

SONAE CAPITAL

REPORT AND ACCOUNTS

30 SEPTEMBER 2019



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PART I
MANAGEMENT REPORT

30 SEPTEMBER 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 3Q18 and 9M18 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

"Sonae Capital continued to affirm itself as an active business portfolio manager throughout the first nine months of 2019. With the integration of Futura Energía Inversiones, our Energy business achieved more competences and became more international, with greater value chain integration, a key step in positioning CapWatt as a promoter of integrated Energy solutions.

At Fitness, our business operates three brands that grow simultaneously in different segments, based on an increasingly efficient expansion model, evident on the 3.3pp EBIT margin increase, to 9.8%.

In Hospitality, we keep the plan to open the first hotel unit in Lisbon, at Santa Apolónia Railway Train Station, in the Summer of 2021. With the objective of improving scale and giving priority to a light capital approach, we continue to target new opportunities for the creation of hotel units in emblematic buildings, in prime locations in the cities of Porto and Lisbon. At Adira, being aware of the ongoing challenges, the actions we have implemented, namely the partnership with Mitsubishi for the American market, will allow us to place the operation at higher levels of profitability. Considering the maturity stage of the Refrigeration and HVAC business, we remain watchful to the evolution of the sector, aiming to identify solutions that foster new opportunities for value creation.

In the Real Estate Assets Unit, September ended with sales deeds above 18 million euros, coupled with a global amount of reserves and PPSAs totalling 40.9 million euros. As regards the evolution of sales deeds, the third quarter of the year does not show the rhythm we forecasted, but this does not change our positive outlook for the asset monetisation plan in the coming quarters.

We ended the first nine months of 2019 with Business Units turnover growing by 18.6%, to 162.1 million euros, at the same time we increased Business Units EBITDA by 16.1%, to 29.8 million euros, and EBIT by 21.7%, to 7.7 million euros. As the corollary of an increasingly robust Profit and Loss Statement, we posted positive Net Profit of 3.7 million euros, more than 12 million euros above the same period of 2018. We maintain a strong capital structure, with Net Financial Debt at 143.7 million euros, despite the investment of 38.7 million euros and the distribution of 18.5 million euros in dividends.

Accordingly, the results we report today are the confirmation that step by step, quarter after quarter, we are on the right track to meet our ambitions for growth and value creation."

Miguel Gil Mata

- Business Units steadily increased turnover and EBITDA in 9M19, by 18.6% and 16.1%, respectively:
 - Energy increased EBITDA by 10.6%, to 12.8M€;
 - Fitness increased turnover by 17.9% in 9M19, to 31.0M€ (or 13.5% excluding Urban Fit chain contribution);
 - Hospitality registered a robust performance, fuelled by 3Q19, with a turnover and EBITDA increase of 17.5% and 43.7%, respectively;
 - Troia Resort Operations registered an EBITDA of 2.3M€, 47.2% above 9M18.
- Real Estate Assets monetisation plan underway:
 - Troia Resort residential touristic units: 26 sales deeds at the date of this report, corresponding to 13.2M€, coupled with 9 PPSAs/Reserves totalling 4.6M€;
 - Other Real Estate Assets: sales deeds in the amount of 5.4M€ and PPSAs totalling 36.3M€ (including the PPSA of UNOP 3).
- Business Units positive evolution trend fuelling the growth of Continued Businesses Net Profit (Δ of 9.0M€), and the growth of Net Results (Δ of 12.1M€);
- Net Results in the amount of 3.7M€ in 9M19 (6.5M€ in 3Q19);
- Consolidated FCF negative at 3.7M€, notwithstanding the significant Capex (38.7M€). As a result of dividend payment (18.5M€), Net Financial Debt stood at 143.7M€ at the end of September 2019 (Net Debt at 208.9M€);
- Maintenance of an adequate capital structure: Net Financial Debt / EBITDA at 2.7x and LTV at 25.8%.

2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Turnover						
Business Units	78.09	51.92	+50.4%	162.10	136.67	+18.6%
Energy	35.84	14.17	>100%	64.16	39.72	+61.5%
Industrial Engineering	2.17	2.50	-13.2%	6.24	8.86	-29.5%
Fitness	10.88	8.57	+26.9%	31.02	26.31	+17.9%
Hospitality	13.04	10.66	+22.3%	23.40	19.92	+17.5%
Refrigeration & HVAC	10.14	10.03	+1.2%	26.75	32.08	-16.6%
Troia Resort - Operations	6.03	5.98	+0.8%	10.53	9.79	+7.5%
Real Estate Assets	9.65	9.83	-1.8%	25.74	20.51	+25.5%
Troia Resort	7.37	7.86	-6.2%	16.31	14.45	+12.9%
Other Real Estate Assets	2.28	1.97	+15.9%	9.42	6.06	+55.6%
Eliminations & Adjustments	-3.76	-3.61	-4.2%	-8.08	-6.50	-24.3%
Consolidated Turnover	83.98	58.13	+44.5%	179.76	150.68	+19.3%
Other Operational Income	0.36	0.60	-39.8%	1.84	2.40	-23.4%
Total Operational Income	84.35	58.73	+43.6%	181.60	153.09	+18.6%
EBITDA						
Business Units	15.25	12.77	+19.3%	29.76	25.64	+16.1%
Energy	4.36	4.27	+2.1%	12.83	11.60	+10.6%
Industrial Engineering	-1.01	-0.36	<-100%	-2.62	-0.83	<-100%
Fitness	3.64	2.56	+42.3%	9.89	8.14	+21.5%
Hospitality	5.32	3.47	+53.4%	6.51	4.53	+43.7%
Refrigeration & HVAC	0.70	0.49	+43.7%	0.90	0.67	+33.3%
Troia Resort - Operations	2.24	2.35	-4.9%	2.25	1.53	+47.2%
Real Estate Assets	3.05	3.43	-11.3%	8.80	4.04	>100%
Troia Resort	2.14	2.45	-12.7%	3.35	1.47	>100%
Other Real Estate Assets	0.91	0.99	-7.8%	5.45	2.57	>100%
Eliminations & Adjustments	-1.98	-1.39	-42.4%	-5.65	-4.35	-29.7%
Consolidated EBITDA	16.31	14.82	+10.1%	32.92	25.33	+29.9%
Amortizations & Depreciations	8.87	8.13	+9.0%	24.64	22.70	+8.5%
Provisions & Impairment Losses	-0.21	-0.02	<-100%	-0.21	0.06	-
Recurrent EBIT						
Business Units	7.25	5.90	+22.8%	7.65	6.29	+21.7%
Energy	0.94	1.25	-25.0%	3.93	3.83	+2.8%
Industrial Engineering	-1.22	-0.62	-96.9%	-3.26	-1.57	<-100%
Fitness	1.18	0.40	>100%	3.03	1.71	+77.5%
Hospitality	4.08	2.55	+59.9%	2.77	1.80	+54.4%
Refrigeration & HVAC	0.54	0.38	+42.3%	0.45	0.43	+3.2%
Troia Resort - Operations	1.73	1.95	-11.3%	0.73	0.11	>100%
Real Estate Assets	1.45	1.23	+18.4%	3.76	-1.71	-
Troia Resort	1.12	0.97	+15.8%	0.48	-1.65	-
Other Real Estate Assets	0.33	0.26	+27.9%	3.28	-0.06	-
Eliminations & Adjustments	-1.05	-0.42	<-100%	-2.93	-2.01	-45.7%
Consolidated Recurrent EBIT	7.65	6.71	+14.0%	8.48	2.57	>100%
Non-recurrent costs/income (1)	-0.03	0.05	-	0.04	0.77	-94.4%
Consolidated EBIT	7.68	6.66	+15.4%	8.44	1.80	>100%
Net Financial Expenses	-1.29	-2.12	+39.2%	-5.04	-6.28	+19.8%
Investment Income and Results from Assoc. Undertakings	0.17	0.08	>100%	0.65	0.30	>100%
EBT	6.57	4.61	+42.4%	4.05	-4.19	-
Taxes	0.14	0.37	-62.1%	0.31	1.03	-69.7%
Net Profit - Continued Businesses	6.43	4.24	+51.7%	3.74	-5.22	-
Net Profit - Discontinued Businesses	0.12	-1.21	-	-0.08	-3.26	+97.5%
Net Profit - Total	6.54	3.03	>100%	3.66	-8.48	-
Attributable to Equity Holders of Sonae Capital	6.03	3.01	>100%	2.75	-8.36	-
Attributable to Non-Controlling Interests	0.51	0.01	>100%	0.91	-0.12	-

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

- The Business Units turnover stood at 162.1M€, performing a growth of 18.6% when compared to 9M18, essentially due to Energy, Fitness, Hospitality and Troia Resort Operations, which more than offset Industrial Engineering and Refrigeration & HVAC negative turnover performance. In the same period, the Real Estate Assets unit increased turnover by 25.5%, to 25.7M€.
- The Business Units EBITDA increased to 29.8M€ in 9M19, 16.1% above the same period of 2018, generating an EBITDA margin of 18.4%, 0.4pp below 9M18. The Real Estate Assets EBITDA has more than doubled and reached 8.8M€ in 9M19.
- The Recurrent EBIT totalled 8.5M€, which represents a significant increase when compared to 2.6M€ posted in 9M18.
- Continued Businesses Net Profit increased by 9.0M€ y.o.y., totalling positive 3.7M€. This evolution benefited from:
 - (i) a Consolidated EBITDA increase of 7.6M€;
 - (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 1.2M€ in Net financial Results, including the amount related to the capitalisation of interest incurred in the development of the Biomass-fuelled cogeneration plant in the Energy segment (in the amount of 0.5M€);

(iv) notwithstanding the higher Amortizations and Depreciations, in the amount of 1.9M€ (0.7M€ referred to IFRS 16 Amortizations and 1.2M€ driven by the investment plan in place, namely in the Energy segment).

- Driven by the evolution of Net Profit in both continued and discontinued businesses, Consolidated Net Profit improved by 12.1M€ in 9M19, to 3.7M€.
- On a quarterly basis, Continued Businesses Net Profit was positive and reached 6.4M€ in 3Q19, 2.2M€ above 3Q18. Net Results were also positive and stood at 6.5M€, 3.5M€ above 3Q18.

2.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Sep 2019	Dec 2018 PF	Δ 19/18
Net Capital Employed	450.82	438.74	+2.8%
Fixed Assets	397.16	379.91	+4.5%
o.w. Rights of Use (IFRS16)	52.45	50.93	+3.0%
Non-Current Investments (net)	14.07	15.17	-7.3%
Working Capital	38.37	43.66	-12.1%
Capex (end of period)	38.71	32.62	+18.7%
% Fixed Assets	11.7%	8.6%	+3.1 pp
CAPEX (L12M) / Depreciations	2.03x	1.34x	0.69x
Net Debt			
Financial Net Debt	143.67	119.78	+19.9%
Net Debt Total	208.85	181.67	+15.0%
% Net Capital Employed	46.3%	41.4%	+4.9 pp
Debt to Equity	86.3%	70.7%	+15.6 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	25.8%	21.1%	+4.7 pp
Net Debt/EBITDA (recurrent without IFRS16)	2.73x	2.49x	+0.24x
Net Debt/EBITDA (recurrent with IFRS16)	3.35x	3.49x	(0.1x)

- Capex totalled 38.7M€ in 9M19, mostly driven by the Energy segment, namely on the back of the biomass-fuelled cogeneration project development (with an investment of 20.5M€) and the acquisition of Futura Energía Inversiones, as well as the investment made in the Fitness segment, which includes the acquisition of Urban Fit chain.
- Net Debt stood at 208.9M€ at the end of September 2019. Net Financial Debt reached 143.7M€ in the same period, registering an increase of 23.9M€ when compared to the end of 2018. 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 2.7x and LTV of 25.8%, both slightly above the figures reported in 2018 year-end.

