

# SONAE

## FIRST QUARTER RESULTS'19



IMPROVING LIFE



## Highlights and CEO's message

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- Consolidated turnover reached €1,461 M in the 1Q19, +8.9% when compared to 1Q18
- Consolidated underlying EBITDA increased 15.6% y.o.y. to €105 M and EBITDA increased 33.4% y.o.y. to €136.1 M
- Net income group share improved 6.5% reaching €18.3 M

*"Sonae has had a good start to the year, despite the adverse calendar effect of a later Easter period. Consolidated turnover in the first quarter increased by 8.9% y.o.y. reaching €1,461 M, with positive contributions from almost all businesses, particularly from Sonae MC and from Sonae Sierra, which is now fully consolidated into Sonae's accounts.*

*Regarding profitability, underlying EBITDA grew 15.6% y.o.y. to €105 M, driven by a solid performance of Sonae MC, and EBITDA reached €136.1 M, +€34 M when compared to 1Q18, fuelled by both equity method results (namely Sonae Sierra and ISRG), and the capital gain from the sale of Saphety by Sonae IM, which continues to create value by actively managing its portfolio.*

*In terms of portfolio management, this quarter marked the acquisition by Sonae MC of a 60% stake in Arenal, which we believe will significantly reinforce Sonae MC's position in the Health & Wellness segment, one of our growth avenues.*

*Despite a significant increase in our total investment level (+64% y.o.y.), mainly driven by the Arenal acquisition, our capital structure remains strong. Our gearing level continued to decrease y.o.y. and is now down to 0.5x, and our main businesses continue to show conservative balance sheets. Our debt now has a longer maturity profile and low funding costs, thus maintaining conditions to both support the growth strategies of our businesses and our shareholder remuneration policy. In my first CEO message, I would like to thank Paulo and Ângelo for all their support in the transition phase and for having the benefit of their wisdom as Chairman and Non-Executive Board member.*

*We are today over 53 thousand people at Sonae, committed to the development of a long-living company which creates economic and social value. We will only be able to achieve this goal by taking great care of all our stakeholders to whom we remain committed."*

Cláudia Azevedo, Sonae CEO

## Sonae consolidated performance

Sonae corporate structure		
	stake	consolidation method
Sonae MC	100%	Full consolidation
Worten	100%	Full consolidation
Sonae Fashion	100%	Full consolidation
ISRG	30%	Equity method
Sonae FS	100%	Full consolidation
Sonae IM	90%	Full consolidation
Sonae Sierra	70%	Full consolidation
NOS	23%	Equity method

In 2019, Sonae begins reporting its business segments under a new structure, which now includes a new perimeter for Sonae MC (comprised of the historical Sonae MC segment, Maxmat and Sonae RP's operational assets). The former Sonae Sports & Fashion segment was split into Sonae Fashion and ISRG, given the different nature and independent management teams of both businesses. Finally, 2019 also marks the adoption of the IFRS 16 accounting standard. For comparable reasons, historical figures were restated to include all the abovementioned changes. Additionally, this will be the first full year of line-by-line consolidation of Sonae Sierra's accounts. 1Q18 figures still exclude this effect, as the acquisition of the additional 20% stake only happened in 3Q18.

Sonae consolidated results			
Million euros	1Q18 <sup>(1)</sup>	1Q19	y.o.y.
<b>Turnover</b>	<b>1,341.1</b>	<b>1,460.7</b>	<b>8.9%</b>
<b>Underlying EBITDA</b>	<b>90.8</b>	<b>105.0</b>	<b>15.6%</b>
margin	6.8%	7.2%	0.4 p.p.
Equity method results <sup>(2)</sup>	11.8	26.5	-
Non-recurrent items	-0.6	4.6	-
<b>EBITDA</b>	<b>102.0</b>	<b>136.1</b>	<b>33.4%</b>
margin	7.6%	9.3%	1.7 p.p.
Provisions and impairment losses	-0.4	-0.7	-78.6%
D&A	-49.1	-51.9	-5.6%
D&A - RoU	-22.8	-26.3	-15.1%
<b>EBIT</b>	<b>29.7</b>	<b>57.3</b>	<b>92.8%</b>
Net financial results - lease liabilities	-15.4	-18.3	-18.9%
Net financial results - financing	-7.5	-10.5	-39.9%
<b>EBT</b>	<b>6.9</b>	<b>28.5</b>	<b>-</b>
Taxes	2.2	4.3	91.1%
<b>Direct results</b>	<b>9.1</b>	<b>32.8</b>	<b>-</b>
<b>Indirect results</b>	<b>9.3</b>	<b>-1.1</b>	<b>-</b>
<b>Net income</b>	<b>18.4</b>	<b>31.7</b>	<b>72.8%</b>
Non-controlling interests	-1.2	-13.4	-
<b>Net income group share</b>	<b>17.2</b>	<b>18.3</b>	<b>6.5%</b>

