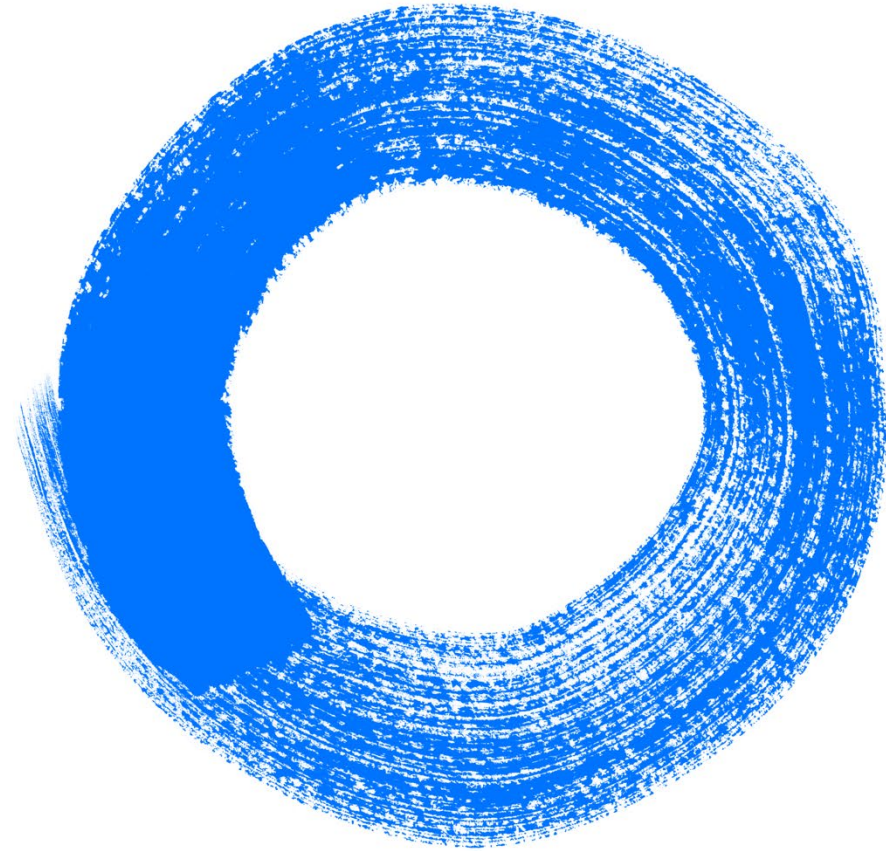
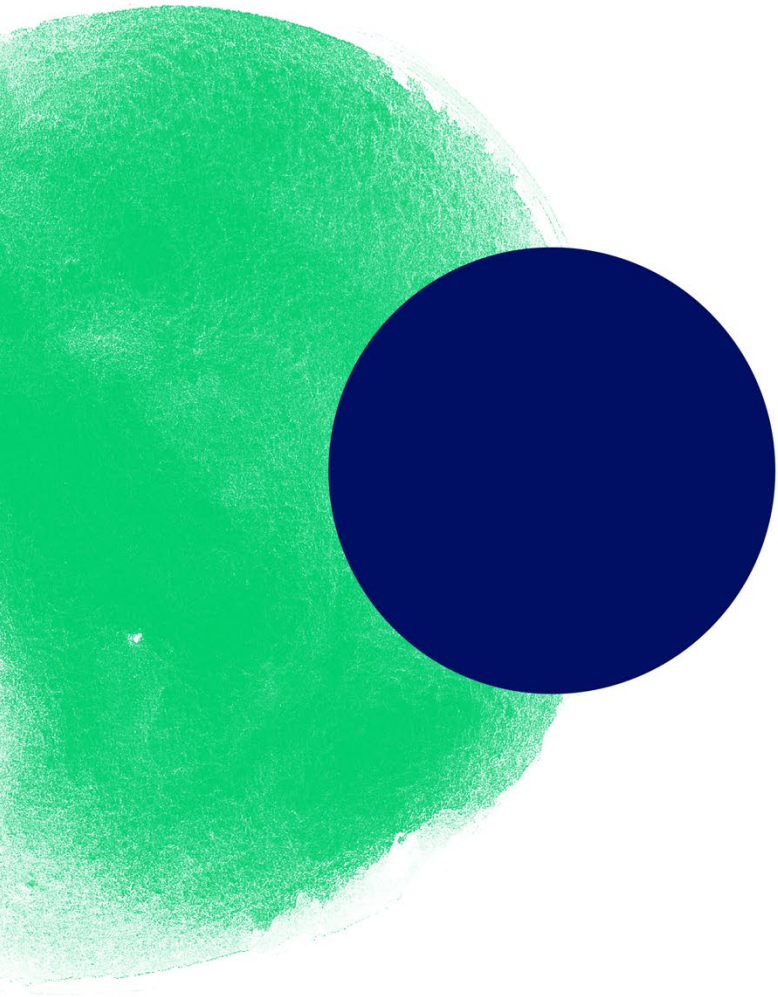




Results Report 1H23

Sonda



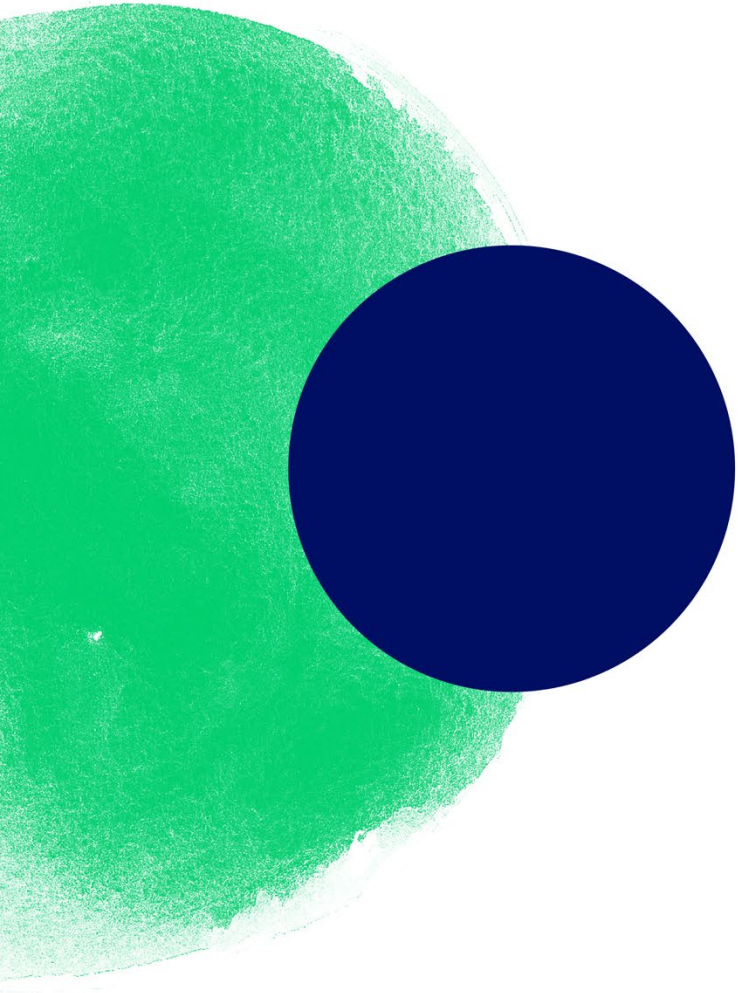
1H23 Highlights

Key Financial Indicators

- Consolidated **turnover** increased 12% yoy to €3.8bn, mainly driven by the continued strong performances of MC and Worten.
- **EBITDA** reached €350m, a 9% yoy increase, underpinned by a solid operational performance of our main businesses, which more than offset lower results from the portfolio management activity, namely at Bright Pixel, and the continued efforts to absorb inflationary pressures for our customers.
- **Net result** (group share) amounted to €69m, below last year, mainly fuelled by higher funding costs, tax expenses, 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 €202m (L12M) and, after the payment of dividends to our shareholders and our partners, net debt slightly reduced yoy to €1,067m. Consequently, the Group's 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 €4.2bn, +4.0% qoq and +6.7% vs YE22 figures, mainly fuelled by the solid performance of our businesses coupled with the valuation obtained in the sale of the ISRG stake (to be concluded up to YE23), which more than offset the NOS share price decline. At the holding level, LTV stood at 7.0%, 0.4pps below the 1Q23 level.

Portfolio Management Activity

- **MC** entered into an agreement with the founding shareholders of Druni and Arenal for the combination of these two companies (completion expected in 2H23).
- **Bright Pixel** continued its portfolio management activity with three new investments in 2Q23, totalling six in 1H23.
- During **1Q23**, Sonae (i) acquired the remaining 10% stake in Sierra, and (ii) agreed with Bankinter Consumer Finance a 50/50 partnership for the creation of a leading consumer credit operator in Portugal.
- Already in July (3Q23):
 - (i) Sonae received a notification from JD Sports Group communicating its intention to acquire the remaining stake in ISRG with an equity value of €1.0bn. This transaction implies €300m of cash-in and an estimated €175m capital gain for Sonae (completion by YE23); and
 - (ii) Sonaecom acquired Sonae's direct stake in NOS (11.30%) for €213m (€3.6527 per share), now holding 37.37% of the share capital. This transaction did not impact the voting rights in NOS attributable to Sonae.



CEO letter

In the second quarter of the year, and despite the challenging macroeconomic and competitive context, Sonae showed a strong overall performance. Our businesses continued to grow on the back of distinctive value propositions for customers, and we continued to actively manage our portfolio to create superior value for our shareholders.

In terms of operational performance, our teams continued to work hard to mitigate the impacts of inflation on consumers and deliver the best quality at the lowest prices, thus being able to strengthen the market leadership positions of Continente and Worten. On the real estate front, Sierra continued to register tenant sales in shopping centres above pre-pandemic levels, showing the resilience and high quality of its assets, while further expanding its services activity into new sectors and countries. NOS continued to improve its operational performance, underpinned by the investments made in recent years to enable the best mobile network in Portugal, and by the recovery of the cinema theatre business. As such, in the 1H23, Sonae's consolidated turnover reflected the quality of our businesses and assets and increased 12% yoy to €3.8bn, while EBITDA grew 9% yoy to €350m.

Even in such a demanding and fast-moving environment, we continued to execute important portfolio shifts during this second quarter. MC took an important strategic step by reaching an agreement for the combination of Arenal and Druni in Spain, creating – together with Wells in Portugal – the leading operator in the health, wellness and beauty segment in Iberia, with a combined turnover of over €1.0 billion. Bright Pixel continued to expand its investment in technology companies with 3 new minority investments concluded during the 2Q, reaching over 40 companies in the portfolio.

