SONAE CAPITAL

EARNINGS ANNOUNCEMENT

30 JUNE 2020

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

SONAE CAPITAL

1. MAIN HIGHLIGHTS AND CEO'S MESSAGE

- First half 2020 significantly impacted by the rapid spread of the Covid-19 pandemic and the subsequent declaration of State of Emergency in Portugal between March and May, which resulted in the suspension of several operations, namely in Fitness, Hospitality and Tróia Operations;
- June was marked by the restart of the majority of operations, although still strongly limited by the pandemic;
- Business Units Turnover increased by €61.6M in 1H20, to €129.3M, totally driven by the integration of Futura Energía Inversiones;
- Real Estate Assets unit Turnover reaching 10.9M€ in 1H20, driven by sales deeds in the amount of 7.2M€, including 10 residential touristic units in Tróia, for 5.0M€;
- Net Results at negative 14.4M€ in 1H20, 11.5M€ below the same period of 2019;
- Net Financial Debt of €152.8M at the end of the semester, €11.6M above the end of 2019;
- Cash and available credit lines at 81.3M€ in 30 June 2020, ensuring all the refinancing needs planned for 2020, even in the most adverse scenarios.

"As expected, the second quarter of the year proved to be extremely challenging for Sonae Capital. The Fitness, Hospitality and Tróia Operations segments saw their operations suspended for most of the quarter and the Industrial Engineering and Real Estate Assets segments saw, and will certainly continue to see, the activity affected by the climate of uncertainty on a global scale. The Energy segment, the most resilient in our portfolio, did not suffer any material direct impact.

Assuming from the very beginning that there are variables one can not control, namely the absense of revenues resulting from the operations suspension, we focused on increasing resilience levels, acting at the level of operating costs and retaining some investment decisions. At the same time, we continued to work towards strengthening Sonae Capital's liquidity. We had 81.3M€ in cash and available credit lines on 30 June 2020, which allows pursuing Sonae Capital strategic objectives with sufficient confidence to face even more adverse scenarios.

The suspended operations resumed their activity essentially from June onwards. As a result of the commitment of our teams, which have demonstrated an unparalleled adaptability, we have carefully prepared our operations for the "new normal", guaranteeing the safety and well-being of everyone and taking firm steps to continue to excel in some of our forefronts. The recovery will not be immediate and will continue to put us to the test, but the path taken throughout the past few months makes me believe that this pandemic will be just one more challenge that Sonae Capital will overcome in the course of its history."

Miguel Gil Mata

2. COVID-19

At Sonae Capital, the Covid-19 pandemic has impacted significantly the 1H20 operating and financial results. The effects already witnessed in the main business indicators during the first quarter of the year became much more evident during the second quarter and, despite the gradual easing of Government restrictions from mid-May, many of these effects still remain in some of our segments.

Following an action plan initiated during the first quarter of the year, the well-being and safety of our employees, customers, suppliers and the community in general continued to be our main priority.

Considering the limitations that resulted from the temporary suspension of our operations, especially in Fitness and Hospitality, where the drop in revenues has been significant, we have been making efforts to protect our resilience levels, namely through:

- reinforcement of optimization and reduction of operating costs: all segments have been particularly focused on the optimization of their cost structure: from external supplies and services, to personnel costs and rental costs which, although not visible in the EBITDA line, are particularly relevant in some segments, namely Fitness and Hospitality. With regard to personnel costs, Sonae Capital has adopted the simplified layoff regime since mid-April, in all the segments including central structures, with Energy as the only exception.
- revision of the investment plan: with the rise and rapid spread of the pandemic, all Capex needs included in the investment plan scheduled for 2020 have been revisited as an incremental measure of prudence. Currently, all material Capex needs are subject to scrutiny by the Executive Committee of Sonae Capital, which is carefully assessing their viability. It should be noted that the investment in Mangualde cogeneration power plant, in Energy, continued to proceed as planned.
- reinforcement of liquidity: the real estate assets monetization plan continues to contribute to the financing of Sonae Capital. In parallel, Sonae Capital has been working with the main banks in relation to refinancing its debt since the end of 2019, aiming not only to optimize the average maturity and cost of debt, but also seeking to strengthen liquidity in order to meet all financing needs. At the end of 1H20, Sonae Capital had €81.3M in cash and available credit lines. In a more adverse scenario, in which expectations in terms of operating cash flow generation for 2020 will continue to be impacted by the effects of the pandemic, Sonae Capital maintains a degree of financial strength considered as adequate, with all the expected financing needs for the current year secured.

