779,351	584,335
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III) (b)	Lisboa	45.52%	45.52%	42.80%	42.80%	(4,884,128)	26,542,147
Fundo de Capital de Risco Armilar Venture Partners Inovação e Internacionalização (Armilar I+I)	Lisboa	38.25%	38.25%	38.25%	38.25%	(4,599,399)	3,123,548
Secucloud Network GmbH ('Secucloud') (c)	Hamburg	-	-	-	-	-	70,511
Probe.ly (d)	Lisbon	13.07%	13.07%	21.21%	21.21%	(31,976)	(25,126)
Suricate Solutions (e)	Luxembourg	-	-	20.00%	11.84%	-	-
Alfaros SAR (e)	Tunisia	-	-	40.00%	23.68%	-	-
Total (note 35)						55,846,967	62,334,158

(a) Includes the incorporation of the results of the subsidiaries in proportion to the capital held.

(b) The participation change is related to the amortization of units held in the Fund

(c) Participation sold in April 2021

(d) Reduction of participation related to the entry of new shareholders

(e) Participation sold in March 2022

In the case of investments in associates that are venture capital organizations, IAS 28 contains an option to keep these investments held by them measured at fair value. The Group made this option, applying the equity method to Armilar Funds.

During the years ended on 31 December 2022 and 2021, the changes occurred in investments in joint ventures and associated companies, were as follows:

	31 December 2022			31 December 2021 (restated)		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in joint ventures and associated companies						
Balance at 1 January	679,534,836	88,146,368	767,681,204	717,149,570	90,646,090	807,795,660
Transfers	220,373	(297,168)	(76,795)			
Equity method						
Effect on gains and losses (note 35)	55,846,967	-	55,846,967	62,348,630	-	62,348,630
Effect on reserves	1,885,133	-	1,885,133	2,646,319	-	2,646,319
Disposals	(39,962)	-	(39,962)	2,499,722	(2,499,722)	-
Dividends (note 37)	-	-	-	(68,917,696)	-	(68,917,696)
Return of invested capital	(15,435,844)	-	(15,435,844)	(6,346,853)	-	(6,346,853)
Others	(75,933,805)	-	(75,933,805)	(29,844,856)	-	(29,844,856)
Total Investments in joint ventures and associated companies net of impairment losses	646,077,898	87,849,200	733,927,098	679,534,836	88,146,368	767,681,204
Registered in Provisions for other liabilities and charges						
Balance on 1 January	-	-	-	(28,781,304)	-	(28,781,304)
Others	-	-	-	28,781,304	-	28,781,304
	-	-	-	-	-	-
Total investment in joint ventures and associated companies net of impairment losses and provisions	646,077,898	87,849,200	733,927,098	679,534,836	88,146,368	767,681,204

In the year ended 31 December 2022, the caption 'Return of invested capital' includes EUR 15,233,893 referring to the return of capital invested by Armilar III and EUR 201,951 referring to the return of capital invested by Armilar I+I.

In the year ended on 31 December 2022, the caption 'Others' includes EUR 18,665,586 relating to the capital distribution after the sale of a participation held by Armilar III, EUR 19,642,579 relating to the capital distribution of Armilar II and EUR 37,625,440 relating to the payment by ZOPT following the share amortization operation.

The item 'Transfers' refers to Probely, which, due to the reduction of its stake in the company, is now valued at fair value through profit or loss.

In the year ended 31 December 2021, the caption 'Return of invested capital' includes EUR 5,765,485 referring to the return of part of the share premium of ZOPT and EUR 581,368 referring to the return of capital invested by Armilar I+I.

In the year ended 31 December 2021, the Armilar Funds Regulation incorporated the contractual incentive (Incentive Scheme), payable to the Management Company. In this sense, the company started to recognize a net asset of the contractual incentive in the appropriation of Armilar's results. The accumulated value of this incentive previously recorded under 'Provisions', in the amount of EUR 28,781,304, was reclassified with effect under the caption 'Others'. This caption also includes EUR 993,041 referring to the receipt of Fundo Armilar II following the sale of a stake.

During the year ended on 31 December 2021, Sonaecom received the amount of EUR 68,917,696 referring to dividends from ZOPT SGPS.

In accordance with the IFRS 11, the classification of investments in companies joint ventures is determined based on the existence of an agreement that clearly demonstrate and regulate the joint control. Thus, on 31 December 2022 the Group held associated and joint ventures companies, as decomposed below.

The division by company of the amount included in the investments in associated companies and joint ventures is as follows:

	31 December 2022			31 December 2021		
	Ownership value	Goodwill	Total investment	Ownership value	Goodwill	Total investment
Investments in companies jointly controlled						
ZOPT	-	-	-	535,480,691	87,527,500	623,008,191
Unipress	374,252	321,700	695,952	368,531	321,700	690,231
SIRS	22,982	-	22,982	33,209	-	33,209
	397,234	321,700	718,934	535,882,431	87,849,200	623,731,631
Investments in associated companies						
NOS	564,328,009	87,527,500	651,855,509	-	-	-
Armilar II	57,990,791	-	57,990,791	76,854,019	-	76,854,019
Armilar III	12,800,369	-	12,800,369	51,583,976	-	51,583,976
Armilar I+I	10,561,495	-	10,561,495	15,362,845	-	15,362,845
Probely	-	-	-	(188,397)	297,168	108,771
Suricate Solutions	-	-	-	25,993	-	25,993
Alfaros SARL	-	-	-	13,969	-	13,969
	645,680,664	87,527,500	733,208,164	143,652,405	297,168	143,949,573
Total	646,077,898	87,849,200	733,927,098	679,534,836	88,146,368	767,681,204

On the years ended on 31 december 2022 and 2021, the aggregated amounts of the main financial indicators of the entities can be resumed as follows:

(Amounts expressed in thousand Euro)								2022
Entity	% Holding	Asset	Liability	Equity	Revenue	Operational results	Net result	Comprehensive income
NOS*	26.07%	4,689,483	2,448,266	2,241,217	1,521,007	261,476	245,666	259,314
Unipress	50.00%	1,077	329	749	2,034	14	11	11
SIRS	50.00%	482	436	46	1,035	(17)	(20)	(20)
Armilar II	47.78%	185,373	63	185,310	2,469	2,283	2,283	2,283
Armilar III	45.52%	37,025	3,332	33,693	(13,124)	(13,173)	(13,182)	(13,182)
Armilar I+I	38.25%	42,480	9	42,471	-	(18,954)	(18,954)	(18,954)

*The consolidated accounts audited of Group NOS, prepared in accordance with the International Financial Report Statements ('IFRS') as adopted by the European Union, adjusted for the effects of the allocation of assets and liabilities identified in the 2013 merger transaction.

The value of the shareholder funds includes non-controlling interests in amount of EUR 6,251 thousand and on 31 December 2022 the NOS' market capitalization amount to EUR 1,949 million.

(Amounts expressed in thousand Euro)								2021
Entity	% Holding	Asset	Liability	Equity	Revenue	Operational results	Net result	Comprehensive income
ZOPT*	50.00%	4,530,765	2,404,993	2,125,772	1,430,299	179,471	120,135	131,891
Unipress	50.00%	1,066	329	737	2,021	(69)	(73)	(73)
SIRS	50.00%	474	407	66	1,032	31	27	27
Armilar II	44.33%	265,030	36	264,993	50,067	49,914	49,914	49,914
Armilar III	42.80%	158,152	7,502	150,650	84,614	77,636	77,511	77,511
Armilar I+I	38.25%	62,770	10	62,760	22,872	22,759	22,759	22,759
Probe.ly	21.21%	568	18	550	693	(105)	(105)	(105)
Suricate Solutions	20.00%	138	156	(18)	223	73	53	53
Alfaros SARL	40.00%	33	4	29	27	21	17	17

*The consolidated accounts audited of Group ZOPT, prepared in accordance with the International Financial Report Statements ('IFRS') as adopted by the European Union.

The value of the shareholder funds includes non-controlling interests in amount of EUR 1,022 million and on 31 December 2021 the NOS' market capitalization amount to EUR 1,757 million.

Regarding the financial holdings in the Armilar II, Armilar III and Armilar I + I Venture Capital Funds, these refer to investment entities that measure their investment portfolios at fair value. The portfolios held by these entities are classified in the corresponding fair value hierarchy defined in IFRS 13 - Fair Value, as shown in the table below:

(Amounts expressed in thousand Euro)				2022
Fair value hierarchy	Armilar II	Armilar III	Armilar I+I	
Level 3	185,330	36,539	42,285	

(Amounts expressed in thousand Euro)				2021
Fair value hierarchy	Armilar II	Armilar III	Armilar I+I	
Level 3	264,887	158,050	61,849	

Armilar II holds a participation in Information Technology that can be framed as a level 3 share with an accounting value of approximately EUR 184 million. At the end of the year, the company was valued based on the price underlying a very significant financing round closed during the second half of 2022. In this round, which included an important component of transactions in the secondary market, Armilar II sold part of its assets for an approximate amount of EUR 82,0 million, which were distributed among its participants, generating cash-in of around EUR 17,7 million at Sonaecom (net of tax).

Armilar III and Armilar I+I include a level 3 share with an accounting value of approximately EUR 32 million and EUR 42 million, respectively (EUR 46 million and EUR 61 million in 2021). In this case, the valuation was based on market multiples of comparable listed companies, with a reduction in value of more than 30% in relation to the previous year. In the year ended on 31 December 2022, Armilar III proceeded with the sale of the entirety of one of its subsidiaries, whose book value at the end of the year 31 December 2021 amounted to around EUR 103 million. The operation generated cash in for Sonaecom of around EUR 32 million (net of tax).

Regarding the participation held in NOS (ZOPT in 2021), the Board of Directors considers that the market price of the shares representing the share capital of NOS, SA, on 31 December 2022, does not reflect their fair value. The Board of Directors considers that the company's use value represents, at the present date, the best estimate of the fair value of that company. Therefore, the assessment of the existence, or not, of impairment for the values of investments including Goodwill recorded in the attached consolidated financial statements for the telecommunications sector (ZOPT), is determined taking into account various information such as the business plan approved by the NOS Board of Directors for 5 years, whose average implicit growth rate in the operating margin amounts to 2.4% (2.8% in 2021).

	2022	2021
Assumptions	NOS SGPS	NOS SGPS
Basis of recoverable amount	Value in use	Value in use
Discount rate	6.5% - 9.4%	5.3% - 8%
Growth rate in perpetuity	2.0%	1.4%

For other business sectors, included in joint ventures companies, the assessment of whether or not impairment to the Goodwill value is determined based on the considerations presented in note 8.

The analysis of the projections and impairment tests resulted in a recoverable amount higher than the book value by around 0.2% (9.8% in 2021). No impairment losses have been determined during the years ended on 31 December 2022 and 2021.

The sensitivity analysis made, by varying the discount rate and the growth rate in perpetuity at 0.1 p.p, would lead to a recoverable amount higher than the book value by around 2.7% and 2.2%, respectively.

The consolidated financial statements of NOS, on 31 December 2022 and 2021 can be resumed as follows:

Condensed consolidated balance sheet

(Amounts expressed in of Euro)	December 2022	December 2021
Assets		
Tangible assets	1,107,052	1,041,100
Intangible assets	1,209,558	1,205,031
Rights of use	297,723	236,063
Deferred tax assets	89,554	81,390
Other non-current assets	221,693	189,328
Non-current assets	2,925,580	2,752,912
Trade debtors	319,441	323,934
Cash and cash equivalents	15,215	10,902
Other current assets	203,088	171,647
Current assets	537,744	506,483
Total assets	3,463,324	3,259,395
Liabilities		
Loans	1,210,181	1,275,541
Provisions for other liabilities and charges	81,267	82,516
Other non-current liabilities	95,077	90,555
Non-current liabilities	1,386,525	1,448,612
Loans	427,453	301,068
Trade creditors	253,355	279,993
Other current liabilities	343,648	266,722
Current liabilities	1,024,456	847,783
Total liabilities	2,410,981	2,296,395
Shareholders' funds excluding non-controlling interests	1,046,092	956,621
Non-controlling interests	6,251	6,379
Total Shareholders' funds	1,052,343	963,000
Total Shareholders' funds and liabilities	3,463,324	3,259,395

Condensed consolidated statement of income by nature

(Amounts expressed in of Euro)	December 2022	December 2021
Total revenue	1,521,007	1,430,299
Costs and losses		
Direct costs and External supplies and services	(500,257)	(476,398)
Depreciation, amortisation	(480,887)	(419,467)
Other operating costs	(269,655)	(345,777)
	(1,250,799)	(1,241,642)
Gains/ (losses) in associated companies	22,123	3,601
Financial results	(35,224)	(36,622)
Income taxation	(32,663)	(11,783)
Consolidated net income/(loss) for the year	224,444	143,853
Consolidated net income/(loss) for the year attributed to non-controlling interests	(130)	(306)
Attributed to shareholders of parent company	224,574	144,159

NOS' consolidated financial information, used to apply the equity method, includes adjustments arising from the allocation of prices to assets and liabilities identified in the 2013 merger operation.

In the third quarter of 2022, Sonaecom resolved the Shareholders' Agreement that governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the ZOPT General Meeting held on the 28 September, it was decided to amortize Sonaecom's participation in that company, and refund the ancillary payments made by it, in return for the delivery of the proportion held in the company's net assets, corresponding to shares representing 26.07% of the share capital of NOS that are not encumbered, and other net monetary means, in the amount of EUR 37,625,440. As a result of the referring decision, Sonaecom ceased to be a shareholder in ZOPT.

After the legal formalities associated with the protection of ZOPT's creditors and the appreciation of the operation by the Competition Authority - ZOPT proceeded with the deliver - in the beginning of December 2022 - of the shares representing of 26.07% of the share capital of NOS, which became directly owned by Sonaecom.

Since its inception, the main object of ZOPT has been the ownership and management of the stake in NOS and the execution of the aforementioned Shareholders' Agreement, which established joint control, the company having had no other operational activity since its incorporation. Given the merely instrumental character of ZOPT in holding a stake in NOS, with the resolution of the Shareholders' Agreement and the aforementioned resolution, in substance, Sonaecom ceased to hold joint control over NOS and began to exercise significant influence over this subsidiary. In this case, and as recommended in IAS 28, because Sonaecom's measurement method and consolidation perimeter does not change, there was no place to remeasure the investment to fair value in the consolidated financial statements on 31 December 2022. The value of the investment held in NOS is measured using the equity method.

NOS' consolidated financial information, used to apply the equity method, includes adjustments arising from the allocation of prices to assets and liabilities identified in the 2013 merger operation. The consolidated financial statements of NOS have exposure to the African market, particularly through financial holdings that Group holds in associated companies operating in the Angolan and Mozambican markets, which are engaged in providing satellite and fiber television services. The net book value of the African associates in the financial statements of NOS on 31 December 2022, recognised by the equity method, rises to approximately EUR 100 million (EUR 44 million in 2021).

Impairment tests were carried out for those assets, considering the business plans approved by the Board of Directors for a period of 5 years, with average revenue growth rates of 3.4% in Angola and 4.83% in Mozambique (2.7% and 4.7% in 2021, respectively). The business plans also consider a perpetuity growth rate of 6% in Angola and 6% Mozambique (7% and 6%, respectively in 2021) and a discount rate ("WACC") in the perpetuity of 17.1% in Angola and 19.2% in Mozambique (14.4% and 14.3% in 2021, respectively).

The impairment tests carried out, based on the assumptions identified above, led to a reversal of impairment losses (in the adjusted financial statements of NOS) of EUR 29.7 million (about EUR 14.9 million of impairment reversal in 2021).

Regarding NOS's financial participations in Finstar and ZAP Media (Finstar consolidated), the Board of Directors of NOS and ZOPT is certain that the patrimony seizure to Mrs. Isabel dos Santos, in the specific case of the shares held by her in Finstar and ZAP Media (where she holds 70% of the capital), does not change the control profile, in this case joint control as defined in IFRS 11.

a) NOS Group provisions

The processes described below are in provisions in the NOS's consolidated accounts, taking into account the degree of risk identified.

1. Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU):

The Extraordinary contribution toward the fund for the compensation of the net costs of the universal service of electronic communications (CLSU) is legislated in Articles 17 to 22 of Law no 35/2012, of 23 August. From 1995 until June 2014, MEO, SA (former PTC) was the sole provider for the universal service of electronic communications, having been designated administratively by the government, i.e. without a formal contest procedure led by the government for that effect, which constitutes an illegality, by the way acknowledged by the European Court of Justice who, through its decision taken in June 2014, condemned the Portuguese State to pay a fine of 3 million euros for illegally designating MEO. In accordance with Article 18 of the abovementioned Law 35/2012, of 23 August, the net costs incurred by the operator responsible for providing the universal service, approved by ANACOM, must be shared between other companies who provide, in national territory public communication networks and publicly accessible electronic communications services. NOS is therefore within the scope of this extraordinary contribution given that MEO has been requesting the payment of CLSU to the compensation fund of the several periods during which it was responsible for providing the services. In accordance with law, the compensation fund can be activated to compensate the net costs of the electronic communications universal service, relative to the period before the designation of the provider by tender, whenever, cumulatively (i) there are net costs, considered excessive, the amount of which is approved by ANACOM, following an audit to their preliminary calculation and support documents, which are provided by the universal service provider, and (ii) the universal service provider requester the Government compensation for the net costs approved under the terms previously mentioned.

Therefore:

- In 2013, ANACOM deliberated to approve the final results of the CLSU audit presented by MEO, relative to the period from 2007 to 2009, in a total amount of 66.8 million euros, a decision that was contested by the Company. In January 2015, ANACOM issued the settlement notes in the amount of 18.6 million euros related to NOS, SA, NOS Madeira and NOS Açores which were contested by NOS and for which a bail was presented by NOS SGPS (note 46) to avoid Tax Execution Proceedings. The guarantees have been accepted by ANACOM.
- In 2014, ANACOM deliberated to approve the final results of the CLSU audit by MEO, relative to the period from 2010 to 2011, in a total amount of 47.1 million euros, a decision also contested by NOS. In February 2016, ANACOM issued the settlement notes in the amount of 13 million euros, related to NOS, SA, NOS Madeira and NOS Açores which were also contested and for which it was before also presented bail by NOS SGPS in order to avoid the promotion of respective tax enforcement processes. The guarantees that have been accepted by ANACOM.
- In 2015, ANACOM deliberated to approve the final results of the audit to CLSU presented by MEO relative to the period from 2012 to 2013, in the amount of 26 million euros and 20 million euros, respectively, and as the others, it was contested by NOS. In December 2016, the notices of settlement were issued relating to NOS, SA, NOS Madeira and NOS Açores, corresponding to that period, in the amount of 13.6 million euros which were contested by NOS and for which guarantees have been already presented by NOS SGPS in order to avoid the promotion of the respective proceedings of tax execution. The guarantees were also accepted by ANACOM.
- In 2016, ANACOM approved the results of the audit to the CLSU presented by MEO related with the period between January and June 2014, for an amount of 7.7 million euros that was contested by NOS, in standard terms.
- In 2017, NOS, SA, NOS Madeira and NOS Açores were notified of the decision of ANACOM concerning the entities that are obliged to contribute toward the compensation fund and the setting of the values of contributions corresponding to CLSU that must be compensated and relating to the months of 2014 in which MEO still remained as provider of the Universal Service, which establishes for all these companies a contribution around 2.4 million euros. In December 2017, the settlement notes relating to NOS, SA, NOS Madeira and NOS Açores, concerning that

period, were issued in the amount of approximately 2.4 million euros, which were challenged by NOS and for which guarantees have also been presented by NOS SGPS, in order to avoid the promotion of their tax enforcement procedures. The guarantees were also accepted by ANACOM.

It is the opinion of the Board of Directors of NOS that these extraordinary contributions to Universal Service (not designated through a tender procedure) flagrantly violate the Directive of Universal Service. Moreover, considering the existing legal framework since NOS began its activity, the request of payment of the extraordinary contribution violates the principle of the protection of confidence, recognised on a legal and constitutional level in Portuguese domestic law. For these reasons, NOS has judicially challenged either the approval of audit results of the universal service net cost related with the pre-contest period as well as the liquidation of each and every extraordinary contributions that may be required. In September 2021, the Lisbon Administrative Circle Court ruled as unfounded the action regarding the administrative challenge of the results of the CLSU 2007-2009 audit, which NOS appealed in October 2021. The Board of Directors is convinced it will be successful in both challenges and appeals undertaken.

Legal actions and contingent assets and liabilities of NOS Group

2. Legal actions with regulators and Competition Authority (AdC)

NOS SA, NOS Açores and NOS Madeira brought actions for judicial review of ANACOM's decisions in respect of the payment of the Annual Fee of Activity (for 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 and 2021) as Electronic Communications Services Networks Supplier, and furthermore the refund of the amounts that meanwhile were paid within the scope of the mentioned acts of settlement was requested. Also NOS Wholesale brought action for judicial review of ANACOM's decision in respect of payment of the Annual Fee of Activity for 2020 and 2021.

The settlement amounts are, respectively, as follows:

- NOS SA: 2009: EUR 1,861 thousand , 2010: EUR 3,808 thousand, 2011: EUR 6,049 thousand , 2012: EUR 6,283 thousand, 2013: EUR 7,270 thousand, 2014: EUR 7,426 thousand, 2015: EUR 7,253 thousand, 2016: EUR 8,242 thousand, 2017: EUR 9,099 thousand, 2018: EUR 10,303 thousand, 2019: EUR 10,169 thousand; 2020: EUR 10,184 thousand and 2021: EUR 9,653 thousand.
- NOS Açores: 2009: EUR 29 thousand, 2010: EUR 60 thousand, 2011: EUR 95 thousand, 2012: EUR 95 thousand, 2013: EUR 104 thousand, 2014: EUR 107 thousand, 2015: EUR 98 thousand, 2016: EUR 105 thousand, 2017: EUR 104 thousand, 2018: EUR 111 thousand, 2019: EUR 107 thousand, 2020: EUR 120 thousand and 2021: EUR 123 thousand.
- NOS Madeira: 2009: EUR 40 thousand, 2010: EUR 83 thousand, 2011: EUR 130 thousand, 2012: EUR 132 thousand, 2013: EUR 149 thousand, 2014: EUR 165 thousand, 2015: EUR 161 thousand, 2016: EUR 177 thousand, 2017: EUR 187 thousand, 2018: EUR 205 thousand, 2019: EUR 195 thousand, 2020: EUR 202 thousand and 2021: EUR 223 thousand.
- NOS Wholesale: 2020: EUR 36 thousand and 2021: EUR 110 thousand.

This fee is a percentage decided annually by ANACOM (in 2009 it was 0.5826%) of operators' electronic communications revenues. NOS SA, NOS Açores, NOS Madeira and NOS Wholesale claim, namely: i) addition to defects of unconstitutionality and illegality, related to the inclusion in the cost accounting of ANACOM of the provisions made by the latter, due to judicial proceedings against the latter (including these appeals of the activity rate) and ii) that only revenues from the electronic communications business per se, subject to regulation by ANACOM, should be considered for the purposes of the application of the percentage and the calculation of the fee payable, and that revenues from television content should be excluded. Nine sentences were handed down on the matter, of which ANACOM appealed to the Central Administrative Court. To date, no judgment has been issued by the TCA in any of these cases.

The remaining proceedings are awaiting trial and/or decision.

During the first quarter of 2017, NOS was notified by ANACOM of the initiation of an infraction process related to communications of prices update at the end of 2016, beginning of 2017. In the end of the last trimester of 2020, ANACOM notified NOS of the accusation, with the practice of 4 very severe offences and 1 severe offence related, respectively, with i) the non-communication to customers of the right to rescind the contract with no charges, with (ii and iii) the supposed non-communication of pricing update and with (iv) the adequate advance and, yet, (v) the lack of information to be communicated to ANACOM. However, ANACOM did not present any value for a fine, except in relation to the with severe offence. In this case, NOS is given the possibility to settle the fine by the minimum, in the amount of 13 thousand euros, which NOS did. NOS presented its written defense on 29 January 2021. NOS was notified, in November 2022, of ANACOM's decision that condemned NOS to pay a fine of EUR 5.2 million. NOS has challenged the decision in court, pending further developments.

On 17 July 2020, NOS was notified by the AdC of an illegality note (accusation) related to digital marketing without a google search engine, which accuses the operators MEO, NOS, NOWO and Vodafone of concertation, for a period ranging from between 2010 and 2018, failing to identify a concrete fine. It is not possible, at this moment, to estimate the value of an eventual fine. NOS presented its written defense to the Portuguese Competition Authority (AdC) and an appeal to the Lisbon Court of Appeal, where it challenged the nullity of the obtained evidence. In July 2022, the Lisbon Court of Appeal confirmed NOS position pending further developments. Is the Board of Directors' conviction, taking into account the elements it knows, that will be able to demonstrate the various arguments in favor of its defense.

On 15 December 2021, NOS was notified by the Portuguese Competition Authority (AdC) of an illegality note (accusation) related to advertising service practices in automatic recordings, which accuses NOS, other operators and a consultant of concertation behavior in the television recordings advertising market. NOS presented its written defense. At the time, it is not possible to estimate whether there will be an acquittal or conviction and, in the case of the latter, the amount of a possible fine. Further developments on the AdC's decision are awaited. It is the conviction of the Board of Directors, taking into account the elements it knows, that it will be able to demonstrate the various arguments in favor of its defense.

3. Tax authorities

During the course of the 2003 to 2022 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2020 financial years. Following these inspections, NOS SGPS, as the controlling company of the Tax Group, and companies not covered by Tax Group, were notified of the corrections made to the Group's tax losses, to VAT and stamp tax and to make the payments related to the corrections made to the above exercises. The total amount of the notifications unpaid is about EUR 36 million, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress.

Based on the advice obtained from the process representatives and tax consultants, the Board of Directors maintains the belief in a favorable outcome, which is why these proceedings are maintained in court. However, in accordance with the principle of prudence, an assessment of the group's level of exposure to these proceedings is made periodically, in the light of the evolution of case law, and consequently the provisions recorded for this purpose are adjusted.

4. Actions by MEO against NOS SA, NOS Madeira and NOS Açores and by NOS SA against MEO

In 2011, MEO brought against NOS SA, in the Judicial Court of Lisbon, a claim for the compensation of EUR 10.3 million, as compensation for alleged unauthorized portability of NOS SA in the period between March 2009 and July 2011. NOS SA contested, and the Court ordered an expert opinion, meanwhile, deemed without effect. The discussion and trial hearing took place at the end of April and beginning of May 2016, and a judgment was rendered in September of the same year, which considered the action to be partially justified, based not on the occurrence of improper portability, which the Court has determined to restrict itself to those which do not correspond to the will of the proprietor. In that regard, it sentenced NOS to the payment of approximately EUR 5.3

million to MEO, a decision of which NOS appealed to the Lisbon Court of Appeal. MEO, on the other hand, was satisfied with the decision and did not appeal against the part of the sentence that acquitted NOS. This Court, in the first quarter of 2018, upheld the decision of the Court of First Instance, except for interests, in which it gave reason to the claims of NOS, in the sense that interests should be counted from the citation to the action and not from the due date of the invoices. NOS filed an extraordinary appeal with the Supreme Court of Justice (SCJ), that appeal which found that the facts established by the Lower Courts were insufficient to resolve on the substance of the case. Consequently, the SCJ ordered that the court under appeal should amplify the facts. The case was transferred to the Court of First Instance for the extension of the facts. In November 2019, the Court of First Instance granted the parties the possibility of requesting the production of supplementary evidence on the subject of the extension, with NOS requesting an expert examination and the repetition of testimonial evidence. In February 2020, the Court considered that the expansion of the matter of fact leads to the need to obtain new evidence, which requires the analysis of the information relating to all portabilities that serve as the basis for the process, determining the carrying out of expert evidence for that purpose. The appointment of the expert occurred on October 2021, and the expected date for completion of the diligence is unknown.

In 2011, NOS SA brought an action in Lisbon Judicial Court against MEO, claiming payment of EUR 22.4 million, for damages suffered by NOS SA, arising from violations of the Portability Regulation by MEO, in particular, the large number of unjustified refusals of portability requests by MEO in the period between February 2008 and February 2011. The court declared the performance of expert evidence of technical nature and an economic-financial survey, which were completed in February 2016 and June 2018, respectively. MEO argued for the nullity of the expert economic-financial report, which was dismissed. After the trial, in May 2022, the court partially agreed with NOS, condemning MEO to pay EUR 7.9 million, a decision challenged by MEO and NOS by filing appeals in October 2022. It is the understanding of the Board of Directors, corroborated by the attorneys accompanying the process, that it is, in formal and substantive terms, likely that NOS SA will be able to win the lawsuit, due to MEO already having been convicted for the same offences by ANACOM.

5. Action brought by DECO

In March 2018, NOS was notified of a lawsuit brought by DECO against NOS, MEO and NOWO, in which a declaration of nullity of the obligation to pay the price increases imposed on customers at the end of 2016 is requested. In April and May 2018, the operators, including NOS, lodged a defence. The action's value has been fixed at EUR 60,000. After the discussion and trial sessions were held in 2022, the parties are now awaiting the Court's decision. Board of Directors is convinced that the arguments used by the author are not justified, which is why it is believed that the outcome of the proceeding should not result in significant impacts for the Group's financial statements.

6. Action brought by Citizens Voice

In November 2022, NOS was served with a lawsuit filed by Citizens Voice - Consumer Advocacy Association ("Citizens Voice"), where a set of requests related to the automatic activation of pre-defined volumes of mobile data, once the data volume included in the monthly fee contracted by customers has been exhausted. Citizens Voice requests more specifically (i) the judicial declaration of the illegality of this practice for understanding that violates a set of national and European rules, (ii) the recognition of the right of customers to refuse to contract these services, (iii) the return of amounts paid on this basis over the past years by NOS customers, as well as (iv) the payment of compensation in the amount of 100 euros to each customer for alleged moral damages resulting from that practice. In December 2022 NOS presented its response invoking the illegitimacy of Citizens Voice to present the action, namely by the existence of a profit interest, and furthermore defending the lawfulness of the practice and its total transparency and clarity for the respective customers. The Board of Directors is convinced that the arguments used by the plaintiff are unfounded, reason why it is believed that the outcome of the process will not result in significant impacts for the Group's financial statements.

7. Interconnection tariffs

On 31 December 2022, accounts receivable and accounts payable include EUR 37,139,253 and EUR 43,475,093, respectively, resulting from a dispute between the subsidiary NOS SA and, essentially, the operator MEO – Serviços de Comunicação e Multimédia, S.A. (previously named TMN – Telecomunicações Móveis Nacionais, S.A.), in relation to the non-definition of interconnection tariffs of 2001. In what concerns to that dispute with MEO, the result was totally favourable to NOS S.A., having already become final. In March 2021, MEO filed a new lawsuit against NOS, in which it claimed the price of interconnection services between TMN and Optimus for 2001 at 55\$00 (€ 0.2743) per minute. After NOS had lodged an objection challenging MEO's request, a prior hearing was held and, by court decision, NOS was acquitted of the case, with MEO having appealed against this decision. Further developments in the process are awaited, it being the understanding of the Board of Directors, supported by the lawyers who monitor the process, that there are, in substantive terms, good probabilities that NOS SA can win the action.

10. Financial assets at fair value through other comprehensive income

On 31 December 2022 and 2021, this caption was composed as follows:

	2022	2021
Iriusrisk	7,124,896	1,416,514
Deepfence	2,343,900	2207300
Nexttail	1,628,760	1,628,760
Sensei	405,900	405,900
Style Sage	-	1868807
Eat Tasty	-	259,696
Others	201,000	211,779
	11,704,456	7,998,756

On 31 December 2022 and 2021, these investments correspond to shareholdings in unlisted companies in which the Group has no significant influence.

According to IFRS 9 these investment are defined as 'Investments at fair value through other consolidated comprehensive income' as they are held as long-term strategic investments and there is no expectation that these investments will be sold in the short and medium term, and, so, were irrevocably designetd as investments at fair value trough other comprehensive income. For investments with a maturity of less than a year, the acquisition costs were considered as a reasonable approximation of their fair value. For investments with a maturity greater than a year, the subsequent changes in fair value are presented through other consolidated comprehensive income. The fair value of the investments is calculated in the currency of the country of the investment and converted to euros at the end of the reporting year.

In 2022 and 2021, the change in investments at fair value through other comprehensive income was as follows:

	2022	2021
Opening balance	7,998,756	7,299,791
Acquisitions / Capital increases	3,112,359	-
Fair value	3,671,191	699,065
Exits	(3,077,850)	-
Others	-	(100)
Closing balance	11,704,456	7,998,756

During the year ended on 31 December 2022, the item "Exits" refers to sold of Style Sage participation by Bright Pixel.

The movements occurred in 2022 and 2021 in other comprehensive income were as follows:

	2022	2021
Gains/ (losses) recognised in other comprehensive income	7,611,014	699,065
Total	7,611,014	699,065

In the year ended on 31 December 2022, the gains recognised in other comprehensive income include the changes in fair value and the gain on the sale of Style Sage in the amount of EUR 3,939,823.

The investments described above are valued at fair value, and classified at level 3 of the corresponding fair value hierarchy defined in IFRS 13 - Fair Value. The vast majority of financial assets at fair value through income correspond to holdings valued on the basis of the last transaction which, despite having occurred more than a year ago, still represents the best estimate of the company's fair value.

Nextail

Nextail is a Spanish company that has developed a cloud-based platform that combines artificial intelligence and prescriptive analytics to upgrade retailers' inventory management processes and store operations. The company raised a USD 10 million Series A round led by London and Amsterdam based venture capital firm KEEN Venture Partners LLP ("KEEN"), together with Bright Pixel and existing investor Nauta Capital. The new financing was to be used to accelerate product development and double the size of the team, as it grows internationally.

IriuskRisk

(previously named Continuum Security) is a Spanish based company with an application security platform to address vulnerabilities early in the development process. In order to realise their international growth plans, the company has raised an investment round of EUR 1.5 million, which was led by Swanlaab Venture Factory and joined by JME Venture Capital and Sonae IM. In September 2020, the company raised a series A round of USD 6.7 million participated by Paladin, 360 CP, Swanlaab JME Venture Capital and Bright Pixel. In August 2022, IriuskRisk raised a Series B round of USD 28.7 million led by Paladin Capital Group with the participation from existing investors Bright Pixel, Swanlaab Venture Factory, 360 Capital and Inveready.

Deepfence

Deepfence is a leading US-based cloud-native workload protection platform that aims to provide a unified security platform for kubernetes, virtual machines and serverless workloads. Deepfence ensures business continuity in the face of persistent threats by detecting and disrupting sophisticated attacks targeting cloud-native technologies, the "glue" that keeps the current world connected. Deepfence raised USD 9.5 million in Series A financing led by AllegisCyber, with participation from Bright Pixel, and existing investor Chiratae Ventures.

11. Financial assets at fair value through profit or loss

On 31 December 2022 and 2021, this caption was composed as follows:

	2022	2021
Arctic Wolf	78,758,143	74,168,202
Ometria	20,858,395	22,016,496
CyberSixgill	18,251,204	5,297,520
SafeBreach	14,139,176	13,315,160
Sales Layer	9,714,017	2,500,358
Codacy	8,000,005	-
Hackuity	6,000,000	-
Chord	5,625,360	-
Weaveworks	4,989,557	4,414,599
Mayan	4,687,798	-
Afresh	4,687,791	-
Visenze	3,368,607	4,078,033
Jscrambler	3,828,724	3,828,724
Didimo	3,041,943	-
Probely	2,971,123	-
Citcon	2,726,184	4,414,600
Reblaze	2,578,290	2,428,030
Portainer.io	1,875,120	441,460
Taikai	1,836,895	1,836,895
Replai	1,800,887	1,800,887
Sellforte	1,794,980	2,500,003
Daisy Intelligence	751,875	1,153,213
Cellwise	-	8,641,594
CiValue	-	1,977,741
Others	6,385,105	4,111,060
	208,671,179	158,924,575

Investments not irrevocably designated in the initial recognition as 'Investments at fair value for other comprehensive income', are classified as 'Investments at fair value through profit or loss' in accordance with IFRS 9. Are also included in this caption the investments in associated companies, held by a venture capital organization or equivalent, in which the Group opted, in the initial recognition for, to measure at fair value through results in accordance with IFRS 9. In the case of the investments of less than 1 year, their acquisition cost was considered a reasonable approximation of their respective fair value. For investments over 1 year, subsequent changes in fair value are presented through profit or loss. The fair value of the investments is calculated in the currency of the country of the investment and converted to euros at the end of the reporting year.

In 2022 and 2021, the variation in investments at fair value through profit or loss was as follows:

	2022	2021
Opening balance	158,924,575	92,324,063
Acquisitions / Capital increases	42,900,415	28,921,669
Fair value	17,249,448	67,473,452
Exits	(10,795,054)	(29,794,609)
Transfers	391,795	-
Closing balance	208,671,179	158,924,575

On 31 December 2022, the caption "Exits" refers, essentially, to the sale of Bright Pixel's stake in CiValue for the amount of EUR 5.3 million, which generated a capital gain of EUR 3.3 million and the sale of the stake of Bright Pixel in Cellwise for amount of EUR 22.3 million, which generated a capital gain of EUR 13.8 million.

On 31 December 2021, the caption “Exits” refers to the partial sale of Bright Pixel's stake in Arctic Wolf for the amount of EUR 36.4 million, which generated a capital gain of EUR 12.3 million, the sale of the entire stake of Bright Pixel in CB4 for the amount of EUR 8.5 million, which generated a capital gain of EUR 5.1 million, and the sale of the entire stake of Bright Pixel in Case on It for amount of EUR 2.6 million, which generated a capital gain of EUR 312 thousand.