(1) Restated figures due to: a) IFRS 16 accounting standard; and b) the discontinued operations namely Berg from Sonae Fashion and the sale of Saphety in Sonae IM.

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

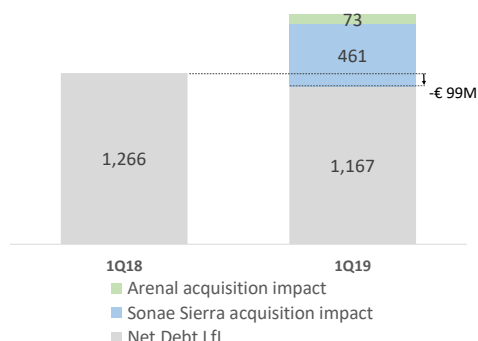
In the 1Q19, Sonae's **statutory turnover increased by 8.9% y.o.y to €1,461 M**, mainly reflecting growth at Sonae MC (+€72 M) and the consolidation of Sonae Sierra's statutory revenues (€45 M)<sup>1</sup>. **Underlying EBITDA grew +€14 M to €105 M (+15.6% y.o.y.)**, also driven by a solid performance of Sonae MC and by the full consolidation of Sonae Sierra.

**EBITDA reached €136.1 M, +€34 M** when compared to 1Q18, underpinned by the growth in underlying EBITDA and also by: (i) equity method results of €26.5 M, with a particularly positive note to Sonae Sierra and ISRG, and (ii) non-recurrent items of €4.6 M, mostly related to the capital gain from the sale of Saphety by Sonae IM. This good performance at the EBITDA level drove **Direct Result to reach €32.8 M, +€24 M** when compared to 2018, and consequently **Net income group share increased 6.5% to €18.3 M**.

<sup>1)</sup> Please see additional information on page 10

## Sonae capital structure

Sonae net debt evolution (€M)



On a LfL basis, **Sonae Net Debt decreased by €99 M** to €1,167 M, when compared to 1Q18.

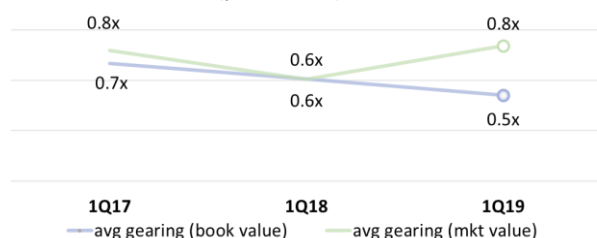
Actual net debt reached €1,701 M following the acquisition of Arenal and the additional 20% stake in Sonae Sierra, impacted by: (i) the acquisition amount (€256 M), and (ii) the consolidation of Sonae Sierra's statutory net debt (€205 M).

**Sonae's cost of debt was 1.3%** at the end of 1Q19, and the average maturity profile was around 4 years. Excluding Sonae Sierra, i) Sonae was able to keep average cost of debt around 1% and ii) since the end of the 1Q19, has already refinanced €230 M in long term facilities, which enables Sonae to secure a comfortable average maturity profile of circa 4 years and maintain its practice of being fully financed for the coming 18 months.

Sonae net invested capital			
Million euros	1Q18 <sup>(1)</sup>	1Q19	y.o.y.
Net invested capital	4,185	5,944	42.0%
<b>Sonae shareholders funds</b>	<b>1,967</b>	<b>3,124</b>	<b>58.8%</b>
Financial net debt	1,267	1,761	39.1%
<b>Sonae net debt</b>	<b>1,266</b>	<b>1,701</b>	<b>34.4%</b>
Lease liabilities	952	1,118	17.5%

(1) Restated figures according to IFRS16 accounting standard

Gearing evolution  
(pre-IFRS 16)



Sonae's average **gearing at book value decreased to 0.5x** in 1Q19 compared to 0.6x in 1Q18, evidencing a reinforced capital structure. On the other hand, average gearing at market value increased up to 0.8x in 1Q19 vs 0.6x in 1Q18, mainly due to the share price performance in the period.

