SONAE CAPITAL

EARNINGS ANNOUNCEMENT

30 SEPTEMBER 2020

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

SONAE CAPITAL

1. MAIN HIGHLIGHTS AND CEO'S MESSAGE

- Business units performance strongly impacted by Covid-19 pandemic during 9M20;
- Net Results at negative 16.4M€ in 9M20, 20.0M€ below the same period of 2019;
  - Business units turnover increasing 42.4% in 9M20, to 193.7M€. Excluding Futura Energía Inversiones contribution, Business units turnover decreasing 28.8% in 9M20, to 81.4M€;
  - Real Estate Assets unit Turnover reaching 16.0M€ in 9M20, driven by sales deeds in the amount of 9.9M€, o.w. 15 residential touristic units in Tróia, for 7.5M€;
- Net Financial Debt of 148.2M€ at the end of September 2020, 7.0M€ above the end of 2019;
- Already in October 2020, Capwatt acquires six cogeneration power plants in Spain, with an installed capacity of 88 MW.

"Sonae Capital ended the third quarter 2020 in a very challenging context, especially in Fitness, Hospitality and Industrial Engineering, segments very exposed to the impact of the pandemic.

Our teams have been truly unbeatable. In this sense, I must highlight the agility that the Fitness segment has been showing, not only in business' repositioning, but also in the launching of new growth avenues. The Hospitality segment continues to be strongly impacted by restrictions imposed on mobility, having nevertheless registered some positive signs during a few weeks in Tróia peninsula during the summer season. In the Industrial Engineering segment, the evolution of the level of orders remains below our expectations, giving evidence of the uncertainty that persists on a global scale, which is particularly impacting the capital goods sector. As for the Energy segment, the most resilient within our portfolio, it has continued to take firm steps in the execution of its growth plan, with the Mangualde operation now at cruising speed and the completion of an important acquisition in the cogeneration sector in Spain, in October.

The Real Estate Assets unit, which registered sales deeds of 10 million euros, continues to be a relevant source of funding for our corporate strategy. We ended the third quarter with Net Financial Debt at 148 million euros, 7 million euros above 2019 year-end, a level of indebtedness that shows our discipline in terms of treasury management. At the same time, the level of cash and available lines is at 81 million euros.

We still have many questions about the duration and the impact of the ongoing pandemic's second wave. In any case, given the nature of the sectors in which we operate, the context will remain challenging. However, our commitment is greater than ever. We are doing everything we can to mitigate the effects of the pandemic in our businesses, ensuring that its competitive position will be strengthened, at the same time that we keep safe our employees, customers and suppliers.

The results of the public tender offer launched on Sonae Capital share capital are being disclosed while I write this letter. Efanor now holds 92.3% of our capital, as a result of a movement that cannot fail to be interpreted as a renewed interest and trust in our company and our teams, by an entity that is, and has always been, our reference shareholder.

Miguel Gil Mata

2. COVID-19

As in the first half of the year, the Covid-19 pandemic continued to impact significantly the main operating and financial results throughout the third quarter. Despite the gradual easing of Government restrictions from mid-May, the performance of most of the segments at Sonae Capital remained quite affected. The only exception was the Energy segment.

Given the uncertainty that remains regarding the evolution of the levels of infection and their effect on the economy, it is not possible to provide reliable estimates about the operating and financial impacts of the pandemic. Following an action plan started during the first quarter of the year, in strict connection with the guidelines of the competent authorities, the well-being and security of our stakeholders remained as the top priority. In paralel, and aimed at mitigating the impacts of the pandemic in our operations, Sonae Capital continued to make efforts to keep resilience levels, namely through:

- reinforcement of optimization and reduction of operating costs: all segments have been particularly focused on the optimization of their cost structure: from external supplies and services, to personnel costs and rental costs which, although not visible in the EBITDA line, are particularly relevant in some segments, namely Fitness and Hospitality. With regard to personnel costs, Sonae Capital has adopted the simplified layoff regime since mid-April, in all segments including central structures, with Energy as the only exception.
- revision of the investment plan: with the rise and rapid spread of the pandemic, all Capex needs included in the investment plan scheduled for 2020 have been revisited as an incremental measure of prudence. Currently, all material Capex needs are subject to scrutiny by the Executive Committee of Sonae Capital, which is carefully assessing their viability without, however, compromising the business growth strategy;
- reinforcement of liquidity: the real estate assets monetization plan continues to contribute to the financing of Sonae Capital. In parallel, Sonae Capital has been working with the main banks in relation to refinancing its debt since the end of 2019, aiming not only to optimize the average maturity and cost of debt, but also seeking to strengthen liquidity in order to meet all financing needs. At the end of 9M20, Sonae Capital had 81.2M€ in cash and available credit lines.

Information by segment in 3Q20:

Energy

- The Production activity took place in a context of relative normality, as all the plants continued to operate. However, due to the pandemic, the production of thermal energy was lower than the projected in some units. As for the Mangualde operation, after the testing phase, which started in June, the production of electricity and thermal energy reached cruising speed at the end of the third quarter;
- As previously reported, the increase in the volatility of the markets in which the Trading and Commercialization activity operates - from CO_2 emission licenses, to electric energy and natural gas - has led to a preventive slowdown in activity, in order to protect working capital requirements.