The movements occurred in 2022 and 2021 in net income were as follows:

	2022	2021
Gains/ (losses) recognised in profit or loss (note 35)	34,972,846	85,163,145
Total	34,972,846	85,163,145

The investments described above are valued at fair value, and classified in level 3 of the corresponding fair value hierarchy defined in IFRS 13 – Fair Value. Of the total value of financial assets at fair value through profit or loss, approximately EUR 79 million correspond to participations valued based on data based on purchase and sale quotations and EUR 31.7 million correspond to participations valued based on the last transaction in non-active market occurred during the year 2022 (109.8 million euros during the year 2021). Acquisitions of the year correspond to approximately EUR 33.3 million (EUR 22.5 million in 2021). The amount of EUR 8.6 million corresponds to participations valued through multiples and the amount of EUR 56 million corresponds to participations valued based on the last transaction which, despite having taken place over a year ago, still represents the best estimate of the company's fair value (EUR 26.6 million in 2021).

Arctic Wolf

ArcticWolf, a US based company, is a global pioneer in the SOC-as-a-Service market with cutting-edge managed detection and response (MDR), which provides a unique combination of technology and services for clients to quickly detect and contain threats. Bright Pixel, jointly with US technology investors Lightspeed Venture Partners and Redpoint, entered in the company's cap table in 2017 in a series B round. Since then, the Company closed a 45 million dollars series C round in 2018, a USD 60 million Series D round at the end of 2019, a USD 200 million Series E round in October 2020 funding at a valuation of USD 1.3 billion and, in 2021, a USD 150 million, held by existing and new investors, at an underlying valuation of USD 4.3 billion.

Ometria

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

Reblaze

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

ViSenze

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

Daisy Intelligence

Daisy Intelligence is an AI-powered platform for retail merchandising teams focused on optimizing promotional product and price mixes for dramatically improved business results. Bright Pixel partnered with Framework Venture Partners invested in a CAD 10 million (circa EUR 7 million) series A round.

Cybersixgill

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

Jsrambler

Jsrambler is a Portuguese startup that develops a security solution to protect Web and Mobile Applications (Javascript code). In 2018, the company raised a USD 2.3 million in a financing round that was led by Sonae IM with the co-investment of Portugal Ventures. In 2021, the Company raised EUR 10 million in a series A with the participation of Ace Capital Partners.

Sales Layer

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

Weaveworks

Weaveworks is a US company that helps teams to adopt cloud native computing, managing cloud native infrastructure and applications quickly, reliably and at scale. Weaveworks raised a USD 36.65 million Series C funding round led by some of the world's leading public cloud and telecommunications companies, including first-time investors Amazon Web Services (AWS), Ericsson, Orange Ventures, Bright Pixel and Telekom Investment Pool (TIP). The round also included follow-on investments from Accel, GV, and Redline Capital.

Sellforte

Sellforte, based in Helsinki, Finland, is a SaaS platform for Retailers, Brands and Telcos, which uses proprietary data science and AI to measure the effectiveness of online and offline marketing investments.

Portainer.io

Portainer.io, based in New Zealand, is one of the most popular container management platforms globally. Portainer's universal tool unleashes the power of containerized applications for everyone.

Citcon

Citcon, is a US-based leading mobile wallet payment provider with a fintech platform that enables seamless global commerce at scale by connecting the world's businesses with more than 100+ mobile wallets, local and alternative payment methods. Citcon raised USD 30 million in Series C financing led by Norwest Venture Partners and Cota Capital with the participation of Bright Pixel and Sierra Venture.

SafeBreach

SafeBreach, pioneer in the Breach and Attack Simulation (BAS) market, is the world's most widely used continuous security validation platform. The patented platform automatically and safely executes thousands of attack methods to validate network, endpoint, cloud, container and email security controls against its Hacker's Playbook™, the world's largest collection of attack data broken down by methods, tactics and threat actors. SafeBreach raised

USD 53.5 million in Series D funding, led by Bright Pixel and Israel Growth Partners (IGP), with additional participation from Sands Capital, Bank Leumi and ServiceNow.

Experify

Experify, is the first platform to enable a truly authentic product review experience by connecting prospective buyers with purchasers. Experify raised USD 4 million seed round, led by Vertex Ventures US, with the participation of Bright Pixel and the Berkeley SkyDeck Fund.

Hackuity

Hackuity, is a risk-based vulnerability management solution that empowers cybersecurity teams and leaders to comprehensively collect, prioritize, and remediate security weaknesses before they can be exploited by their adversaries. Hackuity raised a EUR 12 million funding round, led by Bright Pixel with the participation of previous investor Caisse des Dépôts.

Didimo

Didimo, a leading creator of high-fidelity digital humans with 3D technology. Didimo enables anyone to quickly and easily create lifelike digital models that businesses and individuals can use to interact and to provide or enjoy services online. In 2020, Didimo announced EUR 1 million in funding from new investors led by Armilar Venture Partners along with Bright Pixel and PME Investimentos in cooperation with the 200M Co-Investment Fund. In August 2022, Didimo raised USD 7.1 million in Series A funding led by Armilar Venture Partners, with the participation of Bright Pixel, Portugal Ventures and Techstars.

Codacy

Codacy, is a PT-based automated code review and engineering productivity tool. It provides intelligence for software engineering teams to reach their full potential. Codacy raised a USD 15 million Series B funding round led by Bright Pixel Capital, also backed by existing investors Armilar Venture Partners, EQT Ventures, Join Capital, Caixa Capital, Faber Ventures and Iberis Capital.

Afresh

Afresh, is a US-based leading AI-powered fresh food technology provider. Afresh's AI-powered solutions optimize critical functions in fresh food, including ordering, inventory, merchandising, and operations. Afresh significantly reduces food waste, improves its partners' profitability, and makes fresher, healthier food more accessible to all. Afresh announced a USD 115 million Series B funding round led by Spark Capital and with participation from Insight Partners, VMG Partners, and Bright Pixel Capital

Chord

Chord, is a US based company with a Platform as a Service that offers commerce businesses technology and data products that help enhance their businesses by giving them cutting-edge headless commerce technology and access to meaningful first-party data. In 2022, Chord raised a USD 15 million series A extension round, co-led by Bright Pixel and existing investor Eclipse and with new investors GC1 Ventures, TechNexus Venture Collaborative and Anti Fund VC joining existing investors Imaginary Ventures, Foundation Capital and White Star Capital as participants.

Mayan

Mayan, a company that builds best-in-class optimization and automation technology for Amazon sellers. Bright Pixel led its series A round of USD 5 million in 2022.

12. Deferred taxes

Deferred tax assets on 31 December 2022 and 2021, amounted to EUR 10,852,157 and EUR 15,954,811 respectively, arise mainly, from tax losses carried forward, from tax benefits, from differences between the accounting and tax amount of some fixed assets and from others temporary differences.

The balance of deferred tax assets by nature on 31 December 2022 and 2021 is as follows:

	2022	2021
Tax losses	-	958,604
Tax provisions not accepted and other temporary differences	326,722	557,298
Tax benefits	10,525,435	14,438,909
	10,852,157	15,954,811

The movements in deferred tax assets in the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021 (reexpresso)
Opening balance	15,954,811	16,380,468
Impact on results:		
Record / (reverse) / use of tax benefits	(1,622,784)	(335,545)
Record / (reverse) of tax provisions not accepted and other temporary differences for the year	(110,288)	170,098
Record / (reverse) of tax provisions not accepted and other temporary differences for the previous years	-	31,476
	(1,733,072)	(133,971)
Impact on results of the discontinued operations		
Record of deferred tax assets related to tax losses of the year	-	81,172
Record / (reverse) of deferred tax assets related to tax losses from previous years	-	(12,183)
Use of deferred tax assets related to tax losses from previous years	-	(66,258)
Record / (reverse) / use of tax benefits	-	(86,055)
Record / (reverse) of tax provisions not accepted and other temporary differences for the year	-	(52,798)
	-	(136,122)
Other without impact on results:		
Alienation of companies (note 3.c)		
Tax losses and tax provisions not accepted and other temporary differences	(1,078,892)	(76,814)
Tax benefits	(2,290,689)	(78,750)
	(3,369,582)	(155,564)
Closing balance	10,852,157	15,954,811

During the year of 2020, the Group subscribed units of participation in the private investment fund Bright Tech Innovation I. This Fund aims to invest in companies dedicated to research and development, which, in particular, have a underlying technological basis or innovative business concept for their activity. In compliance with the Investment Tax Code (CFI – ‘Código Fiscal do Investimento’) and, as usual in within of obtaining SIFIDE, the Group presented in 2021, an application to SIFIDE under the terms of paragraph f), n° 1 of article 37 of CFI.

In the year ended on 31 December 2020, the Group recorded deferred tax assets in the amount of EUR 12,317,570 related to this benefit. The expenses that, due to insufficient collection, cannot be deducted in 2020 and 2021, may be deducted until 2030.

Since Sonaecom is included in the group of companies taxed under the Special Taxation Regime Group of Companies (RETGS), of which Sonae SGPS is the dominant company, the total Corporate tax (‘IRC’) that will no longer be paid is shown at the level of Group, without prejudice to the right of recourse by the tax due to the Company, under the terms and for the purposes of article 115 of the Corporate tax Portuguese Code (CIRC- Código do Imposto sobre o Rendimento das Pessoas Coletivas).

On 31 December 2022 and 2021, assessments of the deferred tax assets to be recovered and recognised were made. Potential deferred tax assets were recorded to the extent that future taxable profits were expected to be generated against which the tax losses and deductible tax differences could be used. These assessments were made based on the most recent business plans duly approved by the Board of Directors of the Group companies, which are periodically reviewed and updated. The main criteria used in those business plans are described in note

8. For the companies that are included in the Special Group Taxation Regime, the assessment was made taking into account the business plan of the Sonae Group, as from 2018 the tax losses generated by the companies dominated within the group are partially offset by the dominant entity of the Group. With respect to the tax losses generated by the unsettled companies in the year, they will be offset as the Group recovers, taking into account its future taxable income.

The rate used on 31 December 2022 and 2021, in Portuguese companies, to calculate the deferred tax assets relating to tax losses carried forward was 21%. The rate used in 2022 and 2021 to calculate the temporary differences in Portuguese companies, including provisions not accepted and impairment losses, was 22.5%. Using the estimated period when the referred rate will be applicable.

Tax benefits, related to deductions from taxable income, are considered at 100%, and in some cases, their full acceptance is dependent on the approval of the authorities that concede such tax benefits. For foreign companies was used the rate in force in each country: Spain 25% and United Kingdom 19%.

In accordance with the tax returns and other information prepared by the companies that have registered deferred tax assets, the detail of such deferred tax assets, by nature, on 31 December 2022 and 2021 were as follows:

Nature	Companies included in the Tax Group	2022					2022
		S21 Sec Portugal	S21 Sec Gestion	S21 Sec Labs	Excellium	Total	Total Sonaecom Group
Tax losses	-	-	-	-	-	-	-
Tax provisions not accepted and other temporary differences	326,722	-	-	-	-	-	326,722
Tax benefits	10,525,435	-	-	-	-	-	10,525,435
Total	10,852,156	-	-	-	-	-	10,852,157

Nature	Companies included in the tax group	2021					2021
		S21 Sec Portugal	S21 Sec Gestion	S21 Sec Labs	Excellium	Total	Total Sonaecom Group
Tax losses:							
To be used until 2028	-	-	612,877	-	-	612,877	612,877
To be used until 2029	-	22,044	253,352	-	-	275,396	275,396
To be used until 2030	-	9,794	-	60,538	-	70,332	70,332
Tax losses	-	31,837	866,229	60,538	-	958,604	958,604
Tax provisions not accepted and other temporary differences	437,010	20,932	94,706	-	4,650	120,288	557,298
Tax benefits	12,148,220	45,217	2,245,472	-	-	2,290,689	14,438,909
Total	12,585,228	97,987	3,206,407	60,538	4,650	3,369,581	15,954,811

On 31 December 2022 and 2021, the deferred tax assets not recorded, since it is not expected that sufficient taxable profits will be generated in the future to cover those losses, were as follow:

	2022	2021
Tax losses	2,719,889	8,985,255
Temporary differences (provisions not accepted and other temporary differences)	21,820,567	17,688,851
Others	1,210,518	17,658,026
	25,750,974	44,332,132

On 31 December 2022 and 2021, the caption "Temporary differences" includes deferred taxes related to impairment of financial investments that cannot be recorded because the subsidiary's sale or liquidation is not considered at the probable date.

On 31 December 2021, the caption 'Others' includes research and development tax credits in the amount of EUR 15,870,537 related to Spanish subsidiaries.

On 31 December 2022 and 2021, tax losses for which deferred tax assets were not recognised have the following due dates:

Due date	2022	2021
2024	-	141,630
2025	-	123,915
2026	-	17,400
2027	-	226,846
2028	-	727,098
2029	-	841,092
2030	-	82,249
2031	-	93,594
2032	-	137,633
2033	-	197,193
2034	-	113,013
2035	-	131,004
2036	-	454,786
2038	-	146,775
Unlimited	2,719,889	5,551,028
	2,719,889	8,985,255

The year 2031 and following years are applicable to the subsidiaries incorporated in countries in which the reporting period of tax losses is greater than 12 years.

The amount of deferred tax liabilities by nature on 31 December 2022 and 2021 is as follows:

	2022	2021
Temporary differences between accounting and tax result	17,860,260	28,438,038
Temporary differences of assets recorded at fair value through profit or loss	16,985,902	16,251,573
Temporary differences of assets recorded at fair value through other comprehensive income	812,889	52,515
	35,659,051	44,742,126

The changes that occurred in deferred tax liabilities in the years ended on 31 december 2022 and 2021 were as follows:

	2022	2021
Opening balance	44,742,126	28,054,313
Impact on results (note 36):		
Temporary differences between accounting and tax result and assets recorded at fair value through profit and losses	(9,843,448)	16,886,304
	(9,843,448)	16,886,304
Impact on results of the discontinued operations		
Temporary differences between accounting and tax result and assets recorded at fair value through profit and losses	-	(236,735)
	-	(236,735)
Impact on reserves:		
Temporary differences of assets recorded at fair value through other comprehensive income	760,373	38,244
Closing balance	35,659,051	44,742,126

In the year ended on 31 December 2022 and 2021, deferred tax liabilities arose from the application of the equity method above to the participation in the capital stock of Armilar II, Armilar III and Armilar I+I, from changes in the fair value of financial assets (notes 10 and 11).

The reconciliation between the earnings before taxes and the taxes recorded for the years ended on 31 December 2022 and 2021 is as follows:

	2022	2021 (restated)
Earnings before tax	84,311,701	142,816,170
Income tax rate (21%)	(17,705,457)	(29,991,396)
Autonomous taxation and surcharge	(3,951,194)	(1,701,808)
Tax provision	-	(39,047)
Accounting adjustments not accepted	3,278,565	477,739
Temporary differences and tax losses of the year without record of deferred tax assets	(181,846)	998,229
Utilization of tax losses and tax benefits without record of deferred tax assets in previous years	256,243	183,829
Deferred tax assets of temporary differences of previous years	-	31,476
Effect of the existence of different tax rates from those in force in Portugal	-	167
Effect of the untaxed equity method	13,563,401	6,497,399
Consolidation adjustments	-	(6,777)
Record/(reverse) of deferred tax assets related to tax benefits	1,244,775	356,824
Income taxation recorded in the year (note 36)	(3,495,513)	(23,193,365)

The tax rate used to reconcile the tax expense and the accounting profit is 21% in 2022 and 2021 because it is the standard rate of the corporate income tax in Portugal, country where almost all of the income of Sonaecom' group are taxed.

Portuguese Tax Authorities can review the income tax returns of the Company and of its subsidiaries with head office in Portugal for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in course, in which circumstances, the periods are extended or suspended. The Board of Directors believes that any correction that may arise as a result of such review would not have a significant impact on the accompanying consolidated financial statements.

Supported by the Company's lawyers and Tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the consolidated financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements, on 31 December 2021.

13. Other non-current assets

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Convertible loans	1,635,570	1,476,207
Others	2,225,896	5,656,139
	3,861,466	7,132,346

In the year ended on 31 December 2022 and 2021, the caption 'Convertible Loans' essentially includes loans convertible to Daisy, Nextel and Citcon (Probely, Style Sage, Daisy and Didimo in 2021).

In the year ended on 31 December 2022 and 2021, the caption 'Other' includes the amount receivable from subleases under IFRS 16 in the amount of EUR 1,553,976 (EUR 2,059,210 em 2021). In the year ended on 31 December 2022 and 2021 also includes the amount receivable from Sonae under the policy of the Special Regime of Group Taxation in the amount of EUR 540,232 in 2021 and EUR 111,867 in 2021.

In the year ended on 31 December 2021 the caption 'Other' also includes the amount of debt acquired by Sonae IM to Armilar in the scope of the acquisition of Armilar II and Armilar III associates, in the amount of EUR 1,274,358 paid in February 2022.

Armlar's debt has no defined maturity, being limited only to the Fund's maturity.

The amount to be received from subleases on 31 December 2022 and 2021 were as follows:

	2022		2021	
	Lease receivables	Present value of lease receivables	Lease receivables	Present value of lease receivables
2022	-	-	773,556	753,111
2023	775,616	759,081	663,044	647,994
2024	735,035	724,522	663,044	653,434
2025	735,035	730,593	663,044	658,921
2026	26,946	25,949	26,946	25,949
2027	26,946	26,248	26,946	26,248
2028 and next years	47,156	46,664	47,157	46,664
	2,346,734	2,313,057	2,863,737	2,812,321
Interests	(33,677)	-	(51,416)	-
	2,313,057	2,313,057	2,812,321	2,812,321
Short-term asset (note 16)	-	(759,081)	-	(753,111)
	2,313,057	1,553,976	2,812,321	2,059,210

14. Inventories

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Raw materials	378,820	296,458
	378,820	296,458
Accumulated impairment losses on inventories (note 24)	(2,035)	(66,800)
	376,785	229,658

The cost of goods sold in the years ended on 31 December 2022 and 2021 amounted to EUR 1,345,696 and EUR 1,195,005 (restated, note 40), respectively and was determined as follows:

	2022	2021 (restated)
Opening inventories	296,458	318,627
Purchases (restated in 2021)	1,459,373	1,237,436
Increase / (Decrease) of impairment losses on inventories (note 24)	(64,765)	-
Inventory adjustments (restated in 2021)	33,450	(64,600)
Closing inventories	(378,820)	(296,458)
Total cost of sales of the continued operations	1,345,696	1,195,005
Total cost of sales of the discontinued operations	-	14,920,403

The accumulated impairment losses on inventories reflect the difference between the acquisition cost and the market net realisable value of the inventory, as well as the estimate of impairment losses due to low stock turnover, obsolescence and deterioration. The accumulated impairment losses are registered in the caption 'Cost of sales' (note 1.i).

15. Trade receivables

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Trade debtors:		
Technologies	425,554	12,212,788
Media and others	2,613,464	2,272,047
	3,039,018	14,484,835
Doubtful debtors	1,284,991	1,774,437
	4,324,009	16,259,272
Impairment losses in accounts receivable (note 24)		
Technologies	(28,851)	(236,092)
Media and others	(1,256,140)	(1,538,346)
	(1,284,991)	(1,774,438)
	3,039,018	14,484,834

On 31 December 2022 and 2021, the impairment amount is calculated based on the expected credit loss, the calculation of which results from the application of expected loss rates based on the payments received in the scope of sales and services rendered, over a period of 48 months, before 31 December 2022, and of historical credit losses.

On 31 December 2022, the expected loss rates of accounts receivable were considered in the calculation of the impairment of contractual assets ('Customer contract assets - Billing to customers'), considering that they are assets with similar risk characteristics. These amounts are net of each client's respective contractual liabilities.

On 31 December 2022 and 2021 the ageing of the customer balances and expected credit loss rates can be detailed as follows:

2022	Not due	1 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	More than 360 days	Total
Expected credit loss rates	0% - 0.26%	0% - 0.33%	0% - 1.44%	0% - 3.41%	0% - 5.50%	0% - 100%	
Trade debtors	1,149,712	959,581	64,132	648,945	313,587	1,188,052	4,324,009
Other current debtors (note 16)	3,071,559	167,793	8,878	27,872	28,435	78,614	3,383,151
Customer contract assets - Billing to customers (note 17)	197,724	-	-	-	-	-	197,724
Accumulated impairment losses on 'Trade debtors'	920	421	458	1,189	2,554	1,279,449	1,284,991
Accumulated impairment losses on 'Other current debtors'	-	-	-	-	-	69,865	69,865
2021	Not due	1 to 60 days	60 to 90 days	90 to 180 days	180 to 360 days	More than 360 days	Total
Expected credit loss rates	0%-1.10%	0%-1.46%	0%-12.62%	0%-18.12%	0%-83.43%	0% - 100%	
Trade debtors	11,590,883	2,211,301	235,620	361,087	263,483	1,596,898	16,259,272
Other current debtors (note 16)	5,153	77,934	34,958	52,700	90,136	108,258	369,139
Customer contract assets - Billing to customers (note 17)	3,841,025	-	-	-	-	-	3,841,025
Accumulated impairment losses on 'Trade debtors'	16,867	4,097	7,527	14,181	66,620	1,665,146	1,774,438
Accumulated impairment losses on 'Other current debtors' (note 16)	63	107	517	721	55,042	103,082	159,532

16. Other receivables

On 31 December 2022 and 2021, the caption 'Other receivables' can be detailed follows:

	2022	2021
State and other public entities	1,083,856	731,461
Advances to suppliers	10,300	78,862
Other debtors	6,829,154	7,022,335
Accumulated impairment losses in accounts receivable (note 24)	(69,865)	(159,532)
	7,853,445	7,673,126

On 31 December 2022, the caption 'Other debtors' includes the amount of EUR 383,156 (EUR 1,835,515 in 2021) related to grants, EUR 2,300,822 (EUR 3,618,072 in 2021) related to amounts to receive from Sonae SGPS regarding with the Special Regime for Taxation of Groups (RETGS), EUR 759,081 (EUR 753,111 in 2021) related to amounts receivable from subleases (note 13) and EUR 2,944 (EUR 446,498 in 2021) related to collaterals.

The value of other treasury applications at 31 December 2022 corresponds to short-term bank applications.

The impairment analysis, relatively to 'Other receivables' in the amount of EUR 3,383,151 in 2021 (EUR 369,139 in 2021 (note 15)), was carried out based on the expected credit loss rates. The impairment analysis, regarding the amounts of grants, collateral and accounts receivable from group companies, applied the general approach of the impairment model, assessing at each reporting date whether there was a significant increase in credit risk since the date initial recognition of the asset.

On 31 December 2022 and 2021 the caption 'State and other public entities' can be detailed as follows:

	2022	2021
Value-added tax	1,082,731	730,336
Other taxes	1,125	1,125
	1,083,856	731,461

17. Other current assets

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Specialised work deferred	236,680	8,128,398
Customer contract assets - Billing to customers (note 30)	197,724	3,841,025
Other costs deferred	115,791	148,926
Other accrued income	458,864	680,119
Rappel discounts to receive	-	154,180
	1,009,059	12,952,648

The item 'Specialised works paid in advance' essentially refers to billing for the provision of services from suppliers whose corresponding cost has not yet been recognised.

The change in the item 'Assets from customer contracts - Invoicing to be issued to customers' is related to the development of the Group's normal activity.

The analysis of the expected credit loss, regarding the caption 'Customer contract assets - Billing to customers', was executed based on the accounts receivable loss rates, considering that they are assets with similar risk

characteristics. For this analysis, the net amounts of the respective contractual liabilities of each customer were considered (note 15).

18. Cash and cash equivalents

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Cash in hand	24,698	21,346
Bank deposits repayable on demand	276,270,710	288,441,129
Other treasury applications	105,000,000	870,836
Cash and cash equivalents	381,295,408	289,333,311

'Other treasury applications' at 31 December 2022 corresponds to short-term bank investments.

In years ended on 31 December 2022 and 2021, Sonaecom Group lead into financial transaction contracts with Sonae, SGPS from which the latter obtained the financial income referred in note 37.

The above mentioned treasury applications were paid and, during the year ended on 31 December 2021, the applicable interest tax rate was 0.60% (0.27% in 2021).

The euro balances of bank deposits immediately available in currencies other than the euro are as follows:

	2022	2021
Bank deposits in foreign currency		
American dollar	9,704	127,190
Sterling Pound	17,775	57,422

On 31 December 2022 and 2021 the reconciliation of liabilities whose flows affect financing activities is as follows:

	31.12.2021	Cash Flows	Non-cash changes		31.12.2022
			Financial update	Others	
Loans (note 22)	4,254,808	817,224	-	(5,072,032)	-
Lease liabilities (note 23)	12,788,917	(3,453,496)	52,823	(2,575,859)	6,812,384
Total liabilities from financiag activities	17,043,725	(2,636,272)	52,823	(7,647,891)	6,812,384

	31.12.2020	Cash Flows	Non-cash changes		31.12.2021
			Financial update	Others	
Loans (note 22)	3,693,328	524,294	35,511	1,675	4,254,808
Lease liabilities (note 23)	14,481,439	(3,682,494)	230,164	1,759,808	12,788,917
Total liabilities from financiag activities	18,174,767	(3,158,200)	265,675	1,761,483	17,043,725

In the caption 'Leases', the amount included in the 'Others' column refers to increases and write-offs in contracts under IFRS 16.

In the year ended on 31 December 2022 in the "Others" column, also includes the impact of the perimeter change associated with the sale of Maxive.

19. Share capital

On 31 December 2022 and 2021, the share capital of Sonaecom was comprised by 311,340,037 ordinary registered shares, of Euro 0.74 each.

At those dates, the Shareholder structure was as follows:

	2022		2021	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	62.33%	194,063,119	62.33%
Sonae SGPS	81,649,474	26.23%	81,022,964	26.02%
Shares traded on the Portuguese Stock Exchange ('Free Float')	30,056,430	9.65%	30,682,940	9.86%
Own shares (note 20)	5,571,014	1.79%	5,571,014	1.79%
	311,340,037	100.00%	311,340,037	100.00%

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

Under Portuguese law, the amount of distributable reserves is determined in accordance with the individual financial statements of the Group, presented in accordance with the IFRS standards. Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets.

Therefore, on 31 December 2022, Sonaecom have free reserves distributable amounting approximately EUR 9.39 million. To this effect were considered as distributable the additions resulting from the application of fair value to elements derecognised during the year ended 31 December 2022.

20. Own shares

During the year ended on 31 December 2022, Sonaecom did not acquire, sold or delivered own actions, whereby the amount held to date, is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of EUR 1.3798.

As mentioned in note 19, the company must keep a reserve in the book value of the treasury shares as long as it holds them.

21. Non-controlling interests

Non-controlling interests on 31 December 2022 and 2021 are detailed as follows:

2022				Movement during the year						
				% Hold	Shareholders' funds	Net Result	Book value of non-controlling interests 2019	Proportion of the attributable net result	Variation of percentages in branches	Additions of companies within the scope of consolidation (note 3b.)
Bright Vector I	49.87%	6,063,629	675,676	2,737,093	287,081	-	-	(5,374)	-	3,018,800
Bright Tech Innovation I	50.00%	28,609,840	(602,240)	14,606,040	(301,120)	-	-	-	-	14,304,920
Maxive	27.97%	-	(631,086)	-	(162,847)	120,133	34,017	(1,303)	-	-
S21 Sec Portugal (a)	27.97%	-	663,705	175,731	168,276	88,654	(420,513)	(2,148)	-	-
S21Sec Gestion (a)	27.97%	-	(3,346,503)	(6,035,639)	(885,718)	(3,091,620)	10,044,922	(31,945)	-	-
S21 Sec Labs (a)	27.97%	-	419,546	130,787	104,892	(92,665)	(142,967)	(147)	-	-
Excellium (a)	27.97%	-	(18,473)	2,300,245	(4,610)	(722,672)	(1,673,063)	-	-	-
Excellium Services (a)	27.97%	-	(147,323)	(1,518,238)	(57,380)	477,536	1,125,051	(26,969)	-	-
Excellium Services Belgium (a)	27.97%	-	(300,973)	(1,450,638)	(93,886)	458,275	1,089,741	(1,692)	-	-
	-	-	-	10,945,881	(945,012)	(2,764,269)	10,167,188	(69,678)	-	17,323,720

(a) Company sold on October 2022 to à Thales Europe, S.A.

2021				Movement during the year						
				% Hold	Shareholders' funds	Net Result	Book value of non-controlling interests 2018	Proportion of the attributable net result	Variation of percentages in branches	Proportion of the attributable net result (discontinued units (note 40))
Digitmarket (a)	25.00%	4,975,187	(140,551)	1,272,814	(32,705)	-	(1,241,726)	1,617	-	-
Bright Vector I	49.87%	5,488,630	1,645,907	1,896,941	820,788	-	-	19,364	-	2,737,093
Bright Tech Innovation I	50.00%	29,212,080	(651,410)	14,931,745	(325,705)	-	-	-	-	14,606,040
S21 Sec Portugal	19.10%	3,951,421	599,752	58,236	117,068	-	-	427	-	175,731
S21Sec Gestion	19.10%	342,647	(5,798,427)	(4,835,882)	(574,012)	-	-	(625,745)	-	(6,035,639)
S21 Sec Labs	19.10%	1,099,167	359,633	14,755	116,032	-	-	-	-	130,787
S21 Sec, S.A. de CV (b)	19.10%	44,602	(46,221)	(352,875)	(14,909)	-	-	367,784	-	-
Mxtel (c)	19.03%	-	10,152	(262,909)	(11,506)	-	-	274,415	-	-
Excellium	40.80%	5,619,176	8,461	2,730,901	(424,629)	-	-	(6,027)	-	2,300,245
Excellium Services	40.80%	232,341	(627,443)	(1,290,909)	(246,286)	-	-	18,957	-	(1,518,238)
Excellium Services Belgium	40.80%	(2,225,187)	(907,902)	(1,076,601)	(370,423)	-	-	(3,614)	-	(1,450,638)
Excellium Factory (d)	52.64%	-	-	(6,010)	-	-	-	6,010	-	-
	-	-	-	13,080,206	(946,287)	-	(1,241,726)	53,188	-	10,945,381

(a) Company sold in July 2021

(b) Company sold in December 2021

(c) Company liquidated in December 2021

(d) Company liquidated in June 2021

In February 2022, a corporate reorganization was carried out, with Maxive now holding the entire share capital of S21 Gestion and Excellium. With this restructuring, Maxive is also held by the minority shareholders of S21 Gestion and Excellium at 27.97%. Subsequently, in October 2022, Maxive was sold.

On 31 december 2022 and 2021, no dividend were payed to non-controlling interests.

The percentage of interests (note 2) and the right to vote are equivalent.

22. Loans

On 31 December 2022 and 2021, the caption loans had the following breakdown:

a) Medium and long-term loans

Company	Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
					2022	2021
S21 Sec Gestion	Bank loan		May-23	Parcel	-	37,501
Excellium Services	Bank loan		Jan-23	Parcel	-	21,603
					-	59,104
Excellium Services	Reimbursable grants		Oct-25	Parcel	-	355,209
S21 Sec Gestion	Reimbursable grants		Feb-28	Parcel	-	802,205
S21 Sec Labs	Reimbursable grants		Jun-24	Parcel	-	60,676
					-	1,218,090
	Interests incurred but not due yet				-	-
					-	1,277,194

b) Short-term loans

Company	Issue denomination	Limit	Maturity	Type of reimbursement	Amount outstanding	
					2022	2021
S21 Sec Gestion	Bank loan		Nov-22	Parcel	-	37,500
Excellium Services	Bank loan		Dec-22	Parcel	-	315,185
					-	352,685
Excellium Services	Credit facility	3,000,000	Jun-22	Parcel	-	2,098,962
					-	2,098,962
Excellium Services	Reimbursable grants		Dec-22	Parcel	-	124,157
S21 Sec Gestion	Reimbursable grants		Dec-22	Parcel	-	316,523
S21 Sec Labs	Reimbursable grants		Dec-22	Parcel	-	81,627
					-	522,307
Others	Interests incurred but not due yet				-	3,660
					-	2,977,614

The average interest rate on these bank loans on 31 December 2021 was 1.87%.

Reimbursable grants

On 31 December 2021 the Group had repayable grants obtained from dependent entities of the Basco Government, Luxembourg Government, CDTI and 'Ministerio de Ciencia y Tecnología'. These refundable grants are recorded at amortised cost in accordance with the method of effective interest rate and have the following repayment plan:

	2022	2021
2022	-	522,307
2023	-	375,081
2024	-	323,954
2025	-	262,431
2026 and following years	-	256,624
	-	1,740,397

In the year ended on 31 December 2021, these grants bear interest at rates between 0% and 1%.

Given the nature of debts, there are no financial covenants.

Bank credit lines

Sonaecom has also a short term bank credit line, in the form of current or overdraft account commitment, in the amount of EUR 1 million.

All these bank credit lines were all contracted in EUR and bear interest at market rates, indexed to the Euribor for the respective term.

On 31 December 2022 and 2021, the available bank credit lines of the Group were as follows:

						Maturity
Company	Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2022						
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	x	
		1,000,000	-	1,000,000		
2021						
Sonaecom	Authorised overdrafts	1,000,000	-	1,000,000	x	
Excellium Services	Credit facility	3,000,000	2,098,962	901,038	x	
Excellium Services	Bank loan		336,788	-		x
S21 Sec Gestion	Bank loan		75,001	-		x
		4,000,000	2,510,751	1,901,038		

Based on the debt exposed to variable rates at the end of 2021, if market interest rates had rises (fallen), in average, 25bp during the year 2021, the interest paid that year would have increased (decreased) in an amount of approximately EUR 11,000.

On 31 December 2022 and 2021, there is no interest rate hedging instruments therefore the total gross debit is exposed to changes in market interest rates.

On 31 December 2022 and 2021, debts to credit institutions (nominal values) related to medium and long-term loans had the following repayment plan:

	Between 12 and 24 months	Between 24 and 36 months	Between 36 and 48 months	Between 48 and 60 months
2022				
Other loans				
Reimbursements	-	-	-	-
Interests	-	-	-	-
2021				
Other loans				
Reimbursements	59,104	-	-	-
Interests	4,296	-	-	-
	63,400	-	-	-

23. Lease liabilities

On 31 December 2022 and 2021, this caption was composed by of accounts payable to tangible and intangible assets suppliers related to lease contracts.

On 31 December 2022 and 2021, the payment of these amounts was due as follows:

	2022		2021	
	Lease payments	Present value of lease payments	Lease payments	Present value of lease payments
2022	-	-	3,433,307	3,209,809
2023	1,684,162	1,618,864	2,957,743	2,802,778
2024	1,670,415	1,622,791	2,482,560	2,376,297
2025	1,639,865	1,608,384	1,939,273	1,867,299
2026	720,772	701,955	914,043	866,954
2027	629,597	618,657	852,949	825,611
2028 and next years	647,175	641,733	849,090	840,169
	6,991,986	6,812,384	13,428,965	12,788,917
Interests	(179,602)		(640,048)	
	6,812,384	6,812,384	12,788,917	12,788,917
Short-term liability		(1,618,864)		(3,209,810)
	6,812,384	5,193,520	12,788,917	9,579,107

Based on the debt relating to lease liabilities exposed to variable rates at the end of 2022 and 2021 and considering the applications and bank balances at the same date, if market interest rates had increase (decrease), in average, 25bp, the interest paid that year would have increased (decreased) in an amount of approximately EUR 17,000 (EUR 32,000 in 2021).

24. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended on 31 December 2022 and 2021 were as follows:

	Opening balance	Increases	Decreases	Utilisations and Transfers	Perimeter variation	Closing balance
2022						
Accumulated impairment losses on trade debtors (note 15)	1,774,438	32,740	(30,524)	(262,206)	(229,457)	1,284,991
Accumulated impairment losses on other current debtors (note 16)	159,532	-	(3,994)	(14,284)	(71,389)	69,865
Accumulated impairment losses on inventories (note 14)	66,800	-	-	(64,765)	-	2,035
Provisions for other liabilities and charges	554,386	340,611	(12,937)	(238,722)	(122,791)	520,547
	2,555,156	373,351	(47,455)	(579,977)	(423,637)	1,877,438
2021						
Accumulated impairment losses on trade debtors (note 15)	2,678,857	120,889	(17,373)	(720,479)	(287,456)	1,774,438
Accumulated impairment losses on other current debtors (note 16)	42,930	65,023	(6,967)	58,546	-	159,532
Accumulated impairment losses on inventories (note 14)	66,800	-	-	-	-	66,800
Provisions for other liabilities and charges	30,007,840	214,605	(154,209)	(29,501,189)	(12,661)	554,386
	32,796,427	400,517	(178,549)	(30,163,122)	(300,117)	2,555,156

In the year ended on 31 December 2021, the amount in Utilisations and transfers includes the amount of EUR 28,781,304 related to the contractual commission (Incentive Scheme) of the Armilar Funds to Investments in joint ventures and associates due to the changes resulting from the Regulation of the Funds (note 9).