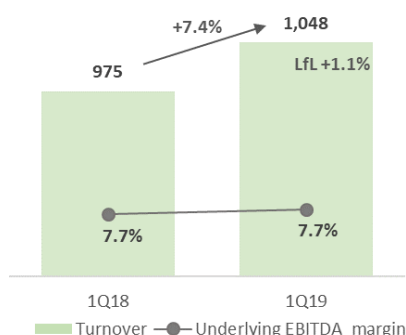
Sonae Capex		% of Turnover	
Million euros	1Q18	1Q19	
<b>Capex</b>	<b>71</b>	<b>116</b>	<b>5.3%</b>
Sonae MC	56	101	5.7%
Worten	4	5	1.7%
Sonae Fashion	4	2	4.4%
Sonae FS	0	0	5.0%
Sonae IM	3	8	10.4%
Sonae Sierra	0	4	n.a.

**Total capex increased to €116 M in the 1Q19**, mainly related with the Arenal acquisition by Sonae MC in the beginning of the year.

## Sonae operational performance by business

### Sonae MC

Turnover and underlying EBITDA margin evolution (€M; %)



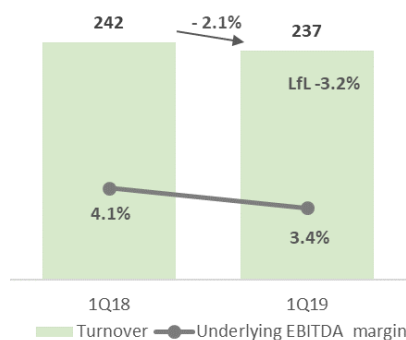
For Sonae MC, 2019 began with a strong top line growth, despite the negative calendar effect with Easter falling later than it did in the previous year. In the 1Q19, turnover increased by 7.4% y.o.y. to €1,048 M and surpassed the €1 Bn mark. This evolution benefited from: (i) the positive evolution of LfL of 1.1% in 1Q19, which evidenced an increase in volumes as food inflation remained at a low level (+0.9%); (ii) the steady expansion of the store network with 14 new company operated stores, including 3 Continente Bom Dia and 1 Continente Modelo (current freehold of 44%); and (iii) the completion of Arenal's acquisition, reinforcing Sonae MC's position in the Health & Wellness segment, one of its main strategic development pillars.

In terms of profitability, underlying EBITDA grew by 8.1% when compared with the same period of last year, reaching €81 M in 1Q19, corresponding to a stable margin of 7.7%. This solid performance benefited from the positive turnover evolution offsetting the pressure from the challenging competitive environment and the investments in the ongoing expansion program.

(For additional information please see document published with Sonae MC 1Q19 Results at [www.sonae.pt](http://www.sonae.pt))

### Worten

Turnover and underlying EBITDA margin evolution (€M; %)



During these first months of 2019, Worten reached turnover of €237 M, a reduction of 2% y.o.y., with similar trend in the LfL stores (tough comparing with 8.8% LfL in 1Q18). This top line performance was impacted by a later Easter season and atypical weather conditions. In Portugal, Worten was able to once again reinforce its market leadership, and, moreover, online continuing posing accelerated growth when compared with the offline channel, in line with its omnichannel strategy.

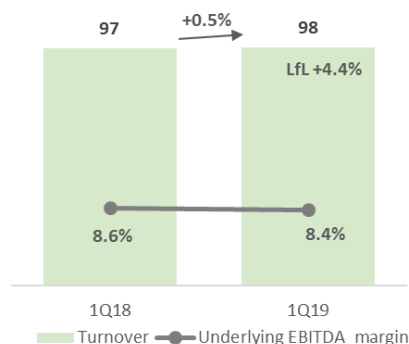
This top line performance, coupled with both the store expansion in the last 12 months and continued efforts towards digital transformation, led to an underlying EBITDA of €8.1 M.



