

SONAE CAPITAL

REPORT AND ACCOUNTS

30 JUNE 2019



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PART I
MANAGEMENT REPORT

30 JUNE 2019



Since 1 January 2019, Sonae Capital information is subject to the application of IFRS 16, the new financial reporting standard on accounting of leases (using the modified retrospective approach).

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2Q18 and 1H18 in a pro-forma (PF) logic. Additionally, the Balance Sheet for December 2018 year-end is presented in accordance to the same logic.

SONAE CAPITAL



1. CEO'S MESSAGE AND HIGHLIGHTS

"The results we report today give evidence of the maintenance and, in some cases, the strengthening of the growth trend that Sonae Capital has been presenting.

On a consolidated view, the Business Units EBITDA increased 12.8% when compared to 1H18, backed by the majority of all businesses. I also highlight the positive evolution of the Business Units EBIT in the amount of 6.0%, and the Consolidated Net Results, with an improvement of 74.9%.

In Energy, the EBITDA delivered in the second quarter of the year was the highest since the beginning of 2018 and allowed us to reach a margin of 34%, 4.5pp above the same quarter of 2018. In Fitness, following the acquisition of the Urban Fit chain, we are in conditions to affirm ourselves as one of the market leaders. In Hospitality, we were able to increase the turnover and the EBITDA, both in the quarter as in the semester, which will allow facing with optimism the third quarter of the year, the most important of the year. I can't fail to mention the positive performance of the operations in Tróia, which benefited from an increase in the inflow on the Peninsula. In Refrigeration and HVAC, the EBITDA increased by 6.3%, despite the turnover decrease. In Adira, the financial performance remained below last year's, but the efforts we've been putting in the company's restructuring, particularly in the commercial team, are showing some signs of recovery, visible in the amount of orders in 2Q19, the highest of the past ten quarters.

In the Real Estate Assets unit, the sales deeds reached 11.9M€ in the first half of the year, and the total amount of Reserves and PPSAs exceeded 44M€. I believe that we are on the right track to finish another year of strong Real Estate Assets sales. Net financial debt stood at 144.7M€ at the end of June 2019. We maintain an adequate capital structure, notwithstanding the investment, at 22.1M€ and the dividend distribution, in the amount of 18.5M€, which took place in May 2019.

We have an increasingly robust portfolio management model, which relies on the active management of a diverse set of businesses in constant evolution, and we will continue to strive to implement our strategy throughout 2019, creating sustainable economic and social value."

Miguel Gil Mata

- Business Units EBITDA increasing by 12.8% in 1H19, to 14,5M€, fueled by a strong growth of 16.2% in 2Q19:
 - Energy maintaining strong turnover and EBITDA performance (+10.9% and +15.6%, respectively);
 - Fitness with +5 clubs versus 2018 year-end, raising average number of active members to more than 104 thousand;
 - Hospitality increasing turnover and EBITDA by 12.0% and 11.8%, respectively, in 1H19;
 - Operations in Tróia Resort showing positive EBITDA in 1H19.
- Real Estate Assets Unit fulfilling, with merit, the financing of the company's corporate strategy:
 - Tróia Resort residential touristic units: 16 sales deeds at the date of this report, corresponding to 7.2M€, coupled with 15 PPSAs/Reserves totalling 8.5M€;
 - Other Real Estate Assets: sales deeds in the amount of 5.1M€ and PPSAs in the amount of 35.9M€ (including the PPSA of UNOP 3).
- Business Units positive evolution trend supporting the increase of Continued Businesses Net Profit (Δ of 6.8M€), and the increase of Net Results (Δ of 8.6M€);
- Net Results in the amount of 2.2M in 2Q19, improving 5.0M€ when compared to 2Q18;
- Consolidated FCF negative at 23.8M€, notwithstanding the significant CAPEX (22.1M€) and dividends distributed (18.5M€). As a consequence, Net Financial Debt of 144.7M€ at the end of June 2019 (Net Debt of 206.4M€);
- Maintenance of an adequate capital structure: Net Financial Debt / EBITDA at 2.9x and LTV at 26.1%.

2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Turnover						
Business Units	44.87	45.69	-1.8%	84.00	84.76	-0.9%
Energy	14.31	13.64	+4.9%	28.33	25.55	+10.9%
Industrial Engineering	1.49	3.03	-50.8%	4.07	6.36	-36.0%
Fitness	10.12	8.80	+15.1%	20.15	17.74	+13.6%
Hospitality	7.34	6.39	+15.0%	10.36	9.25	+12.0%
Refrigeration & HVAC	8.64	11.27	-23.3%	16.60	22.06	-24.7%
Troia Resort - Operations	2.96	2.55	+16.3%	4.50	3.81	+18.0%
Real Estate Assets	11.46	6.14	+86.7%	16.09	10.68	+50.6%
Troia Resort	5.79	3.72	+55.6%	8.94	6.59	+35.7%
Other Real Estate Assets	5.67	2.42	>100%	7.15	4.09	+74.7%
Eliminations & Adjustments	-2.45	-1.60	-53.5%	-4.32	-2.89	-49.4%
Consolidated Turnover	53.88	50.23	+7.3%	95.78	92.55	+3.5%
Other Operational Income	0.71	1.18	-39.9%	1.48	1.81	-18.3%
Total Operational Income	54.59	51.42	+6.2%	97.25	94.36	+3.1%
EBITDA						
Business Units	9.61	8.27	+16.2%	14.51	12.87	+12.8%
Energy	4.87	4.03	+20.7%	8.47	7.33	+15.6%
Industrial Engineering	-0.95	-0.26	<-100%	-1.61	-0.48	<-100%
Fitness	3.03	2.97	+1.8%	6.25	5.58	+12.0%
Hospitality	2.05	1.54	+33.1%	1.19	1.06	+11.8%
Refrigeration & HVAC	0.27	0.21	+24.1%	0.20	0.19	+6.3%
Troia Resort - Operations	0.35	-0.23	-	0.02	-0.82	-
Real Estate Assets	4.93	0.02	>100%	5.76	0.60	>100%
Troia Resort	1.19	-0.91	-	1.21	-0.98	-
Other Real Estate Assets	3.74	0.93	>100%	4.54	1.58	>100%
Eliminations & Adjustments	-1.84	-1.65	-11.1%	-3.66	-2.96	-23.5%
Consolidated EBITDA	12.70	6.63	+91.5%	16.61	10.51	+58.0%
Amortizations & Depreciations	8.30	7.22	+15.0%	15.77	14.57	+8.3%
Provisions & Impairment Losses	0.02	-0.05	-	0.00	0.08	-97.5%
Recurrent EBIT						
Business Units	2.12	2.18	-2.7%	0.41	0.38	+6.0%
Energy	1.71	1.73	-1.1%	3.00	2.58	+16.2%
Industrial Engineering	-1.16	-0.50	<-100%	-2.04	-0.96	<-100%
Fitness	0.82	0.96	-15.3%	1.84	1.31	+40.7%
Hospitality	0.80	0.63	+27.8%	-1.30	-0.75	-72.9%
Refrigeration & HVAC	0.11	0.14	-18.0%	-0.10	0.05	-
Troia Resort - Operations	-0.16	-0.77	+79.8%	-1.00	-1.85	+45.9%
Real Estate Assets	3.19	-1.79	-	2.31	-2.94	-
Eliminations & Adjustments	-0.93	-0.92	-0.9%	-1.88	-1.59	-18.3%
Consolidated Recurrent EBIT	4.38	-0.53	-	0.84	-4.14	-
Non-recurrent costs/income (1)	0.06	0.04	+29.8%	0.08	0.72	-89.2%
Consolidated EBIT	4.33	-0.58	-	0.76	-4.86	-
Net Financial Expenses	-1.68	-1.97	+14.6%	-3.75	-4.16	+10.0%
Investment Income and Results from Assoc. Undertakings	0.00	0.02	-84.3%	0.47	0.22	>100%
EBT	2.65	-2.53	-	-2.52	-8.80	+71.4%
Taxes	0.31	0.29	+6.9%	0.17	0.66	-74.1%
Net Profit - Continued Businesses	2.34	-2.81	-	-2.69	-9.46	+71.6%
Net Profit - Discontinued Businesses	-0.16	-0.02	<-100%	-0.20	-2.05	+90.4%
Net Profit - Total	2.18	-2.84	-	-2.89	-11.51	+74.9%
Attributable to Equity Holders of Sonae Capital	1.98	-3.09	-	-3.29	-11.37	+71.1%
Attributable to Non-Controlling Interests	0.19	0.27	-27.7%	0.40	-0.13	-

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

- The Business Units turnover reached 84.0M€, a decrease of 0.9% when compared to 1H18, due to the performance of Industrial Engineering and Refrigeration & HVAC segments. This line has positively benefited from the performance of Energy, Fitness, Hospitality and Tróia Operations. In the same period, the Real Estate Assets turnover increased by 50.6%, to 16.1M€.
- The Business Units EBITDA grew to 14.5M€ in 1H19, 12.8% above 1H18, showing an EBITDA margin of 17.3%, 2.1pp above 1H18. The Real Estate Assets EBITDA increased materialy, from 0.6M€ in 1H18, to 5.8M€ in 1H19.
- Continued Businesses Net Profit increased by 6.8M€ when compared to 1H18, totaling negative 2.7M€. This evolution benefited from:
 - (i) a Consolidated EBITDA increase of 6.1M€;
 - (ii) a lower level of Non-Recurrent Costs (as the results in 2018 were impacted by the recognition of Non-Recurrent costs related to the RACE operation in Brazil); and,
 - (iii) an increase of 0.4M€ in Net financial Results;

(iv) notwithstanding the higher Amortizations and Depreciations, in the amount of 1.2M€ (0.5M€ referred to IFRS 16 Amortizations and 0.7M€ driven by the investment plan in place, namely in the Energy segment).

- Driven by the evolution of Net Profit (in continued and discontinued businesses), Consolidated Net Profit improved by 8.6M€ in 1H19 and reached negative 2.9M€.
- On a quarterly basis, Continued Businesses Net Profit was positive and reached 2.3M€ in 2Q19, 5.1M€ above 2Q18. Net Results were also positive and stood at 2.2M€, 5.0M€ above 2Q18.

2.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Jun 2019	Dec 2018 PF	Δ 19/18
Net Capital Employed	442.49	438.74	+0.9%
Fixed Assets	384.39	379.91	+1.2%
o.w. Rights of Use (IFRS16)	49.99	50.93	-1.8%
Non-Current Investments (net)	14.64	15.17	-3.5%
Working Capital	43.46	43.66	-0.5%
Capex (end of period)	22.14	32.62	-32.1%
% Fixed Assets	8.9%	8.6%	+0.3 pp
CAPEX (L12M) / Depreciations	1.82x	1.34x	0.48x
Net Debt			
Financial Net Debt	144.72	119.78	+20.8%
Net Debt Total	206.42	181.67	+13.6%
% Net Capital Employed	46.6%	41.4%	+5.2 pp
Debt to Equity	87.4%	70.7%	+16.8 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	26.1%	21.1%	+5.0 pp
Net Debt/EBITDA (recurrent without IFRS16)	2.85x	2.49x	+0.36x
Net Debt/EBITDA (recurrent with IFRS16)	3.49x	3.49x	(0.0x)

- Capex totaled 22.1M€ in 1H19, mostly driven by the Energy segment, namely on the back of the biomass-fuelled cogeneration project development (with an investment of 11.7M€), as well as the investment made in the Fitness segment, which includes the acquisition of Urban Fit chain (for a net amount of 3.4M€);
- Net Debt stood at 206.4M€ at the end of June 2019. Net Financial Debt reached 144.7M€ in the same period, registering an increase of 24.9M€ when compared to the end of 2018, a typical seasonality effect on the first half of the year, nonetheless below the increase registered one year ago (in the amount of 35M€). Net Debt was also impacted by dividend distribution, in the amount of 18.5M€, on May 2019;
- We maintain an adequate capital structure when considering the Group's portfolio of businesses and Real Estate Assets held: with Net Financial Debt to EBITDA of 2.9x and LTV of 26.1%, both slightly above the figures reported in 2018 year-end.

3. BUSINESS UNITS

3.1 ENERGY



Operational and Financial Information - Energy						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	14.37	14.06	+2.3%	28.40	26.17	+8.5%
Turnover	14.31	13.64	+4.9%	28.33	25.55	+10.9%
Other Operational Income	0.07	0.41	-83.5%	0.08	0.62	-87.6%
Total Operational Costs	9.51	10.03	-5.2%	19.93	18.84	+5.8%
Cost of Goods Sold	6.78	7.12	-4.8%	14.53	13.35	+8.9%
External Supplies and Services	1.53	1.44	+6.6%	3.07	2.84	+8.1%
Staff Costs	0.94	0.75	+26.4%	1.81	1.51	+19.3%
Other Operational Expenses	0.25	0.72	-64.7%	0.52	1.14	-54.0%
EBITDA	4.87	4.03	+20.7%	8.47	7.33	+15.6%
<i>EBITDA Margin (% Turnover)</i>	34.0%	29.5%	+4.5 pp	29.9%	28.7%	+1.2 pp
Depreciations IFRS16	0.12	0.10	+14.6%	0.24	0.21	+14.8%
Amortizations & Depreciations	3.04	2.20	+38.2%	5.23	4.54	+15.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	1.71	1.73	-1.1%	3.00	2.58	+16.2%
<i>Recurrent EBIT Margin (% Turnover)</i>	12.0%	12.7%	-0.7 pp	10.6%	10.1%	+0.5 pp
Capex	2.34	1.57	+49.0%	12.70	7.15	+77.5%
EBITDA-Capex	2.53	2.46	+2.7%	-4.23	0.17	-
Total Capacity (MW)	79.7	76.5	+4.2%	79.7	76.5	+4.2%
Owned & Operated	63.9	62.3	+2.6%	63.9	62.3	+2.6%
Operated (not consolidated)	3.2	3.2	+0.0%	3.2	3.2	+0.0%
Projects in progress (MW)	12.6	11.0	+14.5%	12.6	11.0	+14.5%

- Energy turnover reached 28.3M€ in 1H19, increasing by 10.9% when compared to 1H18. This evolution benefited from the Renewables operation, driven by the increased availability of the solar resource in all projects in operation, and also by the Cogeneration operation, which had a positive y.o.y. evolution both in volume and price.
- The EBITDA reached 8.5M€, performing a growth of 15.6% y.o.y.. The EBITDA margin stood at 29.9%, 1.2pp above 1H18. It should be noted that the EBITDA in 2019 continued negatively affected by the significant increase in the price of CO2 licences versus 2018.
- Recurrent EBIT increased by 16.2%, from 2.6M€ to 3.0M€.
- The CAPEX amounted to 12.7M€, almost entirely due to the ongoing development in the biomass-fuelled cogeneration plant, which stood at 11.7M€ in 1H19 and is progressing as planned. This project, which will start operating in 2020, will ensure a material and stable flow of cash throughout 25 years (the feed-in tariff period) and is currently CapWatt's most significant project in terms of investment.
- Presently, almost all the projects of this segment operate in the regulated market. The first project to be carried over the free market corresponds to 10MW (solar energy), which should take place in 2H21.
- To date, CapWatt has projects under development with a capacity of 12.6MW, 10MW in the biomass-fired cogeneration plant, 2.0MW in Cogeneration and 0.6MW in Renewables, namely in photovoltaic self-consumption units.
- Already in July 2019, CapWatt took the first steps to acquire 100% of the share capital of Futura Energía Inversiones, S.L., a company based in Spain. This acquisition is part of the growth strategy of the Energy segment and aims to complement its activity, positioning CapWatt as a promoter of integrated Energy solutions, enhancing its capabilities in the sourcing of natural gas and emission allowances and, especially, in the placement of the electric energy produced in a scenario post feed-in tariffs.

3.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	1.69	3.17	-46.7%	4.46	6.62	-32.7%
Turnover	1.49	3.03	-50.8%	4.07	6.36	-36.0%
Other Operational Income	0.20	0.14	+39.9%	0.38	0.27	+45.1%
Total Operational Costs	2.64	3.43	-23.2%	6.06	7.10	-14.5%
Cost of Goods Sold	1.09	1.82	-40.1%	2.74	4.01	-31.8%
External Supplies and Services	0.64	0.56	+13.8%	1.19	0.93	+27.9%
Staff Costs	0.85	0.94	-9.8%	1.85	1.90	-2.5%
Other Operational Expenses	0.06	0.11	-47.2%	0.29	0.26	+13.0%
EBITDA	-0.95	-0.26	<-100%	-1.61	-0.48	<-100%
<i>EBITDA Margin (% Turnover)</i>	-63.5%	-8.5%	-55.0 pp	-39.5%	-7.5%	-32.0 pp
Depreciations IFRS16	0.01	0.01	-8.1%	0.02	0.02	-1.8%
Amortizations & Depreciations	0.20	0.23	-12.1%	0.41	0.46	-11.3%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	-1.16	-0.50	<-100%	-2.04	-0.96	<-100%
<i>Recurrent EBIT Margin (% Turnover)</i>	-77.8%	-16.5%	-61.3 pp	-50.0%	-15.0%	-35.0 pp
Capex	0.23	0.19	+21.1%	0.44	0.44	+0.0%
EBITDA-Capex	-1.18	-0.45	<-100%	-2.05	-0.92	<-100%

- The 1H19 results reflect Adira's ongoing restructuring process, which started in 2018, largely based on a new commercial approach, after-sales and customer satisfaction areas.
- Due to a level of orders below the company's potential, both in 4Q18 and in the beginning of 2019, Adira registered a Turnover of 4.1M€ and a negative EBITDA of 1.6M€. However, the level of orders witnessed since March 2019, consistently above the previous year, allows us to anticipate a more favorable evolution in the second half of the year, both in turnover and profitability.
- During the second quarter of 2019, Adira re-established a network of Agents in Spain, a necessary condition to exploit a market of great potential that had been neglected.



3.3 FITNESS

Operational and Financial Information - Fitness						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	10.23	9.15	+11.8%	20.32	18.15	+12.0%
Turnover	10.12	8.80	+15.1%	20.15	17.74	+13.6%
Other Operational Income	0.10	0.36	-70.6%	0.17	0.41	-57.8%
Total Operational Costs	7.20	6.18	+16.5%	14.07	12.57	+12.0%
Cost of Goods Sold	0.04	0.03	+22.7%	0.09	0.09	-1.8%
External Supplies and Services	3.41	3.02	+12.8%	6.69	6.20	+7.9%
Staff Costs	3.07	2.80	+9.8%	6.09	5.52	+10.4%
Other Operational Expenses	0.68	0.33	>100%	1.21	0.76	+58.0%
EBITDA	3.03	2.97	+1.8%	6.25	5.58	+12.0%
<i>EBITDA Margin (% Turnover)</i>	29.9%	33.8%	-3.9 pp	31.0%	31.5%	-0.4 pp
Depreciations IFRS16	1.39	1.27	+9.6%	2.76	2.52	+9.4%
Amortizations & Depreciations	0.82	0.74	+10.6%	1.64	1.48	+10.7%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.26	-
Recurrent EBIT	0.82	0.96	-15.3%	1.84	1.31	+40.7%
<i>Recurrent EBIT Margin (% Turnover)</i>	8.1%	11.0%	-2.9 pp	9.2%	7.4%	+1.8 pp
Capex	5.70	1.25	>100%	5.80	10.83	-46.4%
EBITDA-Capex	-2.67	1.72	-	0.45	-5.25	-
# Average number of active members	104 468	84 722	23.3%	104 468	84 722	23.3%
# Clubs in Operation	35	29	+6	35	29	+6

- In the 1H19, the Fitness segment continued its growth path, leveraged on the opening of new clubs and acquisitions through a multi-segment and multi-brand model. Accordingly, including the opening of Pump club in Seixal (in 2Q19), and the acquisition of Urban Fit chain, with 4 clubs in operation (in June 2019), the total number of Clubs reached 35 clubs.
- The average number of active members surpassed the 100 thousand threshold and reached 104,468 in 1H19, a growth of 23.3% y.o.y.. Apart from the contribution of the Urban Fit chain, the average number of active members benefited from the positive performance of Solinca and Pump operations.
- In 1H19, Turnover increased by 13.6%, to 20.2M€, as a result of Solinca and Pump positive performance. Regarding the average monthly fee, it has increased by 6% on a comparable basis. The results of Urban Fit chain are consolidated since 1 June 2019, having a contribution for turnover and EBITDA in the amount of 301 thousand euros and 14 thousand euros, respectively.
- The EBITDA stood at 6.3M€ in 1H19, which compares with 5.6M€ in 1H18, a growth of 12.0% y.o.y..

