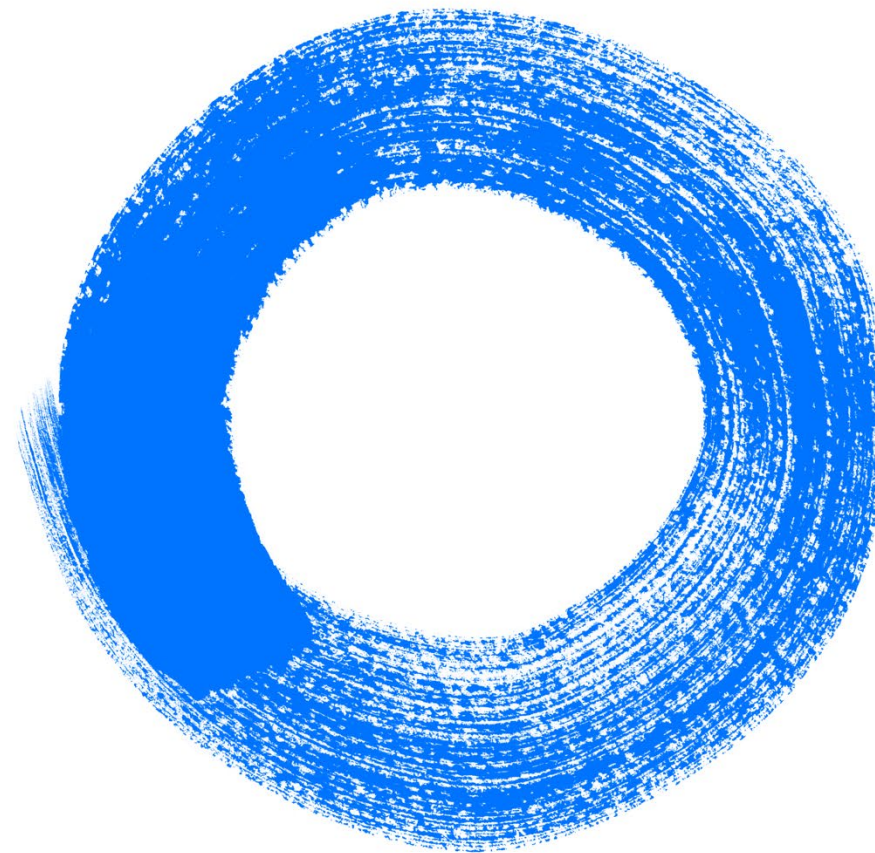
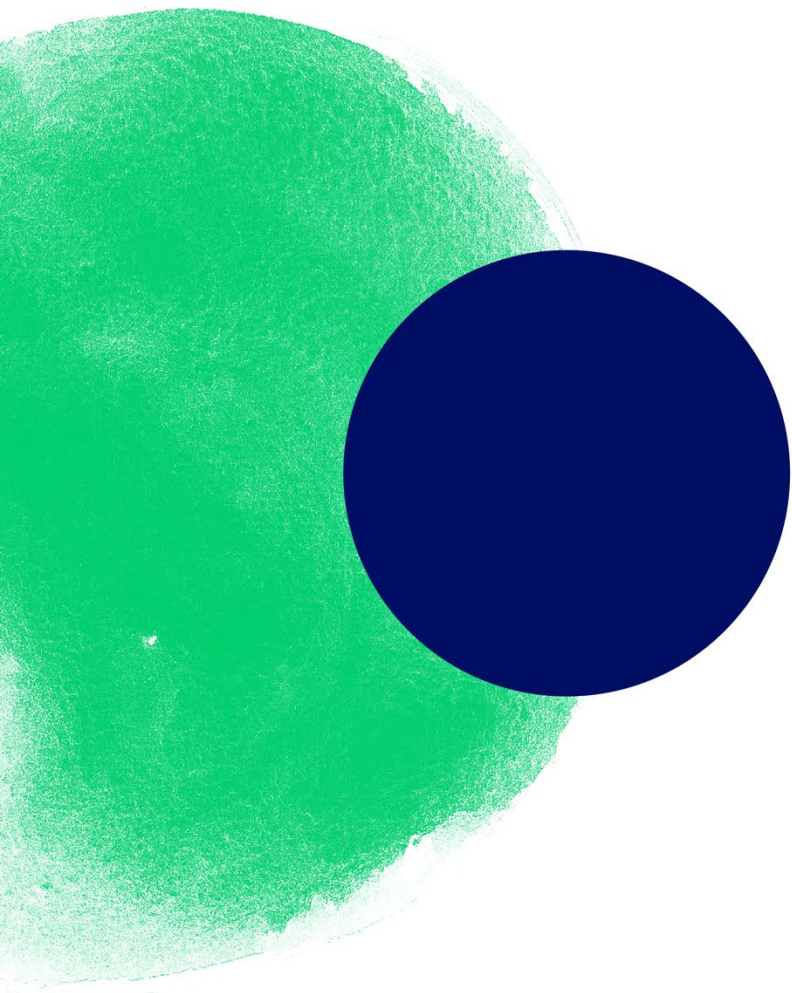




Results Report

9M23

Sonda



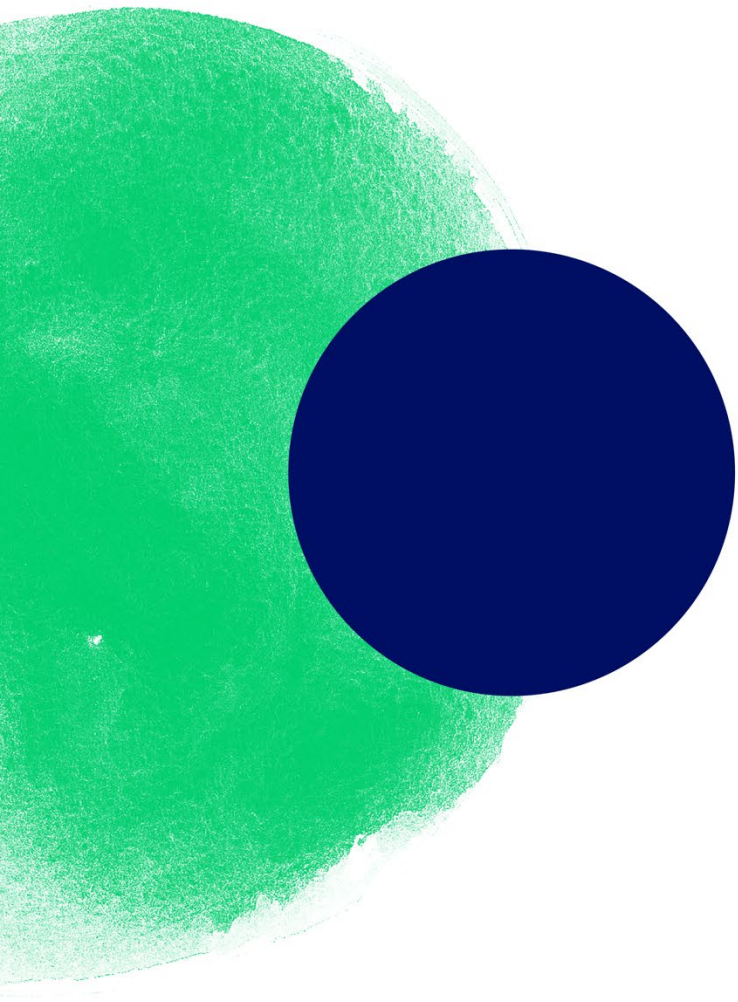
9M23 Highlights

Key Financial Indicators

- **Consolidated turnover** surpassed €6.0bn with a 10% yoy increase, mainly driven by the solid performance of MC under a strong inflationary context.
- **EBITDA** amounted to €581m, +7% yoy, fuelled by the operational performances of MC and Sierra, which more than offset the yoy reduction from portfolio management activity results, with no significant transactions in the period, and the continued efforts of our retail businesses to absorb inflationary pressures to support our customers.
- **Net result** (group share) stood at €135m, given higher funding costs and tax expenses, as well as an increase in depreciation, due to the investment in the expansion and digitalization of our businesses.
- **Free Cash flow** before dividend payment was €206m (L12M) and net debt slightly reduced yoy to €982m, showing once again a strong financial position characterised by low leverage, significant liquidity available, and a solid debt maturity profile.
- **NAV**, based on market references, increased in the quarter to €4.4bn, mainly driven by MC's operational performance. At the holding level, LTV kept its downward trend and stood at 6.6%, 35bps below the level in June.

Portfolio Management Activity

- **During 3Q23:**
 - 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 was completed in the beginning of October and delivered €300m of cash proceeds and a capital gain of €168m for Sonae, which will impact 4Q23 results; and
 - Sonaecom acquired Sonae's direct stake in NOS (11.30%) for €213m (€3.6527 per share), reaching 37.37% of the share capital in the company. This transaction did not impact the voting rights in NOS attributable to Sonae.
- **During 1H23:** (i) MC entered into an agreement with the founding shareholders of Druni and Arenal for the combination of these two companies (completion expected in 4Q23); (ii) Sonae acquired the remaining 10% stake in Sierra, and (iii) Universo agreed with Bankinter Consumer Finance a 50/50 partnership for the creation of a leading consumer credit operator in Portugal (completion is currently awaiting regulatory approval).



CEO letter

During the third quarter, the macroeconomic environment continued to be marked by the effects of geopolitical instability, rising interest rates and persistent inflation, though the latter has begun to ease.

Sonae remained focused on providing the best offers and experiences to customers across business units without compromising the necessary investments to ensure the group's long-term sustainability.

In fact, the group invested a total of €467m since the beginning of 2023, with a particular focus on improving customer touchpoints in physical spaces and in digital channels, which shows the strong commitment to our portfolio companies and to all our stakeholders.

In terms of operational performance, our revenues increased 10% yoy, surpassing €6.0bn, and our EBITDA stood at €581m, 7% above 2022. This positive evolution was mainly fuelled by MC, that consolidated its leadership position in the Portuguese food retail market. On the real estate front, Sierra continued to execute its strategy and registered a strong performance both in its shopping centres and in the services arena. NOS also delivered strong results, fuelled by the growth in Telco customers and revenues, coupled with an all-time high in cinema ticket sales.