3. BUSINESS UNITS

3.1 ENERGY

Operational and Financial Information - Energy						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	35.86	14.20	>100%	64.26	40.37	+59.2%
Turnover	35.84	14.17	>100%	64.16	39.72	+61.5%
<i>Power</i>	14.13	14.17	-0.3%	42.45	39.72	+6.9%
<i>Retail & Trade</i>	21.87	-	-	21.87	-	-
Other Operational Income	0.03	0.03	-13.8%	0.10	0.65	-84.3%
Total Operational Costs	31.50	9.93	>100%	51.44	28.78	+78.7%
Cost of Goods Sold	28.35	7.08	>100%	42.89	20.43	>100%
External Supplies and Services	1.84	1.56	+17.9%	4.92	4.40	+11.6%
Staff Costs	1.00	0.72	+39.7%	2.81	2.23	+25.9%
Other Operational Expenses	0.30	0.57	-47.8%	0.82	1.71	-52.0%
EBITDA	4.36	4.27	+2.1%	12.83	11.60	+10.6%
<i>Power</i>	4.23	4.27	-1.0%	12.69	11.60	+9.5%
<i>Retail & Trade</i>	0.13	-	-	0.13	-	-
EBITDA Margin (% Turnover) - [Power]	29.9%	30.1%	-0.2 pp	29.9%	29.2%	+0.7 pp
Depreciations IFRS16	0.14	0.11	+30.2%	0.38	0.31	+20.0%
Amortizations & Depreciations	3.29	2.92	+12.7%	8.52	7.46	+14.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	0.94	1.25	-25.0%	3.93	3.83	+2.8%
<i>Power</i>	0.82	1.25	-34.4%	3.82	3.83	-0.3%
<i>Retail & Trade</i>	0.12	-	-	0.12	-	-
Recurrent EBIT Margin (% Turnover) - [Power]	5.8%	8.8%	-3.0 pp	9.0%	9.6%	-0.6 pp
Capex	15.28	3.65	>100%	27.65	10.81	>100%
EBITDA-Capex	-10.92	0.62	-	-14.82	0.79	-
Total Capacity (MW)	80.1	76.5	+4.7%	80.1	76.5	+4.7%
Owned & Operated	64.2	62.3	+3.0%	64.2	62.3	+3.0%
Operated (not consolidated)	3.2	3.2	+0.0%	3.2	3.2	+0.0%
Projects in progress (MW)	12.7	11.0	+15.5%	12.7	11.0	+15.5%

- CapWatt completed the acquisition of 100% of the share capital of Futura Energía Inversiones, a company based in Spain, in August 2019. 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 CO₂ emission allowances and, especially, in the third-party sale of electricity generated in a scenario post feed-in tariffs. For that reason, 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 Power business, which includes Cogeneration and Renewables operations (also including the holding structure), and the Retail & Trade business, which includes the operation developed by Futura Energía Inversiones.
- The Power business increased turnover by 6.9% in 9M19, to 42.5M€, benefiting from both the Cogeneration operation and the Renewables operation: in Cogeneration, the contribution of Electric and Thermal Energy evolved positively, as well as the availability of solar and wind resources in Renewables. The Tagol Cogeneration Power Plant (with a capacity of 7.3MW) had a technical maintenance stop, transversal to the entire industrial complex, during a part of 3Q19, which impacted the performance of the Cogeneration operation. On a quarterly standpoint, the availability of solar resources evolved unfavorably throughout 3Q19 when compared to 3Q18. As for the wind resource, its availability has evolved favorably. The EBITDA stood at 12.7M€, posting an increase of 9.5% against 9M18. The EBITDA margin stood at 29.9%, 0.7pp above 9M18. It should be noted that the EBITDA in 2019 continued to be negatively affected by the increase of the price of CO₂ licences versus 2018.
- The Retail & Trade business, whose activity includes trading of natural gas, electricity and carbon emission allowances, had a contribution of 21.9M€ and 0.13M€ for turnover and EBITDA, respectively, in 3Q19.
- The Capex amounted to 27.7M€, almost entirely due to the ongoing development in the biomass-fuelled cogeneration plant, which stood at 20.5M€ in 9M19 and is progressing as planned. This project, which will start operating in 2020, will ensure a material and stable cash flow throughout 25 years (the feed-in tariff period) and is currently CapWatt's most significant investment project.

3.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	2.30	2.63	-12.4%	6.76	9.25	-26.9%
Turnover	2.17	2.50	-13.2%	6.24	8.86	-29.5%
Other Operational Income	0.13	0.13	+2.5%	0.52	0.40	+31.0%
Total Operational Costs	3.31	2.99	+10.9%	9.38	10.09	-7.0%
Cost of Goods Sold	1.39	1.71	-18.7%	4.13	5.84	-29.3%
External Supplies and Services	0.50	0.41	+21.9%	1.69	1.22	+37.8%
Staff Costs	1.21	0.86	+40.9%	3.06	2.75	+11.0%
Other Operational Expenses	0.21	0.01	>100%	0.51	0.27	+89.4%
EBITDA	-1.01	-0.36	<-100%	-2.62	-0.83	<-100%
<i>EBITDA Margin (% Turnover)</i>	-46.5%	-14.3%	-32.2 pp	-42.0%	-9.4%	-32.5 pp
Depreciations IFRS16	0.01	0.01	+14.2%	0.03	0.03	+3.5%
Amortizations & Depreciations	0.20	0.25	-21.2%	0.61	0.71	-14.8%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	-1.22	-0.62	-96.9%	-3.26	-1.57	<-100%
<i>Recurrent EBIT Margin (% Turnover)</i>	-56.2%	-24.8%	-31.4 pp	-52.2%	-17.8%	-34.4 pp
Capex	0.42	0.22	+90.9%	0.86	0.66	+30.3%
EBITDA-Capex	-1.43	-0.58	<-100%	-3.48	-1.49	<-100%

- The 9M19 results reflect Adira's ongoing restructuring process, which started in 2018, largely based on a new commercial approach, after-sales and customer satisfaction areas.
- Industrial Engineering turnover stood at 6.2M€ in 9M19, 29.5% below 9M18. In the same period, the EBITDA registered negative 2.6M€. Despite the unfavorable performance hereby presented, largely due to a level of orders below expectations at the end of 2018 and also at the beginning of 2019, we would like to highlight that the number of orders has been improving, which should be reflected in turnover in the short-term.
- As previously disclosed, Adira has entered into an agreement with Mitsubishi to exclusively supply bending and cutting machines in the USA, Canada and Mexico, which will ensure a significant increase in the number of machines produced at cruising speed. The first machines are already in production and Adira will produce a total of 15 units under this contract up to the end of 2019.

3.3 FITNESS



Operational and Financial Information - Fitness						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	11.03	8.63	+27.9%	31.35	26.78	+17.1%
Turnover	10.88	8.57	+26.9%	31.02	26.31	+17.9%
Other Operational Income	0.16	0.06	>100%	0.33	0.47	-29.2%
Total Operational Costs	7.39	6.07	+21.8%	21.46	18.64	+15.2%
Cost of Goods Sold	0.07	0.08	-10.6%	0.16	0.17	-6.0%
External Supplies and Services	3.45	2.95	+16.8%	10.13	9.15	+10.8%
Staff Costs	3.33	2.70	+23.3%	9.42	8.22	+14.7%
Other Operational Expenses	0.54	0.34	+60.7%	1.75	1.10	+58.8%
EBITDA	3.64	2.56	+42.3%	9.89	8.14	+21.5%
<i>EBITDA Margin (% Turnover)</i>	33.5%	29.8%	+3.6 pp	31.9%	30.9%	+0.9 pp
Depreciations IFRS16	1.53	1.34	+14.3%	4.29	3.86	+11.1%
Amortizations & Depreciations	0.93	0.83	+12.4%	2.57	2.31	+11.3%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.26	-
Recurrent EBIT	1.18	0.40	>100%	3.03	1.71	+77.5%
<i>Recurrent EBIT Margin (% Turnover)</i>	10.9%	4.6%	+6.3 pp	9.8%	6.5%	+3.3 pp
Capex	0.24	0.92	-73.9%	5.61	11.75	-52.3%
EBITDA-Capex	3.40	1.64	>100%	4.28	-3.61	-
# Average number of active members	103 464	85 741	20.7%	103 464	85 741	20.7%
# Clubs in Operation	35	29	+6	35	29	+6

- Fitness business ended September 2019 with a portfolio of 35 Clubs: 20 Solinca Clubs, 14 Pump Clubs and 1 ONE Club. The last months were dedicated to the integration and rebranding of the Urban Fit Clubs that were acquired in June 2019, a process that is already finished. Continuing the business growth strategy, we expect to end the year adding 2 more Clubs to our portfolio.

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- The average number of active members stood at approximately 103 thousand, a growth of 20.7% 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.
- The turnover increased 17.9% y.o.y., to 31.0M€, mostly due to a higher number of active members, but also due to a 7% increase on the average monthly fee (on a comparable basis). Importantly, excluding the contribution of Urban Fit chain, turnover would have increased by 13.5%.
- The Consolidated EBITDA reached 9.9M€ in 9M19, a growth of 21.5% when compared to 8.1M€ in 9M18.
- The Recurrent EBIT totalled 3.0M€, increasing by 77.5% versus 1.7M€ registered in the same period of 2018. As for the Recurrent EBIT margin, it stood at 9.8% in 9M19, 3.3pp above 9M18.
- Capex in 9M19 was 5.6M€, driven by the acquisition of the Urban Fit chain (in the net amount of 3.4M€). This compares with 11.8M€ in 9M18, impacted by the acquisition of Pump chain (for 8.4M€).

3.4 HOSPITALITY



Operational and Financial Information - Hospitality						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	13.08	10.99	+19.1%	23.56	20.48	+15.0%
Turnover	13.04	10.66	+22.3%	23.40	19.91	+17.5%
Other Operational Income	0.04	0.32	-88.5%	0.15	0.57	-73.1%
Total Operational Costs	7.76	7.52	+3.2%	17.05	15.95	+6.9%
Cost of Goods Sold	1.37	1.98	-30.6%	2.67	2.69	-0.8%
External Supplies and Services	3.85	3.29	+17.0%	7.70	7.46	+3.2%
Staff Costs	2.36	2.08	+13.5%	5.98	5.27	+13.6%
Other Operational Expenses	0.18	0.17	+4.4%	0.70	0.54	+29.2%
EBITDA	5.32	3.47	+53.4%	6.51	4.53	+43.7%
<i>EBITDA Margin (% Turnover)</i>	40.8%	32.5%	+8.3 pp	27.8%	22.7%	+5.1 pp
Depreciations IFRS16	1.09	0.80	+35.5%	3.26	2.41	+35.1%
Amortizations & Depreciations	0.16	0.11	+36.1%	0.48	0.32	+48.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	4.08	2.55	+59.9%	2.77	1.80	+54.4%
<i>Recurrent EBIT Margin (% Turnover)</i>	31.2%	23.9%	+7.3 pp	11.8%	9.0%	+2.8 pp
Capex	0.31	0.37	-16.1%	0.81	0.52	+56.5%
EBITDA-Capex	5.01	3.10	+61.8%	5.70	4.02	+42.0%
# Units	6	5	+1	6	5	+1

- Since 1 January 2019, the Hospitality segment includes the contribution of the Aqualuz Lagos Hotel operation, counting with a portfolio of six hotel units.
- In 9M19, the main operating indicators, occupancy and price, had a favorable performance, also boosted by the contribution of the third quarter of the year, which has a major seasonality effect. As a consequence, the RevPar increased by 1.0% in 9M19, backed by an increase of 2.5% in 3Q19.
- The turnover increased 17.5% y.o.y. and totalled 23.4M€.
- EBITDA reached 6.5M€, growing by 43.7% when compared to 9M18, reflecting the growing profitability in all the operations. The EBIT stood at 2.8M€, 54.4% above 9M18. The EBIT margin increased by 2.8pp, to 11.8%.
- On a comparable basis, i.e. excluding the impact of the Aqualuz Lagos operation, both turnover and EBITDA would have increased.
- The Capex reached 810 thousand euros in 9M19, 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	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	9.99	10.04	-0.5%	26.65	32.17	-17.2%
Turnover	10.14	10.03	+1.2%	26.75	32.08	-16.6%
Other Operational Income	-0.15	0.02	-	-0.09	0.09	-
Total Operational Costs	9.29	9.56	-2.8%	25.76	31.50	-18.2%
Cost of Goods Sold	4.67	4.59	+1.8%	12.12	16.28	-25.6%
External Supplies and Services	2.50	2.65	-5.6%	6.87	8.40	-18.2%
Staff Costs	2.02	2.19	-7.9%	6.44	6.54	-1.5%
Other Operational Expenses	0.10	0.12	-21.9%	0.33	0.28	+15.3%
EBITDA	0.70	0.49	+43.7%	0.90	0.67	+33.3%
<i>EBITDA Margin (% Turnover)</i>	6.9%	4.9%	+2.0 pp	3.4%	2.1%	+1.3 pp
Depreciations IFRS16	0.14	0.09	+54.6%	0.40	0.19	>100%
Amortizations & Depreciations	0.02	0.02	+19.6%	0.05	0.05	+12.8%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	0.54	0.38	+42.3%	0.45	0.43	+3.2%
<i>Recurrent EBIT Margin (% Turnover)</i>	5.3%	3.8%	+1.5 pp	1.7%	1.3%	+0.3 pp
Capex	0.02	0.01	>100%	0.15	0.10	+53.2%
EBITDA-Capex	0.68	0.48	+42.5%	0.75	0.57	+29.8%
Orders backlog	16.90	27.10	-37.6%	16.90	27.10	-37.6%

- Turnover totalled 26.8M€ in 9M19, 16.6% below 9M18. This was driven by a delay in several 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 stood at 0.9M€, increasing 33.3% versus 9M18. Despite the turnover decrease, the increase in EBITDA results from significant improvements in the after-sales area, as well as in the HVAC operation, related to a higher exposure to more profitable projects.
- The Recurrent EBIT reached 0.5M€, which compares with 0.4M€ in 9M18.
- The orders backlog amounted to 16.9M€ at the end of September 2019, representing roughly 4.3 months of turnover. This backlog, coupled with the projects we are about to close in coming weeks, provides positive expectations for the business in the next quarters.

