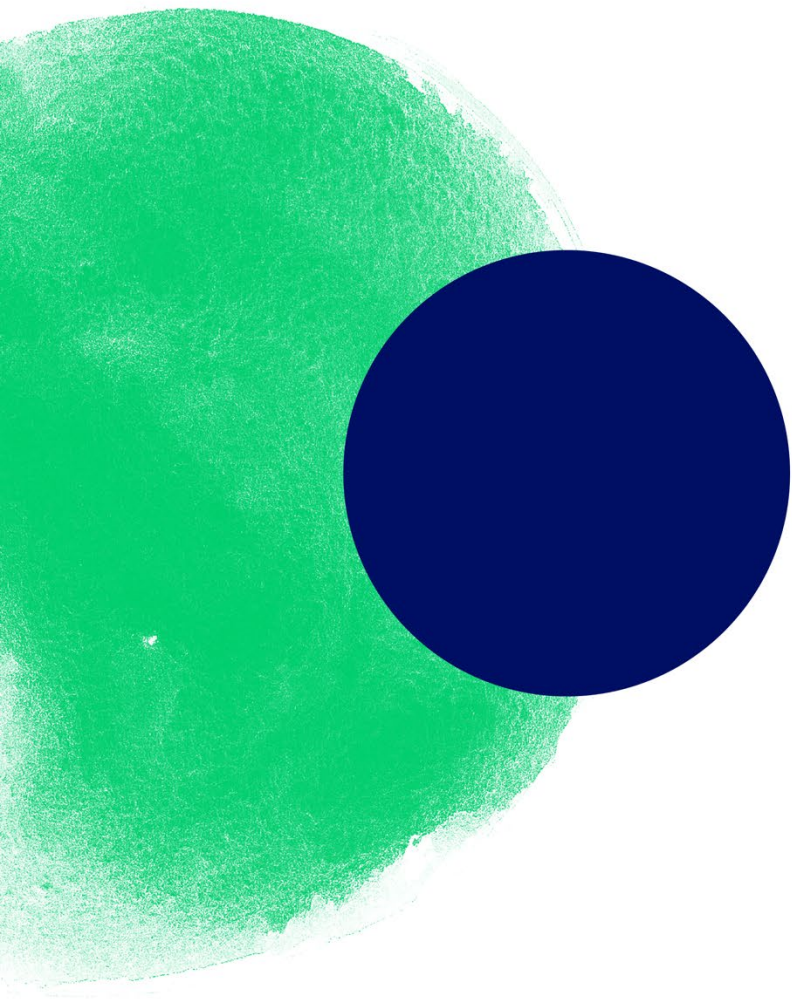




Results Report 1Q23

Sonda



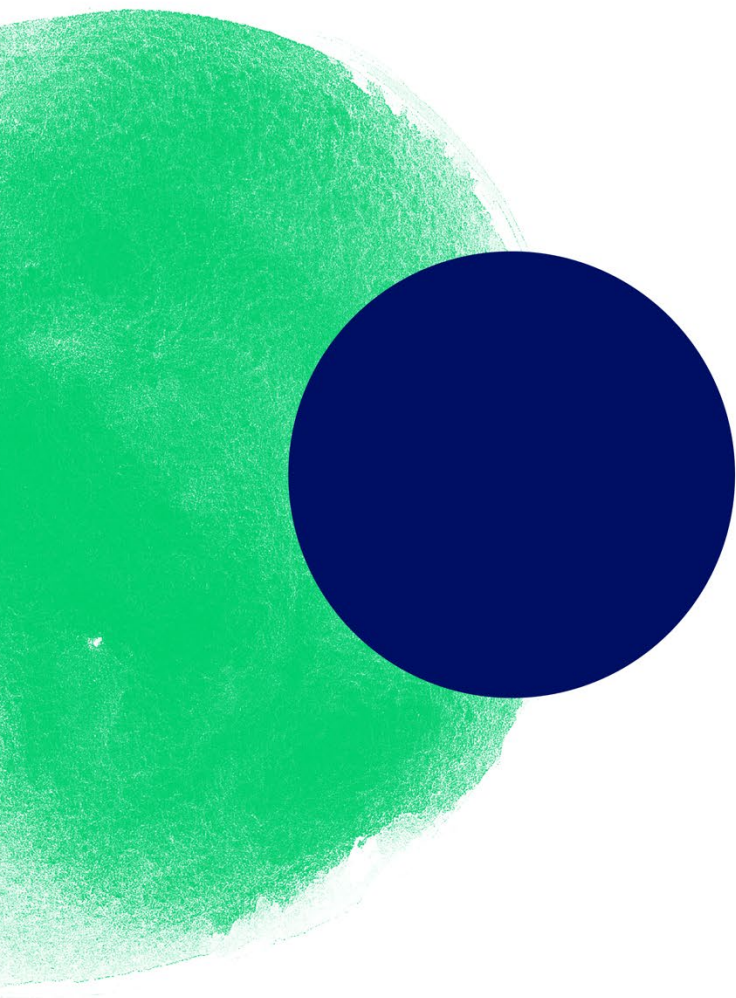
1Q23 Highlights

Key Financial Indicators

- Consolidated **turnover** reached €1.9bn in the 1Q23, +12% yoy mainly impacted by the strong performances of MC and Worten.
- **Underlying EBITDA** (uEBITDA) followed the top line trend and improved to €137m, representing a slightly lower margin than last year, sustained by continued efforts to absorb inflationary pressures in our businesses, especially in the food retail formats.
- **Net result** (group share) amounted to €26m, significantly decreasing yoy, as the relevant reduction in energy costs was more than offset by increased funding costs, higher tax expenses, asset impairments and an increase in depreciations, due to the investment in the expansion and digitalization of our businesses.
- **Free Cash flow** before dividend payment stood at €181m (L12M) and net debt slightly reduced yoy to €922m. Our financial position remains solid with a low level of leverage, significant available liquidity, and a good debt maturity profile.
- **Our portfolio NAV**, based on market references, stood at €4.1bn, a +2.6% growth vs. YE22 figure, mainly fuelled by the solid performance of our businesses and some portfolio moves. At the holding level, LTV stood at 7.4%, 1.2pps below last year's level.

Portfolio Management Activity

- Sonae acquired the remaining 10% stake in Sierra for €89m, a c.10% discount to NAV, following the put option exercise by Grosvenor. Sonae now holds 100% of Sierra.
- Sonae agreed with Bankinter Consumer Finance a 50/50 partnership for the creation of a leading consumer credit operator in Portugal.
- Bright Pixel continued its portfolio management activity with three new investments.
- The voluntary general tender offer for the acquisition of Sonaecom SGPS, SA shares occurred between March 15th and April 14th 2023 and results were disclosed on April 17th. Sonae now owns 88.837% of share capital and 90.456% of voting rights of Sonaecom.
- Already in 2Q23, Sonae - together with Balaiko Firaja Invest S.L. - notified JD Sports Fashion Plc ("JD Group") of their decision to exercise a Buy or Sell Option, foreseen in the existing shareholders' agreement of Iberian Sports Retail Group, SL.



CEO letter

The macroeconomic and geopolitical context remains complex and volatile in 2023. The lingering inflationary trends and increasing interest rates continued to pressure the disposable income of households, forcing consumers to adapt their spending habits. In Portugal, food inflation reached an abnormal level of 20.5% in the 1Q23 and represented a key concern for our teams. We continued to work hard to mitigate the impacts of this situation on our communities, namely by absorbing a significant part of these inflationary pressures in retail prices to customers.

Amidst this demanding environment, our retail banners maintained their focus on delivering great quality at the lowest prices, while continuing to excel in their operational efficiency. Our real estate business, Sierra, saw tenant sales outpace pre-pandemic levels, showing the resilience and high quality of its assets, while continuing to expand its service activity. NOS also grew supported by both telco and cinemas businesses, and positively impacted Sonae results.

As such, in the 1Q23, consolidated turnover increased by 12% yoy to €1.9bn and EBITDA grew 9% yoy to €161m, although with an impact on margin (-0.3pps) as the lower energy costs were not sufficient to offset the abovementioned price investments in our retail operations.

Regarding our portfolio management activity, during the 1Q23, Sonae reached an agreement with Bankinter Consumer Finance for the creation of a leading consumer credit player in Portugal and acquired the remaining 10% in Sierra, now owning 100%, and Bright Pixel, our corporate venture arm, made 3 new minority investments.

All in all, the Group's operational performance, combined with the portfolio management activity, led to a FCF of €181m in the last 12 months, implying a further yoy net debt reduction. Already in April, our shareholders approved a dividend payment of 0.0537 euro per share, corresponding to a 5% yoy increase, aligned with our defined dividend policy.

Going forward, I know that our people will remain committed to our purpose, quickly adapting to respond to emerging risks and opportunities. Sonae will continue to provide shareholder support to its businesses, while future-proofing its investment portfolio and searching for new growth avenues to unlock long term value.

Cláudia Azevedo, CEO



Overview

Key Data

€m	31.03.22	30.06.22	30.09.22	31.12.22	31.03.23
NAV ¹	4,080	3,848	3,966	3,974	4,079
Market capitalization	2,084	2,342	1,649	1,870	2,010
Net Debt	931	1,103	1,022	540	922

€m	1Q22 R	1Q23	yoy	L12M 22 R	L12M 23	yoy
Turnover	1,669	1,873	12.2%	7,039	7,897	12.2%
Underlying EBITDA	124	137	10.9%	615	657	6.9%
<i>Underlying EBITDA margin</i>	7.4%	7.3%	-0.1 p.p.	8.7%	8.3%	-0.4 p.p.
EBITDA	147	161	9.0%	754	940	24.6%
Direct Result	42	32	-24.2%	300	439	46.3%
Net result group share	42	26	-38.3%	309	325	5.3%
Sale of assets	35	0	-	693	266	-61.6%
M&A capex	-110	-114	-4.4%	-220	-282	-28.3%
Free cash flow before dividends paid	-378	-384	-1.4%	627	181	-71.0%
Dividends paid	-	-	-	-96	-169	-76.4%

	1Y	3Y	5Y	10Y
Total Shareholder return ²	2%	27%	4%	8%

¹ Based on market references ² Source: Bloomberg.

R - Restated as Universo was considered as asset held for sale and all periods in 2022 were restated to consider this asset as discontinued operation.

Sonae's NAV, based on market references, amounted to €4.1bn at the end of the 1Q23, 2.6% above YE22 figure, mainly due to the increased shareholding in Sierra (+10%) at a discount from YE22 NAV and NOS' share price performance that more than offset the increase in average net debt.

In terms of operational performance and during 1Q23, Sonae's businesses continued to face a challenging macroeconomic environment with sharply rising inflation and cost pressure, notably from salaries. Nevertheless, Sonae's portfolio showed again a strong resilience reflected by improved performance, with total consolidated turnover of €1.9bn, +12% yoy and uEBITDA of €137m (+11% yoy), with a margin of 7.3%, just -9bps yoy.

Equity method consolidated businesses delivered an improved contribution yoy, mainly fuelled by NOS and consolidated EBITDA reached €161m at the end of 1Q23 (+9% yoy). Despite the improved operational performance of our portfolio, higher financial costs coupled with higher level of D&A driven by our businesses' store network expansion, led Direct Result to decrease to €32m and Net result (group share) to €26m, in the 1Q23.

In terms of operational cash flow, our portfolio generated €133m during the last 12 months, implying an increase when compared to last year, mainly driven by the working capital variation in MC due to anticipation of payments to suppliers in 2021, in spite of higher investment levels, resuming to pre-pandemic levels, mainly from MC, Sierra and Worten. M&A capex exceeded cash-in from asset sales, and FCF before dividends payment reached €181m in the last 12 months. Therefore, even after dividends paid, consolidated net debt slightly decreased yoy to €922m.