Information by segment:

Energy

- The Production activity took place in a context of relative normality. In cogeneration, despite some signs of softening in the activity levels of some plants and the consequent reduction in thermal energy production, the impact of the pandemic was not material. As planned, the Mangualde operation took off in June for an initial commissioning phase, where tests are being carried out. Although this phase already encompasses the production of electric and thermal energy, the plant is expected to reach cruising speed in mid-August, as soon as the testing period is concluded.
- As previously reported, the increase in the volatility of the markets in which the Trading and Commercialization activity operates - from CO_2 emission licenses, to electric energy and natural gas - has led to a preventive slowdown in activity, in order to protect working capital requirements.

Industrial Engineering

- The 2Q20 performance, marked by a level of orders clearly below expectations, shows the negative evolution of confidence levels in the markets where ADIRA operates.
- ADIRA has put an additional effort into its commercial activity (namely through market diversification, searching for new agents and also providing financing solutions to its customers), with the aim of ensuring that its position will be strengthened as soon as uncertainty levels begin to dissipate.

Fitness

- After more than two months of preventive suspension of the Clubs activity, the reopening of the first 21 Clubs took place on 1 June. This group of Clubs was defined in order to guarantee service coverage to all members, in a logic of proximity. From that day until 1 July, another 13 Clubs were reopened.
- After the reopening, the safety of our members and employees has been a constant, being beyond the recommendations issued by the General Health Directorate in many circumstances. Among the various measures implemented, we highlight the launching of a scheduling platform that allows our members to book their classes before going to the Club.
- The average number of active members suffered a significant slowdown, reaching approximately 70 thousand members at the end of 2Q20, circa 35 thousand members below the value registered at the end of March, when the State of Emergency began in Portugal. This decrease results from the effect of some cancellations but also, and in particular, from approximately 20 thousand suspensions that SC Fitness expects to partially revert in the coming quarters. In order to reinforce confidence levels, the maintenance of constant and transparent communication has been paramount, as well as the launching of customer acquisition campaigns. Of particular relevance, the feedback received from members returning to Clubs has been clearly positive.

Hospitality

- During the months of April and May, operations remained practically suspended, with the month of June marked by the progressive resumption of the activity of all units, with the exception of The Artist, in Porto. All units have been following strict safety measures and have the Clean & Safe certification.
- In the Business & City Break destination, the activity of the units located in Porto is largely dependent on the evolution of the aviation sector, which has for now a very residual level of activity.
- In the Sun & Sea destination, Tróia has shown the best performance. The activity of June 2020 remained below the reference levels of 2019, but due to the site specificity has allowed to register some positive signs of recovery. At Aqualuz Lagos, whose activity has always been highly dependent on international markets, namely the United Kingdom, performance has been limited by a very low occupancy rate.

Tróia Operations

- During the months of April and May, all operations in Tróia were conditioned, with the exception of Meu Super supermarket and Atlantic Ferries, which maintained only a part of the careers in operation.
- The gradual resumption of the operations took place from the end of May. Since the lockdown period, the destination Tróia has stood out positively, being sought after by several owners of apartments and houses, at the same time that, since June, there has been some resumption of tourist activity in the Peninsula. Even so, despite the positive signs, the operations performance remained well below the levels recorded in the same period of 2019.

3. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Turnover						
Business Units	**31.45**	**36.41**	**-13.6%**	**129.25**	**67.67**	**+91.0%**
Energy	25.31	14.31	+76.9%	105.78	28.33	>100%
Industrial Engineering	0.90	1.49	-39.6%	3.69	4.07	-9.4%
Fitness	2.24	10.12	-77.9%	12.89	20.15	-36.0%
Hospitality	1.00	7.34	-86.4%	3.30	10.36	-68.2%
Troia Resort - Operations	2.00	3.15	-36.4%	3.59	4.77	-24.6%
Real Estate Assets	**5.38**	**11.27**	**-52.3%**	**10.87**	**15.82**	**-31.3%**
Troia Resort	3.48	5.28	-34.2%	5.87	8.36	-29.8%
Other Real Estate Assets	1.91	5.99	-68.2%	5.00	7.47	-33.1%
Eliminations & Adjustments	-1.89	-2.45	+22.7%	-3.33	-4.32	+23.0%
Consolidated Turnover	**34.94**	**45.24**	**-22.8%**	**136.78**	**79.17**	**+72.8%**
Other Operational Income	1.13	0.69	+64.5%	1.57	1.42	+10.8%
Total Operational Income	**36.07**	**45.92**	**-21.5%**	**138.35**	**80.59**	**+71.7%**
EBITDA						
Business Units	**1.67**	**9.31**	**-82.0%**	**6.92**	**14.24**	**-51.4%**
Energy	4.62	4.87	-5.1%	8.44	8.47	-0.3%
Industrial Engineering	-0.69	-0.95	+27.4%	-1.05	-1.61	+34.8%
Fitness	-1.37	3.03	-	1.91	6.25	-69.4%
Hospitality	-1.12	2.05	-	-2.25	1.19	-
Troia Resort - Operations	0.24	0.31	-24.5%	-0.14	-0.06	<-100%
Real Estate Assets	**2.12**	**5.09**	**-58.4%**	**2.88**	**5.91**	**-51.3%**
Troia Resort	1.31	0.92	+42.8%	1.70	0.95	+79.2%
Other Real Estate Assets	0.80	4.17	-80.7%	1.18	4.96	-76.3%
Eliminations & Adjustments	-2.49	-1.96	-27.1%	-4.54	-3.74	-21.4%
Consolidated EBITDA	**1.30**	**12.44**	**-89.6%**	**5.26**	**16.41**	**-68.0%**
Amortizations & Depreciations	8.53	8.15	+4.7%	16.26	15.48	+5.1%
Provisions & Impairment Losses	-0.02	0.02	-	-0.16	0.00	-
Recurrent EBIT						
Business Units	**-6.32**	**1.79**	**-**	**-8.19**	**0.07**	**-**
Energy	1.37	1.71	-20.0%	2.79	3.00	-7.0%
Industrial Engineering	-1.01	-1.16	+12.8%	-1.70	-2.04	+16.7%
Fitness	-3.84	0.82	-	-3.01	1.84	-
Hospitality	-2.38	0.80	-	-4.76	-1.30	<-100%
Troia Resort - Operations	-0.45	-0.37	-21.0%	-1.52	-1.43	-6.0%
Real Estate Assets	**0.66**	**3.53**	**-81.2%**	**0.05**	**2.79**	**-98.4%**
Eliminations & Adjustments	-1.56	-1.05	-48.9%	-2.70	-1.93	-39.9%
Consolidated Recurrent EBIT	**-7.21**	**4.27**	**-**	**-10.85**	**0.93**	**-**
Non-recurrent costs/income (1)	0.02	0.01	>100%	0.23	0.01	>100%
Consolidated EBIT	**-7.23**	**4.26**	**-**	**-11.08**	**0.92**	**-**
Net Financial Expenses	-1.63	-1.74	+6.6%	-3.18	-3.86	+17.6%
Investment Income and Results from Assoc. Undertakings	0.05	0.00	>100%	0.16	0.47	-67.0%
EBT	**-8.81**	**2.52**	**-**	**-14.11**	**-2.47**	**<-100%**
Taxes	0.11	0.27	-58.4%	0.19	0.29	-33.3%
Net Profit - Continued Businesses	**-8.92**	**2.25**	**-**	**-14.30**	**-2.76**	**<-100%**
Net Profit - Discontinued Businesses	**-0.03**	**-0.07**	**+55.5%**	**-0.06**	**-0.13**	**+54.6%**
Net Profit - Total	**-8.96**	**2.18**	**-**	**-14.36**	**-2.89**	**<-100%**
Attributable to Equity Holders of Sonae Capital	-8.98	1.98	-	-14.60	-3.29	<-100%
Attributable to Non-Controlling Interests	0.02	0.19	-88.5%	0.24	0.40	-39.2%

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

- The Business Units turnover stood at 129.3M€, posting a significant increase when compared to 67.7M€ registered in the same period of 2019. Given the exceptional situation caused by the Covid-19 pandemic, with negative Turnover impact on nearly all operations, this increase was driven by the Retail & Trade business contribution, in Energy (consolidated since the 3Q19). In the same period, the Real Estate Assets Turnover reached 10.9M€, 31.3% below the same period in 2019.
- The Business Units EBITDA stood at 6.9M€, 51.4% below the same period in 2019. This was driven by the negative Turnover evolution and also by the various optimization actions implemented in order to mitigate, as far as possible, the impact of the pandemic in the cost structure. In the Real Estate Assets unit, the EBITDA decreased 51.3%, to 2.9M€.
- The Recurrent EBIT stood at negative 10.9M€, which compares with 0.9M€ in 1H19.
- Net Results totaled negative 14.4M€, 11.5M€ below the same period in 2019, essentially due to:

  (i) an EBITDA decrease of 11.2M€, due to the pandemic impact in most of the operations;

  (ii) an increase of 0.8M€ in Amortisations & Depreciations (0.5M€ referred to IFRS 16 Amortisations and 0.3M€ driven by the investment plan in place);

  (iii) an increase of 0.2M€ in Non-Recurrent costs (mostly at ADIRA, following the ongoing restructuring plan);

  (iv) a decrease of 0.3M€ in Investment Income and Results from Associated Undertakings (as 1Q19 was impacted by a Badwill recognition, following the acquistion of Aqualuz Lagos operation).

  Notwithstanding:

  (v) an increase of 0.7M€ in Net Financial Expenses (including 0.6M€ related with the capitalisation of interest incurred in the development of the Mangualde Biomass-fired cogeneration plant).