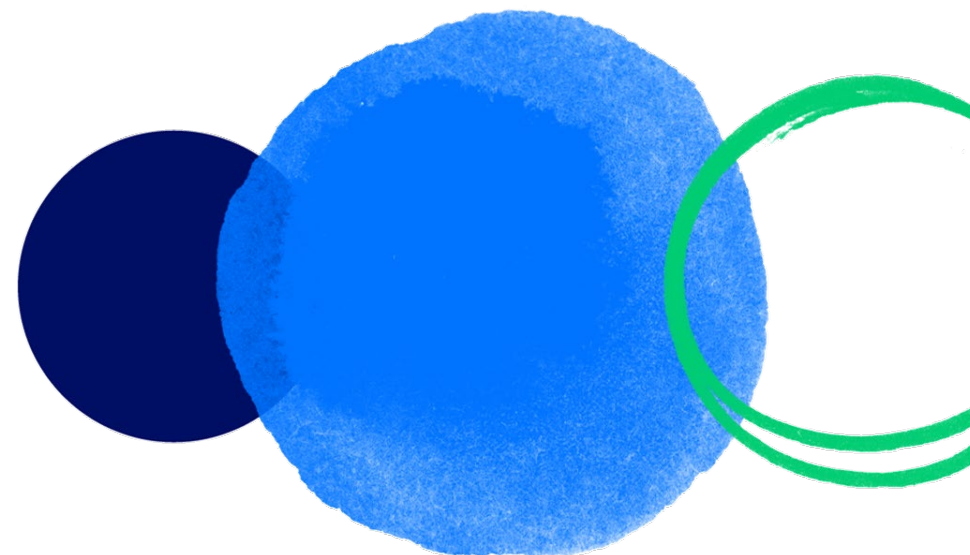
Already in July, we received the notification from JD Sports to buy our stake in ISRG for €300m, triggered by Sonae's exercise of the buy or sell option foreseen in the shareholders' agreement. After 5 years of a successful partnership, I would like to thank everyone at ISRG, and the Segarra family in particular, for their contribution to the company's extraordinary track record and wish them all the best for the future.

Overall, our operational performance, combined with the portfolio management activity of the last 12 months, led to a significant increase in net asset value. Given our strong FCF generation profile, our financial position was further reinforced, and the holding LTV now stands at 7.0%.

We also took important steps in the quarter to advance our sustainability commitments. After a thorough group-wide process, we reviewed our sustainability strategy and elevated our targets to a new level for the 2023-2026 cycle, in areas such as decarbonisation, biodiversity & water consumption, circularity and human development. We committed to a renewed ambition in all of these areas, and I am sure we will achieve our goals.

Going forward, I am confident that our portfolio of leading businesses and our strong ambition, coupled with our solid financial position, will ensure that Sonae continues to meet the needs of all our stakeholders and to create economic and social value for all.

Cláudia Azevedo, CEO



Overview

Key Data

€m	30.06.22	30.09.22	31.12.22	31.03.23	30.06.23
NAV ¹	3,848	3,966	3,974	4,079	4,240
Market capitalization	2,342	1,649	1,870	2,010	1,802
Net Debt	1,103	1,022	540	922	1,067

€m	2Q22 R	2Q23	yoy	1H22 R	1H23	yoy
Turnover	1,762	1,958	11.1%	3,432	3,831	11.6%
Underlying EBITDA	140	163	16.3%	264	301	13.8%
<i>Underlying EBITDA margin</i>	<i>8.0%</i>	<i>8.3%</i>	<i>0.4 p.p.</i>	<i>7.7%</i>	<i>7.9%</i>	<i>0.1 p.p.</i>
EBITDA	172	189	10.0%	319	350	9.5%
Direct Result	63	52	-17.3%	105	84	-20.1%
Net result group share	76	43	-43.5%	118	69	-41.6%
Sale of assets	5	10	92.8%	41	10	-74.3%
M&A capex	-31	-27	12.4%	-140	-141	-0.7%
Free cash flow before dividends paid	1	22	-	-378	-362	4.1%
Dividends paid	-169	-161	5.1%	-169	-161	5.1%

	1Y	3Y	5Y	10Y
Total Shareholder return ²	-19%	66%	16%	95%

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 €4.2bn at the end of the 1H23, 4.0% above 1Q23 figure, mainly fuelled by the positive contribution of ISRG's transaction and the operational performance of our retail businesses, which more than offset NOS' share price evolution.

During 2Q23, our businesses continued to face a demanding macroeconomic situation with persistent high inflation and significant cost pressure. However, and in line with 1Q23, our main businesses showed resilience and were able to continue to gain market share in each of its competitive environments. At the end of 1H23, consolidated turnover reached €3.8bn, +12% yoy, and uEBITDA €301m (+14% yoy), with a margin of 7.9%, 0.1pp above 1H22.

Equity method consolidated businesses continued to improve their contribution to Sonae results, mainly due to the increased stake in NOS. Consolidated EBITDA reached €350m in 1H23, 9.5% above last year, despite lower capital gains from Bright Pixel portfolio management activity in 1H23 vs. 1H22. Moreover, higher financial costs coupled with higher level of D&A driven by our businesses' store network expansion, led Direct Result to reach €84m, and the Net result (group share) to €69m in 1H23.

In terms of operational cash flow, our portfolio delivered €102m during the last 12 months, implying a decrease when compared to last year, mainly due to stronger investment from MC and Worten in the retail network expansion and digitalization, and also from Sierra. M&A capex surpassed cash-in from asset sales, leading FCF before dividends payment to reach €202m in the last 12 months. Therefore, after the dividend payment to our shareholders and partners of €161m, consolidated net debt slightly decreased yoy to €1,067m.

NAV (€m)	1Q23	2Q23	Var %
Retail (food & eletronics)	2,033	2,155	6.0%
Real estate	991	1,031	4.1%
Telco and technology	1,041	918	-11.8%
Other investments*	330	462	40.3%
Holding	-315	-326	-3.7%
o.w. net debt	-325	-318	2.2%
NAV	4,079	4,240	4.0%

* Includes: Universo, Zeitreel (Salsa, MO and Zippy/Losan), ISRG and Sparkfood (www.sparkfood.com)
Note: NAV based on market references and for more detail please see Investor Kit in www.sonae.pt

€m	L12M June 22	L12M June 23
EBITDA (inc. rents and taxes)	417	430
Working cap. and others	37	78
Operational capex	-319	-406
Operational cash flow	136	102
Net financial activity	-23	-33
M&A capex	-244	-278
Sale of assets	660	271
Dividends received	104	140
FCF bef. dividends paid	632	202

Portfolio

Retail

MC

75% stake, fully consolidated

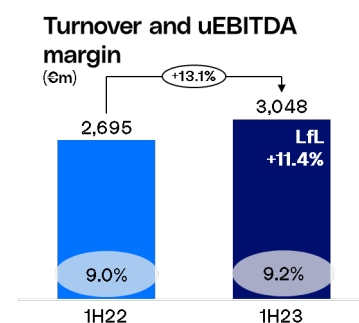
During 2Q23, the Portuguese food retail market continued to face a challenging context, with food inflation levels remaining high, despite some deceleration (11.1% vs. 20.5% in the 1Q).

MC continued to adapt to the evolving customer needs, offering high quality affordable products, and absorbing part of the inflationary price pressure. Amid a highly competitive environment, the company sustained its leadership position, with turnover increasing by 12.6% yoy in the 2Q23 (LfL of +11.1%), fuelled by both grocery and non-grocery formats, to over €3bn in 1H23 (+13.1% yoy and +11.4% LfL).

In terms of profitability, trading down movements coupled with the partial absorption of the inflationary pressures in prices still impacted MC's margin. However, these effects were more than offset by a reduction in energy costs and the implementation of efficiency enhancing actions, leading uEBITDA to reach €155m in 2Q23 (+15.8% yoy and a margin of 9.8%) and €279m in 1H23 (margin of 9.2%).

Regarding the store network expansion, in 1H23, MC opened 18 new company-operated stores (representing +10k square meters of sales area), of which 1 Continente Modelo and 4 additional Continente Bom Dia stores. These openings, combined with stores' refurbishments and the optimization of technological and logistics capabilities led to a total capex of €112m in 1H23.

MC's positive operational performance, capex levels and the working capital impacts in 1H23, resulted in FCF of €15m, €20m higher than in the same period of last year. Consequently, after the dividend payment of €214m, MC's capital structure remained solid, with net financial debt of €608m and a ratio of total net debt to EBITDA of 3.0x (vs 3.1x in 1H22).



Also in 2Q23, MC announced an agreement for the combination of the Druni and Arenal businesses, creating a leading operator in the health, wellness and beauty segment in Spain, with a turnover of approximately €800m. This partnership will allow MC to strengthen its position in the health, wellness and beauty segment in Iberia, one of its main strategic pillars, enhancing the joint assets and capabilities of Druni and MC (most notably of Continente, Wells and Arenal). MC will contribute with its 60% stake in Arenal to the combined entity and an additional estimated investment of c.€112m. After the completion, which is expected until YE23, MC will fully consolidate the combined entity.

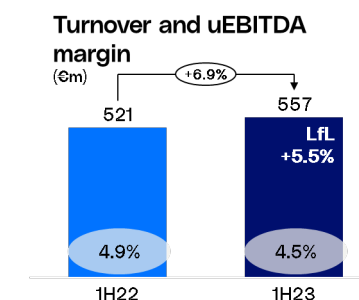
Worten

100% stake, fully consolidated

In 2Q23, Worten resilience resulted in further sales increase, reinforcing its leadership position in the Portuguese market, despite the inflationary pressures on the consumers' purchasing power and fierce competitive landscape. Top line grew in both channels, online and offline, though not only in electronics and appliances categories but also in new categories, leveraged by the marketplace, and adjacent services.

Turnover increased by 4.9% yoy (+3.6% LfL) to €273m in 2Q23, with online sales increasing by 7.6% yoy. This solid top line performance contributed to a total turnover of €557m in 1H23 (+6.9% yoy and a LfL of +5.5%). The online channel reaffirmed its relevance, representing more than 15% of total sales (ytd).

Notwithstanding the intense promotional activity in the market and pressure on Worten's operational costs, mainly due to inflation and the ongoing digital transformation, sales evolution, a favourable product mix and energy efficiency gains offset these effects, leading to an uEBITDA increase of 5.6% yoy and a rather stable margin of 4.8% in 2Q. In 1H23, uEBITDA reached €25m, corresponding to a margin of 4.5%.



Real Estate

Sierra

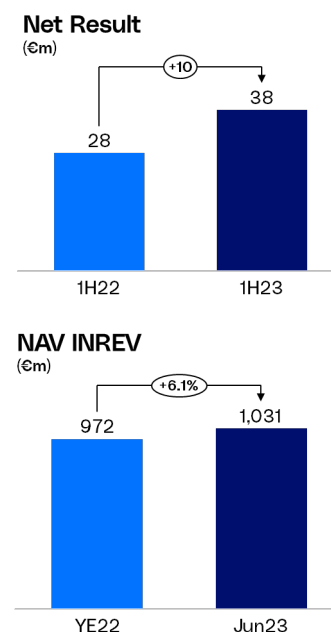
100% stake, fully consolidated

Sierra achieved positive operational performance in both its prime shopping centres and expanding services areas during the quarter.