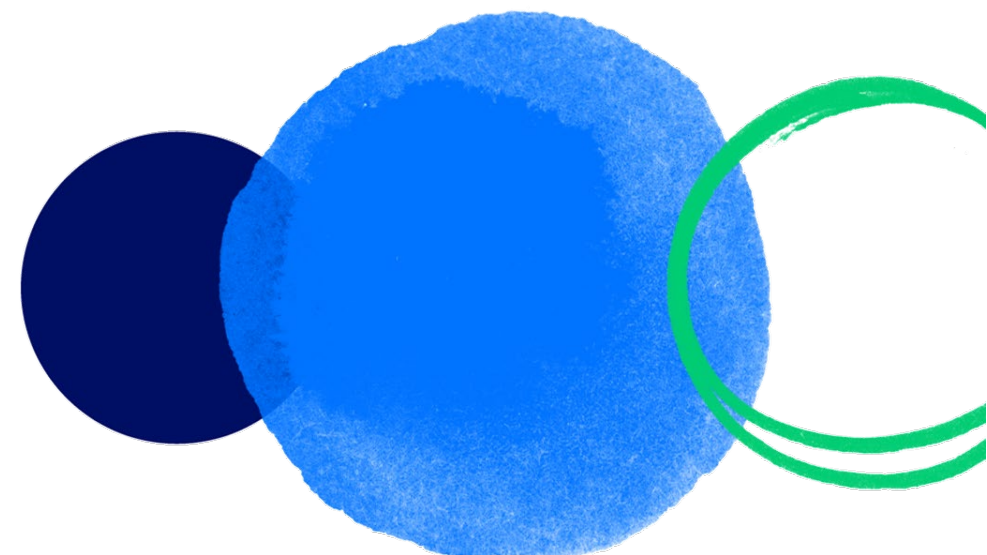
Regarding portfolio management, we concluded (already in Q4) the sale of our participation in ISRG (with total cash proceeds of €300m), we pursued our work to execute the partnership with Druni to form the largest health, wellness & beauty player in Iberia, and we continued to invest in innovative companies in the food-tech space, dedicated to the development of sustainable and healthy solutions, through Sparkfood, our new investment vehicle for this sector.

Given our operating cash flow generation and portfolio management activity, Sonae's financial position was further reinforced, with net debt decreasing yoy.

Inspired by our renewed sustainability strategy, launched in the 2Q23, we continued to progress in the areas where we want to have the greatest impact on our people, our communities and on the planet.

Looking ahead, and as the uncertainty persists, we must remain determined, bold and nimble to quickly adapt to the evolving risks, seize the surging trends and capture the opportunities that lie ahead. Given our strong portfolio of leading companies, our financial strength and our unique culture, I remain confident in our ability to continue to create superior economic and social value.

Cláudia Azevedo, CEO



Overview

Key Data

€m	30.09.22	31.12.22	31.03.23	30.06.23	30.09.23
NAV ¹	3,966	3,974	4,079	4,240	4,411
Market capitalization	1,649	1,870	2,010	1,802	1,840
Net Debt	1,022	540	922	1,067	982

€m	3Q22 R	3Q23	yoy	9M22 R	9M23	yoy
Turnover	2,036	2,205	8.3%	5,468	6,036	10.4%
Underlying EBITDA	182	205	12.8%	446	506	13.4%
Underlying EBITDA margin	8.9%	9.3%	0.4 p.p.	8.2%	8.4%	0.2 p.p.
EBITDA	223	234	4.7%	543	581	7.0%
Direct Result	101	86	-14.6%	206	167	-18.9%
Net result group share	92	69	-24.8%	210	135	-35.7%
Sale of assets	31	4	-86.0%	72	15	-79.4%
M&A capex	-91	-34	62.9%	-231	-175	24.3%
Free cash flow before dividends paid	81	85	4.2%	-296	-277	6.4%
Dividends paid	0	0	-	-169	-161	-5.1%

	1Y	3Y	5Y	10Y
Total Shareholder return ²	18%	87%	37%	58%

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 €4.4bn on September 30th, an increase of 4.0% during the last quarter. This improvement was mainly fuelled by the contribution of MC, driven by both its improved operational performance and favourable market multiples.

3Q23 consolidated performance followed the previous quarters trend. Our businesses continued to face a challenging macro context, with persistent though decelerating high inflation, coupled with significant cost pressures, but continued to deliver resilient performance driven by reinforced market shares.

During the first 9M23, consolidated **turnover** surpassed €6.0bn, with 10% yoy growth, and uEBITDA increased 13% yoy (+€60m) to €506m, with an 8.4% margin, +0.2p.p. yoy. This improved operational performance was mainly driven by MC.

Consolidated **EBITDA** stood at €581m in 9M23, +7% yoy, despite lower capital gains from NOS and Bright Pixel which were more than offset by the improvement in uEBITDA. Higher level of D&A driven by our businesses' store network expansion and digitalization efforts coupled with increased financial costs and tax expenses, led Direct Result to €167m, and the Net result (group share) to €135m at the end of 9M23.

Operational cash flow declined over the last 12 months to €92m, mainly due to higher capex from MC in its retail network (expansion and refurbishments) and also group-wide digitalization efforts, which more than offset our improved consolidated operational performance.

Nevertheless, the proceeds from our portfolio management activity surpassed €240m, and more than offset the decrease in operational cash flow, leading **free cash flow before dividends** to more than €200m, in the last 12 months. Consequently, and after the dividend payment to our shareholders and partners of €161m, **consolidated net debt** slightly decreased yoy to €982m.

NAV (€m)	2Q23	3Q23	Var %
Retail (food & electronics)	2,155	2,302	6.8%
Real estate	1,031	1,046	1.4%
Telco and technology	918	906	-1.3%
Other investments*	462	484	4.8%
Holding	-326	-327	-0.2%
o.w. net debt	-318	-313	1.6%
NAV	4,240	4,411	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 Sept 22	L12M Sept 23
EBITDA (inc. rents and taxes)	436	446
Working cap. and others	34	67
Operational capex	-326	-421
Operational cash flow	144	92
Net financial activity	-19	-41
M&A capex	-253	-221
Sale of assets	86	244
Dividends received	118	131
FCF bef. dividends paid	75	206

Portfolio

Retail

MC

75% stake, fully consolidated

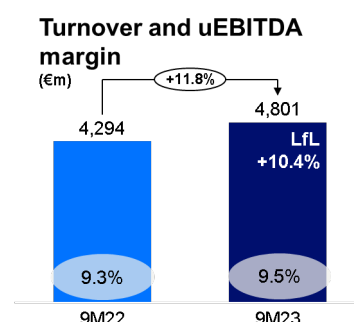
During 3Q23, MC delivered once again a strong performance across the board. The Portuguese food retail market continued to operate with high food inflation, despite the decelerating trend (6.9% in 3Q23 vs. 11.1% in 2Q23 and 20.5% in 1Q23).

In fact, in a highly competitive environment, the company was able to sustain its leadership position, with top line growth of 9.6% yoy in 3Q23 (LfL of +8.7%), fuelled by both grocery and non-grocery formats, surpassing €4.8bn in 9M23 (+11.8% yoy and +10.4% LfL).

In terms of profitability, the reduction in energy costs and the ongoing operational efficiency gains enabled MC to offset the pressure of consumers trading down and price investments, leading uEBITDA to reach €179m in 3Q23 (+€21m or +14% yoy, with a margin of 10.2%) and €458m in 9M23 (margin of 9.5%).

Regarding store network expansion, MC opened 39 new company-operated stores in 9M23 (representing +15k square meters of sales area), of which 6 Continente Bom Dia (proximity stores) and 2 Continente Modelo (large supermarkets). These openings, combined with stores' refurbishments and the optimization of technological and logistics capabilities, led to a total capex of €197m in 9M23. Until the end of the year, MC expects to accelerate the expansion plan of its food stores.

The company's strong operational performance, coupled with the execution of its ambitious investment program and the seasonal working capital impacts, resulted in FCF of €113m (+€11m yoy). MC maintained a solid capital structure with a net financial debt of €509m and a ratio of total net debt to EBITDA of 2.8x (2.9x in 9M22), after the dividend payment of €214m in 2Q23.



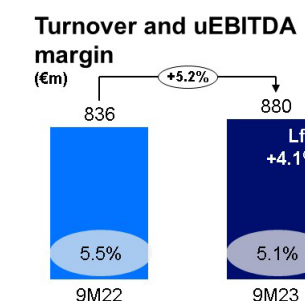
Worten

100% stake, fully consolidated

Worten posted solid sales growth, increasing by 2.5% yoy in 3Q23 and reaching €323m, with a backdrop of tightened consumers' purchasing power and a challenging competitive landscape. Both online and offline channels contributed positively to this sales performance, confirming Worten's successful omnichannel value proposition. New categories, leveraged by the marketplace, and adjacent services materialized important sales growth, gaining relevance in Worten's top line, reflecting the good execution of the company's growth strategy.

During 9M23, total turnover reached €880m (+5.2% yoy and a LfL of +4.1%), with the online channel representing more than 15%. This sales performance resulted in market share gains, with Worten continuing to reinforce its leading position.

In terms of profitability, inflation pressure on operational costs more than offset the favourable impact of the sales growth, leading to an uEBITDA of €20m in 3Q23 (a 6.2% margin, -36bps vs 3Q22) and €45m in 9M23 (a 5.1% margin, -37bps vs 9M22).



Real Estate

Sierra

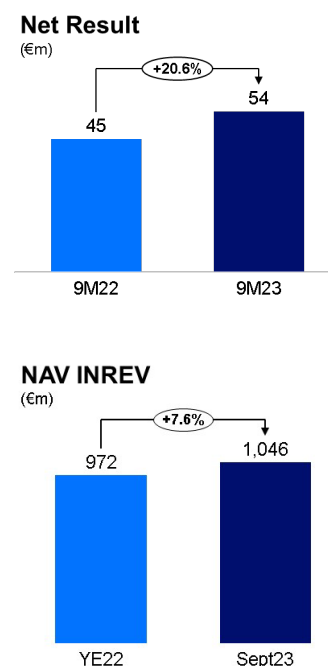
100% stake, fully consolidated

Sierra experienced a robust 3Q23, extending the strong performance observed in 1H23 over 9M23. In the European shopping center portfolio, Sierra tenants' sales achieved double-digit LfL growth compared to both last year and the pre-pandemic period. This was buoyed by increased footfall and higher occupancy rates, which rose by 0.5pps to 98% across the board. Complementing this, Sierra services area continued to be a significant driver of operational performance, with EBITDA delivering double-digit growth.

As for key milestones, Sierra (i) received clearance from the competition authority to manage CTT real estate portfolio, with closing expected in the 4Q23; (ii) made progress on various real estate investment vehicles; (iii) began the commercialization of the prime mixed-use asset, Republica 5, in Lisbon, Portugal, in partnership with Signal Capital; (iv) proceeded the construction works on the third office tower at Colombo and other projects under development; and (v) expanded its property management contracts across Europe.

Finally, Sierra improved its operational performance across all business areas, despite higher depreciations and financial costs, leading to a 50% yoy increase in Direct result to €48m, and a 21% increase in Net result to €54m.

Net Asset Value (NAV) as of the end of September 2023 stood at €1.05bn, marking a 7.6% increase compared to the end of 2022.



Telco & Technology

NOS

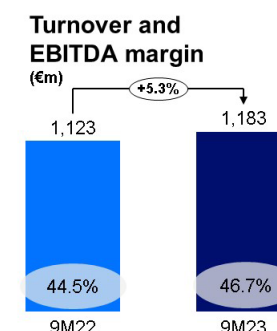
37.4% stake, equity consolidated¹

NOS reported its results to the market on November 2nd, showing, once again, solid operational and financial performance.

During 3Q23, turnover grew by 6.9% yoy to €408m, fuelled by both the positive operational performance in the Telco's business segments (+4.7% yoy) and the Audiovisuals & Cinema (+37.2% yoy) benefiting from an all-time record for quarterly cinema ticket sales. At the end of 9M23, total turnover reached €1.2bn, +5.3% yoy.