## Sonae operational performance by business

### Sonae Fashion

Turnover and underlying EBITDA margin evolution (€M; %)

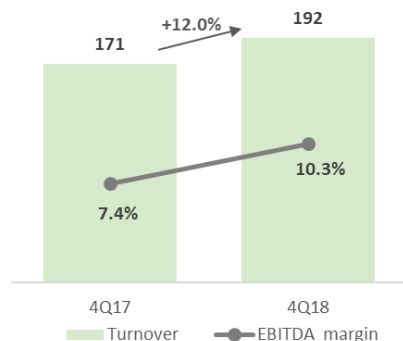


Sonae Fashion continued to show a resilient performance and grew above market references. Total turnover increased 1% y.o.y., reaching €98 M at the end of 1Q19, supported by a strong omnichannel performance that compensated lower wholesale and franchising sales. Despite the adverse calendar effect of Easter, Sonae Fashion brands increased LfL by 4.4% in the 1Q19, supported by a strong online growth (+40% y.o.y.).

In terms of profitability, Sonae Fashion has been making important efforts in its cost structure, but in a quarter with a negative calendar effect, underlying EBITDA reached €8 M, decreasing €0.2 M and implying a margin of 8.4%.

### Iberian Sports Retail Group (ISRG)

Turnover and EBITDA mg evolution (€M; %)



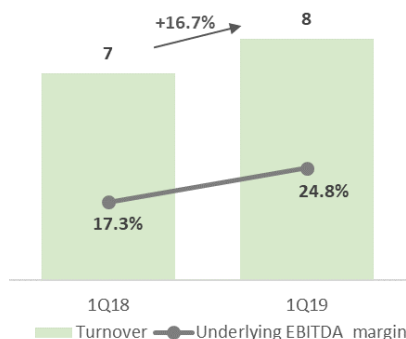
In the last quarter of its fiscal year<sup>1</sup>, ISRG continued to show a very positive performance, growing sales and improving its profitability. In the 4Q18, turnover grew 12% y.o.y. and reached €192 M, benefiting from the performance of JD and Sprinter. The top line performance fuelled EBITDA to €20 M in the 4Q18, +57.5% y.o.y., which led to a margin increase of 2.9 p.p. to 10.3%. Equity method results included in Sonae accounts in the 1Q19 stood at €2.9 M, €4.6 M above 1Q18.

<sup>1</sup>. Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures refer to Nov 3<sup>rd</sup> - Feb 2<sup>nd</sup> and are not according to IFRS 16.

## Sonae operational performance by business

### Sonae FS

Turnover and underlying EBITDA mg evolution (€M; %)



In the first quarter of 2019, Sonae FS maintained the positive evolution registered during 2018. Turnover increased by 16.7% in relation to 1Q18, amounting to €8.1 M in the 1Q19 and underlying EBITDA almost doubled to a total of €2 M, corresponding to a margin of 24.8%.

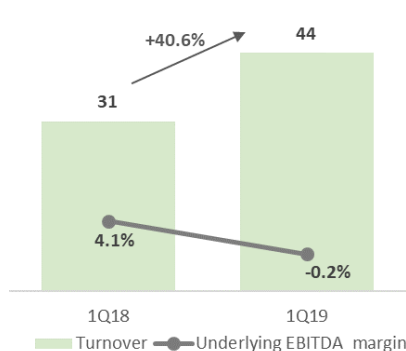
The Universo card was the main reason behind this good performance as it continued to enhance its role in the payments market: the number of cards reached 775 thousand subscribers at the end of March (+138k y.o.y.) and production grew 21.4% y.o.y. to €197 M. Moreover, market share grew 1.3 p.p. over the last 12 months, reaching 12.8% in March 2019.

### Sonae IM

#### Portfolio (at the end of 1Q19)

Controlling stakes	Minority stakes
WeDo Technologies	AVP Funds
S21Sec   Nextel	Stylesage
Bizdirect	Probe.ly
InovRetail	Ometria
Bright Pixel	Arctic Wolf
Excellium	Secucloud
	Continuum Security
	Nextail
	Case on it
	Jscramber
	Reblaze
	ciValue
	Visenze
	CB4

Turnover and underlying EBITDA mg evolution (€M; %)



During the 1Q19, Sonae IM reinforced its participation in some portfolio companies and invested in CB4, a company based in Israel that provides a patented Artificial Intelligence software solution for brick and mortar retailers to identify and correct critical operational issues at store, product level.