Industrial Engineering

- The 3Q20 performance, marked by a level of orders clearly below expectations, shows the negative evolution of confidence levels in the markets where ADIRA operates.
- In addition to a continuous effort to optimise the cost structure, ADIRA has been making efforts to boost the commercial activity (namely through market diversification, searching for new agents and also providing financing solutions to its customers), with the aim of ensuring that its position will be strengthened as soon as uncertainty levels begin to dissipate.

Fitness

- The reopening of the first 21 clubs took place on June 1st. This set of clubs was defined in order to guarantee service coverage to all members, in a logic of proximity. From that time until July 1st, we proceeded with the opening of 13 more clubs. As the corollary of a repositioning work, SC Fitness launched ‘Element’ brand, a truly low cost offer that will guarantee a greater suitability to demand, particularly in a context of lower disposable income, as is expected;

- The month of September was marked by the traditional membership campaign. Despite some early success, in line with expectations, the declaration of State of Contingency in Portugal, coupled with the evolution in the number of Covid-19 infections, caused a slowdown in the acquisition of new members, at the same time that suspensions and cancelations went up. In this context, some uncertainty remains about the evolution of the pandemic and the consequent impact on the sector.

Hospitality

- The month of June was marked by the progressive resumption of the activity of all units, with the exception of The Artist, in Porto. All units have been following strict safety measures and have the Clean & Safe certification.
- In the Business & City Break destination, the activity of the Porto units is largely dependent on the evolution of the aviation sector, which remains well below the historical levels. In the Sun & Sea destination, given the site specificity, Tróia was the operation that best took advantage of summer season, although below the levels registered in previous years. In Aqualuz Lagos, whose activity has always been highly dependent on international markets, namely the United Kingdom, performance remained constrained by very low occupancy rates.

Troia Operations

- The gradual resumption of the operations took place from the end of May. Since the lockdown period, the destination Tróia has stood out positively, being sought after by several owners of apartments and houses, at the same time that, since June, there has been some resumption of tourist activity in the Peninsula. Even so, despite the positive signs, the operations performance remained well below the levels recorded in the same period of 2019, typically the strongest period of the year.

3. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement

Million euro	3Q 2020	3Q 2019	Δ 20/19	9M 2020	9M 2019	Δ 20/19
Turnover						
Business Units	**64.43**	**68.44**	**-5.9%**	**193.68**	**136.11**	**+42.3%**
Energy	44.56	35.84	+24.3%	150.34	64.16	>100%
Industrial Engineering	1.65	2.17	-23.8%	5.34	6.24	-14.4%
Fitness	6.10	10.88	-43.9%	18.99	31.02	-38.8%
Hospitality	6.51	13.04	-50.1%	9.81	23.40	-58.1%
Troia Resort - Operations	5.61	6.52	-13.9%	9.20	11.29	-18.4%
Real Estate Assets	**5.12**	**9.15**	**-44.1%**	**15.98**	**24.98**	**-36.0%**
Troia Resort	3.36	6.87	-51.1%	9.23	15.23	-39.4%
Other Real Estate Assets	1.76	2.28	-22.8%	6.75	9.75	-30.7%
Eliminations & Adjustments	-3.42	-3.76	+8.9%	-6.75	-8.08	+16.4%
Consolidated Turnover	**66.13**	**73.84**	**-10.4%**	**202.91**	**153.01**	**+32.6%**
Other Operational Income	-0.04	0.52	-	1.53	1.93	-20.7%
Total Operational Income	**66.09**	**74.36**	**-11.1%**	**204.44**	**154.95**	**+31.9%**
EBITDA						
Business Units	**9.11**	**14.84**	**-38.6%**	**16.03**	**29.08**	**-44.9%**
Energy	5.60	4.36	+28.3%	14.04	12.83	+9.4%
Industrial Engineering	-0.68	-1.01	+32.3%	-1.73	-2.62	+33.8%
Fitness	0.53	3.64	-85.4%	2.44	9.89	-75.3%
Hospitality	1.43	5.32	-73.1%	-0.82	6.51	-
Troia Resort - Operations	2.24	2.53	-11.3%	2.10	2.47	-15.0%
Real Estate Assets	**2.20**	**2.68**	**-18.0%**	**5.08**	**8.59**	**-40.9%**
Troia Resort	1.27	1.90	-33.1%	2.97	2.85	+4.4%
Other Real Estate Assets	0.93	0.78	+18.4%	2.10	5.74	-63.4%
Eliminations & Adjustments	-2.82	-1.91	-47.6%	-7.35	-5.65	-30.3%
Consolidated EBITDA	**8.49**	**15.61**	**-45.6%**	**13.75**	**32.02**	**-57.1%**
Amortizations & Depreciations	8.94	8.71	+2.7%	25.20	24.18	+4.2%
Provisions & Impairment Losses	-0.02	-0.21	+90.5%	-0.18	-0.21	+14.3%
Recurrent EBIT						
Business Units	**0.75**	**6.81**	**-88.9%**	**-7.44**	**6.88**	**-**
Energy	1.89	0.94	>100%	4.68	3.93	+19.0%
Industrial Engineering	-1.01	-1.22	+17.1%	-2.71	-3.26	+16.8%
Fitness	-1.87	1.18	-	-4.88	3.03	-
Hospitality	0.19	4.08	-95.4%	-4.57	2.77	-
Troia Resort - Operations	1.55	1.83	-15.2%	0.04	0.40	-90.8%
Real Estate Assets	**0.70**	**1.30**	**-45.9%**	**0.75**	**4.09**	**-81.7%**
Eliminations & Adjustments	-1.89	-1.00	-88.4%	-4.58	-2.93	-56.5%
Consolidated Recurrent EBIT	**-0.43**	**7.11**	**-**	**-11.28**	**8.04**	**-**
Non-recurrent costs/income (1)	0.00	-0.06	-	0.24	-0.05	-
Consolidated EBIT	**-0.43**	**7.16**	**-**	**-11.51**	**8.09**	**-**
Net Financial Expenses	-1.64	-1.30	-26.1%	-4.82	-5.16	+6.6%
Investment Income and Results from Assoc. Undertakings	0.00	0.17	-99.5%	0.16	0.65	-75.7%
EBT	**-2.07**	**6.04**	**-**	**-16.18**	**3.57**	**-**
Taxes	-0.07	0.07	-	0.12	0.36	-65.5%
Net Profit - Continued Businesses	**-2.00**	**5.97**	**-**	**-16.30**	**3.21**	**-**
Net Profit - Discontinued Businesses	**-0.02**	**0.58**	**-**	**-0.08**	**0.44**	**-**
Net Profit - Total	**-2.02**	**6.54**	**-**	**-16.38**	**3.66**	**-**
Attributable to Equity Holders of Sonae Capital	-2.55	6.03	-	-17.15	2.75	-
Attributable to Non-Controlling Interests	0.53	0.51	+3.4%	0.77	0.91	-15.3%