Reinforcements and reductions values of the accumulated impairment losses on receivable accounts and provisions for liabilities and charges, on 31 December 2022 and 2021, are detailed as follows:

	2022		2021	
	Increases	Decreases	Increases	Decreases
Provisions for other liabilities and charges				
Recorded in the income statement, under the caption 'Income Tax ' (note 36)	-	(1,469)	-	-
Other increases and decreases - recorded in 'Provisions' (increases) and in 'Other income' (decreases)	236,162	(11,468)	29,298	(123,290)
Total Continuing operations	236,162	(12,937)	29,298	(123,290)
Recorded in the income statement, under the caption 'Income Tax ' - Discontinued units	-	-	64,056	(25,009)
Recorded in 'Property, plant and equipment' regarding to the provision for dismantling and abandonment of offices net value recorded in 'Financial expenses' related to the financial update of the provision for dismantling as foreseen in IAS 16 - 'Property, plant and equipment' (note 1.c) - Discontinued units	-	-	26,777	(5,910)
Other increases and decreases - recorded in 'Provisions' (increases) and in 'Other income' (decreases) - Discontinued units	104,449	-	94,474	-
Total Discontinued units	104,449	-	185,307	(30,919)
Total increases/(decreases) of provisions for other liabilities and charges	340,611	(12,937)	214,605	(154,209)
Accumulated impairment losses on accounts receivables				
Registered in the line 'Impairment losses' (increases) and in 'Other operating costs' (decreases)	-	(21,512)	-	(106)
Registered in the line 'Impairment losses' (increases) and in 'Other operating costs' (decreases) - Discontinued units (note 40)	32,740	(13,006)	185,912	(24,234)
Total increases/(decreases) of accumulated impairment losses on accounts receivables	32,740	(34,518)	185,912	(24,340)
Total recorded in the income statement in 'Provisions' (increases) and in 'Other income' (decreases)	236,162	(11,468)	29,298	(123,290)
Total recorded in the income statement in 'Impairment losses' (increases) and in 'Other income' (decreases)	-	(21,512)	-	(106)
Total recorded in the income statement in 'Provisions' (increases) and in 'Other income' (decreases) - Discontinued units (note 40)	-	-	185,307	(30,919)
Total recorded in the income statement in 'Impairment losses' (increases) and in 'Other income' (decreases) - Discontinued units (note 40)	32,740	(13,006)	185,912	(24,234)

On 31 December 2022 and 2021, the breakdown of the provisions for other liabilities and charges is as follows:

	2022	2021
Several contingencies	282,491	385,348
Legal processes in progress	238,056	142,261
Dismantlement	-	26,777
	520,547	554,386

On 31 December 2022 and 2021, the value of provisions for the dismantling is recorded at its present value, accordingly with the dates of its utilisation in accordance with IAS 37 - 'Provisions, Contingent Liabilities and Contingent Assets'.

The caption 'Several contingencies' relates to contingent liabilities arising from transactions carried out in previous years and for which an outflow of funds is probable.

In relation to the provisions recorded for legal processes in progress and other responsibilities, given the uncertainty of such proceedings, the Board of Directors is unable to estimate, with reliability, the moment when such provisions will be used and therefore no financial actualisation was carried out.

In the year ended on 31 december of 2021, EUR 28,781,304 is related to the provision of incentive in favor of Armilar was reclassified from "Other liabilities" to 'Investments in joint ventures and associates' (note 9).

The Board of Directors expects that, with the exception of provisions for indemnities, the remaining provisions will essentially originate cash flows for more than 12 months.

25. Other non-current liabilities

On 31 December 2022 and 2021, this caption had the following composition:

	2022	2021
Medium Term Incentive Plan (note 42)	260,605	462,159
Others	222,798	81,633
	483,403	543,792

26. Trade payables

On 31 December 2022 and 2021, this caption had the following composition and maturity plans:

	Total	Till 90 days	From 90 to 180 days	More than 180 days
2022				
Suppliers – current account	1,237,126	1,237,126	-	-
Intangible and tangible assets suppliers	77,035	77,035	-	-
Suppliers – invoices pending approval	236,430	236,430	-	-
	1,550,591	1,550,591	-	-
2021				
Suppliers – current account	10,018,096	10,018,096	-	-
Intangible and tangible assets suppliers	103,121	103,121	-	-
Suppliers – invoices pending approval	1,944,635	1,944,635	-	-
	12,065,852	12,065,852	-	-

On 31 December 2022 and 2021, this caption included balances payable to suppliers resulting from the Group's operations and the acquisition of intangible and tangible assets. The variation is related to the sale of the Maxive Group. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

27. Other payables

On 31 December 2022 and 2021, this caption can be decomposed as follows:

	2022	2021
State and other public entities	749,187	3,247,971
Other creditors	10,925,716	8,386,854
	11,674,903	11,634,825

'Other creditors' essentially refers to the amount of tax payable to Sonae SGPS resulting, essentially, from the gain from the sale of 50% of the participation held in Arctic Wolf (Note 11) in 2021 and the gain from the sale of the total participation of Cellwize in 2022.

The liability to other creditors does not incorporate any interest. The Board of Directors believes that the difference between the fair value of these balances and its book value is not significant.

On 31 December 2022 and 2021, the caption 'State and other public entities' can be detailed as follow:

	2022	2021
Value-added tax	299,972	1,688,400
Social security contributions	250,025	1,036,006
Personal Income Tax (IRS)	176,542	441,962
Other taxes	22,648	81,603
	749,187	3,247,971

28. Income tax

a) Income tax receivable

On 31 December 2022 and 2021, this caption is detailed up as follows:

	2022	2021
Special account payment	953,715	941,871
Corporate income tax	103,435	558,907
	1,057,150	1,500,778

b) Income tax payable

On 31 December 2021, this caption was only constituted by corporate income tax of EUR 4,781, related to companies not included in the Special Regime for Taxation of Groups.

29. Other current liabilities

On 31 December 2022 and 2021, this caption is detailed up as follows:

	2022	2021
Accrual costs:		
Personnel costs	3,607,564	6,234,352
Specialised works	482,418	702,730
Advertising and promotion	758,443	558,634
Tangible and intangible assets	163,352	246,083
Rappel discounts (annual quantity discounts)	226,432	287,566
Medium Term Incentive Plans (note 42)	453,136	275,498
Rents	35,715	44,646
Other external suppliers and services	485,052	767,899
Other accrual costs	205,234	499,524
	6,417,346	9,616,932
Deferred income:		
Customer contract liabilities - Advance billing to customers (note 30)	56,467	10,857,883
Other customer advance payments	1,092,451	1,206,403
Grants	321,301	1,758,812
Other deferred income	71,611	15,667
	1,541,830	13,838,765
	7,959,176	23,455,697

In the year ended on 31 December 2022 and 2021, the caption 'Customer contract liabilities - Advance billing to customers' can be detailed as follows:

	2022	2021
Technologies:		
Cybersecurity	-	10,835,557
Others	56,467	22,326
Total 'Liabilities from customer contracts - Advance billing to customers'	56,467	10,857,883

The amount of revenue recognised in the year that was recorded in the balance of 'Liabilities from customers contracts - Advance billing to customers' at the beginning of each year is detailed as follows:

	2022	2021 (reexpresso)
Effect on results:		
Technologies:		
Cybersecurity	-	-
Others	22,326	36,817
Total revenue 'Liabilities from customer contracts - Advance billing to customers' from continued units	22,326	36,817
Total revenue 'Liabilities from customer contracts - Advance billing to customers' from discontinued units	-	7,202,466
Total revenue 'Liabilities from customer contracts - Advance billing to customers'	22,326	7,239,283

The amount of revenue still to be recognised in relation to 'Liabilities from costumers contracts - Advance biling to customers' on 31 December 2021 were pending the development of the Group's normal activity.

30. Sales and services rendered

On 31 December 2022 and 2021, these captions was composed as follows:

	2022	2021 (restated)
Information Systems	1,979,361	1,788,669
Multimedia and others	15,883,436	15,293,766
	17,862,797	17,082,435

The results related to projects carried out by the technology area are recognized according to the type of service in line with the accounting policy defined in note 1.s.

On 31 December 2022 and 2021, projects in progress can be summarised as follows:

	2022	2021 (restated)
Number of projects in progress	16	1,952
Total costs recognised in the year	248,204	24,627
Total costs recognised in the year - discontinued units	-	43,117,039
Total revenues recognised in the year	316,837	163,477
Total revenues recognised in the year- discontinued units	-	59,303,196
Total Liabilities from customer contracts - Advance billing to customers (note 29)	56,467	10,857,883
Total Customer contract assets - Billing due to customers (note 17)	197,724	3,841,025

31. Other income

On 31 December 2022 and 2021, the caption 'Other income' can be detailed as follows:

	2022	2021 (restated)
Supplementary income	492,528	465,078
Reversal of provisions (note 24)	32,980	123,396
Grants	482,362	499,520
Others	814,539	2,030,811
	1,822,409	3,118,805

The caption 'Grants' includes the amount of EUR 399,987 (EUR 426,963 in 2021) related to operating grants and the amount of EUR 82,375 (EUR 72,557 in 2021) related to investment grants.

On 31 December 2021, the caption 'Others' includes the amount of EUR 1,597,605 related to the favorable conclusion of one of Sonaecom's tax proceedings paid under the Special Regime for Regularization of Debts to the Tax and Social Security (RERD - (Decree Law 248-A of 2002 and Decree-Law No. 151-A/2013) and that, as required by the CMVM, such payments were allocated to the Company's results.

32. External supplies and services

On 31 December 2022 and 2021, the caption 'External supplies and services' had the following composition:

	2022	2021 (restated)
Subcontracts	3,852,100	3,609,191
Specialised works	3,067,878	2,843,460
Advertising and promotion	1,376,598	1,140,087
Fees	1,043,901	950,946
Travelling costs	527,686	198,819
Communications	186,138	186,677
Rents	169,912	167,903
Fuel	113,094	89,789
Energy	107,309	18,125
Assurance	103,087	87,873
Security	90,811	80,756
Commissions	78,324	97,278
Maintenance and repairs	3,877	3,984
Others	303,322	300,528
	11,024,037	9,775,416

On 31 December 2022, the caption 'Specialised works' includes around EUR 320 thousand of advisory services (EUR 834 thousand in 2021) and around EUR 842 thousand of computer services (EUR 543 thousand in 2021), EUR 313 thousand in legal services (EUR 191 thousand in 2021) and EUR 212 thousand in public relations services (EUR 210 thousand in 2021).

33. Other expenses

On 31 December 2021 and 2020, the caption 'Other expenses' composed as follows:

	2022	2021 (restated)
Taxes	94,910	101,715
Quotas	39,456	31,640
Others	202,007	32,914
	336,373	166,269

34. Financial results

Net financial results for the years ended on 31 December 2022 and 2021 were detailed as follows ((costs) / gains):

	2022	2021 (restated)
Financial expenses:		
Interest expenses:		
Bank loans	(12)	-
Leasing	(80,169)	(94,427)
Other interests	(77,709)	(99,560)
Foreign exchange losses	(500,490)	(30,048)
Other financial expenses	(93,888)	(138,548)
	(752,268)	(362,583)
Financial income:		
Interest income from financial assets measured at amortised cost	2,608,346	1,763,510
Foreign exchange gains	1,690,227	240,313
Others financial gains	376,414	581,745
	4,674,987	2,585,568

During the years ended on 31 December 2022 and 2021, the caption 'Interest income from financial assets measured at amortised cost' includes, mainly, interests earned on treasury applications (note 18 and 37).

On 31 December 2021, the amount of 'Other financial income' is essentially related to indemnity and late payment interest received under RERD (EUR 555,839) (note 31).

35. Gains and losses on Investments

Gains and losses on investments for the years ended on 31 December 2022 and 2021 are as follows ((expenses) / revenues):

	2022	2021 (restated)
Financial results of associates and jointly controlled companies:		
Gains and losses related with the application of the equity method (note 9)	55,846,967	62,334,158
	55,846,967	62,334,158
Gains and losses on financial assets at fair value through profit or loss		
Gains and losses on financial assets at fair value through profit or loss (note 11)	17,249,448	67,473,452
Gains on disposal of financial assets at fair value through profit or loss (note 11)	17,723,398	17,689,693
	34,972,846	21,626,448

The caption 'Gains and losses on financial assets at fair value through profit or loss' refers to changes in fair value that occurred in Financial assets at fair value through profit or loss during the years 2022 and 2021 (note 11).

36. Income taxation

Income taxes recognised during the years ended on 31 December 2022 and 2021 were as follows ((costs) / gains):

	2022	2021 (restated)
Current tax	(11,605,889)	(6,173,090)
Deferred tax assets (note 12)	(1,733,072)	(133,971)
Deferred tax liabilities (note 12)	9,843,448	(16,886,304)
	(3,495,513)	(23,193,365)

37. Related parties

During the years ended on 31 December 2022 and 2021, the balances and transactions maintained with related parties were mainly associated with the normal operational activity of the Group and to the concession and obtainment of loans.

The most significant balances and transactions with related parties, which are listed in the appendix to this report, during the years ended on 31 December 2022 and 2021 were as follows:

	Balances on 31 December 2022			
	Accounts receivable (note 15 and 16)	Accounts payable (note 26 and 27)	Other assets (note 13 and 17)	Other liabilities (note 25 and 29)
Parent company (Sonae SGPS)	2,367,257	9,336,722	540,232	92,332
Companies joint ventures	20,334	28,407	-	-
Associated companies	15,064	209,541	-	-
Other related parties	1,202,416	149,799	2,014,231	630,319
	3,605,071	9,724,469	2,554,463	722,651

	Balances on 31 December 2021			
	Accounts receivable (note 15 and 16)	Accounts payable (note 26 and 27)	Other assets (note 13 and 17)	Other liabilities (note 25 and 29)
Parent company (Sonae SGPS)	1,684,332	6,747,534	111,867	36,439
Companies joint ventures	1,126,457	210,005	359,500	184,508
Associated companies	183,841	8,250	2,125,137	110,820
Other related parties	2,599,089	126,205	295,777	328,678
	5,593,719	7,091,994	2,892,282	660,445

	Transactions on 31 December 2022				
	Sales and services rendered (note 30)	Supplies and services received (note 32)	Interest and similar income (note 34)	Interest and similar expense (note 34)	Supplementary income (note 31)
Parent company (Sonae SGPS)	95,367	457,483	1,410,597	-	-
Companies joint ventures	14,721	289,195	-	-	210,200
Associated companies	7,500	314,108	-	-	-
Other related parties	2,073,864	775,882	85,169	43	-
	2,191,452	1,836,668	1,495,766	43	210,200

	Transactions on 31 December 2021 (restated)				
	Sales and services rendered (note 30)	Supplies and services received (note 32)	Interest and similar income (note 34)	Interest and similar expense (note 34)	Supplementary income (note 31)
Parent company (Sonae SGPS)	75	361,512	446,899	-	-
Companies joint ventures	17,950	654,492	-	-	217,622
Associated companies	-	-	51,756	-	-
Other related parties	1,569,774	730,232	-	89,673	-
	1,587,799	1,746,236	498,656	89,673	217,622

The amounts of the item “Sales and services rendered” in the line “Other related parties” and “Companies joint ventures” refer essentially to sales and services rendered resulting from the operational activity of Sonaecom companies with companies of the Sonae SGPS group and of NOS Group, respectively.

During the year ended on 31 December 2022, Sonaecom distributed dividends in the amount of EUR 15,718,455 to Sonae SGPS (EUR 7,859,228 in 2021) and EUR 37,648,245 to Sontel BV (EUR 18,824,123 in 2021). In 2022, each share issued corresponded to a gross dividend of EUR 0.194 (EUR 0.097 in 2021).

During the year ended on 31 December 2022, Sonaecom recognised the amount of EUR 18,665,586 relating to Armilar III earnings distribution and EUR 19,642,579 relating to Armilar II earnings distribution (Note 9).

During the year ended on 31 December 2021, Sonaecom recognised the amount of EUR 68,917,696 referring to dividends of ZOPT (note 9).

The transactions between Group companies were eliminated in consolidation, and therefore are not disclosed in this note. All of these transactions were carried out at market prices.

Accounts receivable and payable to related companies will be settled in cash and are not covered by guarantees. During the years ended on 31 December 2022 and 2021, no impairment losses were recognised in accounts receivable from related entities.

The Board of Directors were assessed as a related part of the company. The remuneration attributed to "key personnel" is disclosed in note 43.

A full list of the related parties of the Sonaecom Group is presented in the annex to this report.

38. Guarantees provided to third parties

Guarantees provided to third parties on 31 December 2022 and 2021 were as follows:

Company	Beneficiary	Description	2022	2021
Sonaecom	Autoridade Tributária e Aduaneira (Portuguese tax authorities)	Additional tax assessments (Stamp and Income tax)	20,347,793	25,330,753
Público	Others		290,700	290,700
Inovretail	Agencia para o Desenvolvimento e Coesao, I.P.	Grants	25,927	25,927
S21 Sec Gestion	Administrador de Infraestructuras Ferroviarias; AENA; AMB, Área Metropolitana de Barcelona; Asociacion Navarra de Informatica Municipal; Autoridad Portuaria de Pasaia; Ayuntamiento de Basauri; Ayuntamiento de Getxo; Ayuntamiento de Vitoria; Ayuntamiento de Vitoria-Gasteiz; Banco de España; Barcelona Serveis Municipals; Bic Gipuzkoa Berrilan, S.A ; Canal de Isabel II; Centro Nacional de Inteligencia, Centro Informático Municipal de Bilbao; Comunidad de Madrid; Correos Express Paqueteria; Diputación Foral de Gipuzkoa; Dirección General del Patrimonio del Estado; Dirección General Osakidetza; Directora General de Euskal Irrati Telebista; EITB; Eije S.A.; Ente Público Osakidetza; Euskaltel S.A.; Eusko Legebiltzarra; Eusko Trenbideak; Euskotren; Eusko Trenbideak - Ferrocarriles Vascos, S.A.; Fabrica Nacional de la Moneda y Timbre; FNMT; Fundación Ziur; Gobierno Vasco; Hazi; INCIBE, Instituto de Mayores y Servicios Sociales; IZFE; Metro de Madrid, S.A.; Sociedad Pública Eusko Trenbideak; Osakidetza S.V.S.; Parlamento Vaso; Renfe; Repsol; Servicios de la Comarca de Pamplona; Solred S.A.; SPRI - Agencia vasca de desarrollo empresarial	Completion of work to be done	-	1,789,812
S21 Sec Gestion and S21 Sec Labs	Centro para Desarrollo Tecnológico Industrial; Ministerio de Economía y Competitividad; Ministerio de Industria, Energía y Turismo and Ayuntamiento de Rivas.	Grants	-	862,497
S21 Sec Gestion, S21 Sec Labs, Excellium Services and Excellium Services Belgium	Others		-	234,212
			20,664,420	28,533,901

Regarding the value of the guarantees, on 31 December 2022 and 2021, Sonaecom SGPS consisted of Sonaecom surety to the amount of EUR 7,112,129 and Sonaecom of Público up to the amount of EUR 564,900.

On 31 December 2022 and 2021, the contingencies for which guarantees and sureties are considered as remote.

On 31 December 2022, the Board of Directors of the Group believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the consolidated financial statements.

39. Information by business segment

During the years ended on 31 December 2022 and 2021 were identified the following business segments:

- Media;
- Technologies; and
- Holding activities.

These segments were identified taking into consideration the following criteria/conditions: the fact of being group units that develop activities where we can separately identify revenues and expenses, for which financial information is separately developed and their operating results are regularly reviewed by management and over which decisions are made. For example, decisions about allocation of resources, for having similar products/services and also taking into consideration the quantitative threshold (in accordance with IFRS 8).

The segment 'Holding activities' includes the operations of the Group companies that have as their main activity the management of shareholdings.

Excluding the ones mentioned above, the remaining activities of the Group have been classified as unallocated.

Inter-segment transactions during the years ended on 31 December 2022 and 2021 were eliminated in the consolidation process. All these transactions were made at market prices.

Inter-segment transfers or transactions were entered under the normal commercial terms and conditions that would also be available to unrelated third parties and were mainly related to interest on treasury applications and management fees.

Overall information by business segment on 31 December 2022 and 2021, prepared in accordance with the same accounting policies and measurement criteria adopted in the preparation of the consolidated financial statements, can be summarised as follows:

	Media		Technologies		Holding Activities		Subtotal		Eliminations and others		Total	
	December 2022	December 2021	December 2022	December 2021 (restated)	December 2022	December 2021	December 2022	December 2021 (restated)	December 2022	December 2021 (restated)	December 2022	December 2021 (restated)
Revenues:												
Sales and services rendered	15,625,699	15,078,567	2,024,591	1,548,645	233,333	390,000	17,893,623	17,017,212	(20,826)	65,223	17,862,797	17,082,435
Other operating revenues	937,718	639,816	261,859	402,710	592,968	1,726,573	1,792,545	2,769,099	29,864	349,706	1,822,409	3,118,805
Total revenues	16,563,417	15,718,383	2,286,450	1,951,355	826,301	2,116,573	19,676,168	19,786,311	9,038	414,929	19,685,206	20,201,240
Depreciation and amortisation	(857,590)	(708,994)	(741,040)	(598,652)	(24,896)	(34,756)	(1,623,526)	(1,342,402)	(293,652)	(387,897)	(1,917,178)	(1,730,299)
Provisions and impairment losses	(196,656)	-	(39,506)	(21,770)	-	(7,528)	(236,162)	(29,298)	-	-	(236,162)	(29,298)
Net operating income / (loss) for the segment	(2,495,495)	(2,226,818)	(6,839,267)	(4,963,581)	(1,388,681)	(103,700)	(10,523,443)	(7,294,099)	92,612	389,981	(10,430,831)	(6,904,118)
Interest income	34,056	15,149	1,280,984	1,280,335	1,833,988	1,070,351	3,149,028	2,365,835	(540,682)	(602,325)	2,608,346	1,763,510
Interest expenses	(24,008)	(31,545)	(675,782)	(757,462)	(624)	(1,472)	(700,314)	(790,479)	542,424	596,492	(157,890)	(193,987)
Gains and losses on financial assets at fair value through profit or loss	-	-	34,972,846	85,163,145	-	-	34,972,846	85,163,145	-	-	34,972,846	85,163,145
Gains and losses in associated companies and joint ventures	(4,506)	(23,125)	(8,736,152)	30,295,415	64,587,625	32,061,868	55,846,967	62,334,158	-	-	55,846,967	62,334,158
Other financial results	(17,967)	(15,154)	1,162,276	169,914	592,393	(819,084)	1,736,702	(664,324)	(264,439)	1,317,786	1,472,263	653,462
Income taxation	815,432	709,983	(4,122,972)	(23,954,740)	(193,723)	11,502	(3,501,263)	(23,233,255)	5,750.00	39,890	(3,495,513)	(23,193,365)
Consolidated net income/(loss) for the year	(1,692,488)	(1,571,510)	17,241,933	87,233,026	65,431,078	32,219,465	80,980,523	117,880,981	(164,335)	1,741,824	80,816,188	119,622,805
Consolidated net income/(loss) for the year of discontinued operations	-	-	61,260,128	122,587	-	-	61,260,128	122,587	61,629	33,980	61,321,757	156,567
Attributable to:												
Shareholders of parent company	(1,692,488)	(1,571,510)	79,623,073	88,501,289	65,431,078	32,219,465	143,361,663	119,149,244	(278,706)	1,576,415	143,082,957	120,725,659
Non-controlling interests	-	-	(185,688)	299,660	-	-	(185,688)	299,660	171,649	195,423	(14,039)	495,083
Non-controlling interests (discontinued operations)	-	-	(935,324)	(1,445,336)	-	-	(935,324)	(1,445,336)	4,351	3,966	(930,973)	(1,441,370)
	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021	December 2022	December 2021
Assets:												
Tangible and intangible assets and Goodwill	3,519,766	3,004,027	5,052,474	27,605,182	10,839	69,959	8,583,079	30,679,168	405,832	2,314,727	8,988,911	32,993,895
Inventories	376,785	229,658	-	-	-	-	376,785	229,658	-	-	376,785	229,658
Investments in associated companies and joint ventures	665,988	670,494	81,352,654	143,949,575	651,855,513	623,008,191	733,874,155	767,628,260	52,943	52,944	733,927,098	767,681,204
Financial assets at fair value through other comprehensive	3,047,947	3,047,947	11,656,509	7,950,809	-	-	14,704,456	10,998,756	(3,000,000)	(3,000,000)	11,704,456	7,998,756
Financial assets at fair value through profit or loss	-	-	208,671,179	158,924,575	-	-	208,671,179	158,924,575	-	-	208,671,179	158,924,575
Other non-current assets and deferred tax assets	2,770,665	2,849,492	10,065,883	13,373,355	86,512,379	166,063,485	99,338,927	182,286,332	(84,625,304)	(159,199,175)	14,713,623	23,087,157
Other current assets of the segment	10,821,088	12,796,640	80,826,583	63,456,171	302,753,101	244,055,884	394,200,772	320,308,695	53,308	5,636,002	394,254,080	325,944,697
Liabilities:												
Liabilities of the segment	10,383,123	10,791,006	70,787,122	119,020,901	2,419,900	2,482,611	83,590,145	132,294,518	(18,930,090)	(22,249,334)	64,660,055	110,045,184
CAPEX (restated)	1,377,039	777,124	59,794,017	29,924,086	(16,516,614)	31,967,595	44,654,442	62,668,805	4,503,893	(31,412,114)	49,158,335	31,256,691

During the years ended on 31 December 2022 and 2021, the inter-segments sales and services were as follows:

	Media	Technologies	Holding Activities
2022			
Multimedia	-	-	120,061
Information Systems	-	-	44,167
Holding Activities	-	27,761	-
External trade debtors	15,625,699	1,996,830	69,105
	15,625,699	2,024,591	233,333

	Media	Technologies (restated)	Holding Activities
2021			
Multimedia	-	-	-
Information Systems	-	-	75,000
External trade debtors	15,078,567	1,548,645	315,000
	15,078,567	1,548,645	390,000

During the years ended on 31 December 2022 and 2021, sales and services rendered of the segment of Media were obtained predominantly in the Portuguese market, this market represents approximately 93.4% and 95.5%, respectively, of revenue.

Holding Activities were obtained exclusively in the Portuguese market in 2022 and 2021.

During the years ended on 31 December 2022 and 2021, for the Technologies segment, also the Portuguese market is dominant, with 96.7% and 85.5% of revenue, respectively.

During the years ended on 31 December 2022 and 2021, inter-segment sales and services by geographic market can be detailed as follows:

Country	Media		Technologies		Holding Activities	
	Dec-22	Dec-21	Dec-22	Dec-21 (restated)	Dec-22	Dec-21
Spain	132,063	95,725	57,214	132,330	-	-
Luxembourg	16,514	2,969	10,417	-	-	-
Portugal	14,587,430	14,396,806	1,956,960	1,324,720	233,333	390,000
Ireland	635,835	-	-	-	-	-
Germany	3,690	6,108	-	41,460	-	-
United States of America	199,756	138,572	-	-	-	-
United Kingdom	21,011	14,834	-	-	-	-
Brazil	-	6,017	-	-	-	-
Rest of the world	13,698	2,067	-	-	-	-
Other countries in Europe	15,702	415,469	-	50,135	-	-
Total	15,625,699	15,078,567	2,024,591	1,548,645	233,333	390,000

During the years on 31 December 2022 and 2021, the tangible and intangible fixed assets, rights of use, Goodwill and other non-current assets of the segments by geographic market can be detailed as follows

País	Media		Tecnologías		Atividades de Holding	
	Dec-22	Dec-21	Dec-22	Dec-21	Dec-22	Dec-21
Luxemburgo	-	-	-	15,540,217	-	-
Portugal	3,939,776	3,109,548	8,853,707	9,598,709	84,407,205	163,646,329
Espanha	-	-	-	7,125,523	-	-
Bélgica	-	-	-	289,580	-	-
Total	3,939,776	3,109,548	8,853,707	32,554,029	84,407,205	163,646,329

40. Discontinued units

Digitmarket

The net income and cash flows from discontinued operations can be detailed as follows:

(Amounts expressed in Euro)	June 2021
Sales	20,678,415
Services rendered	2,574,960
Other income	10,861
	23,264,236
Cost of sales	(19,715,473)
External supplies and services	(1,773,679)
Employee benefits expense	(1,780,393)
Impairment losses	-
Depreciation and amortisation	(150,358)
Other expenses	(5,824)
	(23,425,727)
Financial expenses	(15,575)
Financial income	18,685
Current income / (loss)	(158,381)
Income taxation	27,562
Consolidated net income/(loss) for the period of discontinued operations	(130,819)
Gain/ (loss) resulting from the alienation	5,401,927
Attributed to:	
Non-controlling interests (discontinued operations)	(32,705)
Cash flows from operating activities (1)	(903,596)
Cash flows from investment activities (2)	(14,112)
Cash flows from financing activities (3)	(118,474)
Net cash flows (4)=(1)+(2)+(3)	(1,036,181)

The net income on 30 June 2021 corresponds to the net income from the Digitmarket in the negative amount of EUR 130,819, and to the gain resulting from the alienation in the amount of EUR 5,401,927 (note 3.c).

Maxive

The net income and cash flows from discontinued operations can be detailed as follows:

(Amounts expressed in Euro)	September 2022	December 2021
Sales	12,846,784	17,387,128
Services rendered	34,808,182	43,844,161
Other income	3,451,922	4,606,329
	51,106,888	65,837,618
Cost of sales	(10,978,871)	(14,920,402)
External supplies and services	(13,798,414)	(18,194,337)
Employee benefits expense	(25,002,074)	(30,425,499)
Provisions	(27,548)	(94,474)
Impairment losses	(32,739)	(185,912)
Depreciation and amortisation	(3,179,739)	(5,474,597)
Other expenses	(234,253)	(602,791)
	(53,253,638)	(69,898,012)
Financial expenses	(2,067,066)	(4,820,695)
Financial income	744,528	3,348,828
Current income / (loss)	(3,469,288)	(5,532,261)
Income taxation	98,182	417,720
Consolidated net income/(loss) for the period of discontinued operations	(3,371,106)	(5,114,541)
Gain/ (loss) resulting from the alienation	64,692,863	-
Attributed to:		
Non-controlling interests (discontinued operations)	(930,973)	1,408,665
Cash flows from operating activities (1)	645,660	2,344,356
Cash flows from investment activities (2)	(595,302)	(1,274,757)
Cash flows from financing activities (3)	623,765	191,923
Net cash flows (4)=(1)+(2)+(3)	674,123	1,261,522

The net income on 30 September 2022 corresponds to the net income from the Maxive in the negative amount of EUR 3,371,106, and to the gain resulting from the alienation in the amount of EUR 64,692,863 (note 3.c).

41. Earnings per share

Earnings per share for the year ended on 31 December 2022 and 2021 were calculated as follows:

	2022	2021 (restated)
Including discontinued operations		
Consolidated net income/(loss) for the year attributed to shareholders of parent company	143,082,957	120,725,659
Average number of shares outstanding, net of own shares	305,769,023	305,769,023
Basic earning per share	0.47	0.39
Diluted earning per share	0.47	0.39
Excluding discontinued operations		
Consolidated net income/(loss) for the year attributed to shareholders of parent company	80,816,188	119,622,805
Average number of shares outstanding, net of own shares	305,769,023	305,769,023
Basic earning per share	0.26	0.39
Diluted earning per share	0.26	0.39

In the years presented, there were no dilutive effects with an impact on net earnings per share, so this is equal to the basic earnings per share.

The basic and diluted dividend per share of EUR 0.194 in 2022 and Euro 0.097 in 2021 are calculated by dividing the dividend amount distributed (EUR 59,319,190 in 2021 and EUR 29,659,595 in 2021) by the average number of shares existing during the years ended on 31 December 2022 and 2021, less own shares (305,769,023 in 2022 and 2021).

42. Medium Term Incentive Plans

In June 2000, Sonaecom Group created a discretionary Medium Term Incentive Plan, for more senior employees, based on Sonaecom options and shares and Sonae-SGPS, S.A. shares, being on 10 March 2014, Sonaecom shares plans were fully converted into Sonae SGPS shares. The exercise of the rights occurs three years after their attribution, provided that the employee stays in the company during that period.

In March 2022 the 2021 Plan was awarded to Sonaecom's and Sonae IM's Directors, and, in April 2022, the 2018 Plan was delivery to Sonaecom's and Sonae IM's Directors.

Accordingly, the plans outstanding on 31 December 2022 and 2021 are as follows:

	Vesting period			31 December 2022	
	Share price 31 December 2022	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2019 Plan	0.935	Mar/20	Mar/23	2	517,449
2020 Plan	0.935	Mar/21	Mar/24	3	364,248
2021 Plan	0.935	Mar/22	Mar/25	3	277,974
					1,159,671

	Vesting period			31 December 2021	
	Share price 31 December 2021	Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2018 Plan	1.003	Mar/19	Mar/22	3	293,265
2019 Plan	1.003	Mar/20	Mar/23	3	622,144
2020 Plan	1.003	Mar/21	Mar/24	4	413,268
					1,328,677

During the year ended on 31 December 2022 and 2021, the movements that occurred in the plans can be summarised as follows:

	Sonae SGPS shares	
	Number of participants	Number of shares
Outstanding on 31 December 2021:		
Unvested	10	1,328,677
Total	10	1,328,677
Movements in the year:		
Award	5	331,238
Vested	(3)	(293,265)
Transferred and Corrected ⁽¹⁾	(4)	(206,979)
Outstanding on 31 December 2022:		
Unvested	8	1,159,671
Total	8	1,159,671

⁽¹⁾ Corrections in the number of shares are made based on the dividend paid and on the exit of the employees during the plan period.

	Sonae SGPS shares	
	Number of participants	Number of shares
Outstanding on 31 December 2020:		
Unvested	9	1,067,900
Total	9	1,067,900
Movements in the year:		
Award	4	389,515
Vested ⁽¹⁾	(3)	(205,103)
Corrected ⁽²⁾	-	76,365
Outstanding on 31 December 2021:		
Unvested	10	1,328,677
Total	10	1,328,677

⁽¹⁾ Of the vested shares 148,346 were delivered in cash

⁽²⁾ Corrections in the number of shares are made based on the dividend paid during the plan period.

The responsibility of the plans was recognised under the caption 'Other current liabilities' and 'Other non-current liabilities'.

Share plans costs are recognised in the accounts over the year between the award and the vesting date of those shares. The costs recognised for the open plans and for the plans vested in previous years and in the year ended on 31 December 2022 and 2021, were as follows:

	2022	2021
Costs recognised in previous years	737,657	331,267
Costs recognised in the year (note 43)	299,566	566,063
Costs of plans vested in the year	(305,582)	(159,673)
Costs recognised in the year of transfer plans	(17,900)	-
Total cost of the plans	713,741	737,657
Recorded in 'Other current liabilities' (note 29)	453,136	275,498
Recorded in 'Other non-current liabilities' (note 25)	260,605	462,159

43. Employee benefits expense

For the years ended on 31 December 2022 and 2021, the caption 'Employee benefits expense' was as follows:

	2022	2021 (restated)
Remuneration	12,505,314	11,735,688
Charges on remuneration	2,416,322	2,241,941
Medium Term Incentive Plans (note 42)	299,567	566,063
Works for own company (note 6)	(535,450)	(683,991)
Others	570,838	349,370
	15,256,591	14,209,071

During the years 2022 and 2021, the remunerations attributed from Sonaecom to the members of the Board of Directors and other key members of management (9 in 2022 and 10 in 2021) were as follows:

	2022	2021
Short-term employee benefits	1,778,232	2,212,313
Share-based payments	266,900	319,300
Other medium and long term benefits	233,645	292,914
	2,278,777	2,822,535

The amounts included in the line of Benefits of short-term employees include Fixed Remuneration and the Performance Premium, the latter calculated on an accrual basis. The value of Share-based Payments for 2022 and 2021 corresponds to the value of the medium-term incentive plan to be awarded in 2023 and relative to the performance of 2022 (and attributed in 2022 relative to the performance of 2021, to the value of 2021), whose shares, or the corresponding cash value, will be delivered on March 2026 and March 2025, respectively, and for which the expense is recorded during the period from 2023 to 2026 (2022 to 2025 for the value of 2021).

Corporate Governance Report includes more detailed information on Sonaecom's remuneration policy.

In the years ended on 31 December 2022 and 2021 the members of the Board of Directors of Sonaecom as the Board of Directors members of Group companies were considered key members of management.

44. Fees of Statutory Auditor

During the year ended on 31 December 2022, the Group agreed as fees to ROC, PricewaterhouseCoopers SROC, and with other companies in the network, the amount of EUR 198,275 (EUR 198,732 in 2021).

The details of the services provided during the year in 2022 are as follows:

	Sonaecom		Other companies in the Group		Total
	PwC SROC	Other companies in the network	PwC SROC	Other companies in the network	
Audit services	106,995	-	91,280	-	198,275
Total	106,995	-	91,280	-	198,275

45. Average number of employees

During the years ended on 31 December 2022 and 2021, the average number of employees serving the companies included in the consolidation was 310 and 295 (not considering the Maxive Group), respectively. On 31 December 2022, the number of workers amounted to 307 (293 on 31 December 2021, not considering the Maxive Group).

46. Contingents Assets

Contingent assets related to tax proceedings paid within the scope of debt settlement programs to the Tax Authorities and Social Security

According to the Exceptional Regime for Settlement of Tax Debts and Social Security (DL 67/2016 of 3/11, DL 151-A/2013 of 31/10 and DL 248-A/2002 of 14/11), Sonaecom Group paid tax to the State in the amount of around EUR 5.4 million, of which EUR 2.8 million are in impugnation pending judicial cases.

As provided in supporting diplomas for the aforementioned programmes, the Group maintains legal procedures aimed at ensuring that it is justified in the specific situations.