Despite the demanding macroeconomic context, characterized by lower investment volumes and the pressures of interest rates and inflation on consumption, Sierra's European shopping centre portfolio exhibited robust operational performance. Tenant sales registered double digit growth when compared to the pre-pandemic period, leading to sustained rent levels and consistently high occupancy rates at 98% across the total portfolio, and 99% in Portugal.

The services business also made significant progress, with total income growing by 20% in 1H23, leveraging the outstanding performance of its managed shopping centers, which highlights the company's ability to add value to centers owned by its partners.

In addition and during 1H23, Sierra achieved key milestones in its strategy execution, including: (i) the development of a strong pipeline of future real estate investment vehicles, (ii) the closing of the partnership with CTT to manage a portfolio of c.400 properties; (iii) the construction of a prime mixed-use asset, *Republica 5*, in Lisbon, Portugal, in partnership with Signal Capital, the third office tower at Colombo and significant progress on other projects under development; and (iv) new property management contracts in Europe.



Overall, Sierra was able to deliver a significant increase on its total Net Result to €23m in the 2Q23 and €38m in 1H23, fuelled by the Direct result. In addition, Indirect result was also positive in 1H23 as the slight increase in cap rates (yields) in certain assets, was outweighed by the strong operational performance of the overall portfolio. As a result of this favourable performance, Sierra's NAV stood at €1,031m at the end 1H23, +6% when compared to YE22.

Telco & Technology

NOS

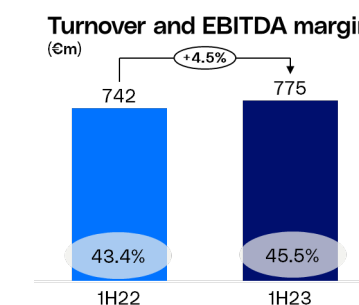
37.4% stake, equity consolidated¹

NOS reported its results to the market on July 19th, delivering another positive quarter in terms of operational and financial performance.

In 2Q23 turnover increased by 6.8% yoy, to €394m, implying +6.2% yoy in the telecom business and +9.8% yoy in the Media & Entertainment segment, leading 1H23 turnover to €775m, +4.5% yoy.

EBITDA maintained a positive trend in the quarter, up 10% yoy, implying +9.4% yoy in 1H23. Bottom line increased 3.0% in 2Q23 but declined 5.7% yoy in the 1H23, to €80.5m, pressured by both higher D&A and financial costs.

Notwithstanding, for Sonae's consolidated accounts, the increased stake in NOS over the last 12 months fuelled a higher contribution to the equity method of €10m to €29m in 1H23, while the group received €62m of dividends from NOS in the 2Q23.



¹ As of 30 June 2023, 26.07% stake through Sonaecom and 11.3% direct stake. For more information, please see NOS results in www.nos.pt

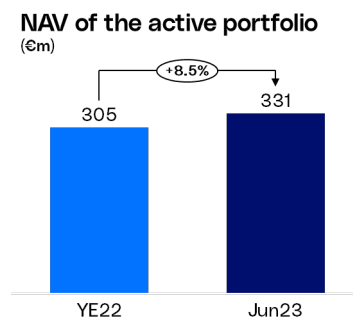
Bright Pixel

90% stake, fully consolidated

During 2Q23, Bright Pixel continued to actively expand its portfolio, investing in the cybersecurity and retail tech sectors. The company concluded 3 new investments, totalling €17.4m, which includes the participation in a series A financing round of €35m at Sekoia.io, an intelligence driven SOC² platform that enables security analysts to detect and respond to threats in real time.

These investments, combined with 1Q's portfolio expansion in the cybersecurity and infrastructure software sectors, namely in Picnic and Seldon, implied a total capex of €32m with the total cash invested in the active portfolio reaching €166m in 1H23 (+24% vs YE22 and comprising stakes in over 40 companies in the portfolio).

In terms of valuation, and compared to YE22, active NAV increased 8.5% to €331m, mainly due to the impact of the company's acquisitions during the 1H23.



Other investments

Universe

100% stake, consolidated as a discontinued operation³

Universe continued to deliver a resilient operational performance, based on its one million customer base. In 1H23, total production increased by 1% yoy to €471m and total turnover increased by 28% yoy to €22m. The credit stock at the end of the 1H23 reached €388m. Universe continues to be focused on the development of the joint venture with Bankinter Consumer Finance aiming to create a new reference player in consumer credit in Portugal.

Zeitreel

100% stake, fully consolidated

During 2Q23, Zeitreel's brands were particularly affected by the challenges in discretionary consumption brought by the deterioration of households' disposable income. Nonetheless, and leveraging a resilient performance from all the brands, the company's top line in 1H23 stood at €171m, slightly below last year. uEBITDA margin decreased to 1.0% in the 1H23 impacted by promotional efforts and pressures on the cost base, despite some efficiency gains.

ISRG

30% stake, equity consolidated

In the L6M 23 (Nov-Apr), total turnover reached €740m, +20% yoy, with a positive contribution from all banners. Profitability levels continued pressured by higher operational costs, with EBITDA decreasing to €43m in the L6M 23 (5.8% margin). All in all, ISRG's contribution to Sonae's results reached €5m in the L6M 23 (vs. €8.3m in L6M 22).

Already in July, JD Sports announced its intention to acquire Sonae's stake in ISRG for €300m, implying an estimated €175m capital gain. Sonae expects to conclude this transaction before YE23.

² Security Operation Centre

³ Following the 50/50 partnership agreement with Bankinter Consumer Finance for the creation of a leading consumer credit operator in Portugal.

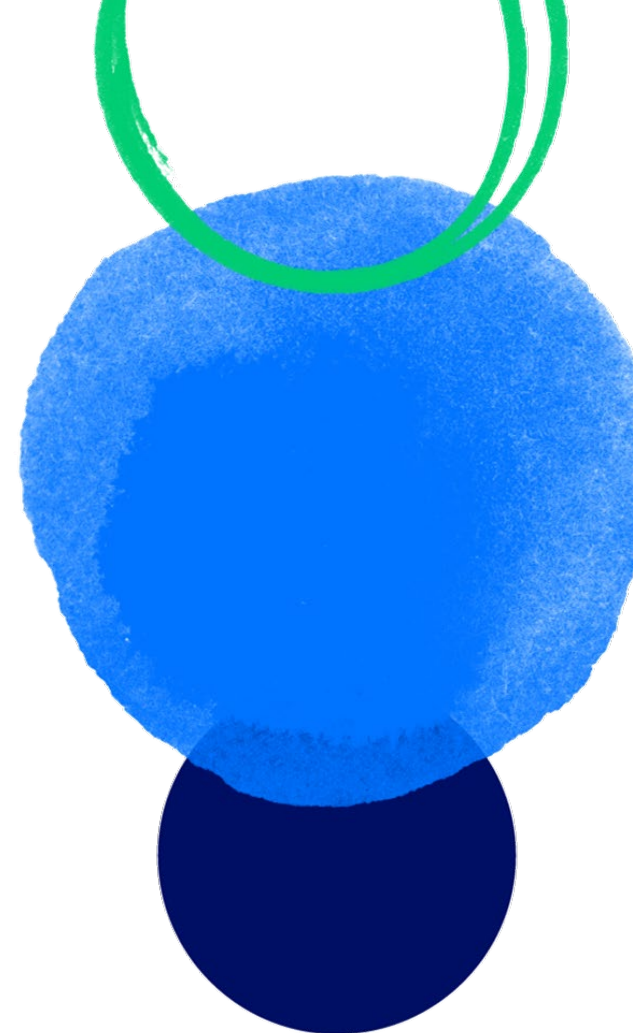
Corporate Information

Main announcements during 1H23 are published in www.sonae.pt and www.cmvm.pt (market regulator).

Subsequent events

July 7th: Sonae SGPS, SA informed about the notification received from JD Sports Fashion Plc regarding the buy or sell option over ISRG.

July 20th: Sonaecom SGPS, S.A. informed about shareholding in NOS, SGPS, S.A..



Consolidated P&L

€m	2Q22 R	2Q23	yoy	1H22 R	1H23	yoy
Turnover	1,762	1,958	11.1%	3,432	3,831	11.6%
Underlying EBITDA	140	163	16.3%	264	301	13.8%
<i>margin</i>	<i>8.0%</i>	<i>8.3%</i>	<i>0.4 p.p.</i>	<i>7.7%</i>	<i>7.9%</i>	<i>0.1 p.p.</i>
Equity method results*	18	27	50.7%	39	53	35.7%
Sierra	10	15	52.2%	19	26	32.2%
NOS	10	17	76.2%	19	29	56.3%
ISRG	2	0	-82.6%	8	5	-38.4%
Non-recurrent items	14	-1	-	16	-4	-
EBITDA	172	189	10.0%	319	350	9.5%
<i>margin</i>	<i>9.8%</i>	<i>9.7%</i>	<i>-0.1 p.p.</i>	<i>9.3%</i>	<i>9.1%</i>	<i>-0.2 p.p.</i>
D&A and Provisions and Imp.	-87	-102	-17.4%	-172	-196	-14.0%
EBIT	85	87	2.4%	148	154	4.3%
Net Financial results	-21	-31	-47.2%	-43	-59	-37.3%
Taxes	-2	-5	-	0	-11	-
Direct result	63	52	-17.3%	105	84	-20.1%
Indirect result	30	5	-82.3%	39	6	-84.3%
Net result	93	57	-38.4%	144	90	-37.6%
Non-controlling interests	-17	-15	16.6%	-26	-21	19.4%
Net result group share	76	43	-43.5%	118	69	-41.6%

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	30.06.22	31.03.23	30.06.23
Investment properties	341	350	358
Net fixed assets	2,155	2,190	2,208
Right of Use assets	995	1,068	1,138
Financial investments	2,009	2,103	2,102
Goodwill	690	664	663
Working capital	-833	-949	-939
Invested capital	5,357	5,427	5,530
Equity & minorities	3,090	3,252	3,144
Net debt	1,103	922	1,067
Net financial debt	1,129	990	1,136
Net shareholder loans	-26	-68	-69
Lease liabilities	1,165	1,252	1,319
Sources of financing	5,357	5,427	5,530

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

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Cash on cash ratio	Exit value of the investment divided by the initial investment.
Direct result	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
EoP	End of period.
Indirect result	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.
RoIC	Return on invested capital.
Total Net Debt	Net Debt + lease liabilities.
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