Also in the 1Q19, and aligned with its active portfolio management strategy, Sonae IM sold 100% of Saphety's shares to members of its management team, backed by Oxy Capital.

Regarding its operational performance, Sonae IM turnover, fuelled by the integration of Nextel and Excellium, increased more than 40% y.o.y. to €44 M in the 1Q19 and even on a comparable basis, turnover increased by 18.7% with positive contribution across almost all companies. Underlying EBITDA decreased €1.4 M, or €0.4 M on a comparable basis, to -€0.1 M in 1Q19 and EBITDA increased €4.0 M to €4.9 M, supported by the capital gain generated by Saphety's sale.

## Sonae operational performance by business

### Sonae Sierra

Proportional basis - management accounts			
Million euros	1Q18	1Q19	y.o.y.
<b>Turnover</b>	<b>54</b>	<b>58</b>	<b>8.2%</b>
<b>EBIT</b>	<b>27</b>	<b>29</b>	<b>8.6%</b>
EBIT margin	50.3%	50.5%	0.2 p.p.
<b>Direct results</b>	<b>17</b>	<b>20</b>	<b>15.6%</b>
Indirect results	-2	0	-70.0%
<b>Net results</b>	<b>15</b>	<b>19</b>	<b>24.6%</b>
<b>... attributable to Sonae</b>	<b>8</b>	<b>13</b>	<b>74.5%</b>

OMV and NAV evolution			
Million euros	Mar-18	Dec-18	Mar-19
OMV attributable to Sonae Sierra	2,143	2,211	<b>2,208</b>
NAV	1,441	1,455	<b>1,478</b>

Operational Indicators			
	1Q18	1Q19	y.o.y.
Footfall (million visitors)	107	107	-0.6%
Occupancy rate (%)	95.6%	96.5%	0.9 p.p.
LfL tenant sales	4.4%	2.3%	
Tenant sales (M€)	1,035	1,018	-1.6%
Nº of SC owned and/or managed (EOP)	65	67	2
Nº of SC owned/co-owned (EOP)	45	41	-4
GLA under Management ('000 sqm)	2,440	2,482	1.7%

Please see additional information on page 10 for statutory accounts.

Regarding Sonae Sierra's management accounts (on a proportional basis), EBIT showed once again a good performance with +8.6% y.o.y. to €29 M. 1Q19 Direct results reached €20 M, +15.6% y.o.y, fuelled by both the European portfolio performance and services division. At the end of March, NAV stood at €1,478 M, a growth of 1.6% comparing to the value registered at the end of December, mainly due to the results in the period.

During the first 3 months of 2019, Sonae Sierra: continued the execution of its capital recycling strategy with the sale of Loop5 (Germany), opened its first shopping centre in Cucuta (Colombia), enhanced the role of its service division with the acquisition of a 50% stake in Balmain, a Polish services company, while improving its operational performance.

Looking to the operational indicators of Sonae Sierra in its owned or co-owned portfolio, it continues to deliver positive figures in both LfL tenant sales and occupancy rates, despite the Easter calendar effect.

### NOS

Financial Indicators			
Million euros	1Q18 <sup>(1)</sup>	1Q19	y.o.y.
<b>Operating revenues</b>	<b>383</b>	<b>385</b>	<b>0.6%</b>
<b>EBITDA</b>	<b>157</b>	<b>161</b>	<b>2.1%</b>
EBITDA margin	41.1%	41.7%	0.6 p.p.
<b>Net results</b>	<b>35</b>	<b>43</b>	<b>21.5%</b>
Capex	88	87	-0.4%
<b>Total FCF bef. Dividends, Fin. Inv. + Own shares acq.</b>	<b>38</b>	<b>43</b>	<b>12.9%</b>

(1) Restated figures according to IFRS16 accounting standard

Operational Indicators			
('000)	1Q18	1Q19	y.o.y.
<b>Total RGUs (Net adds)</b>	<b>41</b>	<b>-24</b>	<b>-</b>
Convergent RGUs (Net adds)	103	19	-
Mobile (Net adds)	30	-18	-
Pay TV (Net adds)	-2	-7	-
<b>Total RGUs</b>	<b>9,441</b>	<b>9,556</b>	<b>1.2%</b>
Convergent RGUs	3,754	3,918	4.4%
Convergent customers	737	770	4.4%
ARPU/Unique subscriber with fixed access (euros)	44	44	-

NOS published its 1Q19 results on May 8<sup>th</sup> 2019, available on its website [www.nos.pt](http://www.nos.pt).