EBITDA also maintained a positive trend in the quarter, +12.7% yoy, to €200m, leading to €553m at the end of 9M23 (+10.6%), benefiting from the top line growth coupled with +2.2pp in margin to 46.7%. Consolidated Net result amounted to €46m in 3Q23, representing a 6.4% yoy increase excluding the capital gain from the towers' sale recorded last year, and in spite of the increase in net financial results.

For Sonae's consolidated accounts, NOS equity method results contribution reached €16m in 3Q23 leading to a total of €42m in 9M23, positively impacted by the increased stake in NOS that was more than offset by the capital gain from towers' sale registered last year.



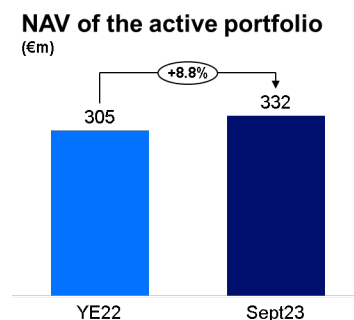
¹ Total stake through Sonaecom. For more information, please see NOS results in www.nos.pt

Bright Pixel

90% stake, fully consolidated

During 3Q23, Bright Pixel continued to explore new opportunities to expand its active portfolio, which already includes more than 40 companies around the globe and reinforced the investment in some of its portfolio companies. Those investments led to a slight increase in both NAV and Cash Invested in the active portfolio to €332m and €167m, respectively.

Since the beginning of the year, Bright Pixel invested a total amount of €33.5m and enlarged its portfolio with 6 more new companies, generating an 8.8% increase in its NAV.



Other investments

Universo

100% stake, consolidated as a discontinued operation²

Universo's teams continued to work on the development of the joint venture with Bankinter Consumer Finance aiming to create a new reference player in consumer credit in Portugal, and which is expected to be concluded before YE23.

Universo continued to deliver a resilient operational performance, in line with previous quarters, with total production of €719m and a total turnover of €36m, +34% yoy, in 9M23. The credit stock reached €399m, at the end of the period.

Zeitreeel

100% stake, fully consolidated

During 3Q23, Zeitreeel's brands continued to face a challenging macro environment, aggravated by abnormal weather conditions with revenues of €266m in 9M23, 4% below the same period of last year. In terms of profitability, uEBITDA margin decreased yoy to 4.0% in 9M23, mainly impacted by promotional efforts and the continued pressure on the cost side, despite some efficiency gains following the adoption of operational improvements and cost saving initiatives.

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

Sparkfood

Different stakes, some fully consolidated and others through equity method

Sparkfood is operating and investing in companies within the food value chain, by developing 2 main business platforms (i) the Alternative.s - a European supplier of next generation alternatives to animal proteins, namely plant-based; and (ii) the Ingredient.s - a global provider of natural ingredients for health & wellness, food systems and animal nutrition. In parallel, and directly linked to these 2 platforms, Sparkfood launched Venture.s, an area dedicated to invest in scale-ups that will fuel innovation to both its platforms across different areas (products, technologies, and solutions).

By the end of 9M23, Sparkfood's portfolio included five investments:

- 2 in the Alternative.s: (i) Gosh! Foods (majority stake), a plant-based food manufacturer based in the UK; and (ii) Mondarella (minority stake), a scale-up innovating in the plant-based cheese market, based in Germany;
- 1 in the Ingredient.s: SparkVos (majority stake), an Italian group of companies, focused on industrial manufacturing and distribution of natural active ingredients for the health & wellbeing segment; and
- 2 in the Venture.s: (i) Bluu (minority stake), food biotech start-up, based in Germany, developing cell-based seafood solutions; and (ii) Bon Vivant (minority stake), a French start-up dedicated to the development and production of animal-free milk protein ingredients through precision fermentation.

This portfolio illustrates the extensive market analysis work and proactive deal sourcing performed by Sparkfood in the past 2 years, resulting in total cash invested of over €110m in the current portfolio.

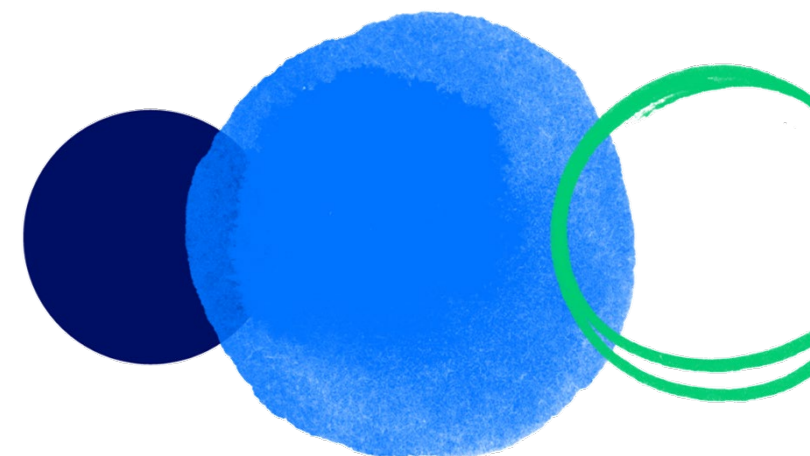
Corporate Information

Main announcements during 9M23 are published in www.sonae.pt and www.cmvm.pt (market regulator).

Subsequent events

October 11th: Sonae SGPS, SA informed on completion of the sale of ISRG's stake.

November 14th: Sonae SGPS, SA informed on changes to the Board of Directors.



Consolidated P&L

€m	3Q22 R	3Q23	yoy	9M22 R	9M23	yoy
Turnover	2,036	2,205	8.3%	5,468	6,036	10.4%
Underlying EBITDA	182	205	12.8%	446	506	13.4%
<i>margin</i>	8.9%	9.3%	0.4 p.p.	8.2%	8.4%	0.2 p.p.
Equity method results*	37	31	-16.6%	76	81	6.1%
Sierra	11	13	15.6%	30	38	26.2%
NOS	25	16	-38.5%	44	42	-5.4%
Others	1	3	-	2	1	-53.5%
Non-recurrent items	5	-2	-	21	-6	-
EBITDA	223	234	4.7%	543	581	7.0%
<i>margin</i>	11.0%	10.6%	-0.4 p.p.	9.9%	9.6%	-0.3 p.p.
D&A and Provisions and Imp.	-91	-100	-9.7%	-263	-296	-12.5%
EBIT	132	134	1.2%	280	285	1.8%
Net Financial results	-23	-33	-45.8%	-66	-93	-40.2%
Taxes	-8	-14	-70.3%	-9	-25	-
Direct result	101	86	-14.6%	206	167	-18.9%
Indirect result	10	1	-87.1%	50	7	-84.9%
Net result	111	88	-21.3%	255	174	-31.7%
Non-controlling interests	-19	-18	4.5%	-45	-39	13.1%
Net result group share	92	69	-24.8%	210	135	-35.7%

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 (Sierra and NOS), income related to investments consolidated by the equity method and discontinued operations results.

Consolidated Balance Sheet

€m	30.09.22	30.06.23 R	30.09.23
Investment properties	343	358	363
Net fixed assets	2,180	2,208	2,254
Right of Use assets	994	1,138	1,146
Financial investments	2,077	2,092	2,118
Goodwill	689	663	687
Working capital	-915	-939	-1,016
Invested capital	5,368	5,521	5,552
Equity & minorities	3,182	3,135	3,235
Net debt	1,022	1,067	982
Net financial debt	1,047	1,136	1,075
Net shareholder loans	-26	-69	-93
Lease liabilities	1,165	1,319	1,335
Sources of financing	5,368	5,521	5,552

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.
RolC	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
9M23

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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	3rd quarter 2023	3rd quarter 2022 Restated	30 Sep 2023	30 Sep 2022 Restated Note 1.2
Sales	2.2	2,122,372	1,960,995	5,790,443	5,246,477
Services rendered	2.2	82,533	75,328	245,549	221,434
Value created on investment properties		-	-	4,227	2,771
Gains and losses on investments		(261)	5,155	(2,535)	4,919
Gains and losses on investments recorded at fair value through profit and loss	3.3.3	43	9,569	(1,981)	50,867
Other income	2.3	37,799	51,354	122,397	141,898
Cost of goods sold and materials consumed		(1,541,933)	(1,417,620)	(4,203,086)	(3,768,950)
Changes in inventories of finished goods and work in progress		(4,100)	1,327	(9,434)	2,678
External supplies and services		(204,766)	(218,218)	(561,395)	(599,042)
Employee benefits expense		(260,597)	(236,403)	(800,424)	(708,255)
Other expenses		(29,319)	(35,834)	(85,480)	(94,267)
Depreciation and amortisation expenses	3.5, 3.6, 3.7	(99,186)	(88,724)	(286,260)	(261,561)
Impairment losses		1,495	(1,246)	(7,052)	1,133
Provisions		(127)	(1,860)	31	(2,161)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		103,953	103,824	204,999	237,942
Dividends received during the year		260	-	332	12,289
Share of profit or loss of joint ventures and associates	3.2.2	28,321	41,272	86,823	85,296
Financial income	5.5	26,262	33,383	79,714	89,041
Financial expense	5.5	(59,474)	(56,154)	(172,316)	(155,072)
Profit from continuing operations before tax		99,323	122,324	199,551	269,496
Income tax expense		(14,215)	(11,636)	(25,452)	(15,356)
Profit from continuing operations for the period		85,108	110,688	174,099	254,140
Profit/(Loss) from discontinued operations after taxation	1.2.2	2,418	499	241	986
Consolidated profit/(Loss) for the period		87,526	111,187	174,340	255,126
Attributable to owners of the Company:					
Continuing operations	5.2	66,878	91,107	134,723	207,597
Discontinued operations	5.2	2,418	991	241	2,199
		69,296	92,099	134,963	209,795
Attributable to non-controlling interests:					
Continuing operations	5.1	18,230	19,579	39,377	46,544
Discontinued operations		-	(491)	-	(1,213)
		18,230	19,088	39,377	45,331
Profit/(Loss) per share					
From continuing operations					
Basic	5.2	0.03046	0.04323	0.06994	0.10826
Diluted	5.2	0.03022	0.04301	0.06938	0.10765
From discontinued operations					
Basic	5.2	0.00391	0.00483	0.00013	0.00115
Diluted	5.2	0.00388	0.00481	0.00012	0.00114

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

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

	3rd quarter 2023	3rd quarter 2022 Restated	30 Sep 2023	30 Sep 2022 Restated Note 1.2
Net Profit / (Loss) for the period	87,526	111,187	174,340	255,126
Items from other comprehensive income that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	98	(4,040)	3,167	(8,561)
Participation in other comprehensive income, net of tax, related to associates and joint ventures accounted for under the equity method	(403)	(4,406)	2,998	32,040
Changes in cash flow hedging reserve	12,858	4,860	(13,342)	14,249
Income tax relating to items that may be reclassified subsequently to profit or loss	171	(1,781)	95	(2,551)
Others	-	(601)	-	437
Items from other comprehensive income that may be reclassified subsequently to profit or loss	12,725	(5,968)	(7,081)	35,615
Items from other comprehensive income that won't be reclassified subsequently to profit or loss:				
Participation in other comprehensive income, net of tax, related to associates and joint ventures accounted for under the equity method	(1,328)	-	(1,328)	-
Changes value of financial assets at fair value	-	(14,441)	45	(1,896)
Items from other comprehensive income that won't be reclassified to the income statement	(1,328)	(14,441)	(1,283)	(1,896)
Total other comprehensive income for the period	11,396	(20,410)	(8,365)	33,718
Total comprehensive income for the period	98,921	90,777	165,975	288,845
Attributable to:				
Equity holders of parent company	77,934	69,859	131,822	237,275
Non-controlling interests	20,987	20,918	34,153	51,570