Condensed Consolidated Financial Statements 1H23

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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	2nd quarter 2023	2nd quarter 2022 Restated	30 Jun 2023	30 Jun 2022 Restated Note 1.2
Sales	2.2	1,875,236	1,689,832	3,668,071	3,285,482
Services rendered	2.2	82,774	72,642	163,016	146,106
Value created on investment properties		4,227	2,771	4,227	2,771
Gains and losses on investments		(3,351)	416	(2,273)	(236)
Gains and losses on investments recorded at fair value through profit and loss	3.3.3	(1,736)	27,591	(2,024)	41,298
Other income	2.3	40,502	53,100	84,597	90,544
Cost of goods sold and materials consumed		(1,350,447)	(1,205,679)	(2,661,154)	(2,351,330)
Changes in inventories of finished goods and work in progress		(2,613)	139	(5,333)	1,351
External supplies and services		(177,603)	(193,095)	(356,629)	(380,824)
Employee benefits expense		(276,684)	(242,938)	(539,827)	(471,852)
Other expenses		(29,605)	(36,115)	(56,160)	(58,433)
Depreciation and amortisation expenses	3.5, 3.6, 3.7	(97,319)	(86,970)	(187,074)	(172,837)
Impairment losses		(3,494)	1,276	(8,548)	2,379
Provisions		145	(388)	157	(300)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		60,032	82,580	101,045	134,120
Dividends received during the year		-	12,289	72	12,289
Share of profit or loss of joint ventures and associates	3.2.2	38,137	26,191	66,643	52,309
Financial income	5.5	27,068	44,187	53,451	55,659
Financial expense	5.5	(57,593)	(64,930)	(112,843)	(98,918)
Profit from continuing operations before tax		67,644	100,316	108,369	155,456
Income tax expense		(5,440)	(4,158)	(11,237)	(3,720)
Profit from continuing operations for the period		62,204	96,158	97,132	151,737
Profit/(Loss) from discontinued operations after taxation	1.2.2	(4,931)	(3,159)	(7,282)	(7,797)
Consolidated profit/(Loss) for the period		57,273	92,999	89,850	143,939
Attributable to owners of the Company:					
Continuing operations	5.2	47,603	78,216	75,985	124,774
Discontinued operations	5.2	(4,931)	(2,715)	(7,282)	(7,076)
		42,672	75,502	68,703	117,697
Attributable to non-controlling interests:					
Continuing operations	5.1	14,601	17,942	21,147	26,963
Discontinued operations		-	(444)	-	(721)
		14,601	17,498	21,147	26,243
Profit/(Loss) per share					
From continuing operations					
Basic	5.2	0.02466	0.04064	0.03948	0.06503
Diluted	5.2	0.02446	0.04039	0.03917	0.06464
From discontinued operations					
Basic	5.2	(0.00256)	(0.00140)	(0.00378)	(0.00369)
Diluted	5.2	(0.00254)	(0.00139)	(0.00375)	(0.00367)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 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.)

	2nd quarter 2023	2nd quarter 2022 Restated	30 Jun 2023	30 Jun 2022 Restated Note 1.2
Net Profit / (Loss) for the period	57,273	92,999	89,850	143,939
Items from other comprehensive income that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	2,508	(214)	3,070	(4,521)
Participation in other comprehensive income, net of tax, related to associates and joint ventures accounted for under the equity method	2,021	(3,565)	3,400	36,446
Changes in cash flow hedging reserve	(10,131)	3,673	(26,201)	9,389
Income tax relating to items that may be reclassified subsequently to profit or loss	(137)	(362)	(75)	(770)
Others	-	712	-	1,038
Items from other comprehensive income that may be reclassified subsequently to profit or loss	(5,737)	244	(19,805)	41,582
Items from other comprehensive income that won't be reclassified subsequently to profit or loss:				
Changes value of financial assets at fair value	10	(930)	45	12,546
Items from other comprehensive income that won't reclassified to the income statement	10	(930)	45	12,546
Total other comprehensive income for the period	(5,728)	(687)	(19,761)	54,128
Total comprehensive income for the period	51,545	92,312	70,090	198,067
Attributable to:				
Equity holders of parent company	40,701	74,271	56,923	167,415
Non-controlling interests	10,844	18,041	13,166	30,652

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE OF 2023 AND 2022 AND 31 DECEMBER OF 2022

(Amounts expressed in thousand euro)

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

	Notes	30 Jun 2023	30 Jun 2022 Restated Note 1.2	31 Dec 2022
Assets				
Non-current assets:				
Property, plant and equipment	3.5	1,712,668	1,667,576	1,705,681
Intangible assets	3.6	495,094	487,689	491,845
Right of use assets	3.7	1,137,990	995,338	1,027,820
Investment properties		358,317	340,503	342,621
Goodwill	3.1	663,267	690,144	663,531
Investments in joint ventures and associates	3.2	1,789,450	1,564,017	1,757,479
Assets at fair value through profit and loss	3.3.1	252,402	202,220	216,889
Assets to fair value through other comprehensive income	3.3.2	11,661	184,266	41,263
Other investments		18,679	16,412	16,578
Deferred tax assets	4.1	419,353	366,578	395,820
Other non-current assets		28,783	37,434	49,395
Total non-current assets		6,887,663	6,552,175	6,708,922
Current assets:				
Inventories		771,338	687,529	727,232
Trade receivables and other current assets		421,326	402,123	344,981
Income tax assets		57,154	36,385	48,600
Other tax assets		36,948	46,000	22,224
Other investments		5	2,061	597
Cash and cash equivalents	5.4	598,435	424,366	793,812
Total current assets		1,885,206	1,598,463	1,937,443
Non-current assets classified as held for sale	3.8	100,956	74,518	726
Total Assets		8,873,825	8,225,157	8,647,091

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE OF 2023 AND 2022 AND 31 DECEMBER OF 2022

(Amounts expressed in thousand euro)

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

	Notes	30 Jun 2023	30 Jun 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		(75,377)	(83,289)	(83,880)
Legal reserve		305,958	299,348	299,348
Reserves and retained earnings		450,564	277,743	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		68,703	117,697	341,554
Equity attributable to the equity holders of the parent company		2,749,849	2,611,499	2,796,552
Equity attributable to non-controlling interests	5.1	393,772	478,377	523,848
Total Equity		3,143,621	3,089,876	3,320,400
Liabilities				
Non-current liabilities				
Loans	5.3	1,450,397	1,236,488	1,107,757
Lease liabilities		1,191,721	1,064,588	1,109,668
Other non-current liabilities		97,882	107,268	90,936
Deferred tax liabilities	4.1	554,750	506,177	531,793
Provisions	6	19,967	21,084	21,621
Total non-current liabilities		3,314,717	2,935,605	2,861,774
Current liabilities:				
Loans	5.3	288,750	320,915	255,590
Lease liabilities		127,438	100,086	96,897
Trade payables and other current liabilities		1,822,530	1,636,167	1,972,813
Income tax liabilities		4,431	21,847	20,832
Other tax liabilities		96,409	84,530	114,276
Provisions	6	4,312	3,949	4,508
Total current liabilities		2,343,869	2,167,494	2,464,917
Liabilities directly associated with non-current assets classified as held for sale	3.8	71,618	32,183	-
Total Liabilities		5,730,204	5,135,281	5,326,691
Total Equity and Liabilities		8,873,825	8,225,157	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 30 JUNE 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.)

	Attributable to Equity Holders of Parent Company											
	Reserves and Retained Earnings							Total Reserves and Retained Earnings	Net Profit/(Loss)	Total	Non-controlling Interests (Note 5.1)	Total Equity
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Cash-flow Hedging Reserve	Other Reserves and Retained Earnings*					
Balance as at 1 January 2022 Restated	2,000,000	(88,539)	281,216	(184)	(2,373)	13,113	70,334	80,889	267,477	2,541,043	605,549	3,146,592
Total comprehensive income for the period	-	-	-	(3,350)	12,546	6,684	33,838	49,718	117,697	167,415	30,652	198,067
Appropriation of consolidated net profit of 2021:												
Transfer to legal reserves and retained earnings	-	-	18,132	-	-	-	249,345	249,345	(267,477)	-	-	-
Dividends distributed	-	-	-	-	-	-	(98,126)	(98,126)	-	(98,126)	(71,170)	(169,296)
Obligation fulfilled by share attribution to employees	-	5,250	-	-	-	-	(569)	(569)	-	4,682	(242)	4,439
Variation in percentage of subsidiaries	-	-	-	-	-	-	(3,500)	(3,500)	-	(3,500)	(80,028)	(83,528)
Capital decrease	-	-	-	-	-	-	-	-	-	-	(6,587)	(6,587)
Others	-	-	-	-	-	-	(16)	(16)	-	(16)	203	187
Balance as at 30 June 2022 Restated	2,000,000	(83,289)	299,348	(3,534)	10,173	19,797	251,306	277,743	117,697	2,611,498	478,377	3,089,876
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	-	-	-	3,134	45	(19,428)	4,468	(11,780)	68,703	56,923	13,166	70,090
Appropriation of consolidated net profit of 2022:												
Transfer to legal reserves and retained earnings	-	-	6,611	-	-	-	334,943	334,943	(341,554)	-	-	-
Dividends distributed	-	-	-	-	-	-	(103,571)	(103,571)	-	(103,571)	(57,866)	(161,437)
Obligation fulfilled by share attribution to employees	-	8,503	-	-	-	-	(2,808)	(2,808)	-	5,695	(690)	5,005
Variation in percentage of subsidiaries	-	-	-	-	-	-	(4,916)	(4,916)	-	(4,916)	(81,391)	(86,307)
Capital decrease	-	-	-	-	-	-	-	-	-	-	(3,373)	(3,373)
Others	-	-	-	-	-	-	(834)	(834)	-	(834)	77	(757)
Balance as at 30 June 2023	2,000,000	(75,377)	305,958	(6,409)	(5,468)	(1,161)	463,603	450,564	68,703	2,749,849	393,772	3,143,621

*Other reserves and retained earnings" includes an unavailable reserve relating to treasury shares in the amount of 62,899 thousand euro.