- The Recurrent EBIT increased from 1.3M€ in 1H18, to 1.8M€ in 1H19, showing a growth of 40.7% y.o.y.. The EBIT margin stood at 9.2% in 1H19, 1.8pp above 1H18.
- On a quarterly basis, it should be noted that the EBITDA in 2Q18 was positively impacted by a one-off effect in the amount of approximately 0.3M€ (reverted in 4Q18), which affects the comparison with 2Q19.

3.4 HOSPITALITY



Operational and Financial Information - Hospitality						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	7.37	6.52	+13.1%	10.48	9.50	+10.3%
Turnover	7.34	6.39	+15.0%	10.36	9.25	+12.0%
Other Operational Income	0.03	0.13	-79.8%	0.12	0.25	-53.1%
Total Operational Costs	5.32	4.98	+6.9%	9.29	8.43	+10.1%
Cost of Goods Sold	0.87	0.20	>100%	1.29	0.71	+82.2%
External Supplies and Services	2.20	2.78	-20.8%	3.85	4.17	-7.6%
Staff Costs	1.97	1.80	+9.5%	3.62	3.18	+13.7%
Other Operational Expenses	0.28	0.20	+42.3%	0.52	0.37	+40.5%
EBITDA	2.05	1.54	+33.1%	1.19	1.06	+11.8%
<i>EBITDA Margin (% Turnover)</i>	27.9%	24.1%	+3.8 pp	11.5%	11.5%	-0.0 pp
Depreciations IFRS16	1.09	0.81	+35.1%	2.17	1.61	+34.9%
Amortizations & Depreciations	0.16	0.11	+48.9%	0.32	0.21	+54.9%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	0.80	0.63	+27.8%	-1.30	-0.75	-72.9%
<i>Recurrent EBIT Margin (% Turnover)</i>	10.9%	9.8%	+1.1 pp	-12.6%	-8.1%	-4.4 pp
Capex	0.38	0.37	+2.7%	0.50	0.52	-2.9%
EBITDA-Capex	1.67	1.17	+42.7%	0.69	0.55	+25.6%
# Units	6	5	+1	6	5	+1

- Since 1 January 2019, the Hospitality segment includes the contribution of the Aqualuz Lagos operation, now counting with a portfolio of six Hotel units. In 1H19, the Aqualuz Lagos operation registered a turnover of 968 thousand euros and a negative EBITDA of 21 thousand euros, which reflects the natural seasonality of the business, where in general the positive performance begins to stand out at the end of the second quarter of the year. In fact, the information gathered about the 3Q19 performance so far, allows us to anticipate a favorable backdrop for the Hotel operation throughout 2019.
- Notwithstanding the RevPar increase in the amount of 2.3% in 2Q19, RevPar in 1H19 decreased marginally when compared to 1H18, due to the 1Q19 performance, as reported.
- The EBITDA increased by 11.8% y.o.y., to 1.2M€, consequence of the growing profitability of the operations, not only in Porto, but also in Tróia Peninsula. It should be noted that, on a comparable basis, i.e. excluding the impact of Aqualuz Lagos operation, the segment's turnover and EBITDA would still increase.
- On a quarterly basis, Recurrent EBIT stood at 0.8M€ in 2Q19, 27.8% above 2Q18. The EBIT margin increased by 1.1pp, reaching 10.9% in 2Q19.
- The CAPEX reached 380 thousand euros in 1H19, essentially due to the refurbishment of Porto Palácio Hotel and the beginning of the Santa Apolónia Railway Station project, in Lisbon.



3.5 REFRIGERATION & HVAC

Operational and Financial Information - Refrigeration & HVAC						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	8.66	11.32	-23.5%	16.66	22.13	-24.7%
Turnover	8.64	11.27	-23.3%	16.60	22.06	-24.7%
Other Operational Income	0.02	0.05	-57.0%	0.06	0.07	-16.9%
Total Operational Costs	8.40	11.11	-24.4%	16.46	21.94	-25.0%
Cost of Goods Sold	4.04	6.29	-35.8%	7.44	11.46	-35.1%
External Supplies and Services	2.05	2.55	-19.6%	4.37	5.98	-26.8%
Staff Costs	2.22	2.24	-1.0%	4.42	4.34	+1.8%
Other Operational Expenses	0.09	0.02	>100%	0.23	0.16	+44.2%
EBITDA	0.27	0.21	+24.1%	0.20	0.19	+6.3%
<i>EBITDA Margin (% Turnover)</i>	3.1%	1.9%	+1.2 pp	1.2%	0.9%	+0.4 pp
Depreciations IFRS16	0.14	0.06	>100%	0.26	0.11	>100%
Amortizations & Depreciations	0.02	0.02	+5.6%	0.03	0.03	+9.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	0.11	0.14	-18.0%	-0.10	0.05	-
<i>Recurrent EBIT Margin (% Turnover)</i>	1.3%	1.2%	+0.1 pp	-0.6%	0.2%	-0.8 pp
Capex	0.07	-0.01	-	0.13	0.09	+38.3%
EBITDA-Capex	0.20	0.22	-12.7%	0.07	0.09	-25.8%
Orders backlog	20.2	21.1	-4.3%	20.2	21.1	-4.3%

- Turnover totaled 16.6M€ in 1H19, 24.7% below 1H18. This was driven by a delay in a group of Refrigeration projects, as well as by a reduction in HVAC activity, an outcome of our strategy for the business, which focuses on projects of greater value and complexity, where our contribution is better perceived.
- The EBITDA reached 0.2M€, registering an increase of 6.3% versus 1H18. Despite the turnover decrease, the EBITDA evolution is due to our greater focus on Refrigeration, coupled with an improvement in HVAC, driven by our strategy of focusing on more profitable projects.
- The Recurrent EBIT reached negative 0.1M€, which compares with 0.1M€ in 1H19.
- It should be noted that Refrigeration & HVAC orders backlog amounts to 20.2M€, representing roughly 5.1 months of turnover.



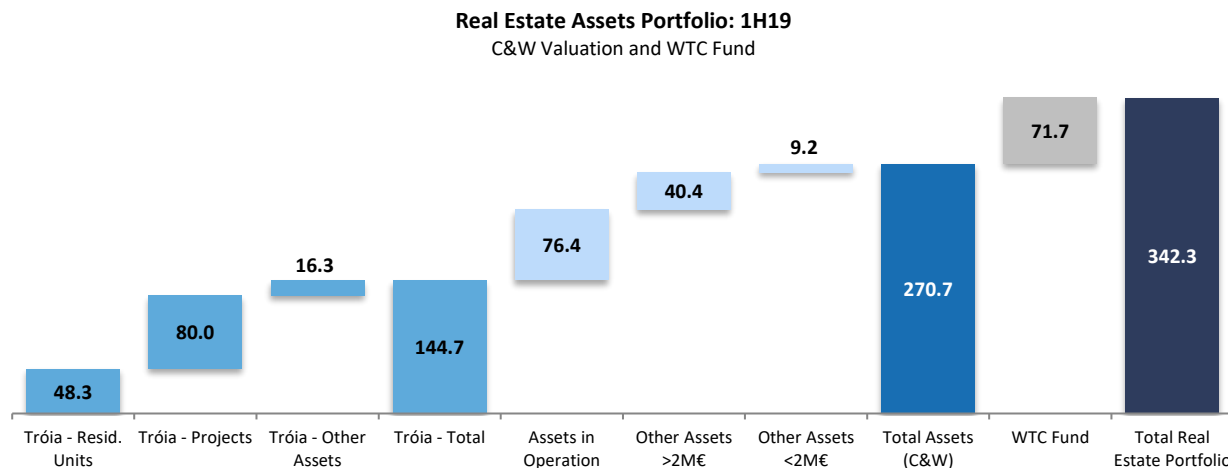
3.6 TROIA RESORT - OPERATIONS

Operational and Financial Information - Troia Resort Operations						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	3.13	2.65	+18.3%	4.83	4.03	+19.9%
Turnover	2.96	2.55	+16.3%	4.50	3.80	+18.3%
Other Operational Income	0.17	0.09	+76.5%	0.33	0.23	+45.9%
Total Operational Costs	2.78	2.87	-3.4%	4.81	4.85	-0.7%
Cost of Goods Sold	0.32	0.25	+26.8%	0.41	0.33	+24.8%
External Supplies and Services	1.35	1.54	-12.1%	2.33	2.51	-7.2%
Staff Costs	0.97	0.85	+14.6%	1.77	1.60	+10.6%
Other Operational Expenses	0.13	0.23	-43.9%	0.30	0.41	-26.1%
EBITDA	0.35	-0.23	-	0.02	-0.82	-
<i>EBITDA Margin (% Turnover)</i>	11.9%	-9.0%	+20.8 pp	0.4%	-21.5%	+22.0 pp
Depreciations IFRS16	0.05	0.04	+3.3%	0.09	0.09	+3.3%
Amortizations & Depreciations	0.46	0.50	-7.6%	0.93	0.95	-2.3%
Provisions & Impairment Losses	0.00	0.00	-	0.00	-0.01	-
Recurrent EBIT	-0.16	-0.77	+79.8%	-1.00	-1.85	+45.9%
<i>Recurrent EBIT Margin (% Turnover)</i>	-5.3%	-30.4%	+25.1 pp	-22.2%	-48.6%	+26.4 pp
Capex	0.58	0.21	>100%	0.71	0.25	>100%
EBITDA-Capex	-0.23	-0.44	+47.9%	-0.69	-1.07	+35.3%

- The operations in Tróia Resort includes Atlantic Ferries river transportation and operations such as Tróia Marina, Tróia Market and the Golf course.
- Turnover generated by the operations in Tróia Resort reached 4.5M€ in 1H19, 18.3% above 1H18. The EBITDA stood at 0.02M€, showing a substantial increase versus the negative 0.8M€ registered in 1H18. Since the beginning of 2019, the performance of Atlantic Ferries, which registered a larger number of travellers and traffic of vehicles, has been one of the major drivers of the segment's performance.
- The CAPEX stood at 0.7M€ and resulted from investments made in Atlantic Ferries operation, as well as in some refurbishment works in the Marina of Tróia and the Beach.

4. REAL ESTATE ASSETS

On 30 June 2019, the value of Sonae Capital Real Estate Assets portfolio stood at 342.3M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 270.7M€, and the WTC Fund, with a market value of 71.7M€.



On the same date, the capital employed in this group of Real Estate Assets, excluding touristic residential units in Tróia and the WTC Fund, stood at 146.0M€. This value compares with a C&W valuation of 222.4M€.

4.1 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 71 units available for sale at the date of this report (considering Reserves and PPSAs).

The turnover reached 8,9M€ in 1H19, showing an increase of 35.7% y.o.y., on the back of the following contributions:

- 15 sales deeds, corresponding to 6.8M€, which compare with 14 sales deeds in the amount of 5.4M€ in 1H18. Out of the 15 sales deeds reported, 7 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), for 1.4M€.

Already in 3Q19 and up to the date of this report, we signed one additional sales deed (in the amount of 0.4M€) and there are still in stock 15 promissory purchase and sale agreements and reserves totalling 8.5M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results. We expect the sales deed to take place up to the end of 2019.

4.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 7.2€ in 1H19. This includes the rents received from assets under management, as well as sales deeds in the amount of 5.1M€. Currently, the global amount of PPSAs is 15.9M€, and includes the “Metropolis Building” (6.3M€), the “Santarém Allotment” (1.5M€) – as disclosed on 1Q19 Results, and also the “Country Club Maia” (8.0M€), whose PPSA was signed already on July 2019.

5. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Jun 2019	Dec 2018 PF	Δ 19/18
Total Assets	564.42	552.86	+2.1%
Tangible and Intangible Assets	327.75	327.89	-0.0%
o.w. Rights of Use (IFRS16)	49.99	50.93	-1.8%
Goodwill	56.63	52.02	+8.9%
Non-Current Investments	2.11	2.29	-8.0%
Other Non-Current Assets	32.86	35.20	-6.7%
Stocks	60.34	63.26	-4.6%
Trade Debtors and Other Current Assets	60.24	63.96	-5.8%
Cash and Cash Equivalents	23.83	7.56	>100%
Assets held for sale	0.65	0.67	-3.4%
Total Equity	236.07	257.06	-8.2%
Total Equity attributable to Equity Holders of Sonae Capital	226.34	247.62	-8.6%
Total Equity attributable to Non-Controlling Interests	9.73	9.44	+3.1%
Total Liabilities	328.34	295.79	+11.0%
Non-Current Liabilities	155.06	127.20	+21.9%
Non-Current Borrowings	90.12	59.43	+51.6%
Non-Current Borrowings - IFRS16	47.76	50.39	-5.2%
Deferred Tax Liabilities	12.78	12.98	-1.6%
Other Non-Current Liabilities	4.40	4.39	+0.2%
Current Liabilities	173.28	168.60	+2.8%
Current Borrowings	78.43	67.91	+15.5%
Current Borrowings - IFRS16	13.94	11.50	+21.2%
Trade Creditors and Other Current Liabilities	77.12	83.57	-7.7%
Liabilities associated to assets held for sale	3.79	5.62	-32.5%
Total Equity and Liabilities	564.42	552.86	+2.1%

6. CORPORATE INFORMATION

6.1 CORPORATE INFORMATION IN 2Q19

On 8 April, 2019, Sonae Capital informed about the qualifying holding of FundPartner Solutions, representing 5.6% of its share capital.

On 22 April, 2019, Sonae Capital completed the sales deed of Crotália Project, in the amount of 4.0 million euros, generating a margin of 2.9M€.

On 29 April, 2019, on Sonae Capital Annual General Shareholders meeting, the Shareholders approved all the Proposals included in the Agenda, including, in particular, the increase in the number of members of the Board of Directors for the current mandate, from seven to nine members, including Mrs. Isabel Maria Pereira Aníbal Vaz and Mr. Pedro Manuel Martins Bruno. On the same day, the Board of Directors decided to elect Mr. Pedro Manuel Martins Bruno for the Executive Committee of Sonae Capital.

On 6 May, 2019, Sonae Capital disclosed that the Dividends related to Sonae Capital 2018 Results would be made available to Shareholders on 27 May, 2019. The Proposal for the Application of Results, which was approved at the Shareholders Annual General Meeting, included the distribution of a gross dividend amounting to 0.0740 euros per share.

On 15 May, 2019, as part of the strategy to increase the number of clubs in the Fitness segment, Sonae Capital reached an agreement to acquire the Urban Fit chain, which operates 4 Clubs in the metropolitan area of Porto: Vila Nova de Gaia, Maia, Porto (Foz) and Ermesinde. The acquisition was formalised on 19 June, 2019.

6.2 SUBSEQUENT EVENTS

On 1 July, 2019, Sonae Capital informed that its subsidiary, CapWatt, SGPS, S.A. submitted a binding offer for the acquisition of 100% of the share capital of Futura Energía Inversiones, S.L. and its subsidiaries. This acquisition is part of Sonae Capital's Energy segment growth strategy, and aims to improve its competences in the: (i) sourcing of natural gas and carbon emissions rights, and (ii) sale of the electric energy produced, in a scenario post feed-in tariffs. The EV of this operation amounts to 4.5M€, of which 2.8M€ will be paid in the time of the completion of the transaction and the remainder will be deferred for a period of three years, depending on a group of predefined KPIs.

7. METHODOLOGICAL NOTES

The consolidated financial information presented in this report is not audited 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.

With the aim of continuing to provide the best financial information not only at the Consolidated level, but also, at each Business Unit level and aligning with the best market practices, the international operations (Mozambique and Brazil) of the Refrigeration & HVAC segment are considered as assets held for sale and therefore their contribution to the consolidated results is recognised as a discontinued operation.

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

8. APPENDIX

Statement under the terms of Article 246, paragraph 1, c) of the Portuguese Securities Code

The signatories individually declare that, to their knowledge, the Management Report, the Consolidated and Separated Financial Statements and other accounting documents required by law or regulation were prepared meeting the standards of the applicable International Financial Reporting Standards, giving a truthful (fairly) and appropriate image, in all material respects, of the assets and liabilities, financial position and the consolidated and individual results of the issuer and that the Management Report faithfully describes the progress of the business and position of the issuer and of the companies included in the consolidation perimeter and contains a description of the major risks and uncertainties that they face.

Maia, 26 July 2019

The Board of Directors

Duarte Paulo Teixeira de Azevedo
Chairman of the Board of Directors

Álvaro Carmona e Costa Portela
Deputy Chairman of the the Board of Directors

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

Miguel Jorge Moreira da Cruz Gil Mata
Member of the Board of Directors, CEO

Ivone Pinho Teixeira
Member of the Board of Directors, CFO

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors

Pedro Manuel Martins Bruno
Member of the Board of Directors

Article 447 of the Portuguese Companies Act and Article 14, paragraph 7, of the Portuguese Securities Commission (CMVM) Regulation no. 05/2008

Disclosure of the number of held shares and other securities issued by the Company and of the transactions executed over such securities during the financial period in analysis by the members the statutory managing and auditing bodies and by people discharging managerial responsibilities ("dirigentes"), as well as by people closely connected with them pursuant to article 248 B of the Portuguese Securities Code.

Article 447							
	Date	Acquisition		Sale		Position at 30.06.2019	Balance at 30.06.2019
		Number	Av. price, €	Number	Av. price, €		
Duarte Paulo Teixeira de Azevedo (*) (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Migracom, SA (2)						Dominant	
Maria Cláudia Teixeira de Azevedo (*) (**) (***)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Linhacom, SA (3)						Dominant	
Sonae Capital, SGPS, SA							449 213
Maria Margarida Carvalhais Teixeira de Azevedo (**)							
Efanor Investimentos, SGPS, SA (1)						Minority	
Sonae Capital, SGPS, SA							838 862
Miguel Jorge Moreira da Cruz Gil Mata (*) (***)							
Sonae Capital, SGPS, SA	29.03.2019	119 012	0.875				1 099 342
Ivone Maria Pinho Teixeira da Silva (*) (***)							
Sonae Capital, SGPS, SA	29.03.2019	130 674	0.875				408 269
Álvaro Carmona e Costa Portela (*)							
Sonae Capital, SGPS, SA							24 942
Obrigações Sonae Capital/2014-2019 (a)							0
Paulo José Jubilado Soares de Pinho (*)							
Sonae Capital, SGPS, SA							12 650
Pessoa estreitamente relacionada (b)							8 125
	Date	Acquisition		Sale		Position at 30.06.2019	Balance at 30.06.2019
		Number	Av. price, €	Number	Av. price, €		
(1) Efanor Investimentos, SGPS, SA							
Sonae Capital, SGPS, SA							88 859 200
Pareuro, BV						Dominant	
(2) Migracom, SA							
Sonae Capital, SGPS, SA							161 250
Imparfin - Investimentos e Participações Financeiras, SA						Minority	
(3) Linhacom, SA							
Sonae Capital, SGPS, SA							43 912
Imparfin - Investimentos e Participações Financeiras, SA						Minority	
(4) Pareuro, BV							
Sonae Capital, SGPS, SA							66 600 000
(5) Imparfin - Investimentos e Participações Financeiras, SA							
Sonae Capital, SGPS, SA							513 160

(*) Member of the Board of Directors of Sonae Capital, SGPS, SA;

(**) Member of the Board of Directors of Efanor Investimentos, SGPS, SA (directly and indirectly dominant company);

(***) Shares acquired in compliance with the annual mid-term variable remuneration policy;

(a) The final redemption of Sonae Capital 2014 - 2019 Bonds took place on 28 May 2019;

(b) Article 248B, no.4, paragraph b) of the Portuguese Securities Code: held by Change Partners, SCR, SA, of which is Member of the Board of Directors.

