

SONAE CAPITAL

**EARNINGS
ANNOUNCEMENT**

31 MARCH 2020



On 19 November 2019, Sonae Capital sold its entire participation in the share capital of RACE, S.A., its Refrigeration and HVAC segment. In order to ensure comparability between the information reported in 2020 and the information for the same period in 2019, the Consolidated Income Statement for the year 2019 was restated and excludes the contribution of RACE, S.A. up to Net Results – Continued Operations. Therefore, the contribution of RACE, S.A. is now only recognised in Net Income - Discontinued Operations line.

At the same time, the perimeters of Tróia Operations and Real Estate Assets (Tróia) were adjusted in order to include, in the perimeter of Tróia Operations, the Real Estate assets linked to the Operations of the Resort. For this reason, the 2019 information in these businesses was also restated.

1. MAIN HIGHLIGHTS AND CEO'S MESSAGE

- Quarter indelibly marked by the start and rapid spread of the pandemic Covid-19 in Portugal, leading to the suspension of a part of Sonae Capital operations in mid-March 2020, with a particular negative impact on the results achieved in Fitness, Hospitality and Tróia Operations;
- Business Units' Turnover in the amount of 97.8M€, 66.5M€ above 1Q19, mostly driven by the integration of Futura Energía Inversiones and with a positive contribution from Fitness;
- Business Units' EBITDA up 6.2%, to 5.2M€, motivated by the performance of Industrial Engineering (+45.3%), Energy (+6.2%) and, to a lesser extent, Fitness (+1.8%);
- Real Estate Assets unit registering Turnover of 5.5M€, 20.5% above 1Q19;
- Net Results totalling negative 5.4M€, 6.6% below 1Q19;
- Net Financial Debt at 159.0M€, 17.8M€ above 2019 year-end;
- Maintenance of an adequate capital structure: Net Financial Debt / EBITDA at 3.5x and Loan-to-Value of 26.3%;
- Closing of a 4-year Bond loan in the amount of 15M€.

"As we know, the first quarter 2020 ended in a very particular context, which brought an unprecedented challenge for the Society, Governments, Companies or Individuals.

Nonetheless, Sonae Capital Business Units were able to deliver a positive performance, both in Turnover and EBITDA. In the Real Estate Assets unit, we completed sales deeds in the amount of 3.8 million euros, at the same time we have a stock of PPSAs and Reserves of 38.3 million euros, thus continuing to implement the asset monetisation plan in course.

Specifically regarding Sonae Capital portfolio, our Energy segment was not materially impacted by the Covid-19 pandemic, but other segments, namely Industrial Engineering and Real Estate Assets, registered a slowdown in activity levels; while other segments, such as Fitness, Hospitality and Tróia Operations, saw their operations suspended from mid-March. Accordingly, the Results we announce today are partially impacted by the pandemic, but we anticipate that the impact will be more severe in the second quarter, as it encompasses months of complete suspension. On the other hand, we are actively and carefully ensuring all the conditions for a prompt and safe reopening, both for our employees and our customers.

Yet, the first two months of the year were quite positive in most segments and we registered an EBIT growth of 66% in the Business Units, when compared to the same period in 2019. We ended March 2020 with a Net Financial Debt of 159 million euros, 17.8 million euros above the end of last year. As of today, counting with the refinancing operations we have been completing, our cash and available credit lines reached 72.5 million euros, contributing to improve the resilience of our Balance Sheet, which, given the current context, allows facing the coming months with confidence, and pursuing the Group's strategic objectives.

I can only thank all our people for the tenacity they have been showing, not only facing the challenges that this pandemic has imposed on us, but also making a difference in situations that go well beyond the scope of their functions, as is the case of our teams in Hospitality, who have received in our Hotels health professionals working in the front line, or our teams in CapWatt and ADIRA, who collaborate in a project of manufacturing of ventilators promoted by CEiiA. It is at times like these that people and organisations reinvent themselves and make a difference, ensuring the conditions to prepare for a future where, I am convinced, everyone will be much stronger."

Miguel Gil Mata

2. COVID-19

At Sonae Capital, the Covid-19 pandemic impacted the majority of the operations since the beginning of March, with special emphasis on Fitness, Hospitality and Tróia Operations segments. Thus, and even if only partially, the results for the first quarter of 2020 already reflect this effect.

Since the beginning of this exceptional period, Sonae Capital's priority has been, above all, the well-being of its employees, customers, suppliers and the community in general. Along with the transition to remote work of all the functions that allow it, we proceeded to the preventive suspension of the operation of all the Clubs (in the Fitness segment), all the Hotel Units (in the Hospitality segment), as well as the most part of our Operations in Tróia. In the remaining segments, namely Energy, Industrial Engineering and Real Estate Assets, we adopted all the necessary security measures and the teams have been working in order to ensure the normal functioning of the operations, within all existing restrictions.