NAV (€m)	YE22	1Q23	Var %
Retail	2,249	2,242	-0.3%
Real estate	875	991	13.3%
Telco and technology	962	1,041	8.2%
Other businesses	121	121	0.0%
Holding	-232	-315	-35.8%
o.w. net debt	-248	-325	-30.9%
NAV	3,974	4,079	2.6%

Note: NAV based on market references and for more detail please see Investor Kit in www.sonae.pt.

€m	L12M March 22	L12M March 23
EBITDA (inc. rents and taxes)	411	421
Working cap. and others	-27	89
Operational capex	-296	-377
Operational cash flow	88	133
Net financial activity	-27	-26
M&A capex	-220	-282
Sale of assets	693	266
Dividends received	91	90
FCF bef. dividends paid	627	181

Portfolio

Retail

MC – food retail

75% stake, fully consolidated

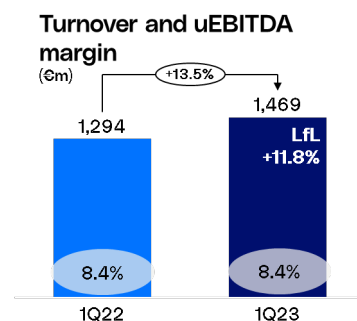
During 1Q23, the Portuguese food retail market remained challenging with consumer demand highly pressured by food inflation (20.5%) that continued to erode households' purchasing power. MC adapted its offer to respond to the evolving consumption backdrop, aiming to provide the best value at the lowest prices, through reinforced assortments, new savings opportunities and loyalty card promotions.

MC's top line grew 13.5% yoy to €1.5bn, with LfL standing at +11.8%, driven by MC's hypers and supers' turnover increasing by 8.9% and 17.4% yoy, respectively. Online sales also grew in the quarter, as Continente maintained its strong e-commerce leadership position in the Portuguese market.

In terms of profitability, the margin continued to be impacted by (i) MC's partial absorption of the inflationary price pressure, (ii) product mix and aggravated trading down movements, and (iii) increases in operational costs mainly due to inflation. However, the company's top line performance, as well as the results of its efficiency enhancing actions and the yoy reduction in energy costs (due to lower prices and increased efficiency), enabled MC to deliver a stable margin at 8.4% with uEBITDA increasing by 14% yoy to €124m in the 1Q23.

Capex in the period reached €49m, mainly related with the expansion and refurbishment of the store network and the optimization of technological and logistics capabilities. FCF stood at -€86m, in line with 1Q22 and resulting from the usual 1Q seasonal effect.

At the end of the 1Q23, MC's capital structure remained solid, with a net financial debt of €494m, a ratio of total net debt to uEBITDA of 2.8x (vs 2.9x in 1Q22) and an average maturity profile of more than 4 years.



Worten – electronics retail

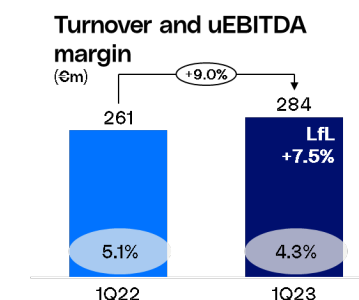
100% stake, fully consolidated

In 1Q23, Worten's turnover reached €284m, increasing by 9.0% yoy and +7.5% LfL, in a context of high pressure on households' purchasing power.

This solid sales performance resulted from market share gains in core categories, coupled with the continued growth in both new product categories, including through Worten's marketplace, and services.

All channels performed positively in the quarter, with the online channel continuing to post impressive growth when compared with the pre-pandemic period and reaching more than 15% of total sales, ensuring Worten's leadership position in the market both offline and online.

Profitability remained almost in line with last year, notwithstanding the higher pressure on operational costs, driven by inflation and the ongoing digital transformation, that more than offset energy efficiency gains in the period. In 1Q23, uEBITDA margin stood at 4.3%.



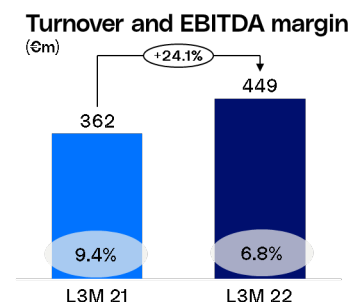
ISRG – sports retail

30% stake, equity consolidated

For ISRG, the L3M 22 (Nov-Jan) were characterized by the reduction of the supply chain constraints and stronger promotional activity. The company delivered a strong sales performance of +24% yoy to €449m, benefiting from both offline and online channels, with the latter representing c.18% of total turnover in the period.

Despite this remarkable top line evolution, EBITDA decreased by €3.5m to €30m in the quarter with a margin of 6.8%, mainly fuelled by higher operational costs and longer sales period. ISRG's contribution to Sonae's results reached €4.8m in the quarter (vs. €6.6m in 1Q22).

All in all, and during ISRG's fiscal year, turnover surpassed €1.3bn and its EBITDA reached €124m.

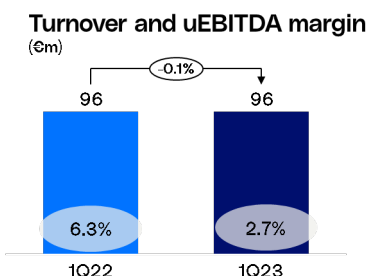


Zeitreel – fashion retail

100% stake, fully consolidated

Zeitreel delivered a resilient sales performance, maintaining top line aligned with last year at €96m, despite continued headwinds on discretionary consumption, as households' disposable income continued to be negatively impacted by high inflation and interest rates. This performance was mostly driven by positive sales period, during which all Zeitreel brands were able to deliver top line growth.

Regarding profitability, the extended sales period, alongside an increased pressure on the cost base, resulted in a lower uEBITDA margin (c. 2.7%).



Real estate

Sierra

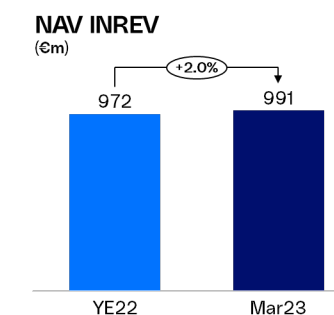
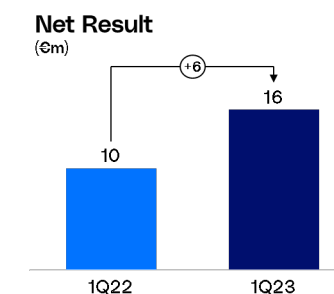
100% stake, fully consolidated

Sierra continued to deliver on its strategy execution, with positive operational momentum on shopping centre and service areas.

Regarding the shopping centre portfolio, tenant sales in the European portfolio increased by 21% yoy (LfL), reflecting the strong resilience and dynamic of Sierra's portfolio. Occupancy rates in Europe improved 0.9pps yoy to 97.8%, with 99% in Portugal (+0.3pps yoy).

Sierra continued to see a positive dynamic across all its other business lines, with emphasis to i) Investment Management (IM) which has completed the acquisition of 7 supermarkets on its German food retail investment fund (totalling now 12), and is developing a strong pipeline of future investment vehicles; and ii) the developments business which is continuing to progress the construction of a prime mixed use building and the third office tower at Colombo, but also executing other development milestones of its remaining pipeline. Already in Q2, Sierra announced the conclusion of a new innovative partnership with CTT for its property portfolio, which covers around 400 logistics, retail and mixed-use properties across Portugal.

All in all, considering the company's positive operational performance and that Sierra does not appraise its assets in Q1, total Net Result increased by 58% yoy (+€6m) to €16m at the end of the 1Q23. This net result performance positively impacted Sierra's NAV which rose 2% to €991m at the end of 1Q23.



Telco and technology

NOS

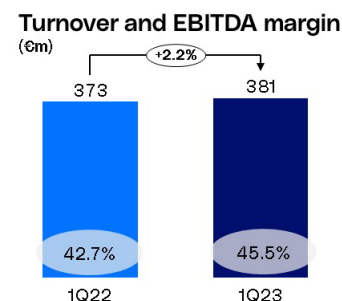
37% stake, equity consolidated¹

NOS reported its results to the market on April 26th showing a good start to the year with accelerated growth and very positive momentum in its core Telco business.

The company consolidated revenues grew 2.2% yoy to €381m and EBITDA reached €174m, +8.8% yoy. In terms of bottom line, it declined yoy following higher D&A due to strong capex levels in 2021 and 2022, coupled with higher financial costs, leading Net result attributable to its shareholders to €35m in the 1Q23.

For Sonae's accounts, the increased stake in the company over the last 12 months more than offset the decrease of the company's net result, implying a higher contribution to equity method results of +€3.1m (from €8.9m in 1Q22 to €11.9m in 1Q23).

Already in April, NOS' held its Annual General Meeting and its shareholders approved an ordinary dividend payment of €0.278 per share, in line with last year, plus an extraordinary dividend of €0.152 per share, linked to the capital gain and FCF generated by the tower sale transaction closed in 2022. Payment of the total dividend was made on April 21st and for Sonae, this led to net cash-in of €62m.



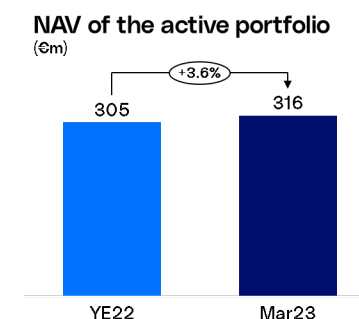
Bright Pixel

90% stake, fully consolidated

In the beginning of 2023, our corporate venture arm continued to expand its portfolio at a good pace, investing in the digital infrastructure and cybersecurity sectors.

The company invested €14m in the 1Q23 in 3 different minority holdings, namely in Seldon, a data-centric machine learning operations platform for the deployment, management, monitoring and explain ability of machine learning models, through a series B financing round of \$20m, and in Picnic, a human attack surface management platform, through a series A financing round of \$20m.

These investments in 1Q23 led to an increase in NAV and Cash Invested in the active portfolio to €316m and €148m, respectively.



Other businesses

Universe

100% stake, consolidated as a discontinued operation²

Universe maintained its customer base aligned with the YE22, with production increasing by 6.2% yoy and reaching €239m in the 1Q23. Consequently, turnover grew by 45% yoy and profitability improved according to expectations. The credit stock at the end of the 1Q23 reached €386m. Universe remains fully committed to preparing the new JV with Bankinter Consumer Finance.

¹ 26.07% stake through Sonaecom and 11.3% direct stake. For more information, please see NOS results in www.nos.pt

² Following the 50/50 partnership agreement with Bankinter Consumer Finance for the creation of a leading consumer credit operator in Portugal.

Corporate Information

Main announcements during 1Q23 are published in www.sonae.pt and www.cmvm.pt (market regulator).