MANAGEMENT REPORT
30 JUNE 2019

Shares held and voting rights attributable to shareholders owning 2% or more of the share capital of the Sonae Capital, SGPS, SA, calculated according to article 20 of the Portuguese Securities Code, as required by article 9 paragraph 1, subparagraph c), of the Portuguese Securities Market Commission (CMVM) Regulation no. 05/2008.

Qualified shareholdings			
Shareholder	Number of shares	% Share capital	% Voting rights
Efanor Investimentos, SGPS, S.A.			
Held directly	88 859 200	35.544%	36.073%
Through Pareuro, BV (controlled by Efanor)	66 600 000	26.640%	27.037%
Through Maria Margarida Carvalhais Teixeira de Azevedo (Member of the Board of Directors of Efanor)	838 862	0.336%	0.341%
Through Maria Cláudia Teixeira de Azevedo (Member of the Board of Directors of Efanor)	449 213	0.180%	0.182%
Through Linhacom, SGPS, S.A. (controlled by Maria Cláudia Teixeira de Azevedo, Member of the Board of Directors of Efanor)	43 912	0.018%	0.018%
Through Migracom, S.A. (controlled by Duarte Paulo Teixeira de Azevedo, Member of the Board of Directors of Efanor)	161 250	0.065%	0.065%
Total attributable	156 952 437	62.781%	63.717%
Quaero Capital, SA			
Total attributable	12 588 400	5.035%	5.110%
AZValor Asset Management, SGIIC, SA			
Total attributable	5 011 941	2.005%	2.035%

SONAE CAPITAL

**PART II
CONSOLIDATED FINANCIAL
STATEMENTS**

30 JUNE 2019



SONAE CAPITAL



CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019 AND 31 DECEMBER 2018

(Amounts expressed in euro)

ASSETS	Notes	30 June 2019	31 December 2018
NON-CURRENT ASSETS:			
Tangible assets	8	317 866 212	266 257 880
Intangible assets	8	9 885 685	10 697 642
Goodwill	9	56 634 140	52 024 808
Investments in associated companies and joint ventures	5	1 659 096	1 623 907
Other investments	6	452 819	670 435
Deferred tax assets	13	20 737 023	22 997 895
Other debtors	10	11 915 541	12 200 567
Total non-current assets		419 150 516	366 473 134
CURRENT ASSETS:			
Inventories	11	60 342 705	63 263 441
Trade account receivables and other current assets	12	60 444 148	63 963 437
Financial instruments		-	-
Cash and cash equivalents	14	23 832 187	7 558 360
Total Current Assets		144 619 041	134 785 238
Assets held for sale		645 737	668 342
TOTAL ASSETS		564 415 295	501 926 714

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

EQUITY AND LIABILITIES	Notes	30 June 2019	31 December 2018
EQUITY:			
Share capital	15	250 000 000	250 000 000
Own Shares	15	(1 105 573)	(1 192 808)
Reserves and retained earnings	15	(19 264 789)	13 641 396
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		(3 286 740)	(3 860 952)
Equity attributable to the equity holders of Sonae Capital		226 342 898	258 587 636
Equity attributable to non-controlling interests	16	9 729 373	9 440 091
TOTAL EQUITY		236 072 271	268 027 727
NON-CURRENT LIABILITIES:			
Bank Loans	17	137 880 755	59 425 830
Other non-current liabilities	18	1 321 549	1 312 947
Deferred tax liabilities	13	12 780 683	12 984 582
Provisions	21	3 079 824	3 079 824
Total Non-Current Liabilities		155 062 811	76 803 183
CURRENT LIABILITIES:			
Bank Loans	17	92 367 322	67 912 342
Trade creditors	20	74 067 685	80 280 437
Provisions	21	3 054 660	3 286 698
Total Current Liabilities		169 489 667	151 479 477
Liabilities associated with assets held for sale		3 790 546	5 616 327
TOTAL LIABILITIES		328 343 024	233 898 987
TOTAL EQUITY AND LIABILITIES		564 415 295	501 926 714

The accompanying notes are part of these financial statements.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA
CONSOLIDATED INCOME STATEMENTS BY NATURE
FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018
(Amounts expressed in euro)

	Notes	30 June 2019	30 June 2018
Sales		49 903 220	33 692 959
Services rendered		38 320 468	53 460 870
Other operating income	22	5 759 163	3 529 384
Cost of sales		(24 803 936)	(27 383 555)
Changes in stocks of finished goods and work in progress		(2 622 535)	(3 055 767)
External supplies and services		(25 745 327)	(30 127 990)
Staff costs		(21 716 815)	(20 443 200)
Depreciation and amortisation		(15 773 001)	(11 467 047)
Provisions and impairment losses (Increases)/Decreases		675 591	(200 038)
Other operating expenses		(3 240 880)	(3 571 434)
Operational profit/(loss)		755 948	(5 565 818)
Financial Income		159 838	48 299
Financial Expenses		(3 908 212)	(2 047 304)
Net financial income / (expenses)		(3 748 374)	(1 999 005)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method	5	108 745	230 863
Investment income	24	363 353	(11 515)
Profit/(Loss) before taxation		(2 520 329)	(7 345 475)
Taxation	25	170 311	657 822
Profit/(Loss) for the year - continued operations		(2 690 640)	(8 003 297)
Profit/(Loss) for the year - discontinued operations		(197 483)	(2 052 482)
Profit/(Loss) for the year		(2 888 123)	(10 055 779)
Attributable to:			
Equity holders of Sonae Capital	28	(3 286 740)	(9 930 558)
Non-controlling interests	16	398 618	(125 222)
Profit/(Loss) per share - continued operations			
Basic	28	(0,01255)	(0,03208)
Diluted	28	(0,01255)	(0,03208)
Profit/(Loss) per share - discontinued operations			
Basic	28	(0,00080)	(0,00836)
Diluted	28	(0,00080)	(0,00836)

The accompanying notes are part of these financial statements.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA
 CONSOLIDATED INCOME STATEMENTS BY NATURE
 FOR THE 2ND QUARTER 2019 AND 2018
 (Amounts expressed in euro)

	Notes	2nd Quarter 2019 *	2nd Quarter 2018 *
Sales		25 581 294	9 159 537
Services rendered		21 777 236	37 721 190
Other operating income		4 636 021	2 208 439
Cost of sales		(12 486 913)	(14 792 805)
Changes in stocks of finished goods and work in progress		(1 150 668)	(1 281 695)
External supplies and services		(13 543 220)	(16 152 038)
Staff costs		(11 137 721)	(10 220 519)
Depreciation and amortisation		(8 302 064)	(5 654 426)
Provisions and impairment losses (Increases)/Decreases		483 729	314 807
Other operating expenses		(1 530 727)	(2 316 461)
Operational profit/(loss)		4 326 967	(1 013 971)
Financial Income		159 712	(2 271)
Financial Expenses		(1 843 769)	(890 457)
Net financial income / (expenses)		(1 684 058)	(892 728)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method		(361)	37 461
Investment income		3 675	(16 331)
Profit/(Loss) before taxation		2 646 223	(1 885 569)
Taxation		307 308	287 359
Profit/(Loss) for the year - continued operations		2 338 916	(2 172 928)
Profit/(Loss) for the year - discontinued operations		(161 130)	(24 955)
Profit/(Loss) for the year		2 177 785	(2 197 883)
Attributable to:			
Equity holders of Sonae Capital		1 983 079	(2 464 186)
Non-controlling interests		194 706	266 303

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018

(Amounts expressed in euro)

	30 June 2019	30 June 2018
Consolidated net profit/(loss) for the period	(2 888 123)	(10 055 779)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	(92 928)	(26 303)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Tax related to other comprehensive income captions	-	-
Other comprehensive income for the period - continued operations	-	-
Other comprehensive income for the period - discontinued operations	(92 928)	(26 303)
Total comprehensive income for the period	(2 981 050)	(10 082 082)
Attributable to:		
Equity holders of Sonae Capital	(3 379 668)	(9 956 861)
Non-controlling interests	398 618	(125 222)

The accompanying notes are part of these financial statements.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER 2019 AND 2018

(Amounts expressed in euro)

	2nd Quarter 2019 *	2nd Quarter 2018 *
Consolidated net profit/(loss) for the period	2 177 785	(2 197 883)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	618	(49 894)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method (Note 5)	-	-
Change in the fair value of assets available for sale	-	-
Change in the fair value of cash flow hedging derivatives	-	-
Tax related to other comprehensive income captions	-	-
Other comprehensive income for the period - continued operations	-	-
Other comprehensive income for the period - discontinued operations	618	(49 894)
Total comprehensive income for the period	2 178 403	(2 247 777)
Attributable to:		
Equity holders of Sonae Capital	1 983 697	(2 514 080)
Non-controlling interests	194 706	266 303

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018

(Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital											
	Share Capital	Own Shares	Demerger Reserve (Note 15)	Translation Reserves	Fair Value Reserves	Hedging Reserves	Other Reserves	Sub-Total	Net Profit/(Loss)	Total	Non-Controlling Interests	Total Equity
Balance as at 1 January 2018	250 000 000	(1 305 839)	132 638 253	146 352	-	6 370	(94 517 538)	38 273 437	(6 513 485)	280 454 113	10 915 176	291 369 289
Total consolidated comprehensive income for the period	-	-	-	(26 303)	-	-	-	(26 303)	(9 930 558)	(9 956 861)	(125 222)	(10 082 083)
Appropriation of profit of 2017:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(6 513 485)	(6 513 485)	6 513 485	-	-	-
Dividends paid	-	-	-	-	-	-	(14 753 543)	(14 753 543)	-	(14 753 543)	(603 041)	(15 356 584)
(Acquisition)/Sales of own shares	-	113 031	-	-	-	-	-	-	-	113 031	-	113 031
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	(3 846 181)	(3 846 181)	-	(3 846 181)	(677 224)	(4 523 405)
Other changes	-	-	-	-	-	-	564 916	564 916	-	564 916	-	564 916
Balance as at 30 June 2018	250 000 000	(1 192 808)	132 638 253	120 049	-	6 370	(119 065 831)	13 698 841	(9 930 558)	252 575 475	9 509 689	262 085 164
Balance as at 1 January 2019	250 000 000	(1 192 808)	132 638 253	359 097	-	6 370	(119 362 322)	13 641 396	(3 860 952)	258 587 636	9 440 091	268 027 727
Total consolidated comprehensive income for the period	-	-	-	(92 928)	-	-	-	(92 928)	(3 286 740)	(3 379 668)	398 618	(2 981 050)
Appropriation of profit of 2018:												
Transfer to legal reserves and retained earnings	-	-	-	-	-	-	(3 860 952)	(3 860 952)	3 860 952	-	-	-
Dividends paid	-	-	-	-	-	-	(18 228 359)	(18 228 359)	-	(18 228 359)	-	(18 228 359)
(Acquisition)/Sales of own shares	-	87 236	-	-	-	-	-	-	-	87 236	-	87 236
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	231 043	231 043	-	231 043	(87 420)	143 623
Balance as at 30 June 2019	250 000 000	(1 105 573)	132 638 253	266 169	-	6 370	(152 175 578)	(19 264 789)	(3 286 740)	226 342 898	9 729 373	236 072 271

The accompanying notes are part of these financial statements.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018

(Amounts expressed in euro)

	Notes	30 June 2019	30 June 2018	2nd Quarter 2019 *	2nd Quarter 2018 *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		92 546 814	93 388 628	48 571 174	49 547 760
Cash paid to trade creditors		(61 367 264)	(58 857 193)	(25 447 553)	(27 962 392)
Cash paid to employees		(19 800 238)	(20 995 220)	(10 136 682)	(11 053 654)
Cash flow generated by operations		11 379 312	13 536 215	12 986 939	10 531 714
Income taxes (paid) / received		(986 421)	(1 126 858)	(757 860)	(561 758)
Other cash receipts and (payments) relating to operating activities		(2 287 275)	(12 017 162)	(2 210 277)	(9 483 801)
Discontinued operations		6 542	(2 514 369)	(64 059)	(1 575 986)
Net cash from operating activities (1)		8 099 074	2 906 564	10 082 861	2 062 141
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments		706 185	656 217	608 255	581 318
Tangible assets		7 335 213	6 380 279	5 910 040	3 807 744
Intangible assets		-	-	-	-
Subsidies		-	-	-	-
Interest and similar income		154 748	61 499	154 695	18 322
Loans granted		-	-	-	-
Dividends		73 556	120 883	73 556	120 883
Others		6 631	-	-	-
Changes in consolidation perimeter (companies in)		-	81 143	-	-
		8 276 333	7 300 021	6 746 546	4 528 267
<u>Cash Payments arising from:</u>					
Investments		(3 898 051)	(7 595 409)	(3 884 681)	679 258
Tangible assets		(16 461 427)	(14 229 261)	(3 467 683)	(5 891 996)
Intangible assets		(707 203)	(1 366 161)	(257 856)	(1 133 810)
Loans granted		-	-	-	-
		(21 066 681)	(23 190 831)	(7 610 220)	(6 346 548)
Discontinued operations		-	(47 479)	-	(18 730)
Net cash used in investment activities (2)		(12 790 348)	(15 843 331)	(863 674)	(1 799 551)
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained		86 074 092	49 350 514	66 037 369	28 229 848
Sale of own shares		87 236	190 012	9 898	190 012
		86 161 328	49 540 526	66 047 267	28 419 860
<u>Cash payments arising from:</u>					
Loans obtained		(44 197 653)	(14 893 275)	(38 892 032)	(5 788 070)
Interest and similar charges		(2 353 874)	(2 134 133)	(1 583 614)	(1 263 222)
Reimbursement of capital and paid in capital		-	-	-	-
Dividends		(18 223 858)	(15 089 397)	(18 223 858)	(14 749 893)
		(64 775 385)	(32 116 805)	(58 699 504)	(21 801 185)
Discontinued operations		(7 179)	2 611 772	(38 543)	1 715 083
Net cash used in financing activities (3)		21 393 122	14 811 949	7 386 306	4 903 592
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		16 701 848	1 875 182	16 605 493	5 166 182
Effect of foreign exchange rate		822	-	1 361	-
Cash and cash equivalents at the beginning of the period	14	7 131 161	7 233 498	-	2
Cash and cash equivalents at the end of the period	14	23 832 187	9 108 680	16 604 132	5 166 184

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

The Board of Directors

1. INTRODUCTION

SONAE CAPITAL, SGPS, SA (“Group”, “Group” or “Sonae Capital”) whose head-office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, is the parent Group of a group of companies, as detailed in Notes 5 to 7 (“Sonae Capital Group”) and was set up on 14 December 2007 as a result of the demerger of the shareholding in SC, SGPS, SA (previously named Sonae Capital, SGPS, SA) from Sonae, SGPS, SA, which was approved by the Board of Directors on 8 November 2007 and by the Shareholder's General Meeting held on 14 December 2007.

Reflecting the current management structure, the reporting segments were revised addressing the strategic business areas identified in the Group:

- Troia Resort Operations
- Hospitality
- Fitness
- Energy
- Refrigeration & HVAC
- Industrial Engineering
- Real Estate
- Holding & Others

The non-strategic assets (including non-tourism real estate assets and financial shareholdings) are included in the segment “Holding & Others”.

The Shares of Sonae Capital are traded in Lisbon Euronext Stock Exchange.

Shareholders have the ability to change the Financial Statements after they have been approved for issue.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the Group consolidated financial statements are as follows.

2.1 BASIS OF PREPARATION

The Group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS" – previously named International Accounting Standards – "IAS") adopted by the European Union, issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the "International Financial Reporting Interpretations Committee" ("IFRIC"), previously named "Standing Interpretations Committee" ("SIC"), beginning on 1 January 2019.

Interim financial statements were presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting".

The Group consolidated financial statements have been prepared from the books and accounting records of the Group and of its subsidiaries (Notes 4 through 6) on a going concern basis and under the historical cost convention, except for derivative financial instruments which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

Changes in international accounting standards that took effect on or after 1 January 2019 (Note 2.1), IFRS 16 had impact on the financial statements at 30 June 2019 as is outlined by Note 30.