3.6 TROIA RESORT – OPERATIONS

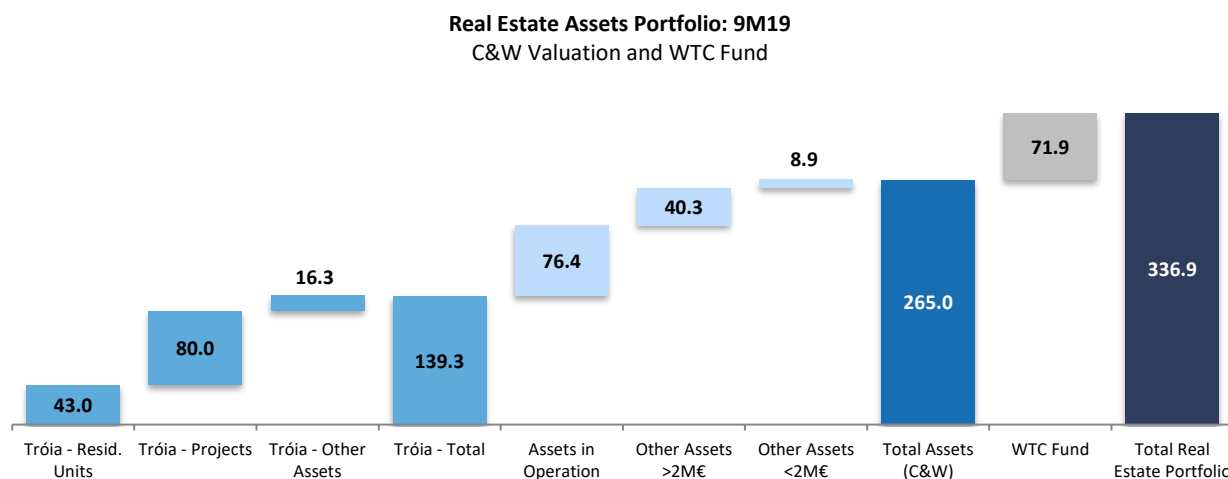


Operational and Financial Information - Troia Resort Operations						
Million euro	3Q 2019	3Q 2018 PF	Δ 19/18	9M 2019	9M 2018 PF	Δ 19/18
Total Operational Income	6.20	6.38	-2.9%	11.03	10.38	+6.2%
Turnover	6.03	5.98	+0.8%	10.53	9.78	+7.6%
Other Operational Income	0.17	0.40	-57.6%	0.50	0.60	-16.3%
Total Operational Costs	3.96	4.03	-1.7%	8.77	8.85	-0.9%
Cost of Goods Sold	1.00	1.07	-5.8%	1.41	1.39	+1.4%
External Supplies and Services	1.71	1.82	-6.3%	4.04	4.31	-6.3%
Staff Costs	1.10	0.98	+12.5%	2.87	2.58	+11.3%
Other Operational Expenses	0.15	0.17	-8.0%	0.45	0.57	-20.9%
EBITDA	2.24	2.35	-4.9%	2.25	1.53	+47.2%
<i>EBITDA Margin (% Turnover)</i>	37.1%	39.3%	-2.2 pp	21.4%	15.7%	+5.8 pp
Depreciations IFRS16	0.05	0.04	+5.5%	0.14	0.13	+5.6%
Amortizations & Depreciations	0.46	0.35	+30.8%	1.39	1.30	+6.7%
Provisions & Impairment Losses	-0.00	0.00	-	0.00	-0.00	-
Recurrent EBIT	1.73	1.95	-11.3%	0.73	0.11	>100%
<i>Recurrent EBIT Margin (% Turnover)</i>	28.7%	32.6%	-3.9 pp	6.9%	1.1%	+5.9 pp
Capex	0.45	0.09	>100%	1.13	0.34	>100%
EBITDA-Capex	1.79	2.26	-21.0%	1.13	1.19	-5.6%

- The operations in Troia Resort include Atlantic Ferries river transportation and operations such as Tróia Marina, Tróia Market, the Roman Ruins and the Golf course.
- The turnover stood at 10.5M€ in 9M19, 7.6% above the same period of 2018. The EBITDA reached 2.3M€, showing a significant growth when compared with 9M18, in which EBITDA stood at 1.5M€. 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 totalled 1.1M€ 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 September 2019, the value of Sonae Capital Real Estate Assets portfolio stood at 336.9M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 265.0M€, and the WTC Fund, with a market value of 71.9M€.



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 145.7M€. This value compares with a C&W valuation of 222.0M€.

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

The turnover reached 25.7M€ in 9M19, showing an increase of 25.5% y.o.y., on the back of the following contributions:

- 25 sales deeds, corresponding to 12.8M€, which compare with 30 sales deeds in the amount of 11.3M€ in 9M18. Out of the 25 sales deeds reported, 11 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), in the amount of 2.6M€.

Already in 4Q19 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 9 promissory purchase and sale agreements and reserves totalling 4.6M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results.

4.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 9.4M€ in 9M19. This includes the rents received from assets under management, as well as sales deeds in the amount of 5.4M€. Currently, the global amount of PPSAs is 16.3M€, and includes the “Metropolis Building” (6.3M€), the “Santarém Allotment” (1.5M€) – as disclosed in 1Q19 Results, and also the “Country Club Maia” (8.0M€), whose PPSA was signed in 3Q19.

5. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Sep 2019	Dec 2018 PF	Δ 19/18
Total Assets	626.83	552.86	+13.4%
Tangible and Intangible Assets	336.12	327.89	+2.5%
o.w. Rights of Use (IFRS16)	52.45	50.93	+3.0%
Goodwill	61.05	52.02	+17.3%
Non-Current Investments	2.13	2.29	-7.2%
Other Non-Current Assets	32.87	35.20	-6.6%
Stocks	58.62	63.26	-7.3%
Trade Debtors and Other Current Assets	86.25	63.96	+34.8%
Financial Instruments	40.74	0.00	-
Cash and Cash Equivalents	8.51	7.56	+12.6%
Assets held for sale	0.56	0.67	-16.9%
Total Equity	241.98	257.06	-5.9%
Total Equity attributable to Equity Holders of Sonae Capital	232.21	247.62	-6.2%
Total Equity attributable to Non-Controlling Interests	9.77	9.44	+3.5%
Total Liabilities	384.85	295.79	+30.1%
Non-Current Liabilities	167.81	127.20	+31.9%
Non-Current Borrowings	97.17	59.43	+63.5%
Non-Current Borrowings - IFRS16	50.34	50.39	-0.1%
Deferred Tax Liabilities	12.60	12.98	-2.9%
Other Non-Current Liabilities	7.69	4.39	+75.1%
Current Liabilities	217.05	168.60	+28.7%
Current Borrowings	55.01	67.91	-19.0%
Current Borrowings - IFRS16	14.84	11.50	+28.1%
Trade Creditors and Other Current Liabilities	106.50	83.57	+27.4%
Financial Instruments	39.51	0.00	-
Liabilities associated to assets held for sale	1.19	5.62	-78.8%
Total Equity and Liabilities	626.83	552.86	+13.4%

Note: Trade Debtors and Other Current Assets and Trade Creditors and Other Current Liabilities include a balance of 25.6M€ and 14.6M€, 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 September 2019. 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.

6. CORPORATE INFORMATION

6.1 CORPORATE INFORMATION IN 3Q19

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 Energia 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.

Following the clearance of the competent Competition Authorities, as well as the fulfilment of other conditions to which the parties agreed to subordinate the transaction, the acquisition was successfully concluded on 9 August 2019.

6.2 SUBSEQUENT EVENTS

On 4 November, 2019, Sonae Capital released the Notice of Meeting for the Shareholders Extraordinary General Meeting, to be held on 4 December, 2019. The meetings's agenda includes the amendment of Article 9.1 of the Company's Articles of Association, in order to extend the number of members of Sonae Capital Board of Directors and elect Mr. Ângelo Ribeirinho Paupério for the remainder of the current mandate: 2018-2020.

On 19 November, 2019, Sonae Capital sold to SKK – Central de Distribuição para Refrigeração e Climatização, Lda, its 70% shareholding in the share capital of RACE, SGPS, SA. This transaction is part of Sonae Capital strategy of active portfolio management as an investment holding company.

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

SONAE CAPITAL

PART II
CONSOLIDATED FINANCIAL
STATEMENTS

30 SEPTEMBER 2019



SONAE CAPITAL



CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA

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

(Amounts expressed in euro)

ASSETS	Notes	30 September 2019	31 December 2018
NON-CURRENT ASSETS:			
Tangible assets	8	325 850 854	266 257 880
Intangible assets	8	10 266 908	10 697 642
Goodwill	9	61 045 160	52 024 808
Investments in associated companies and joint ventures	5	1 646 677	1 623 907
Other investments	6	481 420	670 435
Deferred tax assets	13	20 789 922	22 997 895
Other debtors	10	12 078 611	12 200 567
Total non-current assets		432 159 553	366 473 134
CURRENT ASSETS:			
Inventories	11	58 615 697	63 263 441
Trade account receivables and other current assets	12	86 254 270	63 963 437
Financial instruments		40 735 236	-
Cash and cash equivalents	14	8 510 590	7 558 360
Total Current Assets		194 115 793	134 785 238
Assets held for sale		555 721	668 342
TOTAL ASSETS		626 831 066	501 926 714

CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

EQUITY AND LIABILITIES	Notes	30 September 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	(19 437 093)	13 641 396
Profit/(Loss) for the year attributable to the equity holders of Sonae Capital		2 747 931	(3 860 952)
Equity attributable to the equity holders of Sonae Capital		232 205 265	258 587 636
Equity attributable to non-controlling interests	16	9 771 637	9 440 091
TOTAL EQUITY		241 976 902	268 027 727
NON-CURRENT LIABILITIES:			
Bank Loans	17	147 511 104	59 425 830
Other non-current liabilities	18	4 563 055	1 312 947
Deferred tax liabilities	13	12 602 695	12 984 582
Provisions	21	3 129 334	3 079 824
Total Non-Current Liabilities		167 806 188	76 803 183
CURRENT LIABILITIES:			
Bank Loans	17	69 846 687	67 912 342
Financial Instruments	-	39 508 054	-
Trade creditors	20	103 355 156	80 280 437
Provisions	21	3 147 309	3 286 698
Total Current Liabilities		215 857 206	151 479 477
Liabilities associated with assets held for sale		1 190 770	5 616 327
TOTAL LIABILITIES		384 854 164	233 898 987
TOTAL EQUITY AND LIABILITIES		626 831 066	501 926 714

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 AND 2018

(Amounts expressed in euro)

	Notes	30 September 2019	30 September 2018
Sales		101 476 050	77 077 669
Services rendered		68 883 797	63 350 287
Other operating income	22	6 891 517	5 848 007
Cost of sales		(61 594 198)	(42 557 307)
Changes in stocks of finished goods and work in progress		(4 142 824)	(2 798 043)
External supplies and services		(41 079 244)	(46 221 954)
Staff costs		(33 315 124)	(30 619 294)
Depreciation and amortisation		(24 638 329)	(17 923 365)
Provisions and impairment losses (Increases)/Decreases		555 015	(273 136)
Other operating expenses		(4 597 045)	(5 300 834)
Operational profit/(loss)		8 439 615	582 029
Financial Income		900 584	52 596
Financial Expenses		(5 936 931)	(3 073 331)
Net financial income / (expenses)		(5 036 346)	(3 020 735)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method	5	282 456	296 930
Investment income	24	363 353	(1 908)
Profit/(Loss) before taxation		4 049 077	(2 143 684)
Taxation	25	312 249	1 031 974
Profit/(Loss) for the year - continued operations		3 736 829	(3 175 658)
Profit/(Loss) for the year - discontinued operations		(81 717)	(3 258 338)
Profit/(Loss) for the year		3 655 112	(6 433 996)
Attributable to:			
Equity holders of Sonae Capital	28	2 747 931	(6 325 101)
Non-controlling interests	16	907 181	(108 895)
Profit/(Loss) per share - continued operations			
Basic	28	0,01149	(0,01248)
Diluted	28	0,01149	(0,01248)
Profit/(Loss) per share - discontinued operations			
Basic	28	(0,00033)	(0,01326)
Diluted	28	(0,00033)	(0,01326)

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED INCOME STATEMENTS BY NATURE

FOR THE 3RD QUARTER 2019 AND 2018

(Amounts expressed in euro)

	Notes	3rd Quarter 2019 *	3rd Quarter 2018 *
Sales		51 572 830	43 384 710
Services rendered		30 563 329	9 889 416
Other operating income		1 132 353	2 318 623
Cost of sales		(36 790 262)	(15 173 752)
Changes in stocks of finished goods and work in progress		(1 520 289)	257 723
External supplies and services		(15 333 917)	(16 093 964)
Staff costs		(11 598 309)	(10 176 094)
Depreciation and amortisation		(8 865 327)	(6 456 318)
Provisions and impairment losses (Increases)/Decreases		(120 575)	(73 097)
Other operating expenses		(1 356 165)	(1 729 399)
Operational profit/(loss)		7 683 667	6 147 849
Financial Income		740 747	4 297
Financial Expenses		(2 028 719)	(1 026 027)
Net financial income / (expenses)		(1 287 972)	(1 021 730)
Profit/(Loss) in associated and jointly controlled companies measured using the equity method		173 711	66 067
Investment income		-	9 607
Profit/(Loss) before taxation		6 569 406	5 201 793
Taxation		141 938	374 152
Profit/(Loss) for the year - continued operations		6 427 469	4 827 641
Profit/(Loss) for the year - discontinued operations		115 766	(1 205 857)
Profit/(Loss) for the year		6 543 235	3 621 784
Attributable to:			
Equity holders of Sonae Capital		6 034 671	1 141 271
Non-controlling interests		508 564	2 480 513

The accompanying notes are part of these financial statements.