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

- The Business Units turnover stood at 193.7M€, posting an increase of 42.3% when compared to 136.1M€ registered in the same period of 2019. Given the exceptional situation caused by the Covid-19 pandemic, with negative Turnover impact on nearly all operations, this increase was driven by the Retail & Trade business contribution, in Energy (consolidated since the 3Q19). Excluding this contribution, Turnover stood at 81.4M€, 28.8% below the 9M19.

  In the same period, the Real Estate Assets Turnover reached 16.0M€, 36.0% below the same period in 2019.

- The Business Units EBITDA stood at 16.0M€, a decrease of 44.9% y.o.y.. This was driven by the negative Turnover evolution and also by the various optimization actions implemented in order to mitigate, as far as possible, the impact of the pandemic in the cost structure. In the Real Estate Assets unit, the EBITDA decreased 40.9%, to 5.1M€.

- The Recurrent EBIT stood at negative 11.3M€, which compares with 8.0M€ in 9M19.

- Net Results totalled negative 16.4M€, 20.0M€ below the same period in 2019, essentially due to:

  (i) an EBITDA decrease of 18.3M€, due to the pandemic impact in most of the operations;

  (ii) an increase of 1.0M€ in Amortizations & Depreciations (0.26M€ referred to IFRS 16 Amortizations and 0.76M€ driven by the investment plan in place);

  (iii) the impact of Non-Recurrent costs, mostly at ADIRA, following the ongoing restructuring plan;

  (iv) a decrease of 0.5M€ in Investment Income and Results from Associated Undertakings (as 1Q19 was impacted by a Badwill recognition, following the acquisition of Aqualuz Lagos operation).

  Despite:

(v) an increase of 0.3M€ in Net Financial Expenses (including the capitalisation of interest incurred in the development of the Mangualde Biomass-fired cogeneration plant, which stood 0.4M€ above the previous year).

3.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Sep 2020	Dec 2019	Δ 20/19
Net Capital Employed	**413.36**	**422.53**	**-2.2%**
Fixed Assets	362.56	369.99	-2.0%
o.w. Rights of Use (IFRS16)	50.48	50.92	-0.9%
Non-Current Investments (net)	13.20	8.99	+46.8%
Working Capital	35.62	41.32	-13.8%
Capex (end of period)	16.21	51.73	-68.7%
% Fixed Assets	11.9%	13.9%	-2.0 pp
CAPEX (L12M) / Depreciations	2.26x	2.07x	0.19x
Net Debt			
Financial Net Debt	148.21	141.21	+5.0%
Net Debt Total	212.66	204.55	+4.0%
% Net Capital Employed	51.4%	48.4%	+3.0 pp
Debt to Equity	106.0%	93.8%	+12.1 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	25.0%	23.9%	+1.1 pp
Net Debt/EBITDA (recurrent without IFRS16)	7.09x	3.00x	+4.09x
Net Debt/EBITDA (recurrent with IFRS16)	4.89x	3.55x	+1.34x