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

4. .GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of the share capital held by the Group as at 30 June 2019 and 31 December 2018, are as follows:

Company	Head Office	Percentage of capital held				
		30 June 2019		31 December 2018		
		Direct	Total	Direct	Total	
Sonae Capital, SGPS, S.A.	Maia	Holding	Holding	Holding	Holding	
Hospitality						
Porto Palácio Hotel, S.A.	a)	Porto	100,00%	100,00%	100,00%	100,00%
SC Hospitality, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
The Artist Porto Hotel & Bistrô - Actividades Hoteleiras, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
The House Ribeira Hotel – Exploração Hoteleira, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Aqualuz Tróia, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
2ndRoom - Exploração Hoteleira, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
1) Aqualuz -Turismo e Lazer, Lda.	a)	Lagos	100,00%	100,00%		
Tróia Resort Operations						
Atlantic Ferries - Tráf. Loc. Flu. e Marít., S.A.	a)	Grândola	95,77%	95,77%	95,77%	95,77%
Marina de Tróia, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Tróia Market, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Tróia Natura, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Troiaresort-Investimentos Turísticos, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Troiaresort, SGPS, S.A.	a)	Matosinhos	100,00%	100,00%	100,00%	100,00%
Golf Time - Golfe e Invest. Turísticos, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Fitness						
Acrobatic Title, S.A.	a)	Lisbon	100,00%	100,00%	10,00%	10,00%
Solinca - Health & Fitness, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC Fitness, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Pump, S.A.	a)	Maia	100,00%	100,00%		
1) Urban Fit Ermesinde - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%		
1) Urban Fit Foz - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%		
1) Urban Fit Gaia - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%		
1) Urban Fit Maia - Gestão de Health Clubs, Lda.	a)	Maia	100,00%	100,00%		
Energy						
Atelgen - Produção Energia, ACE	a)	Barcelos	51,00%	51,00%	51,00%	51,00%
CAPWATT – Brainpower, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
CAPWATT – ACE, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Colombo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

Capwatt Engenho Novo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Hectare - Heat Power, ACE	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Évora – Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt III - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt IV – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Maia - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Martim Longo - Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Vale do Caima - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Vale do Tejo - Heat Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Estuário – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Lousado – Heat Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Alrota – Wind Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Chamusca – Bio Power, Unipessoal, Lda.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Capwatt Ferreira – Solar Power, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
CAPWATT – SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Carvemagere - Manutenção e Energias Renováveis, Lda.	a)	Barcelos	65,00%	65,00%	65,00%	65,00%
Companhia Térmica SERRADO, ACE	a)	Maia	70,00%	70,00%	70,00%	70,00%
Companhia Térmica Tagol, Lda.	a)	Oeiras	100,00%	100,00%	100,00%	100,00%
Soternix - Produção de Energia, ACE	a)	Barcelos	51,00%	51,00%	51,00%	51,00%
Suncoutim - Solar Energy, S.A.	a)	Faro	85,00%	85,00%	85,00%	85,00%
Sociedade de Iniciativa e Aproveitamentos Florestais - Energia, S.A.	a)	Mangualde	90,00%	90,00%	90,00%	90,00%
Capwatt México, S. de R. L. de C.V	a)	Mexico City	100,00%	100,00%	100,00%	100,00%
Refrigeration e HVAC						
RACE - Refrigeration & Air Conditioning Engineering, S.A.	a)	Matosinhos	100,00%	70,00%	100,00%	70,00%
RACE, SGPS, S.A.	a)	Matosinhos	70,00%	70,00%	70,00%	70,00%
2) Sistavac Sistemas HVAC - R do Brasil, Ltda.	a)	São Paulo	100,00%	70,00%	100,00%	70,00%
Sopair, S.A.	a)	Madrid	100,00%	70,00%	100,00%	70,00%
2) Spinarq Moçambique, Lda.	a)	Maputo	70,00%	70,00%	70,00%	70,00%
Real Estate						
Bloco Q - Soc. Imobil, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Casa da Ribeira - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Centro Residencial da Maia, Urban., S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Cinclus Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Contry Club da Maia - Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Empreend. Imob. Quinta da Azenha, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Fundo Esp. Inv. Imo. Fec. WTC	a)	Maia	100,00%	100,00%	100,00%	100,00%
Imoclub - Serviços Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Imodivor - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Imohotel - Emp. Turist. Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Imoponte - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Imosedas - Imobiliária e Serviços, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Implantação – Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Porturbe - Edifícios e Urbanizações, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Praedium II - Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Predisedas - Predial das Sedas, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Promessa Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC Assets, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Sete e Meio Herdades - Inv. Agr. e Tur., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Soira - Soc. Imobiliária de Ramalde, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%

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Sótaqua - Soc. de Empreend. Turísticos	a)	Maia	100,00%	100,00%	100,00%	100,00%
Spinveste - Promoção Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Spinveste - Gestão Imobiliária SGII, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Urbisedas - Imobiliária das Sedas, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Vistas do Freixo - Emp. Tur. Imobiliários, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Soltroia - Imob. de Urb. Turismo de Tróia, S.A.	a)	Lisbon	100,00%	100,00%	100,00%	100,00%
SII - Soberana Invest. Imobiliários, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Tulipamar - Expl. Hoteleira Imob., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Marmagno - Expl. Hoteleira Imob., S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Imopenínsula - Sociedade Imobiliária, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Imoresort - Sociedade Imobiliária, S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
Marvero - Expl. Hotel. Im.. S.A.	a)	Grândola	100,00%	100,00%	100,00%	100,00%
3) TROIAMED – Sociedade Mediação Imob., S.A.	a)	Maia	100,00%	100,00%		
Industrial Engineering						
SC, INDUSTRIALS, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Adira - Industrial Engineering Forming Solutions, S.A.	a)	Porto	100,00%	100,00%	100,00%	100,00%
Guimadira - Máquinas e Ferramentas, Lda.	a)	V. N. Gaia	100,00%	100,00%	100,00%	100,00%
Holding & Others						
Imobeauty, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC - Sociedade de Consultadoria, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC Finance BV	a)	Amsterdam	100,00%	100,00%	100,00%	100,00%
SC For - Ser. Formação e Desenvolv. Recursos Humanos, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
UP Invest., SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
SC, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Praedium – Serviços, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Inparvi, SGPS, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%
Société de Tranchage Isoroy, S.A.S.	a)	Honfleur	100,00%	100,00%	100,00%	100,00%
Andar - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Sociedade de Construções do Chile, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Vastgoed One - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%
Vastgoed Sun - Sociedade Imobiliária, S.A.	a)	Maia	100,00%	100,00%	50,00%	50,00%

1) Company acquired during the period in consideration;

2) Discontinued operations;

3) Company founded during the period in consideration;

a) Majority of voting rights.

These group companies are consolidated using the full consolidation method.

5. INVESTMENTS IN ASSOCIATED AND JOINTLY CONTROLLED COMPANIES

Associated and jointly controlled companies included in the consolidated financial statements, their head offices and the percentage of share capital held by the Group as at 30 June 2019 and 2018 are as follows:

30 June 2019										
Company name	Head Office	Percentage of Capital Held		Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
		Direct	Total							
Associated Companies										
Holding & Others										
1) Lidergraf - Artes Gráficas, Lda	Vila do Conde	24,50%	24,50%	16 824 116	8 502 149	5 013 482	5 076 646	8 321 967	63 164	1 311 723
Energy										
1) Feneralt - Produção de Energia, ACE	Barcelos	25,00%	25,00%	2 105 066	886 611	280 920	2 239 340	1 218 455	369 532	347 372
				18 929 182	9 388 760	5 294 402	7 315 986	9 540 422	432 696	1 659 096
1) Information related to March 2019.										

31 December 2018										
Company name	Head Office	Percentage of Capital Held		Total Assets	Total Liabilities	Total Costs	Total incomes	Shared Capital	Net income	Balance Value
		Direct	Total							
Jointly Controlled Companies										
Holding & Others										
1) Andar - Sociedade Imobiliária, SA	Maia	-	-	-	-	-	-	-	-	-
1) Sociedade de Construções do Chile, SA	Maia	-	-	-	-	-	-	-	-	-
1) Vastgoed One - Sociedade Imobiliária, SA	Maia	-	-	-	-	-	-	-	-	-
1) Vastgoed Sun - Sociedade Imobiliária, SA	Maia	-	-	-	-	-	-	-	-	-
Associated Companies										
Holding & Others										
Lidergraf - Artes Gráficas, Lda	Vila do Conde	24,50%	24,50%	17 369 362	8 468 351	21 671 826	22 694 820	8 901 011	1 022 994	1 438 114
Energy										
Feneralt - Produção de Energia, ACE	Barcelos	25,00%	25,00%	1 305 083	455 748	1 390 005	2 239 340	849 335	849 335	185 792
				18 674 445	8 924 099	23 061 831	24 934 160	9 750 346	1 872 329	1 623 907
1) Companies that joint the consolidation perimeter of Sonae Capital SGPS from Q2 2018.										

Associated and jointly controlled companies are consolidated using the equity method.

At 31 December 2018, nil balances shown result from the reduction of the acquisition cost of amounts determined by the equity method, discontinuing the recognition of its part of additional losses under the terms of IAS 28.

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During the periods ended 30 June 2019 and 31 December 2018, movements in investments of associated and jointly controlled companies may be summarized as follows:

	30 June 2019	31 December 2018
Opening balance as at 1 January	1 623 907	1 419 028
Acquisitions in the period	-	-
Disposals in the period	-	-
Equity method	108 745	444 700
Dividends received	(73 556)	(239 822)
Change in the consolidation method	-	-
Closing balance as at 31 December	1 659 096	1 623 907
Accumulated impairment losses (Note 21)	-	-
	1 659 096	1 623 907

The use of the equity method had the following impacts: 108,745 euros recorded on share of results of associated companies (444,700 euros at 31 December 2018), and 0 euros in changes in reserves in 30 June 2019 and 31 December 2018.

During the year of 2019 dividends were received totalling around 74.000 euros (240,000 euros at 31 December 2018) paid by the companies Lidergraf-graphic arts, Lda and Feneralt-Energy Production, ACE.

There are no contingent liability commitments or significant restrictions on the ability to transfer funds in favour of Sonae Capital by associates and joint ventures.

6. OTHER INVESTMENTS

The head offices, percentage of share capital held and book value of Other Investments as at 30 June 2019 and 31 December 2018 are made up as follows:

Company	Head Office	Percentage of capital held					
		30 June 2019		31 December 2018		Book value	
		Direct	Total	Direct	Total	30 June 2019	31 December 2018
Troia Resort Operações							
Infratróia - Infraestruras de Tróia, E.M.	Grândola	25,90%	25,90%	25,90%	25,90%	64 747	64 747
Holding & Outros							
Fundo de Investimento Imobiliário Imosonae Dois	Maia	-	-	-	-	-	-
Net, SA	Lisbon	0,98%	0,98%	0,98%	0,98%	23 034	23 034
Fundo de Capital de Risco F-HITEC	Lisbon	-	-	6,48%	6,48%	-	250 950
Outros Investimentos						365 038	331 704
Total						452 819	670 435

As at 30 June 2019 and 31 December 2018, movements in investments were as follows:

	30 June 2019		31 December 2018	
	Non-current	Current	Non-current	Current
Investments at acquisition cost				
Opening balance as at 1 January	962 273	-	870 268	-
Acquisitions in the period	44 557	-	155 162	-
Changes in consolidation perimeter	-	-	-	-
Disposals in the period	(265 925)	-	(72 816)	-
Transfers	-	-	-	-
Merger	-	-	10 687	-
Changes in consolidation perimeter	3 752	-	(1 029)	-
Closing balance as at 31 December	744 657	-	962 273	-
Accumulated impairment losses (Note 21)	(291 838)	-	(291 838)	-
	452 819	-	670 435	-
Other Investments	452 819	-	670 435	-

7. CHANGES TO THE CONSOLIDATION PERIMETER

During the period ended 30 June 2019 the following companies were founded / acquired:

Company	Head Office	Percentage of capital held at the date of disposal	
		Direct	Total
Aqualuz - Turismo e Lazer, Lda.	Lagos	100%	100%
Urban Fit Ermesinde - Gestão de Health Clubs, Lda.	Maia	100%	100%
Urban Fit Foz - Gestão de Health Clubs, Lda.	Maia	100%	100%
Urban Fit Gaia - Gestão de Health Clubs, Lda.	Maia	100%	100%
Urban Fit Maia - Gestão de Health Clubs, Lda.	Maia	100%	100%
TROIAMED – Sociedade Mediação Imob., S.A.	Maia	100%	100%

At the beginning of 2019, we successfully integrated the acquisition of the total capital and voting rights of Aqualuz-Turismo e Lazer, Lda. which operates the Hotel Aqualuz Lagos in Algarve.

During the second quarter of 2019 the 4 fitness centers of the group Urban Fit, located in the North of Portugal, were acquired and they were consolidated into the Fitness segment beginning June 2019.

During the second quarter of 2019 TROIAMED, a mediator of real estate, was founded as well.

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Impacts on the consolidated financial statements at the inclusion date were as follows:

	Acquisition date	30 June 2019
Income statements from the acquired companies		
Cost of sales	153 056	34 858
Changes in stocks of finished goods and work in progress	-	-
External supplies and services	3 521 545	791 217
Depreciation and amortisation	258 797	575 804
Operational expenses	5 298 025	1 855 948
Sales	47 472	10 083
Operational income	5 282 687	1 271 788
Operational profit/(loss)	(15 338)	(584 162)
Financial income	-	1
Financial expenses	22 121	266 588
Net financial income / (expenses)	(22 121)	(266 587)
Investment income	-	-
Investment income	-	-
Profit/(Loss) before taxation	(37 459)	(850 749)
Taxation	(52 875)	(13 881)
Profit/(Loss) for the year	(90 334)	(864 630)
Gain/(Loss) on acquisition (Note 41)	5 196 167	
Acquisition price	5 438 001	
Payments made	3 900 001	

8. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 30 June 2019 and 31 December 2018, movements in tangible assets as well as in amortisation and accumulated impairment losses, are made up as follows:

	Tangible Assets							Total Tangible Assets
	Land and Natural Resources	Buildings and Other Constructions	Plant and Machinery	Vehicles	Fixtures and Fittings	Others	Tangible Assets in progress	
Gross Cost:								
Opening balance as at 1 January 2019	46 894 417	157 722 696	290 993 985	804 015	4 646 076	3 122 412	18 562 090	522 745 691
Changes in consolidation perimeter (companies in)	-	48 781	2 481 628	529	243 593	74 201	-	2 848 732
Changes in consolidation perimeter (companies out)	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-
Capital expenditure	201 279	15 678	186 863	-	-	48 608	15 360 821	15 813 249
Capital expenditure	-	51 489 965	18 278	2 135 710	-	-	-	53 643 953
Disposals	(1 439 004)	(2 558 807)	(1 641 449)	(35 000)	(247)	-	-	(5 674 507)
Exchange rate effect	-	-	-	(37)	(2)	-	(393)	(432)
Transfers	52 684	(54 159)	1 387 376	36	84 268	111 753	(1 099 891)	482 067
Closing balance as at 30 June 2019	45 709 376	206 664 154	293 426 681	2 905 253	4 973 688	3 356 974	32 822 627	589 858 753
Accumulated depreciation								
Opening balance as at 1 January 2019	-	47 007 288	171 521 141	716 256	3 685 341	2 421 478	-	225 351 503
Changes in consolidation perimeter (companies in)	-	48 781	2 035 363	529	242 352	68 890	-	2 395 915
Changes in consolidation perimeter (companies out)	-	-	-	-	-	-	-	-
Charges for the period	-	-	-	-	18	-	-	18
Charges for the period	-	4 726 780	9 763 690	462 366	165 317	68 895	-	15 187 048
Disposals	-	(1 128 949)	(820 003)	(36 883)	(247)	-	-	(1 986 082)
Exchange rate effect	-	-	-	(37)	(1)	-	-	(38)
Transfers	-	-	-	(772)	(24)	8	-	(788)
Closing balance as at 30 June 2019	-	50 653 900	182 500 191	1 141 459	4 092 756	2 559 271	-	240 947 577
Accumulated impairment losses								
Opening balance as at 1 January 2019	4 213 519	21 444 385	5 478 404	-	-	-	-	31 136 308
Changes in consolidation perimeter (companies in)	-	-	-	-	-	-	-	-
Changes in consolidation perimeter (companies out)	-	-	-	-	-	-	-	-
Charges for the period	1 581	2 213	523	-	-	-	-	4 317
Reversals for the period	(23 915)	(71 745)	-	-	-	-	-	(95 660)
Exchange rate effect	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2019	4 191 185	21 374 853	5 478 927	-	-	-	-	31 044 965
Carrying amount								
As at 31 December 2018	42 680 898	89 271 023	113 994 440	87 760	960 735	700 934	18 562 090	266 257 880
As at 30 June 2019	41 518 191	134 635 401	105 447 563	1 763 794	880 932	797 703	32 822 627	317 866 212

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The most significant amounts included in the caption Tangible Assets in progress, refer to the following projects:

	30 June 2019	31 December 2018
Troiaresort	2 264 827	1 859 128
Reconstruction of Energy Projects	26 353 222	14 165 316
Health Clubs Refurbishment	491 684	469 797
Refurbishment of Marmagno + Aqualuz of Tróia	1 483 406	268 290
Refurbishment Troia Resort Operations	259 308	203 347
Remodelling of 2NDROOM	303 705	-
Industrial Engineering	1 446 139	1 415 505
Others	220 336	180 707
	32 822 627	18 562 090

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During the periods ended 30 June 2019 and 31 december 2018, movements in intangible assets as well as in amortisation and accumulated impairment losses, are made up as follows:

	Intangible Assets				
	Patents and other similar rights	Software	Others	Intangible Assets in progress	Total Intangible Assets
Gross Cost:					
Opening balance as at 1 January 2019	9 208 866	5 346 783	5 116 864	2 154 467	21 826 981
Changes in consolidation perimeter (companies in)	-	44 755	-	-	44 755
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Capital expenditure	-	-	-	-	-
Capital expenditure	-	-	281 890	616 776	898 666
Disposals	-	-	(1 155 653)	-	(1 155 653)
Exchange rate effect	-	-	-	-	-
Transfers	201 747	291 881	-	(439 490)	54 138
Closing balance as at 30 June 2019	9 410 613	5 683 419	4 243 101	2 331 753	21 668 886
Accumulated amortization					
Opening balance as at 1 January 2019	3 014 039	4 346 694	3 079 070	-	10 439 803
Changes in consolidation perimeter (companies in)	-	41 063	-	-	41 063
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Charges for the period	-	-	-	-	-
Charges for the period	207 095	336 420	69 286	-	612 801
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance as at 30 June 2019	3 221 134	4 724 177	3 148 356	-	11 093 667
Accumulated amortization					
Opening balance as at 1 January 2019	89 536	-	600 000	-	689 536
Changes in consolidation perimeter (companies in)	-	-	-	-	-
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Charges for the period	-	-	-	-	-
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance as at 30 June 2019	89 536	-	600 000	-	689 536
Carrying amount					
As at 31 December 2018	6 105 291	1 000 089	1 437 794	2 154 467	10 697 642
As at 30 June 2019	6 099 943	959 242	494 745	2 331 753	9 885 685

At 30 June 2019 and 31 December 2018, there are no impairment losses relating to Intangible Assets.

As at 30 June 2019 net Intangible Assets related to Marina de Troia amount to 5,109,061 euros (5,166,004 euros at December 2018).

9. GOODWILL

During the periods ended 30 June 2019 and 31 December 2018, movements in goodwill, as well as in corresponding impairment losses, are as follows:

	30 June 2019	31 December 2018
Gross amount:		
Opening balance	82 421 619	82 421 619
Acquisitions with increase in percentage ownership	-	-
Increases - acquisition of affiliated companies	4 609 332	-
Decreases - disposals of affiliated companies	-	-
Write-off	-	-
Closing balance	87 030 951	82 421 619
Accumulated impairment losses (Note 21):		
Opening balance	30 396 811	30 396 811
Increases	-	-
Decreases	-	-
Closing balance	30 396 811	30 396 811
Total	56 634 140	52 024 808

10. OTHER NON-CURRENT DEBTORS

As at 30 June 2019 and 31 December 2018, other non-current assets are detailed as follows:

	30 June 2019	31 December 2018
Loans granted to related parties		
Others	34 916	34 916
	34 916	34 916
Impairment losses (Note 21)	(34 916)	(34 916)
	-	-
Trade accounts receivable and other debtors		
Sale of Financial Investments	10 340 000	10 505 000
Others	1 575 541	1 614 353
Impairment losses (Note 21)	-	-
	11 915 541	12 119 353
Deferred costs		
Financing charges	-	81 214
	-	81 214
Total financial instruments	11 915 541	12 200 567
Other non-current debtors	11 915 541	12 200 567

Generally, values included in Other Non-Current Debtors bear interest at market rates, and it is estimated that their fair value does not significantly differ from amounts in the balance sheet.

At 30 June 2019 and 31 December 2018 the amounts within the caption Trade Accounts Receivable and Other Debtors, Sale of Financial Investments included (i) amounts to receive from the alienation of UPK - GESTÃO DE FACILIDADES E MANUTENÇÃO, S.A. and (ii) amounts to receive from the alienation of the Group Prédios Privados – Imobiliária, S.A.

The amounts considered in 2019 and 2018 in Others, Trade accounts receivable and Other Debtors, are essentially related with (i) amount receivable related to the sale of real estate held during 2017 (496,000 euros), (ii) payment to the State to benefit from a 2002 tax amnesty (803,000 euros) among others.