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

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 AND 2018

(Amounts expressed in euro)

	30 September 2019	30 September 2018
Consolidated net profit/(loss) for the period	3 655 112	(6 433 996)
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	(259 932)	388 534
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	(259 932)	388 534
Total comprehensive income for the period	3 395 180	(6 045 462)
Attributable to:		
Equity holders of Sonae Capital	2 487 999	(6 053 127)
Non-controlling interests	907 181	7 665

The accompanying notes are part of these financial statements.

The Board of Directors

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 3RD QUARTER 2019 AND 2018

(Amounts expressed in euro)

	3rd Quarter 2019 *	3rd Quarter 2018 *
Consolidated net profit/(loss) for the period	6 543 235	3 621 784
Items that may be reclassified subsequently to net profit / (loss):		
Changes in the currency translation differences	(167 004)	167 453
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	-	-
Other comprehensive income for the period - continued operations	-	-
Other comprehensive income for the period - discontinued operations	(167 004)	167 453
Total comprehensive income for the period	6 376 231	3 789 237
Attributable to:		
Equity holders of Sonae Capital	5 867 667	3 853 561
Non-controlling interests	508 564	(64 324)

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 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	271 974	-	-	-	271 974	(6 325 101)	(6 053 127)	7 665	(6 045 462)
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)	(1 062 899)	(15 816 442)
(Acquisition)/Sales of own shares	-	113 031	-	-	-	-	-	-	-	113 031	-	113 031
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	(3 510 390)	(3 510 390)	-	(3 510 390)	-	(3 510 390)
Other changes	-	-	-	-	-	-	(53 783)	(53 783)	-	(53 783)	(750 858)	(804 641)
Balance as at 30 September 2018	250 000 000	(1 192 808)	132 638 253	418 326	-	6 370	(119 348 739)	13 714 210	(6 325 101)	256 196 301	9 109 084	265 305 385
Balance as at 1 January 2019	250 000 000	(1 192 808)	132 638 253	359 097	-	6 370	(119 362 324)	13 641 396	(3 860 952)	258 587 636	9 440 091	268 027 727
Total consolidated comprehensive income for the period	-	-	-	(259 932)	-	-	-	(259 932)	2 747 931	2 487 999	907 181	3 395 180
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)	(445 101)	(18 673 460)
(Acquisition)/Sales of own shares	-	87 236	-	-	-	-	-	-	-	87 236	-	87 236
Changes in the percentage of capital held in affiliated companies	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	313 337	313 337	-	313 337	(108 619)	204 718
Balance as at 30 September 2019	250 000 000	(1 105 572)	132 638 253	99 165	-	6 370	(152 180 881)	(19 437 093)	2 747 931	232 205 265	9 771 637	241 976 902

The accompanying notes are part of these financial statements.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 AND 2018
(Amounts expressed in euro)

	Notes	30 September 2019	30 September 2018	3rd Quarter 2019 *	3rd Quarter 2018 *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		160 010 567	148 626 098	67 463 753	55 237 470
Cash paid to trade creditors		(101 240 500)	(89 097 342)	(39 873 236)	(30 240 149)
Cash paid to employees		(32 134 576)	(31 407 914)	(12 334 338)	(10 412 694)
Cash flow generated by operations		26 635 491	28 120 842	15 256 179	14 584 627
Income taxes (paid) / received		(1 731 856)	(351 684)	(745 435)	775 174
Other cash receipts and (payments) related to operating activities		(2 247 633)	(13 192 785)	39 642	(1 175 623)
Discontinued operations		(72 444)	(2 938 358)	(78 986)	(423 989)
Net cash from operating activities (1)		22 728 446	17 514 731	14 629 372	14 608 167
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments		813 468	681 362	107 283	25 145
Tangible assets		12 220 292	11 220 218	4 885 079	4 839 939
Intangible assets		-	831	-	831
Subsidies		-	-	-	-
Interest and similar income		1 152 907	67 361	998 159	5 862
Loans granted		-	-	-	-
Dividends		259 686	120 883	186 130	-
Others		6 631	1 460	-	1 460
Changes in consolidation perimeter (companies in)		669 170	81 143	669 170	-
		15 122 154	12 173 258	6 845 821	4 873 237
<u>Cash Payments arising from:</u>					
Investments		(8 561 675)	(7 737 344)	(4 663 624)	(141 934)
Tangible assets		(26 406 756)	(21 129 202)	(9 945 329)	(6 899 941)
Intangible assets		(1 005 264)	(2 678 314)	(298 061)	(1 312 153)
Loans granted		-	-	-	-
		(35 973 695)	(31 544 860)	(14 907 014)	(8 354 028)
Discontinued operations		3 560	(42 023)	3 560	5 456
Net cash used in investment activities (2)		(20 855 101)	(19 329 579)	(8 064 753)	(3 486 247)
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained		65 917 355	36 564 260	(20 156 737)	(12 786 254)
Sale of own shares		87 236	190 012	-	-
		66 004 591	36 754 272	(20 156 737)	(12 786 254)
<u>Cash payments arising from:</u>					
Loans obtained		(44 880 275)	(12 808 216)	(682 622)	2 085 059
Interest and similar charges		(3 006 127)	(2 852 472)	(652 253)	(718 339)
Reimbursement of capital and paid in capital		-	-	-	-
Dividends		(18 668 959)	(15 718 645)	(445 101)	(629 248)
		(66 555 361)	(31 379 333)	(1 779 976)	737 472
Discontinued operations		8 811	3 005 786	15 990	394 014
Net cash used in financing activities (3)		(559 581)	2 369 153	(21 952 703)	(12 442 796)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		1 313 764	554 305	(15 388 084)	(1 320 876)
Effect of foreign exchange rate		(404)	-	(1 226)	-
Cash and cash equivalents at the beginning of the period	14	7 131 161	7 233 499	-	-
Cash and cash equivalents at the end of the period	14	8 445 329	7 787 806	(15 386 858)	(1 320 876)

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

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

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 September 2019 and 31 December 2018, are as follows:

Company	Head Office	Percentage of capital held				
		30 September 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%

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4)	Engenho Novo Gás PT, 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%
1)	Futura Energía Inversiones, S.L.	a)	Madrid	100,00%	100,00%		
1)	Futura Carbono, S.L.	a)	Madrid	100,00%	100,00%		
1)	Futura Energía y Gas, S.L.	a)	Madrid	100,00%	100,00%		
1)	Futura Green Renovables, S.L.	a)	Madrid	100,00%	100,00%		
1)	Ecofutura Luz Energía, S.L.	a)	Madrid	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)	Spinaraq 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%
	Pradium II - Imobiliária, S.A.	a)	Maia	100,00%	100,00%	100,00%	100,00%

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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%
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;
 - 4) Ex - Capwatt Engenho Novo - Heat Power, S.A.;
- 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 September 2019 and 2018 are as follows:

30 September 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%	13 133 621	7 425 721	13 552 286	14 001 383	8 707 900	449 097	1 404 556
Energy										
2) 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	242 120
				15 238 687	8 312 332	13 833 206	16 240 723	9 926 355	818 629	1 646 677

1) Data from August 2019;

2) Data from 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.

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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.

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

	30 September 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	282 456	444 700
Dividends received	(259 686)	(239 822)
Change in the consolidation method	-	-
Closing balance as at 31 December	1 646 677	1 623 907
Accumulated impairment losses (Note 21)	-	-
	1 646 677	1 623 907

The use of the equity method had the following impacts: 282,456 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 September 2019 and 31 December 2018.

During the year of 2019 dividends were received totalling around 259,686 euros (239,822 euros at 31 December 2018) paid by the companies Lidergraf - Artes Gráficas, Lda. and Feneralt - Produção de Energia, 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 September 2019 and 31 December 2018 are made up as follows:

Company	Head Office	Percentage of capital held				Book value	
		30 September 2019		31 December 2018		30 September 2019	31 December 2018
		Direct	Total	Direct	Total		
Troia Resort Operações							
Infratróia - Infraestruras de Tróia, E.M.	Grândola	25.90%	25.90%	25.90%	25.90%	64 747	64 747
Holding & Outros							
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%	6.48%	6.48%	-	250 950
Outros Investimentos						393 640	331 704
Total						481 420	670 435

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

	30 September 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	71 659	-	155 162	-
Changes in consolidation perimeter	-	-	-	-
Disposals in the period	(276 580)	-	(72 816)	-
Transfers	-	-	-	-
Merger	-	-	10 687	-
Changes in consolidation perimeter	15 907	-	(1 029)	-
Closing balance as at 31 December	773 259	-	962 273	-
Accumulated impairment losses (Note 21)	(291 838)	-	(291 838)	-
	481 420	-	670 435	-
Other Investments	481 420	-	670 435	-

7. CHANGES TO THE CONSOLIDATION PERIMETER

During the period ended 30 September 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%
Futura Energía Inversiones, S.L.	Madrid	100%	100%
Futura Carbono, S.L.	Madrid	100%	100%
Futura Energía y Gas, S.L.	Madrid	100%	100%
Futura Green Renovables, S.L.	Madrid	100%	100%
Ecofutura Luz Energía, S.L.	Madrid	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.

During the third quarter of 2019, Sonae Capital acquired the Futura group through the acquisition of Futura Energía Inversiones. The Futura group consists of four subsidiaries: Futura Energía y Gas, Ecofutura Luz Energía, Futura Carbono and Futura Green Renovables.

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

	Acquisition date	30 September 2019
Net assets acquired		
Tangible and intangible assets (Note 8)	2 666 586	4 740 862
Financial investments	908 079	17 527
Others Assets	62 216 212	68 937 237
Cash and cash equivalents	880 831	1 294 599
Other liabilities	(63 236 512)	(71 024 511)
	3 435 196	3 965 715
Total equity	3 435 196	3 945 715
Income statements from the acquired companies		
Cost of sales	102 723 370	21 482 403
Changes in stocks of finished goods and work in progress	-	-
External supplies and services	4 468 838	2 957 914
Staff costs	1 457 842	988 541
Depreciation and amortisation	291 543	276 041
Provisions and impairment losses	104 330	(65 173)
Other operating expenses	122 894	39 016
Operational expenses	109 168 818	25 678 742
Sales	103 982 887	21 696 040
Services rendered	5 303 416	4 287 891
Other operating income	36 322	13 996
Operational income	109 322 625	25 997 927
Operational profit/(loss)	153 807	319 185
Financial income	29 116	8 465
Financial expenses	106 319	115 572
Net financial income / (expenses)	(77 203)	(107 107)
Investment income	-	-
Investment income	-	-
Profit/(Loss) before taxation	76 604	212 078
Taxation	(24 764)	(185 333)
Profit/(Loss) for the year	51 840	26 745
Gain/(Loss) on acquisition (Note 41)	9 607 184	
Acquisition price	12 436 433	
Payments made	8 486 522	

8. TANGIBLE AND INTANGIBLE ASSETS

During the periods ended 30 September 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)	-	2 275 302	3 503 303	39 311	457 257	83 001	11 278	6 369 452
Changes in consolidation perimeter (companies out)	-	-	-	-	-	-	-	-
Capital expenditure	-	-	-	-	-	-	-	-
Capital expenditure	309 900	21 985	431 945	-	-	51 254	26 477 483	27 292 567
Capital expenditure	-	55 601 870	18 278	2 487 502	(900)	-	-	58 106 750
Disposals	(1 664 374)	(4 222 503)	(2 320 856)	(73 500)	(906)	(2 068)	-	(8 284 207)
Exchange rate effect	-	-	-	460	26	-	383	869
Transfers	64 751	(37 683)	3 489 137	(460)	185 513	155 612	(2 897 582)	959 288
Closing balance as at 30 September 2019	45 604 694	211 361 667	296 115 792	3 257 328	5 287 066	3 410 211	42 153 652	607 190 410
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)	-	598 875	2 618 209	14 242	403 561	72 802	-	3 707 689
Changes in consolidation perimeter (companies out)	-	-	-	-	-	-	-	-
Charges for the period	-	-	-	-	27	-	-	27
Charges for the period	-	7 286 473	15 397 791	707 427	266 556	106 586	-	23 764 833
Disposals	-	(1 395 168)	(1 078 068)	(66 848)	(1 747)	(829)	-	(2 542 660)
Exchange rate effect	-	-	-	461	18	-	-	479
Transfers	-	-	-	(1 269)	(52)	7	-	(1 314)
Closing balance as at 30 September 2019	-	53 497 468	188 459 073	1 370 269	4 353 704	2 600 044	-	250 280 558
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	10 489	8 510	523	-	-	-	-	19 522
Reversals for the period	(23 929)	(72 381)	(523)	-	-	-	-	(96 833)
Exchange rate effect	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Closing balance as at 30 September 2019	4 200 079	21 380 514	5 478 404	-	-	-	-	31 058 997
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 September 2019	41 404 615	136 483 685	102 178 315	1 887 059	933 362	810 167	42 153 652	325 850 854

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

	30 September 2019	31 December 2018
Troiareort	2 549 382	1 859 128
Reconstruction of Energy Projects	36 394 327	14 165 316
Health Clubs Refurbishment	457 353	469 797
Refurbishment of Marmagno + Aqualuz of Tróia	116 642	268 290
Refurbishment Troia Resort Operations	240 191	203 347
Remodelling of 2NDROOM	640 231	-
Industrial Engineering	1 585 490	1 415 505
Others	170 036	180 707
	42 153 652	18 562 090

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During the periods ended 30 September 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)	-	73 544	-	-	73 544
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Capital expenditure	-	-	-	-	-
Capital expenditure	-	6 989	281 890	1 080 701	1 369 581
Disposals	-	-	(1 155 653)	-	(1 155 653)
Exchange rate effect	-	-	-	-	-
Transfers	266 816	371 692	155 350	(528 109)	265 749
Closing balance as at 30 September 2019	9 475 682	5 799 008	4 398 451	2 707 059	22 380 200
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)	-	68 721	-	-	68 721
Changes in consolidation perimeter (companies out)	-	-	-	-	-
Charges for the period	-	-	-	-	-
Charges for the period	311 741	499 563	103 930	-	915 234
Disposals	-	-	-	-	-
Exchange rate effect	-	-	-	-	-
Transfers	-	-	-	-	-
Closing balance as at 30 September 2019	3 325 780	4 914 978	3 183 000	-	11 423 758
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 September 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 September 2019	6 060 366	884 030	615 451	2 707 059	10 266 908

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

As at 30 September 2019 net Intangible Assets related to Marina de Troia amount to 5,134,264 euros (5,166,004 euros at December 2018).