In the 1Q19, Operating revenues reached €385 M, +0.6% when compared to last year, benefiting from a telco revenue growth of 1.1% which more than offset the performance of cinema & audiovisuals. Regarding profitability, the consolidated EBITDA growth, was higher than the top line growth reflecting cost discipline and operating leverage, reaching €161 M in the 1Q19. Net results increased more than 20% from €35 M in the 1Q18 to €43 M in 1Q19. Capex decreased by 0.4% y.o.y. to €87 M in 1Q19 and total Free Cash-Flow before Dividends, Financial investments and Own shares acquisition grew 12.9%, totalling €43 M.

The company's operating performance reflected a more mature market environment and high levels of service penetration. Even though, convergent RGUs increased by 4.4% to 3.9 million and convergent customers grew also by 4.4% y.o.y. to 770 thousand.





## Corporate information

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### Main corporate events in the 1Q19

**February 27<sup>th</sup>**

Sonae informed on Efanor announcement - intention to propose at the upcoming electoral Shareholders General Meeting (April 2019) the new Board of Directors for the 2019/2022 mandate.

**March 12<sup>th</sup>**

Sonae informed on the resignation of a member of the Remuneration Committee.

**March 22<sup>nd</sup>**

Sonae informed on the announcement made by its subsidiary Sonae Sierra Brasil.

**March 29<sup>th</sup>**

Sonae announced on estimated impacts of IFRS 16.

### Subsequent events

**April 6<sup>th</sup>**

Sonae informed on qualified shareholding.

**April 10<sup>th</sup>**

Sonae informs about bond issue and refinancing of medium and long-term debt.

**April 29<sup>th</sup>**

Sonae informed on qualified shareholding.

**April 30<sup>th</sup>**

Sonae informs on the resolutions taken at Sonae's Shareholders' Annual General Meeting. Sonae also informs on the appointment of the Chairman of the Board of Directors and of the members of the Executive Committee.

**May 8<sup>th</sup>**

Sonae informs on appointment of Chairman of the Board of Directors, Executive Committee, Company Secretary and Representative for Market Relations.

**May 10<sup>th</sup>**

Sonae informed on dividend payment.

**May 10<sup>th</sup>**

Sonae informed on qualified shareholding.

## Additional information

### Methodological notes

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

Note: Sonae implemented the following changes in its reporting structure:

- (i) Adoption of the IFRS 16 accounting standard in 2019 and 2018 restated for comparable reasons;
- (ii) A new business structure, which now includes a new perimeter for Sonae MC (comprised of the historical Sonae MC segment, Maxmat and Sonae RP's operational assets). The former Sonae Sports & Fashion segment was split into Sonae Fashion and ISRG, given the different nature and independent management teams of both businesses;
- (iii) Following the acquisition of a further 20% in Sonae Sierra in 2018, Sonae Sierra statutory balance sheet started to be fully consolidated in the 3Q18 and the statutory P&L in the 4Q18;
- (iv) Discontinued operations, namely Berg, in Sonae Fashion in 2018 and Saphety following the sale from Sonae IM in 1Q19 was deconsolidated also in 2018 for comparable reasons.

### 1Q19 Sonae Sierra statutory accounts

Sonae Sierra statutory accounts	
Million euros	1Q19
<b>Turnover</b>	<b>44.8</b>
<b>Underlying EBITDA</b>	<b>16.4</b>
margin	36.6%
Equity method results	15.5
Non-recurrent items	-0.1
<b>EBITDA</b>	<b>31.8</b>
margin	71.1%
Provisions and impairment losses	0.0
D&A	-1.0
<b>EBIT</b>	<b>30.9</b>
Net financial results	-2.7
<b>EBT</b>	<b>28.2</b>
Taxes	-1.3
<b>Direct results</b>	<b>26.8</b>
<b>Indirect results</b>	<b>-1.2</b>
<b>Net income</b>	<b>25.6</b>
Non-controlling interests	-6.5
<b>Net income group share</b>	<b>19.1</b>