- Capex totalled 16.2M€ in 9M20, mostly driven by: (I) the ongoing investment in Mangualde, namely in the final stage of the biomass-fired plant development, in the amount of 5.6M€; (ii) Fitness expansion plan, totalling 2.0M€; and, (iii) the investment in Porto Palácio Hotel and Aqualuz Tróia facilities, as well as in Santa Apolonia project, in Lisbon (totalling 3.0M€).
- Net Debt stood at 212.7M€ at the end of September 2020, 4.0% above December 2019. The Net Financial Debt amounted to 148.2M€ in the same period, registering an increase of 7.0M€ versus the end of 2019.
- Net Financial Debt to EBITDA ratio reached 7.1x and Loan-to-Value stood at 25.0%. The deterioration registered in Net Financial Debt to EBITDA ratio results not only from the Business Units EBITDA decrease, particularly in Fitness and Hospitality, but also from the investment already seen in debt level with no liquidity or EBITDA generation attached (such as the Mangualde project, for instance). In fact, given our expectations for EBITDA evolution in 2020, this ratio is expected to continue under pressure until the investment projects complete a year of broad EBITDA generation.
- At the end of September, Sonae Capital liquidity and available credit lines stood at €81.2M, which allows facing current times of great uncertainty with increased confidence.

4. BUSINESS UNITS

4.1 ENERGY

Operational and Financial Information - Energy						
Million euro	3Q 2020	3Q 2019	Δ 20/19	9M 2020	9M 2019	Δ 20/19
Total Operational Income	**44.64**	**35.86**	**+24.5%**	**150.58**	**64.26**	**>100%**
Turnover	**44.56**	**35.84**	**+24.3%**	**150.34**	**64.16**	**>100%**
Production	14.44	14.13	+2.2%	38.83	42.45	-8.5%
Retail & Trade	30.12	21.87	+37.8%	112.30	21.87	>100%
Other Operational Income	0.09	0.03	>100%	0.24	0.10	>100%
Total Operational Costs	**39.05**	**31.50**	**+24.0%**	**136.54**	**51.44**	**>100%**
Cost of Goods Sold	35.84	28.35	+26.4%	127.47	42.89	>100%
External Supplies and Services	1.80	1.84	-2.5%	4.78	4.92	-2.8%
Staff Costs	1.22	1.00	+21.3%	3.72	2.81	+32.2%
Other Operational Expenses	0.19	0.30	-36.5%	0.58	0.82	-29.9%
EBITDA	**5.60**	**4.36**	**+28.3%**	**14.04**	**12.83**	**+9.4%**
Production	5.52	4.23	+30.7%	13.56	12.69	+6.8%
Retail & Trade	0.07	0.13	-44.9%	0.48	0.13	>100%
EBITDA Margin (% Turnover) - [Production]	38.2%	29.9%	+8.3 pp	34.9%	29.9%	+5.0 pp
Depreciations IFRS16	0.15	0.14	+7.3%	0.47	0.38	+24.1%
Amortizations & Depreciations	3.55	3.29	+8.1%	8.89	8.52	+4.4%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**1.89**	**0.94**	**>100%**	**4.68**	**3.93**	**+19.0%**
Production	1.84	0.82	>100%	4.27	3.82	+11.8%
Retail & Trade	0.06	0.12	-52.3%	0.41	0.12	*>100%*
Recurrent EBIT Margin (% Turnover) - [Production]	12.7%	5.8%	+6.9 pp	11.0%	9.0%	+2.0 pp
Capex	**1.46**	**15.28**	**-90.4%**	**8.04**	**27.65**	**-70.9%**
EBITDA-Capex	**4.14**	**-10.92**	**-**	**6.00**	**-14.82**	**-**
Total Capacity (MW)	**81.6**	**80.1**	**+1.9%**	**81.6**	**80.1**	**+1.9%**
Owned & Operated	77.2	64.2	20.2%	77.2	64.2	20.2%
Operated (not consolidated)	3.2	3.2	0.0%	3.2	3.2	0.0%
Projects in progress (MW)	1.2	12.7	-90.6%	1.2	12.7	-90.6%

- In the Production business, Turnover decreased by 8.5% y.o.y., to 38.8M€. In the Cogeneration operation, a negative price effect was registered at both electric and thermal energy, particularly due to a change in the electric energy remuneration regime in two power plants (Maia and Carvemagere). Additionaly, volume effect was also negative due to a slowdown in the activity of some plants. As for the solar operation, it has evolved negatively compared to 9M19, due to a lower solar resource availability versus the exceptionally positive year of 2019. In the wind operation, as previously stated, one of Capwatt Alrota's three wind turbines was damaged between January and June 2020, which impacted the electricity produced in the period.