11. INVENTORIES

Inventories as at 30 June 2019 and 31 December 2018 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 June 2019		31 December 2018	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Goods for sale	14 337 521	13 313 076	14 393 602	13 282 113
Goods for resale held by third parties	24 322	-	2 069	-
Raw materials, by-products and consumables	5 949 817	-	6 318 496	-
Finished goods	10 935 983	11 081 219	12 124 200	12 613 221
Sub-products, waste, residues and scrap	-	-	-	-
Work in progress	35 217 944	34 268 391	36 577 949	62 728 774
Payments on account	-	-	-	-
	66 465 587	58 662 686	69 416 316	88 624 108
Accumulated impairment losses on stocks (Note 21)	(6 122 881)	(5 161 721)	(6 152 875)	(5 240 945)
Total Operations	60 342 705	53 500 965	63 263 441	83 383 163

12. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2019 and 31 December 2018, trade accounts receivable and other current assets are detailed as follows:

	30 June 2019	31 December 2018
Trade accounts receivable	30 457 549	31 691 859
Accumulated impairment losses on Trade Debtors (Note 21)	(5 811 288)	(6 230 300)
	24 646 261	25 461 559
State and other public entities	6 160 387	7 919 234
Loans and other receivables from related companies	91 453	70 758
Other current assets		
Suppliers c / c - debit balances	442 250	796 119
Other debtors	6 571 840	4 342 209
Debtors of financial investments	11 711 040	12 214 412
Debtors of tangible fixed assets	3 463 342	3 226 160
	22 279 925	20 649 658
Increase in income - Interest receivable	501	35
Add. Income - Billing to be issued for services rendered	905 243	609 273
Other accrued income	1 842 304	3 192 919
Expenses to recognize - rentals	295 704	793 225
Expenses to be recognized - external supplies and services	1 904 886	1 541 589
Expenses to be recognized - financial charges	149 787	228 020
Other current assets	3 928 489	5 416 508
	9 026 914	11 781 569
Accumulated impairment losses on other current assets (Note 21)	(1 669 338)	(1 848 583)
	60 444 148	63 963 437
Clients and other current assets		

The caption "Others" is made up of taxes recoverable overseas (2,062,000 euros in Romania) and an amount to be received relating to the sale of lots of land in 2017 (496,000 euros), among others.

The item "Debtors of financial Investments" includes (i) amounts receivable from the sale of "UPK – Gestão de Facilities e Manutenção S.A." and (ii) amounts to receive from the alienation of the company Prédios Privados – Imobiliária, S.A. (10,000,000 euros).

The item "Other current assets" includes accruals relating to work in progress at the end of the period in consideration.

13. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2019 and 31 December 2018 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Amortisation and Depreciation harmonisation adjustments	371 062	252 488	4 320 203	4 527 729
Provisions and impairment losses of non-tax deductible	5 107 460	4 630 120	-	-
Write off of tangible and intangible assets	71 250	71 250	-	-
Revaluation of tangible assets	-	-	245 870	245 870
Tax losses carried forward	14 371 852	16 751 852	-	-
Write off of stocks	-	-	380 766	393 997
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	6 534 819	6 544 704
Others	815 399	1 292 185	1 299 025	1 272 283
	20 737 023	22 997 895	12 780 683	12 984 582

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2019 and 31 December 2018, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 June 2019			31 December 2018		
	Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use						
Generated in 2014	13 046 930	2 739 855	2026	13 193 576	2 770 651	2026
Generated in 2015	43 839 192	9 206 230	2027	43 854 221	9 209 386	2027
Generated in 2016	11 551 269	2 425 767	2028	12 439 172	2 612 226	2028
Generated in 2017	-	-	2022	10 283 755	2 159 589	2022
Generated in 2018	-	-	2023	-	-	2023
Generated in 2019	-	-	2024	-	-	2024
	68 437 391	14 371 852		79 770 725	16 751 852	
With a time limit different from the above mentioned	-	-		-	-	
	68 437 391	14 371 852		79 770 725	16 751 852	

An analysis was made on the relevance of the recognition of deferred taxes, taking into account the possibility of them to be recovered in accordance with the medium and long term prospects of the Group.

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Deferred tax assets and liabilities are calculated and annually evaluated using the tax rates in effect, at the date of reversal of the temporary differences.

Deferred tax assets arising from tax losses have been recorded only when it is likely to occur taxable income in the future.

Deferred tax assets were reassessed against each Group's business plans, which are regularly updated.

Since fiscal year 2014, most of the Group's subsidiaries based in Portugal belong to the perimeter of the group of companies that are taxed in accordance with the special taxation regime for Group companies ("RETGS"), being Sonae Capital, SGPS, S.A. the dominant Group.

Of the analysis made at 30 June 2019, it is concluded that there is a reasonable expectation on the recovery of the recorded deferred tax assets before their limited time use expires.

As at 30 June 2019, tax losses carried forward amounting to 44,880,776 euros (19,157,846 euros as at 31 December 2018) have for prudential reasons not originated deferred tax assets and are detailed as follows:

	30 June 2019			31 December 2018		
	Tax losses carried forward	Tax Credit	Time limit	Tax losses carried forward	Tax Credit	Time limit
With limited time use						
Generated in 2013	1 064 865	223 622	2026	963 693	202 376	2026
Generated in 2014	1 912 800	401 688	2027	1 190 501	250 005	2027
Generated in 2015	1 375 530	288 861	2028	1 081 029	227 016	2028
Generated in 2016	21 131 360	4 437 586	2022	12 534 812	2 632 311	2022
Generated in 2017	3 094 166	649 775	2023	2 927 156	614 703	2023
Generated in 2018	15 824 385	3 323 121	2024	-	-	2024
	44 403 107	9 324 653		18 697 191	3 926 411	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	477 669	106 470		460 654	102 897	
	477 669	106 470		460 654	102 897	
	44 880 776	9 431 123		19 157 846	4 029 308	

14. CASH AND CASH EQUIVALENTS

As at 30 June 2019 and 31 December 2018, cash and cash equivalents can be detailed as follows:

	30 June 2019	31 December 2018
Cash at hand	396 298	236 410
Bank deposits	23 431 171	7 311 232
Treasury applications	4 719	10 719
Cash and cash equivalents on the balance sheet	23 832 187	7 558 360
Bank overdrafts (Note 17)	-	(427 200)
Guarantee deposit	-	-
Cash and cash equivalents in the statement of cash-flows	23 832 187	7 131 160

Bank overdrafts include creditor balances of current accounts in financial institutions, and are disclosed in the balance sheet under current bank loans (Note 17).

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15. EQUITY

The share capital of Sonae Capital, SGPS, S.A. is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1 euro each.

As at 30 June 2019, Sonae Capital, SGPS, S.A. owns 3,670,823 own shares (4,107,623 own shares at 31 December 2018) booked for 1,105,573 euros (1,192,808 euros at 31 December 2018).

Other reserves includes amounts equal to the value of own shares held by the Group's parent Group. This reserve should be unavailable while these shares are kept by the Group.

The Reserves and retained earnings of Sonae Capital Group in the periods ended 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Demerger reserve	132 638 253	132 638 253
Translation reserves	266 169	359 097
Fair value reserves	-	-
Hedging reserves	6 370	6 370
Others	(152 175 578)	(119 362 322)
	-	-
Other reserves and retained earnings	(19 264 786)	13 641 398

Demerger reserve

The demerger originated a reserve in the amount of 132,638,253 euros, which has a treatment similar to that of a Legal Reserve. According to Group Law, it cannot be distributed to shareholders, unless the Group is liquidated, but can be used to make good prior year losses, once other reserves have been used fully, or for capital increases.

Translation reserves

These reserves are comprised by the conversion into euro of the financial statements of the subsidiaries that have other functional currencies.

Hedging reserves

This caption is comprised by the fair value of hedging derivatives and the accrued interest of those derivatives. The amounts in this reserve are transferred to the income statement when subsidiaries are sold or liquidated.

Changes in Equity are detailed in the Consolidated Statements of Changes in Equity.

16. NON-CONTROLLING INTERESTS

Movements in non-controlling interests in the periods ended 30 June 2019 and 31 December 2018 are as follows:

	30 June 2019	31 December 2018
Opening balance as at 1 January	9 440 091	10 915 176
Changes in percentage by acquisition / increase capital	-	-
Changes in hedging reserves	-	-
Changes in the percentage of capital held in affiliated companies	-	(762 025)
Changes resulting from currency translation	(52 359)	91 177
Dividends paid	-	(1 384 309)
Others	(56 979)	(20 042)
Profit for the period attributable to minority interests	398 618	600 113
Closing balance	9 729 373	9 440 091

The Non-Controlling Interests are primarily from companies in the Refrigeration and HVAC segment.

17. BORROWINGS

As at 30 June 2019 and 31 December 2018, Borrowings are made up as follows:

	30 June 2019		31 December 2018	
	Outstanding amount		Outstanding amount	
	Current	Non-Current	Current	Non-Current
Bank loans				
Sonae Capital SGPS - commercial paper ^{a)}	9 300 000	-	-	-
Sonae Capital SGPS - commercial paper ^{b)}	2 500 000	25 000 000	-	13 000 000
Sonae Capital SGPS - commercial paper ^{c)}	23 000 000	-	-	-
Sonae Capital SGPS - commercial paper ^{d)}	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper ^{e)}	2 000 000	7 000 000	2 000 000	8 000 000
Sonae Capital SGPS - commercial paper ^{f)}	29 000 000	-	7 650 000	-
Sonae Capital SGPS - commercial paper ^{g)}	-	-	-	10 000 000
Up-front fees	-	(65 843)	-	(141 283)
Others	882 645	1 474 527	1 758 860	1 474 580
	76 682 645	33 408 684	21 408 860	32 414 510
Bank overdrafts (Note 14)	-	-	427 200	-
Bank loans	76 682 645	33 408 684	21 836 060	32 414 510
Bond Loans				
Sonae Capital 2016/2021 Bonds ^{h)}	-	15 000 000	-	15 000 000
Sonae Capital 2014/2019 Bonds ⁱ⁾	-	-	42 500 000	-
Sonae Capital 2019/2024 Bonds ^{j)}	-	15 000 000	-	-
Sonae Capital 2019/2026 Bonds ^{k)}	-	15 000 000	-	-
Up-front fees	-	(427 664)	-	(116 090)
Bond Loans	-	44 572 336	42 500 000	14 883 910
IFR16 Leases	13 937 648	47 763 044		
Other loans	24 394	148 601	48 788	145 706
Derivatives	-	-	-	-
Obligations under finance leases	1 722 634	12 028 466	3 527 494	12 028 586
Up-front fees on finance leases	-	(40 377)	-	(46 882)
	92 367 322	137 880 755	67 912 342	59 425 830

a) Commercial paper programme with subscription guarantee issued on 4 January 2017 with automatic annual renewals unless denounced by either party;

b) Commercial paper programme with subscription guarantee issued on 29 September 2017 and valid until September 2021;

c) Commercial paper programme with subscription guarantee issued on 26 August 2009 and valid until August 2019;

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- d) Commercial paper programme with subscription guarantee issued on 30 June 2017 with automatic annual renewals unless denounced by either party;
- e) Commercial paper programme with subscription guarantee issued on 24 February 2017 and valid until February 2023, with semi-annual payments starting in 2019;
- f) Commercial paper programme without subscription guarantee issued on 20 December 2017 with automatic annual renewals. The programme was issued for institutional investors;
- g) Commercial paper programme with subscription guarantee issued on 23 June 2016 and valid up to five years with annual payments and grace period for one year. The programme was terminated in June 2019 by mutual agreement between the related parties;
- h) Sonae Capital SGPS - 2016/2021 bond loan in the amount of 15,000,000 euros with a 5 year maturity and a sole reimbursement on 29 July 2021. This bond loan bears interest every six months;
- i) Sonae Capital SGPS, SA, 2014/2019 bond loan in the amount of 42,500,000 euros with a five year maturity and a sole reimbursement that was made on 28 May 2019;
- j) Sonae Capital SGPS - 2019/2024 bond loan in the amount of 15,000,000 euros with reimbursement on the 8th and 10th coupon and maturity on the 26 June 2024. This bond loan bears interest every six months;
- k) Sonae Capital SGPS - 2019/2026 bond loan in the amount of 15,000,000 euros with yearly reimbursements beginning from the 2nd coupon, inclusive, with maturity on the 28 June 2026. This bond loan bears interest every six months.

The interest rate on bonds and bank loans in force on 30 June 2019 was on average 1,00% (1.90% at 31 December 2018)

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

In the case that any bank or investor do not renovate a commercial paper programme, at the given maturity dates, the Group has credit facilities available to cover this gap.

The caption Others includes the Investment Grants received in 2018 and 2019.

Derivatives have not been used.

The repayment schedule of the nominal value of borrowings may be summarised as follows:

	30 June 2019		31 December 2018	
	Nominal value	Interests	Nominal value	Interests
N+1	78 429 673	1 166 229	67 912 343	1 529 573
N+2	17 376 863	947 239	6 563 075	573 365
N+3	42 532 695	773 930	43 588 345	482 699
N+4	12 480 972	394 470	5 707 975	70 782
N+5	13 261 064	261 136	3 063 402	23 954
After N+5	5 000 000	63 576	726 075	6 201
	169 081 268	3 606 580	127 561 214	2 686 573
Discontinued Operations	-	-	-	-
Total	169 081 268	3 606 580	127 561 214	2 686 573

18. OTHER NON-CURRENT CREDITORS

As at 30 June 2019 and 31 December 2018 other non-current creditors liabilities can be detailed as follows:

	30 June 2019	31 December 2018
Loans and other amounts payable to related parties		
Others	230 847	230 847
	230 847	230 847
Other creditors		
Creditors in the restructuring process of Torralta	768 471	768 471
Fixed assets suppliers		-
Others	41 166	-
	809 637	768 471
Deferred income		
Investment aid	-	-
Obligations by share-based payments (Note 19)	281 066	313 629
Others	(1)	-
	281 065	313 629
Pension fund responsibilities	-	-
Other non-current creditors	1 321 549	1 312 947
Discontinued Operations	-	-
Other non current liabilities	1 321 549	1 312 947

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19. SHARE-BASED PAYMENTS

In the current period and in previous years, the Sonae Capital Group granted deferred performance bonuses to employees, based on shares of Sonae Capital, SGPS, SA to be acquired at nil cost, three years after they were attributed to the employee. In any case, the acquisition can be exercised during the period commencing on the third anniversary of the grant date and the end of that year. The Group has the choice to settle in cash instead of shares. The option can only be exercised if the employee still works for the Sonae Capital Group on the vesting date.

As at 30 June 2019 and 31 December 2018, the market value of total liabilities arising from share-based payments, which have not yet vested, may be summarised as follows:

	Year of grant	Vesting year	Number of participants	Fair Value	
				30 June 2019	31 December 2018
Shares					
	2016	2019	1	132 958	428 993
	2017	2020	14	603 131	426 115
	2018	2021	16	518 530	365 340
	2019	2022	12	514 662	-
Total				1 769 281	1 220 448

As at 30 June 2019 and 31 December 2018, the financial statements include the following amounts corresponding to the period elapsed between the date of granting and those dates for each deferred bonus plan, which have not yet vested:

	30 June 2019	31 December 2018
Other non-current creditors (Note 18)	281 066	492 540
Other current creditors (Note 20)	600 198	426 115
Reserves	(670 544)	(416 815)
Staff Costs (Note 38)	210 719	501 840

20. SUPPLIERS AND OTHER CURRENT LIABILITIES

As at 30 June 2019 and 31 December 2018, suppliers and other current liabilities can be detailed as follows:

	30 June 2019	31 December 2018
Suppliers	18 777 479	27 233 514
Loans and other payables of related companies	401 956	388 792
Other Current Liabilities		
Fixed assets suppliers	2 977 348	3 711 817
Advances from customers	5 808 037	5 613 463
Other creditors	12 970 137	8 923 933
State and other public entities	4 135 379	7 902 003
Accrued personnel expenses	9 287 697	8 472 932
Works not yet completed	4 229 928	4 784 324
Accruals of purchase expenses - Energy segment	564 355	572 687
Financial charges payable	227 744	340 666
Investment subsidies	-	36 739
Other liabilities	14 687 624	12 299 567
	54 888 249	52 658 131
Suppliers and other current liabilities	74 067 685	80 280 437

The amount in Other creditors includes the debt from the purchase of a financial participation in earlier periods at 3,700,000 euros.

The amount considered within the item Others includes amounts related to accruals to be recognised.

21. PROVISIONS AND ACCUMULATED IMPAIRMENT LOSSES

Movements in provisions and accumulated impairment losses over the period ended 30 June 2019 and 31 December 2018 were as follows:

Captions	Balance as at 1 January 2019	Increases	Decreases	Utilisations	Transfers	Balance as at 30 June 2019
Accumulated impairment losses on:						
Tangible Assets (Note 8)	31 136 308	4 317	(95 660)	-	-	31 044 965
Intangible Assets (Note 8)	689 536	-	-	-	-	689 536
Goodwill (Note 9)	30 396 811	-	-	-	-	30 396 811
Other Investments (Note 6)	291 838	-	-	-	-	291 838
Other non-current assets (Note 10)	34 916	-	-	-	-	34 916
Trade accounts receivable (Note 12)	6 230 300	209 582	(686 670)	58 076	-	5 811 288
Other current assets (Note 12)	1 848 583	-	(179 245)	-	-	1 669 338
Stocks (Note 11)	6 152 875	(65)	(29 929)	-	-	6 122 881
Non-current provisions	3 079 824	-	-	-	-	3 079 824
Current provisions	3 286 698	122 570	(52 788)	(301 820)	-	3 054 660
Total	83 147 689	336 404	(1 044 292)	(243 744)	-	82 196 057

On June 2019 and December 2018, the amounts recorded in provisions and impairment losses were recognized for prudence, it is not possible to predict when these provisions and impairment charges will result in future cash flows.

As at 30 June 2019 and 31 December 2018 detail of other provisions was as follows:

	30 June 2019	31 December 2018
Judicial claims	1 831 101	1 831 101
Provision for secured income	651 065	861 036
Others	3 652 319	3 674 386
	6 134 484	6 366 522

The amount considered in Provision for secured income is calculated estimating the difference between the amount to be charged through the properties leased in Tróia and the secured income to be paid to property owners. The value to invoice through the properties leased is estimated based on the average of the past years.

The judicial claims in progress relate essentially to litigation / damages in companies Inparvi, SGPS, S.A. and Societe de Tranchage Isoroy SAS.

In Others the provisions refer to dismantling of assets.

22. OTHER OPERATIONAL INCOME

Other operational income for the period ended 30 June 2019 and 2018 was as follows:

	30 June 2019	30 June 2018
Own work capitalised	772 901	211 710
Gains on sales of assets	4 144 435	1 594 601
Supplementary income	270 992	622 558
Others	570 835	1 100 515
Continued Operations	5 759 163	3 529 384
Discontinued Operations	341 689	12 516
Total	6 100 852	3 541 900

The caption “Gains on sales of assets” in 2018 includes the gain obtained in the sale of real estate assets located in Tróia.

23. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2019 and 31 December 2018 the most important contingent liabilities referred to guarantees given and were made up as follows:

	30 June 2019	31 December 2018
Guarantees given:		
on VAT reimbursements	5 199 346	5 199 346
on tax claims	16 930 726	17 587 976
on judicial claims	-	-
on municipal claims	556 599	577 795
on loans	21 121 120	25 192 891
Others	31 471 304	39 524 891

Others include the following guarantees:

- 2,315,007 euros as at 30 June 2019 (3,954,871 euros as at 31 December 2018) of guarantees on construction works given to clients;
- 9,678,131 euro as at 30 June 2019 (9,207,045 euro as at 31 December 2018) of guarantees given concerning building permits in the Resorts segments.

The Group has not registered provisions for the events/disagreements for which these guarantees were given since the Group believes that the above mentioned events will not result in a loss for the Group.