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

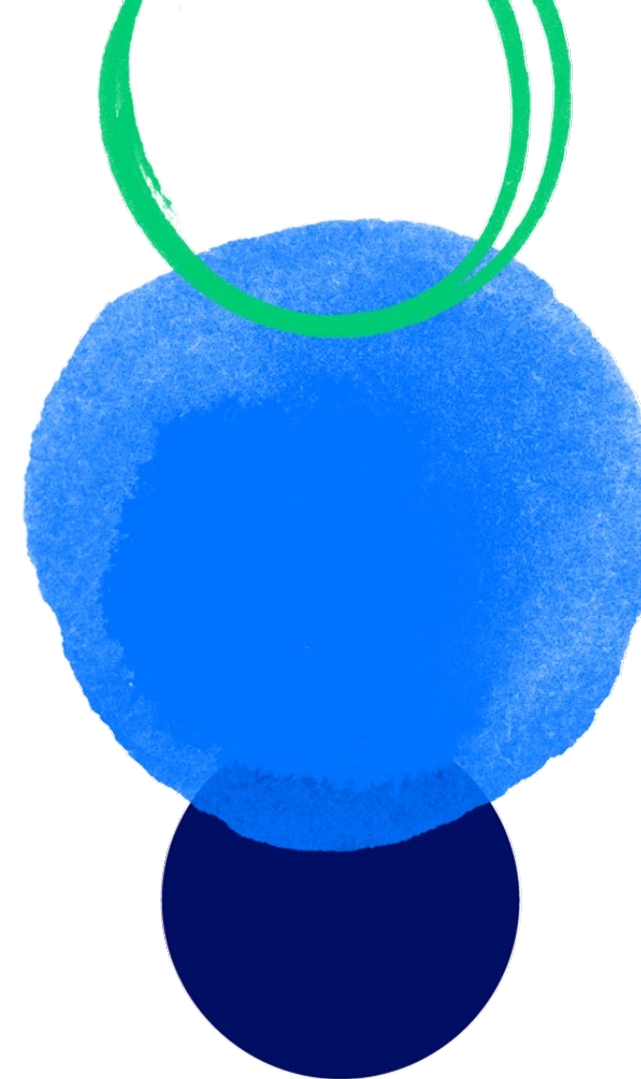
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE OF 2023 AND 2022

(Amounts expressed in thousand euro)

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

	Notes	2nd quarter 2023	2nd quarter 2022	30 Jun 2023	30 Jun 2022
Operating Activities					
Net cash generated from operating activities (1)		67,513	97,791	(71,583)	(61,768)
Investment Activities					
Receipts arising from:					
Investments		17,663	6,884	18,143	7,878
Property, plant and equipment and intangible assets		2,793	1,645	2,885	1,974
Interests and similar income		4,405	300	6,925	1,089
Loans granted		-	3,126	-	3,824
Dividends		101,779	23,616	104,383	25,585
Others		255	-	446	33,899
		126,895	35,570	132,782	74,250
Payments arising from:					
Investments	3.4	(44,853)	(35,822)	(160,326)	(155,518)
Property, plant and equipment and intangible assets		(75,566)	(56,544)	(178,971)	(135,404)
Loans granted		(1,003)	(1,605)	(1,207)	(11,783)
Others		-	-	(25)	-
		(121,428)	(93,971)	(340,528)	(302,706)
Net cash used in/ generated by investment activities (2)		5,473	(68,401)	(207,746)	(228,456)
Financing Activities					
Receipts arising from:					
Loans, bonds and finance leases		1,799,325	1,559,305	2,397,325	2,342,171
Capital increases, additional paid in capital and share premiums		72	200	308	200
		1,799,397	1,559,505	2,397,633	2,342,371
Payments arising from:					
Lease liabilities		(42,006)	(31,706)	(94,427)	(75,960)
Loans, bonds and finance leases		(1,761,265)	(1,497,678)	(2,081,923)	(2,187,840)
Interests and similar charges		(18,890)	(6,129)	(27,166)	(11,713)
Reimbursement of capital and paid in capital		(3,373)	(6,587)	(3,373)	(6,587)
Dividends		(161,437)	(169,421)	(161,437)	(169,421)
Others		-	-	(215)	-
		(1,986,971)	(1,711,521)	(2,368,541)	(2,451,622)
Net cash used in financing activities (3)		(187,574)	(152,016)	29,092	(109,150)
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(114,588)	(112,826)	(250,237)	(399,364)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(697)	(176)	(443)	(466)
Effect of discontinued operations		4,189	(1,044)	(9,219)	(1,044)
Cash and cash equivalents at the beginning of the period	5.4	641,526	536,242	790,838	822,690
Cash and cash equivalents at the end of the period	5.4	531,825	422,748	531,825	422,748

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 30 June 2023

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

(Amounts expressed in thousand euro)

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 30 June 2023, Sonae, SGPS, S.A. is directly and majority owned by Pareuro BV and Efanor Investimentos SGPS, S.E., the latter being the ultimate controlling company.

All amounts in these notes are presented in thousands euro, rounded to the nearest unit, unless expressly stated otherwise.

Sonae has in its portfolio 7 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);
- 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).

On 30 June 2023 and 2022, the operational segment Universo, a digital financial services operator, is presented as discontinued operations, as described in Note 1.2.2.

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 as a private label across the major retails, and foodservice operators in the UK.

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 euro (15.6 million pounds) clients' portfolio valued on the basis of the discounted cash flows 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 clients (20 years);
- Gosh! brand amounting to 18.2 million euro (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.

The impact of the restatement of the consolidated financial position as at 30 June 2022 was as follows:

30 Jun 2022	Before the restatement	Goshi	After the restatement
Assets			
Non-current assets:			
Intangible assets	451,918	35,771	487,689
Goodwill	718,314	(28,170)	690,144
Other non-current assets	5,374,342	-	5,374,342
Total non-current assets	6,544,574	7,601	6,552,175
Total current assets	1,598,463	-	1,598,463
Non-current assets classified as held for sale	74,518	-	74,518
Total Assets	8,217,556	7,601	8,225,157
Equity attributable to the equity holders of the parent company			
	2,612,025	(527)	2,611,499
Equity attributable to non-controlling interests	477,045	1,332	478,377
Total Equity	3,089,070	805	3,089,876
Liabilities			
Non-current liabilities			
Deferred liabilities	499,381	6,796	506,177
Other non-current liabilities	2,429,428	-	2,429,428
Total non-current liabilities	2,928,809	6,796	2,935,605
Total current liabilities	2,167,494	-	2,167,494
Liabilities directly associated with non-current assets classified as held for sale	32,183		32,183
Total Liabilities	5,128,485	6,796	5,135,281
Total Equity and Liabilities	8,217,556	7,601	8,225,157

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. (Universo) 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 share capital, Universo, IME, S.A. contribution to the consolidated financial statements, were presented as discontinued operation in the consolidated income financial statements at 30 June 2022 and 2023.

The impact of the restatement of the consolidated income statement on 30 June 2023 was as follows:

30 June 2023	Universo
Turnover	20,190
External supplies and services	(18,904)
Employee benefits expense	(3,933)
Depreciation and amortisation expenses	(908)
Provisions and impairment losses	(1,928)
Other income	1,681
Other expenses	(3,400)
Financial Income and Expenses	(763)
Profit/(Loss) before taxation	(7,964)
Income tax expense	682
Profit/(Loss) from discontinued operations after taxation	(7,282)

Additionally, Universo’s assets and liabilities at 30 June 2023 were classified as “Non-current assets classified as held for sale” and “Liabilities directly associated with non-current 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 Notes 1.2.1 and 1.2.2 had impact on the consolidated income statement of 30 June 2022, which can be analysed as follow:

30 Jun 2022	Before the restatement	Gosh!	Universo	After the restatement
Sales	3,285,480	-	(2)	3,285,482
Services rendered	161,914	-	15,809	146,106
Changes in value of investment properties	2,771	-	-	2,771
Gains and losses on investments	(236)	-	-	(236)
Gains and losses on investments recorded at fair value through profit and loss	41,298	-	-	41,298
Other income	87,154	-	(3,390)	90,544
Cost of goods sold and materials consumed	(2,349,464)	-	1,867	(2,351,330)
Changes in inventories of finished goods and work in progress	1,351	-	-	1,351
External supplies and services	(395,049)	-	(14,225)	(380,824)
Employee benefits expense	(474,734)	-	(2,882)	(471,852)
Other expenses	(61,523)	-	(3,090)	(58,433)
Depreciation and amortisation expenses	(173,254)	464	(880)	(172,837)
Impairment losses	2,237	-	(142)	2,379
Provisions	(784)	-	(483)	(300)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax	127,162	464	(7,420)	134,120
Dividends received during the year	12,289	-	-	12,289
Share of profit or loss of joint ventures and associates	52,316	-	7	52,309
Financial income	55,582	-	(77)	55,659
Financial expense	(98,924)	-	(6)	(98,918)
Profit/(Loss) from continuing operations before tax	148,425	464	(7,495)	155,456
Income tax expense	(2,032)	(88)	1,776	(3,720)
Profit/(Loss) from continuing operations for the period	146,393	375	(5,719)	151,737
Profit/(Loss) from discontinued operations after taxation	(2,078)	-	5,719	(7,797)
Consolidated profit/(Loss) for the period	144,315	375	-	143,939

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").

In early July, Sonae was notified of the JD Group's intention to acquire 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.

The Option attributed an ISRG's equity value of 1.0 billion euro, the sale of Sonae's 30% minus 1 share held in the Company will generate total proceeds of 300 million euro and an estimated capital gain of c. 175 million euro. The implicit multiple of this Transaction is of 9.0x attributable EBITDA for the financial year ended in January 2023.

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 26 July 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	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
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
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, due to not being relevant for tax purposes.	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 – Classification of liabilities as non-current and current and 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
IAS 7 and IFRS 7 – Supplier finance arrangements	Requirement to provide additional disclosures about supplier finance arrangements, the impact in liabilities and cash flows, as well as the impact in liquidity risk analysis, and how the entity would be impacted if these arrangements were no longer available.	01 Jan 2024
IAS 12 – International Tax Reform – Pillar two model rules	Introduction of a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Requirement of targeted disclosure for affected entities (entities belonging to multinational groups that have consolidated revenues of 750 million euro in at least two out of the last four years).	Immediately or 01 Jan 2023
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 period ended 30 June 2023 since their application is not mandatory, lying in the process of analysing 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 30 June 2023 and 2022 can be summarized as follows:

	30 Jun 2023				30 Jun 2022 Restated			
	Consolidated	Indirect Income	Non-recurring	Direct Income (d)	Consolidated	Indirect income	Non-recurring	Direct Income (d)
Turnover	3,831,087	-	-	3,831,087	3,431,588	-	-	3,431,588
Value created on investment properties	4,227	4,227	-	-	2,771	2,771	-	-
Investment income	(2,201)	(2,581)	-	380	12,053	11,988	-	64
Others income	84,597	-	-	84,597	90,544	(689)	-	91,233
Total income	3,917,710	1,645	-	3,916,064	3,536,955	14,070	-	3,522,885
Total expenses	(3,619,104)	(206)	(3,578)	(3,615,320)	(3,260,167)	(529)	(1,378)	(3,258,260)
Depreciation and amortisation	(187,074)	-	-	(187,074)	(172,837)	-	-	(172,837)
Gains and Losses on property, plant and equipment and intangible assets	(110)	-	-	(110)	(919)	-	-	(919)
Provisions for warranty extensions	(652)	(652)	-	-	(550)	(550)	-	-
Impairment of assets	(8,347)	-	-	(8,347)	-	-	-	-
Reversal of impairment losses	1,611	-	-	1,611	3,975	-	-	3,975
Reversal of provision for warranty extensions	748	748	-	-	546	546	-	-
Other provisions and impairment losses	(1,751)	-	-	(1,751)	(1,894)	-	-	(1,894)
Profit before financial results and results of joint ventures and associates and non-recurrent items	103,141	1,645	(3,578)	105,074	105,109	13,537	(1,378)	92,951
Non-recurring items	-	-	3,578	(3,578)	-	-	(16,364)	16,364
Gains and losses on investments recorded at fair value through profit and loss	(2,024)	(2,024)	-	-	41,298	23,556	17,742	-
Financial profit/(loss)	(59,391)	-	-	(59,391)	(43,259)	-	-	(43,259)
Share of results of joint ventures and associated undertakings								
Associates and joint ventures of Sonae Sierra	33,073	7,483	-	25,590	27,466	8,113	-	19,352
Armilar Venture Funds	(720)	(720)	-	-	(2,354)	(2,354)	-	-
NOS / ZOPT	28,947	-	-	28,947	18,518	-	-	18,518
Others	5,343	-	-	5,343	8,679	-	-	8,679
Profit before income tax	108,369	6,384	-	101,985	155,456	42,851	-	112,605
Income Tax	(11,237)	(212)	-	(11,024)	(3,720)	(3,600)	-	(120)
Profit/(Loss) from continued operations	97,132	6,171	-	90,961	151,737	39,252	-	112,485
Profit/(Loss) from discontinued operations	(7,282)	-	-	(7,282)	(7,797)	-	-	(7,797)
Profit / (Loss) for the period	89,850	6,171	-	83,679	143,939	39,252	-	104,687
Attributable to equity holders of Sonae	68,703	6,197	-	62,506	117,697	41,014	-	76,683
Non-controlling interests	21,147	(26)	-	21,173	26,243	(1,762)	-	28,005
Underlying EBITDA (b)				300,744				264,325
EBITDA (a)				349,765				319,441
EBIT (c)				154,094				147,767