  The Production EBITDA increased 6.8%, to 13.6M€, partially benefiting from a decrease in the cost of natural gas. As previously reported, the EBITDA is being impacted by structural costs related to the ongoing expansion plan.
- The Retail & Trade business, whose activity includes trading of natural gas, electricity and CO_2 emission allowances, had a contribution of 112.3M€ and 0.5M€ for Turnover and EBITDA, respectively.
- The CAPEX stood at 8.0M€, mainly due to the investment in the Biomass-fired cogeneration plant, in the amount of 5.6M€. The plant started the testing period in June, and reached cruising speed by the end of the third quarter 2020.
- After the end of the third quarter, in October 2020, Capwatt announced the acquisition of six cogeneration power plants in Spain, with a global installed capacity of 88 MW. This transaction, which is part of Capwatt growth strategy as a promoter of integrated energy solutions, allowed the company to more than double the installed capacity (to 165 MW), expanding the International footprint while reinforcing its presence in the Spanish market. This acquisition was carried out with an adequate mix of equity and external financing.

4.2 INDUSTRIAL ENGINEERING

Operational and Financial Information - Industrial Engineering						
Million euro	3Q 2020	3Q 2019	Δ 20/19	9M 2020	9M 2019	Δ 20/19
Total Operational Income	**1.71**	**2.30**	**-25.8%**	**5.63**	**6.76**	**-16.7%**
Turnover	**1.65**	**2.17**	**-23.8%**	**5.34**	**6.24**	**-14.4%**
Other Operational Income	0.06	0.13	-57.1%	0.29	0.52	-44.1%
Total Operational Costs	**2.39**	**3.31**	**-27.8%**	**7.36**	**9.38**	**-21.5%**
Cost of Goods Sold	1.01	1.39	-27.4%	3.19	4.13	-22.7%
External Supplies and Services	0.60	0.50	+21.2%	1.59	1.69	-5.4%
Staff Costs	0.65	1.21	-46.2%	2.31	3.06	-24.4%
Other Operational Expenses	0.13	0.21	-39.3%	0.27	0.51	-47.0%
EBITDA	**-0.68**	**-1.01**	**+32.3%**	**-1.73**	**-2.62**	**+33.8%**
EBITDA Margin (% Turnover)	-41.4%	-46.5%	+5.1 pp	-32.5%	-42.0%	+9.5 pp
Depreciations IFRS16	0.02	0.01	+74.4%	0.05	0.03	+80.4%
Amortizations & Depreciations	0.31	0.20	+54.8%	0.92	0.61	+51.5%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**-1.01**	**-1.22**	**+17.1%**	**-2.71**	**-3.26**	**+16.8%**
Recurrent EBIT Margin (% Turnover)	-61.1%	-56.2%	-5.0 pp	-50.7%	-52.2%	+1.5 pp
Capex	**0.21**	**0.42**	**-50.0%**	**0.38**	**0.86**	**-55.8%**
EBITDA-Capex	**-0.89**	**-1.43**	**+37.5%**	**-2.11**	**-3.48**	**+39.2%**

- The activity of the industrial sector is highly dependent on the evolution of confidence levels which, in turn, have been impacted by the Covid-19 pandemic on a global scale. Given the prevailing times of uncertainty, several industrialists have put their investment decisions on hold, which has had an impact on ADIRA's level of orders.
- Industrial Engineering turnover stood at €5.3M, 14.4% below the same period in 2019, reflecting the impact of the pandemic on the evolution of the number of orders. EBITDA improved by 33.8% in 9M20, totaling negative 1.7M€.

4.3 FITNESS

Operational and Financial Information - Fitness						
Million euro	3Q 2020	3Q 2019	Δ 20/19	9M 2020	9M 2019	Δ 20/19
Total Operational Income	**5.89**	**11.03**	**-46.6%**	**19.32**	**31.35**	**-38.4%**
Turnover	**6.10**	**10.88**	**-43.9%**	**18.99**	**31.02**	**-38.8%**
Other Operational Income	-0.21	0.16	-	0.33	0.33	-0.4%
Total Operational Costs	**5.36**	**7.39**	**-27.5%**	**16.88**	**21.46**	**-21.4%**
Cost of Goods Sold	0.02	0.07	-69.9%	0.06	0.16	-63.8%
External Supplies and Services	2.46	3.45	-28.6%	7.39	10.13	-27.1%
Staff Costs	2.22	3.33	-33.4%	7.86	9.42	-16.5%
Other Operational Expenses	0.65	0.54	+20.6%	1.57	1.75	-10.2%
EBITDA	**0.53**	**3.64**	**-85.4%**	**2.44**	**9.89**	**-75.3%**
EBITDA Margin (% Turnover)	8.7%	33.5%	-24.8 pp	12.9%	31.9%	-19.0 pp
Depreciations IFRS16	1.44	1.53	-5.4%	4.38	4.29	+2.1%
Amortizations & Depreciations	0.96	0.93	+2.7%	2.90	2.57	+12.6%
Provisions & Impairment Losses	0.00	0.00	-	0.05	0.00	-
Recurrent EBIT	**-1.87**	**1.18**	**-**	**-4.88**	**3.03**	**-**
Recurrent EBIT Margin (% Turnover)	-30.6%	10.9%	-41.5 pp	-25.7%	9.8%	-35.5 pp
Capex	**0.44**	**0.24**	**+83.3%**	**1.96**	**5.61**	**-65.1%**
EBITDA-Capex	**0.09**	**3.40**	**-97.3%**	**0.48**	**4.28**	**-88.8%**
# Average number of active members	**70 581**	**103 464**	**-31.8%**	**70 581**	**103 464**	**-31.8%**
# Clubs in Operation	**36**	**35**	**+1**	**36**	**35**	**+1**