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 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 Sep 2023	30 Sep 2022 Restated Note 1.2	31 Dec 2022 Restated Note 1.2
Assets				
Non-current assets:				
Property, plant and equipment	3.5	1,747,868	1,686,649	1,705,681
Intangible assets	3.6	506,204	493,602	491,845
Right of use assets	3.7	1,146,344	993,604	1,027,820
Investment properties		363,362	343,394	342,621
Goodwill	3.1	686,672	688,544	663,531
Investments in joint ventures and associates	3.2	1,681,412	1,737,374	1,751,473
Assets at fair value through profit and loss	3.3.1	255,367	228,574	216,889
Assets to fair value through other comprehensive income	3.3.2	11,720	14,107	41,263
Other investments		18,120	54,712	16,578
Deferred tax assets	4.1	428,598	361,973	395,820
Other non-current assets		40,287	38,946	49,395
Total non-current assets		6,885,955	6,641,480	6,702,915
Current assets:				
Inventories		797,807	699,979	727,232
Trade receivables and other current assets		464,005	488,883	344,981
Income tax assets		70,193	40,335	48,600
Other tax assets		37,911	40,619	22,224
Other investments		310	12,044	597
Cash and cash equivalents	5.4	395,489	438,879	793,812
Total current assets		1,765,714	1,720,740	1,937,443
Non-current assets classified as held for sale	3.8	251,381	75,088	726
Total Assets		8,903,049	8,437,308	8,641,084

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 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 Sep 2023	30 Sep 2022 Restated Note 1.2	31 Dec 2022 Restated Note 1.2
Equity and Liabilities				
Equity:				
Share capital		2,000,000	2,000,000	2,000,000
Own shares		(75,407)	(83,880)	(83,880)
Legal reserve		305,958	299,348	299,348
Reserves and retained earnings		451,034	257,233	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		134,963	209,795	335,547
Equity attributable to the equity holders of the parent company		2,816,549	2,682,495	2,790,545
Equity attributable to non-controlling interests	5.1	418,779	499,028	523,848
Total Equity		3,235,329	3,181,523	3,314,393
Liabilities				
Non-current liabilities				
Loans	5.3	1,272,781	1,196,814	1,107,757
Lease liabilities		1,203,418	1,066,917	1,109,668
Other non-current liabilities		112,230	111,251	90,936
Deferred tax liabilities	4.1	558,236	510,205	531,793
Provisions	6	19,067	20,882	21,621
Total non-current liabilities		3,165,731	2,906,068	2,861,774
Current liabilities:				
Loans	5.3	202,300	305,696	255,590
Lease liabilities		131,952	97,815	96,897
Trade payables and other current liabilities		1,933,171	1,800,523	1,972,813
Income tax liabilities		29,535	14,902	20,832
Other tax liabilities		100,996	92,405	114,276
Provisions	6	4,497	5,957	4,508
Total current liabilities		2,402,451	2,317,299	2,464,917
Liabilities directly associated with non-current assets classified as held for sale	3.8	99,539	32,417	-
Total Liabilities		5,667,721	5,255,785	5,326,691
Total Equity and Liabilities		8,903,049	8,437,308	8,641,084

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 SEPTEMBER 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.)

	Reserve and Retained Earnings											
	Share Capital	Own Shares	Legal Reserve	Currency Translation Reserve	Investments Fair Value Reserve	Cash-flow Hedging Reserve	Other Reserves and Retained Earnings *	Total Reserves and Retained Earnings	Net Profit/(Loss)	Total	Non controlling Interests (Note 5.1)	Total Equity
	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2022 - Restated	2,000,000	(88,539)	281,216	(184)	(2,373)	13,113	70,334	80,889	267,477	2,541,043	605,549	3,146,592
Total comprehensive income for the period	-	-	-	(7,330)	(2,287)	9,513	27,585	27,480	209,795	237,275	51,570	288,845
Appropriation of consolidated net profit of 2021 restated:												
Transfer to legal reserves and retained earnings	-	-	18,132	-	-	-	249,345	249,345	(267,477)	-	-	-
Dividends distributed	-	-	-	-	-	-	(98,126)	(98,126)	-	(98,126)	(71,318)	(169,444)
Obligation fulfilled by share attribution to employees	-	4,659	-	-	-	-	723	723	-	5,382	(112)	5,270
Variation in percentage of subsidiaries	-	-	-	-	-	-	(3,196)	(3,196)	-	(3,196)	(80,222)	(83,418)
Capital decrease	-	-	-	-	-	-	-	-	-	-	(6,587)	(6,587)
Others	-	-	-	-	-	-	116	116	-	116	148	264
Balance as at 30 September 2022 Restated	2,000,000	(83,880)	299,348	(7,514)	(4,660)	22,626	246,781	257,233	209,795	2,682,495	499,028	3,181,523
Balance as at 1 January 2023 Restated	2,000,000	(83,880)	299,348	(9,543)	(5,513)	18,266	236,321	239,530	335,547	2,790,545	523,848	3,314,393
Total comprehensive income for the period	-	-	-	3,227	45	(9,146)	2,732	(3,142)	134,963	131,822	34,153	165,975
Appropriation of consolidated net profit of 2022:												
Transfer to legal reserves and retained earnings	-	-	6,611	-	-	-	328,936	328,936	(335,547)	-	-	-
Dividends distributed	-	-	-	-	-	-	(103,571)	(103,571)	-	(103,571)	(57,866)	(161,437)
Obligation fulfilled by share attribution to employees	-	8,473	-	-	-	-	(2,638)	(2,638)	-	5,836	(551)	5,284
Variation in percentage of subsidiaries	-	-	-	-	-	-	(8,087)	(8,087)	-	(8,087)	(77,421)	(85,508)
Capital decrease	-	-	-	-	-	-	-	-	-	-	(3,872)	(3,872)
Others	-	-	-	-	-	-	5	5	-	5	488	493
Balance as at 30 September 2023	2,000,000	(76,407)	305,958	(6,316)	(5,468)	9,120	453,698	451,034	134,963	2,816,549	418,779	3,235,329

* "Other reserves and retained earnings" includes an unavailable reserve relating to treasury shares in the amount of 62,929 thousand euro.

The accompanying notes are part of these consolidated financial statements.

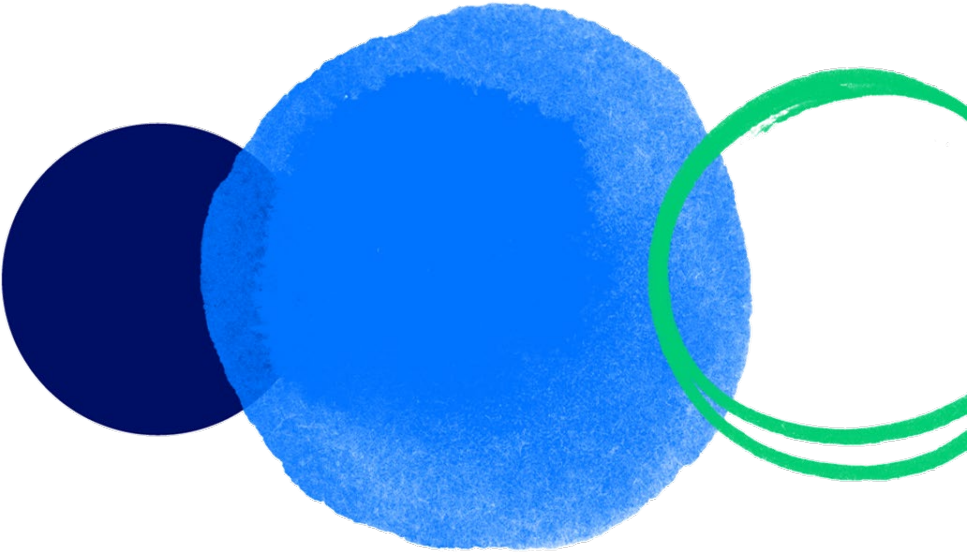
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER OF 2023 AND 2022

(Amounts expressed in thousand euro)

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

	Notes	3rd quarter 2023	3rd quarter 2022	30 Sep 2023	30 Sep 2022
Operating Activities					
Net cash generated from operating activities (1)		250,832	213,031	179,250	153,896
Investment Activities					
Receipts arising from:					
Investments		12,174	34,632	30,318	42,510
Property, plant and equipment and intangible assets		232	1,086	3,117	3,061
Interests and similar income		3,177	2,429	10,102	3,518
Loans granted		1,273	2,971	1,273	6,795
Dividends		6,755	16,977	111,138	42,562
Others		54	44	500	33,944
		23,665	58,140	156,448	132,389
Payments arising from:					
Investments	3.4	(44,050)	(95,744)	(204,376)	(251,262)
Property, plant and equipment and intangible assets		(95,268)	(76,172)	(274,239)	(211,576)
Loans granted		(528)	(2,589)	(1,735)	(14,372)
Others		(16)	(321)	(41)	(321)
		(139,862)	(174,827)	(480,391)	(477,531)
Net cash used in/ generated by investment activities (2)		(116,197)	(116,687)	(323,943)	(345,142)
Financing Activities					
Receipts arising from:					
Loans obtained		934,040	997,764	3,331,365	3,339,935
Capital increases, additional paid in capital and share premiums		140	-	448	200
		934,180	997,764	3,331,813	3,340,135
Payments arising from:					
Lease liabilities		(57,057)	(52,560)	(151,484)	(128,520)
Loans obtained		(1,138,604)	(1,064,115)	(3,220,527)	(3,251,956)
Interests and similar charges		(9,857)	(4,260)	(37,023)	(15,974)
Reimbursement of capital and paid in capital		(499)	-	(3,872)	(6,587)
Dividends		-	-	(161,438)	(169,421)
Others		(137)	-	(352)	-
		(1,206,154)	(1,120,935)	(3,574,696)	(3,572,457)
Net cash used in financing activities (3)		(271,976)	(123,171)	(242,883)	(232,322)
Net increase (decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(137,339)	(26,827)	(387,576)	(423,568)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(58)	(18)	(501)	(484)
Effect of discontinued operations		(433)	(4,853)	(9,652)	(5,897)
Cash and cash equivalents at the beginning of the period	5.4	531,825	422,748	790,838	820,067
Cash and cash equivalents at the end of the period	5.4	394,111	391,087	394,111	391,087

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 September 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”) 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, S.A. are listed on the Euronext Lisbon stock exchange. As at 30 September 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 6 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.