24. INVESTMENT INCOME

As at 30 June 2019 and 31 December 2018 , Investment income was made up as follows:

	30 June 2019		31 December 2018	
Dividends	-	-	-	-
Adjustment to the liquidation price of "Sodesa SA."	(235 440)	-	-	-
Adjustment to the liquidation price of "Powercer SA."	6 632	-	-	-
Adjustment to the selling price of "Box Lines Navegação"	7 327	-	12 076	-
Sale of UPK - Gestão de Facilities e Manutenção, SA	-	-	-	-
Others	-	-	-	-
Losses on sales of group companies	-	-	13 273	-
Gains in the acquisition of group companies	584 834	-	-	-
Gains of investments in group companies	363 353	-	-	25 349
Equity settlement in other investments (Note 6)	-	-	-	-
Impairment losses (Note 21)	-	-	(36 864)	-
Sale of investment units from Fundo de Investimento Imobiliário Fechado Imosede	-	-	-	-
Settlement of the sale agreement of UPK - Gestão de Facilities e Manutenção S.A.	-	-	-	-
	-	-	-	-
Gains/(Losses) on sale of other investments	-	-	-	(36 864)
Others	-	-	-	-
Investment Income	-	363 353	-	(11 515)
Discontinued Operations	-	-	-	-
Total Operations	-	363 353	-	(11 515)

25. TAXATION

As at 30 June 2019 and 31 December 2018 , Taxation was made up as follows:

	30 June 2019	30 June 2018
Current tax	(2 013 237)	474 167
Deferred tax	2 183 548	183 655
Taxation	170 311	657 822

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

As at 30 June 2019 and 31 December 2018 , the reconciliation of consolidated net profit can be analysed as follows:

	30 June 2019	30 June 2018
Aggregate net profit - continued operations	36 216 397	65 612 864
Aggregate net profit - discontinued operations	(197 483)	(2 510 203)
Harmonisation adjustments	(102 637)	(133 422)
Elimination of intragroup dividends	(39 305 181)	(63 288 522)
Share of gains/(losses) of associated undertakings	108 745	230 863
Elimination of intragroup capital gains/(losses)	399 752	106 324 093
Elimination of intragroup impairment	-	(116 308 035)
Adjustments of gains/(losses) of financial shareholdings sale	-	-
Others	(7 717)	16 580
Consolidated net profit for the year - continued operations	(2 690 640)	(8 003 297)
Consolidated net profit for the year - discontinued operations	(197 483)	(2 052 482)
Consolidated net profit for the year	(2 888 123)	(10 055 779)

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27. RELATED PARTIES

Balances and transactions during the periods ended 30 June 2019 and 31 December 2018 with related parties are detailed as follows:

Transactions	30 June 2019		31 December 2018	
	Sales and services rendered	Purchases and services obtained	Sales and services rendered	Purchases and services obtained
Parent company				
Associated companies	12 266	10 532	12 305	1 714
Andar-Sociedade Imobiliária,SA	-	-	-	-
Feneralt - Produção de Energia, ACE	7 873	(12 510)	7 873	(10 054)
Lidergraf - Artes Gráficas, Lda	4 393	23 042	4 432	11 768
Other partners and Group companies	12 934 951	1 021 502	16 964 449	3 325 998
8ª Avenida - Centro Comercial, SA	-	-	1 827	-
Águas Furtadas - Soc. Agrícola, SA	1 302	-	1 295	-
Algarveshopping- Centro Comercial, S.A.	816	-	(4 443)	-
Alpêssego - Sociedade Agrícola, SA	1 739	(6 940)	1 258	-
Casa Agrícola de Ambrães, S.A.	840	(350)	862	-
Aqualuz - Turismo e Lazer, Lda	-	(803)	717 560	(89)
Arrábidasshopping- Centro Comercial, S.A.	934	(445)	934	-
BB Food Service, SA	62 399	(24 221)	129 375	(2 215)
BOM MOMENTO - Comércio Retalhista, SA	6 139	(8 632)	41 474	(1 199)
Prod. Agric.Biológica, S.A.	126 357	(1 349)	117 445	(422)
Cascaishopping- Centro Comercial, S.A.	-	3 411	3 740	(130)
Coimbrashopping- Centro Comercial, S.A.	-	2 136	-	-
Centro Colombo- Centro Comercial, S.A.	336 773	307 549	314 502	710 373
Continente Hipermercados, S.A.	3 263 096	(380 635)	2 262 655	(143 291)
Contimobe-Imobil.Castelo Paiva,SA	-	925	-	2 423
Digitmarket-Sistemas de Informação,SA	-	136 165	69	164 646
Efanor Investimentos, SGPS, S.A.	885	-	1 121	-
Efanor Serviços de Apoio à Gestão, S.A.	34 990	-	34 265	-
Euroresinas-Indústrias Químicas,SA	-	10 141	-	147
Fashion Division, S.A.	2 331	(2 107)	163	-
Gaiashopping I Centro Comercial, SA	-	(133)	-	-
Gaiashopping II- Centro Comercial, S.A.	-	68	-	-
Sonae Arauco Deutschland AG	560	-	218	-
Guimaraeshopping- Centro Comercial, S.A.	504	-	810	-
Iberosegur - Sociedade Ibérica de Mediação de Seguros, Lda	951	-	951	-
Fundo de Invest. Imobiliário Imosede	31 984	238 160	113 553	280 370
Imosistema-Sociedade Imobiliária,SA	-	(1 572)	-	-
Fundo Invest. Imobiliário Imosonae Dois	108 199	-	-	-
Inovretail, S.A.	475	-	1 357	-
Inso Insular de Hipermercados, S.A.	101 829	(103 178)	446 726	(56 822)
LCC LeiriaShopping Centro Comercial SA	(1 750)	(629)	140	-
Loureshopping-Centro Comercial, S.A.	-	(27)	-	1 437
NOS Sistemas S.A.	-	21 352	-	93 080
MDS Corretor de Seguros, SA	216 002	(7 269)	175 648	(9 579)
MDS Africa SGPS, S.A.	185	-	275	-
MDS Consulting, SA	5 758	2 000	5 489	1 669
MDS, SGPS, SA	365	-	496	-
Modalfa-Comércio e Serviços,SA	2 003	(588)	852	-
Norteshopping-Centro Comercial, S.A.	-	95 562	9 084	227 137
Parklake Shopping, S.A.	517	(14 065)	-	-
PHARMACONTINENTE - Saúde e Higiene, S.A.	175	-	28	-
Prosa - Produtos e Serviços Agrícolas,S.A.	19 189	(2 471)	15 682	1 186
Saphety Level - Trusted Services S.A.	-	70 134	-	71 687
SONAESR - Serviços e logística, S.A.	13 927	(6 396)	14 558	-
RACE, SGPS, S.A.	-	6 107	-	-
Sonae Arauco Portugal, S.A.	1 875 982	1 108 015	1 324 554	1 088 917
Sonae Indústria de Revestimentos,SA	260 244	184 349	226 529	216 187
Sonae MC - Serviços Partilhados, SA	8 023	371 676	34 088	309 773
Sonaegest-Soc.Gest.Fundos Investimentos	-	111 742	1 489	112 701
Modelo Continente, SGPS, S.A.	-	(815)	-	-
Sonae SGPS, SA	3 053	25 000	7 985	36 500
Centro Vasco da Gama-Centro Comercial,SA	-	2 927	-	2 927

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We Do Consulting-SI,SA	-	-	-	35 784
Worten-Equipamento para o Lar,SA	13 164	(13 429)	9 119	96
Sonae Corporate, S.A.	2 433	51 369	-	-
ZIPPY - Comércio e Distribuição, SA	147	(60)	5 938	-
	12 947 217	1 032 034	16 976 754	3 327 712

Transactions	Interest income	Interest expenses	Interest income	Interest expenses
Parent company				
Other partners and Group companies	-	22	-	19 759
Plaza Mayor Parque de Ocio, SA	-	-	-	19 759
NOS Comunicações, S.A.	-	22	-	-
	-	22	-	19 759

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	30 June 2019		30 December 2018	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Parent company				
Associated companies	9 790	3 485	7 870	3 881
Fenerait - Produção de Energia, ACE	6 582	-	6 716	-
Lidergraf - Artes Gráficas, Lda	3 208	3 485	1 154	3 881
Other partners and Group companies	6 981 813	3 743 795	10 434 743	2 958 929
8ª Avenida - Centro Comercial, SA	-	-	3 655	-
Águas Furtadas - Soc. Agrícola, SA	1 358	115	296	(1 002)
Algarveshopping- Centro Comercial, S.A.	16 479	-	16 479	-
Alpêssego - Sociedade Agrícola, SA	4 534	1 091	21 063	-
Arrábidasshopping- Centro Comercial, S.A.	191	-	191	-
Asprela - Sociedade Imobiliária, S.A.	(1 513)	-	(1 513)	-
Aqualuz - Turismo e Lazer, Lda	-	-	86 255	57 536
BB Food Service, SA	20 866	(5 098)	46 934	(670)
BOM MOMENTO - Comércio Retalhista, SA	1 564	-	174 087	-
Prod. Agric.Biológica, S.A.	92 416	-	300	-
Casa Agrícola de Ambrães, S.A.	1 255	748	550	-
CascaShopping- Centro Comercial, S.A.	-	-	59 471	-
Centro Colombo- Centro Comercial, S.A.	125 030	191 219	164 360	226 297
Contimobe-Imobil.Castelo Paiva,SA	-	1 004	408	1 004
Continente Hipermercados, S.A.	1 744 543	13 538	2 429 864	5 939
Digitmarket-Sistemas de Informação,SA	20 861	113 482	132 082	14 171
Efanor Investimentos, SGPS, S.A.	13 222	3	60	-
Efanor Serviços de Apoio à Gestão, S.A.	8 484	5 575	3 292	5 575
Sonaerp - Retail Properties, SA	92 531	63 077	18 960	87 330
Fashion Division, S.A.	2 795	-	6 662	-
SISTAVAC-Sistemas HVAC-R do Brasil, Ltda	-	-	1 747 852	-
Fundo de Invest. Imobiliário Imosedé	30 438	109 028	17 159	39 955
Gaiashopping II- Centro Comercial, S.A.	(163)	(163)	(163)	(163)
Go Well, S.A.	-	3	-	3
Guimarãesshopping- Centro Comercial, S.A.	-	-	3 207	-
Sonae Arauco Deutschland AG	825	-	-	-
Infocfield-Infomática,SA	1 683	-	1 683	-
Inovretail, S.A.	-	-	-	123 000
Inscó Insular de Hipermercados, S.A.	116 782	-	19 752	-
LCC LeiriaShopping Centro Comercial SA	-	-	2 153	-
NOS Lusomundo Audiovisuais, S.A.	123	-	-	-
Loureshopping-Centro Comercial, S.A.	-	-	-	122
Maiashopping- Centro Comercial, S.A.	-	-	494	-
MDS Africa SGPS, S.A.	111	2	109	4
MDS Auto - Mediação de Seguros, SA	260	-	-	-
MDS Consulting, SA	364	3 372	364	1 292
MDS Corretor de Seguros, SA	53 517	76 502	110 202	304 474
MDS RE-Mediador de Resseguros, S.G.P.S., S.A.	(838)	-	(838)	-
MDS, SGPS, SA	392	4	-	-
Modalfa-Comércio e Serviços,SA	2 338	-	1 345	-
MODALLOOP - Vestuário e Calçado, SA	6 235	6 235	6 235	6 235
Modelo - Dist.de Mat. de Construção,S.A.	5 591	-	4 641	-
Modelo Continente Hipermercados, Suc.	338	2 500	220	2 500
Modelo Continente Hipermercados,SA	3 282 260	965 141	3 761 482	207 522
Modelo Hipermercados Trading, S.A.	150	-	405	-
Norteshopping-Centro Comercial, S.A.	15 846	166 347	22 041	228 177
NOS Sistemas S.A.	-	116 366	-	95 014
Parklake Shopping, S.A.	374 734	(517)	-	-
PHARMACONTINENTE - Saúde e Higiene, S.A.	-	-	2	-
Prosa - Produtos e Serviços Agrícolas,S.A.	19 618	12 953	41 957	2 552
Público-Comunicação Social,SA	60	3 249	90	-
Raso, SGPS, SA	-	-	592	-
Rio Sul - Centro Comercial, SA	125	-	5 270	-
Saphety Level - Trusted Services S.A.	-	42 682	-	18 370
SEKIWI, SGPS., S.A.	(25)	-	-	-
SFS, Gestão e Consultoria, S.A.	1 019	265 439	16	106 785
Sierra Management Portugal-Gest. CC,S.A.	1 375	24 647	472 609	34 346
SIRS-Soc.Ind.Radiodifusão Sonora,SA	4 920	9 717	-	10 035
Sohi Meat Solut-Distr. Carnes	(25 485)	(16 881)	(3 673)	(25 151)
Sonae Arauco Portugal, S.A.	736 106	957 749	783 517	830 740
Sonae Arauco, S.A.	642	4	404	-
Sonae MC - Serviços Partilhados, SA	31 273	430 086	20 525	170 589
Sonae Industria de Revestimentos,SA	155 159	99 817	106 230	71 041

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Sonae Indústria-SGPS,SA	-	6	807	16
Sonae Investment Management-S.T.,SGPS,S.A.	-	-	15	-
Sonae SGPS, SA	489	25 018	5 856	50 054
Sonae.com,SGPS,SA	-	4 275	-	216
Sonaecom - Serviços Partilhados, S.A	-	-	25 460	4 883
Sonaegest-Soc.Gest.Fundos Investimentos	-	35 900	441	19 356
SONAESR - Serviços e logística, S.A.	4 365	3 499	12 031	-
Sondis Imobiliária,SA	-	60	-	60
Sonae Arauco South Africa (Pty) Ltd.	17	-	17	-
Sport Zone-Comércio Art.Desporto,SA	3 155	7 534	17 279	13 562
Tableros Tradema,S.L.	1 880	22	1 030	14
Textil do Marco,SA	9 082	237	9 133	119
We Do Consulting-SI,SA	-	(2 875)	70 000	62 209
We Do Technologies Mexico,S	-	-	-	122 223
Worten-Equipamento para o Lar,SA	2 436	11 083	3 297	9 624
ZIPPY - Comércio e Distribuição, SA	-	-	23	-
Sonae Corporate, S.A.	-	-	16	52 971
	6 991 603	3 747 280	10 442 613	2 962 810

28. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2019 and 30 June 2018 were calculated taking into consideration the following amounts:

	30 June 2019	30 June 2018
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	(3 286 740)	(9 930 558)
Net profit taken into consideration to calculate diluted earnings per share	(3 286 740)	(9 930 558)
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	246 074 377	245 565 736
Weighted average number of shares used to calculated diluted earnings per share	246 074 377	245 565 736
Earnings per share (basic and diluted) - Continued operations	(0,01255)	(0,03208)
Earnings per share (basic and diluted) - Discontinued operations	(0,00080)	(0,00836)
Earnings per share (basic and diluted)	(0,01336)	(0,04044)

There are no convertible instruments based on shares in Sonae Capital, SGPS, S.A., hence there is no dilutive effect in earnings.

29. SEGMENT INFORMATION

During the periods in consideration the following segments were identified:

- Troia Resort Operations
- Hospitality
- Fitness
- Energy
- Refrigeration & HVAC
- Industrial Engineering
- Real Estate
- Holding & Others

The contribution of the business segments to the income statement of the periods ended 30 June 2019 and 30 June 2018 can be detailed as follows:

30 June 2019										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realstate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	3 885 731	10 428 748	20 146 277	28 325 317	16 603 904	4 070 866	8 358 568	3 009 381	(6 605 103)	88 223 688
Other operational income	176 191	125 945	267 306	77 488	106 852	394 163	4 592 359	1 478	17 380	5 759 163
Total operational income	4 061 922	10 554 694	20 413 583	28 402 805	16 710 756	4 465 029	12 950 927	3 010 859	(6 587 725)	93 982 851
Operational cash-flow (EBITDA)	(857 577)	1 114 689	6 240 094	8 467 882	129 790	(1 608 914)	6 666 537	(1 198 602)	(2 424 951)	16 528 948
31 December 2018										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realstate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	3 530 224	9 505 015	17 736 300	25 546 622	22 137 443	6 355 869	5 160 898	3 251 328	(6 069 872)	87 153 829
Other operational income	400 056	262 950	530 312	671 173	70 875	265 227	1 908 621	91 288	(671 119)	3 529 384
Total operational income	3 930 280	9 767 966	18 266 612	26 217 796	22 208 318	6 621 097	7 069 519	3 342 616	(6 740 990)	90 683 213
Operational cash-flow (EBITDA)	(290 449)	(1 103 284)	2 193 059	7 121 818	(288 510)	(484 515)	914 620	(1 356 815)	(804 697)	5 901 229

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

Contribution of the main business segments to the balance sheet statement for the periods ended 30 June 2019 and 31 December 2018 can be detailed as follows:

30 June 2019										
Balance Sheet	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realestate	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible, Intangible and Goodwill	61 551 552	44 294 322	89 289 706	84 248 306	10 743 687	16 943 493	136 673 925	139 389	(59 498 341)	384 386 037
Investments	157 882 171	10 737 797	66 964	384 599	27 903	57 345	6 276 663	265 665 665	(438 987 192)	2 111 915
Holding & Others	68 893 967	6 018 047	5 321 417	14 866 851	36 862 859	9 104 381	75 686 644	456 259 319	(495 096 142)	177 917 341
Total Assets	288 327 690	61 050 165	94 678 087	99 499 756	47 634 449	26 105 219	218 637 232	722 064 373	(993 581 675)	564 415 295
Total Liabilities	193 157 156	55 160 830	82 226 532	94 668 022	17 141 432	30 537 564	189 692 183	182 980 553	(517 221 253)	328 343 024
Technical investment	1 626 467	482 897	401 012	12 702 259	133 072	441 250	1 244 855	217 191	(510 730)	16 738 271
Gross Debt	8 708 448	32 221 170	53 502 035	8 932 119	811 573	2 197 746	17 889	152 622 289	(28 765 193)	230 248 077
Net Debt	8 239 432	31 863 532	53 243 183	8 706 482	811 308	2 174 540	(4 879 040)	135 021 645	(28 765 193)	206 415 889

31 December 2018										
Balance Sheet	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realestate	Holding & Others	Intersegment Adjustments	Consolidated
Fixed Assets Tangible, Intangible and Goodwill	61 377 694	12 871 687	48 649 716	75 261 525	9 842 318	16 876 916	139 482 322	778 508	(36 160 357)	328 980 330
Investments	166 337 698	10 940 646	54 547	219 623	23 307	54 183	6 209 189	440 410 634	(400 698 931)	2 294 342
Holding & Others	72 784 184	5 148 469	2 923 830	12 435 012	47 159 923	10 470 519	82 753 416	446 962 955	(509 986 265)	170 652 042
Total Assets	293 069 550	28 960 802	51 628 093	87 916 160	57 025 548	27 401 617	228 444 927	674 325 569	(946 845 553)	501 926 714
Total Liabilities	173 146 589	24 754 618	50 350 219	80 168 663	26 139 714	30 314 191	209 077 408	143 321 116	(503 462 450)	233 898 987
Technical investment	2 143 866	1 379 556	4 198 527	19 737 157	169 511	1 097 651	1 463 787	227 538	(201 250)	30 216 343
Gross Debt	8 200 138	-	1 958 763	6 476 558	-	2 720 348	-	107 982 365	-	127 338 173
Net Debt	8 085 124	(192 878)	1 786 923	6 323 798	(978 122)	2 596 425	(4 894 821)	107 053 363	-	119 779 813

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

30. IFR6 16 – LEASES

Changes in international accounting standards that took effect on or after 1 January 2019 - IFRS 16 – Financial Leases, had at 30 June 2019 the following impact on the financial statements:

	30 June 2019
Depreciation expenses	3 579 212
Interest expense	2 172 664
Short-term lease expenses	760 758
Low value lease expenses	754 321
Variable component expenses	58 857
Payments made	6 080 710
Amount net of assets under right of use at the end of the period	49 991 111
Commitments Financial Lease - Current Liabilities	13 937 648
Commitments Financial Leasing - Non Current Liabilities	47 763 044

31. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 June 2019.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated Financial Statements were approved by the Board of Directors on 26 July 2019. However, the Financial Statements are still pending approval at the Shareholder's General Meeting.