9. GOODWILL

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

	30 September 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	9 020 352	-
Decreases - disposals of affiliated companies	-	-
Write-off	-	-
Closing balance	91 441 971	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	61 045 160	52 024 808

10. OTHER NON-CURRENT DEBTORS

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

	30 September 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	1 614 353	1 614 353
Other financial assets	124 258	-
Impairment losses (Note 21)	-	-
	12 078 611	12 119 353
Deferred costs		
Financing charges	-	81 214
	-	81 214
Total financial instruments	12 078 611	12 200 567
Other non-current debtors	12 078 611	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 September 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 FACILITIES 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 September 2019 and 31 December 2018 can be detailed as follows, highlighting the value attributable to real estate developments:

	30 September 2019		31 December 2018	
	Total	of which Real Estate Developments	Total	of which Real Estate Developments
Goods for sale	14 273 239	12 321 251	14 393 602	13 313 076
Goods for resale held by third parties	24 322	-	2 069	-
Raw materials, by-products and consumables	5 459 342	-	6 318 496	-
Finished goods	8 447 505	6 788 392	12 124 200	11 081 219
Sub-products, waste, residues and scrap	-	-	-	-
Work in progress	36 301 344	34 237 181	36 577 949	34 268 391
Payments on account	-	-	-	-
	64 505 752	53 346 825	69 416 316	58 662 686
Accumulated impairment losses on stocks (Note 21)	(5 890 054)	(4 898 900)	(6 152 875)	(5 161 721)
Total Operations	58 615 697	48 447 925	63 263 441	53 500 965

12. TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

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

	30 September 2019	31 December 2018
Trade accounts receivable	55 834 893	31 691 859
Accumulated impairment losses on Trade Debtors (Note 21)	(5 807 295)	(6 230 300)
	50 027 598	25 461 559
State and other public entities	8 079 197	7 919 234
Loans and other receivables from related companies	917 249	70 758
Other current assents		
Suppliers c / c - debit balances	3 736 245	796 119
Other debtors	3 957 800	4 342 209
Debtors f of financial investments	11 614 412	12 214 412
Debtors of tangible fixed assets	2 833 342	3 226 160
	23 059 048	20 649 658
Increase in income - Interest receivable	858	35
Add. Income - Billing to be issued for services rendered	991 380	609 273
Other accrued income	2 062 467	3 192 919
Expenses to recognize - rentals	375 397	793 225
Expenses to be recognized - external supplies and services	1 841 607	1 541 589
Expenses to be recognized - financial charges	279 657	228 020
Other current assets	1 452 631	5 416 508
	7 003 997	11 781 569
Accumulated impairment losses on other current assets (Note 21)	(1 915 570)	(1 848 583)
	86 254 270	63 963 437
Clients and other current assets		

The caption "Others" is made up of taxes recoverable overseas (2,055,000 euros in Romania) and an amount to be received related 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 related to work in progress at the end of the period in consideration.

13. DEFERRED TAXES

Deferred tax assets and liabilities as at 30 September 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 September 2019	31 December 2018	30 September 2019	31 December 2018
Amortisation and Depreciation harmonisation adjustments	366 590	252 488	4 249 650	4 527 729
Provisions and impairment losses of non-tax deductible	5 159 948	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	-	-	284 653	393 997
Taxable temporary differences arising from the fair value of non-current liabilities	-	-	6 539 635	6 544 704
Others	820 282	1 292 185	1 282 888	1 272 283
	20 789 922	22 997 895	12 602 695	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 September 2019 and 31 December 2018, and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

	30 September 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 recovery 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 September 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 September 2019, tax losses carried forward amounting to 39,137,439 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 September 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	3 220 254	676 253	2023	2 927 156	614 703	2023
Generated in 2018	9 944 968	2 088 443	2024	-	-	2024
	38 649 778	8 116 453		18 697 191	3 926 411	
Without limited time use	-	-		-	-	
With a time limit different from the above mentioned	487 661	108 569		460 654	102 897	
	487 661	108 569		460 654	102 897	
	39 137 439	8 225 022		19 157 846	4 029 308	

14. CASH AND CASH EQUIVALENTS

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

	30 September 2019	31 December 2018
Cash at hand	427 891	236 410
Bank deposits	8 074 481	7 311 232
Treasury applications	8219	10 719
Cash and cash equivalents on the balance sheet	8 510 590	7 558 360
Bank overdrafts (Note 17)	(65 260)	(427 200)
Guarantee deposit	-	-
Cash and cash equivalents in the statement of cash-flows	8 445 330	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).

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 September 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 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31 December 2018
Demerger reserve	132 638 253	132 638 253
Translation reserves	99 165	359 097
Fair value reserves	-	-
Hedging reserves	6 370	6 370
Others	(152 180 881)	(119 362 322)
	-	-
Other reserves and retained earnings	(19 437 093)	13 641 396

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 September 2019 and 31 December 2018 are as follows:

	30 September 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	(109 764)	91 177
Dividends paid	(445 101)	(1 384 309)
Others	(20 770)	(20 042)
Profit for the period attributable to minority interests	907 181	600 113
Closing balance	9 771 637	9 440 091

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

17. BORROWINGS

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

	30 September 2019		31 December 2018	
	Outstanding amount		Outstanding amount	
	Current	Non-Current	Current	Non-Current
Bank loans				
Sonae Capital SGPS - commercial paper ^{a)}	10 000 000	-	-	-
Sonae Capital SGPS - commercial paper ^{b)}	-	17 500 000	-	13 000 000
Sonae Capital SGPS - commercial paper ^{c)}	-	7 500 000	-	-
Sonae Capital SGPS - commercial paper ^{d)}	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper ^{e)}	2 000 000	6 000 000	2 000 000	8 000 000
Sonae Capital SGPS - commercial paper ^{f)}	24 000 000	-	7 650 000	-
Sonae Capital SGPS - commercial paper ^{g)}	-	-	-	10 000 000
Up-front fees	-	(56 192)	-	(141 283)
Others	1 951 678	1 430 392	1 758 860	1 474 580
	47 951 678	32 374 199	21 408 860	32 414 510
Bank overdrafts (Note 14)	65 260	-	427 200	-
Bank loans	48 016 938	32 374 199	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)}	2 000 000	13 000 000	-	-
Sonae Capital 2019/2024 II Bonds ^{l)}	-	12 500 000	-	-
Up-front fees	-	(430 616)	-	(116 090)
Bond Loans	2 000 000	55 069 384	42 500 000	14 883 910
IFR16 Leases	14 838 725	50 341 258	-	-
Other loans	1 763 133	74 301	48 788	145 706
Obligations under finance leases	3 227 892	9 689 721	3 527 494	12 028 586
Up-front fees on finance leases	-	(37 759)	-	(46 882)
	69 846 687	147 511 104	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 2022;

- 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;
- l) Sonae Capital SGPS - 2019/2024 II bond loan in the amount of 12,500,000 euros with a 5 year maturity and a sole reimbursement on 8 August 2024. This bond loan bears interest every six months.

The interest rate on bonds and bank loans in force on 30 September 2019 was on average 1,10% (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.

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

	30 September 2019		31 December 2018	
	Nominal value	Interests	Nominal value	Interests
N+1	62 176 652	5 818 609	67 912 343	1 529 573
N+2	46 770 914	5 172 423	6 563 075	573 365
N+3	22 326 448	4 316 307	43 588 345	482 699
N+4	17 353 370	3 551 999	5 707 975	70 782
N+5	18 878 596	2 992 091	3 063 402	23 954
After N+5	50 376 378	8 159 076	726 075	6 201
	217 882 358	30 010 506	127 561 214	2 686 573
Discontinued Operations	-	-	-	-
Total	217 882 358	30 010 506	127 561 214	2 686 573

18. OTHER NON-CURRENT CREDITORS

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

	30 September 2019	31 December 2018
Loans and other amounts payable to related parties		
Others	216 645	230 847
	216 645	230 847
Other creditors		
Creditors in the restructuring process of Torralta	831 039	768 471
Fixed assets suppliers		-
Others	3 229 505	-
	4 060 544	768 471
Deferred income / Expense accruals		
Investment aid	-	-
Obligations by share-based payments (Note 19)	285 866	313 629
Others	-	-
	285 866	313 629
Pension fund responsibilities	-	-
	4 563 055	1 312 947
Other non-current creditors		

Other creditors include an amount payable for the acquisition of financial investments (Urban Fit and Futura groups) in the amount of 3,215,000 euros.

19. SHARE-BASED PAYMENTS

In this 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. 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 September 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 September 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 September 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 September 2019	31 December 2018
Other non-current creditors (Note 18)	285 866	492 540
Other current creditors (Note 20)	574 016	426 115
Reserves	(670 544)	(416 815)
Staff Costs (Note 38)	189 337	501 840

20. SUPPLIERS AND OTHER CURRENT LIABILITIES

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

	30 September 2019	31 December 2018
Suppliers	40 374 354	27 233 514
Loans and other payables of related companies	389 389	388 792
Other Current Liabilities		
Fixed assets suppliers	4 728 180	3 711 817
Advances from customers	2 320 177	5 613 463
Other creditors	15 564 720	8 923 933
State and other public entities	4 131 364	7 902 003
Accrued personnel expenses	9 508 140	8 472 932
Works not yet completed	3 499 991	4 784 324
Accruals of purchase expenses - Energy segment	629 911	572 687
Financial charges payable	280 298	340 666
Investment subsidies	-	36 739
Other liabilities	21 928 632	12 299 567
	62 591 413	52 658 131
Suppliers and other current liabilities	103 355 156	80 280 437

The amount in Other creditors includes the debt from the purchase of a financial participation in earlier periods at 3,600,000 euros and an amount of 735,000 euros related to the acquisitions of the financial holdings of the groups Urban Fit and Futura.

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 September 2019 and 31 December 2018 were as follows:

Captions	Balance as at 1 January 2019	Increases	Decreases	Utilisations	Transfers	Balance as at 30 September 2019
Accumulated impairment losses on:						
Tangible Assets (Note 8)	31 136 308	19 522	(96 833)	-	-	31 058 997
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	350 515	(815 601)	42 081	-	5 807 295
Other current assets (Note 12)	1 848 583	246 233	(179 245)	-	-	1 915 570
Stocks (Note 11)	6 152 875	-	(262 821)	-	-	5 890 054
Non-current provisions	3 079 824	46 467	-	-	-	3 126 291
Current provisions	3 286 698	330 097	(129 111)	(337 333)	-	3 150 352
Total	83 147 689	992 834	(1 483 611)	(295 252)	-	82 361 660

On September 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 September 2019 and 31 December 2018 detail of other provisions was as follows:

	30 September 2019	31 December 2018
Judicial claims	1 831 101	1 831 101
Provision for secured income	685 479	861 036
Others	3 760 064	3 674 386
	6 276 643	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 September 2019 and 2018 was as follows:

	30 September 2019	30 September 2018
Own work capitalised	1 382 469	428 789
Gains on sales of assets	4 817 810	3 257 572
Supplementary income	373 521	761 837
Others	317 717	1 399 809
Continued Operations	6 891 517	5 848 007
Discontinued Operations	573 803	(5 272)
Total	7 465 320	5 842 735

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

	30 September 2019	31 December 2018
Guarantees given:		
on VAT reimbursements	5 199 346	5 199 346
on tax claims	16 846 531	17 587 976
on judicial claims	-	-
on municipal claims	556 599	577 795
on loans	20 785 235	25 192 891
Others	27 769 248	39 524 891

Others include the following guarantees:

- 2,126,988 euros as at 30 September 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 September 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 September 2019 and 31 December 2018, Investment income was made up as follows:

	30 September 2019		30 September 2018	
Dividends	-	-	-	-
Adjustment to the liquidation price of "Fundo Hitec."	(235 440)		-	
Adjustment to the liquidation price of "Spred SGPS SA."	6 632		-	
Adjustment to the selling price of "Box Lines Navegação"	7 327		15 684	
Others	-		1 016	
Losses on sales of group companies	-		18 256	
Gains in the acquisition of group companies (Note 8)	584 834		-	
Gains of investments in group companies		363 353	-	34 956
Equity settlement in other investments (Note 6)	-		-	
Impairment losses (Note 21)	-		(36 864)	
Gains/(Losses) on sale of other investments		-		(36 864)
Others		-		-
Investment Income	-	363 353	-	(1 908)
Discontinued Operations		-		-
Total Operations	-	363 353	-	(1 908)