3.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Jun 2020	Dec 2019	∆ 20/19
Net Capital Employed	**420.33**	**422.53**	**-0.5%**
Fixed Assets	367.85	369.99	-0.6%
o.w. Rights of Use (IFRS16)	51.65	50.92	+1.4%
Non-Current Investments (net)	11.44	8.99	+27.3%
Working Capital	36.91	41.32	-10.7%
Capex (end of period)	12.78	51.73	-75.3%
% Fixed Assets	11.7%	13.9%	-2.2 pp
CAPEX (L12M) / Depreciations	1.89x	2.07x	-0.17x
Net Debt			
Financial Net Debt	152.76	141.21	+8.2%
Net Debt Total	217.54	204.55	+6.3%
% Net Capital Employed	51.8%	48.4%	+3.3 pp
Debt to Equity	107.3%	93.8%	+13.4 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	25.6%	23.9%	+1.7 pp
Net Debt/EBITDA (recurrent without IFRS16)	7.31x	3.00x	+4.31x
Net Debt/EBITDA (recurrent with IFRS16)	4.98x	3.55x	+1.43x

- Capex totalled 12.8M€ in 1H20, mostly driven by: (I) the ongoing investment in the Mangualde biomass-fired cogeneration project development, in the amount of 4.6M€; (ii) Fitness expansion plan, in the amount of 1.5M€; and, (iii) the investment made in Porto Palácio Hotel and Aqualuz Tróia facilities, for 1.8M€.
- Net Debt stood at 217.5M€ at the end of June 2020, 6.3% above December 2019. The Net Financial Debt amounted to 152.8M€ in the same period, registering an increase of 11.6M€, when compared to the end of 2019.
- Net Financial Debt to EBITDA ratio reached 7.3x and Loan-to-Value stood at 25.6%. The deterioration registered in Net Financial Debt to EBITDA ratio results not only from the Business Units EBITDA decrease, particularly in Fitness and Hospitality, but also from the investment already seen in debt level with no liquidity or EBITDA generation attached (such as the Mangualde project, for instance). In fact, given our prospects for EBITDA evolution in 2020, this ratio is expected to continue under pressure until the investment projects complete a year of broad EBITDA generation.
- At the end of June, Sonae Capital liquidity and available credit lines stood at €81.3M, which allows facing current times of great uncertainty with increased confidence.

4. BUSINESS UNITS

4.1 ENERGY

Operational and Financial Information - Energy						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	**25.40**	**14.37**	**+76.7%**	**105.93**	**28.40**	**>100%**
Turnover	**25.31**	**14.31**	**+76.9%**	**105.78**	**28.33**	**>100%**
Production	11.91	14.31	-16.7%	24.40	28.33	-13.9%
Retail & Trade	13.39	0.00	-	82.17	0.00	-
Other Operational Income	0.09	0.07	+36.4%	0.15	0.08	+96.6%
Total Operational Costs	**20.78**	**9.51**	**>100%**	**97.49**	**19.93**	**>100%**
Cost of Goods Sold	17.94	6.78	>100%	91.63	14.53	>100%
External Supplies and Services	1.29	1.53	-16.1%	2.98	3.07	-3.0%
Staff Costs	1.34	0.94	+42.0%	2.50	1.81	+38.3%
Other Operational Expenses	0.22	0.25	-14.8%	0.39	0.52	-26.1%
EBITDA	**4.62**	**4.87**	**-5.1%**	**8.44**	**8.47**	**-0.3%**
Production	4.51	4.87	-7.2%	*8.04*	*8.47*	*-5.1%*
Retail & Trade	0.10	0.00	-	*0.40*	*0.00*	-
EBITDA Margin (% Turnover) - [Production]	37.9%	34.0%	+3.9 pp	33.0%	29.9%	+3.1 pp
Depreciations IFRS16	0.16	0.12	+31.8%	0.32	0.24	+34.0%
Amortizations & Depreciations	3.09	3.04	+1.8%	5.34	5.23	+2.0%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**1.37**	**1.71**	**-20.0%**	**2.79**	**3.00**	**-7.0%**
Production	1.29	1.71	-24.7%	*2.43*	*3.00*	*-18.9%*
Retail & Trade	0.08	0.00	-	*0.36*	*0.00*	-
Recurrent EBIT Margin (% Turnover) - [Production]	10.8%	12.0%	-1.2 pp	10.0%	10.6%	-0.6 pp
Capex	**2.85**	**2.34**	**+21.8%**	**6.48**	**12.70**	**-49.0%**
EBITDA-Capex	**1.77**	**2.53**	**-30.0%**	**1.96**	**-4.23**	**-**
Total Capacity (MW)	**81.5**	**79.7**	**+2.3%**	**81.5**	**79.7**	**+2.3%**
Owned & Operated	74.6	63.9	16.7%	74.6	63.9	16.7%
Operated (not consolidated)	3.2	3.2	0.0%	3.2	3.2	0.0%
Projects in progress (MW)	3.7	12.6	-70.6%	3.7	12.6	-70.6%