The Board of Directors

Duarte Paulo Teixeira de Azevedo
Chairman of the Board of Directors

Álvaro Carmona e Costa Portela
Vice Chairman of the Board of Directors

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

Miguel Jorge Moreira da Cruz Gil Mata
CEO

Ivone Pinho Teixeira
CFO

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors

Pedro Manuel Martins Bruno
Member of the Board of Directors

SONAE CAPITAL

**PART III
SEPARATED FINANCIAL
STATEMENTS**

30 JUNE 2019



SONAE CAPITAL



SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

SEPARATED BALANCE SHEET AS AT 30 JUNE 2019 AND 31 DECEMBER 2018

(Amounts expressed in euro)

	Notes	30 June 2019	31 December 2018
ASSETS			
NON-CURRENT ASSETS:			
Tangible assets		118 807	26 475
Investments	4	272 100 795	246 447 204
Investments in associated companies and joint ventures	4	1 125 301	1 125 301
Other investments	4	24 394	275 184
Deferred tax assets	7	14 371 852	16 751 852
Other non-current debtors	5	397 076 542	364 233 301
Total non-current assets		684 817 691	628 859 318
CURRENT ASSETS:			
Other debtors	6	22 661 919	45 587 454
Income tax receivable	6	-	-
Other taxes receivable	6	98 224	-
Other current assets	6	5 693 050	5 132 310
Cash and cash equivalents	8	17 568 499	888 068
Total Current Assets		46 021 692	51 607 832
TOTAL ASSETS		730 839 383	680 467 150
EQUITY:			
Share capital	9	250 000 000	250 000 000
Own Shares	9	-1 105 573	-1 192 808
Reserves	10	280 340 993	292 980 837
Profit/(Loss) for the year		28 896 985	5 294 899
TOTAL EQUITY		558 132 406	547 082 928
NON-CURRENT LIABILITIES:			
Bank Loans	11	31 995 329	30 948 456
Bonds	11	44 572 336	14 883 910
Other non-current liabilities	13	107 974	138 580
Total Non-Current Liabilities		76 675 639	45 970 946
CURRENT LIABILITIES:			
Bank Loans	11	75 828 902	19 650 000
Bonds	11	-	42 500 000
Trade creditors	13	112 811	111 994
Other creditors	12	19 044 751	21 590 424
Income tax payable	13	3 792	2 299 149
Other taxes payable	13	58 287	48 995
Other current liabilities	13	982 795	1 212 714
Provisions		-	-
Total Current Liabilities		96 031 338	87 413 276
TOTAL LIABILITIES		172 706 977	133 384 222
Liabilities associated with assets held for sale		-	-
TOTAL EQUITY AND LIABILITIES		730 839 383	680 467 150

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

SEPARATED INCOME STATEMENTS BY NATURE

FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018

(Amounts expressed in euro)

	Notes	30 June 2019	30 June 2018
Other operating income	17	26 736	58 962
External supplies and services	14	(671 097)	(769 304)
Staff costs	15	(735 209)	(646 065)
Depreciation and amortisation		(7 431)	(998)
Other operating expenses	17	(11 665)	(30 218)
Operational profit/(loss)		(1 398 666)	(1 387 623)
Financial Income	16	5 396 141	4 526 554
Financial Expenses	16	(1 569 869)	(1 789 497)
Net financial income / (expenses)		3 826 272	2 737 057
Investment income	16	25 489 934	38 897 405
Profit/(Loss) before taxation		27 917 540	40 246 839
Taxation	18	979 445	368 592
Profit/(Loss) for the year		28 896 985	40 615 431
Profit/(Loss) per share			
Basic	19	0,116287	0,163716
Diluted	19	0,116287	0,163716

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

SEPARATED INCOME STATEMENTS BY NATURE

FOR THE 2ND QUARTER OF 2018 AND 2018

(Amounts expressed in euro)

	Notes	2nd Quarter 2019 (Unaudited) *	2nd Quarter 2018 (Unaudited) *
Other operating income		12 126	29 718
External supplies and services		(338 789)	(412 829)
Staff costs		(461 779)	(321 294)
Depreciation and amortisation		1 707	(499)
Provisions and impairment losses (Increases)/Decreases		-	-
Other operating expenses		(1 052)	(14 917)
Operational profit/(loss)		(787 786)	(719 820)
Financial Income		2 748 483	2 365 594
Financial Expenses		(670 233)	(772 519)
Net financial income / (expenses)		2 078 251	1 593 075
Investment income		25 193 501	37 994 504
Profit/(Loss) before taxation		26 483 966	38 867 759
Taxation		860 433	103 748
Profit/(Loss) for the year		27 344 399	38 971 508

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA

SEPARATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018

(Amounts expressed in euro)

	30 June 2019	30 June 2018
Net profit/(loss) for the period	28 896 985	40 615 431
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	-	-
Change in the fair value of assets available for sale		
Change in the fair value of cash flow hedging derivatives	-	-
Tax related to other comprehensive income captions	-	-
Total comprehensive income for the period	28 896 985	40 615 431

SONAE CAPITAL, SGPS, SA

SEPARATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2ND QUARTER OF 2019 AND 2018

(Amounts expressed in euro)

	2nd Quarter 2019 (Unaudited) *	2nd Quarter 2018 (Unaudited) *
Net profit/(loss) for the period	27 344 399	38 971 508
Total comprehensive income for the period	27 344 399	38 971 508

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting and unaudited

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA
 SEPARATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018
 (Amounts expressed in euro)

	Attributable to Equity Holders of Sonae Capital						Net Profit/(Loss)	Total Equity
	Share Capital (Note 9)	Own Shares (Note 9)	Legal Reserves (Note 10)	Other Reserves (Note 10)	Retained Earnings	Subtotal		
Balance as at 1 January 2018	250 000 000	(1 305 839)	10 510 080	291 120 837	-	301 630 917	5 589 342	555 914 420
Total comprehensive income for the period	-	-	-	-	-	-	40 615 431	40 615 431
Appropriation of profit of 2017:								
Transfer to legal reserves and retained earnings	-	-	279 467	-	5 309 875	5 589 342	(5 589 342)	-
Dividends paid	-	-	-	(9 443 668)	(5 309 875)	(14 753 543)	-	(14 753 543)
(Acquisition)/Sales of own shares	-	113 031	-	-	-	-	-	113 031
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	514 121	-	514 121	-	514 121
Balance as at 30 June 2018	250 000 000	(1 192 808)	10 789 547	282 191 290	-	292 980 837	40 615 431	582 403 460
Balance as at 1 January 2019	250 000 000	(1 192 808)	10 789 547	282 191 290	-	292 980 837	5 294 899	547 082 929
Total comprehensive income for the period	-	-	-	-	-	-	28 896 985	28 896 985
Appropriation of profit of 2018:								
Transfer to legal reserves and retained earnings	-	-	264 745	-	5 030 154	5 294 899	(5 294 899)	-
Dividends paid	-	-	-	(13 198 205)	(5 030 154)	(18 228 359)	-	(18 228 359)
(Acquisition)/Sales of own shares	-	87 236	-	-	-	-	-	87 236
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-
Other changes	-	-	-	293 617	-	293 617	-	293 617
Balance as at 30 June 2019	250 000 000	(1 105 573)	11 054 292	269 286 702	-	280 340 993	28 896 985	558 132 406

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

SONAE CAPITAL, SGPS, SA
 SEPARATED STATEMENTS OF CASH FLOWS
 FOR THE SIX MONTHS ENDED 30 JUNE 2019 AND 2018
 (Amounts expressed in euro)

	Notes	30 June 2019	30 June 2018	2nd Quarter 2019 (Unaudited) *	2nd Quarter 2018 (Unaudited) *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		-	(786)	-	(786)
Cash paid to trade creditors		(799 709)	(798 726)	(352 697)	(377 783)
Cash paid to employees		(444 468)	(572 675)	(287 124)	(398 652)
Cash flow generated by operations		(1 244 177)	(1 372 187)	(639 821)	(777 221)
Income taxes (paid) / received		7 906 046	(263 647)	8 037 350	(58 954)
Other cash receipts and (payments) relating to operating activities		313 119	313 312	1 594 691	235 579
Net cash from operating activities (1)		6 974 988	(1 322 522)	8 992 220	(600 596)
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments		622 838	50 196 330	603 675	50 196 330
Interest and similar income		4 768 545	3 948 971	651	7 350
Loans granted		-	12 883 189	-	12 883 189
Dividends		24 929 031	25 433 333	24 929 031	25 433 333
Others		789 015	1 137 575	260 795	239 490
		<u>31 109 429</u>	<u>93 599 398</u>	<u>25 794 152</u>	<u>88 759 692</u>
<u>Cash Payments arising from:</u>					
Investments		(39 461 839)	(1 442 572)	(39 458 344)	(149 894)
Tangible assets		-	-	-	-
Loans granted		(4 750 503)	(80 615 500)	11 953 889	(64 458 636)
		<u>(44 212 342)</u>	<u>(82 058 072)</u>	<u>(27 504 455)</u>	<u>(64 608 530)</u>
Net cash used in investment activities (2)		(13 102 913)	11 541 326	(1 710 303)	24 151 162
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained		717 900 000	46 000 000	430 500 000	28 000 000
Sale of own shares		87 236	190 012	9 898	190 012
		<u>717 987 236</u>	<u>46 190 012</u>	<u>430 509 898</u>	<u>28 190 012</u>
<u>Cash Payments arising from:</u>					
Loans obtained		(674 938 250)	(39 704 800)	(399 540 350)	(35 580 400)
Interest and similar charges		(2 016 772)	(1 719 663)	(1 429 326)	(1 072 280)
Dividends		(18 223 858)	(14 749 893)	(18 223 858)	(14 749 893)
		<u>(695 178 880)</u>	<u>(56 174 356)</u>	<u>(419 193 534)</u>	<u>(51 402 573)</u>
Net cash used in financing activities (3)		22 808 356	(9 984 344)	11 316 364	(23 212 562)
		-	-	-	-
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		16 680 431	234 460	17 161 363	338 004
Cash and cash equivalents at the beginning of the period	8	888 068	171 848	407 136	68 303
Cash and cash equivalents at the end of the period	8	17 568 499	406 308	17 568 499	406 308

The accompanying notes are part of these financial statements.

* Prepared in accordance with IAS 34 - Interim Financial Reporting

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

1. INTRODUCTION

Sonae Capital, SGPS, SA (“the Company” or “Sonae Capital”) whose registered office is at Lugar do Espido, Via Norte, Apartado 3053, 4471-907 Maia, Portugal, was set up on 14 December 2007 by public deed, following the demerger from Sonae, SGPS, SA of the whole of the shareholding in the company formerly named Sonae Capital, SGPS, SA, now named SC, SGPS, SA, in compliance with paragraph a) of Article 118 of the Code of Commercial Companies.

The Company’s financial statements are presented as required by the Code of Commercial Companies. According to Decree-Law 158/2009 of 13 July of 2009, the Company’s financial statements have been prepared in accordance with International Financial Reporting Standards.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in preparing the accompanying separated financial statements are consistent with those used in the financial statements presented for the year ended 31 December 2018.

2.1 BASIS OF PREPARATION

Interim financial statements are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

The accompanying financial statements have been prepared from the books and accounting records on a going concern basis and under the historical cost convention, except for financial instruments, which are stated at fair value.

3. CHANGES IN ACCOUNTING POLICIES

During the period, there were no changes in accounting policies or prior period errors.

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

4. FINANCIAL INVESTMENTS

As at 30 June 2019 and 31 December 2018, Investments are detailed as follows:

	30 June 2019	31 December 2018
Investments in affiliated and associated undertakings	374 023 071	334 564 887
Investments in other companies		
Sonae RE - (0,04%)	1 360	1 200
Matadouro Alto Alentejo, S.A. - (0,89%)	-	1
NET Novas Tecnologias, S.A. - (0,98%)	23 034	23 033
Fundo F HITEC - (6,48%)	-	250 950
	<u>374 047 465</u>	<u>334 840 071</u>
Impairment	(100 796 975)	(86 992 382)
	<u>273 250 490</u>	<u>247 847 689</u>

4.1 INVESTMENTS IN AFFILIATED AND ASSOCIATED UNDERTAKINGS

As at 30 June 2019 and 31 December 2018, the detail of Investments in Affiliated and Associated Companies is as shown in the table below:

	30 June 2019			Profit / (Loss) for the period
	% Held	Book Value	Equity	
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	7 464 238	4 175 044
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	71 655 945	1 526 009
Troiareport, SGPS, S.A.	100%	167 132 793	79 554 596	(314 162)
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 901 011	1 022 994
SC Assets S.G.P.S., SA	100%	38 603 728	4 788 491	1 047 808
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	5 184 993	3 856 979
SC Finance B.V.	100%	10 963 698	5 640 230	(42 870)
SC-Industrials, S.G.P.S., S.A.	100%	35 353 624	1 031 554	(168 446)
Race, SGPS, S.A.	70%	32 492 436	42 438 701	1 351 096
SC Fitness, S.A.	100%	26 946 268	26 129 435	(404 025)
		<u>374 023 071</u>		
		Impairment		
SC Assets S.G.P.S., SA		38 603 728		
Troiareport, SGPS, S.A.		21 817 116		
SC Finance BV		5 022 507		
SC, Industrials, SGPS, S.A.		35 353 624		
		<u>100 796 975</u>		

SEPARATED FINANCIAL STATEMENTS

30 JUNE 2019

31 December 2018				
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	6 891 529	3 791 932
Fundo Esp de Invest. Imob Fechado WTC	60%	52 823 047	71 179 936	1 619 123
Troiareort, SGPS, S.A.	100%	167 132 793	101 121 898	22 371 727
Lidergraf - Artes Gráficas, SA.	25%	1 125 301	8 901 011	1 022 994
SC Assets S.G.P.S., SA	100%	25 577 659	(9 285 387)	(22 792 766)
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	1 328 014	(4 944 253)
SC Finance B.V.	100%	10 963 698	5 683 100	(202 815)
SC-Industrials, S.G.P.S., S.A.	100%	34 575 100	421 476	(778 524)
Race, SGPS, S.A.	70%	32 492 436	41 087 606	184 522
SC Fitness, S.A.	100%	1 292 678	880 067	(412 611)
		<u>334 564 887</u>		
Impairment				
SC Assets S.G.P.S., SA		25 577 659		
Troiareort, SGPS, S.A.		21 817 116		
SC Finance BV		5 022 507		
SC, Industrials, SGPS, S.A.		34 575 100		
		<u>86 992 382</u>		

Investments carried at cost correspond to those in unlisted companies and for which a fair value cannot be reliably estimated

Impairment tests on financial investments were performed in 2018, based on external valuations of the real estate of group companies or DCF methodology, to assess the fair value of such investments

These assessments use discount rates that correspond to the weighted average rates of the cost of capital (WACC), calculated on the basis of the business type in which they operate and its target capital structures, and are in the range [6.68% - 9.63%]. 5 years projections were considered and growth rates in perpetuity were considered void

As a result of these impairment tests as at 30 June 2019 and 31 December 2018, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below:

	30 June 2019	31 December 2018	Variation
Troiareort, SGPS, S.A.	(21 817 116)	(21 817 116)	-
SC Assets, SGPS, S.A.	(38 603 728)	(25 577 659)	(13 026 069)
SC Finance BV	(5 022 507)	(5 022 507)	-
SC, Industrials, SGPS, S.A.	(35 353 624)	(34 575 100)	(778 524)
	<u>(100 796 975)</u>	<u>(86 992 382)</u>	<u>(13 804 593)</u>

5. OTHER NON-CURRENT ASSETS

As at 30 June 2019 and 31 December 2018, other non-current assets are detailed as follows:

	30 June 2019	31 December 2018
Loans granted		
CAPWATT, SGPS, S.A.	65 000 000	40 000 000
SC Assets, SGPS, S.A.	141 894 762	155 568 400
SC Finance BV	6 458 900	6 458 900
SC Fitness, S.A.	7 836 500	28 615 500
SC Hospitality, SGPS, S.A.	6 155 000	6 155 000
SC Industrials, SGPS, S.A.	19 588 000	12 588 000
Solinca - Health & Fitness, S.A.	-	-
Troiaresort, SGPS, S.A.	151 867 232	130 294 732
	398 800 394	379 680 531
Impairment		
SC Assets, SGPS, S.A.	(495 093)	(13 521 162)
SC Finance BV	-	-
SC Industrials, SGPS, S.A.	(1 228 759)	(2 007 282)
Up-front fees not yet charged to income statement	(1 723 852)	(15 528 444)
	-	81 214
	397 076 542	364 233 301

Loans to group companies interest at market rates and are repayable within a period exceeding one year. The interest rate as at 30 June 2019 stood, on average, at approximately 2.62% (2018: 2,38%).

6. OTHER CURRENT ASSETS AND INCOME TAX

As at 30 June 2019 and 31 December 2018, Other current assets and Income tax are made up as follows:

	30 June 2019	31 December 2018
Other debtors - Group	1 232 170	9 240 365
Loans granted	21 347 315	35 716 674
Other debtors	82 434	630 414
	22 661 919	45 587 454
Accrued income	5 526 001	4 885 576
Deferred costs	167 049	246 735
	5 693 050	5 132 310
Other taxes	98 224	
Income tax withheld	-	-
	28 453 193	50 719 764

The balance registered at Other debtors - Group is related to the values transferred from subsidiaries under the IRC regime (RETGS).

As at 30 June 2019 and 31 December 2018, the item Loans Granted is related to financial operations with the following subsidiaries:

	30 June 2019	31 December 2018
Loans granted		
CAPWATT, SGPS, S.A.	2 982 200	14 545 000
Inparvi SGPS, S.A.	-	-
SC Assets, SGPS, S.A.	795 431	19 000
SC Finance BV	-	-
SC Fitness, S.A.	7 227 900	8 004 100
SC Hospitality, SGPS, S.A.	955 993	1 156 502
SC Industrials, SGPS, S.A.	1 969 000	7 473 500
SC SGPS, S.A.	47 800	361 300
Solinca - Health & Fitness, S.A.	-	-
Troiareort, SGPS, S.A.	7 368 991	4 157 271
	21 347 315	35 716 674

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Loans to group companies interest at market rates and are repayable within a period inferior to one year. The interest rate as at 30 June 2019 stood, on average, at approximately 1.26% (2018: 1,26%).

The amount recorded in the accrued income includes 5.399.122€ relating to interest on loans granted to subsidiaries.

Deferred costs include 119.000€ relating to bank charges, which are deferred over the loan period.

Income Tax

Under current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except if there have been tax losses or tax benefits, or ongoing tax inspections or claims. In these cases, and depending on the circumstances, the time limits are extended or suspended. In this way the Company tax return, from the years 2016 to 2019, could still be subject to review. However, in the opinion of the Company's Board of Directors, it is not expected that any correction relating to the said financial years will be significant for the consolidated financial statements as at 30 June 2019.

The Company is subject to the special regime for the taxation of groups of companies (RETGS) provided for in Article 69 and following of the IRC Code, integrating the taxation group, which is the mother company.

In the fiscal year 2019, the Company is subject to taxation on Corporate Income Tax at the normal rate of 21%, plus municipal taxes at a maximum rate of 1.5%.