25. TAXATION

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

	30 September 2019	30 September 2018
Current tax	(1 645 343)	877 225
Deferred tax	1 957 592	154 749
Taxation	312 249	1 031 974

26. RECONCILIATION OF CONSOLIDATED NET PROFIT

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

	30 September 2019	30 September 2018
Aggregate net profit - continued operations	45 782 784	62 345 370
Aggregate net profit - discontinued operations	(81 717)	(3 258 338)
Harmonisation adjustments	(753 946)	(1 045 871)
Elimination of intragroup dividends	(40 348 669)	(63 890 514)
Share of gains/(losses) of associated undertakings	45 921	296 930
Elimination of intragroup capital gains/(losses)	412 812	115 399 566
Elimination of intragroup impairment	-	(116 308 035)
Others	(1 402 073)	26 896
Consolidated net profit for the year - continued operations	3 736 829	(3 175 658)
Consolidated net profit for the year - discontinued operations	(81 717)	(3 258 338)
Consolidated net profit for the year	3 655 112	(6 433 996)

27. RELATED PARTIES

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

Transactions	30 September 2019		30 September 2018	
	Sales and services rendered	Purchases and services obtained	Sales and services rendered	Purchases and services obtained
Parent company				
Associated companies	20 166	16 261	12 305	1 714
Feneralt - Produção de Energia, ACE	11 810	(18 279)	7 873	(10 054)
Lidergraf - Artes Gráficas, Lda	8 356	34 540	4 432	11 768
Other partners and Group companies	20 998 088	3 523 750	26 162 057	6 610 660
8ª Avenida - Centro Comercial, SA	-	-	1 827	-
Águas Furtadas - Soc. Agrícola, SA	-	-	1 943	-
Algarveshopping- Centro Comercial, S.A.	816	-	(4 443)	-
Alpêssego - Sociedade Agrícola, SA	-	-	16 356	(6 613)
Casa Agrícola de Ambrães, S.A.	-	-	2 324	-
Aqualuz - Turismo e Lazer, Lda	-	(803)	1 342 559	(1 483)
Arrábidasshopping- Centro Comercial, S.A.	1 401	(445)	1 401	-
BB Food Service, SA	83 787	(24 495)	156 194	(2 861)
BOM MOMENTO - Comércio Retalhista, SA	40 272	(8 632)	101 805	(1 199)
Bloco Q-Soc.Imobil.S.A.	-	(131)	-	-
Prod. Agric.Biológica, S.A.	131 129	(1 691)	117 745	(422)
Cascaishopping- Centro Comercial, S.A.	3 204	3 411	3 740	(130)
Coimbrashopping- Centro Comercial, S.A.	-	2 136	-	-
Centro Colombo- Centro Comercial, S.A.	651 256	702 766	642 566	1 256 796
Continente Hipermercados, S.A.	5 570 413	(383 712)	5 626 624	(195 965)
Contimobe-Imobil.Castelo Paiva,SA	-	2 159	-	3 645
Companhia Térmica Tagol, Lda.	-	(130 550)	-	-
Digitmarket-Sistemas de Informação,SA	-	242 274	69	243 332
Efanor Investimentos, SGPS, S.A.	1 531	(1 210)	1 458	-
Efanor Serviços de Apoio à Gestão, S.A.	52 692	-	51 533	-
Capwatt Lousado - Heat Power, Unipessoal, Lda.	-	(24 800)	-	-
Euroresinas-Indústrias Químicas,SA	-	10 141	-	147
Fashion Division, S.A.	5 254	(2 107)	7 310	(2 065)
Gaishopping I Centro Comercial, SA	-	(133)	-	-
Gaishopping II- Centro Comercial, S.A.	-	68	-	-
Sonae Arauco Deutschland AG	560	-	436	-
Guimarãesshopping- Centro Comercial, S.A.	504	-	1 215	-
Iberosegur - Sociedade Ibérica de Mediação de Seguros, Lda	1 427	-	1 427	-
Fundo de Invest. Imobiliário Imosede	81 432	361 480	126 953	430 897
Imosistema-Sociedade Imobiliária,SA	-	(1 572)	-	-
Fundo Invest. Imobiliário Imosonae Dois	108 199	-	-	-
Inovretail, S.A.	475	990	1 357	-
Inso Insular de Hipermercados, S.A.	190 876	(103 570)	484 701	(59 410)
CAPWATT - Brainpower, S.A.	-	(2 088)	-	-
Capwatt Martim Longo - Solar Power, S.A.	-	20 055	-	-
S21SEC Portug-Cyber Security Services,S.A.	-	925	-	-
LCC LeiriaShopping Centro Comercial SA	(1 750)	(629)	140	-
Loureshopping-Centro Comercial, S.A.	-	(27)	-	1 437
NOS Lusomundo Audiovisuais, S.A.	-	-	116	-
Madeirashopping- Centro Comercial, S.A.	-	(63)	-	-
NOS Sistemas S.A.	-	(16 585)	-	93 080
Modelo - Dist.de Mat. de Construção,S.A.	15 309	-	49 095	-
Modelo Continente Hipermercados,SA	8 767 008	(2 328 927)	13 410 246	916 577
Modelo Continente Hipermercados, Suc.	101	-	-	9 550
Modelo Hipermercados Trading, S.A.	-	-	1 726	-
MDS Corretor de Seguros, SA	319 672	(16 705)	280 418	(14 130)
MDS RE-Mediador de Resseguros, S.G.P.S., S.A.	-	-	85	-
MDS África SGPS, S.A.	569	-	445	-
MDS Auto - Mediação de Seguros, SA	1 902	-	1 448	-
MDS Consulting, SA	8 575	2 937	9 659	2 032
MDS, SGPS, SA	365	-	496	-
Modalfa-Comércio e Serviços,SA	2 433	(588)	1 336	-

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MODALLOOP - Vestuário e Calçado, SA	-	112	224	-
Modelo Hiper Imobiliária,SA	30 094	-	(42)	-
Movelpartes-Comp.para Ind.Mobiliária,SA	88	-	197	-
Norteshopping-Centro Comercial, S.A.	-	147 412	13 634	335 808
NOS Comunicações, S.A.	138 975	2 048 453	-	-
Parklake Shopping, S.A.	517	(14 065)	120 136	(37)
PHARMACONTINENTE - Saúde e Higiene, S.A.	175	-	30	-
Prosa - Produtos e Serviços Agrícolas,S.A.	26 639	(1 571)	25 087	(550)
Público-Comunicação Social,SA	421	4 198	900	3 829
Saphety Level - Trusted Services S.A.	-	112 310	-	108 112
Grupo Salsa	2 376	-	-	-
SONAESR - Serviços e logística, S.A.	18 687	(6 396)	21 387	-
RACE, SGPS, S.A.	-	6 107	-	-
SFS - Financial Services, IME, S.A.	63	-	-	378
Sondis Imobiliária,SA	-	-	22 378	-
Sonae Indústria-SGPS,SA	1 748	-	1 415	-
Sonae Indústria - Management Services, S.A.	1 437	-	-	-
Sonae Investimentos, SGPS, SA	-	55	-	-
Sonae Arauco Portugal, S.A.	2 769 707	1 665 349	2 227 975	2 245 068
Sonae Indústria de Revestimentos,SA	371 999	282 438	339 945	322 992
SIRS-Soc.Ind.Radiodifusão Sonora,SA	999	13 289	505	20 505
Sierra Management Portugal-Gest. CC,S.A.	3 969	101 070	2 289	101 916
Sohi Meat Solut-Distr. Carnes	60 476	54 885	199 875	48 974
Porto Palácio Hotel - Exploração Hoteleira, S.A.	-	(632)	-	-
Solinca - Health & Fitness, S.A.	-	(903)	-	-
Sonae MC - Serviços Partilhados, SA	25 081	401 957	34 420	455 892
Sonae.com,SGPS,SA	-	-	-	8 250
Sonae Investment Management-S.T.,SGPS,S.A.	-	-	13	-
Sonaeom - Serviços Partilhados, S.A	-	-	98 359	(104 562)
Sonaegest-Soc.Gest.Fundos Investimentos	-	167 853	2 234	170 858
Modelo Continente, SGPS, S.A.	-	(815)	-	-
Sonaerp - Retail Properties, SA	1 353 185	89 332	470 476	89 402
Sonae SGPS, SA	8 496	35 484	9 201	49 000
Sonae Arauco France SAS	1 276	-	799	-
SFS, Gestão e Consultoria, S.A.	-	22 429	-	937
Sport Zone-Comércio Art.Desporto,SA	33 129	34 068	18 406	22 511
Sonae Arauco, S.A.	221	-	(71)	-
Textil do Marco,SA	82 885	-	84 043	-
Tableros Tradema,S.L.	7 036	-	1 191	-
Aqualuz Tróia - Exploração Hoteleira e Imobiliária, S.A.	-	(5 776)	-	-
Centro Vasco da Gama-Centro Comercial,SA	-	3 902	-	3 902
We Do Consulting-SI,SA	-	-	-	53 759
Worten-Equipamento para o Lar,SA	15 314	(12 202)	18 803	501
Sonae Corporate, S.A.	3 536	75 627	-	-
ZIPPY - Comércio e Distribuição, SA	147	(60)	5 938	-
	21 018 254	3 540 011	26 174 362	6 612 374

Transactions	Interest income	Interest expenses	Interest income	Interest expenses
Parent company				
Other partners and Group companies	-	-	-	32 728
Plaza Mayor Parque de Ocio, SA	-	-	-	32 728
NOS Comunicações, S.A.	-	-	-	-
	-	-	-	32 728

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Balances	30 September 2019		31 December 2018	
	Accounts receivable	Accounts payable	Accounts receivable	Accounts payable
Parent company				
Associated companies	10 032	11 313	7 870	3 881
Feneralt - Produção de Energia, ACE	6 259	-	6 716	-
Lidergraf - Artes Gráficas, Lda	3 773	11 313	1 154	3 881
Other partners and Group companies	7 299 419	4 344 973	10 434 743	2 958 929
8ª Avenida - Centro Comercial, SA	-	-	3 655	-
Águas Furtadas - Soc. Agrícola, SA	273	(1 002)	296	(1 002)
Algarveshopping- Centro Comercial, S.A.	16 479	-	16 479	-
Alpêssego - Sociedade Agrícola, SA	2 882	-	21 063	-
Arrábidasshopping- Centro Comercial, S.A.	-	-	191	-
Asprela - Sociedade Imobiliária, S.A.	(1 513)	-	(1 513)	-
Aqualuz - Turismo e Lazer, Lda	-	-	86 255	57 536
BB Food Service, SA	13 619	(5 098)	46 934	(670)
BOM MOMENTO - Comércio Retalhista, SA	3 794	-	174 087	-
Bright Brands SportsGoods, S.A.	28 284	2 175	-	-
Casa Agrícola de Ambrães, S.A.	555	-	550	-
Contimobe-Imobil. Castelo Paiva, SA	-	1 016	408	1 004
Efanor Investimentos, SGPS, S.A.	14 828	2	60	-
Efanor Serviços de Apoio à Gestão, S.A.	9 456	5 575	3 292	5 575
SISTAVAC-Sistemas HVAC-R do Brasil, Ltda	-	-	1 747 852	-
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	231	-	-	-
Infocfield-Informática, SA	1 683	-	1 683	-
Inovretail, S.A.	-	-	-	123 000
S21SEC Portugal-Cyber Security Services, S.A.	42 926	-	-	-
Loureshopping-Centro Comercial, S.A.	-	-	-	122
MDS África SGPS, S.A.	-	-	109	4
MDS Auto - Mediação de Seguros, SA	260	-	-	-
MDS Corretor de Seguros, SA	57 088	138 271	110 202	304 474
Modalfa-Comércio e Serviços, SA	1 310	-	1 345	-
MODALLOOP - Vestuário e Calçado, SA	6 235	6 235	6 235	6 235
Modelo - Dist.de Mat. de Construção, S.A.	4 044	-	4 641	-
Modelo Continente Hipermercados, SA	3 496 977	1 439 573	3 761 482	207 522
Prosa - Produtos e Serviços Agrícolas, S.A.	8 120	2 285	41 957	2 552
Raso, SGPS, SA	-	-	592	-
Rio Sul - Centro Comercial, SA	-	1 175	5 270	-
Sohi Meat Solut-Distr. Carnes	(28 173)	3 066	(3 673)	(25 151)
Sonae Arauco Netherlands B.V.	-	-	-	-
Sonae MC - Serviços Partilhados, SA	53 291	493 382	20 525	170 589
Sonae.com,SGPS,SA	-	216	-	216
Sonaeacom - Serviços Partilhados, S.A	-	-	25 460	4 883
Sonae Arauco South Africa (Pty) Ltd.	17	-	17	-
Sonae Arauco France SAS	198	-	-	-
We Do Consulting-SI, SA	-	(2 875)	70 000	62 209
We Do Technologies Mexico, S	-	-	-	122 223
Worten-Equipamento para o Lar, SA	2 425	10 283	3 297	9 624
ZIPPY - Comércio e Distribuição, SA	-	-	23	-
Sonae Corporate, S.A.	684	-	16	52 971
	7 309 451	4 356 286	10 442 613	2 962 810