As at 30 September 2023 and 2022, the operational segments Universo, a digital financial services operator and Iberian Sports Retail Group (“ISRG”), a sports retailer, are 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 NOS’s assets and liabilities

In the third quarter of 2022, Sonaecom resolved the Shareholders' Agreement governing the relations between the shareholders of ZOPT, SGPS, S.A. – Sonaecom itself, Unitel International Holdings, BV and Kento Holding Limited. At the ZOPT General Meeting held on 28 September, it was decided to amortize Sonaecom's 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. 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 December 2022) the shares representing 26.07% of the share capital of NOS, which became directly owned by Sonaecom. Consequently, on 31 December 2022, Sonae was attributed a stake in NOS of 37.37% of the share capital 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.

Taking into account the percentage of ownership, directly and indirectly attributable to Sonae, and with Sonae having the possibility of participating in NOS's decision-making processes, we were faced with a situation of significant influence, with the respective investment being classified as “Investments in joint ventures and associated”, and recorded in Sonae's consolidated accounts using the equity method.

According to IFRS 3, an assessment of the fair value of the assets acquired and liabilities assumed was carried out with reference to 30 September 2022 and retrospectively adjusted the values recognized in Sonae's financial statements using the equity method.

The impact of the restatement of consolidated financial position on 31 December 2022 was as follow:

31 Dec 2022	Before the restatement	NOS	After the restatement
Assets			
Non-current assets:			
Investment in joint ventures and associates (Note 3.2)	1,757,479	(6,006)	1,751,473
Other-non current assets	4,951,443	-	4,951,443
Total Non-Current Assets	6,708,922	(6,006)	6,702,915
Total Current Assets			
	1,937,443	-	1,937,443
Non-current asset classified as held for sale			
	726	-	726
Total Assets	8,647,091	(6,006)	8,641,084

31 Dec 2022	Before the restatement	NOS	After the restatement
Equity and Liabilities			
Equity:			
Share capital	2,000,000	-	2,000,000
Own shares	(83,880)	-	(83,880)
Legal reserves	299,348	-	299,348
Reserves and retained earnings	239,530	-	239,530
Profit/(Loss) for the period attributable to the equity holders of the Parent Company	341,554	(6,006)	335,547
Equity attributable to the equity holders of the Parent Company	2,796,552	(6,006)	2,790,545
Equity attributable to non-controlling interests	523,848	-	523,848
Total Equity	3,320,400	(6,006)	3,314,393
Total non-current liabilities	2,861,774	-	2,861,774
Total current liabilities	2,464,917	-	2,464,917
Total Liabilities	5,326,691	-	5,326,691
Total Equity and Liabilities	8,647,091	(6,006)	8,641,084

1.2.2 Discontinued operations

As at 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. contributions to the consolidated financial statements, were presented as discontinued operation in the consolidated income financial statements as at 30 September 2022 and 2023.

Additionally, on 11 October 2023 the conclusion of the sale of the entire 30% stake minus 1 share held in Iberian Sports Retail Group, SL (“ISRG”), to JD Sports Fashion Plc (“JD Group”), led to the transfer of the ISRG’s contributions to discontinued operating unit in the consolidated income statements as at 30 September 2022 and 2023.

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

30 Sep 2023	Universo	ISRG	Total discontinued operations
Turnover	33,059	-	33,059
External supplies and services	(29,278)	-	(29,278)
Employee benefits expense	(5,619)	-	(5,619)
Depreciation and amortisation expenses	(1,344)	-	(1,344)
Provisions and impairment losses	(3,265)	-	(3,265)
Other income	3,111	-	3,111
Other expenses	(5,221)	-	(5,221)
Share of profit or loss of joint ventures and associates	-	8,597	8,597
Financial Income and expenses	(1,460)	-	(1,460)
Profit/(Loss) before taxation	(10,016)	8,597	(1,419)
Income tax expense	1,660	-	1,660
Profit/(Loss) from discontinued operations	(8,356)	8,597	241

Additionally, Universo’s assets and liabilities and the financial participation in ISRG as at 30 September 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

The effect mentioned at Notes 1.2.1 and 1.2.2 had impact on the consolidated income statement on 30 September 2022, which can be analysed as follow:

30 Sep 2022	Before the restatement	Universo	ISRG	After the restatement
Sales	5,246,475	(3)	-	5,246,477
Services rendered	246,065	24,631	-	221,434
Value created on investment properties	2,771	-	-	2,771
Gains and losses on investments	4,919	-	-	4,919
Gains and losses on investments recorded at fair value through profit and loss	50,867	-	-	50,867
Other income	136,836	(5,062)	-	141,898
Cost of goods sold and materials consumed	(3,768,950)	-	-	(3,768,950)
Changes in inventories of finished goods and work in progress	2,678	-	-	2,678
External supplies and services	(615,663)	(16,621)	-	(599,042)
Employee benefits expense	(712,613)	(4,358)	-	(708,255)
Other expenses	(99,252)	(4,985)	-	(94,267)
Depreciation and amortisation expenses	(262,995)	(1,434)	-	(261,561)
Impairment losses	601	(532)	-	1,133
Provisions	(2,885)	(725)	-	(2,161)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax	228,853	(9,089)	-	237,942
Dividends received during the year	12,289	-	-	12,289
Share of profit or loss of joint ventures and associates	96,719	-	11,423	85,296
Financial income	88,992	(49)	-	89,041
Financial expense	(155,066)	6	-	(155,072)
Profit/(Loss) from continuing operations before tax	271,787	(9,131)	11,423	269,496
Income tax expense	(13,391)	1,965	-	(15,356)
Profit/(Loss) from continuing operations for the period	258,396	(7,167)	11,423	254,140
Profit/(Loss) from discontinued operations after taxation	(3,270)	7,167	(11,423)	986
Consolidated profit/(Loss) for the period	255,126	-	-	255,126

1.3 Subsequent events

Sonae SGPS, SA (“Sonae”) hereby informs that it has completed the sale of its entire stake of 30% minus 1 share in Iberian Sports Retail Group, SL (“ISRG”), to JD Sports Fashion Plc (“JD Group”), as announced to the market as at 7 July 2023.

Sonae received a total consideration of 300 million euro, and a capital gain of 168 million euro will be registered in its fourth quarter 2023 consolidated results.

1.4 Basis of presentation

Approval of financial statements

The financial statements were approved by the Board of Directors in a meeting held on 14 November 2023.

Bases 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
IAS 12 – International Tax Reform – Pillar two model rules	Introduction of a temporary exception to the requirements to recognize 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 €750m in at least two out of the last four years).	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
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
IAS 21 - The effects of changes in foreign exchange rates: lack of exchangeability	Clarification of: i) how to assess if a currency is convertible into another currency; and ii) how to determine the exchange rate when the currency is not convertible.	01 Jan 2025

The Group did not proceed with the early implementation of any of these standards in the financial statements for the period ended on 30 September 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 on 30 September 2023 and 2022 can be summarized as follows:

	30 Sep 2023				30 Sep 2022 Restated			
	Consolidated	Indirect Income	Non-recurring	Direct Income (d)	Consolidated	Indirect Income	Non-recurring	Direct income (d)
Turnover	6,035,992	-	-	6,035,992	5,467,911	-	-	5,467,911
Value created on investment properties	4,227	4,227	-	-	2,771	2,771	-	-
Gains and losses on investments	(2,203)	(2,322)	-	119	17,208	11,988	-	5,220
Other income	122,397	-	-	122,397	141,898	-	-	141,898
Total income	6,160,412	1,905	-	6,158,507	5,629,788	14,759	-	5,615,029
Total expenses	(5,659,819)	(1,352)	(5,541)	(5,652,926)	(5,167,836)	(1,684)	2,688	(5,168,840)
Depreciation and amortisation	(286,260)	-	-	(286,260)	(261,561)	-	-	(261,561)
Provisions for warranty extensions	(812)	(812)	-	-	(706)	(706)	-	-
Impairment of assets	(8,274)	-	-	(8,274)	-	-	-	-
Reversal of impairment losses	2,122	-	-	2,122	5,002	-	-	5,002
Reversal of provision for warranty extensions	888	888	-	-	657	657	-	-
Other provisions and impairment losses	(945)	2,427	-	(3,372)	(5,981)	421	-	(6,402)
Profit before financial results, results of joint ventures and associates and non-recurrent items	207,312	3,055	(5,541)	209,797	199,364	13,448	2,688	183,227
Non-recurring items	-	-	5,541	(5,541)	-	-	(21,061)	21,061
Gains and losses on investments recorded at fair value through profit and loss	(1,981)	(1,981)	-	-	50,867	32,494	18,373	-
Financial profit/(loss)	(92,602)	-	-	(92,602)	(66,031)	-	-	(66,031)
Share of results of joint ventures and associated undertakings								
Associates and joint ventures of Sonae Sierra	45,418	7,188	-	38,229	38,184	7,896	-	30,288
Armilar Venture Funds	(676)	(676)	-	-	2,484	2,484	-	-
NOS / ZOPT	41,508	-	-	41,508	43,862	-	-	43,862
Others	573	-	-	573	766	-	-	766
Profit before income tax	199,551	7,586	-	191,965	269,496	56,323	-	213,174
Income Tax	(25,452)	(95)	-	(25,357)	(15,356)	(6,819)	-	(8,537)
Profit/(Loss) from continued operations	174,099	7,491	-	166,608	254,140	49,504	-	204,636
Profit/(Loss) from discontinued operations	241	-	-	241	986	-	-	986
Profit / (Loss) for the period	174,340	7,491	-	166,849	255,126	49,504	-	205,623
Attributable to equity holders of the Parent Company	134,963	8,764	-	126,200	209,795	50,532	-	159,263
Non-controlling interests	39,377	(1,272)	-	40,649	45,331	(1,028)	-	46,359
Underlying EBITDA (b)				505,581				445,889
EBITDA (a)				580,592				542,862
EBIT (c)				284,808				279,890

(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 on 30 September 2023 and 2022 can be detailed as follows:

30 Sep 2023	Turnover	Depreciation and amortisation ⁽⁵⁾	Provisions and impairment losses ⁽³⁾	EBIT ⁽³⁾	Financial results ⁽²⁾	Income tax ⁽²⁾
MC	4,800,621	(216,574)	(8,608)	229,947	(73,122)	(30,926)
Worten	880,277	(32,218)	(326)	(908)	-	-
Sierra	95,314	(2,905)	1,045	59,960	(5,958)	(4,052)
Zeitreef	265,666	(26,515)	(259)	(20,541)	-	-
Bright Pixel	1,808	(1,849)	149	(5,264)	6,336	2,002
NOS	-	-	-	41,508	-	-
ISRG	-	-	-	8,597	-	-
Other, eliminations and adjustments (1)	(7,695)	(6,199)	(1,525)	(28,491)	(19,859)	7,619
Total consolidated - Direct	6,035,992	(286,260)	(9,524)	284,808	(92,602)	(25,357)