- Following the acquisition of Futura Energía Inversiones, the Energy business consolidates two different businesses since 1 August 2019. Two businesses that are different, not only in nature but also in turnover and profitability metrics: the Production business, which includes Cogeneration and Renewables operations, and the Retail & Trade business, which includes the operation developed by Futura Energía Inversiones.
- In the Production business, Turnover decreased by 13.9% when compared to the 1H19, totalling 24.4M€. In the Cogeneration operation, we registered a negative price effect at both electric and thermal energy, particularly due to a change in the electric energy remuneration regime in two power plants (Maia and Carvemagere). Additionaly, we have also registered a negative volume effect due to a slowdown in the activity level of some plants. As for the Renewables operation, it has evolved negatively compared to 1H19, due to a lower solar resource availability versus the exceptionally positive year of 2019. In the wind operation, it should be noted that one of Capwatt Alrota's three wind turbines was damaged between January and June 2020, which impacted the electricity produced in the semester. The Production EBITDA decreased 5.1%, to 8.0M€. As previously reported, the EBITDA is impacted by structural costs related to the ongoing expansion plan.
- The Retail & Trade business, whose activity includes trading of natural gas, electricity and CO_2 emission allowances, had a contribution of 82.2M€ and 0.4M€ for Turnover and EBITDA, respectively.
- The CAPEX stood at 6.5M€, mainly due to the investment in the Biomass-fired cogeneration plant, in the amount of 4.6M€. The plant started the testing period in June 2020, and it is expected to reach cruising speed during the month of August.

4.2 INDUSTRIAL ENGINEERING

Operational and Financial Information - Industrial Engineering						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	**1.07**	**1.69**	**-36.7%**	**3.92**	**4.46**	**-12.0%**
Turnover	**0.90**	**1.49**	**-39.6%**	**3.69**	**4.07**	**-9.4%**
Other Operational Income	0.17	0.20	-14.9%	0.23	0.38	-39.6%
Total Operational Costs	**1.76**	**2.64**	**-33.4%**	**4.97**	**6.06**	**-18.1%**
Cost of Goods Sold	0.58	1.09	-47.0%	2.18	2.74	-20.3%
External Supplies and Services	0.46	0.64	-28.3%	0.99	1.19	-16.6%
Staff Costs	0.69	0.85	-18.9%	1.66	1.85	-10.2%
Other Operational Expenses	0.03	0.06	-44.5%	0.14	0.29	-52.6%
EBITDA	**-0.69**	**-0.95**	**+27.4%**	**-1.05**	**-1.61**	**+34.8%**
EBITDA Margin (% Turnover)	-76.3%	-63.5%	-12.8 pp	-28.5%	-39.5%	+11.1 pp
Depreciations IFRS16	0.02	0.01	+87.5%	0.03	0.02	+84.0%
Amortizations & Depreciations	0.31	0.20	+50.4%	0.61	0.41	+49.9%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**-1.01**	**-1.16**	**+12.8%**	**-1.70**	**-2.04**	**+16.7%**
Recurrent EBIT Margin (% Turnover)	-112.2%	-77.8%	-34.4 pp	-46.0%	-50.0%	+4.0 pp
Capex	**0.12**	**0.23**	**-47.8%**	**0.18**	**0.44**	**-59.1%**
EBITDA-Capex	**-0.81**	**-1.18**	**+31.4%**	**-1.23**	**-2.05**	**+40.0%**

- The activity of the industrial sector is highly dependent on the evolution of confidence levels which, in turn, have been impacted by the Covid-19 pandemic on a global scale. Given the prevailing times of uncertainty, several industrialists have put their investment decisions on hold, which has had an impact on ADIRA's level of orders.
- Industrial Engineering turnover stood at €3.7M, 9.4% below the same period in 2019, reflecting the impact of the pandemic on the evolution of the number of orders. EBITDA improved by 34.8% in 1H20, totaling negative 1.1M€.

