

SONAE CAPITAL, SGPS, SA
Publicly Traded Company
Registered Office: Lugar do Espido, Via Norte, Maia
Share Capital: € 250,000,000.00
Registered at the Commercial Registry of Maia
Registration and Tax Nr. 508 276 756

(Translation from the Portuguese original)

ANNOUNCEMENT OF MATERIAL EVENT

Sonae Capital, SGPS, S.A. informs that its subsidiary Capwatt Power España has signed today, with Ignis Capital, SL., a contract under which it has acquired a portfolio of six cogeneration plants located in Spain, in the regions of Catalonia, Aragon and Castilla y Leon.

These cogeneration power plants operate in the pig slurry treatment, playing an important environmental role. All the plants work exclusively with natural gas, and the thermal energy produced is entirely consumed in the pig slurry treatment. In addition to the revenues from the electric energy produced, these plants also generate revenues driven by the dehydration of the pig slurry and its incorporation into fertilizers.

The acquired assets have a global installed capacity of 88 MW, corresponding to approximately 24% of the cogeneration capacity installed in the pig slurry treatment sector in Spain.

This acquisition is part of Capwatt growth strategy as a promoter of integrated energy solutions, allowing the company to more than double the current installed capacity (which will increase from 77 MW to 165 MW), while allowing Capwatt to reinforce its presence in the Spanish market.

The Enterprise Value of this operation amounts to 75 million euros, of which 62 million euros were paid today, and the remaining will be subject to the fulfilment of a set of conditions, being paid, at the latest by the end of 2025. This acquisition was financed with an appropriate mix of equity and debt.

Maia, 22 October 2020

The Representative for Capital Market Relations,

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