30 Sep 2022 Restated	Turnover	Depreciation and amortisation ⁽⁵⁾	Provisions and impairment losses ⁽³⁾	EBIT ⁽³⁾	Financial results ⁽²⁾	Income tax ⁽²⁾
MC	4,294,438	(196,381)	483	199,415	(53,987)	(19,333)
Worten	836,464	(28,287)	(2,846)	2,772	-	-
Sierra	84,800	(2,396)	872	50,378	(6,142)	(1,189)
Zeitreef	275,618	(26,183)	1,768	(14,279)	-	-
Bright Pixel	1,407	(1,686)	144	10,137	3,875	(3,804)
NOS	-	-	-	43,862	-	-
ISRG	-	-	-	11,423	-	-
Other, eliminations and adjustments (1)	(24,816)	(6,629)	(1,822)	(23,819)	(9,777)	15,789
Total consolidated - Direct	5,467,911	(261,561)	(1,400)	279,890	(66,031)	(8,537)

	30 Sep 2023			30 Sep 2022 Restated		
	Investment (CAPEX)	Invested capital	Financial net debt ^{(2) (4)}	Investment (CAPEX)	Invested capital	Financial net debt ^{(2) (4)}
MC	197,305	2,555,619	1,742,428	130,954	2,457,154	1,595,403
Worten	41,577	88,528	-	38,384	32,851	-
Sierra	41,855	1,133,998	138,831	71,642	1,046,038	75,215
Zeitreef	8,942	284,625	-	8,776	338,046	-
Bright Pixel	32,970	305,611	(19,310)	46,452	328,534	1,616
NOS	-	794,443	-	-	819,929	-
ISRG	-	123,569	-	-	95,575	-
Other, eliminations and adjustments (1)	144,538	266,056	455,171	163,595	249,656	514,057
Total consolidated	467,188	5,552,448	2,317,119	459,803	5,367,783	2,186,292

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

	Investment (CAPEX)		Invested capital	
	30 Sep 2023	30 Sep 2022 Restated	30 Sep 2023	30 Sep 2022 Restated
Inter-segment intra-groups and contributions of entities non-individualized entities as segments	55,971	80,124	266,056	249,656
Acquisition of additional 10% of Sierra	88,567	83,471	-	-
Other, eliminations and adjustments	144,538	163,595	266,056	249,656

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 September 2023 and 2022 is as follows:

	30 Sep 2023	30 Sep 2022 Restated
Supplementary income	40,518	39,819
Foreign currency exchange gains	19,394	42,889
Prompt payment discounts obtained	21,484	20,327
Own work capitalized (Note 3.6)	21,826	18,411
Gains on sales of assets	3,675	2,652
Gains on hedge derivatives	3,595	10,284
Subsidies	828	3,989
Others	11,077	3,526
	122,397	141,898

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.
- Others – The Goodwill value of this segment is related to the sustainable food business.

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

	30 Sep 2023				
Business Segments	Portugal	Spain	United Kingdom	Italy	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	-	-	31,565	23,409	54,974
	612,258	19,440	31,565	23,409	686,672

	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
	612,258	19,440	31,833	683,531

Sonae in the 3rd quarter of 2023, completed the acquisition of 70% of the share capital and voting rights of SparkVos, a Group of Italian companies, focused on the industrial production and distribution of natural ingredients for the health and well-being segment.

This acquisition generated a provisional Goodwill of approximately 23 million euros, which will be reviewed within a year, at the conclusion of the purchase price allocation exercise, according with IFRS 3.

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 Sep 2023	31 Dec 2022 Restated
Investments in joint ventures	152,065	113,626
Investments in associates	1,529,347	1,637,846
Total	1,681,412	1,751,473

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

Company	30 Sep 2023	31 Dec 2022 Restated
MC		
Maremor Beauty & Fragances, S.L.	182	180
Sohi Meat Solutions - Distribuição de Carnes, S.A.	3,472	3,404
	3,654	3,584
Sierra		
Arrábidasshopping, SICAFI, S.A.	32,743	16,149
Gaiashopping, SICAFI, S.A.	29,083	28,530
Madeirashopping - Centro Comercial, S.A.	20,416	19,734
Parque Atlântico Shopping - Centro Comercial, S.A.	18,140	18,078
Quinta da Foz - Empreendimentos Imobiliários, S.A.	8,036	8,093
Smartsecrets - Unipessoal, Lda.	17,625	-
Via Catarina - Centro Comercial, S.A.	11,662	10,721
Others	10,157	8,217
	147,862	109,521
Bright Pixel		
Unipress - Centro Gráfico, Lda.	546	498
Others	3	23
	549	521
Investments in joint ventures	152,066	113,826

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

Company	30 Sep 2023	31 Dec 2022 Restated
MC		
Inscó Insular de Hipermercados, S.A.	4,531	4,489
Sempre a Postos - Produtos Alimentares e Utilidades, Lda.	1,030	1,294
Sportessence - Sport Retail, S.A.	263	301
	5,824	6,084
Sierra		
3shoppings - Holding, SGPS, S.A.	12,138	11,687
1) Aliansce Sonae Shopping Centers, S.A.	174,548	128,062
Area Sur Shopping, S.L.	9,497	8,803
Atrium Bire, SIGI, S.A.	4,372	4,335
Fundo Investimento Imobiliário Parque Dom Pedro Shopping Center ("FIIPDPSH")	11,502	10,781
Fundo Investimento Imobiliário Shop. Parque Dom Pedro ("FIISHPDP")	109,064	102,526
Iberia Shop.C. Venture Coöperatief U.A. ("Iberia Coop")	14,831	15,159
Le Terrazze - Shopping Centre 1 Srl	6,943	6,830
Olimpo Real Estate Portugal, SIGI, S.A.	2,671	2,860
Olimpo Real Estate SOCIMI, S.A.	7,354	7,476
Sierra European Retail Real Estate Assets Holdings, B.V. ("Sierra BV")	242,403	234,029
Sierra Portugal Real Estate ("SPF")	17,564	17,278
Trivium Real Estate Socimi, S.A.	26,132	26,119
Zenata Commercial Project	2,205	2,096
Others	5,241	6,382
	646,465	584,427
Bright Pixel		
Fundo de Capital de Risco Armilar Venture Partners II (Armilar II)	58,033	57,991
Fundo de Capital de Risco Armilar Venture Partners III (Armilar III)	12,266	12,800
Fundo de Capital de Risco Espírito Santo Ventures Inovação e Internacionalização (AVP I+I)	10,377	10,562
	80,676	81,353
Others		
2) Iberian Sports Retail Group ("ISRG")	-	114,971
Mondarella GmbH	1,937	2,807
NOS SGPS, S.A.	794,444	848,205
	796,381	965,983
Investment in associates	1,529,347	1,637,846

1) As at 6 January, 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 Assets at fair value through other comprehensive Income, Br Malls Participações, S.A. investment was transferred to Investments in associates.

2) As at 7 July, 2023, Sonae SGPS, S.A informed of the notification received from JD Sports Fashion Plc regarding its intention to purchase Iberian Sports Retail Group, SL ("ISRG"). Consequently, the value of the investment on ISRG was transferred to non-current assets held for sale.

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 20 July 2023, Sonaecom, SGPS, S.A. has entered into a purchase and sale agreement to acquire to Sonae SGPS, S.A. 58,204,920 shares of NOS – SGPS, S.A. representing 11.30% of the share capital and 11.38% of the voting rights of NOS.

By force of the aforementioned acquisition, on 30 September 2023, Sonae holds 37.37% share capital and 37.65% voting rights of NOS by the purpose of participation held by its subsidiary Sonaecom.

As at 30 September 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 9 months of 2023 compared to 31 December 2022 was as follows:

1. Legal actions with regulators and Competition Authority (AdC)

NOS, S.A., NOS Açores, NOS Madeira and NOS Wholesale received the settlement note, issued by ANACOM, of the Annual Fee of Activity for the 2022 financial year: 9,850 thousand euros, 123 thousand euros, 235 thousand euros and 90 thousand euros, respectively. Similar to the settlements received for the years 2009 to 2021, ANACOM's acts were challenged in court.

Regarding an infraction process, initiated by ANACOM, related to communications of prices update at the end of 2016 and beginning of 2017, in June 2023 the court reduced the amount of the fine imposed on NOS on 22 November from 5.2 million euros to 4.2 million euros. NOS appealed this decision to the Court of Appeal.

2. Tax authorities

During the course of the 2003 to 2023 financial years, some companies of the NOS Group were the subject of tax inspections for the 2001 to 2021 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 regarding IRC, 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 euros, added interest, and charges. These settlement notes, which totally were contested, are the respective lawsuits in progress.

3. 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 asked to be relieved of his duties because he felt that the qualified non-judicial verification was unfeasible in view of the volume of documentation to be analysed, having the court determined in April 2023, that, in view of the expert's request, the trial should be limited to the submission of written pleadings. The parties submitted their written pleadings in June and NOS, in addition, filed an autonomous appeal against that order, on the grounds that the court's decision violated the SCJ judgment. In July 2023, despite the fact that no additional evidence had been produced as determined by the SCJ, the Court handed down a new decision ordering NOS to pay 5.3 million euros. This decision has already been appealed to the Lisbon Court of Appeal. Further developments are awaited.

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

4. Action brought by DECO

After the discussion and trial sessions were held in 2022, NOS filed an appeal against the court decision that dispensed with the production of testimonial evidence, which was upheld by the Lisbon Court of Appeal. The parties are now awaiting for the discussion and trial sessions to be scheduled. Board of Directors is convinced that the arguments used by the author are not justified, which is why it is believed that the outcome of the proceeding should not result in significant impacts for the Group's financial statements.

5 Interconnection tariffs

In February 2023, MEO filed a new appeal with the Supreme Court of Justice (SCJ) where NOS presented reply allegations. In October 2023, the SCJ denied granting the appeal presented by MEO. Further developments of the process are awaited, being the understanding of the Board of Directors, supported by the lawyers who monitor the process, that there is, in substantive terms, a good chance that NOS S.A. can win the action.