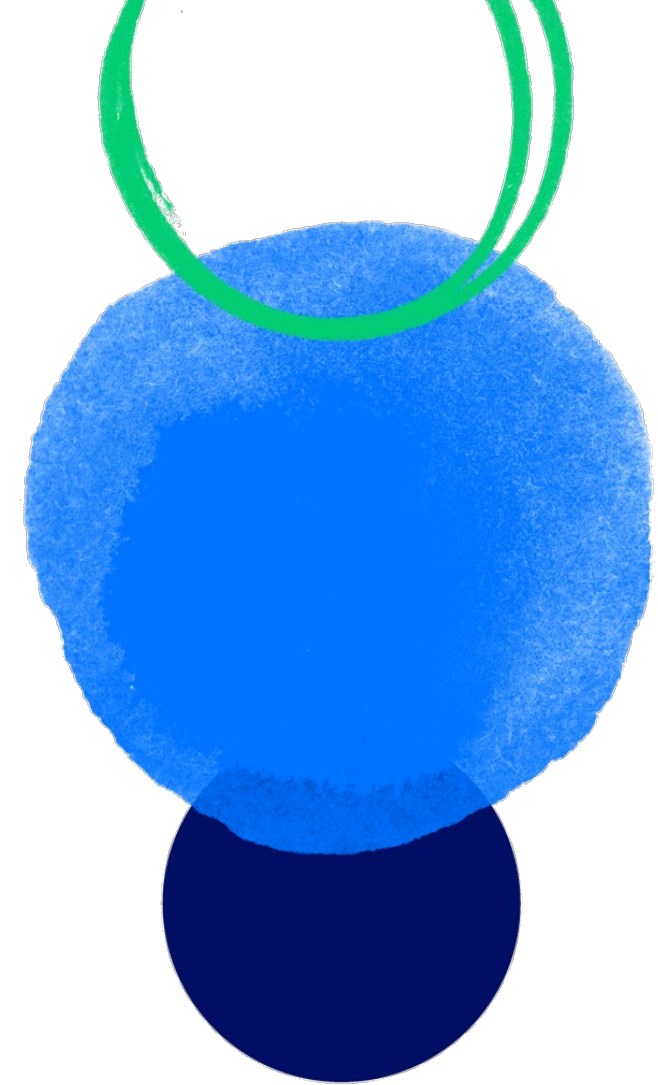
Subsequent events

April 17th: Results of the general tender offer for the acquisition of shares representing the share capital of Sonaecom SGPS, SA.

April 28th: Sonae SGPS, SA informed on resolutions taken at Annual General Meeting, including the approval of the proposal of the shareholder Efanor Investimentos SGPS SE for the appointment of the members of the Company's governing bodies for the four-year mandate 2023-2026, and dividend payment.

May 9th: Sonae SGPS, SA informed about notification to JD Sports Fashion Plc of the exercise of the buy or sell option regarding ISRG.

May 12th: Sonae SGPS, SA informed about appointment of members of several positions: Chair of the Board of Directors, Executive Committee, Company Secretary and Representative for Market Relations.



Consolidated P&L

€m	1Q22 R	1Q23	yoy
Turnover	1,669	1,873	12.2%
Underlying EBITDA	124	137	10.9%
<i>margin</i>	<i>7.4%</i>	<i>7.3%</i>	<i>-0.1 p.p.</i>
Equity method results*	21	25	22.7%
Sierra	10	11	11.7%
NOS	9	12	34.7%
ISRG	7	5	-27.3%
Non-recurrent items	3	-2	-
EBITDA	147	161	9.0%
<i>margin</i>	<i>8.8%</i>	<i>8.6%</i>	<i>-0.3 p.p.</i>
D&A and Provisions and Imp.	-85	-94	-10.5%
EBIT	62	67	6.8%
Net Financial results	-23	-29	-28.2%
Taxes	2	-6	-
Direct result	42	32	-24.2%
Indirect result	9	1	-90.9%
Net result	51	33	-36.0%
Non-controlling interests	-9	-7	25.1%
Net result group share	42	26	-38.3%

R - Restated as Universo was considered as asset held for sale and all periods in 2022 were restated to consider this asset as discontinued operation.

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

Consolidated Balance Sheet

€m	31.03.22	31.12.22	31.03.23
Investment properties	321	343	350
Net fixed assets	2,153	2,198	2,190
Right of Use assets	1,012	1,028	1,068
Financial investments	1,941	2,033	2,103
Goodwill	704	664	664
Working capital	-853	-1,198	-949
Invested capital	5,277	5,067	5,427
Equity & minorities	3,170	3,320	3,252
Net debt	931	540	922
Net financial debt	960	565	990
Net shareholder loans	-29	-25	-68
Lease liabilities	1,176	1,207	1,252
Sources of financing	5,277	5,067	5,427

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Cash on cash ratio	Exit value of the investment divided by the initial investment
Direct result	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
EoP	End of period.
Indirect results	Includes Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning the remaining Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark-to-market methodology of other current investments that will be sold or exchanged in the near future and from other related income (including dividends); and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sierra.
Lease Liabilities	Net present value of payments to use the asset.
Like for Like sales (LfL)	Sales made by omnichannel stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to Value (LTV) - Holding	Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).
Loan to Value (LTV) - Sierra	Total debt / (Investment properties + properties under development), on a proportional basis.

INREV NAV Sierra	Open market value attributable to Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market value of each Sonae's businesses - average net debt - minorities (book value). Sonae's NAV is based on market references, such as trading multiples of comparable peers, external valuations, funding rounds and market capitalisations. Valuation methods and details per business unit are available in Sonae's Investor Kit at www.sonae.pt .
Net debt	Bonds + bank loans + other loans + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net financial debt	Net debt excluding shareholders' loans.
Net invested capital	Total net debt + total shareholders' funds.
Open market Value (OMV)	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
Other loans	Bonds and derivatives.
Right of use (RoU)	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.
RoC	Return on invested capital.
Total Net Debt	Net Debt + lease liabilities
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

Consolidated Financial Statements 1Q23

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31 MARCH OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Mar 2023	31 Mar 2022 Restated Note 1.2
Sales	2.2	1,792,835	1,595,650
Services rendered	2.2	80,243	73,464
Value created on investment properties		-	-
Gains and losses on investments		1,077	(652)
Gains and losses on investments recorded at fair value through profit and loss	3.3.3	(288)	13,707
Other income	2.3	44,096	37,444
Cost of goods sold and materials consumed		(1,310,707)	(1,145,651)
Changes in inventories of finished goods and work in progress		(2,720)	1,212
External supplies and services		(179,025)	(187,729)
Employee benefits expense		(263,144)	(228,914)
Other expenses		(26,556)	(22,318)
Depreciation and amortisation expenses	3.5, 3.6, 3.7	(89,755)	(85,866)
Impairment losses		(5,053)	1,103
Provisions		12	88
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		41,013	51,540
Share of profit or loss of joint ventures and associates	3.2.2	28,506	26,117
Financial income	5.5	26,455	11,472
Financial expense	5.5	(55,250)	(33,988)
Profit from continuing operations before tax		40,725	55,140
Income tax expense		(5,796)	438
Profit from continuing operations for the period		34,928	55,579
Profit/(Loss) from discontinued operations after taxation	1.2.2	(2,351)	(4,638)
Consolidated profit/(Loss) for the period		32,578	50,939
Attributable to owners of the Company:			
Continuing operations	5.2	28,383	46,557
Discontinued operations	5.2	(2,351)	(4,362)
		26,032	42,195
Attributable to non-controlling interests:			
Continuing operations	5.1	6,546	9,021
Discontinued operations		-	(277)
		6,546	8,745
Profit/(Loss) per share			
From continuing operations			
Basic	5.2	0.01482	0.02440
Diluted	5.2	0.01470	0.02425
From discontinued operations			
Basic	5.2	(0.00123)	(0.00229)
Diluted	5.2	(0.00122)	(0.00227)

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 MARCH OF 2023 AND 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Mar 2023	31 Mar 2022 Restated Note 1.2
Net Profit / (Loss) for the period		32,578	50,939
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		561	(4,307)
Participation in other comprehensive income, net of tax, related to associates and joint ventures accounted for under the equity method		1,379	40,011
Changes in cash flow hedging reserve		(16,070)	5,717
Income tax relating to items that may be reclassified subsequently to profit or loss		62	(408)
Others		-	326
Items from other comprehensive income that may be reclassified subsequently to profit or loss		(14,067)	41,339
Items from other comprehensive income that won't be reclassified subsequently to profit or loss:			
Changes value of financial assets at fair value		35	13,476
Items from other comprehensive income that won't reclassified to the income statement:		35	13,476
Total other comprehensive income for the period		(14,033)	54,815
Total comprehensive income for the period		18,545	105,755
Attributable to:			
Equity holders of parent company		16,223	93,144
Non controlling interests		2,322	12,611

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH OF 2023 AND 2022 AND 31 DE DECEMBER DE 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Mar 2023	31 Mar 2022 Restated Note 1.2	31 Dec 2022
Assets				
Non-Current Assets:				
Property, plant and equipment	3.5	1,702,767	1,667,018	1,705,681
Intangible assets	3.6	487,054	485,769	491,845
Right of use assets	3.7	1,068,494	1,011,818	1,027,820
Investment properties		350,342	320,796	342,621
Goodwill	3.1	663,571	703,976	663,531
Investments in joint ventures and associates	3.2	1,809,629	1,549,826	1,757,479
Assets at fair value through profit and loss	3.3.1	240,645	181,135	216,889
Assets to fair value through other comprehensive income	3.3.2	11,659	172,513	41,263
Other investments		16,895	15,302	16,578
Deferred tax assets	4.1	403,539	368,433	395,820
Other non-current assets		34,792	42,428	49,395
Total Non-Current Assets		6,789,386	6,519,014	6,708,922
Current Assets:				
Inventories		750,176	649,190	727,232
Trade receivables and other current assets		403,011	389,205	344,978
Income tax assets		60,111	37,848	48,600
Other tax assets		37,270	51,837	22,224
Other investments		5	9,421	597
Cash and bank balances	5.4	690,999	622,357	793,812
Total Current Assets		1,941,572	1,759,858	1,937,443
Assets classified as held for sale	3.8	85,001	21,834	726
Total Assets		8,815,960	8,300,706	8,647,091

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH OF 2023 AND 2022 AND 31 DE DECEMBER DE 2022

(Amounts expressed in thousand euro)

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Notes	31 Mar 2023	31 Mar 2022 Restated Note 1.2	31 Dec 2022
Equity and Liabilities				
Equity:				
Share capital		2,000,000	2,000,000	2,000,000
Own shares		(82,752)	(88,539)	(83,880)
Legal reserve		299,348	281,216	299,348
Reserves and retained earnings		566,076	396,184	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		26,032	42,195	341,554
Equity attributable to the equity holders of the parent company		2,808,703	2,631,057	2,796,552
Equity attributable to non-controlling interests	5.1	443,632	538,516	523,848
Total Equity		3,252,335	3,169,573	3,320,400
Liabilities				
Non-Current Liabilities				
Loans	5.3	1,172,935	1,166,191	1,107,757
Lease Liabilities		1,156,447	1,072,922	1,109,668
Other non-current liabilities		95,098	100,693	90,936
Deferred tax liabilities	4.1	544,492	506,658	531,793
Provisions	6	20,903	21,649	21,621
Total Non-Current Liabilities		2,989,875	2,868,113	2,861,774
Current Liabilities:				
Loans	5.3	512,433	427,004	255,590
Lease Liabilities		95,727	103,498	96,897
Trade payables and other current liabilities		1,770,934	1,609,648	1,972,813
Income tax liabilities		30,407	27,274	20,832
Other tax liabilities		99,164	91,940	114,276
Provisions	6	4,424	3,657	4,508
Total Current Liabilities		2,513,089	2,263,021	2,464,917
Liabilities directly associated with assets classified as held for sale	3.8	60,661	-	-
Total Liabilities		5,563,625	5,131,133	5,326,691
Total Equity and Liabilities		8,815,960	8,300,706	8,647,091

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 MARCH OF 2023 AND 2022

(Amounts expressed in thousand euro)