(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 30 June 2023 and 2022 can be detailed as follows:

30 Jun 2023	Turnover	Depreciation and amortisation ⁽³⁾	Provisions and impairment losses ⁽³⁾	EBIT ⁽³⁾	Financial results ⁽²⁾	Income tax ⁽²⁾
MC	3,047,585	(141,714)	(7,020)	127,869	(47,764)	(15,637)
Worten	557,327	(21,121)	(8)	(5,072)	-	-
Sierra	64,369	(1,896)	243	40,108	(3,388)	(1,763)
Zeitreef	171,333	(17,125)	(384)	(19,248)	-	-
Bright Pixel	1,172	(659)	118	(3,485)	4,374	1,204
NOS	-	-	-	28,947	-	-
ISRG	-	-	-	5,105	-	-
Other, eliminations and adjustments (1)	(10,698)	(4,559)	(1,436)	(20,130)	(12,613)	5,172
Total consolidated - Direct	3,831,087	(187,074)	(8,487)	154,094	(59,391)	(11,024)

30 Jun 2022 Restated	Turnover	Depreciation and amortisation ⁽³⁾	Provisions and impairment losses ⁽³⁾	EBIT ⁽³⁾	Financial results ⁽²⁾	Income tax ⁽²⁾
MC	2,695,420	(129,959)	545	109,108	(35,937)	(8,882)
Worten	521,425	(18,481)	6	(1,007)	-	-
Sierra	55,631	(1,563)	1,001	28,223	(3,452)	(966)
Zeitreef	173,524	(17,265)	946	(13,485)	-	-
Bright Pixel	863	(576)	(115)	12,571	2,487	(4,379)
NOS	-	-	-	18,518	-	-
ISRG	-	-	-	8,284	-	-
Other, eliminations and adjustments (1)	(15,275)	(4,993)	(302)	(14,445)	(6,356)	14,107
Total consolidated - Direct	3,431,588	(172,837)	2,081	147,767	(43,259)	(120)

	30 Jun 2023			30 Jun 2022 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt ^{(2),(4)}	Investment (CAPEX)	Invested capital	Financial net debt ^{(2),(4)}
MC	112,126	2,571,740	1,830,425	69,910	2,496,897	1,696,881
Worten	28,770	123,077	-	23,378	85,552	-
Sierra	36,121	1,121,252	141,498	22,352	997,204	59,673
Zeitreef	6,913	266,424	-	6,302	319,801	-
Bright Pixel	32,076	303,850	(21,965)	26,493	317,262	3,416
NOS	-	787,838	-	-	821,428	-
ISRG	-	120,077	-	-	109,296	-
Other, eliminations and adjustments (1)	108,218	236,027	436,234	125,968	209,891	507,486
Total consolidated	324,223	5,530,286	2,386,192	274,403	5,357,331	2,267,456

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

	Investment (CAPEX)		Invested capital	
	30 Jun 2023	30 Jun 2022 Restated	30 Jun 2023	30 Jun 2022 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	19,651	42,497	236,027	209,891
Acquisition of additional 10% share of Sierra	88,567	83,471	-	-
Other, eliminations and adjustments	108,218	125,968	236,027	209,891

- 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 indicators 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 + supplies – 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 30 June 2023 and 2022 is as follows:

	30 Jun 2023	30 Jun 2022 Restated
Supplementary income	25,057	25,105
Foreign currency exchange gains	15,637	24,182
Prompt payment discounts obtained	14,312	13,437
Own work capitalized	14,213	11,858
Gains on sales of assets	2,468	837
Gains on hedge derivatives	2,298	8,025
Subsidies	902	1,287
Others	9,710	5,811
Total	84,597	90,544

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 30 June 2023 and 31 December 2022, the caption “Goodwill” was made as follows by segment and country:

	30 Jun 2023			
Business Segments	Portugal	Spain	United Kingdom	Total
MC	486,369	19,440	-	505,809
Worten	78,185	-	-	78,185
Sierra	18,160	-	-	18,160
Zeitreel	28,226	-	-	28,226
Bright Pixel	1,318	-	-	1,318
Others	-	-	31,569	31,569
Total	612,258	19,440	31,569	663,267

	31 Dec 2022			
Business Segments	Portugal	Spain	United Kingdom	Total
MC	486,369	19,440	-	505,809
Worten	78,185	-	-	78,185
Sierra	18,160	-	-	18,160
Zeitreel	28,226	-	-	28,226
Bright Pixel	1,318	-	-	1,318
Others	-	-	31,833	31,833
Total	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 analysed as follows:

Investments in joint ventures and associates	30 Jun 2023	31 Dec 2022
Investments in joint ventures	148,107	113,626
Investments in associates	1,641,343	1,643,852
Total	1,789,450	1,757,479

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

Company	30 Jun 2023	31 Dec 2022
MC		
Maremor Beauty & Fragances, S.L.	166	180
Sohi Meat Solutions - Distribuição de Carnes, S.A.	3,197	3,404
	3,363	3,584
Sierra		
Arrábidasshopping, SICAFI, S.A.	31,975	16,149
Gaiashopping, SICAFI, S.A.	28,327	28,530
Madeirashopping - Centro Comercial, S.A.	19,888	19,734
Parque Atlântico Shopping - Centro Comercial, S.A.	17,773	18,078
Quinta da Foz - Empreendimentos Imobiliários, S.A.	8,083	8,093
Smartsecrets - Unipessoal, Lda.	16,598	-
Via Catarina - Centro Comercial, S.A.	11,471	10,721
Others	10,133	8,217
	144,248	109,521
Bright Pixel		
Unipress - Centro Gráfico, Lda.	495	498
Others	-	23
	495	521
Investments in joint ventures	148,107	113,826

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

Company	30 Jun 2023	31 Dec 2022
MC		
Insko Insular de Hipermercados, S.A.	4,434	4,489
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,551	1,294
Sportessence - Sport Retail, S.A.	242	301
	6,227	6,084
Sierra		
3shoppings - Holding, SGPS, S.A.	12,324	11,687
1) Aliansce Sonae Shopping Centers, S.A.	174,288	128,062
Area Sur Shopping, S.L.	9,316	8,803
Atrium Bire, SIGI, S.A.	4,341	4,335
Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	11,524	10,781
Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	109,559	102,526
Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	14,627	15,159
Le Terrazze - Shopping Centre 1 Srl	6,900	6,830
Olimpo Real Estate Portugal, SIGI, S.A.	2,644	2,860
Olimpo Real Estate SOCIMI, S.A.	7,213	7,476
Sierra European Retail Real Estate Assets Holdings, B.V. ("Sierra BV")	238,859	234,029
Sierra Portugal Real Estate ("SPF")	18,066	17,278
Trivium Real Estate Socimi, S.A.	25,688	26,119
Zenata Commercial Project	2,204	2,096
Others	6,730	6,382
	644,283	584,427
Bright Pixel		
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 Espírito Santo Ventures Inovação e Internacionalização (AVP I+I)	10,391	10,562
Others	4	-
	80,631	81,353
Others		
Iberian Sports Retail Group (ISRG)	120,077	114,971
Mondarella GmbH	2,286	2,807
NOS SGPS, S.A.	787,838	854,211
	910,201	971,989
Investment in associates companies	1,641,343	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 amortize 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 euro. 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 30 June 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 30 June 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 6 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 38 million euro, 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

In December 2022, in relation to the lawsuit that MEO filed against NOS, the expert requested to be relieved of duties as he deemed the qualified non-judicial verification to be unfeasible due to the volume of documentation for analysis. In April 2023, the court determined that, based on the expert's request, the trial should be limited to the submission of written arguments. The parties presented their written arguments in June, and NOS, simultaneously, filed a separate appeal against this ruling, arguing that the court's decision violates the judgment of the SCJ (Supreme Court of Justice). Further developments are awaited.

Regarding the lawsuit that NOS filed against MEO, in late March 2023, the Lisbon Court of Appeal revoked the initially preferred decision and ordered an expansion of the factual basis, which will entail conducting new trial sessions.

3. Interconnection tariffs

On February 2023, MEO filed a new appeal with the 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 30 June 2023, movements in investments in joint ventures and associates are as follows:

Investments in joint ventures	30 Jun 2023		
	Proportion on equity	Goodwill	Total investment
Balance as at 1 January	110,804	2,822	113,626
Increases during the period	34,411	-	34,411
Acquisitions during the period	3	-	3
Equity method:			
Effect in gains or losses in joint controlled	8,615	-	8,615
Distributed dividends	(8,822)	-	(8,822)
Effect in equity capital and non-controlling interests	275	-	275
	145,285	2,822	148,107

Investments in associates companies	30 Jun 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	178	-	178
Acquisitions during the period	4,644	-	4,644
Transfer of financial assets at fair value through other comprehensive income (Note 3.3.2)	29,559	-	29,559
Capital reduction during the period	(1,513)	-	(1,513)
Equity method:			
Effect in gains or losses in associated companies	58,028	-	58,028
Distributed dividends	(96,531)	-	(96,531)
Effect in equity capital and non-controlling interests	3,125	-	3,125
	1,473,864	167,479	1,641,343

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	
	30 Jun 2023	31 Dec 2022
Bright Pixel		
Afresh	4,601	4,688
Arctic Wolf	77,308	78,758
Chord	5,522	5,625
Grupo Codacy	8,000	8,000
CyberSixgill	17,915	18,251
Hackuity	6,000	6,000
Infraspeak	6,000	-
Mayan	4,601	4,688
Ometria	21,555	20,858
Safebreach	13,879	14,139
Sales Layer	9,714	9,714
Sekoia.io	9,000	-
Seldon	7,201	-
Other financial assets	43,630	37,949
	234,927	208,671
Others		
Others	17,474	8,218
	17,474	8,218
Financial assets at fair value through profit or loss	252,402	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:

	Statement of financial position	
	30 Jun 2023	31 Dec 2022
Bright Pixel		
Deepfence	2,301	2,344
IriusRisk	7,125	7,125
Nextail Labs, S.L.	1,629	1,629
Other financial assets	607	607
	11,661	11,704
Sierra		
1) BR Malls	-	29,559
	-	29,559
Financial assets at fair value through other comprehensive income	11,661	41,263

- 1) At January 6th, 2023, with the conclusion of merging business operation between Alliance 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 (Note 3.2).