4.3 FITNESS

Operational and Financial Information - Fitness						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	**2.59**	**10.23**	**-74.7%**	**13.43**	**20.32**	**-33.9%**
Turnover	**2.24**	**10.12**	**-77.9%**	**12.89**	**20.15**	**-36.0%**
Other Operational Income	0.35	0.10	>100%	0.54	0.17	>100%
Total Operational Costs	**3.96**	**7.20**	**-45.0%**	**11.52**	**14.07**	**-18.1%**
Cost of Goods Sold	-0.01	0.04	-	0.04	0.09	-58.9%
External Supplies and Services	1.53	3.41	-55.1%	4.92	6.69	-26.4%
Staff Costs	2.08	3.07	-32.5%	5.64	6.09	-7.3%
Other Operational Expenses	0.36	0.68	-47.2%	0.92	1.21	-24.0%
EBITDA	**-1.37**	**3.03**	**-**	**1.91**	**6.25**	**-69.4%**
EBITDA Margin (% Turnover)	-61.2%	29.9%	-91.1 pp	14.8%	31.0%	-16.2 pp
Depreciations IFRS16	1.43	1.39	+2.8%	2.94	2.76	+6.3%
Amortizations & Depreciations	1.00	0.82	+21.7%	1.94	1.64	+18.2%
Provisions & Impairment Losses	0.05	0.00	-	0.05	0.00	-
Recurrent EBIT	**-3.84**	**0.82**	**-**	**-3.01**	**1.84**	**-**
Recurrent EBIT Margin (% Turnover)	-171.8%	8.1%	-179.9 pp	-23.4%	9.2%	-32.5 pp
Capex	**0.08**	**5.70**	**-98.6%**	**1.52**	**5.80**	**-73.8%**
EBITDA-Capex	**-1.45**	**-2.67**	**+45.8%**	**0.39**	**0.45**	**-13.3%**
# Average number of active members	**69 590**	**104 468**	**-33.4%**	**69 590**	**104 468**	**-33.4%**
# Clubs in Operation	**37**	**35**	**+2**	**37**	**35**	**+2**

- The Fitness business ended the 1H20 with 34 Clubs in operation. Aimed at matching our offer to current demand levels, 3 Clubs remain closed for now, namely the Pump Clubs from Avenida da República, Gaia and Nações.
- The Covid-19 pandemic interrupted a sustained growth path of almost 7 years. We ended 1H20 with approximately 70 thousand active members, impacted by almost 20 thousand suspensions, which we expect to partially revert through our customer retention program. Besides reinforcing the offer with the launching of ginásio.online, ginásio.outdoor and promotional membership campaigns, SC Fitness has been working in order to communicate frequently, clearly and transparently, showing strict compliance with safety rules, even beyond those recommended by the General Health Directorate.
- Turnover stood at 12.9M€ in 1H20, 36.0% below the same period of 2019 and EBITDA totaled 1.9M€, 69.4% below the same period of 2019.

- Capex reached 1.5M€, driven by the expansion plan in course.

4.4 HOSPITALITY

Operational and Financial Information - Hospitality						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	**1.21**	**7.37**	**-83.6%**	**3.60**	**10.48**	**-65.7%**
Turnover	**1.00**	**7.34**	**-86.4%**	**3.30**	**10.36**	**-68.2%**
Other Operational Income	0.21	0.03	>100%	0.30	0.12	>100%
Total Operational Costs	**2.33**	**5.32**	**-56.2%**	**5.84**	**9.29**	**-37.1%**
Cost of Goods Sold	0.03	0.40	-92.5%	0.19	0.65	-70.7%
External Supplies and Services	1.19	2.67	-55.5%	2.74	4.50	-39.0%
Staff Costs	1.04	1.97	-47.1%	2.64	3.62	-27.0%
Other Operational Expenses	0.07	0.28	-74.9%	0.26	0.52	-49.9%
EBITDA	**-1.12**	**2.05**	**-**	**-2.25**	**1.19**	**-**
EBITDA Margin (% Turnover)	-112.2%	27.9%	-140.1 pp	-68.0%	11.5%	-79.5 pp
Depreciations IFRS16	1.10	1.09	+0.9%	2.19	2.17	+0.9%
Amortizations & Depreciations	0.16	0.16	+0.4%	0.32	0.32	-0.4%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**-2.38**	**0.80**	**-**	**-4.76**	**-1.30**	**<-100%**
Recurrent EBIT Margin (% Turnover)	-237.8%	10.9%	-248.7 pp	-144.1%	-12.6%	-131.5 pp
Capex	**1.21**	**0.38**	**>100%**	**1.82**	**0.50**	**>100%**
EBITDA-Capex	**-2.33**	**1.67**	**-**	**-4.07**	**0.69**	**-**
# Units	**6**	**6**	**+0**	**6**	**6**	**+0**

- The Hospitality segment consolidates the operation of six Hotel Units: three units located in Porto (Porto Palácio Hotel, The Artist and The House), two units located in the Peninsula of Tróia (Aqualuz Tróia and Tróia Residence) and, since 1 January 2019, one unit in the Algarve region (Aqualuz Lagos).
- The 2Q20 performance was impacted by the suspension of the activity of most hotel units during the months of April and May, in which there was almost no room for revenue generation. However, despite the operations resumption, essentially since June, the hotels performance was conditioned by low occupancy levels, mostly in the city of Porto.
- Turnover stood at 3.3M€ in 1H20, 68.2% below the same period in 2019. The EBITDA totaled negative 2.3M€, which compares with positive 1.2M€ in 1H19.
- The CAPEX reached 1.8M€, due to the Santa Apolónia Railway Station Hotel unit project in Lisbon, as well as the requalification of Porto Palácio Hotel and Aqualuz Tróia.