- After launching 'Element' clubs, which represent a truly low cost offer, the Fitness operation ended 9M20 with a portfolio of 36 clubs in operation. Thus, at the end of 9M20, the clubs portfolio comprised 22 'Solinca' clubs, 12 'Pump' clubs and 2 'Element' clubs. At the same time, SC Fitness has launched a franchising offer. This model involves the addition of independent club operators to the Solinca brand, giving franchisees benefits such as marketing and communication plans, commercial partnerships and economies of scale when negotiating equipment and services. To date, 3 franchising 'Solinca' Clubs have been opened.
- The 9M20 ended with around 71 thousand active members. Despite the fact that, during summer season, demand is typically lower, the customer acquisition activity was positive, with around 3 thousand members above the same period last year.

However, the beginning of the State of Contingency in Portugal, coupled with the evolution in the number of Covid-19 infections may have a direct impact in new members acquisition, as well as in cancellations.

- Turnover stood at 19.0M€ in 9M20, 38.8% below the same period of 2019 and EBITDA totaled 2.4M€, 75.3% below the same period of 2019.
- Capex reached 2.0M€, driven by the expansion plan in course.

4.4 HOSPITALITY

Operational and Financial Information - Hospitality						
Million euro	**3Q 2020**	**3Q 2019**	**Δ 20/19**	**9M 2020**	**9M 2019**	**Δ 20/19**
Total Operational Income	**6.45**	**13.08**	**-50.7%**	**10.05**	**23.56**	**-57.3%**
Turnover	**6.51**	**13.04**	**-50.1%**	**9.81**	**23.40**	**-58.1%**
Other Operational Income	-0.05	0.04	-	0.24	0.15	+58.1%
Total Operational Costs	**5.02**	**7.76**	**-35.3%**	**10.86**	**17.05**	**-36.3%**
Cost of Goods Sold	0.23	0.57	-59.8%	0.42	1.22	-65.6%
External Supplies and Services	3.08	4.65	-33.8%	5.82	9.15	-36.3%
Staff Costs	1.48	2.36	-37.2%	4.13	5.98	-31.0%
Other Operational Expenses	0.23	0.18	+31.2%	0.49	0.70	-29.4%
EBITDA	**1.43**	**5.32**	**-73.1%**	**-0.82**	**6.51**	**-**
EBITDA Margin (% Turnover)	22.0%	40.8%	-18.8 pp	-8.3%	27.8%	-36.1 pp
Depreciations IFRS16	1.09	1.09	-0.1%	3.28	3.26	+0.6%
Amortizations & Depreciations	0.16	0.16	+0.1%	0.47	0.48	-0.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	**0.19**	**4.08**	**-95.4%**	**-4.57**	**2.77**	**-**
Recurrent EBIT Margin (% Turnover)	2.9%	31.2%	-28.4 pp	-46.6%	11.8%	-58.4 pp
Capex	**1.06**	**0.31**	**>100%**	**2.97**	**0.81**	**>100%**
EBITDA-Capex	**0.37**	**5.01**	**-92.6%**	**-3.79**	**5.70**	**-**
# Units	**6**	**6**	**+0**	**6**	**6**	**+0**

- The 9M20 performance is highly affected by the impact of the pandemic in Portugal. Particularly in the 3Q20, the hotel units performed differently, depending on their location and positioning. In Porto, occupancy levels remained very residual, conditioned by small demand. In the Sun & Sea destination, namely in Tróia, occupancy levels remained above expectations (taking into account the pandemic context), but still below the same quarter of 2019. In Lagos, the large exposure to the international market strongly affected the operation, mostly due to mobility restrictions in force during summer season, especially in the UK market.
- Turnover stood at 9.8M€ in 9M20, 58.1% below the same period in 2019. The EBITDA totalled negative 0.8M€, which compares with positive 6.5M€ in 9M19. The CAPEX reached 3.0M€, due to the Santa Apolónia Railway Station Hotel unit project in Lisbon, as well as the refurbishment of Porto Palácio Hotel and Aqualuz Tróia.