In this context, we have been working to protect the resilience levels of all segments, acting both at the level of Fixed Costs and CAPEX. In the case of Fixed Costs, real estate rents referring to the Fitness and Hospitality segments are of particular importance, and so we have negotiations underway to temporarily suspend or reduce rental charges. At the same time, considering not only the impact the pandemic is having across most of the segments, but also the level of uncertainty regarding its duration and the respective response measures, some of our segments adopted the simplified layoff regime, the legal figure created by the Government. Thus, in order to protect our operations and, above all, our employee's jobs, this regime has been implemented since 10 April 2020, business by business, and in a phased and transversal manner. The only exception is the Energy segment, which maintains its regular operational activity.

Also at the CAPEX level, all investment decisions not yet committed have been analysed on a case-by-case basis, in order to achieve a balance that we consider essential between two dimensions: on the one hand, the investment necessary to ensure the growth strategy of our businesses and, on the other hand, the protection of Sonae Capital liquidity. Due to its strategic relevance, the development of Mangualde Biomass fired cogeneration plant, in Energy, and the Hotel Unit of Santa Apolónia, in Hospitality, are progressing as planned.

Since the end of 2019, Sonae Capital has been working extensively on its debt refinancing (in order to optimise the average maturity and the cost of debt) aimed at reinforcing available liquidity. Accordingly, to date, the amount of cash and credit lines available is at 72.5M€, ensuring all financing needs scheduled for 2020.

The status of our operations remained practically unchanged from the end of the first quarter 2020 to the date of this report: (i) the Fitness and Hospitality segments kept their operations suspended and Tróia keeps the majority of the operations closed, with the exception of some careers at Atlantic Ferries, Meu Super and the Marina; (ii) ADIRA commercial activity had a promising start, but the number of orders has been experiencing a significant slowdown since the end of March; and (iii) the Real Estate Assets unit has been impacted by constraints related to the contractual closing of processes, which should be added to the natural uncertainty surrounding the sector. We expect that our results in 2020, particularly in the second quarter, will remain significantly impacted by the Covid-19 pandemic. The Energy segment, where the Biomass-fired cogeneration plant is due to start operating in June, has been the most resilient segment within Sonae Capital portfolio, and so no major changes are expected for the Production business. In the Retail & Trade business, the increased volatility of the markets in which it operates - CO₂ emission licenses, electricity and natural gas - has led to a preventive slowdown in activity, in order to protect the natural liquidity (working capital) requirements.

The State of Emergency ended in Portugal on 3 May 2020, and the resumption of some activities has been taking place gradually and progressively. At this stage, it is not possible to determine the exact date on which our suspended activities will resume, or under what conditions they will operate when it happens. However, there is a certainty that Sonae Capital has been carefully preparing that, as soon as the reopening is possible, all its operations are ready to face the challenges ahead, which for sure will be overcome.

3. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement			
Million euro	1Q 2020	1Q 2019 R	Δ 20/19
Turnover			
Business Units	97.80	31.26	>100%
Energy	80.47	14.02	>100%
Industrial Engineering	2.79	2.58	+8.0%
Fitness	10.65	10.02	+6.2%
Hospitality	2.30	3.02	-23.8%
Troia Resort - Operations	1.59	1.62	-1.7%
Real Estate Assets	5.48	4.55	+20.5%
Troia Resort	2.40	3.08	-22.1%
Other Real Estate Assets	3.09	1.47	>100%
Eliminations & Adjustments	-1.44	-1.87	+23.3%
Consolidated Turnover	101.85	33.94	>100%
Other Operational Income	0.44	0.73	-40.1%
Total Operational Income	102.28	34.66	>100%
EBITDA			
Business Units	5.24	4.94	+6.2%
Energy	3.83	3.60	+6.2%
Industrial Engineering	-0.36	-0.66	+45.3%
Fitness	3.28	3.22	+1.8%
Hospitality	-1.12	-0.86	-31.0%
Troia Resort - Operations	-0.38	-0.37	-2.3%
Real Estate Assets	0.76	0.82	-6.4%
Troia Resort	0.39	0.03	>100%
Other Real Estate Assets	0.37	0.78	-52.6%
Eliminations & Adjustments	-2.05	-1.78	-15.2%
Consolidated EBITDA	3.96	3.97	-0.4%
Amortizations & Depreciations	7.73	7.33	+5.5%
Provisions & Impairment Losses	-0.14	-0.01	<-100%
Recurrent EBIT			
Business Units	-1.88	-1.72	-9.1%
Energy	1.42	1.29	+10.3%
Industrial Engineering	-0.69	-0.88	+21.7%
Fitness	0.83	1.03	-19.3%
Hospitality	-2.38	-2.10	-13.0%
Troia Resort - Operations	-1.07	-1.06	-0.7%
Real Estate Assets	-0.62	-0.74	+16.4%
Eliminations & Adjustments	-1.13	-0.88	-29.1%
Consolidated Recurrent EBIT	-3.63	-3.34	-8.7%
Non-recurrent costs/income (1)	0.21	0.00	-
Consolidated EBIT	-3.84	-3.34	-15.0%
Net Financial Expenses	-1.56	-2.12	+26.6%
Investment Income and Results from Assoc. Undertakings	0.10	0.47	-77.8%
EBT	-5.30	-4.99	-6.1%
Taxes	0.08	0.01	>100%
Net Profit - Continued Businesses	-5.37	-5.01	-7.3%
Net Profit - Discontinued Businesses	-0.03	-0.06	+53.6%
Net Profit - Total	-5.40	-5.07	-6.6%
Attributable to Equity Holders of Sonae Capital	-5.62	-5.27	-6.7%
Attributable to Non-Controlling Interests	0.22	0.20	+8.0%