	Reserves and Retained Earnings												Total	Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Cash-flow Hedging Reserve	Other Reserves and Retained Earnings	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total	Non controlling Interests (Note 5.1)			
Attributable to Equity Holders of Parent Company														
Balance as at 1 January 2022 Restated	2,000,000	(88,539)	281,216	(184)	(2,373)	13,113	70,334	80,890	267,477	2,541,043	605,549	3,146,592		
Total comprehensive income for the period	-	-	-	(2,980)	13,476	3,931	36,342	50,768	42,195	92,964	12,791	105,755		
Appropriation of consolidated net profit of 2021														
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	267,477	267,477	(267,477)	-	-	-		
Obligation fulfilled by share attribution to employees	-	-	-	-	-	-	548	548	-	548	103	651		
Variation in percentage of subsidiaries	-	-	-	-	-	-	(3,539)	(3,539)	-	(3,539)	(79,930)	(83,469)		
Others	-	-	-	-	-	-	41	41	-	42	3	45		
Balance as at 31 March 2022 Restated	2,000,000	(88,539)	281,216	(3,164)	11,103	17,044	371,202	396,184	42,195	2,631,057	538,516	3,169,573		
Balance as at 1 January 2023	2,000,000	(83,880)	299,348	(9,543)	(5,513)	18,266	236,321	239,530	341,554	2,796,552	523,848	3,320,400		
Total comprehensive income for the period	-	-	-	582	35	(11,969)	1,543	(9,809)	26,032	16,223	2,322	18,545		
Appropriation of consolidated net profit of 2022														
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	341,554	341,554	(341,554)	-	-	-		
Obligation fulfilled by share attribution to employees	-	1,128	-	-	-	-	804	804	-	1,932	102	2,034		
Variation in percentage of subsidiaries	-	-	-	-	-	-	(5,140)	(5,140)	-	(5,140)	(82,568)	(87,708)		
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-		
Others	-	-	-	-	-	(62)	(801)	(863)	-	(863)	(73)	(936)		
Balance as at 31 March 2023	2,000,000	(82,752)	299,348	(8,962)	(5,478)	6,236	574,281	566,076	26,032	2,808,703	443,632	3,252,335		

"Other reserves and retained earnings" includes an unavailable reserve relating to treasury shares in the amount of 70,274 thousand euros

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH OF 2023 AND 2022

(Amounts expressed in thousand euro)

	Notes	31 Mar 2023	31 Mar 2022
Operating Activities			
Net cash generated from operating activities (1)		(139,096)	(164,274)
Investment Activities			
Receipts arising from:			
Investments		6,293	994
Property, plant and equipment and intangible assets		20,341	5,054
Interests and similar income		2,521	789
Loans granted		-	698
Dividends		2,604	1,969
Others		192	33,900
		31,951	43,405
Payments arising from:			
Investments	3.4	(121,286)	(119,696)
Property, plant and equipment and intangible assets		(123,653)	(78,860)
Loans granted		(204)	(10,178)
Others		(25)	-
		(245,168)	(208,734)
Net cash used in/ generated by investment activities (2)		(213,218)	(165,328)
Financing Activities			
Receipts arising from:			
Loans, bonds and finance leases		598,000	782,866
Capital increases, additional paid in capital and share premiums		236	-
		598,236	782,866
Payments arising from:			
Lease liabilities		(52,421)	(44,254)
Loans, bonds and finance leases		(320,658)	(690,162)
Interests and similar charges		(8,276)	(5,584)
Others		(215)	-
		(381,570)	(740,000)
Net cash used in financing activities (3)		216,666	42,866
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(135,648)	(286,737)
Effect of exchange rate changes on the balance of cash held in foreign currencies		254	(290)
Effect of discontinued operations		(13,409)	-
Cash and cash equivalents at the beginning of the period	5.4	790,838	822,690
Cash and cash equivalents at the end of the period	5.4	641,526	536,242

The accompanying notes are part of these condensed consolidated financial statements.

SONAE, SGPS, S.A.

Notes to the Condensed Consolidated Financial Statements for the period ended 31 March 2023

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts stated in thousand euros)

1. Introduction

1.1 Group presentation

SONAE, SGPS, S.A. ("Sonae Holding") has its head-office at Lugar do Espido, Via Norte, Apartado 1011, 4470-909 Maia, Portugal, and is the parent company of a group of companies.

Shares representing the share capital of Sonae, SGPS, SA are listed on the Euronext Lisbon stock exchange. At 31 March 2023, Sonae, SGPS, S.A. is majority owned by Pareuro BV and Efanor Investimentos SGPS, S.E., the latter being the ultimate controlling company.

All amounts in this notes are presented in thousands of euros, rounded to the nearest unit, unless expressly stated otherwise.

Sonae has in its portfolio 8 business segments:

- MC is the undisputed leader in the Portuguese food retail market (offline and online);
- Worten is a leading omnichannel retailer of products and services, with a focus on household appliances and consumer electronics;
- Sierra is the fully integrated operator in the real estate sector;
- Zeitreel is the largest Portuguese fashion group (Salsa, Mo, Zippy and Losan);
- Universo is a fast-growing digital financial services operator in Portugal;
- Bright Pixel is an active and specialized investor with a focus on retail technology, digital infrastructure and cybersecurity;
- NOS is the leading convergent operator in the Portuguese telecommunications market; and
- Iberian Sports Retail Group (ISRG) is one of the largest and fastest growing international sports retailers (Sprinter, SportZone, JD, Size?, Deporvillage and SUR).

Sonae SGPS, S.A. operates in Portugal, but group's business units operate worldwide.

These segments were identified taking into account the following criteria/conditions: the fact that they are units of the group that develop activities where income and expenses can be separately identified, in relation to which financial information is developed separately, their operating results are regularly reviewed by management and on which it makes decisions about, for example, allocation of resources, the fact that they have similar products/services and also taking into account the quantitative threshold (as provided for in IFRS 8).

1.2 Restatement of consolidated financial statements

1.2.1 Allocation of the fair value of Claybell's assets and liabilities

In 2021 Sonae completed the acquisition of 95.4% of the share capital and voting rights of Claybell Limited, which owns 100% of Gosh Food Limited, which it markets under the brand "Gosh!".

Based in the UK, Gosh! is a leading producer and marketer of plant-based food products, an attractive, high growth sector. The Company offers a range of clean label and allergen-free products - distributed either under the Gosh! brand or under its own brand name, through the UK's leading retailers and foodservice operators.

Following this acquisition, a valuation was made, during the year 2022, of the fair value of the assets acquired and liabilities assumed. The fair value was determined through several valuation methodologies for each type of asset or liability, based on the best information available. The main adjustments to fair value made within this process were:

- 18.1 million euros (15.6 million pounds) customer portfolio valued on the basis of the discounted cashflows methodology, using discount rates based on the weighted average cost of capital of 10.1%. This portfolio will be amortised on a straight-line basis over the estimated average retention period of customers (20 years)
- Gosh! brand amounting to 18.2 million euros (15.7 million pounds) valued on the basis of the released royalty methodology, using for this purpose discount rates based on the weighted average cost of capital of 10.6% and a royalty rate of 5.5%, and for which no defined life was identified;

For the remaining assets and liabilities no significant differences were identified between the fair value and the respective book value. As it usually happens in business combinations, also in this operation it was not possible to attribute, in accounting terms, to the fair value of the identified assets and liabilities assumed, a part of the acquisition cost, being this component recognised as Goodwill.

The above-mentioned valuations correspond to Level 3 Fair Value, according to IFRS 13.

As this acquisition took place at the end of 2021, it was only during 2022 that it was possible to conclude the fair value allocation and Goodwill calculation exercise, which can be analysed as follows:

The impact of the restatement of the consolidated financial position as at 31 March 2022 was as follows:

31 mar 2022	Before the restatement	Gosh!	After the restatement
Assets			
Non-current assets:			
Property, plant and equipment	1,667,018	-	1,667,018
Intangible assets	449,250	36,519	485,769
Right of use	1,011,818	-	1,011,818
Investment properties	320,796	-	320,796
Goodwill	732,553	(28,577)	703,976
Investment in joint ventures and associates	1,549,826	-	1,549,826
Financial assets at fair value through profit and loss	181,135	-	181,135
Financial assets at fair value through other comprehensive income	172,513	-	172,513
Other investments	15,302	-	15,302
Deferred tax assets	368,433	-	368,433
Other non current assets	42,428	-	42,428
Total Non-Current Assets	6,511,072	7,942	6,519,014
Current assets:			
Inventories	649,190	-	649,190
Trade receivables and other current assets	389,205	-	389,205
Income taxes	37,848	-	37,848
Other taxes	51,837	-	51,837
Other investments	9,421	-	9,421
Cash and cash equivalents	622,357	-	622,357
Total Current Assets	1,759,858	-	1,759,858
Asset classified as held for sale	21,834	-	21,834
Total Assets	8,292,764	7,942	8,300,706

31 mar 2022	Before the restatement	Gosh!	After the restatement
Equity and Liabilities			
Equity:			
Share capital	2,000,000	-	2,000,000
Own shares	(88,539)	-	(88,539)
Legal reserves	281,216	-	281,216
Reserves and retained earnings	396,361	(176)	396,184
Profit/(Loss) for the period attributable to the equity holders of the Parent Company	42,376	(180)	42,195
Equity attributable to the equity holders of the Parent Company	2,631,413	(357)	2,631,057
Equity attributable to non-controlling interests	537,156	1,360	538,516
Total Equity	3,168,569	1,003	3,169,573
Liabilities			
Non-current liabilities:			
Loans	1,166,191	-	1,166,191
Lease liabilities	1,072,922	-	1,072,922
Other non current liabilities	100,693	-	100,693
Deferred liabilities	499,719	6,939	506,658
Provisions	21,649	-	21,649
Total Non-Current Liabilities	2,861,175	6,939	2,868,113
Current liabilities:			
Loans	427,004	-	427,004
Lease liabilities	103,498	-	103,498
Trade payables and other current liabilities	1,609,648	-	1,609,648
Income tax	27,274	-	27,274
Other taxes	91,940	-	91,940
Provisions	3,657	-	3,657
Total Current Liabilities	2,263,021	-	2,263,021
Total Liabilities	5,124,195	6,939	5,131,133
Total Equity and Liabilities	8,292,764	7,942	8,300,706

1.2.2 Discontinued operations

On 31 March 2023 following the accomplishment of the agreement with Bankinter Consumer Finance, E.F.C., S.A. (“Bankinter Consumer Finance”) for a joint venture to the combination of Universo, IME, S.A. and Bankinter Consumer Finance, in which where established the main conditions to create a market leader in the Portuguese consumer credit sector, with Sonae and Bankinter as equal shareholders with 50% of equity, Universo, IME, S.A. contribution to the consolidated financial statements, were presented as discontinued operation in the consolidated income financial statements at 31 March 2023 and 2022.

The impact of the restatement of the consolidated income statement at March 31, 2023 was as follows:

	Universo
Turnover	11,145
External supplies and services	(9,420)
Employee benefits expense	(1,812)
Depreciation and amortisation expenses	(471)
Impairment losses	(881)
Other expenses	1,640
Financial Income and Expenses	292
Profit/(Loss) before taxation from continuing operations	(2,788)
Income tax	437
Profit/(Loss) from discontinued operations after taxation	(2,351)

Additionally, Universo’s assets and liabilities at 31 March 2023 were classified as “Asset classified as held for sale” and “Liabilities directly associated with assets classified as held for sale” (Note 3.8).