In addition, on the part of the taxable profit of more than 1,500,000€ subject to and not exempt from Corporate Income Tax, the following state levy fees are levied: 3% over 1,500,000€ and less than 7,500,000€; 5% on the upper part to 7,500,000€ and up to 35,000,000€; and 7% that is levied on the part of the taxable income that exceeds 35,000,000€.

Under the terms of Article 88 of the Portuguese Income Tax Code, the company is also subject to autonomous taxation on a set of charges at the rates provided for in the mentioned Article.

7. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2019 and 31 December 2018 can be detailed as follows, split between the different types of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Tax losses carried forward	14 371 852	16 751 852	-	-
Others	-	-	-	-

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The movements in deferred tax assets and liabilities for the periods ended 30 June 2019 and 31 December 2018 were as follows:

	Deferred tax assets		Deferred tax liabilities	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Opening balance	16 751 852	16 764 699	-	-
Effect in results	-	-	-	-
Tax losses carried forward	-	(12 847)	-	-
Others	(2 380 000)	-	-	-
Effect in reserves	-	-	-	-
Closing balance	14 371 852	16 751 852	-	-

In accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward, as at 30 June 2019 and 31 December 2018, tax losses carried forward can be summarized as follows:

	30 June 2019			31 December 2018		
	Tax losses	Deferred tax assets	To be used until	Tax losses	Deferred tax assets	To be used until
Generated in 2014	13 046 930	2 739 855	2026	13 193 576	2 770 651	2026
Generated in 2015	43 839 192	9 206 230	2027	43 854 221	9 209 386	2027
Generated in 2016	11 551 269	2 425 767	2028	12 439 172	2 612 226	2028
Generated in 2017	-	-	2022	10 283 755	2 159 589	2022
Generated in 2018	-	-	2023	-	-	2023
Generated in 2019	-	-	2024	-	-	2024
	68 437 391	14 371 852		79 770 724	16 751 852	

The constitution of deferred tax assets was based on the analysis of the relevance of its recognition, notably as regards the possibility of their recovered, given the prospects for medium and long term of the company.

The deferred tax assets recognized resulting from fiscal losses are recorded to the extent that it is probable that taxable profit will occur in the future.

The valuation of deferred tax assets is based on the business plans of the Group companies, periodically reviewed and updated.

Since fiscal year 2014, most of the Group's subsidiaries, based in Portugal, are part of the perimeter of the taxed Corporate Group in accordance with the Special Taxation Regime for Company Groups (RETGS), whose parent company is the Sonae Capital, SGPS, SA. Gains generated by the application of this tax regime are allocated to Sonae Capital SGPS.

The analysis carried out on 30 June 2019, resulted that there is reasonable expectation of recovery of deferred tax assets recorded before their date of expiry.

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8. CASH AND CASH EQUIVALENTS

As at 30 June 2019 and 31 December 2018, cash and cash equivalents can be detailed as follows:

	30 June 2019	31 December 2018
Cash	-	-
Bank deposits	17 568 499	888 068
Cash and cash equivalents in the balance sheet	17 568 499	888 068

9. EQUITY

The share capital of Sonae Capital SGPS, SA both in June 2019 and December 2018 is represented by 250,000,000 ordinary shares, which do not have the right to a fixed remuneration, with a nominal value of 1€ each.

As at 30 June 2019, Sonae Capital SGPS, SA holds 3,670,823 own shares representing 1.468% of the share capital (4,107,623 shares at 31 December 2018), recorded by 1,105,573€ (1,192,808€ at 31 December 2018) (Note 10).

10. RESERVES

As at 30 June 2019 and 31 December 2018 the item Other Reserves can be detailed as follows:

	30 June 2019	31 December 2018
Legal reserves	11 054 292	10 789 547
Free reserves	135 544 223	148 360 229
Demerger reserve	132 636 906	132 638 253
Own shares reserve	1 105 573	1 192 808
	280 340 993	292 980 837

Free Reserves: These reserves result from the transfer of the positive results obtained in retained earnings and can be distributed to shareholders provided they are not required to cover losses.

The overall value of the demerger reserve (Note 1), mainly represents the difference between the book value of the stake in SC, SGPS, SA (382,638,253€) and the share capital of Sonae, SGPS, SA (250,000,000€), which is comparable to the Legal Reserve, according to the Code of Commercial Companies, may not be distributed to the shareholders except in the event of liquidation of the Company, but may be used to absorb accumulated losses, after other reserves are exhausted, or can be incorporated into capital.

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Legal Reserve: Under the law, at least 5% of annual net profit, should be allocated to the Legal Reserve until it represents 20% of the share capital. This reserve is not distributable except in the event of liquidation of the company, but can be used to absorb losses after the other reserves, or increase capital. On 30 June 2019 the value of this item amounts to 11,054,292€ (December 2018: 10,789,547€).

Reserve own shares: This reserve, established in accordance with Article 342 of the CSC, is the same amount of the own shares value held by the company. This reserve is unavailable while the own shares are in possession of the company.

11. BORROWINGS

As at 30 June 2019 and 31 December 2018, this item included the following loans:

	30 June 2019		31 December 2018	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Capital SGPS - commercial paper ^{a)}	9 300 000	-	-	-
Sonae Capital SGPS - commercial paper ^{b)}	2 500 000	25 000 000	-	13 000 000
Sonae Capital SGPS - commercial paper ^{c)}	23 000 000	-	-	-
Sonae Capital SGPS - commercial paper ^{d)}	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper ^{e)}	2 000 000	7 000 000	2 000 000	8 000 000
Sonae Capital SGPS - commercial paper ^{f)}	29 000 000	-	7 650 000	-
Sonae Capital SGPS - commercial paper ^{g)}	-	-	-	10 000 000
Up-front fees not yet charged to income statement	-	(61 455)	-	(51 544)
	75 800 000	31 938 545	19 650 000	30 948 456
Bank overdrafts (Note 8)	-	-	-	-
	75 800 000	31 938 545	19 650 000	30 948 456
Bond Loans				
Sonae Capital 2016/2021 ^{h)}	-	15 000 000	-	15 000 000
Sonae Capital 2014/2019 ⁱ⁾	-	-	42 500 000	-
Sonae Capital 2019/2024 ^{j)}	-	15 000 000	-	-
Sonae Capital 2019/2026 ^{k)}	-	15 000 000	-	-
Up-front fees not yet charged to income statement	-	(427 664)	-	(116 090)
	-	44 572 336	42 500 000	14 883 910
IFRS16 leases	28 902	56 784	-	-
	28 902	56 784	-	-
	75 828 902	76 567 665	62 150 000	45 832 365

- a) Commercial paper programme, with subscription guarantee, issued on 4 January 2017 with automatic annual renewal, unless denounced by either part;

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- b) Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid until October 2021;
- c) Commercial paper programme, with subscription guarantee, issued on 26 August 2009 and valid until August 2019;
- d) Commercial paper programme, with subscription guarantee, issued on 30 June 2017 with annual renewal, unless denounced by either part;
- e) Commercial paper programme, with subscription guarantee, issued on 24 February 2017 valid until February 2023 with amortizations every six months beginning 2019;
- f) Commercial paper programme, without subscription guarantee, issued on 20 December 2017 with annual renewal for issues placed with investors;
- g) Commercial paper programme, with subscription guarantee, issued on 23 June 2016 valid for a 5-year period, with annual amortizations and a 1-year grace period parties. The programme was terminated in June 2019 by mutual agreement between the related parties;
- h) Sonae Capital, SGPS, SA, 2016/2021 bond loan in the amount of 15,000,000€ 5 years until maturity and a sole reimbursement on 29 July 2021. This bond loan bears interest every six months;
- i) Sonae Capital, SGPS, SA, 2014/2019 bond loan, 5 years until maturity and a sole reimbursement on 28 May 2019;
- j) Sonae Capital, SGPS, SA, 2019/2024 bond loan in the amount of 15,000,000€ with reimbursement on the 8th and 10th coupon and maturity on the 26 June 2024. This bond loan bears interest every six months;
- k) Sonae Capital, SGPS, SA, 2019/2026 bond loan in the amount of 15,000,000€ with yearly reimbursements beginning from the 2nd coupon, inclusive, with maturity on the 28 June 2026. This bond loan bears interest every six months.

The interest rate on bank loans and bonds in force on 30 June 2019 was on average 0,92%.

Bank loans pay interest rates that are indexed to the Euribor market rates of the period, and its fair value is considered close to its book value.

The nominal value of the loans have the following maturity dates:

	30 June 2019		31 December 2018	
	Capital	Interest	Capital	Interest
N+1	75 828 902	(894 888)	62 150 000	(1 239 416)
N+2	11 030 376	(780 453)	2 000 000	(393 125)
N+3	39 025 901	(564 476)	40 000 000	(377 188)
N+4	10 003 963	(350 952)	2 000 000	(20 000)
N+5	12 000 000	(241 458)	2 000 000	(1 250)
After N+5	5 000 000	(101 493)	-	-
	152 889 142	(2 933 721)	108 150 000	(2 030 978)

12. OTHER CREDITORS

As at 30 June 2019 and 31 December 2018, other creditors can be detailed as follows:

	30 June 2019	31 December 2018
Other creditors		
Group companies - Short term loans	18 945 250	20 633 500
Other creditors	99 501	956 924
	19 044 751	21 590 424

As at 30 June 2019 and 31 December 2018 the item loans granted is relative to financial operations granted to the following subsidiaries::

	30 June 2019	31 December 2018
Race SGPS, SA	18 030 250	19 720 500
Inparvi	915 000	913 000
	18 945 250	20 633 500

Loans obtained from group companies bear interest at market rates and are repayable within one year. The interest rate as at 30 June 2019 was, on average, approximately 0.050%.

Within the item Other Creditors – other creditors, there is included 31.992€ regarding transfers from subsidiaries of tax estimates under the special regime RETGS.

13. SUPLIERS, TAXES, OTHER NON CURRENT AND CURRENT LIABILITIES

As at 30 June 2019 and 31 December 2018, these items were as follows:

	30 June 2019		31 December 2018	
	Current	Non-Current	Current	Non-Current
Trade creditors	112 811	-	111 994	-
Taxes payable - income tax	3 792	-	2 299 149	-
Taxes payable - other taxes	58 287	-	48 995	-
Other current liabilities				
Accruals				
Staff costs	779 857	107 974	820 702	138 580
Interest payable	176 824	-	301 451	-
Other accruals	16 261	-	83 191	-
Deferred income	9 852	-	7 370	-
	982 795	107 974	1 212 714	138 580

As at 30 June 2019 and 31 December 2018, interest payable can be detailed as follows:

	30 June 2019	31 December 2018
Interest payable		
Bank Loans	170 696	300 766
Group companies loans	6 128	685
	176 824	301 451

As at 30 June 2019 and 31 December 2018, the Income tax and Other taxes can be detailed as follows:

	30 June 2019	31 December 2018
Taxes payable - other taxes		
Income taxation - amounts withheld	30 289	26 787
VAT	148	69
Social security contributions	27 850	22 138
	58 287	48 995

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14. EXTERNAL SUPPLIES AND SERVICES

As at 30 June 2019 and 30 June 2018, External Supplies and services can be detailed as follows:

	30 June 2019	30 June 2018
Operational rents	(3 094)	(21 310)
Insurance costs	(26 195)	(22 736)
Travelling expenses	(14 107)	(14 887)
Services obtained	(599 624)	(681 034)
Other services	(28 076)	(29 336)
	(671 097)	(769 304)

In services obtained, stands out the amounts related to fees from shared services, of 113,337€ (2018: 135,298€) and the item Holding costs with the amount of 379,473€ (2018: 397,854€), invoiced by subsidiary SC Sociedade de Consultadoria, SA.

As at 30 June 2019, the other services include costs with bank services in the amount of 11,715€ (2018: 8,716€); costs with fuel 7,792€ (2018: 7,678€) and communications 4,861€ (2018: 6,071€).

15. STAFF COSTS

As at 30 June 2019 and 2018, staff costs were made up as follows:

	30 June 2019	30 June 2018
Governing bodies' remunerations	(448 416)	(414 789)
Staff and other sectors remunerations	(187 926)	(141 144)
Social security contributions	(84 756)	(80 132)
Other staff costs	(14 111)	(10 000)
	(735 209)	(646 065)

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

As at 30 June 2019 and 30 June 2018, Net Financial Expenses and Investment Income can be detailed as follows:

	30 June 2019	30 June 2018
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(239 414)	(178 699)
Bonds	(823 856)	(966 329)
Other	(5 793)	(8 650)
Other financial expenses	(500 805)	(635 820)
	<u>(1 569 869)</u>	<u>(1 789 497)</u>
Interest receivable and similar income		
Interest income	5 396 141	4 526 554
	<u>5 396 141</u>	<u>4 526 554</u>
Net financial expenses	3 826 272	2 737 057

	30 June 2019	30 June 2018
Reversal of /and Impairment losses	-	-
Dividends received	-	-
Losses on financial investments	-	-
Other income	25 489 934	38 897 405
Investment income	25 489 934	38 897 405

As at 30 June 2019, the amount mentioned in “Interest arising from other” refers in its entirety to interest on current loans obtained from group companies.

As at 30 June 2019, the amount mentioned in “Interest receivable and similar income” includes interest on loans granted to group companies amounting.

As at 30 June 2019, the amount mentioned in “Other financial expenses” refers to commissions incurred with the assembly and management of bank loans and bonds.

On 30 June 2019, the amount mentioned in “Other income” refers mainly to: i) settlement cost (235,440€); ii) income from investments and real estate funds 782,384€; iii) dividends 24,929,031€.

17. OTHER OPERATIONAL PROFIT AND OTHER OPERATIONAL EXPENSES

As at 30 June 2019 and 30 June 2018, the items Other operational profit and expenses were as follows:

	30 June 2019	30 June 2018
Other operating income		
Other supplementary income - Comissions	26 632	58 812
Other	104	150
	26 736	58 962
Other operating expenses		
Taxes	(11 473)	(29 844)
Other	(192)	(374)
	(11 665)	(30 218)

18. TAXATION

As at 30 June 2019 and 2018, Taxation was made up as follows:

	30 June 2019	30 June 2018
Current tax (Note 6)	3 359 445	368 592
Deferred tax (Note 7)	(2 380 000)	-
	979 445	368 592

As stated in Note 6, the Company is taxable according to the RETGS

19. EARNINGS PER SHARE

Earnings per share for the periods ended 30 June 2019 and 2018 were calculated taking into consideration the following amounts:

	30 June 2019	30 June 2018
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	28 896 985	40 615 431
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	28 896 985	40 615 431
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	248 496 865	248 085 190
Earnings per share (basic and diluted)	0,116287	0,163716

20. COMPLIANCE WITH LEGAL REQUIREMENTS

Art. 5 No. 4 of Decree-Law No. 495/88 of 30 December changed by art 1 of Decree-Law No. 318/94 of 24 December.

In the period ended 30 June 2019 shareholders' loan contracts were entered with:

SC Fitness

SC Industrials SGPS

Troiareort SGPS

Capwatt SGPS

In the period ended 30 June 2019 short-term loan contracts were entered with the companies:

Aqualuz Tróia-Expl.Hoteleira e Imob., SA	Country Club da Maia-Imob.,SA	SC Fitness, SA
Atelgen-Produção Energia, ACE	Golf Time-Golfe e Invest. Turísticos, SA	Sete e Meio Herd.-Inv. Agr. e Tur.,SA
Atlantic Ferries-Tráf.Loc,Flu.e Marít,SA	Imobeauty, SA	Soc.Inic.Aprov.Florest.-Energias,SA
Bloco Q-Sociedade Imobiliária,SA	Imodivor - Sociedade Imobiliária, SA	SII - Soberana Invest. Imob., SA
CAPWATT, SGPS, S.A.	Imohotel-Emp.Turísticos Imob.,SA	Soira-Soc.Imob. de Ramalde,SA
Capwatt ACE, S.A.	Imopenínsula - Soc. Imob., SA	Solinca - Health & Fitness, SA
Capwatt Alrota - Wind Power, SA	Imoponte - Soc. Imob., SA	Soltroia-Imob.de Urb.Tur. de Tróia,SA
Capwatt Chamusca - Bio Power, Unip., SA	Imoresort - Soc. Imob., SA	Sotáqua-Soc. de Empreend. Tur., SA
Capwatt Colombo - Heat Power, S.A.	Imosedas - Imob. e Serviços, S.A.	Soternix-Produção de Energia, ACE
Capwatt Évora - Solar Power , S.A.	Implantação - Imob., S.A.	Spinveste - Promoção Imob., SA
Capwatt Estuário-Heat Power, Unip., Lda	Marina de Tróia S.A.	Spinveste-Gestão Imob. SGII,SA
Capwatt Ferreira - Solar Power, SA	Marmagno-Expl.Hotel. Imob.,SA	Suncoutim - Solar Energy, S.A.
Capwatt Lousado - Heat Power, Unip., Lda	Marvero-Expl.Hotel. Imob.,SA	Companhia Térmica Tagol, Lda.
Capwatt Maia - Heat Power, S.A.	Porto Palácio Hotel, SA	The House Ribeira Hotel - Expl. Hot., SA
Capwatt Martim Longo - Solar Power, S.A.	Porturbe-Edifícios e Urban.,SA	Tróia Market, SA
Capwatt Vale do Caima - Heat Power, S.A.	Praedium - Serviços, SA	Troia Natura, S.A.
Carvemagere-Manut.e Energ. Renov., Lda	Praedium II - Imobiliária, SA	Troiareort-Invest. Turísticos, SA
Casa da Ribeira-Soc. Imobiliária,SA	Predisedas - Predial das Sedas, SA	Tulipamar-Expl.Hoteleira Imob.,SA
Centro Residencial da Maia,Urbán.,SA	Promessa Soc. Imobiliária, S.A.	Urbisedas-Imob. das Sedas,SA
Cinclus Imobiliária,SA	RACE-Refrig. & Air Condit.Eng.SA	Vistas do Freixo-Emp.Tur.Imob.,SA

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As at 30 June 2019 amounts due by affiliated companies can be summarized as follows:

Loans and Short term loans granted

Companies	Closing Balance
CAPWATT, SGPS, S.A.	67 982 200
SC Assets, SGPS, S.A.	142 690 193
SC Finance BV	6 458 900
SC Fitness, S.A.	15 064 400
SC Hospitality, SGPS, S.A.	7 110 993
SC Industrials, SGPS, S.A.	21 557 000
SC SGPS, S.A.	47 800
Troiareort, SGPS, S.A.	159 236 222
	420 147 708

As at 30 June 2019 , amounts due to affiliated companies can be summarized as follows:

Short term loans obtained

Companies	Closing Balance
Inparvi SGPS, S.A.	915 000
RACE, SGPS, S.A.	18 030 250
	18 945 250

21. SUBSEQUENT EVENTS

No significant events, requiring further disclosure, have occurred after 30 June 2019.

22. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 26 July 2019.

O Contabilista Certificado

O Conselho de Administração

Rui Manuel Machado Morais
Certified Accountant

Duarte Paulo Teixeira de Azevedo
Chairman

Álvaro Carmona e Costa Portela
Vice Chairman of the Board of Directors

Maria Cláudia Teixeira de Azevedo
Member of the Board of Directors

Francisco de La Fuente Sánchez
Member of the Board of Directors

Paulo José Jubilado Soares de Pinho
Member of the Board of Directors

Miguel Jorge Moreira da Cruz Gil Mata
CEO

Ivone Pinho Teixeira
CFO

Isabel Maria Pereira Aníbal Vaz
Member of the Board of Directors

Pedro Manuel Martins Bruno
Member of the Board of Directors

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SONAE CAPITAL