3.3.3 Movements occurred in the period

During the year ended at 30 June 2023 and 30 June 2022, movements in investments in joint ventures are as follows:

	30 Jun 2023	30 Jun 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	44,606	55,580
Disposals in the period	(7,253)	(10,795)
Increase/(decrease) in fair value through profit and loss	(2,024)	23,556
Increase/(decrease) in fair value through other comprehensive income	(43)	16,297
Transfer to investments in associates (Note 3.3.2)	(29,559)	-
Others	185	-
Financial assets at fair value through other comprehensive income and profit or loss	264,063	386,486

In the period ended on 30 June 30 2022, the "Disposals in the period" item refers to the sale of the entire stake of Bright Pixel in CiValue for an amount of 5.3 million euro, which generated a capital gain of 3.3 million euro, the sale of the stake in Cellwize for 22.7 million euro, which generated a capital gain of 13.9 million euro, and the sale of the stake in Beamy, which resulted in a capital gain of 667 thousand euro.

3.4 Cash payments of investments

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

Payments	30 Jun 2023	30 Jun 2022 Restated
Acquisition of Sierra SGPS shares	88,566	83,471
Acquisition of Infraspak shares	6,000	-
Acquisition of Sekoia shares	9,000	-
Acquisition of Seldon shares	7,028	-
Acquisition of Smartsecrets shares	16,600	-
Acquisition of Mayan shares	-	4,752
Acquisition of Nova Centralidade Soc. de Desenv. Imobiliário, S.A. shares	-	8,131
Acquisition of Sixgil shares	-	4,222
Supplementary payments of Codacy	-	8,005
Others	33,133	46,937
	160,326	155,518

3.5 Property, plant and equipment

During the six months period ended as at 30 June 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	9,698	3,272	16	1,638	794	92,938	108,356
Disposals	(751)	(16,448)	(211)	(1,534)	(503)	(1,748)	(21,194)
Exchange rate effect	247	268	-	14	-	-	529
Assets available for sale	-	(8)	-	(349)	-	-	(357)
Transfers	1,523	68,609	1,184	7,006	1,143	(82,155)	(2,690)
Closing balance as at 30 June 2023	1,421,542	1,928,355	33,387	174,401	57,708	47,570	3,662,963
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	12,238	63,310	988	7,928	1,675	-	86,139
Impairment losses of the period	1,269	7,023	-	-	-	-	8,292
Reversals of impairment losses	(109)	(88)	-	(2)	(8)	-	(207)
Disposals	(455)	(12,625)	(184)	(1,384)	(472)	-	(15,120)
Exchange rate effect	89	146	-	10	-	-	246
Depreciation of assets available for sale	-	(3)	-	(222)	-	-	(226)
Transfers	(6)	(966)	(62)	(645)	210	-	(1,468)
Closing balance as at 30 June 2023	507,096	1,247,616	22,932	124,219	48,211	222	1,950,296
Carrying amount							
As at 30 June 2023	914,447	680,739	10,455	50,182	9,497	47,348	1,712,668

The investment includes the acquisition of assets of approximately 58.1 million euro (63.8 million euro in June 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 19 thousand euro transferred to discontinued operations.

3.6 Intangible assets

During the six months period ended 30 June 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	409	256	28	44,685	45,378
Disposals	-	(1,097)	(58)	(453)	(1,609)
Exchange rate effect	590	3	588	-	1,181
Assets available for sale	(15)	(10,929)	(9,732)	-	(20,676)
Transfers	188	25,546	340	(25,526)	548
Closing balance as at 30 June 2023	270,003	565,652	96,126	71,726	1,003,507
Accumulated Amortisation and Impairment Losses					
Opening balance as at 1 January 2023	62,224	355,852	68,764	-	486,840
Amortisation of the period	556	23,778	2,904	-	27,238
Impairment losses of the period	(12)	(37)	-	-	(48)
Disposals	(25)	(788)	(30)	-	(843)
Exchange rate effect	-	2	46	-	48
Amortisation of assets available for sale	(15)	(6,594)	-	-	(6,609)
Impairment losses of assets available for sale	-	-	(1,070)	-	(1,070)
Transfers	(6)	2,929	(64)	-	2,858
Closing balance as at 30 June 2023	62,722	375,142	70,550	-	508,413
Carrying amount					
As at 30 June de 2023	207,281	190,510	25,576	71,726	495,094

As at 30 June 2023 the Investment related to intangible assets in progress includes 41 million euro related to IT projects and software development. Within that amount it is included 14.2 million euro of capitalizations of personnel costs related to own work.

The caption "Amortisation of the period" of Intangible assets includes 401 thousand euro transferred to discontinued operations.

3.7 Rights of use assets

During the period of six months ended on 30 June 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	127,383	88,358	7,120	222,861
Effect of foreign currency exchange differences	147	11	-	158
Transfers to assets available for sale	-	(1,053)	-	(1,053)
Write-offs and decreases	(56,090)	(50,946)	(5,083)	(112,119)
Closing balance as at 30 June 2023	1,681,936	137,428	10,610	1,829,975
Accumulated Depreciation and Impairment Losses				
Opening balance as at 1 January 2023	607,090	84,428	792	692,309
Depreciation of the period	56,790	16,828	551	74,169
Effect of foreign currency exchange differences	77	6	-	83
Transfers to assets available for sale	-	(654)	-	(654)
Write-offs and transfers	(23,363)	(50,419)	(60)	(73,842)
Impairment losses of the period	(80)	-	-	(80)
Closing balance as at 30 June 2023	640,512	50,189	1,283	691,984
Carrying amount				
As at 30 June de 2023	1,041,424	87,239	9,327	1,137,990

The caption "Depreciation of the period" of Right of use assets includes 52 thousand euro 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 non-current held for sale and profit and loss presented as discontinued operations.

At 30 June 2023, the caption “Non-current assets classified as held for sale” and “Liabilities directly associated with non-current assets classified as held for sale” can be detailed as follows:

	Universo	Zeitreeel	Total
Assets			
Non-current assets:			
Property, plant and equipment and intangible assets	12,753	726	13,479
Deferred tax assets	1,535	-	1,535
Other non-current assets	506	-	506
Total non-current assets	14,793	726	15,519
Current assets:			
Trade receivables	67,570	-	67,570
Other current assets	8,648	-	8,648
Cash and cash equivalents	9,219	-	9,219
Total current assets	85,437	-	85,437
Asset classified as held for sale	100,230	726	100,956
Liabilities			
Non-current liabilities:			
Other non-current liabilities	520	-	520
Total non-current liabilities	520	-	520
Current liabilities:			
Trade payables	4,653	-	4,653
Other payables	56,545	-	56,545
Other current liabilities	9,900	-	9,900
Total current liabilities	71,098	-	71,098
Liabilities directly associated with non-current assets classified as held for sale	71,618	-	71,618

As at 31 December 2022, the item “Non-current assets classified as held for sale” refers to a Zeitreeel property located in Spain.

4. Working capital

4.1 Deferred taxes

Deferred tax assets and liabilities as at 30 June 2023 and 31 December 2022 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Difference between fair value and acquisition cost	4,829	4,929	95,622	93,156
Temporary differences on property, plant and equipment and intangible assets	206	277	98,292	97,392
Temporary difference of negative goodwill and equity method	-	-	34,394	35,262
Provisions and impairment losses not accepted for tax purposes	19,877	23,855	-	-
Impairment of assets	-	-	639	639
Valuation of hedging derivatives	884	1,614	8,485	9,137
Amortisation of Goodwill for tax purposes in Spain	-	-	47,957	45,370
Tax losses carried forward	31,991	31,892	-	-
Reinvested capital gains/losses	-	-	62	68
Tax Benefits	56,291	51,093	16,233	15,911
Rights of use	293,895	270,982	252,600	234,144
Others	11,379	11,179	466	714
Total	419,353	395,820	554,750	531,793

As at 30 June 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 30 June 2023, the movement in non-controlling interests are detailed as follows:

	30 Jun 2023						
	MC	Worten	Sierra	Zeitreel	Bright Pixel	Others	Total
Opening balance at 1 January 2023	250,899	1,055	140,434	(574)	129,998	2,035	523,848
Distributed dividends	(53,665)	-	(3,299)	-	(902)	-	(57,866)
Delivery and attribution of shares to employees for termination of obligation	(690)	-	-	-	-	-	(690)
Change in percentage of subsidiaries	(68)	-	(82,322)	-	999	-	(81,391)
Change in currency translation reserve	-	-	-	-	-	(65)	(65)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	(1,068)	-	(1,068)
Capital decrease	-	-	(3,373)	-	-	-	(3,373)
Changes in hedging reserves	(6,848)	-	23	-	-	-	(6,825)
Other variations	44	10	-	308	(264)	(44)	54
Profit for the period attributable to non-controlling interests	15,532	90	4,231	(37)	1,405	(74)	21,147
Closing balance as at 30 June 2023	205,204	1,155	55,695	(303)	130,168	1,853	393,772

5.2 Earnings per share

Earnings per share for the periods ended 30 June 2023 and 2022 were calculated taking into consideration the following amounts:

	30 Jun 2023		30 Jun 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)	75,985	(7,282)	124,774	(7,076)
Net profit taken into consideration to calculate diluted earnings per share	75,985	(7,282)	124,774	(7,076)
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,924,534,638	1,924,534,638	1,918,582,232	1,918,582,232
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	(6,075,480)	(6,075,480)	(4,178,326)	(4,178,326)
Weighted average number of shares used to calculate diluted earnings per share	1,940,074,087	1,940,074,087	1,930,398,336	1,930,398,336
Earning per share				
Basic	0.03948	(0.00378)	0.06503	(0.00369)
Diluted	0.03917	(0.00375)	0.06464	(0.00367)

5.3 Loans

As at 30 June 2023 and 31 December 2022, loans are made up as follows:

	30 Jun 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans	284,875	1,014,145	226,744	776,384
Bonds	3,875	436,251	28,846	331,372
Total loans	288,750	1,450,397	255,590	1,107,757