1.2.3 Impact of the restatement of the consolidated income statement

In result of the effect mentioned at Note 1.2.1 and Note 1.2.2 and Gosh!’s assets fair value attribution which originated amortisation and tax changes through 2022 period, the impact on the consolidated income statement of March 2022 can be analised as follow:

	Before the restatement	Gosh!	Universo	After the restatement
Sales	1,598,955	-	3,305	1,595,650
Services rendered	91,163	-	17,699	73,464
Income or expense relating to investments	(651)	-	1	(652)
Gains and losses on investments recorded at fair value through profit and loss	13,707	-	-	13,707
Other income	36,460	-	(984)	37,444
Cost of goods sold and materials consumed	(1,148,471)	-	(2,819)	(1,145,651)
(Increase) /Decrease in production	1,212	-	-	1,212
External supplies and services	(198,030)	-	(10,301)	(187,729)
Employee benefits expense	(238,138)	-	(9,224)	(228,914)
Other expenses	(23,586)	-	(1,268)	(22,318)
Depreciation and amortisation expenses	(87,050)	233	(1,417)	(85,866)
Impairment losses	1,087	-	(17)	1,103
Provisions	(154)	-	(242)	88
Profit/(Loss) before taxation from continuing operations	46,505	233	(5,266)	51,540
Gains and losses on joint ventures and associates	26,091	-	(26)	26,117
Financial income	11,210	-	(262)	11,472
Financial expense	(34,093)	-	(105)	(33,988)
Profit/(Loss) before taxation from continuing operations	49,714	233	(5,660)	55,140
Income tax expense	1,416	(44)	1,022	438
Profit/(Loss) after taxation from continuing operations	51,129	189	(4,637)	55,579
Profit/(Loss) from discontinued operations after taxation	-	-	4,638	(4,638)
Consolidated profit/(Loss) for the period	51,129	189	-	50,939

1.3 Subsequent events

Sonae SGPS, S.A. (“Sonae”) hereby informs that it has, together with Balaiko Firaja Invest S.L. (“Balaiko”) notified JD Sports Fashion Plc (“JD Group”) of the decision to exercise a Buy or Sell Option (“the Option”), foreseen in the existing shareholders’ agreement between Sonae, Balaiko and JD Group entered on 31st January 2018, over the shareholdings that JD Group, Sonae and Balaiko respectively own in Iberian Sports Retail Group, SL (“ISRG”).

Subsequently to notification to JD Group of the Option exercise, Sonae expects one of the following outcomes:

- i) JD Group acquires the 50% minus 2 shares stake in ISRG (30% minus 1 share from Sonae and 20% minus 1 share from Balaiko), becoming the sole shareholder of the Company; or
- ii) Sonae and Balaiko acquire the 50% plus 2 shares stake in ISRG held by JD Group, and ISRG exercises a put option to sell to JD Group the 70% shareholding it holds in the JD retail banner operations in Portugal and Spain.

Under the Option mechanism, JD Group now has a certain period of time whether to acquire from, or sell to, the Sonae and Balaiko. Conversely, and should this period lapse without a JD Group decision, the Sonae and Balaiko will then have themselves a certain period of time to decide whether to acquire from, or sell to, JD Group.

Sonae is not yet able to anticipate the final outcome of the Option exercise, as the prerogative of the buy or sell decision rests, at present, with JD Group.

Sonae envisages the conclusion of this process during the second half of 2023.

1.4 Basis of presentation

Approval of financial statements

The financial statements were approved by the Board of Directors in a meeting held on 16 May 2023.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim condensed consolidated financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”. As such, they do not include all the information to be disclosed in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the previous year.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.

1.5 New accounting standards and their impact in these consolidated financial statements

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2023:

Standards (new and amendments) effective as at 1 January 2023		Effective date (for financial years beginning on or after)
IAS 1 – Disclosure of accounting policies	Disclosure requirement for "material" accounting policies, rather than "significant" accounting policies.	01 Jan 2023
IAS 8 – Disclosure of accounting estimates	Definition of accounting estimate. Clarification as to the distinction between changes to accounting policies and changes to accounting estimates.	01 Jan 2023
IFRS 17 – Insurance contracts (include amendments)	New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participating features in profit or loss, in terms of aggregation, recognition, measurement, presentation and disclosure.	01 Jan 2023
IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction	Requirement to recognize deferred tax on the recognition of assets under right of use / lease liability and provisions for decommissioning / related asset, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences, because of not being relevant for tax purposes.	01 Jan 2023
IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information	This amendment allows to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when first applying IFRS 17. This amendment allows the application of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information.	01 Jan 2023

These standards were first applied by the Group in 2023, however, the impacts were not relevant in the accompanying financial statements.

The following standards, interpretations, amendments and revisions were not endorsed by the European Union to the date of approval of these financial statements:

Standards (new and amendments) that will become effective, on or after 1 January 2024, not yet endorsed by the EU		Effective date (for financial years beginning on or after)
IAS 1 – Non-current liabilities with covenants	Classification of a liability as current or non-current, depending on an entity’s right to defer its settlement for at least 12 months after the reporting date, when subject to covenants.	01 Jan 2024
IFRS 16 – Lease Liability in a sale and leaseback	Criteria to account for sale and leaseback transactions after the date of the transaction, when some or all the lease payments are variable.	01 Jan 2024

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 31 March 2023 since their application is not mandatory, lying in the process of analyzing expected effects of those standards.

2. Operational Activity

2.1 Presentation of consolidated income statements

In the Management Report, and for the purposes of calculating financial indicators as EBIT, EBITDA and Underlying EBITDA the consolidated income statement is divided between Direct Income and Indirect Income.

The Indirect Income includes Sierra’s results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning the remaining Sonae’s portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark-to-market methodology of other current investments that will be sold or exchanged in the near future and from other related income (including dividends); and (v) other non-relevant issues.

The value of EBITDA, Underlying EBITDA and EBIT are calculated in the direct income component, i.e. excluding the indirect contributions.

The reconciliation between the two presentation formats for the consolidated income statement for the periods ended 31 March 2023 and 2022 can be summarized as follows:

	31 Mar 2023				31 Mar 2022 Restated			
	Consolidated	Indirect Income	Non-recurring	Direct Income (d)	Consolidated	Indirect Income	Non-recurring	Direct income (d)
Turnover	1,873,078	-	-	1,873,078	1,669,114	-	-	1,669,114
Investment income	1,077	-	-	1,077	(652)	-	-	(652)
Others income	44,096	-	-	44,096	37,444	(689)	-	38,133
Total income	1,918,252	-	-	1,918,252	1,705,906	(689)	-	1,706,595
Total expenses	(1,782,950)	(9)	(2,190)	(1,780,751)	(1,583,164)	(142)	(438)	(1,582,727)
Depreciation and amortisation	(89,755)	-	-	(89,755)	(85,866)	-	-	(85,866)
Gains and Losses on property, plant and equipment and intangible assets	797	-	-	797	(235)	-	-	(235)
Provisions for warranty extensions	(149)	(149)	-	-	(274)	(274)	-	-
Impairment of assets	(5,049)	-	-	(5,049)	-	-	-	-
Reversal of impairment losses	1,014	-	-	1,014	2,387	-	-	2,387
Reversal of non-recurring impairment losses over inventories	158	158	-	-	417	417	-	-
Others	(1,014)	-	-	(1,014)	(1,337)	-	-	(1,337)
Profit before financial results and results of joint ventures and associates and non-recurrent items	41,303	-	(2,190)	43,493	37,832	(689)	(438)	38,816
Non-recurring items of continued operations	-	-	2,190	(2,190)	-	-	(2,784)	2,784
Gains and losses on investments recorded at fair value through profit and loss	(288)	(288)	-	-	13,707	10,485	3,222	-
Financial profit/(loss)	(28,795)	71	-	(28,866)	(22,516)	-	-	(22,516)
Share of results of joint ventures and associated undertakings								
Associates and joint ventures of Sonae Sierra	10,125	1,502	-	8,623	8,926	(613)	-	9,539
Armlar Venture Funds	(725)	(725)	-	-	1,406	1,406	-	-
NOS / ZOPT	11,946	-	-	11,946	8,871	-	-	8,871
Others	7,160	-	-	7,160	6,914	-	-	6,914
Profit before income tax	40,725	560	-	40,166	55,140	10,589	-	44,407
Income Tax	(5,796)	262	-	(6,059)	438	(1,546)	-	1,984
Profit/(Loss) from continued operations	34,928	823	-	34,107	55,579	9,043	-	46,391
Profit/(Loss) from discontinued operations	(2,351)	-	-	(2,351)	(4,638)	-	-	(4,638)
Profit / (Loss) for the period	32,578	823	-	31,756	50,939	9,043	-	41,753
Attributable to equity holders of Sonae	26,032	872	-	25,160	42,195	8,843	-	33,352
Non-controlling interests	6,546	(49)	-	6,595	8,745	200	-	8,545
"Underlying" EBITDA (b)				137,499				124,010
EBITDA (a)				160,688				147,481
EBIT (c)				66,680				62,428

(a) EBITDA = total direct income - total direct expenses - reversal of direct impairment losses + results by the equity method (direct results from joint ventures and associates of Sierra, NOS/Zopt and other subsidiaries) + provisions for extensions of guarantee +unusual results;

b) Underlying EBITDA = EBITDA - effect of equity method - non-recurrent results.

c) EBIT = Direct Income before tax - financial results - dividends.

d) Direct income = Results excluding contributions to indirect results and non current results.

2.2 Segment information

The main operating segment information as at 31 March 2023 and 2022 can be detailed as follows:

31 Mar 2023	Turnover	Depreciation and amortisation ^(a)	Provisions and impairment losses ^(a)	EBIT ^(a)	Financial results ^(a)	Income tax ^(a)
MC	1,469,385	(67,586)	(5,157)	50,722	(23,207)	(6,292)
Worten	284,052	(10,380)	48	(2,244)	-	-
Sierra	31,809	(824)	234	18,021	(1,857)	(621)
Zeitreel	95,816	(8,467)	(73)	(8,146)	-	-
Universo	1,082	(98)	(89)	(1,948)	-	-
BrightPixel	589	(327)	(13)	(1,571)	1,744	109
NOS	-	-	-	11,946	-	-
ISRG	-	-	-	4,818	-	-
Other, eliminations and adjustments (1)	(9,655)	(2,072)	1	(4,918)	(5,476)	745
Total consolidated - Direct	1,873,078	(89,755)	(5,049)	66,680	(28,795)	(6,059)

31 Mar 2022 Restated	Turnover	Depreciation and amortisation ^(a)	Provisions and impairment losses ^(a)	EBIT ^(a)	Financial results ^(a)	Income tax ^(a)
MC	1,294,353	(64,749)	551	42,500	(19,544)	(2,362)
Worten	260,676	(8,954)	(31)	53	-	-
Sierra	27,606	(794)	410	13,781	(1,173)	(1,083)
Zeitreel	95,876	(8,629)	205	(4,171)	-	-
Universo	749	(50)	(89)	(3,550)	-	-
BrightPixel	364	(288)	(58)	1,200	198	(881)
NOS	-	-	-	8,871	-	-
ISRG	-	-	-	6,630	-	-
Other, eliminations and adjustments (1)	(10,510)	(2,403)	61	(2,885)	(1,998)	6,310
Total consolidated - Direct	1,669,114	(85,866)	1,049	62,428	(22,516)	1,984

	31 Mar 2023			31 Mar 2022 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt ^{(2) (4)}	Investment (CAPEX)	Invested capital	Financial net debt ^{(2) (4)}
MC	49,051	2,568,189	1,645,388	26,174	2,540,922	1,542,696
Worten	15,468	48,387	-	9,881	32,883	-
Sierra	9,149	1,087,886	137,333	11,400	982,554	38,020
Zeitreel	2,011	286,667	-	2,765	320,246	-
Universo	20	(32,842)	-	17	(23,811)	-
BrightPixel	14,412	288,803	(34,091)	8,532	289,716	(1,904)
NOS	-	863,994	-	-	799,079	-
ISRG	-	119,886	-	-	107,745	-
Other, eliminations and adjustments (1)	102,119	195,596	425,922	108,487	227,914	528,863
Total consolidated	192,230	5,426,565	2,174,553	167,256	5,277,247	2,107,674

The caption "Others, eliminations and adjustments" can be analyzed as follows:

	Investment		Invested capital	
	31 Mar 2023	31 Mar 2022 Restated	31 Mar 2023	31 Mar 2022 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	13,552	25,016	195,596	227,914
Acquisition of additional 10% shares of Sierra	88,567	83,471	-	-
Others, eliminations and adjustments	102,119	108,487	195,596	227,914

- 1) Includes all Sonae's separated financial statements;
- 2) These captions are accompanied by management in more aggregated form, and not allocated to individual operating segments identified above;
- 3) Reconciled information in note 2.1;
- 4) Include lease liabilities.