47. Subsequent events

On 14 March 2023, the Management Board of the Portuguese Securities Market Commission (CMVM) passed a resolution to register the general and voluntary takeover bid of 35,228,749 shares of Sonaecom, SGPS, S.A., that was preliminarily announced to the market by Sonae, SGPS, S.A. ("Sonae") on 21 December 2022. This implies the approval of the respective prospectus.

CMVM also informed that:

- d) Since it is Sonae's intention to resort to the squeeze-out mechanism provided for in Article 194 of the Portuguese Securities Code (in case the requirements are met), the following understanding will apply:
 - iii. in the event of Sonae reaching 90% of the voting rights corresponding to the share capital of Sonaecom, Sonae can, after the tender offer, exercise the squeeze-out mechanism at the bid price (€ 2.50), provided that until the date of the squeeze-out, it does not acquire Sonaecom shares at a higher price;
 - iv. the calculation of the mentioned threshold (90% of the voting rights representing the share capital) shall consider all Sonaecom's shares, including the 5,571,014 own shares which Sonaecom has committed not to sell in the context of the offer. The threshold will be reached if Sonae acquires, at least, 4,094,746 shares corresponding to 1.315% of the share capital.
- e) Sonae waived the condition of the tender offer's effectiveness, which means that will acquire all shares for which no acceptance order is given, even if it does not acquire 90% of voting rights representing share capital.

These financial consolidated presentations have been approved by the Executive Board and authorised to be issued on 29 March 2023, however, subject to approval by the Shareholders' General Meeting.

APPENDIX

On 31 December 2022 the related parties of Sonaecom Group are as follows:

Key members of management	
Ângelo Gabriel Ribeirinho dos Santos Paupério Maria Cláudia Teixeira de Azevedo João Pedro Magalhães da Silva Torres Dolores	Cristina Maria de Araujo Novais Eduardo Humberto dos Santos Piedade

Subsidiary companies	
Bright Development Studio, S.A. Bright Tech Innovation I - Fundo Capital de Risco Bright Vector I - Fundo Capital de Risco Bright Ventures Capital SCR, S.A. Inovretail España, SL Inovretail, S.A.	PCJ-Público, Comunicação e Jornalismo, S.A. Praesidium Services Limited Público - Comunicação Social, S.A. Sonaec Investment Management - Software and Technology, SGPS, S.A. Sonaecom - Serviços Partilhados, S.A.

Associated companies and joint ventures	
Big Picture 2 Films, S.A. Big Picture Films, SL Dreamia Servicios de Televisión, S.L. Dreamia Serviços de Televisão, S.A. Dualgrid - Gestão de Redes Partilhas, S.A. Empracine - Empresa Promotora de Atividades Cinematográficas, Lda. FINSTAR - Sociedade de Investimentos e Participações, S.A. Fundo de Capital de Risco NOS 5G Lusomundo - Sociedade de Investimentos Imobiliários, SGPS, S.A. Lusomundo Imobiliária 2, S.A. Lusomundo Moçambique, Lda. MSTAR, S.A. NOS Açores Comunicações, S.A. NOS Audio - Sales & Distribution, S.A. NOS Audiovisuais, SGPS, S.A. NOS Comunicações, S.A. NOS Corporate Center, S.A. NOS Inovação, S.A. NOS Internacional, SGPS, S.A.	NOS Lusomundo Audiovisuais, S.A. NOS Lusomundo Cinemas, S.A. NOS Madeira Comunicações, S.A. NOS Mediação de Seguros, S.A. NOS Property, S.A. NOS SGPS, S.A. NOS Sistemas España, SL NOS Sistemas, S.A. NOS Technology - Concepção Construção e Gestão de Redes de Comunicação, S.A. NOS Wholesale, S.A. Per-Mar - Sociedade de Construções, S.A. SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. Sontária - Empreendimentos Imobiliários, S.A. Sport TV Portugal, S.A. Teliz Holding, S.A. (anteriormente denominada por Teliz Holding, B.V.) Unipress - Centro Gráfico, Lda. Upstar Comunicações, S.A. ZAP Media, S.A.

Other participations	
Afresh Arctic Wolf, Inc. Aryaka Networks, INC. Automaise, S.A. BinaryAnswer, Lda. Chord Commerce, inc. Citcon Limited Codacy, S.A. Cybersixgill Ltd Daisy Intelligence Corporation Deepfence Inc. Didimo INC Didimo SA Experify Inc Food Orchestrator, Lda. (Eat Tasty) Habit Analytics PT Lda. Hackuity SAS Irius Risk, S. L. Jscrambler, S.A.	Leadzai, S.A. (anteriormente denominada por Advert.io, S.A.) Mayan Group, Inc Nextail Labs, Inc. Ometria LTD Portainer.io Limited Portugate S.A. Probe.ly - Soluções Cibersegurança, Lda Qamine Portugal, S.A. Reblaze Technologies LTD Replai INC RK.AI - Serviços de processamento de imagens e análise de dados, S.A. SafeBreach Ltd Sales Layer Tech, SL Sellforte Solutions OY Sensei Data Lda. Social Disruption Marketing Agency, Lda. (Sway) TAIKAI, Lda. Visenze Pte, Ltd Weaveworks Inc.

Other related parties	
2ndRoom - Exploração Hoteleira, S.A.	Capwatt Ferreira - Solar Power, S.A.
3shoppings - Holding, SGPS, S.A.	Capwatt Graciosa - Green Storage, S.A.
Adira - MetalForming Solutions, S.A.	Capwatt Lousado - Heat Power, Unipessoal, Lda.
Adira Addcreative, S.A.	Capwatt Maia - Heat Power, S.A.
Aegean Park Constructions Real Estate and Development, S.A.	Capwatt Martim Longo - Solar Power, S.A.
Agepan Eiweiler Management, GmbH	Capwatt Metanol, Unip LDA
Agloma Investimentos, SGPS, S.A.	Capwatt Mexico, S. de R.L. de CV
Águas Furtadas - Sociedade Agrícola, S.A.	Capwatt Retail Electricidade, S.A.
AICNEGRU - Papelaria, S.A.	Capwatt Retail Gás, S.A.
Aliansce Sonae Shopping Centers, S.A. (Consolidado)	Capwatt Services DDP, S.L.U.
Alpêssego - Sociedade Agrícola, S.A.	Capwatt Services, S.A.
Amber International LLC	Capwatt Solar Esp 1, S.L.
Andar - Sociedade Imobiliária, S.A.	Capwatt Solar Esp 2, S.L.
Antarr - Sustainable Productive Forest, S.A.	Capwatt Solar Esp 3, S.L.
APGEI (Associação Portuguesa de Gestão e Engenharia Industrial)	Capwatt Solar Esp 4, S.L.
Aqualuz - Turismo e Lazer, Lda.	Capwatt Solar ESP 5, SL
Aqualuz Troia, S.A.	Capwatt Solar ESP 6, SL
Arat Inmuebles, S.A.	Capwatt Solar ESP 7, SL
Ardo NV	Capwatt Solar ESP 8, SL
Area Sur Shopping, SL	Capwatt Solar ESP 9, SL
Arenal Perfumerias SLU	Capwatt Vale do Tejo - Heat Power, S.A.
Arrábidasshopping, SICAFI, S.A.	Capwtatt Vale do Caima - Heat Power, S.A.
Artesia Gestão de Recursos S.A.	Carvemagere - Manutenção e Energias Renováveis, Lda.
Aserraderos de Cuellar, S.A.	Casa Agrícola de Ambrães, S.A.
Asprela Sociedade Imobiliária, S.A.	Casa da Ribeira - Sociedade Imobiliária, S.A.
Atelgen - Produção Energia, ACE	Cascaishopping - Centro Comercial, S.A.
Atlantic Ferries - Tráf.Loc.Flu. e Marit., SA	CBM Holding Qualified Family, L.P. (Canadá)
Atrium Bire, SIGI, S.A.	CBM Holding Qualified Family, LP (Nova Zelândia)
Awacs3 Enterprises NV	CBM Holding Subsidiary, L.P. (Canadá)
Axnae Spain Holdings, SL	CCCB Caldas da Rainha - Centro Comercial, S.A.
Azulino Imobiliária, S.A.	Centro Colombo - Centro Comercial, S.A.
BA Bussiness Angels, SGPS, S.A.	Centro Residencial da Maia, Urban., S.A.
BA Capital, SGPS, S.A.	Centro Vasco da Gama - Centro Comercial, S.A.
BA Glass BV	Cerealis Produtos Alimentares, SA
BA Glass I - Serviços de Gestão e Investimentos, S.A.	Cerealis Moagens, SA
Baixo Augusta Hotel Ltda	Cerealis, SGPS, SA
Barroquinha Estacionamentos S.A.	Chão Verde - Sociedade de Gestão Imobiliária, S.A.
BB Food Service, S.A.	CHPA Holding, S.A.P.I. DE C.V.
Bertimóvel - Sociedade Imobiliária, S.A.	Cinclus Imobiliária, S.A.
Bloco Q - Sociedade Imobiliária, S.A.	Citorres - Sociedade Imobiliária, S.A.
Bodytone International Sport SL	Claybell Limited
Bom Momento - Restauração, S.A.	Closer Look Design, Lda.
BrightCity, S.A.	Cogen Tepetlaoxtoc, S.A.P.I de C.V.
Brio - Produtos de Agricultura Biológica, S.A.	Cogeneración Huasteca I, S. de R. L. de C.V.
Canasta - Empreendimentos Imobiliários, S.A.	Cogeneración Pericu I, S. de R. L. de C.V.
Candotal Spain SLU	Coimbrashopping - Centro Comercial, S.A.
Capricorn Partners	Colfax Participações, S.A.
Capwatt - ACE, S.A.	Comercial Losan, SLU
Capwatt - SGPS, S.A.	Companhia Térmica Serrado, ACE
Capwatt Alrota - Wind Power, S.A.	Companhia Térmica Tagol, Lda.
Capwatt Biometano Aljustrel, Unip., Lda	Contimobe - Imobiliária de Castelo de Paiva, S.A.
Capwatt Biometano Seia, Unipessoal, Lda.	Continente Hipermercados, S.A.
Capwatt Biometano Tomar, Unipessoal, Lda	Cosentino SA
Capwatt Chamusca - Bio Power, Unipessoal, Lda.	Country Club da Maia - Imobiliária, S.A.
Capwatt Colombo - Heat Power, S.A	Cumulativa - Sociedade Imobiliária, S.A.
Capwatt DDP, Sociedad Limitada	Cyclicus DDP Uno S.L.
Capwatt Decentralized Solar Power Esp, S.A.	Cyclicus Norte S.L.
Capwatt Decentralized Solar Power, S.A.	Deltronic NV
Capwatt Espanha, S.L.U.	Deporvillage SL
Capwatt Estuário - Heat Power, Unipessoal, Lda.	Desimpacte de Purins Alcarrás, S.A.
Capwatt Évora - Solar Power, S.A.	Desimpacte de Purins Corcó, S.A.

Other related parties	
Desimpacte de Purins Voltregá, S.A.	Hakuturi, SA
Desimpacto de Purines Altorricón, S.A.	Halfdozen Real Estate, S.A.
Desimpacto de Purines Eresma, S.A.	HighDome PCC Limited (Cell Europe)
Desimpacto de Purines Turegano, S.A.	Hoteis Design S.A.
DOC Malaga Holdings SL	Iberia Shopping Centre Venture Cooperatief UA
Doc Málaga Siteco Phase 2, SL	Iberian Assets, S.A.
DOC Malaga SITECO SLU	Iberian Holdings Spain, SL
Douro Riverside Hotel, S.A.	IESE Business School
Dover Participações, S.A.	IGI Investimentos e Gestão Imobiliária, S.A.
EANOSZU - Comércio Para Animais, S.A.	Igimo - Sociedade Imobiliária, S.A.
Ecociclo, Energia e Ambiente, S.A.	Iginha - Sociedade Imobiliária, S.A.
Ecofutura Luz Energía, S.L.	Imoassets - Sociedade Imobiliária, S.A.
Efanor - Investimentos, SGPS, S.A.	Imobeauty, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Imoestrutura - Sociedade Imobiliária, S.A.
E-FIT, Unipessoal, Lda.	Imomuro - Sociedade Imobiliária, S.A.
Elergone Energias, Lda.	Imopeninsula - Sociedade Imobiliária, S.A.
Empreend.Imob. Quinta da Azenha, S.A.	Imoplamac - Gestão de Imóveis, S.A.
ENC Medellin SA DE CV	Imoponte-Soc.Imobiliária, S.A.
ENC Power Mexico SA DE CV	Imoresort - Sociedade Imobiliária, S.A.
ENC Zapopan SACV	Imoresultado - Sociedade Imobiliária, S.A.
Enxomil - Consultoria e Gestão, S.A.	Imosal - Imobiliária do Saldanha, SICAFI, S.A.
Essentra PLC	Imosedas - Imobiliária e Serviços, S.A.
Estação Viana - Centro Comercial, S.A.	Imosistema - Sociedade Imobiliária, S.A.
Euroresinas - Indústrias Químicas, S.A.	Impaper Europe GmbH & Co. KG
Farmácia Seleção, S.A.	Imparfin - Investimentos e Participações Financeiras, S.A.
Fashion Division, S.A.	Implantação - Imobiliária, S.A.
Fashion International Trade, S.A.	Inparvi, SGPS, S.A.
FBN Belgium - The Family Business Network	Inscó - Insular de Hipermerc., S.A.
Feneralt - Produção de Energia ACE	Installation Committee do Projeto BIOPOLIS
Fim do Dia, SGPS, S.A.	Investabroad 5, S.A.
Food Ireland Limited	Ioannina Development of Shopping Centres, S.A.
Fozimo - Sociedade Imobiliária, S.A.	Irmãos Vila Nova III - Imobiliária, S.A.
Frases e Frações - Imobiliária e Serviços, S.A.	Irmãos Vila Nova, S.A.
Fundação Belmiro de Azevedo	ISDI (Instituto Superior para el Desarrollo de Internet)
Fundação Calouste Gulbenkian	Iservices, Lda.
Fundação Cargaleiro	Isoroy, SAS
Fundação Serralves	ISRG - Iberian Sports Retail Group, SL
Fundo de Capital de Risco Armilar Venture Partners II	IVN - Serviços Partilhados, S.A.
Fundo de Capital de Risco Armilar Venture Partners III	IVN Asia Limited
Fundo de Capital de Risco Armilar Ventures Partners Inovação e Internaci	JD Canary Islands Sports SL
Fundo de Investimento Imobiliário Fechado Imosede	JD Spain Sports Fashion 2010, SL
Fundo de Investimento Imobiliário Imosona Dois	Klimasan Klima Sanayi ve Ticaret A.S.
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	La Galleria Srl
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	Laminat Park GmbH & Co. KG
Futura Carbono, SL	Land Retail B.V.
Futura Energía Inversiones, SL	Larissa Development of Shopping Centres, S.A.
Futura Energía y Gas, SL	Le Terrazze - Shopping Centre 1, Srl
Futura Green Renovables, SL	Lidergraf - Artes Gráficas, Lda.
Gaiashopping, SICAFI, S.A.	Lima & Smith Ltda.
GCR Administração e Participações Ltda.	Linhacom, SGPS, S.A.
GHP Glunz Holzwerkstoffproduktions, GmbH	Living Markets I, S.A.
Gli Orsi Shopping Centre 1 Srl	LMGE - Gestão de Edifícios Lda.
Glunz UK Holdings, Ltd.	LMIT - Innovation & Technology, Lda.
Glunz Uka GmbH	LMSA - Engenharia de Edifícios, S.A.
Go Well - Promoção de Eventos, Caterings e Consultoria, S.A.	LMSI - ENGINEERING, S.A.
Golf Time - Golfe e Inv.Turisticos, S.A.	Losan Colombia, SAS
Google LLC	Losan Overseas Textile, SL
GOSH! Food Limited	Losan Rusia
Guberna	Love Letters - Galeria de Arte, S.A.
Guimarãesshopping - Centro Comercial, S.A.	Luz del Tajo - Centro Comercial, S.A.
H&W - Mediadora de Seguros, S.A	Madeirashopping - Centro Comercial, S.A.

Other related parties	
Maiashopping - Centro Comercial, S.A.	Ponto de Chegada - Sociedade Imobiliária, S.A.
Maiequipa - Gestão Florestal, S.A.	Portimão Ativo - Sociedade Imobiliária, SA
Marcas MC, zRT	Porto Palácio Hotel, S.A.
Maremor Beauty & Fragrances, S.L.	Porturbe-Edifícios e Urbanizações, S.A.
Maremor Beauty & Fragrances, S.L.	Praça Foz - Sociedade Imobiliária, S.A.
Marina de Tróia, S.A.	Praedium - Serviços, S.A.
Marmagno-Expl.Hoteleira Imob., S.A.	Praedium II - Imobiliária, S.A.
Marvero-Expl.Hoteleira Imob., S.A.	Predicomercial - Promoção Imobiliária, S.A.
MC Shared Services, S.A.	Predilugar- Promoção Imobiliária, S.A.
MCCARE - Serviços de Saúde, S.A.	Project São João de Deus, S.A.
MCRETAIL, SGPS, S.A. (anteriormente denominada por Sonae MC, SGPS,	Project Sierra 10 B.V.
Megantic B.V.	Project Sierra 11 B.V.
Mercado Urbano - Gestão Imobiliária, S.A.	Project Sierra 12 B.V.
Metafrio Servicios S.A. de C.V.	Project Sierra 13 B.V.
Metafrio Solutions AS	Project Sierra 14 B.V.
Metafrio Solutions S.A.	Project Sierra Four, Srl
Metafrio Solutions SA Sogutma Sanayi Ve Ticaret AS	Project Sierra Germany 4 (four) - Shopping Centre, GmbH
Microcom Doi, Srl	Prosa Produtos e Serviços Agrícolas, S.A.
Migracom, S.A.	Proyecto Cúcuta S.A.S.
MJLF - Empreendimentos Imobiliários, S.A.	Quinta da Foz - Empreendimentos Imobiliários, S.A.
MKTPLACE - Comércio Eletrónico, S.A.	Realejo - Sociedade Imobiliária, S.A.
Modalfa - Comércio e Serviços, S.A.	Restoque Comércio e Confecções de Roupa S.A.
Modalfa Canarias, SL	Rio Verde Consultoria e Participações Ltda.
Modelo Continente Hipermercados, S.A.	River Plaza B.V.
Modelo Continente International Trade, S.A.	S2 Mozambique, S.A.
Modelo Hiper Imobiliária, S.A.	Salsa Canarias
Mondarella GmbH	Salsa DE GmbH
Norte Shopping Retail and Leisure Centre, B.V.	Salsa Distribution USA LLC
Norteshopping - Centro Comercial, S.A.	Salsa France, S.A.R.L.
North Tower B.V.	Salsa Jeans Ireland Limited
Nova Bahia Empreendimentos	Salsa Luxembourg, Sarl
Novodecor (Pty) Ltd	Satfiel, Lda.
ODACREMSO - Retalho, S.A.	SC - Sociedade de Consultoria, S.A.
OKUK, Lda.	SC Aegean, B.V.
Olimpo Asset 1, S.A.	SC Assets, SGPS, S.A.
Olimpo Asset 2, S.A.	SC Finance, B.V.
Olimpo Asset 3, S.A.	SC Fitness, S.A.
Olimpo Asset 4, S.A.	SC Industrials SGPS, S.A.
Olimpo Asset 5, S.A.	SC, SGPS, S.A.
Olimpo Asset 6, S.A.	SCBRASIL Participações, Ltda.
Olimpo Asset 7, S.A.	SDSR - Sports Division, S.A.
Olimpo Asset 8, S.A.	Sekiwi, SGPS, S.A.
Olimpo Real Estate SGI, S.A.	Selifa - Empreendimentos Imobiliários de Fafe, S.A.
Olimpo Real Estate Socimi, S.A.	Sempre à Mão - Sociedade Imobiliária, S.A.
Olimpo SIGI España, S.A.	Sempre a Postos - Produtos Alimentares e Utilidades, Lda.
PA Cúcuta (Fideicomiso)	Serra Shopping - Centro Comercial, S.A.
Pantheon Plaza B.V.	Sesagest - Proj.Gestão Imobiliária, S.A.
Paracentro - Gestão de Galerias Comerciais, S.A.	Sete e Meio Herdades - Investimentos Agrícolas e Turismo, S.A.
Parcelas e Narrativas - Imobiliária, S.A.	Setimanale, SGPS, S.A.
Pareuro, BV	SFS Gestão e Consultoria, S.A.
Park Avenue Development of Shopping Centers, S.A.	Shopping Centre Colombo Holding, B.V.
Parklake Business Centre Srl	SIAL Participações, Ltda.
Parklake Shopping, S.A.	Sierra - Serviços de Mediação Imobiliária, S.A.
Parque Atlântico Shopping - Centro Comercial, S.A.	Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialnos
Parque D. Pedro 1, S.à r.l.	Sierra Balmain Property Managment Spółka z o. o.
Peach Tree LLC	Sierra Brazil 1, Sarl
Pharmaconcept - Actividades em Saúde, S.A.	Sierra Central, S.A.S.
Pharmacontinente - Saúde e Higiene, S.A.	Sierra Colombia Investments, S.A.S.
Plaza Mayor B.V.	Sierra Colombia, S.L.
Plaza Mayor Shopping, S.A.	Sierra Developments Holding B.V.
Plenerg Srl	Sierra Developments, SGPS, S.A.

Other related parties	
Sierra European Retail Real Estate Assets Holdings B.V.	Sonae Investments, B.V.
Sierra Germany GmbH	Sonae MC S2 Africa Limited
Sierra GP Limited	Sonae RE, S.A.
Sierra Iberian Assets Holding, S.A.U.	Sonae Sierra Brazil Holdings S.à r.l.
Sierra IG, SGOIC, S.A.	Sonae Sierra, SGPS, S.A.
Sierra Investments (Holland) 1 B.V.	Sondis Imobiliária, S.A.
Sierra Investments (Holland) 2 B.V.	Sontel, B.V.
Sierra Investments Holdings B.V.	Sonvecap, B.V.
Sierra Investments SGPS, S.A.	Sotáqua - Soc. de Empreendimentos Turísticos, S.A.
Sierra Italy Agency Srl	Soternix - Produção de Energia, ACE
Sierra Italy Srl	Sparkfood, S.A.
Sierra Management, SGPS, S.A.	SPF - Sierra Portugal Real Estate, SCA
Sierra Maroc Services, SARL	SPF - Sierra Portugal, SARL
Sierra Maroc, SARL	Spinveste - Gestão Imobiliária SGII, S.A.
Sierra Portugal Feeder 1, S.C.A.	Spinveste - Promoção Imobiliária, S.A.
Sierra Portugal Feeder 2, S.à r.l.	Sporessence - Spor Retail, S.A.
Sierra Portugal, S.A.	Sport Zone Canárias
Sierra Real Estate Greece B.V.	SportIberica, S.A.
Sierra Retail Ventures B.V.	Sports Unlimited Retail BV
Sierra Romania Shopping Centers Services, SRL	Sprinter Megacentros del Deporte, SL
Sierra Services Holland B.V.	Strongroots Limited
Sierra Solingen Holding GmbH	Suncoutim - Solar Energy, S.A.
Sierra Spain Malaga Holdings, SL	Surforma, S.A.
Sierra Spain, Shopping Centers Services, S.A.	Tafisa Canadá Inc
Sierra VdG Holding B.V.	Tafisa France SAS
Sierra Zenata Project B.V.	Teak BV
SIERRAGEST- Gestão de Fundos, SGOIC, S.A.	Teak Floresta, SA
Signal Alpha Republica I, S.A.	Tecmasa, Reciclados de Andalucia, SL
Signal Alpha Republica II, Lda.	Tecnologias del Medio Ambiente, S.A.
SII - Soberana Investimentos Imobiliários, S.A.	The Artist Porto Hotel & Bistrô - Atividades Hoteleiras, S.A.
SLS Salsa - Comércio e Difusão de Vestuário, S.A.	The Caledonian Club Trust Limited
SLS Salsa España - Comercio y Difusión de Vestuario, SAU	The Editory Aliados - Exploração Hoteleira, S.A.
SO FISH - Atividades Aquícolas e Pesca, Unipessoal Lda.	The Editory Collection Hotels, S.A.
Sociedade de Construções do Chile, S.A.	The Editory Garden-Explor. Hoteleira, SA
Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.	The House Ribeira Hotel - Exploração Hoteleira, S.A.
Société de Tranchage Isoroy SAS	Tira-Chapéu Empreendimentos Ltda.
Socijofra - Sociedade Imobiliária, S.A.	Tomenider, SL
Sociloures - Sociedade Imobiliária, S.A.	Tool, GmbH
Soflorin, B.V.	Torre Norte, S.A.
Sohi Meat Solutions - Distribuição de Carnes, S.A.	Trivium Real Estate Socimi, S.A.
Solinca Classic, S.A.	Tróia Market, S.A.
Solinca Light, S.A.	Tróia Natura, S.A.
Soltroia- Imob.de Urb.Turismo de Tróia, S.A.	TROIAMED - Sociedade Mediação Imob., S.A.
Somit - Imobiliária, S.A.	Troiareport - Investimentos Turísticos, S.A.
Sonae Arauco (UK), Ltd.	Troiareport, SGPS, S.A.
Sonae Arauco Beeskow GmbH	Tulipamar - Expl.Hoteleira Imob., S.A.
Sonae Arauco Deutschland GmbH	Turquoise Capital C.V.
Sonae Arauco Espana - Soluciones de Madera, S. L.	Universo IME, S.A
Sonae Arauco France SAS	UP Share, SGPS, S.A.
Sonae Arauco Maroc SARL	Urban Fit - Gestão de Health Clubs, Lda.
Sonae Arauco Netherlands BV	Urban Fit Foz - Gestão de Health Clubs, Lda.
Sonae Arauco Portugal, S.A.	Urban Fit Maia - Gestão de Health Clubs, Lda.
Sonae Arauco South Africa (Pty) Ltd	Urbisedas - Imobiliária das Sedas, S.A.
Sonae Arauco Suisse S.A.	Usebti Textile México S.A. de C.V.
Sonae Arauco, S.A.	Valor N, S.A.
Sonae Capital, SGPS, S.A.	Vastgoed One - Sociedade Imobiliária, S.A.
Sonae Corporate, S.A.	Vastgoed Sun - Sociedade Imobiliária, S.A.
Sonae FS, SA	Via Catarina- Centro Comercial, S.A.
Sonae Holdings, S.A.	Visionarea - Promoção Imobiliária, S.A.
Sonae Indústria - Management Services, S.A.	Vistas do Freixo - Emp. Tur. Imobiliários, S.A.
Sonae Indústria - Soc. Gestora de Participações Sociais, S.A.	WAD LAB, S.A.

Other related parties

Weierstadt Shopping B.V.	Worten Malta Holding Limited
Winery Participações Ltda.	Worten Safe, S.A.
Worten - Equipamento para o Lar, S.A.	Zaask - Plataforma Digital, S.A.
Worten Canárias, SL	Zenata Commercial Project, S.A.
Worten España Distribución, SL	Zimbro Participações S.A.
Worten International Trade, S.A.	Zippy - Comércio e Distribuição, S.A.

1.3. Sonaecom separate financial statements

Separate statement of financial position

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Assets			
Non-current assets			
Property, plant and equipment	1.a and 2	1,523	2,262
Intangible assets	1.b and 3	7,871	1,686
Right of use assets	1.f and 4	1,445	66,011
Investments in subsidiaries	1.c, 1.t and 6	63,136,219	74,335,292
Investments in joint ventures and associated companies	1.d, 1.t and 7	653,072,716	569,369,130
Other non-current assets	1.c, 1.d, 1.e, 1.t, 5, 8 and 28	21,260,147	204,241,078
Deferred tax assets	1.m and 9	2,116,013	2,487,115
Total non-current assets		739,595,934	850,502,574
Current assets			
Income tax assets	1.m, 5 and 10	819,626	788,383
Other receivables	1.e, 1.g, 5, 11 and 28	411,958	219,268
Other current assets	1.e, 1.n, 5, 12 and 28	168,197	101,877
Cash and cash equivalents	1.e, 1.h, 5, 13 and 28	301,353,321	242,946,357
Total current assets		302,753,102	244,055,885
Total assets		1,042,349,036	1,094,558,459
Shareholder' funds and liabilities			
Shareholders' funds			
Share capital	14	230,391,627	230,391,627
Own shares	1.r and 15	(8,441,804)	(8,441,804)
Reserves	1.q	810,806,835	823,583,061
Net income / (loss) for the year		7,172,478	46,542,964
Total Shareholders' funds		1,039,929,136	1,092,075,848
Liabilities			
Non-current liabilities			
Provisions	1.l and 17	162,366	166,941
Lease liabilities	1.f, 5 and 18	-	34,762
Other non-current liabilities	1.e, 1.u, 5 and 19	132,125	185,140
Total non-current liabilities		294,491	386,843
Current liabilities			
Income tax payable	1.m) and 5	-	-
Other payables	1.e, 5, 20 and 28	1,520,713	1,302,008
Lease liabilities	1.f, 5 and 18	1,563	32,707
Other current liabilities	1.e, 1.n, 1.u, 5, 21 and 28	603,133	761,053
Total current liabilities		2,125,409	2,095,768
Total liabilities		2,419,900	2,482,611
Total Shareholders' funds and liabilities		1,042,349,036	1,094,558,459

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Separate income statement by nature

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Services rendered	1.o, 22 and 28	233,333	390,000
Other income	1.o, 23 and 28	592,968	1,726,573
		826,301	2,116,573
External supplies and services	24 and 28	(1,109,732)	(749,498)
Employee benefits expense	1.u, 31 and 32	(987,268)	(1,379,098)
Depreciation and amortisation	1.a, 1.b, 1.f, 2, 3 and 4	(24,896)	(34,756)
Provisions	1.l and 17	-	(7,528)
Other expenses		(93,087)	(49,392)
		(2,214,983)	(2,220,272)
Gains and losses in investments in subsidiaries, joint ventures and associated companies	1.c,1.d, 1.o, 1.t, 6, 7, 17 and 25	6,591,752	45,066,794
Financial expenses	1.c, 1.f 1.i, 1.j, 1.s, 26 and 28	(36,063)	(58,766)
Financial income	1.f, 1.s, 11, 26 and 28	2,199,194	1,627,133
Earnings before taxes		7,366,201	46,531,462
Income taxation	1.m, 9 and 27	(193,723)	11,502
Net income / (loss) for the year		7,172,478	46,542,964

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Separate statement of comprehensive income

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Net income / (loss) for the year		7,172,478	46,542,964
Comprehensive income for the year		7,172,478	46,542,964

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Separate statement of changes in Equity

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)			Reserves and retained earnings						
	Share capital (note 14)	Own shares (note 1.r and 15)	Share premium	Legal reserves	Own shares reserves	Other reserves	Total reserves (note 1.g)	Net income / (loss)	Total
2022									
Balance on 31 December 2021	230,391,627	(8,441,804)	775,290,377	20,837,737	8,441,804	19,013,143	823,583,061	46,542,964	1,092,075,848
Appropriation of the result of 2021									
Transfer to legal reserves and other reserves and retained earnings	-	-	-	2,327,149	-	44,215,815	46,542,964	(46,542,964)	-
Dividend Distribution (note 28)	-	-	-	-	-	(59,319,190)	(59,319,190)	-	(59,319,190)
Comprehensive income for the year ended on 31 December 2022	-	-	-	-	-	-	-	7,172,478	7,172,478
Balance on 31 December 2022	230,391,627	(8,441,804)	775,290,377	23,164,886	8,441,804	3,909,768	810,806,835	7,172,478	1,039,929,136

(Amounts expressed in Euro)			Reserves and retained earnings						
	Share capital (note 14)	Own shares (note 1.r and 15)	Share premium	Legal reserves	Own shares reserves	Other reserves	Total reserves (note 1.g)	Net income / (loss)	Total
2021									
Balance on 31 December 2020	230,391,627	(8,441,804)	775,290,377	20,683,925	8,441,804	45,750,317	850,166,423	3,076,233	1,075,192,479
Appropriation of the result of 2020									
Transfer to legal reserves and other reserves and retained earnings	-	-	-	153,812	-	2,922,421	3,076,233	(3,076,233)	-
Dividend Distribution (note 28)	-	-	-	-	-	(29,659,595)	(29,659,595)	-	(29,659,595)
Comprehensive income for the year ended on 31 December 2021	-	-	-	-	-	-	-	46,542,964	46,542,964
Balance on 31 December 2021	230,391,627	(8,441,804)	775,290,377	20,837,737	8,441,804	19,013,143	823,583,061	46,542,964	1,092,075,848

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Separate cash flow statement

For the years ended on 31 December 2022 and 2021

(Amounts expressed in Euro)	Notes	December 2022	December 2021
Operating activities			
Receipts from trade debtors		219,304	402,629
Payments to trade creditors		(1,041,933)	(790,959)
Payments to employees		(1,284,264)	(1,192,459)
Cash flows from operating activities		(2,106,893)	(1,580,789)
(Payments) / receipts relating to income taxes		56,280	131,699
Other receipts / (payments) relating to operating activities		772,218	1,649,228
Cash flows from operating activities (1)		(1,278,415)	200,138
Investing activities			
Receipts from:			
Financial investments	6, 7 and 8	140,680,644	48,665,485
Interest and similar income	26	1,995,824	1,604,681
Loans granted	8	6,625,000	15,115,000
Dividends received	25	2,805,757	68,917,696
Payments for:			
Financial investments	6 and 8	(32,941,390)	(31,931,468)
Intangible assets	3	(1,931)	-
Loans granted	8	-	(16,570,000)
Cash flows from investing activities (2)		119,063,904	85,801,394
Financing activities			
Payments for:			
Interest and similar expenses	26	(34,543)	(56,708)
Dividends Paid	28	(59,319,190)	(29,659,595)
Leases		(24,792)	(33,359)
Cash flows from financing activities (3)		(59,378,525)	(29,749,662)
Net cash flows (4)=(1)+(2)+(3)		58,406,964	56,251,870
Cash and cash equivalents at the beginning of the year	13	242,946,357	186,694,487
Cash and cash equivalents at year end	13	301,353,321	242,946,357

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

Notes to the cash flow statement

For the years ended on 31 December 2022 and 2021

	Notes	December 2022	December 2021
1. Acquisition or sale of subsidiaries or other businesses activities			
a) Receipts from other business activities			
Loan repayment from Sonae Investment Management - Software and Technology, SGPS, S.A.	8	6,525,000	15,115,000
Reimbursement of supplementary capital from Sonae Investment Management - Software and Technology, SGPS, S.A.	8	90,919,580	42,900,000
Amortization of ZOPT shares	7	37,825,440	-
Sold of participation on Sonaecom - Serviços Partilhados, S.A.	6	12,185,624	-
Share premium distribution of ZOPT participation	7	-	5,765,485
		147,205,644	63,780,485
b) Payments from other business activities			
Supplementary capital to Sonae Investment Management - Software and Technology, SGPS, S.A.	8	29,641,390	29,831,469
Supplementary capital to Público - Comunicação Social, S.A.	8	-	600,000
Share capital increase of Público - Comunicação Social, S.A.	6	2,000,000	1,500,000
Cash outflow to coverage losses of Público - Comunicação Social, S.A.	5	1,300,000	-
Loan granted to Sonae Investment Management - Software and Technology, SGPS, S.A.	8	-	16,570,000
		32,941,390	48,501,469
c) Dividends received			
ZOPT, SGPS, S.A.	25	-	68,917,696
PCJ - Público, Comunicação e Jornalismo, S.A.	25	2,805,757	-
		2,805,757	68,917,696

	Notes	December 2022	December 2021
2. Description of non-monetary financing activities			
a) Bank credit obtained and not used		1,000,000	1,000,000
b) Purchase of company through the issue of shares		Not applicable	Not applicable
c) Conversion of loans into shares		Not applicable	Not applicable

The notes are an integral part of the financial statements.

The Certified Accountant

The Board of Directors

1.4. Notes to the separate financial statements of Sonaecom

Introduction note

SONAECOM, SGPS, S.A., (hereinafter referred to as 'the Company' or 'Sonaecom') was established on 6 June 1988, under the name Sonae – Tecnologias de Informação, S.A. and has its head office at Lugar de Espido, Via Norte, Maia – Portugal. The corporate purpose of the Company is the management of shareholdings, as an indirect form of economic activities.

Sonaecom is owned directly by Sontel BV and Sonae SGPS, SA, and Efanor Investimentos SGPS, S.A. the ultimate controlling company.

Sonaecom shares are quoted and traded on Euronext Lisbon.

By public deed of 30 September 1997, the scission-fusion of Pargeste, SGPS, S.A., was carried out, and the company started to include the financial participations in the companies related to the communication and information technologies of the spun-off company.

On 3 November 1999, the Company's share capital was increased, its Articles of Association were modified and its name was changed to Sonae.com, SGPS, S.A.. Since then the Company's corporate object has been the management of investments in other companies. Also on 3 November 1999, the Company's share capital was re-denominated to euro, being represented by one hundred and fifty million shares with a nominal value of EUR 1 each.

On 1 June 2000, the Company carried out a Combined Share Offer, involving the following:

- A Retail Share Offer of 5,430,000 shares, representing 3.62% of the share capital, made in the domestic market and aimed at: (i) employees of the Sonae Group; (ii) customers of the companies controlled by Sonaecom; and (iii) the general public;
- An Institutional Offering for sale of 26,048,261 shares, representing 17.37% of the share capital, aimed at domestic and foreign institutional investors.