(1) Non-recurrent items mainly related to restructuring costs and one-off income.

- The Business Units turnover stood at 97.8M€, posting a significant increase when compared to 31.3M€ registered in the same period of 2019. This performance is mainly the results of the contribution of the Retail & Trade business, in the Energy segment. However, both Industrial Engineering and Fitness segments increased turnover in 1Q20. The Real Estate Assets unit increased turnover by 20.5%, to 5.5M€, due to the performance of the Other Assets unit, which more than doubled turnover when compared to 1Q19, namely due to the sale of “Casa da Ribeira”, for 1.5M€.
- The Business Units EBITDA increased to 5.2M€, 6.2% above the same period in 2019, generating a margin of 5.4%, well below the previous year, mainly due to the impact of the Retail & Trade business which, by its nature, has a margin substantially below that of other businesses in Sonae Capital portfolio. In the Real Estate Assets unit, the EBITDA decreased by 6.4%, to 0.8M€, as a result of the mix of assets sold.
- The Recurrent EBIT stood at negative 3.6M€, which compares with negative 3.3M€ in 1Q19.
- Net Results totaled negative 5.4M€, 6.6% below the same period in 2019, essentially due the following:
 - (i) an increase of 0.4M€ in Amortisations & Depreciations (0.2M€ referred to IFRS 16 Amortisations and 0.2M€ driven by the investment plan in place, namely in the Energy segment);

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- (ii) an increase of 0.2M€ in Non-Recurrent costs (mostly at ADIRA, following the ongoing restructuring plan);
- (iii) a decrease of 0.4M€ in Investment Income and Results from Associated Undertakings (as 1Q19 was impacted by a Badwill recognition, following the acquisition of Aqualuz Lagos operation).

Notwithstanding:

- (iv) an increase of 0.5M€ in Net Financial Expenses (including 0.3M€ related with the capitalisation of interest incurred in the development of the Mangualde Biomass-fired cogeneration plant).

3.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Mar 2020	Dec 2019	Δ 20/19
Net Capital Employed	437.80	422.53	+3.6%
Fixed Assets	372.56	369.99	+0.7%
o.w. Rights of Use (IFRS16)	53.51	50.92	+5.1%
Non-Current Investments (net)	12.48	8.99	+38.8%
Working Capital	45.75	41.32	+10.7%
Capex (end of period)	7.62	51.73	-85.3%
% Fixed Assets	12.8%	13.9%	-1.1 pp
CAPEX (L12M) / Depreciations	1.30x	2.07x	-0.77x
Net Debt			
Financial Net Debt	158.99	141.21	+12.6%
Net Debt Total	225.08	204.55	+10.0%
% Net Capital Employed	51.4%	48.4%	+3.0 pp
Debt to Equity	105.8%	93.8%	+12.0 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	26.3%	23.9%	+2.4 pp
Net Debt/EBITDA (recurrent without IFRS16)	3.47x	3.00x	+0.47x
Net Debt/EBITDA (recurrent with IFRS16)	3.89x	3.55x	+0.34x

- Capex totalled 7.6M€ in 1Q20, mostly driven by the Energy segment, namely on the back of Mangualde Biomass-fired cogeneration project development (with an investment of 3.0M€) and the 1.4M€ investment made in Fitness, essentially due the expansion plan in course.
- Net Debt stood at 225.1M€ at the end of March 2020. The Net Financial Debt amounted to 159.0M€ in the same period, registering an increase of 17.8M€ compared to the end of 2019.
- Net Financial Debt to EBITDA reached 3.5x and Loan-to-Value stood at 26.3%. Both ratios are above the values registered in previous quarters, due to an increase in the debt allocated to the Business Units, following the ongoing investment plan (especially due to the Mangualde power plant, at CapWatt, which will start operating in the second half of the year). Given the exceptional situation we are experiencing, one of Sonae Capital's main priorities is to ensure a sufficient liquidity buffer to finance its activity. To date, as a result of the refinancing and liquidity reinforcement operations carried out, cash and available credit lines reached 72.5M€. This enables increasing the Balance sheet resilience, thus facing the uncertain times ahead with greater confidence.