All performance measures are reconciled to the financial statements in Note 2.1.

Glossary:

Net Invested capital = Net debt + Shareholder funds;

Net Financial Debt = Bonds + bank loans + other loans – cash – bank deposits – current investments – excluding other long-term investments + lease liabilities;

Others, eliminations and adjustments = Intra-groups + consolidation adjustments + contributions from other companies not included in the disclosed segments by do not fit in any reportable segment, i.e., companies "other" than Sonae SGPS are included, on the Annex I of Notes of Consolidated Financial Statements of 31 December 2022.

Investments (CAPEX) = Gross investments in Property, Plant and equipment and intangible assets and investments in acquisitions

2.3 Other income

The breakdown of other income for the periods ending 31 March 2023 and 2022 is as follows:

	31 Mar 2023	31 Mar 2022 Restated
Supplementary income	12,648	11,077
Foreign currency exchange gains	8,010	6,128
Prompt payment discounts obtained	7,297	6,840
Own work capitalized	5,776	4,717
Gains on hedge derivatives	1,487	-
Subsidies	461	129
Gains on sales of assets	306	5,260
Others	8,111	3,294
	44,096	37,444

3. Investments

3.1 Goodwill

Goodwill is allocated to each operating segment and within each segment to each of the homogeneous groups of cash generating units as follows:

- MC, Worten and Zeitreel - The value of Goodwill is allocated to each of the operating segments, and allocated to each of the homogeneous groups of cash-generating units, namely to each of the insignia of the segment broken down by country, and to each of the real estate in the case of the MC segment;
- Sierra - The Goodwill value of this segment is essentially allocated to the “property management” operation; and
- Bright Pixel - The Goodwill value of this segment is related to the Technology business

As at 31 March 2023 and 31 December 2022, the caption “Goodwill” was made as follows by segment and country:

	31 Mar 2023				
Insignia	Portugal	Spain	United Kingdom	Other countries	Total
MC	486,369	19,440	-	-	505,809
Worten	78,185	-	-	-	78,185
Sierra	18,160	-	-	-	18,160
Zeitreel	28,226	-	-	-	28,226
BrightPixel	1,318	-	-	-	1,318
Others	-	-	31,873	-	31,873
	612,258	19,440	31,873	-	663,571

	31 Dec 2022				
Insignia	Portugal	Spain	United Kingdom	Other countries	Total
MC	486,369	19,440	-	-	505,809
Worten	78,185	-	-	-	78,185
Sierra	18,160	-	-	-	18,160
Zeitreel	28,226	-	-	-	28,226
BrightPixel	1,318	-	-	-	1,318
Others	-	-	31,833	-	31,833
	612,258	19,440	31,833	-	663,531

3.2 Investment in joint ventures and associates

3.2.1 Breakdown of book value of investments in joint ventures and associates

The value of investments in joint ventures and associates can be analyzed as follows:

Investments in joint ventures and associates	31 Mar 2023	31 Dec 2022
Investments in joint ventures	109,838	113,626
Investments in associates	1,699,791	1,643,852
Total	1,809,629	1,757,479

The detail per company of investments in joint ventures is as follows:

COMPANY	31 Mar 2023	31 Dec 2022
MC		
Maremor Beauty & Fragances, S.L.	200	180
Sohi Meat Solutions - Distribuição de Carnes, SA	3,633	3,404
	3,833	3,584
Sierra		
Arrábidashopping- Centro Comercial, S.A.	15,528	16,149
Gaiashopping I- Centro Comercial, S.A.	27,640	28,530
Madeirashopping- Centro Comercial, S.A.	18,415	19,734
Quinta da Foz - Empreendimentos Imobiliários, S.A.	8,092	8,093
Parque Atlântico Shopping - Centro Comercial, S.A.	16,374	18,078
Via Catarina - Centro Comercial, S.A.	10,880	10,721
Others	8,584	8,217
	105,513	109,521
BrightPixel		
Unipress - Centro Gráfico, Lda	492	498
Others	-	23
	492	521
Investments in joint ventures	109,838	113,626

The detail per company of Investments in Associates is as follows:

COMPANY	31 Mar 2023	31 Dec 2022
MC		
INSCO - Insko Insular de Hipermercados, S.A.	4,586	4,489
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	1,429	1,294
SPORTESSENCE - Sportessence - Sport Retail, S.A.	322	301
	6,337	6,084
Sierra		
3shoppings - Holding, SGPS, S.A.	11,895	11,687
1) Aliansce Sonae Shopping Centers, S.A.	163,810	128,062
Area Sur Shopping, S.L.	8,949	8,803
Atrium Bire, SIGI, S.A.	4,378	4,335
Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	11,048	10,781
Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	104,645	102,526
Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	15,313	15,159
Le Terrazze - Shopping Centre 1 Srl	6,786	6,830
Olimpo Real Estate Portugal, SIGI, S.A.	2,878	2,860
Olimpo Real Estate SOCIMI, S.A.	7,596	7,476
Sierra European Retail Real Estate Assets Holdings, BV ("Sierra BV")	236,883	234,029
Sierra Portugal Real Estate ("SPF")	17,552	17,278
Trivium Real Estate Socimi, S.A.	26,111	26,119
Zenata Commercial Project	2,123	2,096
Others	6,432	6,382
	626,398	584,427
BrightPixel		
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	57,998	57,991
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III)	12,239	12,800
Fundo de Capital de Risco Espirito Santo Ventures Inovação e Internacionalização (AVP I+I)	10,391	10,562
Others	1	-
	80,628	81,353
Others		
Iberian Sports Retail Group (ISRG)	119,788	114,971
Mondarella GmbH	2,645	2,807
NOS SGPS, S.A.	863,994	854,211
	986,428	971,989
Investment in associates companies	1,699,791	1,643,852

1) At January 6th, 2023, with the conclusion of merging business operation between Aliansce Sonae Shopping Centres, S.A. presented in Investments in Associates and the Br Malls Participações, S.A. classified in December 31st as Financial Assets at Fair Value Through Other Comprehensive Income, Br Malls Participações, S.A. investment was transferred to Investments in Associates.

NOS financial investment

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 the 28th of September, it was decided to amortise Sonaecom's stake 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 37.6 million euros. As a result of the said 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 to deliver -in early December 2022 - the shares representing 26.07% of the share capital of NOS, which became directly owned by Sonaecom.

Since its inception, the sole 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, in substance, the stake in NOS, with the resolution of the Shareholders' Agreement and the aforementioned resolution, 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 do 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.

On March 31, 2023, Sonae was attributed a stake in NOS of 37.37% of the share capital and voting rights in that company, as a result of the direct stake in the capital and voting rights in NOS held by Sonae and the indirect attribution of votes relative to the referred percentage of 26.07% which are directly held by its subsidiary Sonaecom.

The financial information of NOS, used in the calculation of equity method, include adjustments on results of the process of allocating the fair value to the assets and liabilities acquired of 2013 merge operation.

On 31 March 2023, it was considered the assumptions made in the impairment tests carried out in 2022 did not have significant variations.

NOS Group provisions

The evolution in provisions occurred during the first 3 months of 2023 compared to 31 December 2022 was as follows:

1. 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 37 million euros, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress.

2. Actions by MEO against NOS, S.A., NOS Madeira and NOS Açores and by NOS S.A. against MEO

On December 2022, the expert requested a waiver of duties as he understood that qualified non-judicial verification is unfeasible given the volume of documentation for analysis. Further developments are awaited.

3. Interconnection tariffs

On February 2023, MEO filed a new appeal with the Supreme Court of Justice (SCJ) where NOS presented allegation of response. 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.

3.2.2 Movements occurred in the period

During the period ended at 31 March 2023, movements in investments in joint ventures and associates are as follows:

Investments in joint ventures	31 Mar 2023		
	Proportion on equity	Goodwill	Total investment
Balance as at 1 January	110,804	2,822	113,626
Increases during the period	307	-	307
Equity method:			
Effect in gains or losses in joint controlled	2,360	-	2,360
Distributed dividends	(6,524)	-	(6,524)
Effect in equity capital and non-controlling interests	68	-	68
	107,016	2,822	109,838

Investments in associates companies	31 Mar 2023		
	Proportion on equity	Goodwill	Total investment
Initial balance as at 1 January	1,476,373	167,479	1,643,852
Increases during the period	31	-	31
Acquisitions during the period	1,424	-	1,424
Transfer of financial assets at fair value through other comprehensive income	29,559	-	29,559
Equity method:			
Effect in gains or losses in associated companies	26,146	-	26,146
Distributed dividends	(2,532)	-	(2,532)
Effect in equity capital and non-controlling interests	1,311	-	1,311
	1,532,311	167,479	1,699,791

The effect on equity and non-controlled interests results fundamentally from the exchange rate conversion effect of companies with a functional currency other than the euro.

3.3 Financial assets at fair value

3.3.1 At fair value through profit or loss

The value of financial assets at fair value through profit and loss can be analysed as follows:

Company	Statement of financial position	
	31 Mar 2023	31 Dec 2022
BrightPixel		
Afresh	4,598	4,688
Arctic Wolf Networks, Inc	77,244	78,758
Chord	5,517	5,625
Grupo Codacy	8,000	8,000
CyberSixgil	17,900	18,251
Hackuity	6,000	6,000
Infraspeak	6,000	-
Mayan	4,598	4,688
Ometria, Ltd.	21,042	20,858
Safebreach	13,867	14,139
Sales Layer	9,714	9,714
Seldon	7,030	-
Weaveworks	4,894	4,990
Other financial assets	35,608	32,960
	222,012	208,671
Others		
Others	18,633	8,218
	18,633	8,218
Financial assets at fair value through profit or loss	240,645	216,889

3.3.2 At fair value through other comprehensive income

The value of financial assets at fair value through other comprehensive income can be analysed as follows:

Company	Statement of financial position	
	31 Mar 2023	31 Dec 2022
BrightPixel		
Deepfence	2,299	2,344
IriusRisk	7,125	7,125
Nextail Labs, SL	1,629	1,629
Other financial assets	607	607
	11,659	11,704
Sierra		
1) Br Malls	-	29,559
	-	29,559
Financial assets at fair value through other comprehensive income	11,659	41,263

- 1) At January 6th, 2023, with the conclusion of merging business operation between Alliansce Sonae Shopping Centres, S.A. presented in Investments in Associates and the Br Malls Participações, S.A. classified in December 31st as Financial Assets at Fair Value Through Other Comprehensive Income, Br Malls Participações, S.A. value was transferred to Investments in Associates.

3.3.3 Movements occurred in the period

During the year ended at 31 March 2023 and 31 March 2022, movements in investments in joint ventures are as follows:

	31 Mar 2023	31 Mar 2022 Restated
Investments recorded at fair value through other comprehensive income and through profit or loss		
Fair value (net of impairment losses) as at 1 January	258,153	301,848
Acquisitions in the period	23,886	25,859
Disposals in the period	-	(1,978)
Increase/(decrease) in fair value through profit and loss	(288)	10,485
Increase/(decrease) in fair value through other comprehensive income	(45)	17,433
Transfer to investments in associates	(29,559)	-
Others	158	-
Investments recorded at fair value through other comprehensive income and through profit or loss	252,304	353,648

In the period ended 31 March 2022, the caption 'Disposals in the period' includes the sale of Bright Pixel's entire stake in CiValue for the amount of 5.3 million euro, which generated a capital gain of 3.3 million of euro.