4.5 TROIA RESORT – OPERATIONS

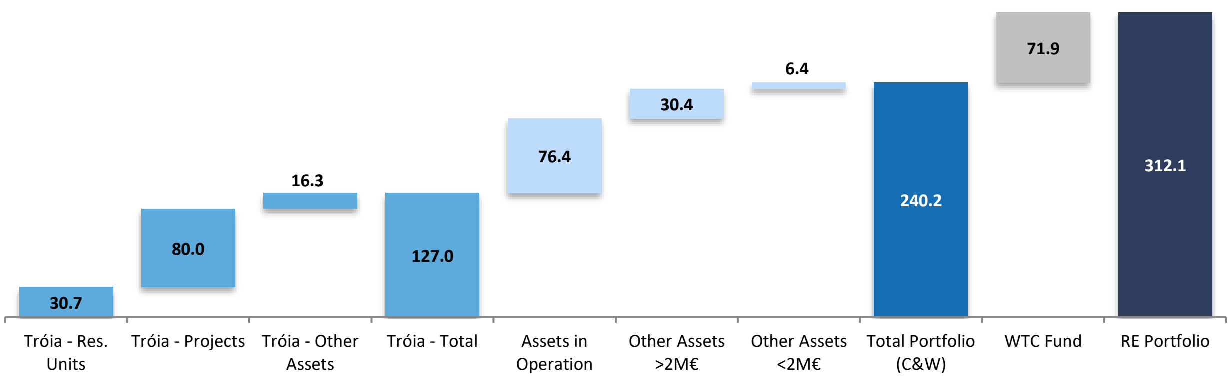
Operational and Financial Information - Troia Resort Operations						
Million euro	**3Q 2020**	**3Q 2019**	**Δ 20/19**	**9M 2020**	**9M 2019**	**Δ 20/19**
Total Operational Income	**5.86**	**6.76**	**-13.3%**	**9.99**	**12.01**	**-16.8%**
Turnover	**5.61**	**6.52**	**-13.9%**	**9.20**	**11.29**	**-18.4%**
Other Operational Income	0.25	0.24	+4.6%	0.79	0.73	+8.1%
Total Operational Costs	**3.62**	**4.24**	**-14.4%**	**7.89**	**9.54**	**-17.3%**
Cost of Goods Sold	0.85	1.01	-15.5%	1.17	1.42	-17.1%
External Supplies and Services	1.70	1.93	-11.9%	3.84	4.65	-17.4%
Staff Costs	0.94	1.12	-16.7%	2.53	2.94	-14.0%
Other Operational Expenses	0.14	0.18	-21.5%	0.35	0.54	-34.8%
EBITDA	**2.24**	**2.53**	**-11.3%**	**2.10**	**2.47**	**-15.0%**
EBITDA Margin (% Turnover)	39.9%	38.7%	+1.2 pp	22.8%	21.9%	+0.9 pp
Depreciations IFRS16	0.04	0.05	-13.3%	0.15	0.15	+3.9%
Amortizations & Depreciations	0.64	0.64	+0.5%	1.90	1.91	-0.6%
Provisions & Impairment Losses	0.00	0.01	-54.1%	0.01	0.01	-24.6%
Recurrent EBIT	**1.55**	**1.83**	**-15.2%**	**0.04**	**0.40**	**-90.8%**
Recurrent EBIT Margin (% Turnover)	27.7%	28.1%	-0.4 pp	0.4%	3.5%	-3.1 pp
Capex	**0.04**	**0.78**	**-94.9%**	**0.71**	**1.74**	**-59.2%**
EBITDA-Capex	**2.20**	**1.75**	**+26.0%**	**1.39**	**0.73**	**+90.1%**

- Turnover from Operations in Tróia totalled 9.2M€ in 9M20, 18.4% below the 9M19. Despite the gradual improvement in the level of activity throughout the month of June, this was not sufficient to offset the impact of activities suspension between March and May 2020. The EBITDA reached 2.1M€ in 9M20, 15.0% below the same period in 2019, benefiting in part from the optimization measures implemented.
- The CAPEX reached 0.7M€, mostly as a consequence of investments made in Atlantic Ferries operation.

5. REAL ESTATE ASSETS

On 30 September 2020, the value of Sonae Capital Real Estate Assets portfolio was at 312.1M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 240.2M€, 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 amounted to 188.9M€.

Real Estate Assets Portfolio: 9M20
C&W Valuation and WTC Fund



5.1 TROIA RESORT

This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 34 units available for sale at the date of this report (considering the stock of Reserves and PPSAs), namely 22 Ocean Vilages, 9 Plots and 3 Apartments.

The Turnover reached 9.2M€ in 9M20, showing a decrease of 39.4% y.o.y., on the back of the following contributions:

- 15 sales deeds, corresponding to 7.5M€, in comparison to 25 sales deeds in the amount of 12.8M€, in 9M19; 4 sales deeds were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels and Touristic Units in operation), in the amount of 1.7M€.

Up to the date of this report, we had already completed 19 sales deeds, coupled with a stock of 13 promissory purchase and sale agreements and reserves totalling 10.2M€.

As regards UNOP3 PPSA, as previously announced, it was resolved due to the non-verification of only one condition precedent for the execution of the sales deed.

5.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 6.8M€ in 9M20, 30.7% below the 9M19 (a reduction partially explained by the positive impact of Crotália sales deed, in 9M19, for 4.0M€). This includes the rents received from assets under management, as well as sales deeds of 2.3M€ (including the sales deed of Casa da Ribeira, in the amount of 1.5M€).

At the date of this report, there are still in stock Reserves and PPSAs in the global amount of 14.9M€, of which: (i) 8.0M€ of Maia Country Club; (ii) 4.8M€ of Costa D'Oiro Allotment; and (iii) 1.4M€ of Quinta da Malata.

6. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Sep 2020	Dec 2019	Δ 20/19
Total Assets	**571.96**	**558.93**	**+2.3%**
Tangible and Intangible Assets	329.05	336.36	-2.2%
o.w. Rights of Use (IFRS16)	50.48	50.92	-0.9%
Goodwill	33.51	33.64	-0.4%
Non-Current Investments	2.36	2.12	+11.3%
Other Non-Current Assets	29.21	30.63	-4.6%
Stocks	47.20	49.14	-4.0%
Trade Debtors and Other Current Assets	88.77	83.57	+6.2%
Financial Instruments	12.63	15.82	-20.2%
o.w. Other Financial Assets	6.36	5.69	+11.8%
Cash and Cash Equivalents	29.18	7.59	>100%
Assets held for sale	0.05	0.05	-13.1%
Total Equity	**200.70**	**217.98**	**-7.9%**
Total Equity attributable to Equity Holders of Sonae Capital	199.42	215.79	-7.6%
Total Equity attributable to Non-Controlling Interests	1.28	2.18	-41.6%
Total Liabilities	**371.26**	**340.95**	**+8.9%**
Non-Current Liabilities	**159.35**	**161.04**	**-1.0%**
Non-Current Borrowings	80.85	88.40	-8.5%
Non-Current Borrowings - IFRS16	60.53	49.29	
Deferred Tax Liabilities	12.09	12.43	-2.7%
Other Non-Current Liabilities	5.88	10.91	-46.2%
Current Liabilities	**211.92**	**179.91**	**+17.8%**
Current Borrowings	100.85	64.43	+56.5%
Current Borrowings - IFRS16	3.92	14.05	
Trade Creditors and Other Current Liabilities	100.35	91.40	+9.8%
Financial Instruments	6.34	9.57	-33.7%
o.w. Other Financial Liabilities	2.05	1.66	+23.5%
Liabilities associated to assets held for sale	0.45	0.47	-4.0%
Total Equity and Liabilities	**571.96**	**558.93**	**+2.3%**

Note: Trade Debtors and Other Current Assets and Trade Creditors and Other Current Liabilities include a balance of 27.7M€ and 6.5M€, respectively, related with the consolidation of Futura Energía Inversiones. The Financial Instruments line reflects the markto-market of swaps and options referred to the outstanding positions in Futura Energía Inversiones' subsidiaries, at the end of June 2020. These positions are related to risk coverage of the corresponding underlying assets, as Futura Energía Inversiones policy involves managing assets and liabilities in order to cover almost all the risks involved.

7. CORPORATE INFORMATION

7.1 CORPORATE NFORMATION IN 3Q20

On **29 July 2020**, Sonae Capital informed that the Promissory Purchase & Sale Agreement celebrated on 28 July 2018 by its subsidiary S.I.I. Soberana – Investimentos Imobiliários, S.A., and Lagune Tróia, S.A., for the sale of the real estate asset identified in Tróia Detailed Plan as 'UNOP 3', was canceled on the same date due to the non-verification of one condition precedent.

On **31 July 2020**, Sonae Capital informed about the notification received from Efanor Investimentos, SGPS, S.A., regarding a preliminary announcement of a general and voluntary tender offer over Sonae Capital shares (Offer).

On **27 August 2020**, Sonae Capital released a report of the Board of Directors regarding the opportunity and conditions of the Offer, prepared under the terms and for the purposes of Article 181 of the Portuguese Securities Code.

7.2 SUBSEQUENT EVENTS

On **6 October 2020**, Efanor Investimentos, SGPS, S.A. announced, through the Portuguese Securities Commission, the Prospectus and the Offer announcement.

On **21 October 2020**, Efanor Investimentos, SGPS, S.A. revised the consideration offered from €0.70 to €0.77 per share.

On **22 October 2020**, Sonae Capital informed about the acquisition, through Capwatt Power España, of a portfolio of six cogeneration plants located in Spain, in the regions of Catalonia, Aragon and Castilla y Leon. These plants operate in the pig slurry treatment and have a global installed capacity of 88 MW. This acquisition is part of Capwatt growth strategy as a promoter of integrated energy solutions, allowing the company to more than double the current installed capacity, while allowing Capwatt to reinforce its presence in the Spanish market.

On **28 October 2020**, Euronext released the Offer results, disclosing that Efanor Investimentos, SGPS, S.A. reached 92.302% of Sonae Capital share capital.

On **2 November 2020**, Sonae Capital informed that its subsidiary Bloco Q, Sociedade Imobiliária, SA, has reached an agreement with Fundo de Investimento Imobiliário Aberto Imofomento, regarding the terms and conditions to proceed with the sale of the real estate asset in which the 'Aqualuz - Suite Hotel Apartmentos' hotel operates, for the amount of 20.650 million euros. The estimated impact of this sale in Sonae Capital's shareholders equity is approximately -1.9 million euros. Regarding the sales deed completion, it will be carried out predictably during the year 2020.

8. METHODOLOGICAL NOTES

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

GLOSSARY

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

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