4.5 TROIA RESORT – OPERATIONS

Operational and Financial Information - Troia Resort Operations						
Million euro	2Q 2020	2Q 2019	Δ 20/19	1H 2020	1H 2019	Δ 20/19
Total Operational Income	**2.31**	**3.40**	**-32.1%**	**4.13**	**5.25**	**-21.4%**
Turnover	**2.00**	**3.15**	**-36.4%**	**3.59**	**4.77**	**-24.6%**
Other Operational Income	0.31	0.26	+21.2%	0.53	0.49	+9.8%
Total Operational Costs	**2.07**	**3.09**	**-32.8%**	**4.27**	**5.31**	**-19.6%**
Cost of Goods Sold	0.24	0.32	-24.0%	0.32	0.41	-21.1%
External Supplies and Services	1.03	1.60	-35.6%	2.14	2.72	-21.4%
Staff Costs	0.72	1.00	-27.5%	1.59	1.82	-12.3%
Other Operational Expenses	0.08	0.17	-54.9%	0.21	0.36	-41.2%
EBITDA	**0.24**	**0.31**	**-24.5%**	**-0.14**	**-0.06**	**<-100%**
EBITDA Margin (% Turnover)	11.8%	10.0%	+1.9 pp	-3.9%	-1.2%	-2.8 pp
Depreciations IFRS16	0.06	0.05	+11.3%	0.11	0.10	+12.6%
Amortizations & Depreciations	0.63	0.64	-1.3%	1.26	1.27	-1.1%
Provisions & Impairment Losses	0.00	0.00	-	0.01	0.00	+61.6%
Recurrent EBIT	**-0.45**	**-0.37**	**-21.0%**	**-1.52**	**-1.43**	**-6.0%**
Recurrent EBIT Margin (% Turnover)	-22.5%	-11.8%	-10.7 pp	-42.2%	-30.0%	-12.2 pp
Capex	**0.17**	**0.58**	**-70.7%**	**0.67**	**0.71**	**-5.6%**
EBITDA-Capex	**0.07**	**-0.27**	**-**	**-0.81**	**-0.77**	**-5.9%**

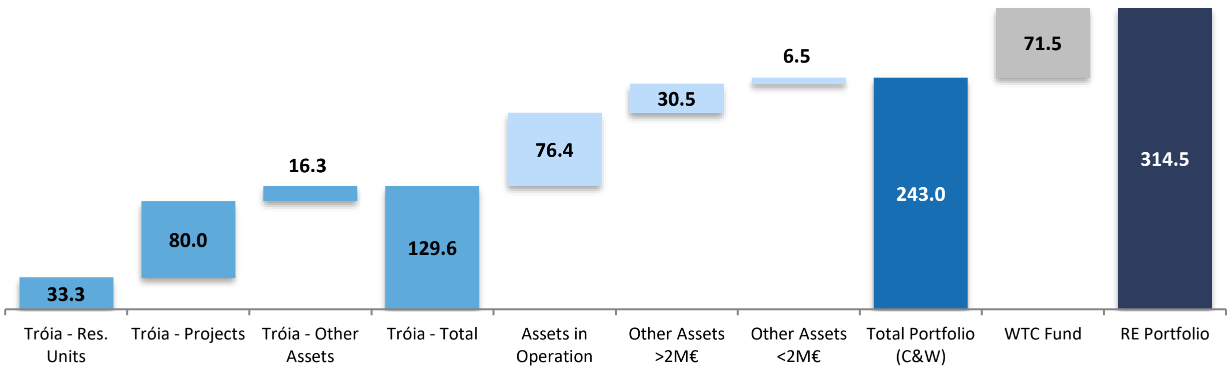
- This segment aims to promote Tróia as a touristic and leisure destination, with high standards in terms of quality of service and environmental sustainability, through an integrated management of its infrastructures. Besides Atlantic Ferries river transportation, it includes operations such as Tróia Marina, "Meu Super" supermarket, the Roman Ruins, a sports centre and a Golf course, among others.

- Turnover from Operations in Tróia totaled 3.6M € in 1H20, 24.6% below the 1H19. Despite the gradual improvement in the level of activity throughout the month of June, this was not sufficient to offset the impact of activities suspension between March and May 2020. On a quarterly basis, it should be noted that, despite the expected decrease in EBITDA when compared to 1H19, EBITDA in 2Q20 was positive, totaling 0.2M€, largely due to the cost optimization measures implemented.
- The CAPEX reached 0.7M€, mostly as a consequence of investments made in Atlantic Ferries operation.

5. REAL ESTATE ASSETS

On 30 June 2020, the value of Sonae Capital Real Estate Assets portfolio was at 314.5M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 243.0M€, and the WTC Fund, with a market value of 71.5M€. On the same date, the capital employed in this group of Real Estate Assets amounted to 191.6M€.