3.4 Cash payments of investments

Cash payments related to investments of the period can be detailed as follows:

Payments	31 Mar 2023	31 Mar 2022 Restated
Acquisition of Sierra SGPS shares	88,566	83,471
Acquisition of Infraspak shares	6,000	-
Acquisition of Sheldon shares	7,028	-
Acquisition of Hackuity shares	-	3,000
Acquisition of Experif shares	-	1,135
Acquisition of Sixgil shares	-	4,222
Acquisition of Nova Centralidade Soc. De Desenv. Imobiliário, S.A. shares	-	8,006
Acquisition of Douro Riverside Hotel, S.A. shares	-	1,701
Others	19,693	18,161
	121,286	119,696

3.5 Property, plant and equipment

During the three months period ended as at 31 March 2023, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

	Land and Buildings	Plant and Machinery	Vehicles	Fixtures and Fittings	Others tangibles assets	Tangible assets in progress	Total tangible assets
GROSS ASSETS							
Opening balance as at 1 January 2023	1,410,825	1,872,661	32,399	167,626	56,274	38,535	3,578,319
Investment	6,959	841	4	458	58	40,224	48,544
Disposals	(335)	(8,349)	(126)	(554)	(298)	(1,142)	(10,804)
Exchange rate effect	65	70	-	5	-	-	140
Assets available for sale	-	(8)	-	(349)	-	-	(357)
Transfers	1,147	30,121	369	3,892	636	(36,435)	(270)
Closing balance as at 31 March 2023	1,418,661	1,895,336	32,646	171,077	56,671	41,181	3,615,572
Accumulated depreciation and impairment losses							
Opening balance as at 1 January 2023	494,069	1,190,818	22,190	118,534	46,806	222	1,872,638
Depreciation of the period	5,985	31,876	478	3,972	825	-	43,135
Impairment losses of the period (Note 6)	(221)	5,062	-	-	-	-	4,841
Reversals of impairment losses	167	(54)	-	-	(5)	-	108
Disposals	(215)	(6,406)	(112)	(458)	(269)	-	(7,459)
Exchange rate effect	22	37	-	3	-	-	63
Depreciation of assets available for sale	-	(3)	-	(222)	-	-	(226)
Transfers	87	(235)	(39)	(36)	(73)	-	(296)
Closing balance as at 31 March 2023	499,894	1,221,096	22,518	121,792	47,284	222	1,912,805
Carrying amount							
As at 31 December 2022	916,756	681,843	10,209	49,093	9,468	38,313	1,705,681
As at 31 March 2023	918,767	674,240	10,128	49,285	9,387	40,959	1,702,767

The investment includes the acquisition of assets of approximately 24.7 million euro (23.8 million euro in 2022), associated with the opening and remodeling of stores of Sonae retail operating segments.

The caption "Depreciation of the period" of Property, plant and equipment assets includes 18 thousand euros transferred to discontinued operations.

3.6 Intangible assets

During the three months period ended 31 March 2023, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

	Patents and other similar rights	Software	Other intangible assets	Intangible assets in progress	Total intangible assets
GROSS ASSETS					
Opening balance as at 1 January 2023	268,831	551,874	104,960	53,020	978,685
Investment	211	121	-	21,537	21,869
Disposals	(2)	(1,097)	(34)	(431)	(1,564)
Exchange rate effect	155	1	155	-	311
Assets available for sale	(15)	(10,929)	(9,732)	-	(20,676)
Transfers	11	11,129	-	(11,062)	77
Closing balance as at 31 March 2023	269,192	551,098	95,349	63,064	978,703
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2023	62,224	355,852	68,764	-	486,840
Depreciation of the period	261	11,969	1,448	-	13,678
Impairment losses of the period (Note 6)	(13)	(297)	-	-	(311)
Disposals	-	(788)	(30)	-	(818)
Exchange rate effect	-	-	11	-	11
Depreciation of assets available for sale	(15)	(6,594)	-	-	(6,609)
Impairment losses of assets available for sale	-	-	(1,070)	-	(1,070)
Transfers	2	(7)	(66)	-	(72)
Closing balance as at 31 March 2023	62,459	360,135	69,055	-	491,649
CARRYING AMOUNT					
As at 31 December 2022	206,607	196,022	36,196	53,020	491,845
As at 31 March 2023	206,733	190,963	26,294	63,064	487,054

As at 31 March 2023 the Investment related to intangible assets in progress includes 20 million euro related to IT projects and development software. Within that amount it is included 5.8 million euro of capitalizations of personnel costs related to own work.

The caption "Depreciation of the period" of Property, plant and equipment assets includes 401 thousand euros transferred to discontinued operations.

3.7 Rights of use assets

During the period of three months ended on 31 March 2023, the detail and the movement in the value of the rights of use, as well as in the respective depreciations, was as follows:

	Land and Buildings	Equipment and Vehicles	Others tangible assets	Total tangible assets
GROSS ASSETS				
Opening balance as at 1 January 2023	1,610,497	101,058	8,574	1,720,129
Additions	95,361	17,802	5,994	119,156
Effect of foreign currency exchange differences	52	3	-	55
Transfers to assets available for sale	-	(1,053)	-	(1,053)
Write-offs and decreases	(43,635)	(3,802)	(5,083)	(52,520)
Closing balance as at 31 March 2023	1,662,276	114,007	9,485	1,785,767
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2023	607,090	84,428	792	692,309
Depreciation of the period	27,234	5,935	245	33,413
Effect of foreign currency exchange differences	33	1	-	34
Transfers to assets available for sale	-	(602)	-	(602)
Write-offs and transfers	(4,046)	(3,743)	(67)	(7,856)
Impairment losses of the period	(25)	-	-	(25)
Closing balance as at 31 March 2023	630,285	86,019	969	717,273
CARRYING AMOUNT				
As at 31 December 2022	1,003,407	16,630	7,782	1,027,820
As at 31 March 2023	1,031,991	27,989	8,515	1,068,494

The caption "Depreciation of the period" of Property, plant and equipment assets includes 52 thousand euros transferred to discontinued operations.

3.8 Assets and liabilities classified as held for sale

On 31 March 2023 following the accomplishment of the agreement with Bankinter Consumer Finance, E.F.C., S.A. (“Bankinter Consumer Finance”) for a joint venture to the combination of Universo, IME, S.A. and Bankinter Consumer Finance, in which where established the main conditions to create a market leader in the Portuguese consumer credit sector, with Sonae and Bankinter as equal shareholders with 50% of equity, Universo, IME, S.A. contribution to the consolidated financial statements, were presented as held for sale and profit and loss presented as discontinued operations.

At 31 March 2023, the caption “Asset classified as held for sale” and “Liabilities directly associated with assets classified as held for sale” can be detailed as follows:

	Universo	Zeitreel	Total
Assets			
Non-current assets:			
Property, plant and equipment and intangible assets	13,128	726	13,854
Deferred tax assets	1,770	-	1,770
Other non-current assets	501	-	501
Total non-current assets	15,399	726	16,125
Current assets:			
Trade receivables	45,307	-	45,307
Other current assets	10,161	-	10,161
Cash and cash equivalents	13,408	-	13,408
Total current assets	68,876	-	68,876
Asset classified as held for sale	84,275	726	85,001
Liabilities			
Non-current liabilities:			
Other non-current liabilities	469	-	469
Total non-current liabilities	469	-	469
Current liabilities:			
Trade payables	4,563	-	4,563
Other payables	47,065	-	47,065
Other current liabilities	8,564	-	8,564
Total current liabilities	60,192	-	60,192
Liabilities directly associated with assets classified as held for sale	60,661	-	60,661

4. Working capital

4.1 Deferred taxes

Deferred tax assets and liabilities as at 31 March 2023 and 31 December 2022 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Difference between fair value and acquisition cost	4,929	4,929	93,863	93,156
Temporary differences on property, plant and equipment and intangible assets	241	277	97,672	97,392
Temporary difference of negative goodwill and equity method	-	-	34,979	35,262
Provisions and impairment losses not accepted for tax purposes	22,102	23,855	-	-
Impairment of assets	-	-	639	639
Valuation of hedging derivatives	1,395	1,614	8,826	9,137
Amortisation of Goodwill for tax purposes in Spain	-	-	45,734	45,370
Tax losses carried forward	30,660	31,892	-	-
Reinvested capital gains/losses	-	-	60	68
Tax Benefits	48,415	51,093	15,911	15,911
Rights of use	283,319	270,982	246,334	234,144
Others	12,476	11,179	474	714
	403,539	395,820	544,492	531,793

As at 31 March 2023 and 31 December 2022, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate to be used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

5. Capital structure

5.1 Non-controlling interest

During the period ended 31 March 2023, the movement in non-controlling interests are detailed as follows:

	31 Mar 2023						
	MC	Worten	Sierra	Zeitreef	BrightPixel	Others	Total
Opening balance at 1 January 2023	250,899	1,055	140,434	(574)	129,998	2,035	523,848
Delivery and attribution of shares to employees for termination of obligation	97	-	-	-	-	5	102
Change in percentage of subsidiaries	(68)	-	(82,322)	-	(178)	-	(82,568)
Change in currency translation reserve	(24)	-	-	-	-	3	(21)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	(164)	-	(164)
Changes in hedging reserves	(4,039)	-	-	-	-	-	(4,039)
Others	(38)	-	-	236	(277)	6	(73)
Profit for the period attributable to non-controlling interests	4,901	116	1,092	(37)	515	(42)	6,546
Closing balance as at 31 March 2023	251,729	1,171	59,204	(375)	129,893	2,008	443,632

5.2 Earnings per share

Earnings per share for the periods ended 31 March 2023 and 2022 were calculated taking into consideration the following amounts:

	31 Mar 2023		31 Mar 2022 Restated	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	28,383	(2,351)	46,557	(4,362)
Net profit taken into consideration to calculate diluted earnings per share	28,383	(2,351)	46,557	(4,362)
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,914,622,517	1,914,622,517	1,908,434,638	1,908,434,638
Outstanding shares related with share based payments	21,614,929	21,614,929	15,994,430	15,994,430
Shares related to performance bonus that can be bought at market price	(6,027,130)	(6,027,130)	(4,304,066)	(4,304,066)
Weighted average number of shares used to calculate diluted earnings per share	1,930,210,315	1,930,210,315	1,920,125,002	1,920,125,002
EARNINGS PER SHARE				
Basic	0.01482	(0.00123)	0.02440	(0.00229)
Diluted	0.01470	(0.00122)	0.02425	(0.00227)

5.3 Loans

As at 31 March 2023 and 31 December 2022, loans are made up as follows:

	31 Mar 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans	507,748	811,815	226,744	776,384
Bonds	3,875	361,120	28,846	331,372
Other loans	810	-	-	-
Total loans	512,433	1,172,935	255,590	1,107,757

	31 Mar 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA - commercial paper	102,000	45,000	45,000	-
Sonae, SGPS, SA - commercial paper ESG-Linked	20,000	350,000	-	300,000
Sonae SGPS, SA 2016/2029	-	30,000	-	30,000
Sonae SGPS, SA 2020/2025	-	25,000	-	25,000
Sonae SGPS, SA affiliated - ESG Linked	50,000	-	-	-
Sonae SGPS affiliated / 2019/2026 - ESG Linked	-	50,000	-	50,000
MCRETAIL, SGPS,SA - commercial paper	101,149	-	-	103,132
MCRETAIL, SGPS,SA - commercial paper ESG-Linked	-	125,000	-	100,000
MC affiliated / 2014/2023	50,000	-	50,000	-
Sonae, SGPS, SA - 2023/2029	-	30,000	-	-
MC Green Loan / 2018/2031	6,111	48,889	6,111	48,889
MC Green Loan affiliated / 2020/2025	-	55,000	-	55,000
MC affiliated / 2021/2028	3,333	16,667	3,333	16,667
Sierra Invest Holdings BV- commercial paper 2022/2024	11,000	-	-	11,000
Sierra affiliated / 2016/2026	-	36,300	-	36,300
Sierra affiliated / 2015/2023	106,600	-	107,900	-
Others	8,377	1,128	11,797	1,365
	458,571	812,984	224,142	777,352
Bank overdrafts (note 5.4)	49,472	-	2,974	-
Up-front fees beard with the issuance of borrowings	(295)	(1,169)	(372)	(968)
	507,748	811,815	226,744	776,384