In addition to the Combined Share Offer, the Company's share capital was increased under the terms explained below. The new shares were fully subscribed for and paid up by Sonae-, SGPS, S.A. (a Shareholder of Sonaecom, hereinafter referred to as 'Sonae'). The capital increase was subscribed for and paid up on the date the price of the Combined Share Offer was determined, and paid up in cash, 31,000,000 new ordinary shares of 1 Euro each being issued. The subscription price for the new shares was the same as that fixed for the sale of shares in the afore mentioned Combined Share Offer, which was EUR 10.

In addition, in this year, Sonae sold 4,721,739 Sonaecom shares under an option granted to the banks leading the Institutional Offer for Sale and 1,507,865 shares to Sonae Group managers and to the former owners of the companies acquired by Sonaecom.

By decision of the Shareholders' General Meeting held on 17 June 2002, Sonaecom's share capital was increased from Euro 181,000,000 to Euro 226,250,000 by public subscription reserved for the existing Shareholders, 45,250,000 new shares of 1 Euro each having been fully subscribed for and paid up at the price of Euro 2.25 per share.

On 30 April 2003, the Company's name was changed by public deed to Sonaecom, SGPS, S.A..

By decision of the Shareholders' General Meeting held on 12 September 2005, Sonaecom's share capital was increased by EUR 70,276,868, from EUR 226,250,000 to EUR 296,526,868, by the issuance of 70,276,868 new shares of 1 Euro each and with a share premium of EUR 242,455,195, fully subscribed by France Telecom. The corresponding public deed was executed on 15 November 2005.

By decision of the Shareholders' General Meeting held on 18 September 2006, Sonaecom's share capital was increased by EUR 69,720,000, to EUR 366,246,868, by the issuance of 69,720,000 new shares of 1 Euro each and with a share premium of EUR 275,657,217, subscribed by 093X – Telecomunicações Celulares, S.A. (EDP) and Parpública – Participações Públicas, SGPS, S.A. (Parpública). The corresponding public deed was executed on 18 October 2006.

By decision of the Shareholders General Meeting held on 16 April 2008, bearer shares were converted into registered shares.

On 5 February 2014, Sonaecom made public the decision to launch a general and voluntary tender offer for the acquisition of shares representing the share capital. The offer was general and voluntary, with the offerer obliged to acquire all the shares that were the object of the offer and were, until the end of the respective period, subject to valid acceptance by the recipients. The period of the Offer, during which sales orders were received, ran for two weeks, beginning on 6 February and ending on 19 February 2014. On 20 February 2014, the results of the Offer were released. The level of acceptance reached 62%, corresponding to 54,906,831 Sonaecom shares. In 2014 Sonaecom reduced its share capital to EUR 230,391,627. Following this result, Euronext Lisbon announced Sonaecom exclusion from the PSI-20 from 24 February 2014 forward.

On 21 December 2022, Sonaé SGPS, S.A. ('Sonaé'), communicated the decision to launch the general and voluntary public offer for the acquisition of shares representing the share capital of Sonaecom SGPS, S.A. ('Sonaecom').

The financial statements are presented in Euro, rounded to the unit.

Relevant events occurred during the year

After two years in which the Covid-19 pandemic significantly conditioned ways of life, 2022 marked the beginning of the definitive lifting of most restrictions on economic activity in most regions of the world, made possible by the success of vaccination programs and by the growing immunization of the population through contact with the virus. Despite these positive developments, the year was inevitably marked by the escalation of geopolitical tension following Russia's invasion of Ukraine on February 24, 2022. The member countries of the European Union (EU) and NATO, where a large part of of Advanced Economies, quickly demonstrated their solidarity with Ukraine and implemented several sanctions packages on Russia, which in turn retaliated in the same way and made the nuclear threat more present. The economic consequences of this conflict were quickly felt in the world economy, particularly in the international energy and food markets due to the importance of Russia and Ukraine as exporters of these raw materials.

The year 2023 will continue to be marked by a challenging geopolitical context and high levels of uncertainty. As the stalemate continues in the conflict between Ukraine and Russia, the price of food and energy commodities on international markets is likely to remain high and volatile, albeit at a lower level than the values recorded in the months following the invasion. Additionally, the risk of a shortage of natural gas next winter will continue to hang over the EU and, therefore, the balance between demand and supply of this raw material will prove critical to guaranteeing energy security in Europe.

Given the Group's capital structure, with a significant amount of cash and bank deposits and a small amount of interest-bearing debt, no material changes in its liquidity are expected. Furthermore, the Sonaecom Group will continue to implement all the measures it deems appropriate to minimize possible impacts.

1. Basis of presentation

The accompanying separate financial statements have been prepared with an on a going concern basis, based on the Company's accounting records in accordance with International Financial Reporting Standards (IFRS), as adopted and effective in the European Union on 1 January 2022. These financial statements were prepared based on historical cost, except for the revaluation of certain financial instruments.

Sonaecom adopted IFRS for the first time according to SIC 8 (First-time adoption of IAS) on 1 January 2003.

The following standards, interpretations, amendments and revisions have been approved ('endorsed') by the European Union, and have mandatory application to the financial years beginning on or after 1 January 2022:

Standard / Interpretation	Effective date (annual periods beginning on or after)
Amendments to IFRS 3: Reference to the Conceptual Framework	1-jan-22
This amendment updates the references to the Conceptual Framework without changing the accounting requirements for business combinations.	
Amendments to IAS 16: Proceeds before intended use	1-jan-22
This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the <u>acquisition cost of assets.</u>	

Standard / Interpretation	Effective date (annual periods beginning on or after)
---------------------------	---

Amendments to IAS 37: Onerous Contracts - cost of fulfilling a contract 1-jan-22

This amendment specifies that when assessing whether a contract is onerous or not. Only expenses directly related to the performance of the contract can be considered.

Annual Improvement Cycle 2018-2020 1-jan-22

Improvements to IFRS 1 (Subsidiary as a First-time Adopter), IFRS 9 (Derecognition of financial liabilities), IFRS 16 (Rent concessions) and IAS 41 (Taxation in Fair Value Measurements).

This amendments are of prospective application.

The Company did not apply any of these standards in the financial statements for the year ended on 31 December 2022.

No material impact is expected from the adoption of the remaining standards.

The following standards, interpretations, amendments and revisions were not, until 31 December 2022, approved ('endorsed') by the European Union:

Standard / Interpretation	Effective date (annual periods beginning on or after)
---------------------------	---

Amendments to IAS 1: Classification of Liabilities as Current or Non-current 1-jan-24

This amendment intends to clarify that liabilities are classified as either current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period.

Amendments to IFRS 16 - Lease liabilities in a Sale and Leaseback transaction 1-jan-24

This amendment introduces guidelines regarding the subsequent measurement of lease liabilities, for sale and leaseback transactions that qualify as "sales" under IFRS 15, with greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate.

Regarding the new standards that became effective in the year started at 1 January 2022, the Company did an analysis of the changes introduced and the impact on the financial statements and concluded that the application of these standards, did not produce effects materially relevant in the financial statements.

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were, until 31 December 2022, approved ('endorsed') by the European Union:

Standard / Interpretation	Effective date (annual periods beginning on or after)
---------------------------	---

Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies 1-jan-23

The changes require companies to disclose their material accounting policy information instead of their significant accounting policies.

Amendments to IAS 8 Accounting policies 1-jan-23

Introduction of the definition of an accounting estimate and how it is distinguished from changes in accounting policies.

Amendments to IFRS 17: Insurance contracts (includes changes to the standard): 1-jan-23

This new standard replaces IFRS 4 which becomes mandatory since 2004. IFRS 17 apply to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction 1-jan-23

This ammens will require that the companies record deferred tax on certain specific transactions, when their initial recognition originated equal amounts of taxable temporary differences and deductible temporary differences.

Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – 1-jan-23

This amendment only applies to insurance entities in their transition to IFRS 17, allowing the adoption of an "overlay" in the classification of a financial asset for which the insurance company does not apply retrospectively, within the scope of IFRS 9.

These standards have not yet been approved ('endorsed') by the European Union and, as such, were not adopted by the Company for the year ended on 31 December 2022, because their application is not mandatory.

No material impact is expected from the adoption of the remaining standards.

The accounting policies and measurement criteria adopted by the Company on 31 December 2022 are comparable with those used in the preparation of 31 December 2021 financial statements.

Main accounting policies

The main accounting policies used in the preparation of the accompanying financial statements are as follows:

a) Property plant and equipment

Tangible assets are recorded at their acquisition cost less accumulated depreciation and less estimated accumulated impairment losses.

Depreciations are calculated on a straight-line monthly basis as from the date the assets are available for use in the necessary conditions to operate as intended by the management, by a corresponding charge to the

profit and loss statement caption ‘Depreciation and amortisation’.

Impairment losses detected in the realisation value of tangible assets are recorded in the year in which they arise, by a corresponding charge to the caption ‘Depreciation and amortisation’ of the profit and loss statement.

The annual depreciation rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Buildings and others constructions	20

Current maintenance and repair costs of tangible assets are recorded as costs in the year in which they occur. Improvements of significant amount, which increase the estimated useful life of the assets, are capitalised and depreciated in accordance with the estimated useful life of the corresponding assets.

Tangible fixed assets in progress represent tangible fixed assets still under construction/development, recorded at acquisition cost. These tangible fixed assets are depreciated from the moment the underlying assets are available for use and in the conditions necessary to operate as intended by management.

b) Intangible assets

Intangible assets are recorded at their acquisition cost less accumulated amortisation and less estimated accumulated impairment losses. Intangible assets are only recognised, if they were identifiable and if it is likely that they will bring future economic benefits to the Company, if the Company controls them and if their cost can be reliably measured.

Intangible assets correspond, essentially, to software and industrial property.

Amortisations are calculated on a straight-line monthly basis, over the estimated useful life of the assets as from the month in which the corresponding expenses are incurred.

Amortisation for the year is recorded in the profit and loss statement under the caption ‘Depreciation and amortisation’.

Impairment losses detected in the realisation value of intangible assets are recorded in the year in which they arise, by a corresponding charge under the caption ‘Depreciation and amortisation’ in the profit and loss statement.

The annual rates used correspond to the estimated useful life of the assets, which are as follows:

	Years of useful life
Brands and other contratuals rights	1-10

c) Investments in subsidiaries and other non-current assets

Sonaecom has control of subsidiaries in situations that cumulatively fulfils the following conditions: i) has power over the subsidiary; ii) is exposed to, or has rights to, variable results via its relationship with the subsidiary; and iii) is able to use its power over the investee to affect the amount of your results. Financial investments in equity investments in group companies, are recorded under "Investments in subsidiaries", at cost of acquisition.

The acquisition cost is the amount of cash and cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of acquisition or establishment or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of IFRS 3.

The consideration transferred may include assets or liabilities of the acquirer that have carrying amounts that differ from their fair value at the acquisition date (for example, non-monetary assets or a business of the acquirer). If so, the acquirer must re-measure the assets and liabilities transferred at their fair value at the acquisition date and recognise the resulting gains or losses, if any, in the income statement. However, sometimes the transferred assets or liabilities remain in the entity acquired after the completion of the business and therefore the buyer retains control over them. In this situation, the acquirer shall measure those assets and liabilities at their carrying amounts immediately before the acquisition date and shall not recognise any gain or loss in the income statement for assets or liabilities it controls both before and after the completion of the deal.

When, within the scope of the reorganization of its shareholding structure, Sonaecom sells the

participation that it holds in a subsidiary to another subsidiary controlled by it, this is recorded in the separate financial statements as a sale to a third party with loss of control, with the respective determination of more or less value in results. This policy is adopted by the Company's management and is applied consistently to all similar transactions.

Loans and supplementary capital granted to affiliated companies with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, which corresponds to its initial fair value, under the caption 'Other non-current assets'.

Investments and loans granted to group companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable, or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to group companies are recorded, in the year that they are estimated, under the caption 'Gains and losses on subsidiary, joint ventures and associated companies' in the profit and loss statement.

The expenses incurred with the acquisition of investments in group companies are recorded as cost when they are incurred.

d) Investments in joint ventures and associated companies

Investments in joint ventures (companies in which the Company has, direct or indirect, 50% of the voting rights in the Shareholders' General Meeting of or in which it has the control over the financial and operating policies with the other entrepreneurs), are recorded under the caption 'Investments in joint ventures and associated companies', at acquisition cost in accordance with IAS 27, as such, Sonaecom presents, separately, consolidated financial statements in accordance with IAS/ IFRS.

Investments in associated companies (companies over which the Company has significant influence) are recorded under the caption 'Investments in joint ventures and associates', at acquisition cost, in accordance with the same rationale referred to above. The existence of significant influence is presumed when the investor holds more than 20% of the voting rights of the investee, otherwise it must be clearly demonstrated. The existence of significant influence is

usually evidenced by one or more of the following criterias:

- representation on the investee's management or equivalent management body;
- participation in the process of policy' decisions, including participation in decisions on dividends and other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- share of essential technical information.

Loans and supplementary capital granted to joint ventures, with maturities, estimated or defined contractually, greater than one year, are recorded, at their nominal value, which corresponds to its initial fair value, under the caption 'Other non-current assets'.

Investments and loans granted to joint ventures and associated companies are evaluated whenever an event or change of circumstances indicates that the recorded amount may not be recoverable, or impairment losses recorded in previous years no longer exist.

Impairment losses estimated for investments and loans granted to joint ventures and associated companies are recorded, in the year that they are estimated, under the caption 'Gains and losses on subsidiary, joint ventures and associated companies' in the profit and loss statement.

In addition to the recognition of the impairment of investments in joint ventures and associates, Sonaecom recognises additional losses if it has assumed obligations, or if it has made payments on behalf of these entities.

Dividends obtained from joint ventures and associated companies are recorded, on the date they are attributed, as earnings under "Gains and losses on investments in subsidiaries, joint ventures and associates" in the income statement.

The expenses incurred with the acquisition of investments in joint ventures and associated companies are recorded as cost when they are incurred.

e) Financial instruments

Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, financial assets measured at amortised cost, financial assets at fair value through other comprehensive income. Its classification depends on the entity's business model to manage the financial assets and the contractual characteristics in terms of the cash flows of the financial asset.

Changes to the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, as equity instruments, which can never be reclassified to another category.

(i) Financial assets measured at amortised cost

Financial assets measured at amortised cost are those that are part of a business model with the purpose to hold financial assets to receive contractual cashflows, although these contractual cash flows can only be capital repayments and interest payments of capital in debt.

(ii) Financial assets at fair value through other comprehensive income

This category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in an entity);

- a) Of debt instruments, this category includes financial assets that correspond only to the payment of nominal value and interest, for which the business model followed by the management is the receipt of contractual cash flows or on time sale;
- b) Of equity instruments, this category includes the percentage of interest held in entities over which the Company does not exercise control, joint control, or significant influence, and which the Company irrevocably chose on the date of initial recognition to designate at fair value through other comprehensive income.

On 31 December 2022 and 2021, the Company did not hold assets classified at fair value through other comprehensive income.

(iii) Financial assets at fair value through profit or loss

This category includes debt instruments and equity instruments that do not meet the criteria for qualification as financial assets at amortised cost and which the Company has not classified as financial assets through other comprehensive income at the time of initial recognition. This category also includes all financial instruments whose contractual cash flows are not exclusively capital and interest.

Gains and losses resulting from the change in the fair value of assets measured at fair value through profit or loss are recognised in income for the year in which they occur in the respective caption "Gains and losses on assets recorded at fair value through profit or loss", which include income amounts interest and dividends.

On 31 December 2022 and 2021, the Company did not hold assets classified at fair value through profit or loss.

Financial assets are recognised in the Company's statement of financial position on the trade or contracting date, which is the date on which the Company undertakes to acquire the asset. At the initial moment, financial assets are recognised at fair value plus directly attributable transaction costs, except for assets at fair value through profit or loss in which transaction costs are immediately recognised in the income statement.

Financial assets are derecognised when: (i) the contractual rights of the Company expire upon receipt of their cash flows; (ii) the Company has transferred substantially all the risks and benefits associated with its detention; or (iii) notwithstanding that it retains a portion, but not substantially all the risks and rewards associated with its detention, the Company has transferred control over the assets.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in 'Interest income from financial assets measured at amortised cost' in 'Financial income'.

Financial assets at fair value through other comprehensive income, which are debt instruments, are subsequently measured at fair value through fair value changes recognised in other comprehensive

income, except for variations related to the recognition of impairment, interest income and gains/(losses) due to foreign exchange differences, which are recognised in income for the year. Financial assets at fair value through other comprehensive income are subject to impairment.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, the fair value changes are recorded directly in the other comprehensive income, in the Equity. Future reclassification is not possible, even after derecognition of the investment. Dividends obtained from these investments are recognised as gains, in results for the year, on the date they are attributed.

Financial assets and liabilities are offset and presented at net value, when and only when the Company has the right to offset the amounts recognised and intends to settle at the net value.

Financial liabilities

Financial liabilities and equity instruments are classified according to the contractual substance regardless of their legal form. Equity instruments are contracts that show a residual interest in the Company's assets after deducting liabilities. The equity instruments issued by the company are recorded at the amount received, net of the costs incurred with their issuance. Financial liabilities are derecognised only when they are extinguished, that is, when the obligation is settled, cancelled or expired.

Financial liabilities are classified into two categories:

- (i) Financial liabilities at amortised cost;
- (ii) Financial liabilities at fair value through profit or loss.

In accordance with IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, except for:

- f) Financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, should subsequently be measured at fair value;
- g) Financial liabilities that arise when a transfer of a financial asset does not meet the conditions for derecognition or when the continued involvement approach is applied;
- h) Financial guarantee contracts;

- i) Commitments to grant a loan at a lower interest rate than the market;
- j) The contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies. This contingent consideration should be subsequently measured at fair value, with changes recognised in profit or loss.

The category "Financial liabilities at amortized cost" includes liabilities presented under the heading Loans obtained (Note 1.i)), Trade payables and Other payables. These liabilities are initially recognised at the fair value net of transaction costs and are subsequently measured at amortised cost in accordance with the effective interest rate.

Financial liabilities are derecognised when the underlying obligations are extinguished by payment, are cancelled or expire.

On 31 December 2022 and 2021, the Company has only recognised liabilities classified as "Financial liabilities at amortized cost".

f) Rights of use and leasing

A lease is defined as a contract, or part of a contract, that transfers the right to use a good (the underlying asset) for a period of time in exchange for a value.

At the beginning of each contract, it is evaluated and identified whether or not the contract contains a lease. This evaluation involves an exercise of judgment as to whether each contract depends on a specific asset, if the Sonaecom as lessee obtain substantially all the economic benefits from the use of that asset and whether they have the right to control the use of the asset.

All contracts that constitute a lease are accounted by the lessee based on a single recognition model in the balance sheet.

At the date of commencement of the lease, the Company recognises the liability related to lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right of use or "ROU").

The interest on the lease liability and the depreciation of the ROU are recognised separately.

Lease liabilities are remeasured if certain events occur (such as a change in the lease period, a change in

future payments that result from a change in the reference rate or rate used to determine such payments). This remeasurement of the lease liability is recognised as an adjustment in the ROU.

Rights of use assets

The Company recognises the right to use assets at the start date of the lease (that is, the date on which the underlying asset is available for use).

The right to use assets are recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses and adjusted for any new measurement of lease liabilities. The cost of the right to use the assets includes the recognised amount of the lease liability, any direct costs incurred initially and payments already made prior to the initial rental date, less any incentives received and restoration costs, if exist.

Whenever the Company incurs an obligation to dismantle and remove a leased asset, restore the location in which it is located, or restore the underlying asset to the condition required by the lease terms and conditions, a provision is recognised, in accordance with terms of IAS 37. Expenses are included in the respective right of use.

Leasing incentives (eg.: rental grace periods) are recognised as elements for measuring the right of use and liabilities of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. Such payments are recognized as expenses in the year in which the event or condition giving rise to the payments occurs.

The Rights of use assets are depreciated according to the lease term, using the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Company obtains ownership of the leased asset at the end of the lease term, the recognised right to use the assets is depreciated on a straight-line basis over the shorter of its estimated useful life and the term of the lease.

Rights of use are subject to impairment.

Lease liabilities

At the date of commencement of the lease, the Company recognises the liabilities measured at the present value of the future payments to be made until the end of the lease.

Lease payments include fixed payments (including fixed payments on the substance), less any incentives to receive, variable payments, dependent on an index or rate, and expected amounts to be paid under residual value guarantees. The lease payments also include the exercise price of a call option if it is reasonably certain that the Company will exercise the option and penalties for termination of the lease if it is reasonably certain that the Company will terminate the lease.

Payments for non-lease components are not recognised as lease liabilities.

Variable payments that do not depend on an index or a rate are recognised as an expense in the period in which the event giving rise to them occurs.

For the calculation of the present value of the lease payments, the Company uses the incremental loan rate at the start date of the lease if the implied interest rate is not readily determinable.

After the starting date of the lease, the value of the lease liability increases to reflect the increase in interest and reduces the payments made. In addition, the book value of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or the purchase decision of the underlying asset.

g) Other receivables

'Other receivables' are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments. Impairment losses of 'Other receivables' are recorded in accordance with the principles described in the policy in note 1.t. The identified impairment losses are recorded in the income statement and other comprehensive income in 'Impairment losses' and subsequently reversed on the net income.

h) Cash and cash equivalents

Amounts included under the caption 'Cash and cash equivalents' correspond to amounts held in cash and term bank deposits and other treasury applications

with a maturity of less than three months, where the risk of any change in value is insignificant.

The cash flow statement has been prepared in accordance with IAS 7 – ‘Statement of Cash Flow’, using the direct method. The Company classifies, under the caption ‘Cash and cash equivalents’, investments that mature in less than three months, for which the risk of change in value is insignificant. The caption ‘Cash and cash equivalents’ in the cash flow statement also includes bank overdrafts, which are reflected in the statement of financial position caption ‘Loans’.

The cash flow statement is classified by operating, financing and investing activities. Operating activities include collections from customers, payments to suppliers, payments to personnel and other flows related to operating activities.

Cash flows from investing activities include the acquisition and sale of investments in associated, subsidiary, joint ventures and associated companies as well as receipts and payments resulting from the purchase and sale of fixed assets.

Cash flows from financing activities include payments and receipts relating to loans obtained, the payments of interest of lease contracts, as well as cash flows from the shareholders’ transactions in quality of shareholders.

All amounts included under this caption are likely to be realised in the short term and there are no amounts given or pledged as guarantee.

i) Loans

Loans are recorded as liabilities by the ‘amortised cost’. Any expenses incurred in setting up loans are recorded as a deduction to the nominal debt and recognised during the period of the loan, based on the effective interest rate method. The interests incurred but not yet due are added to the loans caption until their payment.

j) Financial expenses relating to loans

Financial expenses relating to loans are generally recognised as expenses at the time they are incurred. Financial expenses related to loans for the acquisition, construction or production of assets are capitalised as part of the cost of the assets. These expenses are capitalised starting from the time of preparation for the construction or development of the asset and are

interrupted when the assets are ready to operate, at the end of the production or construction phases or when the associated project is suspended.

k) Derivatives financial instruments

The Company only uses derivatives in the management of its financial risks to hedge against such risks. The Company does not use derivatives for trading purposes.

When the hedge accounting is adopted, the management documents, on the initial date of the hedge relationship, the economic relationship between the hedging instruments and the hedge instruments, including the condition of the hedging instruments to compensate or not the changes in the cash flows of the hedge instruments, in accordance with the Risk Management objectives and strategy defined for contracting hedge transactions.

The cash flow hedges used by the Company are related to:

- (i) Interest rate swaps operations to hedge against interest rate risks on loans obtained. The amounts, interest payment dates and repayment dates of the underlying interest rate swaps are similar in all respects to the conditions established for the contracted loans. Changes in the fair value of cash flow hedges are recorded in assets or liabilities, against a corresponding entry under the caption ‘Hedging reserves’ in Shareholders’ funds.
- (ii) Forward’s exchange rate for hedging foreign exchange risk. The values and times periods involved are identical to the amounts invoiced and their maturities.

In cases where the hedge instrument is not effective, the amounts that arise from the adjustments to fair value are recorded directly in the profit and loss statement.

On 31 December 2022 and 2021, the Company did not have any derivatives financial instruments.

l) Provisions and contingencies

Provisions are recognised when, and only when, the Company has a present obligation (either legal or implicit) resulting from a past event, the resolution of which is likely to involve the disbursement of funds by an amount that can be reasonably estimated.

Provisions are reviewed at the statement of financial position date and adjusted to reflect the best estimate at that date.

Provisions for restructurings are only registered if the Company has a detailed plan and if that plan has already been communicated to the parties involved.

The updating effect arising from the time value of money is recognized against 'Financial expenses' when relevant.

Contingent liabilities are not recognised in the financial statements but are disclosed in the notes, except if the possibility of a cash outflow affecting future economic benefits is remote.

Contingent assets are not recognised in the financial statements but are disclosed in the notes when future economic benefits are likely to occur.

m) Income Tax

'Income tax' expense represents the sum of the tax currently payable and deferred tax. Income tax is recognised in accordance with IAS 12 – 'Income Taxes'.

Since 1 January 2015, Sonaecom is under the special regime for the taxation of groups of companies, from which Sonae, SGPS is the dominant company. Tax losses generated by the companies controlled within the group were offset by the Group's dominant entity. Tax losses generated by the dominated companies not compensated in the year, they will be compensated as the Group recovers, taking into account the future taxable profits of the Group, and the amount to be compensated is registered in non-current assets in an account receivable from the Group. Each company records the income tax on its individual accounts, and the tax recorded is recorded against the group companies account. The special regime for the taxation of groups of companies covers all direct or indirect subsidiaries, and even through companies resident in another Member State of the European Union or the European Economic Area, only if, in the last case, there is an obligation of administrative cooperation, on which the Group holds at least 75% of their share capital, where such participation confers more than 50% of voting rights, if certain requirements are met.

Deferred taxes are calculated using the liability method and reflect the timing differences between the amount of assets and liabilities for accounting

purposes and the respective amounts for tax purposes.

In accordance with IAS 12, the company presents deferred tax assets and liabilities at net value, whenever:

- (i) the company has the legally exercisable right to compensate current tax assets and current tax liabilities;
- (ii) deferred tax assets and liabilities relate to income taxes recorded by the same tax authority and on the same taxable entity or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realize the assets and settle liabilities simultaneously, in future years when deferred taxes are expected to be settled or recovered.

'Deferred tax assets' are only recognised when there is reasonable expectation that sufficient taxable profits shall arise in the future to allow such deferred tax assets to be used. At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their realisation ceases to be probable, or increased if future taxable profits are, likely, enabling the recovery of such assets (note 9).

Deferred tax liabilities are recognised on all taxable temporary differences, except those related to: a) the initial recognition of Goodwill; or b) the initial recognition of assets or liabilities, which do not result from a concentration of business activities, and which at the date of the transaction do not affect the accounting or tax result.

Temporary differences associated with investments in subsidiaries, joint ventures and associates must also be recognised, except when the Company: (a) controls the timing of reversal of temporary differences; and b) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxes are calculated with the tax rate that is expected to be in force at the time the asset or liability will be used based on decreed tax rate or substantially decreed tax rate at relate date.

Whenever deferred taxes derive from assets or liabilities directly registered in Shareholders' funds, its recording is also made under the Shareholders' funds caption. In all other situations, deferred taxes are always recorded in the profit and loss statement.

The value of taxes recognised in the financial statements correspond to the understanding of Sonaec on the tax treatment of specific transactions being recognised liabilities relating to income taxes or other taxes based on interpretation that is performed and what is meant to be the most appropriate. In situations where such positions will be challenged by the tax authorities as part of their skills by their interpretation is distinct from Sonaecom, such a situation is the subject of review. If such a review, reconfirm the positioning of the Group concluded that the probability of loss of certain tax process is less than 50% Sonaecom treats the situation as a contingent liability, i.e. is not recognised any amount of tax since the decision more likely is that there will be no place for the payment of any tax. In situations where the probability of loss is greater than 50% is recognised a provision, or if the payment has been made, it is recognised the cost associated.

Tax impacts of IFRS 16 application

Considering the accounting impacts that result from the application of IFRS 16 - Leases, for a lessee, with the recognition of an asset under the right of use not typified in the tax law and the registration of a lease liability that is only taxally accepted for the payment of rents, management proceeded to recognise the respective deferred tax asset (on the lease liability) net of deferred tax liability (on the asset under direct use), on the initial and subsequent recognition date of the lease agreements. If the Tax Administration changes the tax law, the deferred taxes recognized may have to be revised / changed.

n) Accrual basis

Expenses and income are recorded in the year to which they relate, regardless of their date of payment or receipt. Estimated amounts are used when actual amounts are not known.

The captions 'Other non-current assets', 'Other current assets', 'Other non-current liabilities' and 'Other current liabilities' include expenses and income relating to the current year, where payment and receipt will occur in future years, as well as payments and receipts in the current year but which relate to future years. The latter shall be included by the corresponding amount in the results of the years to which they relate to.

The costs attributable to current year and whose expenses will only occur in future years are estimated

and recorded under the caption 'Other current liabilities' and 'Other non-current liabilities', when it is possible to estimate reliably the amount and the timing of occurrence of the expense. If there is uncertainty regarding both the date of disbursement of funds, and the amount of the obligation, the value is classified as Provisions (note 1.I).

o) Revenue

Revenue includes the fair value of the amount received or receivable for the rendering of services resulting from the debits of management fees to subsidiaries. The revenue is recognised net from taxes.

Dividends

Dividends are recognised when the Shareholders' rights to receive such amounts are appropriately established and communicated. Dividends received are recognised under 'Gains and losses on investments in subsidiaries, joint ventures and associates' in the income statement.

p) Fair value

The measurement of fair value presumes that an asset or liability is changed in an orderly transaction between market participants to see the asset or transfer the liability at the measurement date, under current market conditions.

The measurement of fair value is based on the assumption that the transaction of sell the asset or transfer the liability may occur:

- (i) In the main asset and liability market, or
- (ii) If the main asset and liability does not exist in the market in which an orderly transaction would take place for the asset or liability

The Company uses appropriate valuation techniques to the circumstances and for which there is sufficient data to measure fair value, maximizing the use of observable relevant data and minimizing the use of unobservable data.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which allocates the data to be used in the fair value measurement, into three levels detail below:

Level 1 - Unadjusted quoted prices for identical assets and liabilities in active markets, which the entity can access at the measurement date;

Level 2 - Valuation techniques that use inputs that are not quoted are directly or indirectly observable;
 Level 3 - Valuation techniques that use inputs not based on observable market data, ie, based on unobservable data.

The measurement of fair value is classified fully at the lowest level of the input that is significant for the measurement.

q) Reserves

Legal reserve

Portuguese commercial legislation requires that at least 5% of the annual net profit must be appropriated to a legal reserve, until such reserve reaches at least 20% of the share capital. This reserve is not distributable, except in case of liquidation of the Company, but may be used to absorb losses, after all the other reserves are exhausted, or to increase the share capital.

Own shares reserve

The own shares reserve reflects the acquisition value of the own shares and follows the same requirements of legal reserve.

Other reserves and Shares Premium

This caption includes retained earnings from previous years that are available for distribution and the share premium.

Additionally, the increments resulting from the application of fair value through equity components, including its implementation through net results, shall be distributed only when the elements that gave rise to them are sold, liquidated or exercised or when they finish their use, in the case of tangible or intangible assets. Therefore, on 31 December 2022, Sonaecom, have free reserves distributable amounting approximately EUR 9.39 million. To this effect were considered as distributable increments resulting from the application of fair value through equity components already exercised during the year ended on 31 December 2022.

r) Own shares

Own shares are recorded as a deduction of Shareholders' funds. Gains or losses related to the sale of own shares are recorded under the caption 'Other reserves'. While shares are owned for the Company must maintain an unavailable reserve equivalent to its book value.

s) Balances and transactions in foreign currency

The euro is the functional currency of presentation. All transactions in foreign currency are translated for the functional currency at the exchange rate of the transaction date. At each closing date, the exchange restatement of outstanding balances is carried out, applying the exchange rate in effect at that date.

Favourable and unfavourable foreign exchange differences resulting from changes in the rates in force at transaction date and those in force at the date of collection, payment or at the statement financial position date are recorded as income and expenses in the profit and loss statement in financial results.

The following rates were used for the translation into Euro:

	2022		2021	
	31 December	Average	31 December	Average
American Dollar	0.938	0.951	0.883	0.846

t) Assets impairment

Whenever the book value of an asset is greater than the amount recoverable, an impairment loss is recognised and recorded in the profit and loss statement under the caption 'Depreciation and amortisation' in the case of tangible assets and intangible assets or under the caption "Gains and losses on investments in subsidiaries, joint ventures and associated companies".

Non-financial assets impairment

Impairment tests are performed for assets with undefined useful life at the date of each statement of financial position and whenever an event or change of circumstances indicates that the recorded amount of an asset may not be recoverable.

Impairment tests are performed for assets with defined useful lives and investments in subsidiaries and joint ventures whenever there is evidence that their book value is higher than the recoverable value.

The recoverable amount is the greater of the net selling price and the value of use. Net selling price is the amount obtained upon the sale of an asset in a transaction within the capability of the parties involved, less the costs directly related to the sale. The value of use is the present amount of the estimated future cash flows expected to result from

the continued use of the asset and of its sale at the end of its useful life.

The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

For investments in associated companies of the group and for assets with defined useful lives, the recoverable amount, calculated in terms of value in use, is determined based on the most recent business plans duly approved by the Company's Board of Directors.

For the value of investments in joint ventures and associated, the recoverable amount is determined based on the Business Plans approved by the Executive Committee of the NOS Group, also taking into account other information such as the average of assessments carried out by external analysts (researches).

Non-financial assets, for which impairment losses have been recorded, are reviewed at each reporting date for reversal of these losses.

Financial assets impairment

The Company assesses at each reporting date the existence of impairment in financial assets at amortised cost. The expected loss results from the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

The objective of this impairment policy is to recognise expected credit losses over the duration of financial instruments that have undergone significant credit risk increases since initial recognition, assessed on an individual or collective basis, taking into account all reasonable and sustainable information, including prospects. If, at the reporting date, the credit risk associated with a financial instrument has not increased significantly since the initial recognition, the Company measures the provision for losses relating to that financial instrument by an amount equivalent to the expected credit losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates the impairment corresponding to expected losses for all contractual flows until the maturity of the asset.

Regarding accounts receivable under the heading "Other receivables", given the nature of these balances, the calculation of the impairment is not applicable based on the expected credit loss.

Regarding accounts receivable from related entities, which are not considered as part of the financial investment in these entities, credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due, ii) if the balance a low risk, or (iii) if it has a maturity of less than 12 months. In cases where the amount receivable is immediately payable and the related entity is able to pay, the probability of default is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related entity's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Company only assesses the probability of a default occurring for the cash flows that mature in the next 12 months.

For all other situations and nature of receivables, the Company applies the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

The Company prospectively assesses the estimated credit losses associated with the assets at amortized cost. The applied impairment methodology depends on whether or not there has been a significant increase in credit risk.

u) Medium-term incentive plans

The accounting treatment of Medium-Term Incentive Plans is based on IFRS 2 - 'Share-based Payments'.

Under IFRS 2, when the settlement of plans established by the Company involves the delivery of Sonaecom's own shares, the estimated responsibility is recorded, as a credit entry within the caption 'Shareholders' funds' and is charged as an expense under the caption 'Employee benefits expense' in the profit and loss statement.

The quantification of this responsibility is based on its fair value at the attribution date and is recognised over the vesting period of each plan (from the award date of the plan until its vesting or settlement date). The total responsibility, at any point in time, is calculated based on the proportion of the vesting period that has 'elapsed' up to the respective accounting date.

For plans settled in cash, the estimated liability is recorded under the statement of financial position captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Employee benefits expense', for the cost relating to the vesting period that has 'elapsed' up to the respective accounting date.

Equity-settled plans to be liquidated through the delivery of shares of Sonae SGPS are recorded as if they were settled in cash, which means that the estimated liability is recorded under the statement of financial position captions 'Other non-current liabilities' and 'Other current liabilities' by a corresponding entry under the profit and loss statement caption 'Employee benefits expense', for the cost relating to the deferred period elapsed. The liability is quantified based on the fair value of the shares as of each statement of financial position date.

When the liability is covered by a hedging contract, recognition is made in the same way as described above, but with the liability being quantified based on the contractually fixed amount.

On 31 December 2022, the plans granted during the year 2020, 2021 and 2022 are not covered, by the contract and so a liability is recorded at fair value was record. The responsibility of all plans is recorded under the captions 'Other non-current liabilities' and 'Other current liabilities'. The cost is recognised on the income statement under the caption 'Employee benefits expense'.

v) Distribution of dividends

The distribution of dividends to shareholders is recognised as a responsibility in the year in which the dividends are approved by the shareholders.

w) Subsequent events

Events occurring after the date of the statement of financial position which provide additional information about conditions prevailing at the time of the

statement of financial position ('adjusting events') are reflected in the financial statements. Events occurring after the statement of financial position date that provide information on post- statement of financial position conditions ('non-adjusting events'), when material, are disclosed in the notes to the financial statements.

x) Judgements and estimates

The most significant judgements and accounting estimates reflected in the financial statements of the years ended on 31 December 2022 and 2021 are as follows:

- (i) Impairment analysis of investments in subsidiaries, joint ventures and associated companies (notes 6,7 e 8);
- (ii) Recognition of impairment losses on assets (loans and trade debtors), provisions and analysis of contingent liabilities (notes 17 and 29); and
- (iii) Recoverability of deferred tax assets (note 9).