3.2.2 Movements occurred in the period

During the period ended on 30 September 2023, movements in investments in joint ventures and associates are as follows:

Investments in joint ventures	30 Sep 2023		
	Proportion on equity	Goodwill	Total investment
Balance on 1 January	110,804	2,822	113,626
Increases during the period	36,220	-	36,220
Acquisitions during the period	3	-	3
Other variations	86	-	86
Equity method:			
Effect in gains or losses in joint ventures	10,691	-	10,691
Distributed dividends	(8,822)	-	(8,822)
Effect in equity capital and non-controlling interests	261	-	261
	149,243	2,822	152,065

Investments in associates	30 Sep 2023		
	Proportion on equity	Goodwill	Total investment
Balance on 1 January restated	1,363,135	274,711	1,637,846
Increases during the period	206	-	206
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
Transfer to non current assets held for sale	(114,972)	-	(114,972)
Capital reduction in associated companies	(1,860)	-	(1,860)
Period disposals	(1,213)	-	(1,213)
Equity method:			
Effect in gains or losses in associated companies	76,132	-	76,132
Distributed dividends	(102,404)	-	(102,404)
Effect in equity capital and non-controlling interests	1,409	-	1,409
	1,254,637	274,711	1,529,347

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 and loss

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

Company	Statement of financial position	
	30 Sep 2023	31 Dec 2022
Bright Pixel		
Afresh	4,720	4,688
Arctic Wolf	79,293	78,758
Chord	5,664	5,625
Codacy Group	8,000	8,000
CyberSixgill	18,375	18,251
Hackuity	6,000	6,000
Harmonya	6,608	-
Infraspeak	6,000	-
Mayan	4,720	4,688
Ometria	21,398	20,858
Safebreach	14,235	14,139
Sales Layer	9,714	9,714
Sekoia.io	9,000	-
Seldon	7,148	-
Other financial assets	35,276	37,949
	236,151	208,671
Others		
Others	19,216	8,218
	19,216	8,218
Financial assets at fair value through profit and loss	255,367	216,889

3.3.2 At fair value through other comprehensive income

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

Company	Statement of financial position	
	30 Sep 2023	31 Dec 2022
Bright Pixel		
Deepfence	2,360	2,344
IriusRisk	7,125	7,125
Nextail Labs	1,629	1,629
Other financial assets	606	607
	11,720	11,704
Sierra		
1) BR Malls	-	29,559
	-	29,559
Financial assets at fair value through other comprehensive income	11,720	41,263

1) As 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 on 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 period ended on 30 September 2023 and 2022, movements in investments in joint ventures are as follows:

	30 Sep 2023	30 Sep 2022
Investments recorded at fair value through other comprehensive income and through profit and loss		
Fair value (net of impairment losses) on 1 January	258,152	301,848
Acquisitions in the period	49,437	107,756
Disposals in the period	(8,922)	(10,795)
Increase/(decrease) in fair value through profit and loss	(1,981)	33,125
Increase/(decrease) in fair value through other comprehensive income	16	(3,579)
Transfer to investments in associates (Note 3.3.2)	(29,559)	(185,674)
Others	(56)	-
Financial assets at fair value through other comprehensive income and profit and loss	267,087	242,681

In the period ended on 30 September 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 Sep 2023	30 Sep 2022
Acquisition of Sierra SGPS shares	88,566	83,471
Acquisition of Infraspak shares	6,000	-
Acquisition of Sekola shares	9,000	-
Acquisition of Seldon shares	7,028	-
Acquisition of Smartsecrets shares	17,625	-
Acquisition of SparkVos shares	29,269	-
Acquisition of Afresh shares	-	4,785
Acquisition of Chord shares	-	6,045
Acquisition of Hackuity shares	-	6,000
Acquisition of Mayan shares	-	4,752
Acquisition of NOS shares	-	63,576
Acquisition of Quinta da Foz - Empreendimentos Imobiliários, S.A.	-	8,131
Acquisition of Sixgil shares	-	4,222
Supplementary payments of Codacy	-	8,000
Others	46,888	62,281
	204,376	251,262

3.5 Property, plant and equipment

During the nine months period ended on 30 September 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	21,717	5,499	53	3,527	1,128	156,212	188,136
Acquisitions of subsidiaries	120	3,313	105	560	454	-	4,552
Disposals	(2,189)	(29,364)	(539)	(2,575)	(896)	(1,952)	(37,515)
Exchange rate effect	192	206	-	13	-	-	411
Assets available for sale	-	(8)	-	(349)	-	-	(357)
Transfers	6,664	115,963	2,416	11,734	1,829	(142,073)	(3,467)
Closing balance as at 30 September 2023	1,437,328	1,968,270	34,434	180,536	58,789	50,722	3,730,079
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	18,441	96,301	1,482	12,121	2,537	-	130,882
Impairment losses of the period	1,339	6,935	-	-	-	-	8,274
Reversals of impairment losses	(163)	(85)	-	-	(12)	-	(260)
Acquisitions of subsidiaries	84	1,688	47	451	395	-	2,665
Disposals	(1,402)	(24,300)	(477)	(2,317)	(859)	-	(29,357)
Exchange rate effect	67	111	-	9	-	-	188
Depreciation of assets available for sale	-	(3)	-	(222)	-	-	(226)
Transfers	(77)	(1,807)	(17)	(902)	211	-	(2,593)
Closing balance as at 30 September 2023	512,357	1,269,659	23,224	127,672	49,077	222	1,982,211
Carrying amount							
As at 30 September 2023	924,970	698,611	11,211	52,864	9,712	50,500	1,747,868

The investment includes the acquisition of assets of approximately 162.5 million euro (120.4 million in September 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 nine months period ended on 30 September 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	624	474	129	68,031	69,259
Acquisitions of subsidiaries	108	98	1,266	-	1,472
Disposals	(35)	(1,122)	(58)	(513)	(1,728)
Exchange rate effect	457	5	455	-	916
Assets available for sale	(15)	(10,929)	(9,732)	-	(20,676)
Transfers	(6)	35,185	367	(35,019)	527
Closing balance as at 30 September 2023	269,964	575,584	97,387	85,520	1,028,455
Accumulated Depreciation and Impairment Losses					
Opening balance as at 1 January 2023	62,224	355,852	68,764	-	486,840
Amortisation of the period	786	35,580	4,420	-	40,785
Impairment losses of the period	(12)	(334)	-	-	(346)
Acquisitions of subsidiaries	-	44	341	-	385
Disposals	(35)	(790)	(55)	-	(880)
Exchange rate effect	-	2	33	-	35
Amortisation of assets available for sale	(15)	(6,594)	-	-	(6,609)
Impairments of assets available for sale	-	-	(1,070)	-	(1,070)
Transfers	(7)	3,187	(69)	-	3,112
Closing balance as at 30 September 2023	62,941	386,948	72,364	-	522,252
Carrying amount					
As at 30 September 2023	207,023	188,637	25,024	85,520	506,204

On 30 September 2023 the Investment related to intangible assets in progress includes 61 million euro related to IT projects and software development. Within that amount it is included 21.8 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

During the period of nine months ended on 30 September 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 assets	Total right of use assets
Gross Assets				
Opening balance as at 1 January 2023	1,610,497	101,058	8,574	1,720,129
Additions	184,673	92,021	7,848	284,542
Effect of foreign currency exchange differences	129	8	-	137
Transfers to assets available for sale	-	(1,053)	-	(1,053)
Write-offs and decreases	(74,069)	(51,659)	(5,092)	(130,820)
Closing balance as at 30 September 2023	1,721,230	140,375	11,329	1,872,935
Accumulated Depreciation and Impairment Losses				
Opening balance as at 1 January 2023	607,090	84,428	792	692,309
Depreciation of the period	88,045	26,132	888	115,065
Effect of foreign currency exchange differences	74	4	-	78
Transfers to assets available for sale	-	(550)	-	(550)
Write-offs and transfers	(28,794)	(51,348)	(69)	(80,211)
Impairment losses of the period	(101)	-	-	(101)
Closing balance as at 30 September 2023	666,313	58,666	1,611	726,590
Carrying amount				
As at 30 September 2023	1,054,917	81,709	9,718	1,146,344

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.

Arising from the completion on 11 October 2023 of the sale of the entire stake of 30% minus 1 share held in Iberian Sports Retail Group, SL (“ISRG”) to JD Sports Fashion Plc (“JD Group”), the ISRG contribution was presented as “Non-current assets held for sale” and the results presented as discontinued operations (Note 1.2.2).

On 30 September 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	ISRG	Zeitree	Total
Assets				
Non-current assets:				
Property, plant and equipment and intangible assets	12,463	-	726	13,189
Investment in joint ventures and associates	-	123,569	-	123,569
Deferred tax assets	2,081	-	-	2,081
Other non-current assets	545	-	-	544
Total non-current assets	15,089	123,569	726	139,383
Current assets:				
Trade receivables	88,075	-	-	88,075
Other current assets	14,271	-	-	14,271
Cash and cash equivalents	9,652	-	-	9,652
Total current assets	111,998	-	-	111,998
Non-current assets classified as held for sale	127,087	123,569	726	251,381
Liabilities				
Non-current liabilities:				
Other non-current liabilities	569	-	-	569
Total non-current liabilities	569	-	-	569
Current liabilities:				
Trade payables	5,148	-	-	5,148
Other payables	79,906	-	-	79,906
Other current liabilities	13,916	-	-	13,916
Total current liabilities	98,970	-	-	98,970
Liabilities directly associated with non-current assets classified as held for sale	99,539	-	-	99,539

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

4 Working capital

4.1 Deferred taxes

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

	Deferred tax assets		Deferred tax liabilities	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022
Difference between fair value and acquisition cost	4,929	4,929	95,932	93,156
Temporary differences on property, plant and equipment and intangible assets	172	277	98,692	97,392
Temporary difference of negative goodwill and equity method	-	-	34,539	35,262
Provisions and impairment losses not accepted for tax purposes	18,893	23,855	-	-
Impairment of assets	-	-	639	639
Valuation of hedging derivatives	833	1,614	5,313	9,137
Amortisation of Goodwill for tax purposes in Spain	-	-	49,733	45,370
Tax losses carried forward	36,660	31,892	-	-
Reinvested capital gains/losses	-	-	18	68
Tax Benefits	56,123	51,093	15,911	15,911
Rights of use	298,996	270,982	256,899	234,144
Others	11,992	11,179	560	714
Total	428,598	395,820	558,236	531,793

On 30 September 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 on 30 September 2023, the movement in non-controlling interests are detailed as follows:

	30 Sep 2023						
	MC	Worten	Sierra	Zeitreef	Bright Pixel	Others	Total
Opening balance on 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	(551)	-	-	-	-	-	(551)
Change in percentage of subsidiaries		1,177	(80,730)	-	(545)	-	(80,098)
Change in currency translation reserve	(66)	-	-	-	-	6	(60)
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method	-	-	-	-	(1,063)	-	(1,063)
Capital decrease	-	-	(3,872)	-	-	-	(3,872)
Subsidiaries acquisition	-	-	-	-	-	2,677	2,677
Changes in hedging reserves	(4,085)	-	(16)	-	-	-	(4,101)
Others	(115)	10	-	448	176	(31)	488
Profit for the period attributable to non-controlling interests	30,694	82	5,482	(62)	2,981	200	39,377
Closing balance on 30 September 2023	223,111	2,325	57,999	(188)	130,646	4,887	418,779

5.2 Earnings per share

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

	30 Sep 2023		30 Sep 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)	134,723	241	207,597	2,199
Net profit taken into consideration to calculate diluted earnings per share	134,723	241	207,597	2,199
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,926,249,157	1,926,249,157	1,917,625,220	1,917,625,220
Outstanding shares related with share based payments	21,614,929	21,614,929	15,994,340	15,994,340
Shares related to performance bonus that can be bought at market price	(6,163,017)	(6,163,017)	(5,230,654)	(5,230,654)
Weighted average number of shares used to calculate diluted earnings per share	1,941,701,069	1,941,701,069	1,928,388,906	1,928,388,906
Earnings per share				
Basic	0.06994	0.00013	0.10826	0.00115
Diluted	0.06938	0.00012	0.10765	0.00114

5.3 Loans

On 30 September 2023 and 31 December 2022, loans are made up as follows:

	30 Sep 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans	198,422	786,891	226,744	776,384
Bonds	3,873	485,890	28,846	331,372
Other loans	5	-	-	-
Total Loans	202,300	1,272,781	255,590	1,107,757