4. BUSINESS UNITS

4.1 ENERGY



Operational and Financial Information - Energy			
Million euro	1Q 2020	1Q 2019	Δ 20/19
Total Operational Income	80.53	14.03	>100%
Turnover	80.47	14.02	>100%
Production	12.48	14.02	-11.0%
Retail & Trade	68.78	0.00	-
Other Operational Income	0.06	0.01	>100%
Total Operational Costs	76.71	10.43	>100%
Cost of Goods Sold	73.69	7.76	>100%
External Supplies and Services	1.69	1.54	+9.9%
Staff Costs	1.16	0.86	+34.2%
Other Operational Expenses	0.17	0.27	-36.8%
EBITDA	3.83	3.60	+6.2%
Production	3.53	3.60	-2.1%
Retail & Trade	0.30	0.00	-
EBITDA Margin (% Turnover) - [Production]	28.2%	25.7%	+2.6 pp
Depreciations IFRS16	0.16	0.12	+36.3%
Amortizations & Depreciations	2.25	2.20	+2.2%
Provisions & Impairment Losses	0.00	0.00	-
Recurrent EBIT	1.42	1.29	+10.3%
Production	1.14	1.29	-11.2%
Retail & Trade	0.28	0.00	-
Recurrent EBIT Margin (% Turnover) - [Production]	9.2%	9.2%	-0.0 pp
Capex	3.63	10.36	-65.0%
EBITDA-Capex	0.20	-6.76	-
Total Capacity (MW)	80.8	77.7	+4.0%
Owned & Operated	64.6	63.9	1.1%
Operated (not consolidated)	3.2	3.2	0.0%
Projects in progress (MW)	13.0	10.6	22.6%

- Following the acquisition of Futura Energía Inversiones, the Energy business consolidates two different businesses since 1 August 2019. Two businesses that are different, not only in nature but also in turnover and profitability metrics: the Production business, which includes Cogeneration and Renewables operations, and the Retail & Trade business, which includes the operation developed by Futura Energía Inversiones.
- In the Production business, Turnover decreased by 11.0% when compared to the 1Q19, totalling 12.5M€. In the Cogeneration operation, despite the positive volume effect (related to a higher level of production), we had a negative price effect at electric and thermal energy, particularly due to different electric energy remuneration regime in two power plants (Maia and Carvemagere). At the same time, it should be noted that one of the Cogeneration power plants - CapWatt Lousado – in a fabric in the Automotive Industry, was closed for three weeks due to the Covid-19 pandemic. As for the Renewables operation, it has evolved negatively compared to 1Q19, due to a lower availability of solar resource, and also due to a small failure at one of CapWatt Alrota's three transformers.
- As regards profitability, the Production EBITDA decreased 2.1%, to 3.5M€. As previously reported, the EBITDA line has been impacted by structural costs related to the ongoing expansion plan.
- The Retail & Trade business, whose activity includes trading of natural gas, electricity and carbon emission allowances, had a contribution of 68.8M€ and 0.3M€ for turnover and EBITDA, respectively.
- The CAPEX stood at 3.6M€, mainly due to the investment in the Biomass-fired cogeneration plant, in the amount of 3.0M€. Due to operational issues related with the pandemic, namely reasons regarding restrictions imposed on international mobility, it was not possible to start Mangualde operation in April 2020, as planned. However, we expect that the operation will be at full speed in the second half of 2020.

4.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering			
Million euro	1Q 2020	1Q 2019	Δ 20/19
Total Operational Income	2.85	2.77	+3.1%
Turnover	2.79	2.58	+8.0%
Other Operational Income	0.06	0.19	-65.8%
Total Operational Costs	3.21	3.43	-6.3%
Cost of Goods Sold	1.60	1.65	-2.6%
External Supplies and Services	0.53	0.55	-2.9%
Staff Costs	0.97	1.00	-2.8%
Other Operational Expenses	0.11	0.23	-54.6%
EBITDA	-0.36	-0.66	+45.3%
<i>EBITDA Margin (% Turnover)</i>	-13.0%	-25.7%	+12.7 pp
Depreciations IFRS16	0.02	0.01	+80.8%
Amortizations & Depreciations	0.31	0.20	+49.4%
Provisions & Impairment Losses	0.00	0.00	-
Recurrent EBIT	-0.69	-0.88	+21.7%
<i>Recurrent EBIT Margin (% Turnover)</i>	-24.6%	-34.0%	+9.4 pp
Capex	0.60	0.21	>100%
EBITDA-Capex	-0.96	-0.87	-10.4%

- Industrial Engineering turnover stood at 2.8M €, 8.0% above the same period of 2019, as a result of a more favourable mix of machines produced. Regarding the evolution of the number of orders, it should be noted that it has evolved positively during the beginning of the year. However, given the impact of Covid-19, it has declined from March 2020, which should be translated into a significant activity slowdown during the months of April and May.
- The EBITDA registered an increase of 45.3% in 1Q20, totaling negative 0.4M€.
- As previously reported, ADIRA signed a contract with Mitsubishi for the exclusive supply of bending and cutting machines in the USA, Canada and Mexico, which will guarantee a significant increase in the number of machines produced, at cruising speed. At the same time, this contract will become an entry lever in these markets, where ADIRA penetration is not significant.