	31 Mar 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bonds				
Bonds Sonae SGPS /2022/2027	-	25,000	-	25,000
Bonds ESG Sonae SGPS /2020/2025	4,000	8,000	4,000	8,000
Bonds MC/ Dezembro 2019/2024	-	30,000	-	30,000
Bonds MC/ Abril 2020/2027	-	95,000	-	95,000
Bonds MC ESG / dezembro 2021/2024	-	40,000	-	40,000
Bonds MC ESG / novembro 2021/2026	-	60,000	-	60,000
Bonds MC ESG 2023/2026	-	30,000	-	-
Bonds Sonae Sierra 2022/2029	-	50,000	-	50,000
Bonds Sonae Sierra 2022/2027	-	25,000	-	25,000
Bonds Sonae Sierra 2018/2023	-	-	25,000	-
Up-front fees beard with the issuance of borrowings	(125)	(1,880)	(154)	(1,628)
Bonds	3,875	361,120	28,846	331,372
Derivative instruments	810	-	-	-
Other loans	810	-	-	-

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology

The interest rate at 31 March 2023 on bond loans and bank loans averaged approximately 2.71% (2.24% at 31 December 2022). Most of the bond loans and variable-rate bank loans are indexed to Euribor.

The derivatives are recorded at fair value.

The nominal value of contractual flows of loans has the following maturities:

	31 mar 2023	31 mar 2022
N+1 ^{a)}	512,043	256,116
N+2	121,772	180,854
N+3	110,259	100,365
N+4	576,617	344,887
N+5	178,326	338,135
After N+5	189,518	146,111
	1,688,536	1,366,468

a) Include amounts used from commercial paper programs when classified as assets.

The maturities presented above were estimated according to the contractual clauses of the loans and considering Sonae's best expectation as to its amortisation date.

As at 31 March 2023, there are financing operations with financial covenants whose conditions were negotiated in accordance with applicable market practices, and which at the date of this report are in regular compliance.

At 31 March 2023, Sonae has, as detailed below, cash and bank balance equivalents in the amount of 691 million euros (794 million euros as at 31 December 2022) and available credit lines as follows:

	31 Mar 2023		31 Dec 2022	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities				
MC	131,000	295,000	161,000	275,000
Sierra	44,969	-	54,969	-
Holding & Others	72,000	58	149,000	195,000
	247,969	295,058	364,969	470,000
Agreed credit facilities				
MC	131,000	395,000	161,000	375,000
Sierra	44,969	-	54,969	-
Holding & Others	194,000	345,000	194,000	367,500
	369,969	740,000	409,969	742,500

5.4 Cash and cash equivalents

As at 31 March 2023 and 31 December 2022, Cash and cash equivalents are as follows:

	31 Mar 2023	31 Dec 2022
Cash at hand	12,896	15,159
Bank deposits	172,443	670,766
Bank deposits - shopkeepers deposits	2,852	2,873
Treasury applications	502,808	105,014
Cash and bank balances on the statement of financial position	690,999	793,812
Bank overdrafts (Note 5.3)	(49,472)	(2,974)
Cash and bank balances in the statement of cash flows	641,526	790,838

5.5 Net financial expenses

Net financial expenses are as follows:

	31 Mar 2023	31 Mar 2022 Restated
Expenses		
Interest payable:		
related with bank loans and overdrafts	(6,027)	(2,575)
related with non convertible bonds	(4,006)	(937)
related with operational leases	(19,441)	(18,466)
others	(127)	(199)
	(29,601)	(22,178)
Foreign exchange losses	(23,830)	(9,551)
Up front fees and commissions related to loans	(1,322)	(1,826)
Others	(497)	(433)
	(55,250)	(33,988)
Income		
Interest receivable:		
related with bank deposits	834	14
others	751	672
	1,585	686
Foreign exchange gains	24,266	8,437
Other financial income	605	2,349
	26,455	11,472
Net financial expenses	(28,795)	(22,515)

6. Provisions

Movements in “Provisions and impairment losses” during the period ended 31 March 2023 are as follows:

	Balance at 01 Jan 2023	Increase	Decrease	Changes in the scope of consolidation	Balance at 31 Mar 2023
Accumulated impairment losses on investments	1,643	-	-	-	1,643
Impairment losses on property, plant and equipment (Note 3.6)	122,558	4,841	(195)	-	127,204
Impairment losses on intangible assets (Note 3.7)	33,933	-	(53)	(1,070)	32,809
Accumulated impairment losses on non-current assets held for sale	51	-	-	-	51
Accumulated impairment losses on other current debtors	25,083	1,550	(844)	(2,371)	26,480
Non - current provisions	21,621	81	(799)		20,903
Current provisions	4,508	738	(581)	(242)	4,424
	212,296	6,635	(4,104)	(3,683)	213,514

7. Related parties

Balances and transactions with related entities can be detailed as follows:

	Parent Company		Jointly controlled companies	
	31 Mar 2023	31 Mar 2022 Restated	31 Mar 2023	31 Mar 2022 Restated
Sales and services rendered	89	78	1,827	3,671
Other income	2	-	123	153
COGS and materials consumed	-	-	(92,056)	(73,819)
External supplies and services	(79)	(118)	(735)	(4,149)
Other expenses	-	(3)	-	(1)
Financial income	-	-	125	143
Financial expense	-	-	(24)	(30)

	Associated companies		Other related parties	
	31 Mar 2023	31 Mar 2022 Restated	31 Mar 2023	31 Mar 2022 Restated
Sales and services rendered	30,111	14,194	2,804	15,557
Other income	290	58	567	876
COGS and materials consumed	(888)	-	(369)	(538)
External supplies and services	(4,703)	(965)	(1,967)	(1,931)
Other expenses	(4)	(34)	(2)	(26)
Financial income	140	101	14	15
Financial expense	(1,564)	(1,583)	(1)	-

	Parent Company		Jointly controlled companies	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Other non-current assets	-	-	8,900	8,900
Trade receivables	37	38	1,414	1,019
Other receivables	3	9	9,558	5,678
Trade payables	-	-	(69,220)	(83,542)
Other payables	(148)	(553)	(162)	(365)
Acquisition of tangible assets	-	-	-	98
Sales of tangible assets	-	-	(4)	-
Acquisition of intangible assets	-	-	-	118

	Associated companies		Other related parties	
	31 Mar 2023	31 Dec 2022	31 Mar 2023	31 Dec 2022
Other non-current assets	8,848	8,759	4	4
Trade receivables	21,057	20,559	1,669	2,818
Other receivables	19,273	16,116	1,933	2,054
Trade payables	(3,597)	(4,536)	(938)	(896)
Other payables	(5,377)	(8,408)	(871)	(871)
Acquisition of tangible assets	372	43	-	-
Sales of tangible assets	-	-	-	(1)
Acquisition of intangible assets	46	-	-	-

The related parties include subsidiaries and jointly controlled companies or associated companies of Sonae Sierra SGPS, SA, NOS SGPS, S.A., Sonae Indústria, SGPS, SA and SC Investments, SGPS, SA and SC Industrials, SA, as well as other shareholders of subsidiaries or jointly controlled companies by Sonae, and other subsidiaries of the parent company Efanor Investimentos, SGPS, S.E..

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Margaret Lorraine Trainer

Marcelo Faria de Lima

Carlos António Rocha Moreira da Silva

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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.

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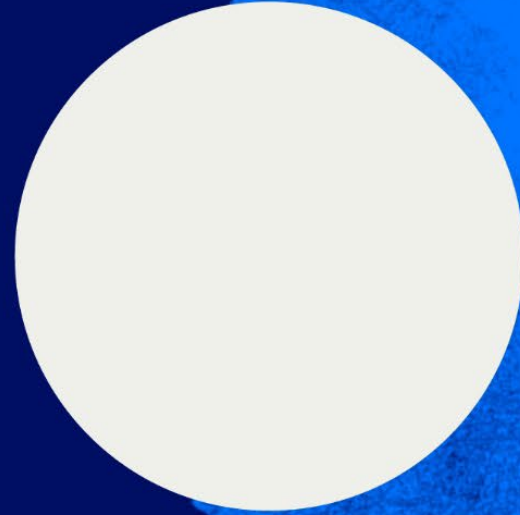
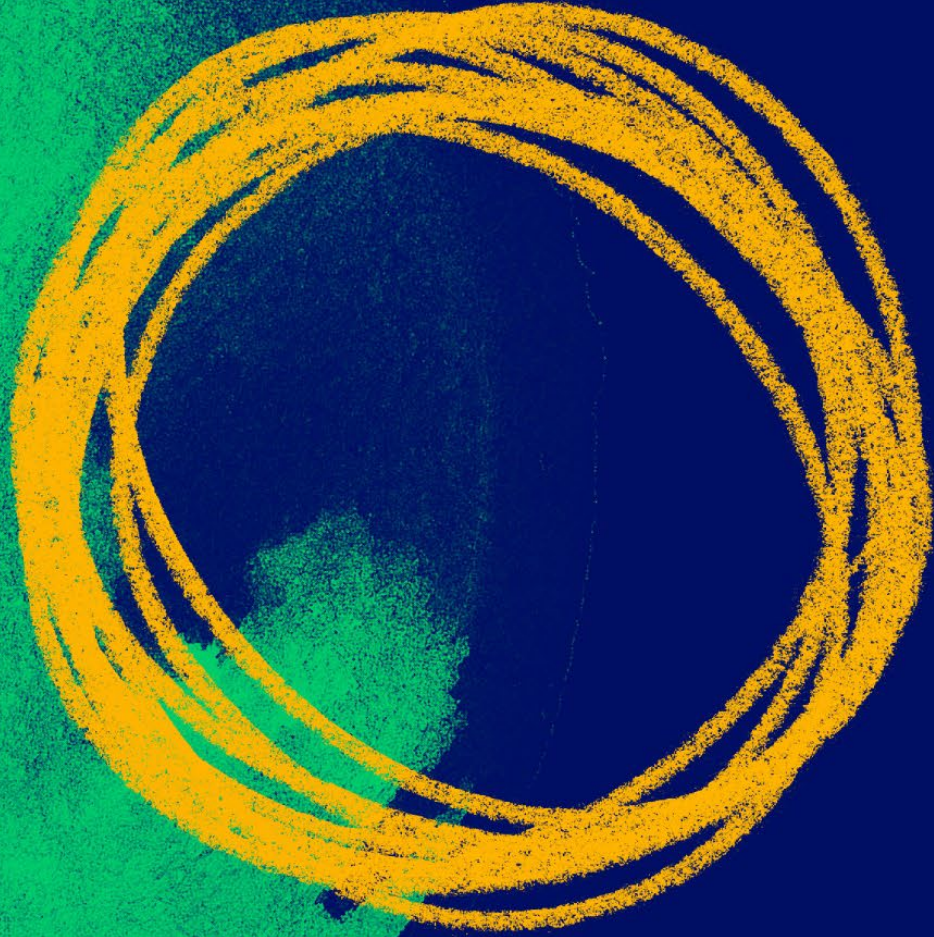
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Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SON PL



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