28. EARNINGS PER SHARE

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

	30 September 2019	30 September 2018
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	2 747 931	(6 325 101)
Net profit taken into consideration to calculate diluted earnings per share	2 747 931	(6 325 101)
Number of shares		
Weighted average number of shares used to calculated basic earnings per share	246 186 140	245 676 217
Weighted average number of shares used to calculated diluted earnings per share	246 186 140	245 676 217
Earnings per share (basic and diluted) - Continued operations	0.01149	(0.01248)
Earnings per share (basic and diluted) - Discontinued operations	(0.00033)	(0.01326)
Earnings per share (basic and diluted)	0.01116	(0.02574)

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 September 2019 and 30 September 2018 can be detailed as follows:

30 September 2019										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realstate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	8 313 715	23 517 414	31 021 614	64 161 254	26 745 680	6 241 242	15 975 561	4 429 490	(10 046 123)	170 359 847
Other operational income	253 921	180 286	488 692	113 604	(45 039)	553 112	5 618 938	822	(272 820)	6 891 517
Total operational income	8 567 636	23 697 701	31 510 306	64 274 858	26 700 641	6 794 355	21 594 499	4 430 312	(10 318 943)	177 251 364
Operational cash-flow (EBITDA)	(985 208)	6 412 351	9 880 326	12 827 530	806 880	(2 561 827)	12 168 510	(1 366 679)	(4 103 939)	33 077 943

30 September 2018										
Profit and Loss Account	Troia Resort Operações	Hospitality	Fitness	Energy	Refrigeration & HVAC	Industrial Engineering	Realstate	Holding & Others	Intersegment Adjustments	Consolidated
Turnover	9 626 683	19 915 657	26 308 641	39 720 484	32 083 689	8 856 542	9 898 264	4 968 746	(10 950 751)	140 427 955
Other operational income	293 231	669 622	636 019	702 084	88 379	398 936	3 739 108	96 024	(775 396)	5 848 007
Total operational income	9 919 913	20 585 279	26 944 659	40 422 568	32 172 068	9 255 478	13 637 373	5 064 771	(11 726 147)	146 275 962
Operational cash-flow (EBITDA)	700 247	1 286 831	3 000 761	11 254 227	67 850	(853 108)	4 825 714	(1 543 723)	(233 405)	18 505 395

CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

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

30 September 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	60 565 656	43 267 551	96 552 182	93 264 166	10 662 498	17 166 667	136 004 905	(310 092)	(60 010 611)	397 162 922
Investments	157 934 752	10 739 596	71 962	244 712	29 869	59 175	6 276 760	265 759 474	(438 988 202)	2 128 097
Other Assets	66 365 537	6 766 942	2 850 134	82 419 985	39 016 778	8 667 308	76 008 083	439 286 336	(493 841 057)	227 540 047
Total Assets	284 865 945	60 774 089	99 474 278	175 928 863	49 709 145	25 893 151	218 289 748	704 735 718	(992 839 871)	626 831 066
Total Liabilities	187 483 392	51 946 639	82 362 587	174 021 837	18 752 071	31 591 928	189 574 835	163 898 769	(514 777 895)	384 854 164
Technical investment	2 749 853	853 827	645 470	22 343 005	153 197	860 260	1 256 066	309 183	(496 412)	28 674 449
Gross Debt	8 338 715	31 225 437	56 708 341	11 740 714	728 191	1 894 783	81 012	134 360 684	(27 720 086)	217 357 791
Net Debt	8 039 548	30 914 358	56 202 572	10 418 445	555 941	1 869 680	(5 380 409)	133 947 151	(27 720 086)	208 847 201

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
Other Assets	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

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 September 2019 the following impact on the financial statements:

	30 September 2019
Depreciation expenses	5 549 822
Interest expense	3 352 116
Short-term lease expenses	1 244 353
Low value lease expenses	1 187 985
Variable component expenses	157 167
Payments made	8 508 617
Amount net of assets under right of use at the end of the period	52 669 592
Commitments Financial Lease - Current Liabilities	14 838 725
Commitments Financial Leasing - Non Current Liabilities	50 341 258

31. SUBSEQUENT EVENTS

On 4 November, 2019, Sonae Capital released the Notice of Meeting for the Shareholders Extraordinary General Meeting, to be held on 4 December, 2019. The meetings's agenda includes the amendment of Article 9.1 of the Company's Articles of Association, in order to extend the number of members of Sonae Capital Board of Directors and elect Mr. Ângelo Ribeirinho Paupério for the remainder of the current mandate: 2018-2020.

On 19 November, 2019, Sonae Capital sold to SKK – Central de Distribuição para Refrigeração e Climatização, Lda, its 70% shareholding in the share capital of RACE, SGPS, SA. This transaction is part of Sonae Capital strategy of active portfolio management as an investment holding company.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated Financial Statements were approved by the Board of Directors on 6 November 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 SEPTEMBER 2019



SONAE CAPITAL



SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA
SEPARATED BALANCE SHEET AS AT 30 SEPTEMBER 2019 AND 31 DECEMBER 2018
(Amounts expressed in euro)

	Notes	30 September 2019	31 December 2018
ASSETS			
NON-CURRENT ASSETS:			
Tangible assets		104 744	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	396 430 542	364 233 301
Total non-current assets		684 157 629	628 859 318
CURRENT ASSETS:			
Trade account receivables		140 473	
Other debtors	6	25 988 449	45 587 454
Income tax receivable	6	689 976,36	
Other taxes receivable	6	98 223,84	
Other current assets	6	2 472 045	5 132 310
Cash and cash equivalents	8	355 776	888 068
Total Current Assets		29 744 943	51 607 832
TOTAL ASSETS		713 902 572	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		30 539 400	5 294 899
TOTAL EQUITY		559 774 821	547 082 928
NON-CURRENT LIABILITIES:			
Bank Loans	11	30 946 093	30 948 456
Bonds	11	55 069 384	14 883 910
Obligation under finance leases	11	49 739	
Other non-current liabilities	13	109 491	138 580
Total Non-Current Liabilities		86 174 708	45 970 946
CURRENT LIABILITIES:			
Bank Loans	11	46 000 000	19 650 000
Bonds	11	2 000 000	42 500 000
Obligation under finance leases	11	28 902	
Trade creditors	13	107 048	111 994
Other creditors	12	18 631 884	21 590 424
Income tax payable	13		2 299 149
Other taxes payable	13	81 453,66	48 995
Other current liabilities	13	1 103 756	1 212 714
Total Current Liabilities		67 953 043	87 413 276
		-	-
TOTAL LIABILITIES		154 127 751	133 384 222
TOTAL EQUITY AND LIABILITIES		713 902 572	680 467 150

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA
SEPARATED INCOME STATEMENTS BY NATURE
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 AND 2018
(Amounts expressed in euro)

	Notes	30 September 2019	30 September 2018
Other operating income	17	38 882	88 855
External supplies and services	14	(991 827)	(1 115 279)
Staff costs	15	(1 013 734)	(789 192)
Depreciation and amortisation		(21 494)	(1 142)
Other operating expenses	17	(22 449)	(36 492)
Operational profit/(loss)		(2 010 621)	(1 853 250)
Financial Income	16	7 326 757	7 097 930
Financial Expenses	16	(2 157 661)	(2 685 722)
Net financial income / (expenses)		5 169 096	4 412 208
Investment income	16	25 489 934	39 022 218
Profit/(Loss) before taxation		28 648 410	41 581 176
Taxation	18	1 890 990	946 762
Profit/(Loss) for the year		30 539 400	42 527 937
Profit/(Loss) per share			
Basic	19	0,1241	0,1731
Diluted	19	0,1241	0,1731

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA
SEPARATED INCOME STATEMENTS BY NATURE
FOR THE 3RD QUARTER OF 2018 AND 2018
(Amounts expressed in euro)

	Notes	3rd Quarter 2019 (Unaudited) *	3rd Quarter 2018 (Unaudited) *
Other operating income		12 146	29 893
External supplies and services		(320 730)	(345 975)
Staff costs		(278 525)	(143 127)
Depreciation and amortisation		(14 062)	(143)
Other operating expenses		(10 784)	(6 274)
Operational profit/(loss)		(611 955)	(465 627)
Financial Income		1 930 617	2 571 376
Financial Expenses		(587 793)	(896 224)
Net financial income / (expenses)		1 342 824	1 675 152
Investment income		-	124 812
Profit/(Loss) before taxation		730 869	1 334 337
Taxation		911 546	578 169
Profit/(Loss) for the year		1 642 415	1 912 507

The accompanying notes are part of these financial statements.

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

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA
SEPARATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 AND 2018
(Amounts expressed in euro)

	30 September 2019	30 September 2018
Net profit/(loss) for the period	30 539 400	42 527 937
Total comprehensive income for the period	30 539 400	42 527 937

The accompanying notes are part of these financial statements.

SONAE CAPITAL, SGPS, SA
SEPARATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3RD QUARTER OF 2018 AND 2018
(Amounts expressed in euro)

	3rd Quarter 2019 (Unaudited) *	3rd Quarter 2018 (Unaudited) *
Net profit/(loss) for the period	1 642 415	1 912 507
Total comprehensive income for the period	1 642 415	1 912 507

The accompanying notes are part of these financial statements.

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

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

SONAE CAPITAL, SGPS, SA

SEPARATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	-	-	42 527 937	42 527 937
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 September 2018	250 000 000	(1 192 808)	10 789 547	282 191 290	-	292 980 837	42 527 937	584 315 966
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	-	-	-	-	-	-	30 539 400	30 539 400
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 September 2019	250 000 000	(1 105 573)	11 054 292	269 286 702	-	280 340 993	30 539 400	559 774 821

The accompanying notes are part of these financial statements.

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

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

	Notes	30 September 2019	30 September 2018	3rd Quarter 2019 (Unaudited) *	3rd Quarter 2018 (Unaudited) *
OPERATING ACTIVITIES:					
Cash receipts from trade debtors		-	-	-	786
Cash paid to trade creditors		(1 194 574)	(1 158 249)	(394 865)	(359 523)
Cash paid to employees		(712 544)	(876 929)	(268 076)	(304 254)
Cash flow generated by operations		(1 907 118)	(2 035 178)	(662 941)	(662 991)
Income taxes (paid) / received		7 843 870	1 585 767	(62 176)	1 849 414
Other cash receipts and (payments) relating to operating activities		305 032	382 416	(8 087)	1 594 691
Net cash from operating activities (1)		6 241 784	(66 995)	(733 204)	2 781 114
INVESTMENT ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Investments		622 838	50 212 015	-	15 685
Interest and similar income		9 939 857	7 998 195	5 171 312	4 049 224
Loans granted		-	21 780 187	-	8 896 998
Dividends		24 929 031	25 433 333	-	-
Others		789 015	1 258 779	-	121 204
		<u>36 280 741</u>	<u>106 682 509</u>	<u>5 171 312</u>	<u>13 083 111</u>
<u>Cash Payments arising from:</u>					
Investments		(39 461 839)	(1 442 572)	-	-
Tangible assets		-	-	-	-
Loans granted		(7 009 803)	(87 074 400)	(2 259 300)	(6 458 900)
		<u>(46 471 642)</u>	<u>(88 516 972)</u>	<u>(2 259 300)</u>	<u>(6 458 900)</u>
Net cash used in investment activities (2)		(10 190 901)	18 165 537	2 912 012	6 624 211
FINANCING ACTIVITIES:					
<u>Cash receipts arising from:</u>					
Loans obtained		65 850 000	36 000 000	(20 300 000)	(10 000 000)
Sale of own shares		87 236	190 012	-	-
		<u>65 937 236</u>	<u>36 190 012</u>	<u>(20 300 000)</u>	<u>(10 000 000)</u>
<u>Cash Payments arising from:</u>					
Loans obtained		(41 737 850)	(37 130 740)	1 450 400	2 574 060
Interest and similar charges		(2 558 702)	(2 242 742)	(541 930)	(523 079)
Dividends		(18 223 858)	(14 749 893)	-	-
		<u>(62 520 410)</u>	<u>(54 123 375)</u>	<u>908 470</u>	<u>2 050 981</u>
Net cash used in financing activities (3)		3 416 826	(17 933 363)	(19 391 530)	(7 949 020)
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		(532 291)	165 180	(17 212 722)	(69 280)
Cash and cash equivalents at the beginning of the period	8	888 068	171 848	17 568 499	406 308
Cash and cash equivalents at the end of the period	8	355 776	337 028	355 776	337 028

The accompanying notes are part of these financial statements.
* Prepared in accordance with IAS 34 - Interim Financial Reporting

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.