4.3 FITNESS



Operational and Financial Information - Fitness			
Million euro	1Q 2020	1Q 2019	Δ 20/19
Total Operational Income	10.84	10.09	+7.4%
Turnover	10.65	10.02	+6.2%
Other Operational Income	0.19	0.07	>100%
Total Operational Costs	7.56	6.87	+10.0%
Cost of Goods Sold	0.04	0.05	-19.1%
External Supplies and Services	3.39	3.28	+3.5%
Staff Costs	3.57	3.02	+18.3%
Other Operational Expenses	0.56	0.53	+6.0%
EBITDA	3.28	3.22	+1.8%
<i>EBITDA Margin (% Turnover)</i>	30.8%	32.1%	-1.3 pp
Depreciations IFRS16	1.51	1.37	+9.9%
Amortizations & Depreciations	0.94	0.82	+14.7%
Provisions & Impairment Losses	0.00	0.00	-
Recurrent EBIT	0.83	1.03	-19.3%
<i>Recurrent EBIT Margin (% Turnover)</i>	7.8%	10.3%	-2.5 pp
Capex	1.44	0.10	>100%
EBITDA-Capex	1.84	3.12	-41.1%
# Average number of active members	104 955	89 113	17.8%
# Clubs in Operation	37	30	+7

- The Fitness segment ended the first quarter of 2020 with 37 Clubs in operation: 21 Solinca Clubs, 15 Pump Clubs and 1 ONE Club, counting with 105 thousand active members, 17.8% above the same period of 2019.

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- The performance of 1Q20 was significantly impacted by the preventive suspension of the operation of all the Clubs, on 14 March 2020, and the consequent loss of revenues associated with members' monthly fees. However, it should be noted that the performance of the segment up to the end of February 2020 was quite positive, registering an yearly increase of 16% and 40% in Turnover and EBIT, respectively.
- Since the Clubs closure date, SC Fitness continued to invest in the relationship with all its members, encouraging them to practice physical exercise regularly, through the offer of online classes. At the same time, it is worth noting the launching of online gym, from 1 April 2020, which is the first 100% virtual gym in Portugal that offers, every month, 250 new classes of the most varied fitness activities, and provides several contents on health and well-being. On a business-as-usual scenario, this platform can be a relevant complement for the Clubs operation, contributing to make SC Fitness offer even more distinctive.
- In the first quarter of 2020, turnover increased by 6.2%, to 10.7M€, mostly due to the larger number of active members.
- The consolidated EBITDA reached 3.3M€, which represents a growth of 1.8% versus 1Q19. The Recurrent EBIT totaled 0.8M€, 19.3% below 1Q19.
- The Capex reached 1.8M€, as a results of the expansion plan in course.

4.4 HOSPITALITY



Operational and Financial Information - Hospitality			
Million euro	1Q 2020	1Q 2019	Δ 20/19
Total Operational Income	2.39	3.11	-23.2%
Turnover	2.30	3.02	-23.8%
Other Operational Income	0.09	0.09	-2.0%
Total Operational Costs	3.51	3.97	-11.5%
Cost of Goods Sold	0.16	0.25	-35.8%
External Supplies and Services	1.56	1.82	-14.7%
Staff Costs	1.60	1.65	-3.0%
Other Operational Expenses	0.19	0.24	-20.3%
EBITDA	-1.12	-0.86	-31.0%
<i>EBITDA Margin (% Turnover)</i>	-48.8%	-28.4%	-20.4 pp
Depreciations IFRS16	1.09	1.08	+0.8%
Amortizations & Depreciations	0.16	0.16	-1.1%
Provisions & Impairment Losses	0.00	0.00	-
Recurrent EBIT	-2.38	-2.10	-13.0%
<i>Recurrent EBIT Margin (% Turnover)</i>	-103.3%	-69.7%	-33.7 pp
Capex	0.61	0.11	>100%
EBITDA-Capex	-1.73	-0.97	-79.2%
# Units	6	6	+0