	30 Sep 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae, SGPS, S.A. - commercial paper	63,000	-	45,000	-
Sonae, SGPS, S.A. - commercial paper ESG-Linked	-	262,500	-	300,000
Sonae SGPS, S.A. 2016/2029	-	30,000	-	30,000
Sonae SGPS, S.A. 2020/2025	-	25,000	-	25,000
Sonae, SGPS, S.A. - 2023/2029 - ESG Linked	-	30,000	-	-
Sonae SGPS affiliated / 2019/2026 - ESG Linked	-	50,000	-	50,000
Sonae SGPS affiliated / 2019/2026 - ESG Linked RCF	-	49,938	-	-
MCRETAIL, SGPS, S.A. - commercial paper	-	25,000	-	103,132
MCRETAIL, SGPS, S.A. - commercial paper ESG-Linked	-	150,000	-	100,000
MC affiliated / 2014/2023	-	-	50,000	-
MC Green Loan / 2018/2031	6,111	42,778	6,111	48,889
MC affiliated Green Loan / 2020/2025	-	55,000	-	55,000
MC affiliated / 2021/2028	3,333	16,667	3,333	16,667
Sierra affiliated - commercial papper 2022/2024	15,400	-	-	11,000
Sierra affiliated 2016/2026	-	36,300	-	36,300
Sierra affiliated / 2015/2023	104,000	-	107,900	-
Others	5,322	14,944	11,797	1,365
	197,166	788,126	224,142	777,852
Bank overdrafts (note 5.4)	1,378	-	2,974	-
Up-front fees beard with the issuance of borrowings	(123)	(1,235)	(372)	(968)
	198,422	786,891	226,744	776,384

	30 Sep 2023		31 Dec 2022	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bonds				
Bonds Sonae, SGPS S.A./2022/2027	-	25,000	-	25,000
Bonds ESG Sonae SGPS, S.A. /2020/2025	4,000	8,000	4,000	8,000
Bonds ESG Sonae SGPS, S.A. /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 MC ESG 2023/2028	-	50,000	-	-
Bonds Sierra 2022/2029	-	50,000	-	50,000
Bonds Sierra 2022/2027	-	25,000	-	25,000
Bonds Sierra 2018/2023	-	-	25,000	-
Up-front fees beard with the issuance of borrowings	(127)	(2,110)	(154)	(1,628)
Bonde	3,873	485,890	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 on 30 September 2023 on bond loans and bank loans averaged approximately 3.71% (2.24% on 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 Sep 2023	31 Dec 2022
N+1 ^{a)}	202,544	256,116
N+2	143,539	180,854
N+3	257,604	100,365
N+4	435,642	344,887
N+5	358,199	338,135
After N+5	81,143	146,111
	1,478,670	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 September 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.

On 30 September 2023, Sonae has, as detailed below, Cash and cash equivalents in the amount of 395 million euro (794 million euro on 31 December 2022) and available credit lines as follows:

	30 Sep 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	285,000	161,000	275,000
Sierra	39,469	93,000	54,969	-
Holding & Other	151,000	160,009	149,000	195,000
	386,469	538,009	364,969	470,000
Agreed credit facilities				
MC	196,000	285,000	161,000	375,000
Sierra	39,469	93,000	54,969	-
Holding & Other	194,000	367,500	194,000	367,500
	429,469	745,500	409,969	742,500

5.4 Cash and cash equivalents

On 30 September 2023 and 31 December 2022, Cash and cash equivalents are as follows:

	30 Sep 2023	31 Dec 2022
Cash at hand	14,263	15,159
Bank deposits	151,583	670,766
Bank deposits - shopkeepers deposits	2,718	2,873
Treasury applications	226,925	105,014
Cash and bank balances on the statement of financial position	395,489	793,812
Bank overdrafts (Note 5.3)	(1,378)	(2,974)
Cash and bank balances in the statement of cash flows	394,111	790,838

5.5 Net financial expenses

Net financial expenses are as follows:

	30 Sep 2023	30 Sep 2022 Restated
Expenses		
Interest payable		
related with bank loans and overdrafts	(24,028)	(9,009)
related with non convertible bonds	(13,152)	(3,594)
related with operational leases	(61,942)	(55,255)
others	(553)	(706)
	(99,675)	(68,564)
Foreign exchange losses	(67,242)	(80,750)
Up front fees and commissions related to loans	(4,257)	(4,117)
Others	(1,142)	(1,641)
	(172,316)	(155,072)
Income		
Interest receivable		
related with bank deposits	2,678	32
others	5,954	3,860
	8,632	3,892
Foreign exchange gains	69,837	71,895
Gains with financial derivatives	-	12,105
Other financial income	1,245	1,149
	79,714	89,041
Net Financial Expenses	(92,602)	(66,031)

6 Provisions

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

	Non-current provisions	Current provisions
Opening balance as at 1 January 2022	21,477	4,170
Increase	2,583	3,473
Decrease	(3,056)	(1,813)
Other variations	(122)	126
Closing balance as at 30 September 2022	20,882	5,957
Opening balance as at 1 January 2023	21,621	4,508
Increase	952	792
Decrease	(3,515)	(1,519)
Other variations	9	716
Closing balance as at 30 September 2023	19,067	4,497

7 Related parties

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

	Parent Company		Jointly controlled companies	
	30 Sep 2023	30 Sep 2022 Restated	30 Sep 2023	30 Sep 2022 Restated
Sales and services rendered	268	234	5,524	12,428
Other income	5	-	385	1,594
Costs of good sold and materials consumed	-	-	(294,271)	(257,794)
External supplies and services	(212)	(359)	(2,393)	(14,184)
Other expenses	-	(3)	(167)	(3)
Dividends received	-	-	-	11,988
Financial income	-	-	428	379
Financial expense	(463)	(21)	(80)	(86)
Acquisition of tangible assets	-	-	-	1,125
Sales of tangible assets	-	-	(4)	-
Acquisition of intangible assets	-	-	-	288

	Associated companies		Other related parties	
	30 Sep 2023	30 Sep 2022 Restated	30 Sep 2023	30 Sep 2022 Restated
Sales and services rendered	90,151	45,657	9,151	50,259
Other income	1,263	208	1,629	4,055
Costs of good sold and materials consumed	(1,742)	-	(1,330)	(1,594)
External supplies and services	(13,929)	(3,496)	(5,341)	(6,456)
Other expenses	(929)	(32)	(61)	(43)
Financial income	357	299	41	139
Financial expense	(4,620)	(4,716)	(3)	(1)
Acquisition of tangible assets	1,105	54	4	6
Sales of tangible assets	-	-	-	(6)
Acquisition of intangible assets	770	61	-	-

	Parent Company		Jointly controlled companies	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022
Other non-current assets	-	-	7,740	8,900
Trade receivables	39	38	1,252	1,019
Other receivables	490	9	6,639	5,678
Trade payables	-	-	(74,726)	(83,542)
Other payables	(474)	(553)	(741)	(365)

	Associated companies		Other related parties	
	30 Sep 2023	31 Dec 2022	30 Sep 2023	31 Dec 2022
Other non-current assets	3,742	8,759	4	4
Trade receivables	21,047	20,559	1,625	2,818
Other receivables	6,304	16,116	3,215	2,054
Trade payables	(3,610)	(4,536)	(1,095)	(896)
Other payables	(4,681)	(8,408)	(1,540)	(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..

The Board of Directors,

Duarte Paulo Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

José Manuel Neves Adelino

Margaret Lorraine Trainer

Marcelo Faria de Lima

Carlos António Rocha Moreira da Silva

Eve Alexandra Henrikson

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

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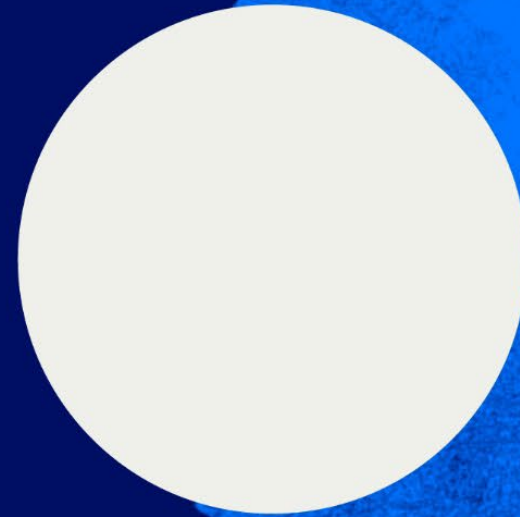
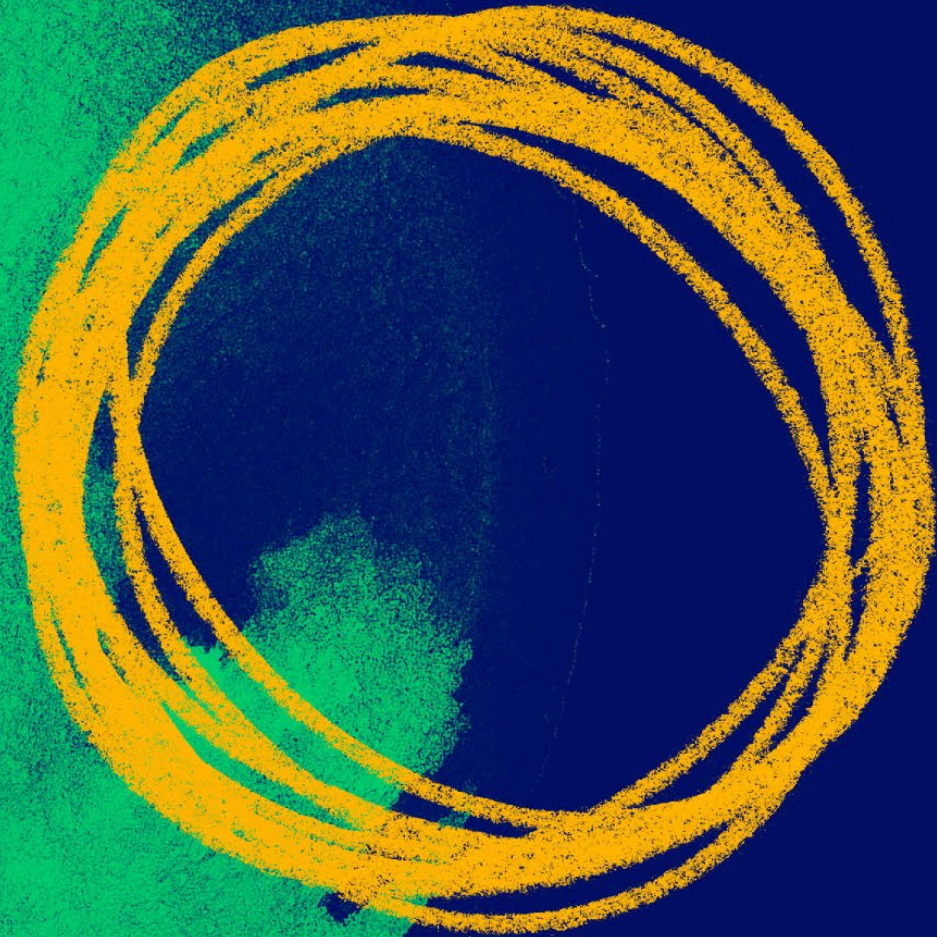
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Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol SONP.IN and on Bloomberg under the symbol SON PL



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