Real Estate Assets Portfolio: 1H20
C&W Valuation and WTC Fund



5.1 TROIA RESORT

This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 44 units available for sale at the date of this report (considering the stock of Reserves and PPSAs).

The Turnover reached 5.9M€ in 1H20, showing a decrease of 29.8% y.o.y., on the back of the following contributions:

- 10 sales deeds, corresponding to 5.0M€, in comparison to 15 sales deeds in the amount of 6.8M€, in 1H19; 4 sales deeds were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels and Touristic Units in operation), in the amount of 0.8M€.

Up to the date of this report, we had already completed 11 sales deeds, coupled with a stock of 13 promissory purchase and sale agreements and reserves totalling 7.0M€.

5.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 5.0M€ in 1H20, 33.1% below the 1H19 (a reduction partially explained by the positive impact of Crotália sales deed, in 1H19, for 4.0M€). This includes the rents received from assets under management, as well as sales deeds of 2.2M€ (including the sales deed of Casa da Ribeira, in the amount of 1.5M€).

At the date of this report, there are still in stock Reserves and PPSAs in the global amount of 14.2M€, of which: (i) 8.0M€ of Maia Country Club; (ii) 4.8M€ of Costa D'Oiro Allotment; and (iii) 1.4M€ of Quinta da Malata.

6. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Jun 2020	Dec 2019	△ 20/19
Total Assets	**578.53**	**558.93**	**+3.5%**
Tangible and Intangible Assets	334.21	336.36	-0.6%
o.w. Rights of Use (IFRS16)	51.65	50.92	+1.4%
Goodwill	33.64	33.64	+0.0%
Non-Current Investments	2.29	2.12	+8.0%
Other Non-Current Assets	29.28	30.63	-4.4%
Stocks	48.45	49.14	-1.4%
Trade Debtors and Other Current Assets	84.30	83.57	+0.9%
Financial Instruments	15.91	15.82	+0.6%
o.w. Other Financial Assets	6.48	5.69	+13.9%
Cash and Cash Equivalents	30.38	7.59	>100%
Assets held for sale	0.05	0.05	-6.9%
Total Equity	**202.80**	**217.98**	**-7.0%**
Total Equity attributable to Equity Holders of Sonae Capital	201.43	215.79	-6.7%
Total Equity attributable to Non-Controlling Interests	1.37	2.18	-37.3%
Total Liabilities	**375.73**	**340.95**	**+10.2%**
Non-Current Liabilities	**176.86**	**161.04**	**+9.8%**
Non-Current Borrowings	112.30	88.40	+27.0%
Non-Current Borrowings - IFRS16	44.84	49.29	
Deferred Tax Liabilities	12.21	12.43	-1.8%
Other Non-Current Liabilities	7.51	10.91	-31.2%
Current Liabilities	**198.87**	**179.91**	**+10.5%**
Current Borrowings	75.24	64.43	+16.8%
Current Borrowings - IFRS16	19.93	14.05	
Trade Creditors and Other Current Liabilities	95.85	91.40	+4.9%
Financial Instruments	7.39	9.57	-22.8%
o.w. Other Financial Liabilities	2.09	1.66	+25.8%
Liabilities associated to assets held for sale	0.46	0.47	-2.1%
Total Equity and Liabilities	**578.53**	**558.93**	**+3.5%**

Note: Trade Debtors and Other Current Assets and Trade Creditors and Other Current Liabilities include a balance of 44.3M€ and 2.1M€, respectively, related with the consolidation of Futura Energía Inversiones. The Financial Instruments line reflects the mark-to-market of swaps and options referred to the outstanding positions in Futura Energía Inversiones' subsidiaries, at the end of June 2020. These positions are related to risk coverage of the corresponding underlying assets, as Futura Energía Inversiones policy involves managing assets and liabilities in order to cover almost all the risks involved.

7. CORPORATE INFORMATION

7.1 CORPORATE INFORMATION IN 2Q20

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

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

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

8. METHODOLOGICAL NOTES

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

GLOSSARY

CAPEX	Investment in Tangible and Intangible Assets
EBITDA	Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) – Reversal of Impairment Losses and Provisions (including in Other Operation Income)
EBITDAR	EBITDA + Building Rents
Gearing: Debt to Equity	Net Debt / Equity
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

CONTACTS

Anabela Nogueira de Matos

Market Relations Representative

E-mail: anm@sonaecapital.pt

Tel.: +351 22 012 9528

Fax: +351 22 010 7900

Nuno Parreiro

Investor Relations Officer

E-mail: ir@sonaecapital.pt

Tel.: +351 22 010 7903

Fax: +351 22 010 7935

Sonae Capital, SGPS, SA

Lugar do Espido, Via Norte

Apartado 3053

4471 – 907 Maia

Portugal

www.sonaecapital.pt

SONAE CAPITAL