The estimates used are based on the best information available during the preparation of the financial statements and are based on the best knowledge of past and present events. Although future events are neither foreseeable nor controlled by the Company, some could occur and have impact on such estimates. Changes to the estimates used by the management that occur after the approval date of these consolidated financial statements, will be recognised in net income, in accordance with IAS 8 – 'Accounting Policies, Changes in Accounting Estimates and Errors', using a prospective methodology.

The mainly estimates and assumptions related to future events included in the preparation of the financial statements are described in the corresponding notes, when applicable

Impairment of non-financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, management assesses, namely n the projection of cash flows from assets included in business plans, growth rate in perpetuity and discount rate of cash flows.

The sensitivity analysis to the variation of the assumptions in the impairment calculation is reflected in notes 6 and 7.

Impairment of financial assets

The determination of impairment on financial assets involves significant estimates. In calculating this estimate, management assesses, among other factors, the duration and extent of the circumstances under which the recoverable amount of these assets may be lower than their book value. The balances of 'Other receivables' and 'Other current assets' are valued for factors such as default history, current market conditions, and estimated prospective information by reference to the end of each reporting year, the most critical evaluation elements for the purpose of analysing estimated credit losses.

The sensitivity analysis to the variation of the assumptions in the calculation of impairment is reflected in note 6.

Recoverability of deferred tax assets

'Deferred tax assets' are recognized only when there are reasonable expectations of sufficient future taxable income to use these deferred tax assets. At the end of each year, a review of the deferred taxes recorded is made, as well as of the unrecognized taxes, which are reduced whenever their future use is no longer probable to be used in the future, or recorded, provided that, and to the extent that, it becomes probable the generation of taxable profits in the future that allow their recovery.

The remaining judgments and indicators are indicated in the corresponding notes annexed, when applicable

y) Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk, liquidity risk and credit risk.

These risks arise from the unpredictability of financial markets, which affect the capacity to project cash flows and profits. The Company's financial risk management, subject to a long-term ongoing perspective, seeks to minimise potential adverse effects that derive from that uncertainty, using, every time it is possible and advisable, derivative financial instruments to hedge the exposure to such risks (note 1.k).

The Company is also exposed to equity price risks arising from equity investments, although they are usually maintained for strategic purposes.

Market risk**a) Foreign exchange risk**

Foreign exchange risk management seeks to minimise the volatility of investments and transactions made in foreign currency and contributes to reduce the sensitivity of results to changes in foreign exchange rates.

Whenever possible, the Company uses natural hedges to manage exposure, by offsetting credits granted and credits received expressed in the same currency. When such procedure is not possible, the Company adopts derivative financial hedging instruments (note 1. k).

Considering the reduced values of assets and liabilities in foreign currency, the impact of a change in exchange rate will not have significant impacts on the financial statements.

b) Interest rate risk

In the years ended on 31 December 2022 and 2021, Sonaecom has no indebtedness. However, Sonaecom has credit lines (note 16) that are indexed to variable rates.

Interest rate swaps and other derivatives are used to hedge future changes in cash flow relating to interest payments, when it is considered necessary. Interest rate swaps have the financial effect of converting the respective borrowings from floating rates to fixed rates. Under the interest rate swaps, the Company agrees with third parties (banks) to exchange, in pre-determined periods, the difference between the amount of interest calculated at the fixed contract rate and the floating rate at the time of re-fixing, by reference to the respective agreed notional amounts.

The counterparties of the derivative hedging instruments are limited to highly rated financial institutions, being the Company's policy, when contracting such instruments, to give preference to financial institutions that form part of its financing transactions. In order to select the counterparty for occasional operations, Sonaecom requests proposals and indicative prices from a representative number of banks in order to ensure adequate competitiveness of these operations.

In determining the fair value of hedging operations, the Company uses certain methods, such as option valuation and discounted future cash flow models,

using assumptions based on market interest rates prevailing at the statement of financial position date.

Comparative financial institution quotes for the specific or similar instruments are used as a benchmark for the valuation.

The fair value of the derivatives contracted, that are not considered as fair value hedges or the ones that are considered not sufficiently effective for cash flow hedge, are recognised under statement financial position and changes in the fair value of such derivatives are recognised directly in the profit and loss statement for the year.

Sonaecom's Board of Directors approves the terms and conditions of the financing with significant impact in the Company, based on the analysis of the debt structure, the risks and the different options in the market, particularly as to the type of interest rate (fixed/ variable).

Under the policy defined above, the Executive Committee is responsible for the decision on the occasional interest rate hedging contracts, through the monitoring of the conditions and alternatives existing in the market.

On 31 December 2022 and 2021, are not contracted any derivatives instruments of hedging of the interest rate changes.

Liquidity risk

The existence of liquidity in the Company requires the definition of some policies for an efficient and secure management of the liquidity, allowing us to maximise the profitability and to minimise the opportunity costs related with that liquidity.

The liquidity risk management has a threefold objective: (i) Liquidity, i.e., to ensure the permanent access in the most efficient way to obtain sufficient funds to settle current payments in the respective dates of maturity as well as any eventual not forecasted requests for funds, in the deadlines set for this; (ii) Safety, i.e., to minimise the probability of default in any reimbursement of application of funds; and (iii) Financial efficiency, i.e., to ensure that the Company maximises the value/ minimise the opportunity cost of holding excess liquidity in the short term.

The main underlying policies correspond to the variety of instruments allowed, the maximum acceptable level of risk, the maximum amount of exposure by counterparty and the maximum periods for investments.

The existing liquidity should be applied to the alternatives and by the order described below:

- (i) Amortisation of short-term debt – after comparing the opportunity cost of amortisation and the opportunity cost related to alternative investments.
- (ii) Consolidated management of liquidity – the existing liquidity in group companies, should mainly be applied in group companies, to reduce the use of bank debt at a consolidated level; and
- (iii) Applications in the market.

The applications in the market are limited to eligible counterparties, with ratings previously established by the Board of Directors and limited to certain maximum amounts by counterparty.

The definition of maximum amounts intends to assure that the application of liquidity in excess is made in a prudent way and taking into consideration the best practices in terms of bank relationships.

The maturity of applications should equalise the forecasted payments (or the applications should be easily convertible, in case of asset investments, to allow urgent and not estimated payments), considering a threshold for eventual deviations on the estimates. The threshold depends on the accuracy level of treasury estimates and would be determined by the business. The accuracy of the treasury estimates is an important variable to quantify the amounts and the maturity of the applications in the market.

Considering the low value of the liabilities of the company is understood that the liquidity risk is very low.

Credit risk

The Company's exposure to credit risk is mainly associated with the accounts receivable related to current operational activities, cash investments and other non-current assets supplies.

(i) Cash and cash equivalents

Sonaecom holds financial assets arising from its relationship with subsidiary and with financial institutions (note 13). There is a credit risk associated with the potential pecuniary default of the Financial Institutions that are counterparts in these relationships, however, in general, the exposure related to this type of financial assets is widely diversified and of limited duration in time.

Credit risk associated with relationships with financial institutions is limited by the management of risk concentration and a rigorous selection of counterparties with a high prestige and national and international recognition and based on their respective ratings, taking into account the nature, maturity and size of operations.

The Company uses credit assessment agencies and has specific departments for credit control, collection and litigations' management, as well as credit insurance, which help to mitigate such risk. The management of this risk is aimed at ensuring the effective collection of its credits within the established deadlines without affecting the financial balance of the Company.

(ii) Loans granted to related parties

There are no impairment losses for Loans granted to related parties.

Loans granted to related parties (note 8) are considered to have low credit risk and, therefore, impairment losses recognised during the year are limited to estimated credit losses at 12 months. These financial assets are considered to have "low credit risk" when they have a low impairment risk and the borrower has a high capacity to meet its contractual cash flow liabilities in the short term.

(iii) Other receivables

To measure the expected credit losses, the unpaid amounts and contractual assets were grouped based on the common credit risk characteristics and the days of late payment. The expected loss rates are based on the sales payment profiles over a period of 48 months (4 years) before 31 December 2022, and the corresponding historical credit losses verified during this period. Historical loss rates are adjusted to reflect current and prospective information on macroeconomic factors that affect customers' ability to settle outstanding amounts.

As such, the impairment losses on 31 December 2022 and 2021 were determined considering these assumptions of IFRS 9.

Considering the afore mentioned policies, the Board of Directors does not foresee the possibility of any occurrence of any material breach of contractual obligations.

The amounts related to cash and cash equivalents, other non-current assets (loans granted) and other third-party debts presented in the financial statements, which are net of impairment, represent the maximum exposure of the Company to credit risk.

Capital risk

Sonaecom's capital structure, determined by the ratio of equity and net debt, is managed in a way that ensures the continuity and development of its operating activities, maximises shareholder returns and optimises the cost of financing.

Sonaecom periodically monitors its capital structure, identifying risks, opportunities and necessary adjustment measures in order to achieve the referred objectives.

The activity is financed using shareholder capital.

2. Property, plant and equipment

The changes in Property, plant and equipment and in the corresponding accumulated depreciation and impairment losses in the years ended on 31 December 2022 and 2021 was as follows:

							2022
	Buildings and other constructions	Plant and machinery	Vehicles	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets							
Balance on 31 December 2021	347,208	43,858	22,060	171	248,961	101	662,359
Disposals and write-offs	(308,690)	(43,858)	-	(171)	(242,716)	(101)	(595,536)
Balance on 31 December 2022	38,518	-	22,060	-	6,245	-	66,823
Accumulated depreciation							
Balance on 31 December 2021	345,191	43,858	22,060	171	248,716	101	660,097
Depreciation for the year	494	-	-	-	245	-	739
Disposals and write-offs	(308,690)	(43,858)	-	(171)	(242,716)	(101)	(595,536)
Balance on 31 December 2022	36,995	-	22,060	-	6,245	-	65,300
Net value	1,523	-	-	-	-	-	1,523

							2021
	Buildings and other constructions	Plant and machinery	Vehicles	Tools	Fixtures and fittings	Other tangible assets	Total
Gross assets							
Balance on 31 December 2020	347,208	43,858	22,060	171	248,961	101	662,359
Balance on 31 December 2021	347,208	43,858	22,060	171	248,961	101	662,359
Accumulated depreciation							
Balance on 31 December 2020	344,697	43,858	22,060	171	248,222	101	659,109
Depreciation for the year	494	-	-	-	494	-	988
Balance on 31 December 2021	345,191	43,858	22,060	171	248,716	101	660,097
Net value	2,017	-	-	-	245	-	2,262

3. Intangible assets

The changes in intangible assets and the corresponding accumulated amortisation in the years ended on 31 December 2022 and 2021 was as follows:

				2022
	Brands patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance on 31 December 2021	11,522	195,879	-	207,401
Aditions	1,932	-	5,200	7,132
Disposals and write-offs	-	(168,228)	-	(168,228)
Balance on 31 December 2022	13,454	27,651	5,200	46,305
Accumulated amortisation				
Balance on 31 December 2021	10,340	195,375	-	205,715
Amortisation for the year	443	504	-	947
Disposals and write-offs	-	(168,228)	-	(168,228)
Balance on 31 December 2022	10,783	27,651	-	38,434
Net value	2,671	-	5,200	7,871

				2021
	Brands patents and other rights	Software	Intangible assets in progress	Total
Gross assets				
Balance on 31 December 2020	11,522	195,879	-	207,401
Balance on 31 December 2021	11,522	195,879	-	207,401
Accumulated amortisation				
Balance on 31 December 2020	10,150	194,797	-	204,947
Amortisation for the year	190	578	-	768
Balance on 31 December 2021	10,340	195,375	-	205,715
Net value	1,182	504	-	1,686

4. Rights of use assets

For the years ended on 31 December 2022 and 2021, the changes occurred in the value of the rights of use, as well as its depreciations and amortisations, were as detailed below:

		2022
	Vehicles	Total
Gross assets		
Balance on 31 December 2021	158,213	158,213
Disposals and write-offs	(71,533)	(71,533)
Balance on 31 December 2022	86,680	86,680
Accumulated depreciation		
Balance on 31 December 2021	92,202	92,202
Depreciation for the year	23,210	23,210
Disposals and write-offs	(30,177)	(30,177)
Balance on 31 December 2022	85,235	85,235
Net value	1,445	1,445

		2021
	Vehicles	Total
Gross assets		
Balance on 31 December 2020	123,696	123,696
Additions	34,517	34,517
Balance on 31 December 2021	158,213	158,213
Accumulated depreciation		
Balance on 31 December 2020	59,202	59,202
Depreciation for the year	33,000	33,000
Balance on 31 December 2021	92,202	92,202
Net value	66,011	66,011

5. Breakdown of financial instruments

On 31 December 2022 and 2021, the breakdown of financial instruments, according to IFRS 9, was as follows:

				2022
	Assets measured at amortised cost	Total financial assets	Others not covered by IFRS9	Total
Non-current assets				
Other non-current assets (note 8)	16,577,313	16,577,313	4,682,834	21,260,147
	16,577,313	16,577,313	4,682,834	21,260,147
Current assets				
Income tax assets (note 10)	-	-	819,626	819,626
Other receivables (note 11)	160,122	160,122	251,836	411,958
Other current assets (note 12)	130,097	130,097	38,100	168,197
Cash and cash equivalents (note 13)	301,353,321	301,353,321	-	301,353,321
	301,643,540	301,643,540	1,109,562	302,753,102

				2021
	Assets measured at amortised cost	Total financial assets	Others not covered by IFRS9	Total
Non-current assets				
Other non-current assets (note 8)	23,100,473	23,100,473	181,140,605	204,241,078
	23,100,473	23,100,473	181,140,605	204,241,078
Current assets				
Income tax assets (note 10)	-	-	788,383	788,383
Other receivables (note 11)	67,919	67,919	151,349	219,268
Other current assets (note 12)	64,175	64,175	37,702	101,877
Cash and cash equivalents (note 13)	242,946,357	242,946,357	-	242,946,357
	243,078,451	243,078,451	977,434	244,055,885

				2022
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9	Total
Non-current liabilities				
Other non-current liabilities (note 19)	-	-	132,125	132,125
	-	-	132,125	132,125
Current liabilities				
Other payables (note 20)	1,509,845	1,509,845	10,868	1,520,713
Lease liabilities (note 18)	-	-	1,563	1,563
Other current liabilities (note 21)	374,719	374,719	228,414	603,133
	1,884,564	1,884,564	240,845	2,125,409
2021				
	Liabilities recorded at amortised cost	Total financial liabilities	Others not covered by IFRS 9	Total
Non-current liabilities				
Lease liabilities (note 18)	-	-	34,762	34,762
Other non-current liabilities (note 19)	-	-	185,140	185,140
	-	-	219,902	219,902
Current liabilities				
Other payables (note 20)	1,276,516	1,276,516	25,492	1,302,008
Lease liabilities (note 18)	-	-	32,707	32,707
Other current liabilities (note 21)	589,044	589,044	172,009	761,053
	1,865,560	1,865,560	230,208	2,095,768

Considering the nature of the balances, the amounts to be paid and received to/from State and other Public Entities as well as the specialised costs with the action plan, given their nature, were considered as financial instruments not covered by IFRS 9. On the other hand, the deferred costs/profits recorded in the captions other current and non-current assets and liabilities, were considered as non-financial instruments.

The Sonaecom's Board of Directors believes that the fair value of the breakdown of financial instruments recorded at amortised cost or registered at the present value of the payments does not differ significantly from their book value. This decision is based in the contractual terms of each financial instrument.

6. Investments in subsidiaries

On 31 December 2022 and 2021, this caption included the shares of capital held in group companies and had the following composition:

Company	2022	2021
Sonae Investment Management - Software and Technology, SGPS, S.A. ("Sonae IM")	52,241,587	52,241,587
Público - Comunicação Social S.A. ('Público')	38,337,204	35,037,204
PCJ - Público Comunicação e Jornalismo S.A. ('PCJ')	24,456,948	24,456,948
Sonaecom - Serviços Partilhados S.A. ('Sonaecom SP')	-	8,050,000
Bright Tech Innovation I - Fundo de Capital de Risco (Bright Tech Innovation I)	3,000,000	3,000,000
	118,035,739	122,785,739
Impairment losses (note 17)	(54,899,520)	(48,450,447)
Total investments in subsidiaries	63,136,219	74,335,292

In the years ended on 31 December 2022 and 2021, the total amount of impairment losses is related with the subsidiaries Público, PCJ and Bright Tech Innovatio I in the amounts of EUR 38,337,204 (EUR 35,037,204 in 2021), EUR 16,423,300 (EUR 13,413,243 in 2021) and EUR 139,016, respectively (note 17).

The changes that occurred in investments in this caption during the years ended on 31 December 2022 and 2021 were as follows:

Company	Balance at 31 December 2021	Additions	Disposals	Transfers and write-offs	Balance at 31 December 2022
Sonae IM	52,241,587	-	-	-	52,241,587
Público	35,037,204	3,300,000	-	-	38,337,204
PCJ	24,456,948	-	-	-	24,456,948
Sonaecom SP	8,050,000	-	(8,050,000)	-	-
Bright Tech Innovation I	3,000,000	-	-	-	3,000,000
	122,785,739	3,300,000	(8,050,000)	-	118,035,739
Impairment losses (note 17)	(48,450,447)	(6,449,073)	-	-	(54,899,520)
Total investments in subsidiaries	74,335,292	(3,149,073)	(8,050,000)	-	63,136,219

Company	Balance at 31 December 2020	Additions	Disposals	Transfers and write-offs	Balance at 31 December 2021
Sonae IM	52,241,587	-	-	-	52,241,587
Público	33,537,204	1,500,000	-	-	35,037,204
PCJ	24,456,948	-	-	-	24,456,948
Sonaecom SP	8,050,000	-	-	-	8,050,000
Bright Tech Innovation I	3,000,000	-	-	-	3,000,000
	121,285,739	1,500,000	-	-	122,785,739
Impairment losses (note 17)	(45,764,130)	(1,318,574)	-	(1,367,743)	(48,450,447)
Total investments in subsidiaries	75,521,609	181,426	-	(1,367,743)	74,335,292

On 10 November 2022, Sonaecom sold the entire share capital and respective voting rights of Sonaecom SP to its subsidiary Sonae IM for the amount of EUR 12,135,624, with the capital gain of this operation (EUR 4,085,624) reflected in the heading 'Gains and losses on investments in subsidiaries, joint ventures and associates' (Note 25).

In the year ended on 31 December 2022, the increase of EUR 3,300,000 in Público corresponds to an increase in share capital in the amount of EUR 2,000,000 and the coverage of losses in the amount of EUR 1,300,000, paid up in cash.

For the year ended on 31 December 2021, the 'Additions' in Público in the amount cash EUR 1,500,000 corresponds to a capital increase made in cash.

The amount of 'Transfers and write-offs' in 'Impairment losses' for the year ended on 31 December 2021, corresponds to the reallocation of the impairment of Público's supplementary capital due from the capital increase (notes 8 and 17).

On 31 December 2022 and 2021, the main financial information (according to IFRS standards) regarding the subsidiaries and joint ventures directly owned by the company is as follows:

(Amounts expressed in thousand Euro)	Company	Head office	2022			2021		
			% Holding	Shareholders' Funds	Net Profit / (Loss)	% Holding	Shareholders' Funds	Net Profit / (Loss)
	NOS (note 7) (a) *	Matosinhos	26.075%	1,052	225	-	-	-
	ZOPT (note 7) (a)	Matosinhos	-	-	-	50%	2,126	120
	Sonae IM (b)	Maia	100%	239,804	83,966	100%	206,773	65,122
	PCJ	Maia	100%	8,611	132	100%	11,345	117
	Público	Maia	100%	4,703	(2,084)	100%	3,298	(1,917)
	Bright Tech Innovation I (c)	Maia	10%	28,610	(602)	10%	29,212	(651)
	Sonaecom SP (d)	Maia	-	-	-	100%	12,094	264

(a) Consolidated Financial Statements

(b) Separate financial statements

(c) Percentage of direct participation. The direct and indirect percentage share is 50%. The Company controls the Management Society of this Fund.

(d) On 10 November 2022, Sonaecom sold the entire share capital and voting rights of Sonaecom SP to Sonae IM

* On 31 December 2022, the market capitalization of NOS amounted to 508.3 million euros.

The measurement of the existence or not of impairment of the main amounts of interests in group companies recorded in financial statements is made considering the cash generating units, based on the last business plans approved by the Group's Board of Directors made on an annual basis unless there are indications of impairment, which are prepared using cash flows projected for 5 years (between 2 and 5 years in 2021).

On 31 December 2022 and 2021, the assumptions used are based on the subsidiaries' various businesses and the growth in the various geographic areas where the subsidiaries operate:

2022	Technologies		Media
	Retail	Cybersecurity	
Assumptions	Value in use	Value in use	Value in use
Basis of recoverable amount	Value in use	Value in use	Value in use
Discount rate	7.25%	-	7.50%
Growth rate in perpetuity	3%	-	0.01%

2021	Technologies		Media
	Retail	Cybersecurity	
Assumptions	Value in use	Value in use	Value in use
Basis of recoverable amount	Value in use	Value in use	Value in use
Discount rate	6.25%	6% - 6.25%	7.25%
Growth rate in perpetuity	3%	3%	0.01%

The average growth rate considered for the turnover in the projected period was 27.1% for the Technologies sector, respectively (30.6% in 2021) and 3% for the Media sector (4.2% in 2021).

The discount rates used are based on the weighted average capital costs estimated based on the segments and geographies where the companies are included.

The analysis of the impairment and the review of the impairment projections and tests have not lead to losses, during the year ended at 31 December 2022, beyond the amounts registered in the income statement (note 17).

For the sensitivity analysis made, required by IAS 36 - Impairment of Assets, varying the discount rate by 0.1 pp in the media sector and in the technology sector or in the perpetuity growth rate, would not lead to material changes in the recovery amounts.

7. Investments in joint ventures and associated companies

On 31 December 2022 and 2021, this caption included the following investments in joint ventures and was as follows:

Empresa	2022	2021
Empresas asociadas		
NOS SGPS, S.A ('NOS')	669.276.019	-
Emprendimientos conjuntos		
ZOPT SGPS S.A. ('ZOPT')	-	591.901.459
	669.276.019	591.901.459
Perdas de imparidade (Nota 17)	(16.203.303)	(22.532.329)
Investimentos em empreendimentos conjuntos e associadas	653.072.716	569.369.130

In the third quarter of 2022, Sonaecom resolved the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the ZOPT General Meeting held on 28 September, it was decided to amortize Sonaecom's participation in that company, and refund the supplementary capital made by it (note 8), in return for the delivery of the proportion held in net assets of the company, corresponding to shares representing 26.07% of the share capital of NOS, which are not encumbered, and other net monetary means (around EUR 37 million). Pursuant to the aforementioned resolution, Sonaecom ceases to be a shareholder in ZOPT and now holds a direct participation in NOS, corresponding to 26.07% of the share capital, this resolution corresponding to a return on invested capital.

In the absence of a specific treatment definition in IAS 27 for the registration of a consideration for the amortization of the capital of an investment in joint ventures, carried out in kind by the delivery of the interest held by the latter in an entity that qualifies as an associate, the Company applied by analogy to the provisions listed for subsidiaries, and measured the financial holding in NOS at the book value of the investment previously held in ZOPT, after deducting the value of net cash received.

Until September 2022, ZOPT was a joint venture of Sonaecom, Kento Holding Limited and Unitel International Holdings BV, created as a holding for participation in NOS SGPS, SA ("NOS"). ZOPT held 52.15% of participation in NOS.

The changes that occurred in this caption during the years ended on 31 December 2022 and 2021 were as follows:

Company	Balance on 31 December 2021	Additions	Disposals	Transfers	Balance on 31 December 2022
NOS	-	-	-	669,276,019	669,276,019
ZOPT	591,901,459	-	(37,625,440)	(554,276,019)	-
	591,901,459	-	(37,625,440)	115,000,000	669,276,019
Impairment losses (note 17)	(22,532,329)	-	6,329,026	-	(16,203,303)
Investments in joint ventures and associated companies	569,369,130	-	(31,296,414)	115,000,000	653,072,716

Company	Balance on 31 December 2020	Additions	Disposals	Transfers	Balance on 31 December 2021
ZOPT	597,666,944	-	(5,765,485)	-	591,901,459
	597,666,944	-	(5,765,485)	-	591,901,459
Impairment losses (note 17)	-	(22,532,329)	-	-	(22,532,329)
Investments in joint ventures and associated companies	597,666,944	(22,532,329)	(5,765,485)	-	569,369,130

On 31 December 2022, the item "Transfers" is related to the operation of the resolution of the Shareholders' Agreement that governed the relations between ZOPT's shareholders.

On 31 December 2021, the item "Decreases" refers to the part of the share premium distribution associated with its participation in ZOPT approved by the General Meeting.

During the year ended on 31 December 2021, the Company received the amount of EUR 68,917,696 referring to dividends from ZOPT SGPS (note 25).

In the year ended on 31 December 2022, the impairment tests carried out on the part of the capital invested in NOS led to the reverse of impairment losses in the amount of EUR 6,329,026 (note 17).

In the year ended on 31 December 2021, the impairment tests carried out on the part of the capital invested in ZOPT led to the recording of impairment losses in the amount of EUR 22,532,329 (note 17).

In the sensitivity analysis carried out by Sonaecom, varying the discount rate and the perpetuity growth rate by 0.1 p.p., it would lead to an impairment of about 2.9% and 2.4%, respectively, of the total investment value.

The Board of Directors considers that the market price of the shares representing the share capital of NOS, SA, on 31 December 2022, does not reflect their fair value. The Board of Directors considers that the company's use value represents, at the present date, the best estimate of the fair value of that company.

In this way, the assessment of the existence or not of impairment is determined taking into account various information such as the business plan approved by the NOS Board of Directors for 5 years, whose implicit average growth rate of the operating margin amounts to 2.4% (2.8% in 2021).

	2022	2021
Assumptions	NOS SGPS	NOS SGPS
Basis of recoverable amount	Value in use	Value in use
Discount rate	6.5% - 9.4%	5.3% - 8%
Growth rate in perpetuity	2.0%	1.4%

8. Other non-current assets

On 31 December 2022 and 2021, this caption can be decomposed as follows:

	2022	2021
Financial assets		
Medium and long-term loans granted to subsidiaries and joint-ventures:		
Sonae IM (note 28)	16,570,000	23,095,000
	16,570,000	23,095,000
Supplementary capital:		
Zopt	-	115,000,000
Sonae IM	-	61,278,190
Público	7,407,796	7,407,796
PCJ	83,052	83,052
	7,490,848	183,769,038
	24,060,848	206,864,038
Accumulated impairment losses (note 17)	(2,808,014)	(2,628,433)
Others	7,313	5,473
	21,260,147	204,241,078

In the year ended on 31 December 2022 the amount of impairment losses is related entirely to the subsidiary Público in the amount of EUR 2,808,014 (EUR 2,628,433 in 2021).

During the years ended on 31 December 2022 and 2021, the changes that occurred under the caption 'Medium and long-term loans granted to subsidiaries and joint ventures were as follows:

				2022
Company	Opening balance	Increases	Decreases	Closing balance
Sonae IM	23,095,000	-	(6,525,000)	16,570,000
	23,095,000	-	(6,525,000)	16,570,000

				2021
Company	Opening balance	Increases	Decreases	Closing balance
Sonae IM	21,640,000	16,570,000	(15,115,000)	23,095,000
	21,640,000	16,570,000	(15,115,000)	23,095,000

During the years ended on 31 December 2022 and 2021, the movements in the caption Supplementary capital were as follows:

					2022
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
ZOPT	115,000,000	-	-	(115,000,000)	-
Sonae IM	61,278,190	29,641,390	(90,919,580)	-	-
Público	7,407,796	-	-	-	7,407,796
PCJ	83,052	-	-	-	83,052
	183,769,038	29,641,390	(90,919,580)	(115,000,000)	7,490,848

					2021
Company	Opening balance	Increases	Decreases	Transfers	Closing balance
ZOPT	115,000,000	-	-	-	115,000,000
Sonae IM	74,346,721	29,831,469	(42,900,000)	-	61,278,190
Público	6,807,796	600,000	-	-	7,407,796
PCJ	83,052	-	-	-	83,052
	196,237,569	30,431,469	(42,900,000)	-	183,769,038

In the year ended on 31 December 2022, the decrease in Supplementary capital in relation to ZOPT is related to the operation of the resolution of the Shareholders' Agreement that governed the relations between the shareholders of ZOPT (Note 7).

The increases and decreases in Supplementary capital in Sonae IM, Público and PCJ are related to the equity and financial position of each of the companies.

Loans granted to subsidiaries and joint ventures have a repayment (shareholders loans) term of more than one year, and the repayment term after this period is not defined, so information on its maturity is not presented.

During the years ended 31 December 2022 and 2021, loans granted to subsidiaries and joint ventures earned interest at an average rate of 2.90% and 2.60%, respectively. Supplementary capital does not bear interest and do not have a repayment term.

The assessment of the existence or not of impairment for the main loans granted to group companies recorded in the financial statements is made based on the latest business plans approved by the respective Boards of Directors, which are prepared using projected cash flows for periods of 5 years, based on the discount and growth rates in perpetuity presented in Notes 6 and 7.

9. Deferred taxes

On 31 December 2022 and 2021 the total amount of deferred tax has the following composition:

	2022	2021
Tax provisions not accepted	81,121	83,638
Tax benefits	2,034,892	2,403,477
	2,116,013	2,487,115

The changes in deferred tax assets for the years ended at 31 of December 2022 and 2021 were as follows:

	2022	2021
Opening balance	2,487,115	2,543,356
Variation in provisions not accepted for tax purposes	(2,517)	15,282
Variation in tax benefits	(368,585)	(71,523)
Closing balance	2,116,013	2,487,115

During 2020, the Company subscribed units of participation in the private investment fund Bright Tech Innovation I. This fund aims to invest in companies dedicated to research and development, which, in particular, have a technological or underlying basis for their activity an innovative business concept. In compliance with the Investment Tax Code (CFI) and, as usual in the scope of obtaining SIFIDE, the Company presented in 2021 an application to SIFIDE under the terms of paragraph f), paragraph 1 of article 37 of CFI.

In the year ended 31 December 2022, the Company recorded deferred tax assets in the amount of EUR 2,034,892 (EUR 2,403,477 in 2021) related to this benefit. Expenses that, due to insufficient collection, cannot be deducted in the period, may be deducted until 2030.

Since Sonaecom is included in the group of companies taxed under the Special Taxation Regime Group of Companies (RETGS), of which Sonae SGPS is the dominant company, the total IRC that will no longer be paid is shown at the level of Group, without prejudice to the right of recourse by the tax due to the Company, under the terms and for the purposes of article 115° of the CIRC.

On 31 December 2022 and 2021, an assessment was made of deferred taxes to be recognised, which essentially results of tax benefits and other temporary differences. Deferred tax assets were recorded only to the extent that it is probable, with reasonable certainty, that in future taxable income they will be usable. This assessment was based on the business plans approved by the Boards of Directors of the companies and the recovery capacity of the Fiscal Group.

On 31 December 2022 and 2021, the amount of deferred taxes of unrecorded tax losses not recorded were EUR 1,989,007 (generated in 2014 and available for use up to 2028). Additionally, there are impairment losses in amount of EUR 73,910,837 (EUR 73,611,209 in 2021) that did not need to do registration of deferred tax assets, but which can be used in the case of liquidation of the respective companies.

On 31 December 2022 and 2021, the tax rate used to calculate deferred tax assets related to tax losses was 21%. In the case of temporary differences, namely of not accepted provisions and impairment losses, the rate used in 2022 and 2021 was 22.5%.

The state surcharge was not considered as deferred tax, as it was understood to be unlikely the taxation of temporary differences during the estimated period when the referred rate will be applicable.

The reconciliation between the earnings before tax and the tax recorded for the years ended on 31 December 2022 and 2021 is as follows:

	2022	2021
Earnings before tax	7,366,201	46,531,462
Tax (21%)	(1,546,902)	(9,771,607)
Autonomous taxation and surcharge	(17,331)	(10,167)
Temporary differences from the year without record deferred tax	(66,341)	(5,007,590)
Adjustments of results not tax deductible	1,432,322	14,800,866
Tax benefits use from deferred tax assets recorded in previous years by Fiscal Group	1,616	71,523
Recorded/(utilization) of deferred tax from tax benefits	2,913	(71,523)
Income taxation recorded in the period (note 27)	(193,723)	11,502

The tax rate used to reconcile the tax expense and the accounting profit was 21% in the years of 2022 and 2021 because it is the standard rate of the corporate income tax in Portugal in 2022 and 2021.

In the year ended on 31 December 2022, the caption 'Adjustments to results not accepted for tax deductible' essentially refers to capital gains in the amount of EUR 4,085,625 (Note 6 and 25) and dividends received in the amount of EUR 2,805,624 euros (note 25) which do not contribute to the formation of taxable income for the year.

In the year ended on 31 December 2021, "Adjustments of results not tax deductible" refer essentially to dividends received in the amount of EUR 68,917,696 (note 28) and the amount received under the Special Regime for Settlement of Tax and Social Security Debts ('RERD - Regime Especial de Regularizações de Dívidas ao Fisco e Segurança Social'), in the amount of EUR 1,597,605 (note 23), which do not contribute to the formation of taxable profit for the year.

The "Adjustments of results not tax deductible" referring to 2022 and 2021 also includes adjustments that do not contribute to taxable income for the year.

In the year ended on 31 December 2022 and 2021, "Temporary differences from the year without record deferred tax assets" refers essentially to impairments of financial investments recorded in the year (note 17).

Portuguese Tax administration can review the income tax returns of the Company for a period of four years (five years for Social Security), except when tax losses have been generated, tax benefits have been granted or when any review, claim or impugnation is in progress, in which circumstances, the periods are extended or suspended.

The Board of Directors believes that any correction that may arise as a result of such review would not produce a significant impact in the accompanying financial statements.

Supported by the Company's lawyers and tax consultants, the Board of Directors believes that there are no liabilities not provisioned in the financial statements, associated to probable tax contingencies that should have been registered or disclosed in the accompanying financial statements on 31 December 2022.

10. Income tax receivable

On 31 December 2022 and 2021, the caption 'Income tax receivable' had the following composition:

	2022	2021
Special account payment	736,956	705,712
Corporate income tax	82,670	82,671
	819,626	788,383

The heading 'Special account payment' is essentially composed by previous values to Special Taxation Regime Group of Companies of which Sonae SGPS is the dominant company, and for which reimbursement was requested.

11. Other receivables

On 31 December 2022 and 2021, this caption can be detailed as follows:

	2022	2021
Trade debtors	160,122	67,919
State and other public entities	251,836	151,349
	411,958	219,268

On 31 December 2022 and 2021, the caption 'Other receivables' included amounts receivable from various group companies. Given the nature of this caption, it is the Board Directors belief that it does not present a credit risk (note 28).

On 31 December 2022 and 2021, the caption 'State and other public entities' corresponds to Value Added Tax.

12. Other current assets

On 31 December 2022 and 2021, this caption had the following composition:

	2022	2021
Accrued income		
Interest receivable (note 28)	108,818	58,749
Invoices to be issued	14,029	-
Other accrued income	7,250	5,426
	130,097	64,175
Deferred costs		
Insurance	35,965	37,471
Other deferred costs	2,135	231
	38,100	37,702
	168,197	101,877

13. Cash and cash equivalents

On 31 December 2022 and 2021, the breakdown of 'Cash and cash equivalents' was as follows:

	2022	2021
Cash	116	280
Bank deposits repayable on demand	206,353,205	240,871,077
Treasury applications	95,000,000	2,075,000
	301,353,321	242,946,357

On 31 December 2022 and 2021, the detail of the 'Treasury applications' is as follows:

	2022	2021
Bank applications	95,000,000	-
Sonae IM (note 28)	-	2,075,000
	95,000,000	2,075,000

In the years ended on 31 December 2022 and 2021, Sonaecom entered financial transaction contracts with Sonae SGPS, Sonae IM. During the year of 2020, Sonaecom entered financial transaction contracts with Público. As a result of these financial transactions, income was registered in the note 26.

The treasury applications immediately available, mentioned above, were paid-off during the year ended on 31 December 2022 with an interest average rate of 0.58% (0.31% in 2021).

14. Share capital

On 31 December 2022 and 2021, the share capital of Sonaecom was comprised by 311,340,037 ordinary shares registered of EUR 0.74 each. At those dates, the Shareholder structure was as follows:

	2022		2021	
	Number of shares	%	Number of shares	%
Sontel BV	194,063,119	62.33%	194,063,119	62.33%
Sonae SGPS	81,649,474	26.23%	81,022,964	26.02%
Shares traded on the Portuguese Stock Exchange ('Free Float')	30,056,430	9.65%	30,682,940	9.86%
Own shares (note 15)	5,571,014	1.79%	5,571,014	1.79%
	311,340,037	100.00%	311,340,037	100.00%

All shares that comprise the share capital of Sonaecom, are authorised, subscribed and paid. All shares have the same rights and each share corresponds to one vote.

15. Own shares

During the years ended on 31 December 2022 and 2021, Sonaecom did not acquired, sold or delivered own shares, whereby the amount held to date is of 5,571,014 own shares representing 1.79% of its share capital, at an average price of EUR 1.515.

16. Loans

Short-term loans and other loans

In the years ended on 31 December 2022 and 2021, Sonaecom is not using a short-term credit line, although it has a bank credit line in the form of current or overdraft account commitments, in the amount of EUR 1 million. This credit line has maturities up to one year, automatically renewable, except in case of termination by either party, with some periods of notice.