- The Hospitality segment consolidates the operation of six Hotel Units: three units located in Porto (Porto Palácio Hotel, The Artist and The House), two units located in the Peninsula of Tróia (Aqualuz Tróia and Tróia Residence) and, since 1 January 2019, an unit in the Algarve region (Aqualuz Lagos). Additionally, two new units are underway: one in Lisbon, in Santa Apolónia Railway Station building, and another in Porto, at Avenida dos Aliados. The opening of both units is scheduled for 2021.
- The performance of 1Q20 was impacted by the month of March, due to a slowdown in the touristic flow in Portugal, consequence of the rapid spread of the pandemic Covid-19, coupled with the subsequent closure of all Hotel units, from 15 March 2020. It should be noted, however, that in February 2020, the Hospitality segment was showing a positive performance when compared to the same period in 2019, both in Turnover and EBIT, with a growth of 4% and 9%, respectively.
- Turnover stood at 2.3M€ in 1Q20, 23.8% below the same period in 2019.
- The EBITDA totaled negative 1.1M€, 31.0% below 1Q19. As for the Recurrent EBIT, it stood at negative 2.4M€, 13.0% below the same period of last year.
- The CAPEX reached 0.6M€, essentially due to the Santa Apolónia Railway Station Hotel unit project in Lisbon.

4.5 TROIA RESORT – OPERATIONS

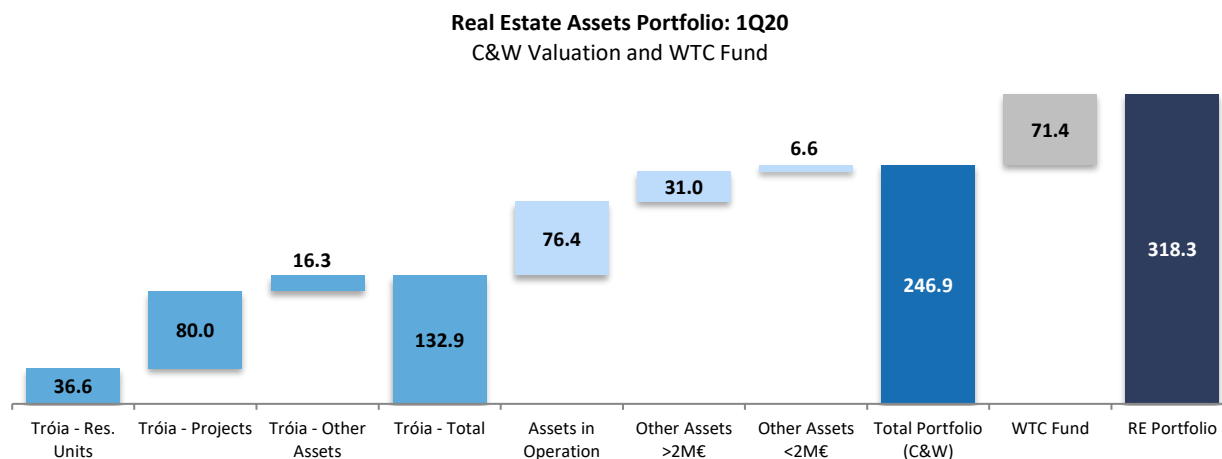


Operational and Financial Information - Troia Resort Operations			
Million euro	1Q 2020	1Q 2019 R	Δ 20/19
Total Operational Income	1.82	1.85	-1.9%
Turnover	1.59	1.62	-1.7%
Other Operational Income	0.22	0.23	-3.0%
Total Operational Costs	2.19	2.22	-1.2%
Cost of Goods Sold	0.08	0.09	-10.9%
External Supplies and Services	1.11	1.12	-1.0%
Staff Costs	0.87	0.82	+6.1%
Other Operational Expenses	0.14	0.19	-28.9%
EBITDA	-0.38	-0.37	-2.3%
<i>EBITDA Margin (% Turnover)</i>	-23.7%	-22.8%	-0.9 pp
Depreciations IFRS16	0.06	0.05	+14.0%
Amortizations & Depreciations	0.63	0.64	-0.9%
Provisions & Impairment Losses	0.00	0.00	-48.8%
Recurrent EBIT	-1.07	-1.06	-0.7%
<i>Recurrent EBIT Margin (% Turnover)</i>	-66.9%	-65.3%	-1.6 pp
Capex	0.49	0.14	>100%
EBITDA-Capex	-0.87	-0.51	-70.4%

- This segment aims to promote Tróia as a touristic and leisure destination, with high standards in terms of quality of service and environmental sustainability, through an integrated management of its infrastructures. Besides Atlantic Ferries river transportation, it includes operations such as Tróia Marina, “Meu Super” supermarket, the Roman Ruins, a sports centre and a Golf course, among others.
- The 1Q20 performance was impacted by the month of March, due to the suspension of part of the careers at Atlantic Ferries, as well as the preventive closure of the remaining services of the Resort, with the exception of Meu Super and Marina. However, in February 2020, Troia Operations registered a positive performance, which is evident in the turnover and EBIT increase of 16% and 11%, respectively.
- The turnover stood at 1.6M€ in the 1Q20, 1.7% below the same period of 2019. The EBITDA totaled negative 0.4M€, 2.3% below the value registered in the same period of 2019.
- The CAPEX reached 0.5M€, mostly as a consequence of investments made in Atlantic Ferries operation.