	30 Jun 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, SA - commercial paper	135,000	-	45,000	-
Sonae, SGPS, SA - commercial paper ESG-Linked	-	372,500	-	300,000
Sonae SGPS, SA 2016/2029	-	30,000	-	30,000
Sonae SGPS, SA 2020/2025	-	25,000	-	25,000
Sonae SGPS affiliated / 2019/2026 - ESG Linked	-	50,000	-	50,000
MCRETAIL, SGPS,SA - commercial paper	-	25,000	-	103,132
MCRETAIL, SGPS,SA - commercial paper ESG-Linked	-	275,000	-	100,000
MC affiliated / 2014/2023	-	-	50,000	-
Sonae, SGPS, SA - 2023/2029 - ESG Linked	-	30,000	-	-
MC Green Loan / 2018/2031	6,111	42,778	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	105,300	-	107,900	-
Others	4,146	10,760	11,797	1,365
	264,890	969,004	224,142	777,352
Bank overdrafts (note 5.4)	20,204	46,406	2,974	-
Up-front fees beard with the issuance of borrowings	(219)	(1,265)	(372)	(968)
	284,875	1,014,145	226,744	776,384

	30 Jun 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 ESG Sonae SGPS /2023/2028	-	75,000	-	-
Bonds MC/ December 2019/2024	-	30,000	-	30,000
Bonds MC/ April 2020/2027	-	95,000	-	95,000
Bonds MC ESG / December 2021/2024	-	40,000	-	40,000
Bonds MC ESG / November 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)	(1,749)	(154)	(1,628)
Bonds	3,875	436,251	28,846	331,372

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 30 June 2023 on bond loans and bank loans averaged approximately 3.69% (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:

	30 Jun 2023	31 Dec 2022
N+1 ^{a)}	289,094	256,116
N+2	143,215	180,854
N+3	146,465	100,365
N+4	669,831	344,887
N+5	383,497	338,135
After N+5	110,402	146,111
	1,742,504	1,366,468

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

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 30 June 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 30 June 2023, Sonae has, as detailed below, Cash and cash equivalents in the amount of 598 million euro (794 million euro as at 31 December 2022) and available credit lines as follows:

	30 Jun 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	196,000	235,000	161,000	275,000
Sierra	39,469	98,225	54,969	-
Holding & Others	64,000	53,558	149,000	195,000
	299,469	386,783	364,969	470,000
Agreed credit facilities				
MC	196,000	335,000	161,000	375,000
Sierra	39,469	115,000	54,969	-
Holding & Others	184,000	355,000	194,000	367,500
	419,469	805,000	409,969	742,500

5.4 Cash and cash equivalents

As at 30 June 2023 and 31 December 2022, Cash and cash equivalents are as follows:

	30 Jun 2023	31 Dec 2022
Cash at hand	13,674	15,159
Bank deposits	192,259	670,766
Bank deposits - shopkeepers deposits	2,770	2,873
Treasury applications	389,732	105,014
Cash and cash equivalents on the statement of financial position	598,435	793,812
Bank overdrafts (Note 5.3)	(66,610)	(2,974)
Cash and cash equivalents in the statement of cash flows	531,825	790,838

5.5 Net financial expenses

Net financial expenses are as follows:

	30 Jun 2023	30 Jun 2022 Restated
Expenses		
Interest payable		
related with bank loans and overdrafts	(15,371)	(5,652)
related with non convertible bonds	(7,972)	(2,295)
related with operational leases	(40,535)	(36,373)
others	(185)	(810)
	(64,064)	(45,130)
Foreign exchange losses	(45,199)	(49,461)
Up front fees and commissions related to loans	(2,628)	(3,062)
Others	(952)	(1,264)
	(112,843)	(98,918)
Income		
Interest receivable		
related with bank deposits	1,708	31
others	3,882	3,019
	5,590	3,050
Foreign exchange gains	47,261	47,736
Other financial income	600	4,873
	53,461	55,659
Net financial expenses	(59,391)	(43,259)

6. Provisions

Movements in Provisions during the period ended 30 June 2022 and 2023 are as follows:

	Non-current provisions	Current provisions
Opening balance as at 1 January 2022	21,475	4,170
Increase	2,297	1,131
Decrease	(2,342)	(1,479)
Changes in scope of consolidation	(348)	126
Closing balance as at 30 June 2022	21,084	3,949
Opening balance as at 1 January 2023	21,621	4,508
Increase	901	2,159
Decrease	(2,554)	(1,871)
Changes in scope of consolidation	-	(483)
Closing balance as at 30 June 2023	19,967	4,312

7. Related parties

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

	Parent Company		Jointly controlled companies	
	30 Jun 2023	30 Jun 2022 Restated	30 Jun 2023	30 Jun 2022 Restated
Sales and services rendered	179	156	3,567	8,027
Other income	4	-	246	1,071
COGS and materials consumed	-	-	(189,465)	(161,543)
External supplies and services	(203)	(238)	(1,440)	(8,836)
Other expenses	-	(3)	(134)	2
Financial income	-	-	252	263
Financial expense	-	-	(51)	(63)
Acquisition of tangible assets	-	-	-	365
Sales of tangible assets	-	-	(4)	-
Acquisition of intangible assets	-	-	-	141

	Associated companies		Other related parties	
	30 Jun 2023	30 Jun 2022 Restated	30 Jun 2023	30 Jun 2022 Restated
Sales and services rendered	59,067	28,991	5,869	31,345
Other income	843	123	989	2,784
COGS and materials consumed	(1,209)	-	(846)	(1,182)
External supplies and services	(8,784)	(2,240)	(3,576)	(4,194)
Other expenses	(1,028)	(34)	(61)	(37)
Financial income	287	200	27	87
Financial expense	(3,197)	(3,146)	(2)	(1)
Acquisition of tangible assets	647	54	4	-
Sales of tangible assets	-	-	-	(3)
Acquisition of intangible assets	310	61	-	-

	Parent Company		Jointly controlled companies	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Other non-current assets	-	-	7,612	8,900
Trade receivables	40	38	1,219	1,019
Other receivables	79	9	6,039	5,678
Trade payables	-	-	(81,664)	(83,542)
Other payables	(52)	(553)	(450)	(365)

	Associated companies		Other related parties	
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
Other non-current assets	3,819	8,759	4	4
Trade receivables	19,396	20,559	1,767	2,818
Other receivables	6,076	16,116	1,825	2,054
Trade payables	(3,554)	(4,536)	(1,143)	(896)
Other payables	(5,243)	(8,408)	(1,138)	(871)

The related parties include subsidiaries and jointly controlled companies or associated companies of Sonae Sierra SGPS, S.A., NOS SGPS, S.A., Sonae Indústria, SGPS, S.A., SC Investments, SGPS, S.A. and SC Industrials, S.A., 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..

Statement under the terms of Article 29 - J, paragraph 1, c) of the Portuguese Securities Code

In compliance with Article 29-J, paragraph 1, subparagraph c) of the Portuguese Securities Code, the signatories individually declare that, to their knowledge, the Condensed Financial Statements and the interim Management Report referring to the first half of 2023 were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union, giving a truthful and appropriate image, in all material respects, of the assets and liabilities, financial position and the results of the issuer and that the interim Management Report faithfully describes the business evolution, the performance and position of the issuer and of the companies included in the consolidation perimeter for the first six months of 2023 and contains a description of the major risks and uncertainties with which they are confronted.

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

José Manuel Neves Adelino

Margaret Lorraine Trainer

Ângelo Gabriel Ribeiro dos Santos Paupério

Carlos António Rocha Moreira da Silva

Eve Alexandra Henrikson

Marcelo Faria de Lima

Maria Fuencisla Clemares Sempere

Philippe Cyriel Haspeslagh

Maria Cláudia Teixeira de Azevedo

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

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

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

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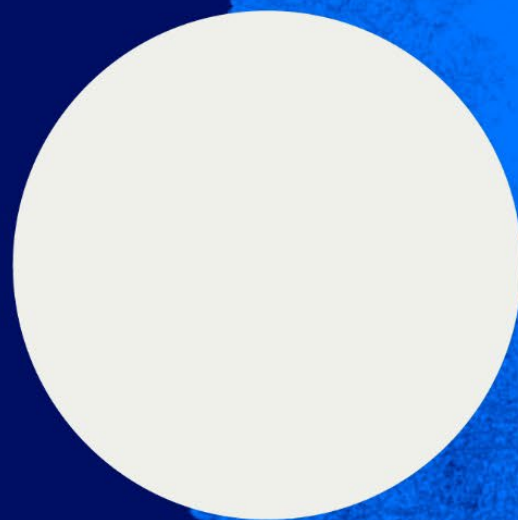
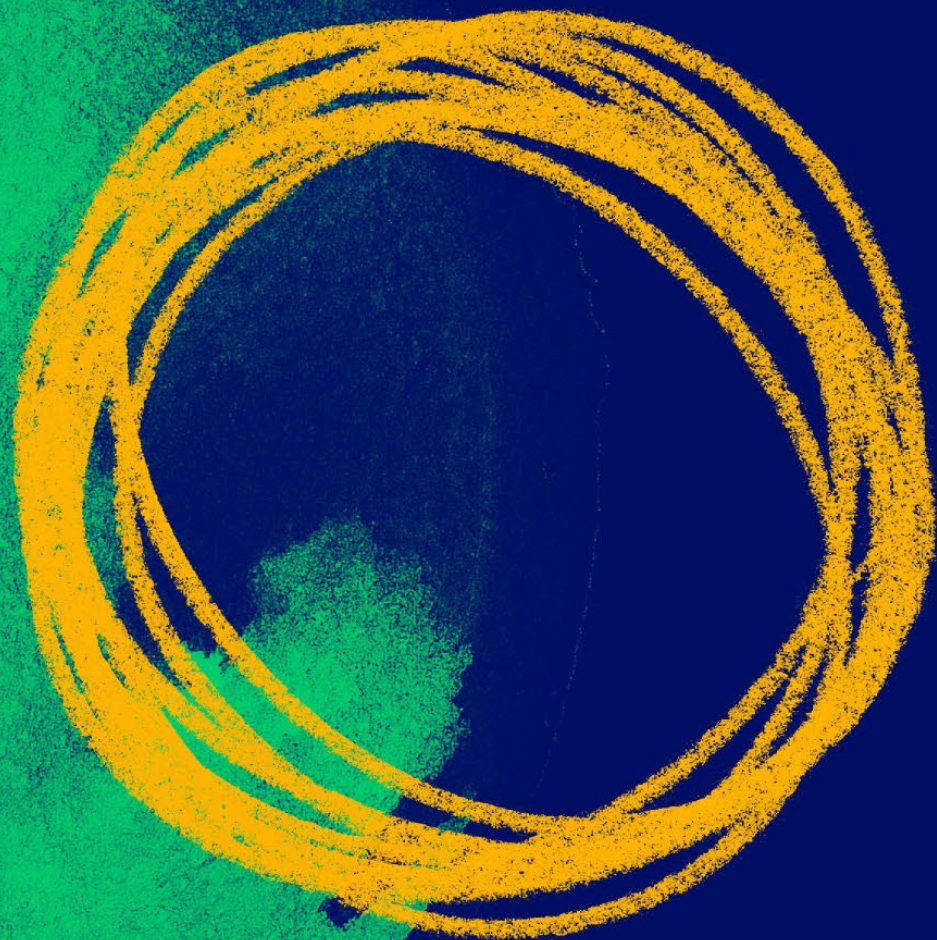
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Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SON PL



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