4. FINANCIAL INVESTMENTS

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

	30 September 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
	374 047 465	334 840 071
Impairment	(100 796 975)	(86 992 382)
	273 250 490	247 847 689

4.1 INVESTMENTS IN AFFILIATED AND ASSOCIATED UNDERTAKINGS

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

	30 September 2019			
	% Held	Book Value	Equity	Profit / (Loss) for the period
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	7 404 971	4 115 777
Fundo Esp de Invest. Imob Fechado WTC	74%	52 823 047	71 949 551	2 269 615
TroiareSORT, SGPS, S.A.	100%	167 132 793	79 344 326	(524 432)
Lidergraf - Artes Gráficas, SA. ^{a)}	25%	1 125 301	8 707 900	449 097
SC Assets S.G.P.S., SA	100%	38 603 728	4 381 779	641 096
SC Hospitality, S.G.P.S., S.A.	100%	5 857 175	5 160 967	3 832 952
SC Finance B.V.	100%	10 963 698	5 549 588	(133 512)
SC-Industrials, S.G.P.S., S.A.	100%	35 353 624	962 182	(237 818)
Race, SGPS, S.A.	70%	32 492 436	42 458 159	1 370 554
SC Fitness, S.A.	100%	26 946 268	26 114 293	(419 167)
		374 023 071		
		Impairment		
SC Assets S.G.P.S., SA		38 603 728		
TroiareSORT, SGPS, S.A.		21 817 116		
SC Finance BV		5 022 507		
SC, Industrials, SGPS, S.A.		35 353 624		
		100 796 975		

^{a)} Amounts for August 2019

SEPARATED FINANCIAL STATEMENTS
30 SEPTEMBER 2019

	31 December 2018			Profit / (Loss) for the period
	% Held	Book Value	Equity	
CAPWATT, S.G.P.S., S.A.	100%	2 725 000	6 891 529	3 791 932
Fundo Esp de Invest. Imob Fechado WTC	74%	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 September 2019 and 31 December 2018, the detail of Impairments on Investments in Affiliated and Associated Companies is as shown in the table below:

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

	30 September 2019	31 December 2018
Loans granted		
CAPWATT, SGPS, S.A.	65 000 000	40 000 000
SC Assets, SGPS, S.A.	141 478 762	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.	5 925 000	6 155 000
SC Industrials, SGPS, S.A.	19 588 000	12 588 000
Troiaresort, SGPS, S.A.	151 867 232	130 294 732
	398 154 394	379 680 531
Impairment		
SC Assets, SGPS, S.A.	(495 093)	(13 521 162)
SC Industrials, SGPS, S.A.	(1 228 759)	(2 007 282)
	(1 723 852)	(15 528 444)
Up-front fees not yet charged to income statement	-	81 214
	396 430 542	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 September 2019 stood, on average, at approximately 1.82% (2018: 2,38%).

6. OTHER CURRENT ASSETS AND INCOME TAX

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

	30 September 2019	31 December 2018
Other debtors - Group	1 690 705	9 240 365
Loans granted	24 252 625	35 716 674
Other debtors	45 119	630 414
	25 988 449	45 587 454
Accrued income	2 192 611	4 885 576
Deferred costs	279 434	246 735
	2 472 045	5 132 310
Other taxes	98 224	-
Income tax withheld	689 976	-
	29 248 694	50 719 764

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

The amount recorded in the accrued income includes 2.158.416€ relating to interest on loans granted to subsidiaries.

Deferred costs include 223.812€ relating to bank charges, which are deferred over the loan period.

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

	30 September 2019	31 December 2018
Loans granted:		
CAPWATT, SGPS, S.A.	11 889 900	14 545 000
SC Assets, SGPS, S.A.	135 931	19 000
SC Fitness, S.A.	4 209 300	8 004 100
SC Hospitality, SGPS, S.A.	7 593	1 156 502
SC Industrials, SGPS, S.A.	3 274 300	7 473 500
SC SGPS, S.A.	608 000	361 300
Troiareort, SGPS, S.A.	4 127 591	4 157 271
Adira - Metal Forming Solutions, S.A.	10	-
	24 252 625	35 716 674

Loans to group companies interest at market rates and are repayable within a period inferior to one year. The interest rate as at 30 September 2019 stood, on average, at approximately 0.99% (2018: 1,26%).

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 September 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 September 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 September 2019	31 December 2018	30 September 2019	31 December 2018
Tax losses carried forward	14 371 852	16 751 852	-	-
Others	-	-	-	-

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

	Deferred tax assets		Deferred tax liabilities	
	30 September 2019	31 December 2018	30 September 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 September 2019 and 31 December 2018, tax losses carried forward can be summarized as follows:

	30 September 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 September 2019, resulted that there is reasonable expectation of recovery of deferred tax assets recorded before their date of expiry.

8. CASH AND CASH EQUIVALENTS

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

	30 September 2019	31 December 2018
Cash	-	-
Bank deposits	355 776	888 068
Cash and cash equivalents in the balance sheet	355 776	888 068

9. EQUITY

The share capital of Sonae Capital SGPS, SA both in September 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 September 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 September 2019 and 31 December 2018 the item Other Reserves can be detailed as follows:

	30 September 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.

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 September 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 September 2019 and 31 December 2018, this item included the following loans:

	30 September 2019		31 December 2018	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Capital SGPS - commercial paper a)	10 000 000	-	-	-
Sonae Capital SGPS - commercial paper b)	-	17 500 000	-	13 000 000
Sonae Capital SGPS - commercial paper c)	-	7 500 000	-	-
Sonae Capital SGPS - commercial paper d)	10 000 000	-	10 000 000	-
Sonae Capital SGPS - commercial paper e)	2 000 000	6 000 000	2 000 000	8 000 000
Sonae Capital SGPS - commercial paper f)	24 000 000	-	7 650 000	-
Sonae Capital SGPS - commercial paper g)	-	-	-	10 000 000
Up-front fees not yet charged to income statement	-	(53 907)	-	(51 544)
	46 000 000	30 946 093	19 650 000	30 948 456
Bank overdrafts (Note 8)	-	-	-	-
	46 000 000	30 946 093	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)	2 000 000	13 000 000	-	-
Sonae Capital 2019/2024 II l)	-	12 500 000	-	-
Up-front fees not yet charged to income statement	-	(430 616)	-	(116 090)
	2 000 000	55 069 384	42 500 000	14 883 910
IFRS16 leases	28 902	49 739	-	-
	28 902	49 739	-	-
	48 028 902	86 065 216	62 150 000	45 832 365

- Commercial paper programme, with subscription guarantee, issued on 4 January 2017 with automatic annual renewal, unless denounced by either part;
- Commercial paper programme, with subscription guarantee, issued on 29 September 2017 and valid until October 2021;
- Commercial paper programme, with subscription guarantee, issued on 26 August 2009 and valid until August 2019;
- Commercial paper programme, with subscription guarantee, issued on 30 June 2017 with annual renewal, unless denounced by either part;

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- 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;
- l) Sonae Capital, SGPS, SA, 2019/2024 II bond loan in the amount of 12,500,000€ and a sole reimbursement on 8 August 2024. This bond loan bears interest every six months.

The interest rate on bank loans and bonds in force on 30 September 2019 was on average 1.04%.

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 September 2019		31 December 2018	
	Capital	Interest	Capital	Interest
N+1	48 000 000	(1 219 833)	62 150 000	(1 239 416)
N+2	36 500 000	(1 125 903)	2 000 000	(393 125)
N+3	11 500 000	(671 215)	40 000 000	(377 188)
N+4	9 000 000	(549 340)	2 000 000	(20 000)
N+5	12 000 000	(444 792)	2 000 000	(1 250)
After N+5	17 500 000	(101 493)	-	-
	<u>134 500 000</u>	<u>(4 112 576)</u>	-	<u>108 150 000</u>
				<u>(2 030 978)</u>

12. OTHER CREDITORS

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

	30 September 2019	31 December 2018
Other creditors:		
Group companies - Short term loans	18 395 650	20 633 500
Other creditors	236 234	956 924
	18 631 884	21 590 424

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

	30 September 2019	31 December 2018
Race SGPS, SA	17 514 650	19 720 500
Inparvi	881 000	913 000
	18 395 650	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 September 2019 was, on average, approximately 0.05%.

Within the item Other Creditors – other creditors, there is included 210,573€ regarding transfers from subsidiaries of tax estimates under the special regime RETGS, compared to the amount of € 932,721, included in the same item in 2018.

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

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

	30 September 2019		31 December 2018	
	Current	Non-Current	Current	Non-Current
Trade creditors	107 048	-	111 994	-
Taxes payable - income tax	-	-	2 299 149	-
Taxes payable - other taxes	81 454	-	48 995	-
Other current liabilities	1 103 756	109 491	1 212 714	138 580
Accruals:	1 093 904	109 491	1 205 344	138 580
Staff costs	808 041	109 491	820 702	138 580
Interest payable	217 539	-	301 451	-
Other accruals	68 324	-	83 191	-
Deferred income	9 852	-	7 370	-

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

	30 September 2019	31 December 2018
Interest payable:		
Bank Loans	209 232	300 766
Group companies loans	8 307	685
	217 539	301 451

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

	30 September 2019	31 December 2018
Taxes payable - other taxes		
Income taxation - amounts withheld	44 001	26 787
VAT	148	69
Social security contributions	37 305	22 138
Stamp tax	-	-
Others	-	-
	81 454	48 995

14. EXTERNAL SUPPLIES AND SERVICES

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

	30 September 2019	30 September 2018
Operational rents	(5 146)	(31 609)
Insurance costs	(38 486)	(31 673)
Travelling expenses	(16 688)	(25 217)
Services obtained	(886 069)	(982 215)
Other services	(45 439)	(44 565)
	(991 827)	(1 115 279)

In services obtained, stands out the amounts related to fees from shared services, of 170,006€ (2018: 202,947€) and the item Holding costs with the amount of 569,211€ (2018: 596,780€), invoiced by subsidiary SC Sociedade de Consultadoria, SA.

As at 30 September 2019, the other services include costs with bank services in the amount of 16,729€ (2018: 13,322€); costs with fuel 10,545€ (2018: 12,108€) and communications 8,717€ (2018: 7,764€).

15. STAFF COSTS

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

	30 September 2019	30 September 2018
Governing bodies' remunerations	(728 624)	(511 331)
Staff and other sectors remunerations	(128 452)	(141 144)
Social security contributions	(136 474)	(120 045)
Other staff costs	(20 184)	(16 672)
	(1 013 734)	(789 192)

16. NET FINANCIAL EXPENSES AND INVESTMENT INCOME

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

	30 September 2019	30 September 2018
Interest payable and similar expenses		
Interest arising from:		
Bank loans	(375 372)	(296 833)
Bonds	(1 048 336)	(1 457 590)
Other	(7 995)	(10 646)
Other financial expenses	(725 958)	(920 653)
	(2 157 661)	(2 685 722)
Interest receivable and similar income		
Interest income	7 326 757	7 097 930
	7 326 757	7 097 930
Net financial expenses	5 169 096	4 412 208

	30 September 2019	30 September 2018
Losses on financial investments	(235 440)	-
Gains on financial investments	25 725 374	39 022 218
Investment income	25 489 934	39 022 218

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

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

On 30 September 2019, the amount mentioned in “investment 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 September 2019 and 30 September 2018, the items Other operational profit and expenses were as follows:

	30 September 2019	30 September 2018
Other operating income		
Other supplementary income - Comissions	38 779	88 705
Other	104	150
	38 882	88 855
Other operating expenses		
Taxes	(22 065)	(36 108)
Other	(384)	(384)
	(22 449)	(36 492)

18. TAXATION

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

	30 September 2019	30 September 2018
Current tax (Note 6)	4 270 990	946 762
Deferred tax (Note 7)	(2 380 000)	-
	1 890 990	946 762

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 September 2019 and 2018 were calculated taking into consideration the following amounts:

	30 September 2019	30 September 2018
Net profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	30 539 400	42 527 937
Effect of dilutive potential shares	-	-
Net profit taken into consideration to calculate diluted earnings per share	30 539 400	42 527 937
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	246 186 140	245 676 217
Earnings per share (basic and diluted)	0,124050	0,1731

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 September 2019 shareholders' loan contracts were entered with:

SC Fitness
SC Industrials SGPS
Troiaresort SGPS
Capwatt SGPS

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

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

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

Loans and Short term loans granted

Companies	Closing Balance
CAPWATT, SGPS, S.A.	76 889 900
SC Assets, SGPS, S.A.	141 614 693
SC Finance BV	6 458 900
SC Fitness, S.A.	12 045 800
SC Hospitality, SGPS, S.A.	5 932 593
SC Industrials, SGPS, S.A.	22 862 300
SC SGPS, S.A.	608 000
Troiaresort, SGPS, S.A.	155 994 822
Adira - Metal Forming Solutions, S.A.	10
	422 407 018

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

Short term loans obtained

Companies	Closing Balance
Inparvi SGPS, S.A.	881 000
RACE, SGPS, S.A.	17 514 650
	18 395 650

21. SUBSEQUENT EVENTS

On 4 November, 2019, Sonae Capital released the Notice of Meeting for the Shareholders Extraordinary General Meeting, to be held on 4 December, 2019. The meetings's agenda includes the amendment of Article 9.1 of the Company's Articles of Association, in order to extend the number of members of Sonae Capital Board of Directors and elect Mr. Ângelo Ribeirinho Paupério for the remainder of the current mandate: 2018-2020.

On 19 November, 2019, Sonae Capital sold to SKK – Central de Distribuição para Refrigeração e Climatização, Lda, its 70% shareholding in the share capital of RACE, SGPS, SA. This transaction is part of Sonae Capital strategy of active portfolio management as an investment holding company.

22. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 6 November 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

SONAE CAPITAL