5. REAL ESTATE ASSETS

On 31 March 2020, the value of Sonae Capital Real Estate Assets portfolio was at 318.3M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 246.9M€, and the WTC Fund, with a market value of 71.4M€. On the same date, the capital employed in this group of Real Estate Assets amounted to 193.5M€.



5.1 TROIA RESORT



This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 57 units available for sale at the date of this report (considering the stock of Reserves and PPSAs).

The turnover reached 2.4M€ in 1Q20, showing a decrease of 22.1% y.o.y., on the back of the following contributions:

- 4 sales deeds, corresponding to 2.0M€, in comparison to 6 sales deeds in the amount of 2.7M€, in 1Q19. All the sales deeds were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels and Touristic Units in operation), in the amount of 0.4M€.

Up to the date of this report, we had in stock 7 promissory purchase and sale agreements and reserves totalling 3.8M€. It should be noted that the PPSAs in stock are not included in the results reported (namely the PPSA of UNOP 3, signed in 2Q18, for 20M€).

5.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 3.1M€ in 1Q20, more than doubling when compared to 1Q19. This includes the rents received from assets under management, as well as sales deeds of 1.8M€ (including the sales deed of Casa da Ribeira, in the amount of 1.5M€).

At the date of this report, there are still in stock Reserves and PPSAs in the global amount of 14.5M€, of which: (i) 8.0M€ of Maia Country Club; (ii) 4.8M€ of Costa D'Oiro Allotment; and (iii) 1.4M€ of Quinta da Malata.

6. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Mar 2020	Dec 2019	Δ 20/19
Total Assets	611.11	558.93	+9.3%
Tangible and Intangible Assets	338.92	336.36	+0.8%
o.w. Rights of Use (IFRS16)	53.51	50.92	+5.1%
Goodwill	33.64	33.64	+0.0%
Non-Current Investments	2.24	2.12	+5.4%
Other Non-Current Assets	30.59	30.63	-0.1%
Stocks	48.30	49.14	-1.7%
Trade Debtors and Other Current Assets	107.39	83.57	+28.5%
Financial Instruments	29.87	15.82	+88.8%
o.w. Other Financial Assets	8.31	5.69	+46.1%
Cash and Cash Equivalents	20.12	7.59	>100%
Assets held for sale	0.05	0.05	-3.8%
Total Equity	212.72	217.98	-2.4%
Total Equity attributable to Equity Holders of Sonae Capital	210.34	215.79	-2.5%
Total Equity attributable to Non-Controlling Interests	2.38	2.18	+8.9%
Total Liabilities	398.39	340.95	+16.8%
Non-Current Liabilities	219.03	161.04	+36.0%
Non-Current Borrowings	140.25	88.40	+58.7%
Non-Current Borrowings - IFRS16	58.84	49.29	
Deferred Tax Liabilities	12.31	12.43	-1.0%
Other Non-Current Liabilities	7.63	10.91	-30.1%
Current Liabilities	179.37	179.91	-0.3%
Current Borrowings	43.47	64.43	-32.5%
Current Borrowings - IFRS16	7.25	14.05	
Trade Creditors and Other Current Liabilities	109.94	91.40	+20.3%
Financial Instruments	18.23	9.57	+90.6%
o.w. Other Financial Liabilities	3.70	1.66	>100%
Liabilities associated to assets held for sale	0.46	0.47	-1.5%
Total Equity and Liabilities	611.11	558.93	+9.3%

Note: Trade Debtors and Other Current Assets and Trade Creditors and Other Current Liabilities include a balance of 65.0M€ and 11.3M€, respectively, related with the consolidation of Futura Energía Inversiones. The Financial Instruments line reflects the mark-to-market of swaps and options referred to the outstanding positions in Futura Energía Inversiones' subsidiaries, at the end of March 2020. These positions are related to risk coverage of the corresponding underlying assets, as Futura Energía Inversiones policy involves managing assets and liabilities in order to cover almost all the risks involved.

7. CORPORATE INFORMATION

7.1 CORPORATE INFORMATION IN 1Q20

No material corporate events to announce.

7.2 SUBSEQUENT EVENTS

On **6 April 2020**, Sonae Capital informed about the Board of Directors resolution, revoking the decision previously taken, on 21 February 2020, regarding a proposal for shareholder remuneration at the 2020 Shareholders Annual General Meeting. This decision was taken for prudency reasons, with the objective of ensuring Sonae Capital increased financial stability, essential to guarantee its resilience in the most disruptive scenarios that the current situation leads to address. The Board of Directors also informed that it considers re-evaluating this decision when there is greater visibility about the future, the normality of all the operations is resumed and, above all, taking into account the adequacy of the capital structure to the type of assets and businesses held by Sonae Capital.