The credit line bear interest at market rates, indexed to the Euribor of the respective term.

On 31 December 2022 and 2021, the available credit lines are as follows:

					Maturity
Credit	Limit	Amount outstanding	Amount available	Until 12 months	More than 12 months
2022					
Authorised overdrafts	1,000,000	-	1,000,000	x	
	1,000,000	-	1,000,000		
2021					
Authorised overdrafts	1,000,000	-	1,000,000	x	
	1,000,000	-	1,000,000		

On 31 December 2022 and 2021 there are no financial instruments of interest rate hedging.

17. Provisions and accumulated impairment losses

The movements in provisions and in accumulated impairment losses in the years ended on 31 December 2021 and 2022 were as follows:

	Opening balance	Increases	Reductions	Transfers and utilizations	Closing balance
2022					
Accumulated impairment losses on investments in group companies (notes 6 and 25)	48,450,447	6,449,073	-	-	54,899,520
Accumulated impairment losses on investments in joint ventures and associated companies (notes 7 and 25)	22,532,329	-	(6,329,026)	-	16,203,303
Accumulated impairment losses on other non-current assets (notes 8 and 25)	2,628,433	179,581	-	-	2,808,014
Provisions for other liabilities and charges (note 23)	166,941	-	(4,575)	-	162,366
	73,778,150	6,628,654	(6,333,601)	-	74,073,203
2021					
Accumulated impairment losses on investments in group companies (notes 6 and 25)	45,764,130	1,318,574	-	1,367,743	48,450,447
Accumulated impairment losses on investments in joint ventures and associated companies (notes 7 and 25)	-	22,532,329	-	-	22,532,329
Accumulated impairment losses on other non-current assets (notes 8 and 25)	3,996,176	-	-	(1,367,743)	2,628,433
Provisions for other liabilities and charges (note 23)	263,952	7,528	(104,539)	-	166,941
	50,024,258	23,858,431	(104,539)	-	73,778,150

The increases in provisions and impairment losses are registered under the captions “Provisions” and “Impairment losses” in the profit and loss statement except for increase and decrease of the impairment losses in investments in group companies, investments in joint ventures and other non-current assets, which, due to their nature, are recorded under the caption “Gains and losses on investments in subsidiaries and joint ventures” (note 25).

On 31 December 2022, the decrease in “Accumulated impairment losses on investments in joint ventures and associated companies” corresponds to the decrease in impairment associated with the investment in NOS (Note 7).

On 31 December 2022 and 2021, the changes in the caption 'Accumulated impairment losses on investments in group companies' correspond to an increase in the impairment of financial investments in Público and PCJ and the record the impairment of financial investments in Bright Tech Innovation I in 2022 (note 6).

The amount of 'Transfers and uses' for the year ended 31 December 2021 corresponds to the reallocation of the impairment of Público from 'Supplementary Capital' to 'Investments in Subsidiaries', resulting from the capital increase (Note 6 and 8).

18. Lease liabilities

On 31 December 2022 and 2021, these balances were related to amounts payable associated with asset's use rights contracts.

The expected repayment plan for these balances, on 31 December 2022 and 2021 was as follows:

	2022		2021	
	Leasing payments	Update of the leasing payments	Leasing payments	Update of the leasing payments
2022	-	-	33,359	32,707
2023	1,567	1,563	16,115	15,931
2024	-	-	12,516	12,431
2025	-	-	6,424	6,400
	1,567	1,563	68,414	67,469
Interest	(4)		(945)	
	1,563	1,563	67,469	67,469
Short-term		(1,563)		(32,707)
	1,563	-	67,469	34,762

19. Other non-current liabilities

This caption on 31 December 2022 and 2021 was composed of the amounts related to medium-term and long-term incentive plans, in the amount of EUR 122,372 and EUR 185,140 respectively (note 31). In 2022 it also included other non-current liabilities in the amount of 9,753 euros.

20. Other payables

On 31 December 2022 and 2021, this caption was detailed as follows:

	2022	2021
Other creditors	1,509,845	1,276,516
State and other public entities	10,868	25,492
	1,520,713	1,302,008

On 31 December 2022 and 2021, the caption "Other payables " is mainly composed of balances with group companies, mainly consisting of amounts payable under the Special Regime for the Taxation of EUR 1,036,064 (EUR 1,124,274 in 2021) which includes amounts payable to companies that are no longer part of the Group on 31 December 2022 and 2021.

On 31 December 2022 and 2021, the caption 'State and other public entities' were detailed as follows:

	2022	2021
Personal income tax	5,751	11,731
Social security contributions	5,117	13,761
	10,868	25,492

21. Other current liabilities

On 31 December 2022 and 2021, this caption has the following composed:

	2022	2021
Accrued costs		
Staff expenses	186,407	472,861
Medium Term Incentive Plans (note 31)	228,414	172,009
Advisory	133,166	80,553
Other accrued costs	55,146	35,630
	603,133	761,053

22. Services rendered

On 31 December 2022 and 2021, the Services rendered corresponded to the debiting of management fees to the subsidiaries (note 28).

23. Other income

On 31 December 2022 and 2021, the caption 'Other income' was as follows:

	2022	2021
Supplementary income	3,121	24,429
Decrease of provisions (note 17)	4,575	104,539
Others	585,272	1,597,605
	592,968	1,726,573

In the year ended on 31 December 2022 and 2021, the amount on 'Others' is related to the favorable conclusion of one of the tax proceedings paid under the Special Regime for Regularization of Debts to the Tax and Social Security Debts (RERD - (Law Dec. 248-A of 2002 and Decree-Law no. 151-A/2013) and, as required by the CMVM, such payments were allocated to the Company's results.

24. External supplies and services

On 31 December 2022 and 2021, this caption was detailed as follows:

	2022	2021
Specialised work	851,813	514,528
Insurance	70,757	65,469
Communications	4,502	7,177
Travel and accommodation	13,414	6,719
Other external supplies and services	169,246	155,605
	1,109,732	749,498

The heading of "Specialised work" is essentially composed by fees from Sonaecom - Serviços Partilhados and costs with public relations services, auditing and consulting.

25. Gains and losses in investments in subsidiaries, joint ventures and associated companies

On 31 December 2022 and 2021, the captions 'Gains and losses in investments in subsidiaries, joint ventures and associated' were detailed as follows:

	2022	2021
Gains and losses in investments in subsidiaries, joint ventures and associated companies		
Gains related to the investments (notes 6, 7, 8 and 17)	10,414,650	-
Losses related to the investments (notes 6, 8 and 17)	(6,628,655)	(23,850,902)
Dividends obtained (note 28)	2,805,757	68,917,696
	6,591,752	45,066,794

On 31 December 2022 and 2021, "Losses related to the investments" include the reinforcement of impairment losses on investments in Público and PCJ and the recorded of the impairment loss on investment in Bright Tech Innovation I in 2022 (note 6 and 17). In the year ended on 31 December 2021, they also include the impairment losses on the investment in ZOPT (note 17).

On 31 December 2022, the 'Gains on investments' are related to the sale of the participation in Sonaecom - Serviços Partilhados S.A. (Note 6) and with the decrease in impairment associated with the investment in NOS (note 7).

On 31 December 2022, 'Dividends obtained' is relate to dividends received from PCJ (note 28).

On 31 December 2021, 'Dividends obtained' is relate to dividends received from Zopt (note 28).

26. Financial results

The financial results for the years ended on 31 December 2022 and 2021 are detailed as follows ((costs)/gains):

	2022	2021
Financial expenses		
Interest expenses	(524)	(1,472)
Foreign currency exchange losses	(996)	(585)
Other financial expenses	(34,543)	(56,709)
	(36,063)	(58,766)
Financial income		
Interest earned on financial assets at amortized cost with related parties (Note 28)	1,782,287	1,070,339
Interest earned on financial assets at amortized cost	51,701	11
Foreign currency exchange gains	1,082	944
Other financial income	364,124	555,839
	2,199,194	1,627,133

On 31 December 2022 and 2021, the amount of 'Other financial income' is related to indemnity and late payment interest received under RERD (EUR 364,124 and EUR 555,839, respectively) (note 23).

27. Income Taxation

Income tax recognised during the years ended on 31 December 2022 and 2021 are detailed as follows ((costs) / gains):

	2022	2021
Current tax	177,379	67,742
Deferred tax (note 9)	(371,102)	(56,240)
Closing balance	(193,723)	11,502

28. Related parties

During the years ended on 31 December 2022 and 2021, the most significant balances and transactions with related parties were as follows:

	Accounts receivable (note 11)	Accounts payable (note 20)	Other assets (note 8 and 12)	Other liabilities (note 21)	Loans granted (note 8)	Balances on 31 December 2022 Treasury applications (note 13)
Parent Company (Sonae SGPS)	179,752	31,982	3,768	73,152	-	-
Joint Ventures and associated	12,629	145,066	-	-	-	-
Others related parties	8,741	38,169	34,539	12,500	-	-
Subsidiaries	134,839	152,717	167,555	-	16,570,000	-
	335,961	367,934	205,862	85,652	16,570,000	-

	Accounts receivable (note 11)	Accounts payable (note 20)	Other assets (note 8 and 12)	Other liabilities (note 21)	Loans granted (note 8)	Balances on 31 December 2021 Treasury applications (note 13)
Parent Company (Sonae SGPS)	-	19,915	2,303	24,964	-	-
Joint Ventures	14,169	145,909	-	765	-	-
Others related parties	-	5,337	32,618	-	-	-
Subsidiaries	52,107	34,768	57,400	-	23,095,000	2,075,000
	66,276	205,929	92,321	25,729	23,095,000	2,075,000

	Sales and services rendered (note 22)	Supplies and services received (note 24)	Interest and similar income (note 26)	Transactions on 31 December 2022 Supplementary income (note 23)
Parent Company (Sonae SGPS)	-	347,235	1,201,189	-
Joint Ventures and associated	-	6,724	-	-
Others related parties	69,106	223,374	-	-
Subsidiaries	164,228	-	581,098	2,062
	233,334	577,333	1,782,287	2,062

	Sales and services rendered (note 22)	Supplies and services received (note 24)	Interest and similar income (note 26)	Transactions on 31 December 2021 (restated) Supplementary income (note 23)
Parent Company (Sonae SGPS)	-	311,168	418,992	7,421
Joint Ventures	15,025	14,277	-	-
Others related parties	-	76,465	-	-
Subsidiaries	374,975	116,618	651,347	2,062
	390,000	518,528	1,070,339	9,483

During the year ended on 31 December 2022, the Company distributed as dividends the amount of EUR 15,718,455 to Sonae SGPS (EUR 7,859,228 in 2021) and EUR 37,648,245 to Sontel BV (EUR 18,824,122 in 2021).

During the year ended on December 2022, the Company recognised the amount of EUR 2,805,757, referring to dividends from PCJ (note 25).

During the year ended on December 2021, the Company recognised the amount of EUR 68,917,696, referring to dividends from Zopt (note 25).

All the above transactions were made at market prices.

Both accounts receivable and payable with related companies will be settled in cash and have no guarantees attached.

The remuneration attributed to key personnel is disclosed in note 32. The members of the Board of Directors were considered related parties of the Company.

29. Guarantees provided to third parties

Guarantees provided to third parties on 31 December 2022 and 2021 were as follows:

Beneficiary	Description	2022	2021
Autoridade Tributária e Aduaneira (Portuguese tax authorities)	Additional tax assessments (Stamp and Income tax)	20,347,793	25,330,753
		20,347,793	25,330,753

Regarding the value of the guarantees, on 31 December 2022 and 2021, Sonae was the guarantor of Sonaecom, up to the amount of EUR 7,112,129 and Sonaecom of Público up to the amount of EUR 564,900.

On 31 December 2022, the Board of Directors of the Company believes that the decision of the court proceedings and ongoing tax assessments in progress will not have significant impacts on the financial statements.

On 31 December 2022 and 2021, the contingencies for which guarantees, and sureties were considered as remote.

30. Earnings per share

Earnings per share, basic and diluted, are calculated by dividing the net income of the year (EUR 7,172,478 in 2022 and EUR 46,542,964 in 2021) by the average number of shares outstanding during the years ended on 31 December 2022 and 2021, net of own shares (305,769,023 in 2022 and 2021).

On 31 December 2022 and 2021, the earnings per share are 0.023 and 0.15, respectively.

31. Medium Term Incentive Plans

In June 2000, the Company created a discretionary Incentive Plan for more senior employees, based on Sonaecom options and shares and Sonae, SGPS, S.A. shares which on 10 March 2014 Sonaecom share plans been converted into Sonae shares. The period of the rights occurs three years after their attribution, provided that the employee stays in the company during this period.

In March 2022, the 2021 plan was assigned to Sonaecom Directors.

The 2018 plan was delivered in April 2022.

Therefore, the outstanding plans on 31 December 2022 and 2021 are as follows:

	Share price 31 December 2022	Vesting period		31 December 2022	
		Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2019 Plan	0.935	mar/20	mar/23	1	260,828
2020 Plan	0.935	mar/21	mar/24	1	176,704
2021 Plan	0.935	mar/22	mar/25	1	117,406
					554,938

	Share price 31 December 2021	Vesting period		31 December 2021	
		Award date	Vesting date	Aggregate number of participations	Number of shares
Sonae SGPS shares					
2018 Plan	1.003	mar/19	mar/22	1	183,102
2019 Plan	1.003	mar/20	mar/23	1	248,130
2020 Plan	1.003	mar/21	mar/24	1	168,102
					599,334

During the year ended on 31 December 2022 and 2021, the changes that occurred in the plans can be summarised as follows:

	Sonae SGPS shares	
	Aggregate number of participations	Number of shares
Outstanding on 31 December 2021:		
Unvested	3	599,334
Total	3	599,334
Movements in period:		
Awarded	2	129,273
Vested	(1)	(183,102)
Transferred and Corrected ⁽¹⁾	(1)	9,433
Outstanding on 31 December 2022:		
Unvested	3	554,938
Total	3	554,938

⁽¹⁾ Corrections in the number of shares are made based on the dividend paid during the plan period.

	Sonae SGPS shares	
	Aggregate number of participations	Number of shares
Outstanding on 31 December 2020:		
Unvested	3	554,794
Total	3	554,794
Movements in period:		
Awarded	1	158,440
Vested ⁽¹⁾	(1)	(148,346)
Corrected ⁽²⁾	-	34,446
Outstanding on 31 December 2021:		
Unvested	3	599,334
Total	3	599,334

⁽¹⁾ Of the vested shares 148,346 were delivered in cash

⁽²⁾ Corrections in the number of shares are made based on the dividend paid during the plan period.

The responsibility for all plans was recognised under 'Other current liabilities' and 'Other non-current liabilities'.

Share plan costs are recognised in the accounts over the period between the award and the vesting date of those plans.

The costs recognised for the outstanding plans and for the plan delivered in the year ended 31 December 2022 and 2021 are as follows:

	2022	2021
Costs recognised in previous years	357,149	196,217
Costs recognised in the year (note 32)	202,329	276,419
Costs of plans vested in the year	(190,792)	(115,487)
Costs recognised in the year of transfer plans	(17,900)	-
Total cost of the plans	350,786	357,149
Recorded in 'Other current liabilities' (note 21)	228,414	172,009
Recorded in 'Other non-current liabilities' (note 19)	122,372	185,140

32. Employee benefits expense

For the years ended on 31 December 2022 and 2021, the heading 'Employee benefits expense' was detailed as follows:

	2022	2021
Remuneration	648,072	947,273
Charges on remuneration	106,064	130,812
Medium Term Incentive Plan (note 31)	202,328	276,419
Others	30,804	24,594
	987,268	1,379,098

During the years 2022 and 2021, the remuneration attributed from Sonaecom to the members of the Board of Directors was as follows:

	2022	2021
Short-term employee benefits	280,800	297,600
Share-based payments	96,900	113,700
	377,700	411,300

The amounts included in the Short-Term Employee Benefits line include Fixed Remuneration and the Performance Premium, the latter calculated on an accrual basis. The value of Share-based Payments for 2022 and 2021 corresponds to the value of the medium-term incentive plan to be awarded in 2023 and relative to the performance of 2022 (and attributed in 2022 relative to the performance of 2021, to the value of 2021), whose shares, or the corresponding cash value, will be delivered in March 2026 and March 2025, respectively, and for which the expense is recorded during the period from 2023 to 2026 (2022 to 2025 for the value of 2021).

33. Average number of employees

During the years ended on 31 December 2022 and 2021, the average number of employees employed by the company was 9 and 14, respectively. On 31 December 2022, the number of workers was 1 (13 on 31 December 2021).

34. Fees of the Statutory Auditor

During the year ended on 31 December 2022 and 2021 the Company agreed as a fee to the ROC, PriceWaterhouseCoopers SROC, and to its network of companies, the following amounts:

	2022	2021
Audit services	106,995	47,530
	106,995	47,530

35. Contingent assets

Contingent assets related to tax proceedings paid within the scope of debt settlement programs to the Tax Authorities and Social Security

Within the scope of the Exceptional Regime for Settlement of Tax Debts and Social Security (DL 67/2016 of 3/11, DL 151-A/2013 of 31/10 and DL 248-A/2002 of 14/11), Sonaecom Group made tax payments to the State in the amount of around Eur 5.4 million, of which Eur 2.8 million are still in associated judicial challenge proceedings.

As provided for in the diplomas supporting the programmes, the Group maintains legal procedures aimed at ensuring that it is justified in the specific situations.

36. Subsequent events

On 14 March 2023, the Management Board of the Portuguese Securities Market Commission (CMVM) passed a resolution to register the general and voluntary takeover bid of 35,228,749 shares of Sonaecom, SGPS, S.A., that was preliminarily announced to the market by Sonae, SGPS, S.A. ("Sonae") on 21 December 2022. This implies the approval of the respective prospectus.

CMVM also informed that:

- f) Since it is Sonae's intention to resort to the squeeze-out mechanism provided for in Article 194 of the Portuguese Securities Code (in case the requirements are met), the following understanding will apply:
 - v. in the event of Sonae reaching 90% of the voting rights corresponding to the share capital of Sonaecom, Sonae can, after the tender offer, exercise the squeeze-out mechanism at the bid price (€ 2.50), provided that until the date of the squeeze-out, it does not acquire Sonaecom shares at a higher price;
 - vi. the calculation of the mentioned threshold (90% of the voting rights representing the share capital) shall consider all Sonaecom's shares, including the 5,571,014 own shares which Sonaecom has committed not to sell in the context of the offer. The threshold will be reached if Sonae acquires, at least, 4,094,746 shares corresponding to 1.315% of the share capital.
- g) Sonae waived the condition of the tender offer's effectiveness, which means that will acquire all shares for which no acceptance order is given, even if it does not acquire 90% of voting rights representing share capital.

These financial statements have been approved by the Board of Directors and authorised for issue on 29 March 2023, however subject to the approval by the Shareholders' General Meeting.

APPENDIX

On 31 December 2022 the related parties of Sonaecom, SGPS, S.A. are as follows:

Key Management Personnel	
Ângelo Gabriel Ribeirinho dos Santos Paupério Maria Cláudia Teixeira de Azevedo João Pedro Magalhães da Silva Torres Dolores	Cristina Maria de Araujo Novais Eduardo Humberto dos Santos Piedade
Subsidiaries companies	
Bright Development Studio, S.A. Bright Tech Innovation I - Fundo Capital de Risco Bright Vector I - Fundo Capital de Risco Bright Ventures Capital SCR, S.A. Inovretail España, SL Inovretail, S.A.	PCJ-Público, Comunicação e Jornalismo, S.A. Praesidium Services Limited Público - Comunicação Social, S.A. Sonaecom Investment Management - Software and Technology, SGPS, S.A. Sonaecom - Serviços Partilhados, S.A.
Associated companies and joint ventures	
Big Picture 2 Films, S.A. Big Picture Films, SL Dreamia Servicios de Televisión, S.L. Dreamia Serviços de Televisão, S.A. Dualgrid - Gestão de Redes Partilhas, S.A. Empracine - Empresa Promotora de Atividades Cinematográficas, Lda. FINSTAR - Sociedade de Investimentos e Participações, S.A. Fundo de Capital de Risco NOS 5G Lusomundo - Sociedade de Investimentos Imobiliários, SGPS, S.A. Lusomundo Imobiliária 2, S.A. Lusomundo Moçambique, Lda. MSTAR, S.A. NOS Açores Comunicações, S.A. NOS Audio - Sales & Distribution, S.A. NOS Audiovisuais, SGPS, S.A. NOS Comunicações, S.A. NOS Corporate Center, S.A. NOS Inovação, S.A. NOS Internacional, SGPS, S.A.	NOS Lusomundo Audiovisuais, S.A. NOS Lusomundo Cinemas, S.A. NOS Madeira Comunicações, S.A. NOS Mediação de Seguros, S.A. NOS Property, S.A. NOS SGPS, S.A. NOS Sistemas España, SL NOS Sistemas, S.A. NOS Technology - Conceção Construção e Gestão de Redes de Comunicação, S.A. NOS Wholesale, S.A. Per-Mar - Sociedade de Construções, S.A. SIRS - Sociedade Independente de Radiodifusão Sonora, S.A. Sontária - Empreendimentos Imobiliários, S.A. Sport TV Portugal, S.A. Teliz Holding, S.A. (anteriormente denominada por Teliz Holding, B.V.) Unipress - Centro Gráfico, Lda. Upstar Comunicações, S.A. ZAP Media, S.A.

Othe related parties	
2ndRoom - Exploração Hoteleira, S.A.	Capwatt DDP, Sociedad Limitada
3shoppings - Holding, SGPS, S.A.	Capwatt Decentralized Solar Power Esp, S.A.
Adira - MetalForming Solutions, S.A.	Capwatt Decentralized Solar Power, S.A.
Adira Addcreative, S.A.	Capwatt España, S.L.U.
Aegean Park Constructions Real Estate and Development, S.A.	Capwatt Estuário - Heat Power, Unipessoal, Lda.
Afresh	Capwatt Évora - Solar Power, S.A.
Agepan Eiweiler Management, GmbH	Capwatt Ferreira - Solar Power, S.A.
Aglom Investimentos, SGPS, S.A.	Capwatt Graciosa - Green Storage, S.A.
Águas Furtadas - Sociedade Agrícola, S.A.	Capwatt Lousado - Heat Power, Unipessoal, Lda.
AICNEGRU - Papelaria, S.A.	Capwatt Maia - Heat Power, S.A.
Aliance Sona Shopping Centers, S.A. (Consolidado)	Capwatt Martim Longo - Solar Power, S.A.
Alpêssego - Sociedade Agrícola, S.A.	Capwatt Metanol, Unip LDA
Amber International LLC	Capwatt Mexico, S. de R.L. de CV
Andar - Sociedade Imobiliária, S.A.	Capwatt Retail Electricidade, S.A.
Antarr - Sustainable Productive Forest, S.A.	Capwatt Retail Gás, S.A.
APGEI (Associação Portuguesa de Gestão e Engenharia Industrial)	Capwatt Services DDP, S.L.U.
Aqualuz - Turismo e Lazer, Lda.	Capwatt Services, S.A.
Aqualuz Troia, S.A.	Capwatt Solar Esp 1, S.L.
Arat Inmuebles, S.A.	Capwatt Solar Esp 2, S.L.
Arctic Wolf, Inc.	Capwatt Solar Esp 3, S.L.
Ardo NV	Capwatt Solar Esp 4, S.L.
Area Sur Shopping, SL	Capwatt Solar ESP 5, SL
Arenal Perfumerias SLU	Capwatt Solar ESP 6, SL
Arrábidashopping, SICAFI, S.A.	Capwatt Solar ESP 7, SL
Arrábidashopping, SICAFI, S.A.	Capwatt Solar ESP 8, SL
Artesia Gestão de Recursos S.A.	Capwatt Solar ESP 9, SL
Aryaka Networks, INC.	Capwatt Vale do Tejo - Heat Power, S.A.
Aserraderos de Cuellar, S.A.	Capwtatt Vale do Caima - Heat Power, S.A.
Asprela Sociedade Imobiliária, S.A.	Carvemagere - Manutenção e Energias Renováveis, Lda.
Atelgen - Produção Energia, ACE	Casa Agrícola de Ambrães, S.A.
Atlantic Ferries - Tráf.Loc.Flu. e Marit., SA	Casa da Ribeira - Sociedade Imobiliária, S.A.
Atrium Bire, SIGI, S.A.	Cascaishopping - Centro Comercial, S.A.
Automaise, S.A.	CBM Holding Qualified Family, L.P. (Canadá)
Awacs3 Enterprises NV	CBM Holding Qualified Family, LP (Nova Zelandia)
Axnae Spain Holdings, SL	CBM Holding Subsidiary, L.P. (Canadá)
Azulino Imobiliária, S.A.	CCCB Caldas da Rainha - Centro Comercial, S.A.
BA Bussiness Angels, SGPS, S.A.	Centro Colombo - Centro Comercial, S.A.
BA Capital, SGPS, S.A.	Centro Residencial da Maia, Urban., S.A.
BA Glass BV	Centro Vasco da Gama - Centro Comercial, S.A.
BA Glass I - Serviços de Gestão e Investimentos, S.A.	Cerealis Produtos Alimentares, SA
Baixo Augusta Hotel Ltda	Cerealis Moagens, SA
Barroquinha Estacionamento S.A.	Cerealis, SGPS, SA
BB Food Service, S.A.	Chão Verde - Sociedade de Gestão Imobiliária, S.A.
Bertimóvel - Sociedade Imobiliária, S.A.	Chord Commerce, inc.
BinaryAnswer, Lda.	CHPA Holding, S.A.P.I. DE C.V.
Bloco Q - Sociedade Imobiliária, S.A.	Cinclus Imobiliária, S.A.
Bodytone International Sport SL	Citcon Limited
Bom Momento - Restauração, S.A.	Citorres - Sociedade Imobiliária, S.A.
BrightCity, S.A.	Claybell Limited
Brio - Produtos de Agricultura Biológica, S.A.	Closer Look Design, Lda.
Canasta - Empreendimentos Imobiliários, S.A.	Codacy, S.A.
Candotal Spain SLU	Cogen Tepetlaoxtoc, S.A.P.I de C.V.
Capricorn Partners	Cogeneración Huasteca I, S. de R. L. de C.V.
Capwatt - ACE, S.A.	Cogeneración Pericu I, S. de R. L. de C.V.
Capwatt - SGPS, S.A.	Coimbrashopping - Centro Comercial, S.A.
Capwatt Alrota - Wind Power, S.A.	Colfax Participações, S.A.
Capwatt Biometano Aljustrel, Unip., Lda	Comercial Losan, SLU
Capwatt Biometano Seia, Unipessoal, Lda.	Companhia Térmica Serrado, ACE
Capwatt Biometano Tomar, Unipessoal, Lda	Companhia Térmica Tagol, Lda.
Capwatt Chamusca - Bio Power, Unipessoal, Lda.	Contimobe - Imobiliária de Castelo de Paiva, S.A.
Capwatt Colombo - Heat Power, S.A	Continente Hipermercados, S.A.

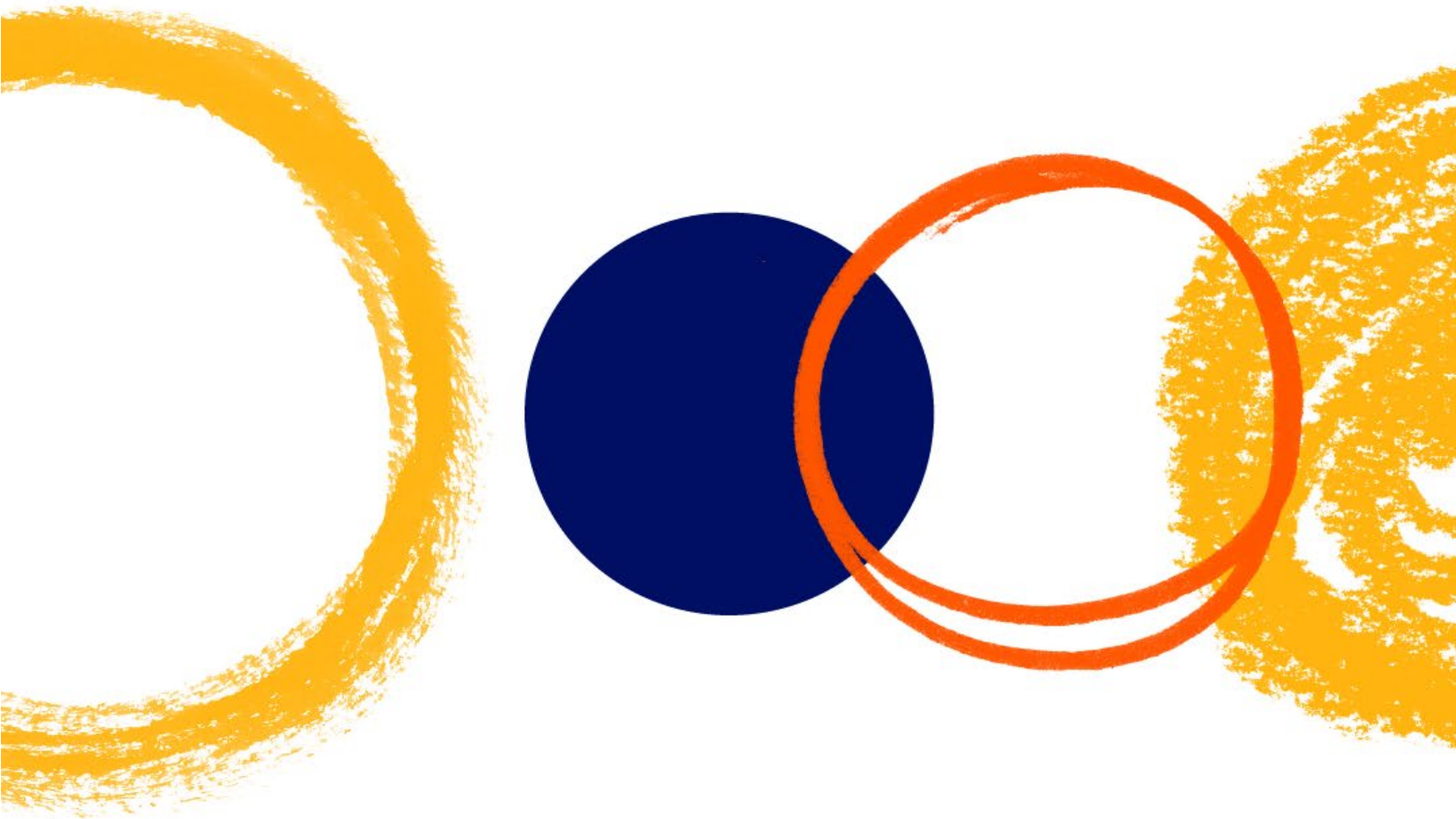
Other related parties	
Cosentino SA	Futura Energía Inversiones, SL
Country Club da Maia - Imobiliária, S.A.	Futura Energía y Gas, SL
Cumulativa - Sociedade Imobiliária, S.A.	Futura Green Renovables, SL
Cybersixgill Ltd	Gaishopping, SICAFI, S.A.
Cyclicus DDP Uno S.L.	GCR Administração e Participações Ltda.
Cyclicus Norte S.L.	GHP Glunz Holzwerkstoffproduktions, GmbH
Daisy Intelligence Corporation	Gli Orsi Shopping Centre 1 Srl
Deepfence Inc.	Glunz UK Holdings, Ltd.
Deltronic NV	Glunz Uka GmbH
Deporvillage SL	Go Well - Promoção de Eventos, Caterings e Consultoria, S.A.
Desimpacte de Purins Alcarrás, S.A.	Golf Time - Golfe e Inv.Turisticos, S.A.
Desimpacte de Purins Corcó, S.A.	Google LLC
Desimpacte de Purins Voltregá, S.A.	GOSH! Food Limited
Desimpacto de Purines Altorrícón, S.A.	Guberna
Desimpacto de Purines Eresma, S.A.	Guimarãesshopping - Centro Comercial, S.A.
Desimpacto de Purines Turegano, S.A.	H&W - Mediadora de Seguros, S.A
Didimo INC	Habit Analytics PT Lda.
Didimo SA	Hackuity SAS
DOC Malaga Holdings SL	Hakuturi, SA
Doc Málaga Siteco Phase 2, SL	Halfdozen Real Estate, S.A.
DOC Malaga SITECO SLU	HighDome PCC Limited (Cell Europe)
Douro Riverside Hotel, S.A.	Hoteis Design S.A.
Dover Participações, S.A.	Iberia Shopping Centre Venture Cooperatief UA
EANOSZU – Comércio Para Animais, S.A.	Iberian Assets, S.A.
Ecociclo, Energia e Ambiente, S.A.	Iberian Holdings Spain, SL
Ecofutura Luz Energía, S.L.	IESE Business School
Efanor - Investimentos, SGPS, S.A.	IGI Investimentos e Gestão Imobiliária, S.A.
Efanor Serviços de Apoio à Gestão, S.A.	Igimo - Sociedade Imobiliária, S.A.
E-FIT, Unipessoal, Lda.	Iginha - Sociedade Imobiliária, S.A.
Elergone Energias, Lda.	Imoassets - Sociedade Imobiliária, S.A.
Empreend.Imob. Quinta da Azenha, S.A.	Imobeauty, S.A.
ENC Medellin SA DE CV	Imoestrutura - Sociedade Imobiliária, S.A.
ENC Power Mexico SA DE CV	Imomuro - Sociedade Imobiliária, S.A.
ENC Zapopan SACV	Imopenínsula - Sociedade Imobiliária, S.A.
Enxomil - Consultoria e Gestão, S.A.	Imoplamac - Gestão de Imóveis, S.A.
Essentra PLC	Imoponte-Soc.Imobiliária, S.A.
Estação Viana - Centro Comercial, S.A.	Imoresort - Sociedade Imobiliária, S.A.
Euroresinas - Indústrias Químicas, S.A.	Imoresultado - Sociedade Imobiliária, S.A.
Experify Inc	Imosal - Imobiliária do Saldanha, SICAFI, S.A.
Farmácia Seleção, S.A.	Imosedas - Imobiliária e Serviços, S.A.
Fashion Division, S.A.	Imosistema - Sociedade Imobiliária, S.A.
Fashion International Trade, S.A.	Impaper Europe GmbH & Co. KG
FBN Belgium - The Family Business Network	Imparfin - Investimentos e Participações Financeiras, S.A.
Feneralt - Produção de Energia ACE	Implantação - Imobiliária, S.A.
Fim do Dia, SGPS, S.A.	Inparvi, SGPS, S.A.
Food Ireland Limited	Insko - Insular de Hipermerc., S.A.
Food Orchestrator, Lda. (Eat Tasty)	Installation Committee do Projeto BIOPOLIS
Fozimo - Sociedade Imobiliária, S.A.	Investabroad 5, S.A.
Frases e Frações - Imobiliária e Serviços, S.A.	Ioannina Development of Shopping Centres, S.A.
Fundação Belmiro de Azevedo	Irius Risk, S. L.
Fundação Calouste Gulbenkian	Irmãos Vila Nova III - Imobiliária, S.A.
Fundação Cargaleiro	Irmãos Vila Nova, S.A.
Fundação Serralves	ISDI (Instituto Superior para el Desarrollo de Internet)
Fundo de Capital de Risco Armilar Venture Partners II	Iservices, Lda.
Fundo de Capital de Risco Armilar Venture Partners III	Isoroy, SAS
Fundo de Capital de Risco Armilar Ventures Partners Inovação e Internaci	ISRG - Iberian Sports Retail Group, SL
Fundo de Investimento Imobiliário Fechado Imosede	IVN - Serviços Partilhados, S.A.
Fundo de Investimento Imobiliário Imosona Dois	IVN Asia Limited
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	JD Canary Islands Sports SL
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	JD Spain Sports Fashion 2010, SL
Futura Carbono, SL	Jscrambler, S.A.