## Sonae balance sheet

Sonae statement of financial position			
Million euros	1Q18 <sup>(1)</sup>	1Q19	y.o.y.
<b>TOTAL ASSETS</b>	<b>6,418</b>	<b>8,757</b>	<b>36.4%</b>
<b>Non current assets</b>	<b>5,057</b>	<b>7,073</b>	<b>39.9%</b>
Net fixed assets	1,974	2,038	3.2%
Net Rights of Use	868	1,021	17.6%
Goodwill	631	825	30.8%
Investment properties	0	999	-
Other investments	1,490	2,030	36.3%
Deferred tax assets	74	78	5.3%
Others	21	84	-
<b>Current assets</b>	<b>1,361</b>	<b>1,684</b>	<b>23.7%</b>
Stocks	629	674	7.1%
Trade debtors	130	146	12.3%
Liquidity	347	582	67.5%
Others	255	282	10.6%
<b>SHAREHOLDERS' FUNDS</b>	<b>1,967</b>	<b>3,124</b>	<b>58.8%</b>
Equity holders	1,797	2,078	15.6%
Attributable to minority interests	170	1,046	-
<b>LIABILITIES</b>	<b>4,451</b>	<b>5,633</b>	<b>26.6%</b>
<b>Non-current liabilities</b>	<b>2,371</b>	<b>3,025</b>	<b>27.6%</b>
Bank loans	738	1,095	48.4%
Lease liabilities	822	973	18.4%
Other loans	648	515	-20.4%
Deferred tax liabilities	133	290	-
Provisions	19	41	-
Others	12	110	-
<b>Current liabilities</b>	<b>2,079</b>	<b>2,608</b>	<b>25.4%</b>
Bank loans	180	519	188.7%
Lease liabilities	130	145	11.5%
Other loans	61	215	-
Trade creditors	1,068	1,111	4.0%
Others	641	619	-3.4%
<b>SHAREHOLDERS' FUNDS + LIABILITIES</b>	<b>6,418</b>	<b>8,757</b>	<b>36.4%</b>

(1) Restated figures according to IFRS16 accounting standard

## Glossary

<b>Capex</b>	Investments in tangible and intangible assets and investments in acquisitions.
<b>Direct results</b>	Results before non-controlling interests excluding contributions to indirect results.
<b>(Direct) EBIT</b>	Direct EBT - financial results.
<b>EBITDA</b>	Underlying EBITDA + equity method results + non-recurrent items.
<b>EBITDA margin</b>	EBITDA / turnover.
<b>(Direct) EBT</b>	Direct results before taxes.
<b>EoP</b>	End of period.
<b>Financial net debt</b>	Total net debt excluding shareholders' loans.
<b>Gearing (book value)</b>	Average of the last four quarters considering, for each quarter, total net debt (EoP) / total shareholders' funds (EoP).
<b>Gearing (market value)</b>	Average of the last four quarters considering, for each quarter, total net debt (EoP) / equity value considering the closing price of Sonae shares on the last day of each quarter.
<b>GLA</b>	Gross Lettable Area: equivalent to the total area available to be rented in the shopping centres.
<b>Indirect results</b>	Includes Sonae Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark to market methodology of other current investments that will be sold or exchanged in the near future; and (v) other non-relevant issues.
<b>Investment properties</b>	Shopping centres in operation owned and co-owned by Sonae Sierra.
<b>Lease Liabilities</b>	Net present value of payments to use the asset
<b>Like for Like sales (LfL)</b>	Sales made by stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
<b>Net asset value (NAV)</b>	Open market value attributable to Sonae Sierra - net debt - minorities + deferred tax liabilities.
<b>Net debt</b>	Bonds + bank loans + other loans + financial leases + shareholder loans – cash - bank deposits - current investments - other long-term financial applications.
<b>Net invested capital</b>	Total net debt + total shareholders' funds.
<b>Open market value (OMV)</b>	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
<b>Other loans</b>	Bonds, leasing and derivatives.
<b>RGU</b>	Revenue generating unit.
<b>Right of use (RoU)</b>	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts
<b>Underlying EBITDA</b>	Recurrent EBITDA from the businesses consolidated using the full consolidation method.

## SAFE HARBOUR

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

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

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

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