On the same day, Sonae capital released the notice of meeting and proposals for the Shareholders Annual General Meeting, to be held on 29 April 2020 by telematic means.

On **29 April 2020**, following the Shareholders Annual General Meeting, Sonae Capital disclosed the resolutions taken by the Shareholders. All proposals on the agenda were approved unanimously.

8. RESTATEMENT OF 2019 QUARTERLY INFORMATION

Consolidated Profit and Loss Statement				
Million uro	1Q 2019	2Q 2019	3Q 2019	4Q 2019
Turnover				
Business Units	31.26	36.41	68.44	99.79
Energy	14.02	14.31	35.84	79.86
Industrial Engineering	2.58	1.49	2.17	3.54
Fitness	10.02	10.12	10.88	10.22
Hospitality	3.02	7.34	13.04	4.33
Troia Resort - Operations	1.62	3.15	6.52	1.84
Real Estate Assets	4.55	11.27	9.15	14.67
Troia Resort	3.08	5.28	6.87	4.45
Other Real Estate Assets	1.47	5.99	2.28	10.22
Eliminations & Adjustments	-1.87	-2.45	-3.76	-1.70
Consolidated Turnover	33.94	45.24	73.84	112.77
Other Operational Income	0.73	0.69	0.52	1.56
Total Operational Income	34.66	45.92	74.36	114.32
EBITDA				
Business Units	4.94	9.31	14.84	4.34
Energy	3.60	4.87	4.36	2.95
Industrial Engineering	-0.66	-0.95	-1.01	-0.99
Fitness	3.22	3.03	3.64	2.81
Hospitality	-0.86	2.05	5.32	0.18
Troia Resort - Operations	-0.37	0.31	2.53	-0.62
Real Estate Assets	0.82	5.09	2.68	1.40
Troia Resort	0.03	0.92	1.90	0.92
Other Real Estate Assets	0.78	4.17	0.78	0.48
Eliminations & Adjustments	-1.78	-1.96	-1.91	-1.65
Consolidated EBITDA	3.97	12.44	15.61	4.09
Amortizations & Depreciations	7.33	8.15	8.71	7.61
Provisions & Impairment Losses	-0.01	0.02	-0.21	-0.35
Recurrent EBIT				
Business Units	-1.72	1.79	6.81	-2.56
Energy	1.29	1.71	0.94	0.52
Industrial Engineering	-0.88	-1.16	-1.22	-1.22
Fitness	1.03	0.82	1.18	0.57
Hospitality	-2.10	0.80	4.08	-1.07
Troia Resort - Operations	-1.06	-0.37	1.83	-1.36
Real Estate Assets	-0.74	3.53	1.30	0.20
Troia Resort	-0.74	0.17	1.10	0.15
Other Real Estate Assets	0.00	3.36	0.21	0.05
Eliminations & Adjustments	-0.88	-1.05	-1.00	-0.81
Consolidated Recurrent EBIT	-3.34	4.27	7.11	-3.17
Non-recurrent costs/income (1)	0.00	0.01	-0.06	1.50
Consolidated EBIT	-3.34	4.26	7.16	-4.67
Net Financial Expenses	-2.12	-1.74	-1.30	-1.44
Investment Income and Results from Assoc. Undertakings	0.47	0.00	0.17	-10.44
EBT	-4.99	2.52	6.04	-16.54
Taxes	0.01	0.27	0.07	0.38
Net Profit - Continued Businesses	-5.01	2.25	5.97	-16.92
Net Profit - Discontinued Businesses	-0.06	-0.07	0.58	0.97
Net Profit - Total	-5.07	2.18	6.54	-15.95
Attributable to Equity Holders of Sonae Capital	-5.27	1.98	6.03	-16.33
Attributable to Non-Controlling Interests	0.20	0.19	0.51	0.38

(1) Non-recurrent items mainly related to restructuring costs and one-off income.

9. METHODOLOGICAL NOTES

The consolidated financial information presented in this report is unaudited and has been prepared in accordance with the International Financial Reporting Standards ("IAS / IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

GLOSSARY

CAPEX	Investment in Tangible and Intangible Assets
EBITDA	Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) – Reversal of Impairment Losses and Provisions (including in Other Operation Income)
EBITDAR	EBITDA + Building Rents
Gearing: Debt to Equity	Net Debt / Equity
HVAC	Heating, Ventilation and Air Conditioning
Loan to Value	Net Debt of real estate assets / Real estate assets Valuation
Net Debt	Net Debt + IFRS 16 Impact
Net Financial Debt	Non-Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments
Operational Cash Flow	EBITDA - Capex
PPSA	Promissory Purchase and Sale Agreement
RevPar	Revenue Per Available Room

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