Other related parties	
Klimasan Klima Sanayi ve Ticaret A.S.	Olimpo Asset 5, S.A.
La Galleria Srl	Olimpo Asset 6, S.A.
Laminate Park GmbH & Co. KG	Olimpo Asset 7, S.A.
Land Retail B.V.	Olimpo Asset 8, S.A.
Larissa Development of Shopping Centres, S.A.	Olimpo Real Estate SGI, S.A.
Le Terrazze - Shopping Centre 1, Srl	Olimpo Real Estate Socimi, S.A.
Leadzai, S.A. (anteriormente denominada por Advert.io, S.A.)	Olimpo SIGI España, S.A.
Lidergraf - Artes Gráficas, Lda.	Ometria LTD
Lima & Smith Ltda.	PA Cúcuta (Fideicomiso)
Linhacom, SGPS, S.A.	Pantheon Plaza B.V.
Living Markets I, S.A.	Paracentro - Gestão de Galerias Comerciais, S.A.
LMGE - Gestão de Edifícios Lda.	Parcelas e Narrativas - Imobiliária, S.A.
LMIT - Innovation & Technology, Lda.	Pareuro, BV
LMSA - Engenharia de Edifícios, S.A.	Park Avenue Development of Shopping Centers, S.A.
LMSI - ENGINEERING, S.A.	Parklake Business Centre Srl
Losan Colombia, SAS	Parklake Shopping, S.A.
Losan Overseas Textile, SL	Parque Atlântico Shopping - Centro Comercial, S.A.
Losan Rusia	Parque D. Pedro 1, S.à r.l.
Love Letters - Galeria de Arte, S.A.	Peach Tree LLC
Luz del Tajo - Centro Comercial, S.A.	Pharmaconcept - Actividades em Saúde, S.A.
Madeirashopping - Centro Comercial, S.A.	Pharmacontinente - Saúde e Higiene, S.A.
Maiashopping - Centro Comercial, S.A.	Plaza Mayor B.V.
Maiequipa - Gestão Florestal, S.A.	Plaza Mayor Shopping, S.A.
Marcas MC, zRT	Plenerg Srl
Maremor Beauty & Fragrances, S.L.	Ponto de Chegada - Sociedade Imobiliária, S.A.
Maremor Beauty & Fragrances, S.L.	Portainer.io Limited
Marina de Tróia, S.A.	Portimão Ativo - Sociedade Imobiliária, SA
Marmagno-Expl.Hoteleira Imob., S.A.	Porto Palácio Hotel, S.A.
Marvero-Expl.Hoteleira Imob., S.A.	Portugate S.A.
Mayan Group, Inc	Porturbe-Edifícios e Urbanizações, S.A.
MC Shared Services, S.A.	Praça Foz - Sociedade Imobiliária, S.A.
MCCARE - Serviços de Saúde, S.A.	Praedium - Serviços, S.A.
MCRETAIL, SGPS, S.A.	Praedium II - Imobiliária, S.A.
Megantic B.V.	Predicomercial - Promoção Imobiliária, S.A.
Mercado Urbano - Gestão Imobiliária, S.A.	Predilugar- Promoção Imobiliária, S.A.
Metalfrio Servicios S.A. de C.V.	Probe.ly - Soluções Cibersegurança, Lda
Metalfrio Solutions AS	Project São João de Deus, S.A.
Metalfrio Solutions S.A.	Project Sierra 10 B.V.
Metalfrio Solutions SA Sogutma Sanayi Ve Ticaret AS	Project Sierra 11 B.V.
Microcom Doi, Srl	Project Sierra 12 B.V.
Migracom, S.A.	Project Sierra 13 B.V.
MJLF - Empreendimentos Imobiliários, S.A.	Project Sierra 14 B.V.
MKTPLACE - Comércio Eletrónico, S.A.	Project Sierra Four, Srl
Modalfa - Comércio e Serviços, S.A.	Project Sierra Germany 4 (four) - Shopping Centre, GmbH
Modalfa Canarias, SL	Prosa Produtos e Serviços Agrícolas, S.A.
Modelo Continente Hipermercados, S.A.	Proyecto Cúcuta S.A.S.
Modelo Continente International Trade, S.A.	Qamine Portugal, S.A.
Modelo Hiper Imobiliária, S.A.	Quinta da Foz - Empreendimentos Imobiliários, S.A.
Mondarella GmbH	Realejo - Sociedade Imobiliária, S.A.
Nextail Labs, Inc.	Reblaze Technologies LTD
Norte Shopping Retail and Leisure Centre, B.V.	Replai INC
Norteshopping - Centro Comercial, S.A.	Restoque Comércio e Confecções de Roupa S.A.
North Tower B.V.	Rio Verde Consultoria e Participações Ltda.
Nova Bahia Empreendimentos	River Plaza B.V.
Novodecor (Pty) Ltd	RK.AI - Serviços de processamento de imagens e análise de dados, S.A.
ODACREMSO - Retalho, S.A.	S2 Mozambique, S.A.
OKUK, Lda.	SafeBreach Ltd
Olimpo Asset 1, S.A.	Sales Layer Tech, SL
Olimpo Asset 2, S.A.	Salsa Canarias
Olimpo Asset 3, S.A.	Salsa DE GmbH
Olimpo Asset 4, S.A.	Salsa Distribution USA LLC

Other related parties	
Salsa France, S.A.R.L.	SIERRAGEST- Gestão de Fundos, SGOIC, S.A.
Salsa Jeans Ireland Limited	Signal Alpha Republica I, S.A.
Salsa Luxembourg, Sàrl	Signal Alpha Republica II, Lda.
Satfiel, Lda.	SII - Soberana Investimentos Imobiliários, S.A.
SC - Sociedade de Consultoria, S.A.	SLS Salsa - Comércio e Difusão de Vestuário, S.A.
SC Aegean, B.V.	SLS Salsa España - Comercio y Difusión de Vestuario, SAU
SC Assets, SGPS, S.A.	SO FISH - Atividades Aquícolas e Pesca, Unipessoal Lda.
SC Finance, B.V.	Social Disruption Marketing Agency, Lda. (Sway)
SC Fitness, S.A.	Sociedade de Construções do Chile, S.A.
SC Industrials SGPS, S.A.	Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.
SC, SGPS, S.A.	Société de Tranchage Isoroy SAS
SCBRASIL Participações, Ltda.	Socijofra - Sociedade Imobiliária, S.A.
SDSR - Sports Division, S.A.	Sociloures - Sociedade Imobiliária, S.A.
Sekiwi, SGPS, S.A.	Soflorin, B.V.
Selifa - Empreendimentos Imobiliários de Fafe, S.A.	Sohi Meat Solutions - Distribuição de Carnes, S.A.
Sellforte Solutions OY	Solinca Classic, S.A.
Sempre à Mão - Sociedade Imobiliária, S.A.	Solinca Light, S.A.
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	Soltroia- Imob.de Urb.Turismo de Tróia, S.A.
Sensei Data Lda.	Somit - Imobiliária, S.A.
Serra Shopping - Centro Comercial, S.A.	Sonae Arauco (UK), Ltd.
Sesagest - Proj.Gestão Imobiliária, S.A.	Sonae Arauco Beeskow Gmb
Sete e Meio Herdades - Investimentos Agrícolas e Turismo, S.A.	Sonae Arauco Deutschland GmbH
Setimanale, SGPS, S.A.	Sonae Arauco Espana - Soluciones de Madera, S. L.
SFS Gestão e Consultoria, S.A.	Sonae Arauco France SAS
Shopping Centre Colombo Holding, B.V.	Sonae Arauco Maroc SARL
SIAL Participações, Ltda.	Sonae Arauco Netherlands BV
Sierra - Serviços de Mediação Imobiliária, S.A.	Sonae Arauco Portugal, S.A.
Sierra Balmain Asset Management Spółka Z ograniczoną odpowiedzialnością	Sonae Arauco South Africa (Pty) Ltd
Sierra Balmain Property Managment Spółka z o. o.	Sonae Arauco Suisse S.A.
Sierra Brazil 1, Sarl	Sonae Arauco, S.A.
Sierra Central, S.A.S.	Sonae Capital, SGPS, S.A.
Sierra Colombia Investments, S.A.S.	Sonae Corporate, S.A.
Sierra Colombia, S.L.	Sonae FS, SA
Sierra Developments Holding B.V.	Sonae Holdings, S.A.
Sierra Developments, SGPS, S.A.	Sonae Indústria - Management Services, S.A.
Sierra European Retail Real Estate Assets Holdings B.V.	Sonae Indústria - Soc. Gestora de Participações Sociais, S.A.
Sierra Germany GmbH	Sonae Investments, B.V.
Sierra GP Limited	Sonae MC S2 Africa Limited
Sierra Iberian Assets Holding, S.A.U.	Sonae RE, S.A.
Sierra IG, SGOIC, S.A.	Sonae Sierra Brazil Holdings S.à r.l.
Sierra Investments (Holland) 1 B.V.	Sonae Sierra, SGPS, S.A.
Sierra Investments (Holland) 2 B.V.	Sondis Imobiliária, S.A.
Sierra Investments Holdings B.V.	Sontel, B.V.
Sierra Investments SGPS, S.A.	Sonvecap, B.V.
Sierra Italy Agency Srl	Sotáqua - Soc. de Empreendimentos Turísticos, S.A.
Sierra Italy Srl	Soternix - Produção de Energia, ACE
Sierra Management, SGPS, S.A.	Sparkfood, S.A.
Sierra Maroc Services, SARL	SPF - Sierra Portugal Real Estate, SCA
Sierra Maroc, SARL	SPF - Sierra Portugal, SARL
Sierra Portugal Feeder 1, S.C.A.	Spinveste - Gestão Imobiliária SGII, S.A.
Sierra Portugal Feeder 2, S.à r.l.	Spinveste - Promoção Imobiliária, S.A.
Sierra Portugal, S.A.	Sporessence - Spor Retail, S.A.
Sierra Real Estate Greece B.V.	Sport Zone Canárias
Sierra Retail Ventures B.V.	Sportiberica, S.A.
Sierra Romania Shopping Centers Services, SRL	Sports Unlimited Retail BV
Sierra Services Holland B.V.	Sprinter Megacentros del Deporte, SL
Sierra Solingen Holding GmbH	Strongroots Limited
Sierra Spain Malaga Holdings, SL	Suncoutim - Solar Energy, S.A.
Sierra Spain, Shopping Centers Services, S.A.	Surforma, S.A.
Sierra VdG Holding B.V.	Tafisa Canadá Inc
Sierra Zenata Project B.V.	Tafisa France SAS

Other related parties	
TAIKAI, Lda.	Urban Fit Foz - Gestão de Health Clubs, Lda.
Teak BV	Urban Fit Maia - Gestão de Health Clubs, Lda.
Teak Floresta, SA	Urbisedas - Imobiliária das Sedas, S.A.
Tecmasa, Reciclados de Andalucía, SL	Usebti Textile México S.A. de C.V.
Tecnologias del Medio Ambiente, S.A.	Valor N, S.A.
The Artist Porto Hotel & Bistrô - Actividades Hoteleiras, S.A.	Vastgoed One - Sociedade Imobiliária, S.A.
The Caledonian Club Trust Limited	Vastgoed Sun - Sociedade Imobiliária, S.A.
The Editory Aliados - Exploração Hoteleira, S.A.	Via Catarina- Centro Comercial, S.A.
The Editory Collection Hotels, S.A.	Visenze Pte, Ltd
The Editory Garden-Explor. Hoteleira, SA	Visionarea - Promoção Imobiliária, S.A.
The House Ribeira Hotel - Exploração Hoteleira, S.A.	Vistas do Freixo - Emp. Tur. Imobiliários, S.A.
Tira-Chapéu Empreendimentos Ltda.	WAD LAB, S.A.
Tomenider, SL	Weaveworks Inc.
Tool, GmbH	Weiterstadt Shopping B.V.
Torre Norte, S.A.	Winery Participações Ltda.
Trivium Real Estate Socimi, S.A.	Worten - Equipamento para o Lar, S.A.
Tróia Market, S.A.	Worten Canárias, SL
Tróia Natura, S.A.	Worten España Distribución, SL
TROIAMED - Sociedade Mediação Imob., S.A.	Worten International Trade, S.A.
Troiareort - Investimentos Turísticos, S.A.	Worten Malta Holding Limited
Troiareort, SGPS, S.A.	Worten Safe, S.A.
Tulipamar - Expl.Hoteleira Imob., S.A.	Zaask - Plataforma Digital, S.A.
Turquoise Capital C.V.	Zenata Commercial Project, S.A.
Universo IME, S.A	Zimbro Participações S.A.
UP Share, SGPS, S.A.	Zippy - Comércio e Distribuição, S.A.
Urban Fit - Gestão de Health Clubs, Lda.	

**IV LEGAL CERTIFICATION OF ACCOUNTS AND
AUDIT REPORT**





Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Sonaecom, S.G.P.S., S.A. (the Group), which comprise the consolidated statement of financial position as at 31st December 2022 (which shows total assets of Euros 1,372,636,132 and total shareholders' equity of Euros 1,307,976,077, including a net profit of Euros 143,082,957), the consolidated income statement by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Sonaecom, S.G.P.S., S.A. as at 31st December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter**Summary of the Audit Approach**

Accounting treatment of significant and unusual transactions (NOS)

In the third quarter of 2022, the Group resolved the shareholder agreement with Unitel International Holdings, BV and Kento Holding Limited, which established joint control over ZOPT, SGPS, SA (ZOPT), which in turn held 52,15% of the shares representing NOS, SGPS, S.A. (NOS) equity. In September 2022, in order to proportionally share ZOPT assets, it was decided to amortize the shares and the repayment of the supplementary capital held in ZOPT, in exchange of shares representing 26.07% of NOS equity and of liquid monetary assets. For this reason, the Group ceased to indirectly hold joint control and began to exercise significant influence directly over NOS.

The Group maintained the classification of the equity interest in NOS as Investments in Joint Ventures and Associates and measured it by the equity method.

The accounting treatment of the operation described above was considered a key audit matter, taking into account the complexity of measuring the interest, and the relevance of the impacts on the consolidated financial statements.

Related disclosures are presented in Note 9 to the consolidated financial statements.

Our audit procedures included, among others: i) obtaining and analysing supporting documentation for the resolution of the shareholder agreement that supported the group's joint control of ZOPT and for the decision to amortize the shares held in ZOPT and the repayment of supplementary capital; ii) the review of the adequacy of the accounting treatment associated with the amortization of ZOPT shares in exchange for NOS shares previously held by that joint venture, taking into account the merely instrumental nature of the latter; iii) the review of the adequacy of the accounting treatment of exchange differences included in Other comprehensive income related to ZOPT, arising from NOS operations in countries with a functional currency other than the Euro; and iv) verification of the transaction's financial movements.

We also analysed the disclosures related to this matter in the consolidated financial statements.

Measurement of investment in the associate, NOS

The caption, Investments in Joint Ventures and Associates, includes an investment measured by the equity method amounting to Euros 623 million in the associate, NOS, which in turn holds investments in the Angolan entities, Finstar and ZAP Media (consolidated Finstar), and in the Mozambican MSTAR, in the amount of approximately Euros 100 million. With regards to Finstar, the shareholdings representing 70% of its capital, held by the other shareholder, are seized.

As required in IAS 36, impairment tests are performed on the abovementioned investments whenever impairment indicators exist. The recoverable amount determined for the purpose of assessing the existence or not of impairment of the investment in NOS is based on business plans approved by the associate management.

Given the inherent subjectivity of the valuation model and estimation uncertainty of the assumptions used in determining the recoverable amount of the associate, we consider the determination of the recoverable amount of that asset as a key audit matter.

The related disclosures are presented in notes 1.b), 1.x), 9 and 35 to the consolidated financial statements.

As the financial statements of the associate are audited by another auditor, we have: i) sent audit instructions; ii) interacted with the respective auditor; iii) evaluated the strategy and the audit plan, as well as the procedures performed for the significant areas and the conclusions reached; iv) also reviewed the equity accounting; and v) obtained the related financial statements and the audit report.

Regarding the recoverable amount of the associate NOS, and the facts involving the equity interest in Finstar and ZAP Media, we have performed the following audit procedures: (i) assessing the impacts of the seizure of Finstar's interest in the measurement of the investment in the Angolan entities included in the carrying amount of NOS and the reasonableness of the assumptions used in its measurement; and (ii) obtaining and reviewing the impairment test.

The analysis of the associate's impairment test, involving internal experts, when considered relevant, included the following procedures: (i) assessing the models used to determine the recoverable amount and compliance with the applicable accounting standards; (ii) assessing the reasonableness of the assumptions used in the forecasts made, considering the market conditions and the historical forecasting and budgeting accuracy; (iii) reperforming the calculations of the models; and (iv) performing sensitivity analysis of the most significant assumptions in the model.

We also reviewed the disclosures related to investments in associates in the notes to the consolidated financial statements.

Key Audit Matter**Summary of the Audit Approach**

Financial assets at fair value

The Group holds equity instruments, which are not traded in an organized market, recorded as financial assets at fair value through other comprehensive income in the amount of Euros 11.7 million, and as financial assets at fair value through profit or loss in the amount of Euros 208, 7 million. The change in the fair value of these instruments represented a gain in the consolidated income statement of Euros 17.2 million.

The group also holds investments in the associates Armilar II, Armilar III and Armilar I+I in the amount of Euros 81.4 million, which are investment entities and measure financial investments at fair value. These associate companies are measured in the Group's consolidated financial statements, using the equity method, resulting in the recognition of a net loss in the consolidated income statement of Euros 8.7 million.

The determination of the fair value of equity instruments involves the application of valuation methodologies that use relevant assumptions, and requires the use of significant judgments by management.

Considering the significant degree of uncertainty indetermining the fair value of equity instruments, this was a key audit matter.

Related disclosures are presented in Notes 1.b), 1.g), 9, 10, 11 and 35 to the consolidated financial statements.

The audit procedures we carried out included the assessment that the methodologies, data and assumptions that were adopted by management to determine the fair value of financial assets at fair value are adequate.

With regard to equity instruments of entities subject to recent transactions, our procedures involved the analysis of the documentation supporting the respective transaction, in order to corroborate the fair value that was determined.

With regard to equity instruments in entities that did not have recent transactions, our procedures included: i) reviewing the bid and ask data used in the valuation, if applicable; ii) management inquiry about the existence of significant changes, facts and circumstances that have occurred since the acquisition date, to determine whether there is sufficient evidence that indicates the need to change the valuation; and iii) analysis, on a sampling basis, of the latest financial information available to assess the performance of investments since acquisition and to validate the valuation of the investment.

The financial statements of the associates Armilar II, Armilar III and Armilar I+I are audited by another auditor, which is why: i) we send audit instructions; ii) interact with the respective auditor; iii) we evaluated the procedures carried out and conclusions obtained, with a focus on determining the value of the respective financial investments; iv) we also analyzed the correct application of the equity method; and v) we obtained the financial statements and the statutory audit reports.

We also analyzed the disclosures presented in the notes to the consolidated financial statements.

Key Audit Matter**Summary of the Audit Approach**

Subsidiary sale

In 2022, the Group sold its equity interest in Maxive – Cybersecurity for a price of Euros 99.3 million, with a gain of Euro 64.7 million

As provided for in IFRS 5, the contributions of the disposed companies to the Group's results were presented under the caption Net income for the year of discontinued operations. The consolidated income statement for the year ended in 2021, presented for comparative purposes, was restated accordingly.

Considering the materiality of the gain on the sale in the consolidated net income for the year and the impact on the composition of the group's businesses and on its operating activity, we consider this transaction to be a key audit matter.

Disclosures are included in Notes 1.ad), 3 and 40 to the consolidated financial statements.

The audit procedures carried out in relation to the sale of Maxive – Cybersecurity (and companies in which it has an equity interest) were as follows: i) obtaining and analyzing supporting documentation for the sale transaction; ii) test the accuracy of derecognized net assets and gain calculated on disposal, included under Net income for the year from discontinued operations; iii) verifying the financial flows associated with the transaction; and iv) validation of the amounts included as net income from discontinued operations in 2022 and 2021.

We also analyzed the disclosures related to this matter in the consolidated financial statements.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

- a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the Directors' report, the corporate governance report and the remunerations report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria; and

- e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;
- g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the remunerations report was presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on 31st December 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and
- b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of Sonaecom, S.G.P.S, S.A. in the Shareholders' General Meeting of 29th April 2016 for the period from 2016 to 2019, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 29th April 2020 for the period from 2020 to 2023.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of 29th March 2023.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

29th March 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, ROC no 1076
Registered with the Portuguese Securities Market Commission under no 20160688



Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Sonaecom, S.G.P.S., S.A. (the Entity), which comprise the separate statement of financial position as at 31st December 2022 (which shows total assets of Euros 1,042,349,036 and total shareholders' equity of Euros 1,039,929,136, including a net profit of Euros 7,172,478), the separate income statement by nature, the separate statement of comprehensive income, the separate statement of changes in equity and the separate cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Sonaecom, S.G.P.S., S.A. as at 31st December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

Porto Office Park, Avenida de Sidónio Pais, 153 - piso 1, 4100-467 Porto, Portugal

Tel: +351 225 433 000, Fax: +351 225 433 499, www.pwc.pt

Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000

Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente. Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal

Key Audit Matter**Summary of the Audit Approach**

Accounting treatment of significant and unusual transactions (NOS)

In the third quarter of 2022, the Entity resolved the shareholder agreement with Unitel International Holdings, BV and Kento Holding Limited, which established joint control over ZOPT, which in turn held 52.15% of the shares representing NOS equity. In September 2022, in order to proportionally share ZOPT assets, it was decided to amortize the shares and repay the supplementary capital held in ZOPT, in exchange of shares representing 26.07% of NOS equity and of other liquid monetary assets. For this reason, the Entity ceased to indirectly hold joint control and began to exercise significant influence directly over NOS.

The Entity classified the equity interest in NOS as Investments in associates, and measured it by the book value of the investment previously held at ZOPT, after deducting the value of the liquid monetary assets received.

The accounting treatment of the operation described above was considered a key audit matter, taking into account the complexity of measuring the equity interest, and the relevance of the impacts on the financial statements.

Related disclosures are presented in Note 7 to the separate financial statements.

Our audit procedures included, among others; i) obtaining and analyzing supporting documentation for the resolution of the shareholder agreement that supported the joint control of ZOPT and for the decision to amortize the shares held in ZOPT and the repayment of supplementary capital; ii) the review of the adequacy of the measurement of the equity interest in NOS, resulting from the amortization of ZOPT shares in exchange for NOS shares previously held by that joint venture; and iii) verification of the transaction's financial movements.

We also analyzed the disclosures related to this matter in the separate financial statements.

Measurement of equity investments

The Entity holds investments in subsidiaries and associates in the amount of Euros 63.1 million and Euros 653.1 million, respectively, which are measured at acquisition cost, less any impairment losses. There is also supplementary capital, net of impairment, granted to those entities in the amount of Euros 4.7 million, recorded in Other non-current assets. The associate NOS, in its turn, holds investments in the Angolan entities Finstar and ZAP Media (consolidated Finstar) and in the Mozambican MSTAR, in the amount of approximately Euros 100 million. With regards to Finstar, the shareholdings representing 70% of its capital, held by the other shareholder, are seized.

As required in IAS 36, impairment tests are performed on the abovementioned investments whenever there are indications of impairment. The recoverable amount is determined using the discounted cash flow methodology, based on the business plans used by management.

The measurement of financial equity investments was considered a key audit matter, taking into account the amounts involved and impacts on the separate financial statements, and because in the construction of the models to determine the amount recoverable amount, a high degree of management's judgment is incorporated in the definition of assumptions about cash flow forecasts, growth rates and the discount rate to be applied.

Given the inherent subjectivity of the valuation model and estimation uncertainty of the assumptions used in determining the recoverable amount, we consider the measurement of financial investments a key audit matter.

Related disclosures are presented in Notes 1.c), 1.d), 1.t), 6, 7, 8, 17 and 25 to the separate financial statements.

In order to validate the Management's assumptions and judgments in the measurement of equity investments, we carried out the following procedures: i) assessment of whether or not there is evidence of impairment in the equity investments; and ii) obtaining and analyzing impairment tests for equity investments, when applicable.

The analysis of impairment tests, involving internal experts, whenever relevant, included, among others, the following audit procedures: i) the evaluation of the models prepared to determine the recoverable amount, in order to determine its compliance with the applicable accounting standards; ii) reasonableness analysis of the assumptions used in the forecasts made; iii) reperformance of the model calculations; and iv) performing sensitivity analysis on the model's most significant assumptions. On the impairment test of the associate NOS, we evaluated the impacts of the seizure of the equity investment in Finstar over the measurement of the financial interest in the Angolan entities, and the reasonableness of the assumptions used in its measurement.

We compared, when applicable, the recoverable amount obtained with the book value of the investment, and assessed the reasonableness of the impairment losses recorded by the Entity.

We also analyzed the disclosures presented in the notes to the separate financial statements.

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

- a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the Directors' report, the corporate governance report and the remunerations report in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and
- h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the remunerations report was presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on 31st December 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others, obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of the Entity in the Shareholders' General Meeting of 29th April 2016 for the period from 2016 to 2019, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of 29th April 2020 for the period from 2020 to 2023.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity's supervisory board of 29th March 2023.

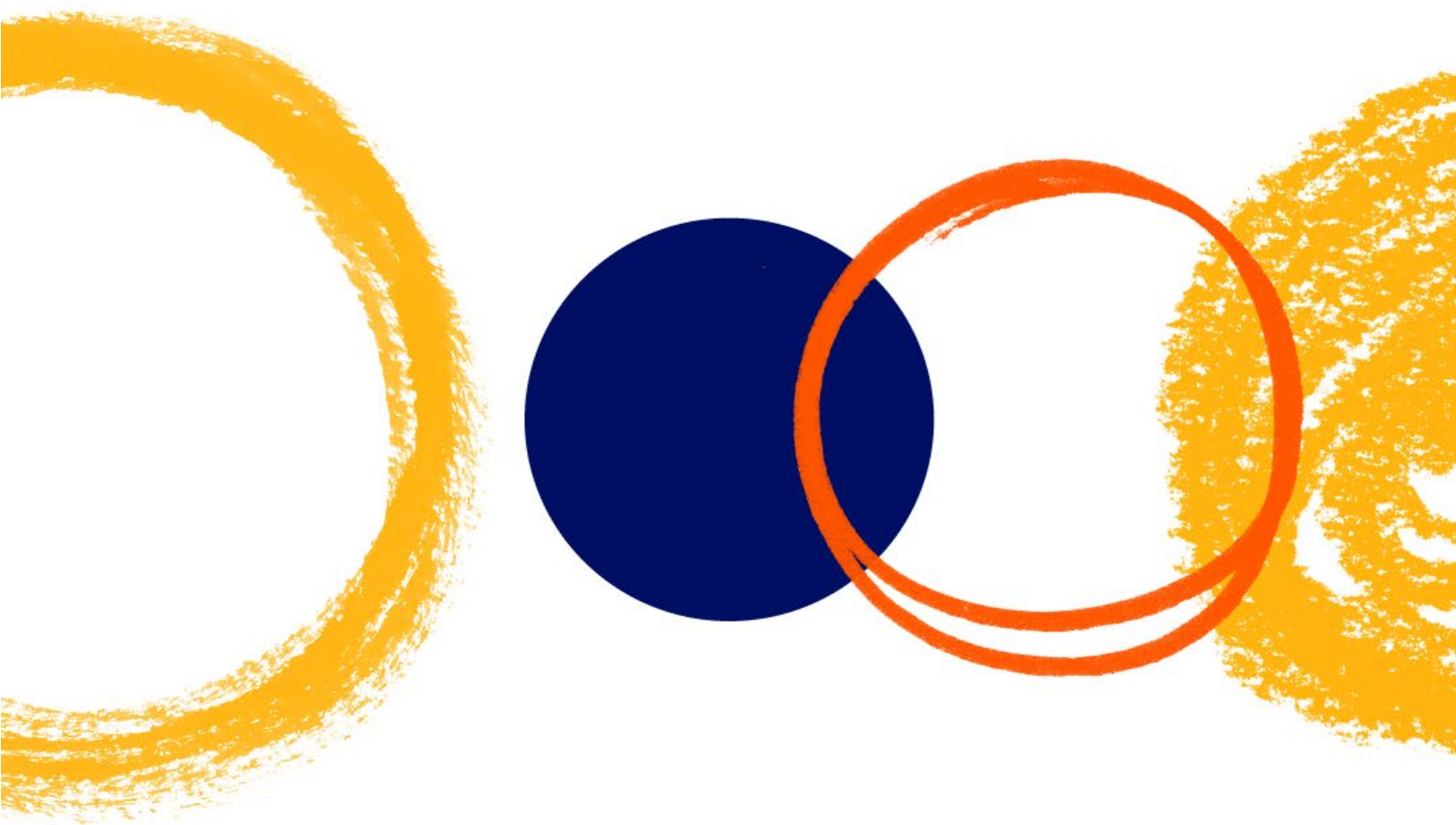
d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Entity in conducting our audit.

29th March 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, ROC no 1076
Registered with the Portuguese Securities Market Commission under no 20160688

V REPORT AND OPINION OF STATUTORY AUDIT BOARD



Report and opinion of the Statutory Audit Board of Sonaecom, SGPS, S.A.

To the Shareholders

1 – Report

1.1 - Introduction

In compliance with the applicable legislation and the mandate given to the Statutory Audit Board, we hereby issue our Report and Opinion of the audit performed, as well the documentation concerning the individual and consolidated accounts, for the year ended on 31 December 2022, which are of the responsibility of the Company's Board of Directors.

1.2 – Supervisory activities

During the year under analysis, the Statutory Audit Board, in accordance with its competence and in accordance with its Regulation, accompanied the strategic lines and the risk policy approved by the management of the Company and its subsidiaries, and has overseen, with the required scope, the evolution of the operations, the adequacy of the accounting records, the quality and appropriateness regarding the process of preparation and disclosure of financial information, corresponding accounting policies, valuation criteria used as well as the compliance with legal and regulatory requirements.

In the exercise of its competences, the Supervisory Board had sixteen meetings, with an attendance rate of one hundred percent, and minutes of all the meetings held were prepared. In accordance with the nature of the matters to be discussed, the meetings were attended by the Board and head of Planning and Control department, Financial and Administrative department, Internal Audit department and the Society of Statutory and External Auditor, as well as maintained the appropriate interactions with that of Legal Advisory. In addition, the Statutory Audit Board participated in the Board of Directors' meeting that approved the report and accounts for the year and was granted access to all the documentary or personal information that appeared appropriate to the exercise of its audit action.

The Statutory Audit Board verified the effectiveness of the risk management and internal control, analysed the planning and the results of external and internal auditors' activity, accompanied the system involving the reception and follow up of reported irregularities, including through the Internal Reporting Channel created by the company, assessed the process of preparing the individual and consolidated statements, communicated to the Board of Directors information regarding the conclusion and quality of the financial statements audit and its intervention in the process, has pronounced itself in favor of the rendering of non-audit services by the Statutory and External Auditor, having exercised its mandate in what concerns the evaluation of the competence and independence of external auditors, as well as to the supervision of the establishment of the Statutory and External Auditor remuneration.

The Statutory Audit Board followed the process of preparing and disclosing financial information through the information regularly made available by the Board of Directors and by the Company's corporate services, as well as through the audit work carried out by the Statutory Auditor and External Auditor, aiming to ensure the integrity of the process. This follow-up included the appreciation and discussion of the audit plan and strategy and the monitoring of its execution, which included the analysis and discussion of the preliminary and final presentations of the respective conclusions, the appreciation of the Additional

Report to the Supervisory Body and the analysis of the Audit Report and Legal Certification of Accounts issued by the Society of Statutory Auditors, which does not include any emphases or qualifications.

During the year, the Statutory Audit Board accompanied, with special care, the accounting treatment of transactions that had had material impact on the evolution of operations and on the individual and consolidated financial position of Sonaecom SGPS, S.A.. Within the scope of its attributions, the Statutory Audit Board examined the individual and consolidated balance sheets, the individual and consolidated profit and loss accounts by nature, cash flows, comprehensive income, changes in equity and related annexes for the year end 2022.

The Statutory Audit Board, in compliance with article 29^o-S, no. 1 of the Portuguese Securities Market Code ('Código dos Valores Mobiliários') and in compliance with the Internal Policy on Transaction with Related Parties, proceeded with the assessment of such transactions. During the year, transactions with related parties or qualified shareholders were part of the Company's current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, and the presence of conflicts of interest was not identified.

The Statutory Audit Board has complied with the IPCG Recommendations of the Corporate Governance Code I.2.2, I.2.3, I.2.4, I.3.1, I.3.2, I.4.1, I.4.2, I.5.1, III.6, VI.2, VI.3, VI.4, VI.5, VI.7, VII.1.1, VII.2.1, VII.2.2, VII.2.3.

Being a governing body, under the terms of al. c) of no. 2 of Article 3 of Law 148/2015, of September 9, which approve the Legal Regime of Audit Supervision ('Regime Jurídico de Supervisão de Auditoria'), constituted mainly of independent members and the President being an independent member in light of legal criteria and all professionally qualified to exercise their respective functions, the Statutory Audit Board has developed its powers and inter- relations with other corporate bodies and services of the company in accordance with the principles and conduct recommended in the legal and recommendatory provisions, having not received any report from the statutory auditor regarding irregularities or difficulties in the exercise of the respective functions.

Furthermore, the Statutory Audit Board, under the terms and for the purpose of no. 5 of Art. 420 of the Portuguese Commercial Code ('Código das Sociedades Comerciais'), appreciated the Corporate Governance Report, which is attached to the company's Management Report, regarding the consolidated financial accounts, having concluded that the report includes the elements referred to in Art. 29^o-H of the Portuguese Securities Market Code ('Código dos Valores Mobiliários').

Still, in the fulfilment of its duties, the Statutory Audit Board reviewed the Report of the Board of Directors and remaining individual and consolidated documents of account prepared by the Board of Directors, concluding that these information was prepared in accordance with the applicable legislation and that it is appropriate to the understanding of the financial position and results of the Company and the consolidation perimeter, and has reviewed the Statutory Audit and Auditors' Report issued by the Statutory Auditor and agreed with its content.

2 – Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

- a) the Report of the Board of Directors;
- b) the individual and consolidated statements of financial position, profit and loss by natures, comprehensive income, changes in equity and of cash flows and related notes for the year ended 31 December 2022.
- c) the proposal of net profit appropriation presented by the Board of Directors.

3 – Responsibility Statement

In accordance with paragraph a), no. 1 of Article 8º of the Regulation of CMVM no. 5/2008 and with the terms defined in paragraph c) no. 1 of the Article 29-G of the Portuguese Securities Market Code ('Código dos Valores Mobiliários'), the members of the Statutory Audit Board declare that, to their knowledge, the information contained in individual and consolidated financial statements were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of the Sonaecom, SGPS, S.A. and companies included in the consolidation perimeter. Also, it is their understanding that the Board of Directors Report faithfully describes the business evolution, performance and financial position of Sonaecom, S.G.P.S., S.A. and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face. It is also declared that the Corporate Governance Report complies with Article 29-H of the Portuguese Securities Market Code (('Código dos Valores Mobiliários').

Maia, 29 March 2023

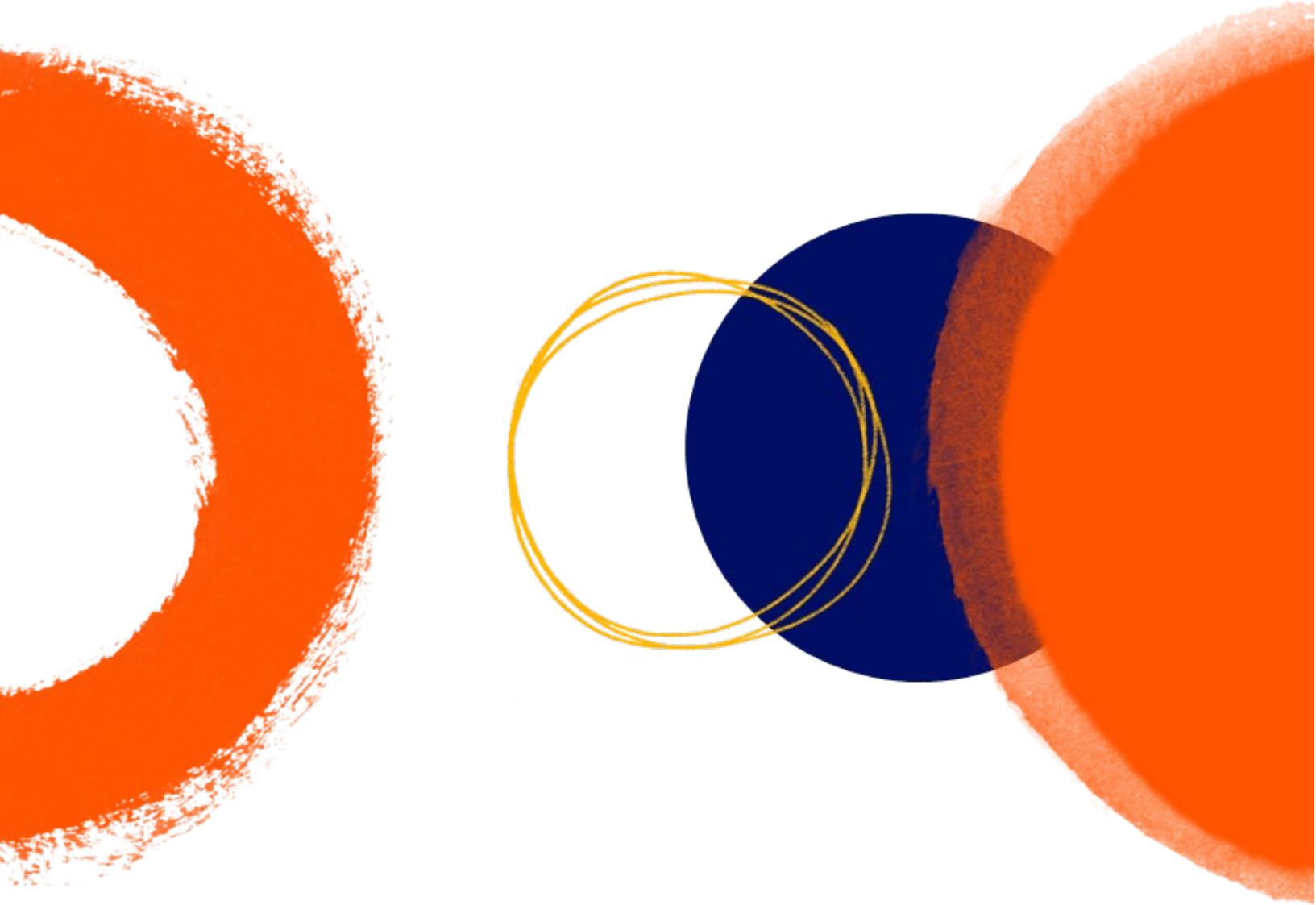
The Statutory Audit Board

João Manuel Gonçalves Bastos

Maria José Martins Lourenço da Fonseca

Óscar José Alçada da Quinta

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



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

Investor Relations Contacts
Investor.relations@sonaecom.pt

Tlf: +351 22 013 23 49