SONAE CAPITAL

EARNINGS ANNOUNCEMENT

31 DECEMBER 2018

SONAE CAPITAL

1. CEO'S MESSAGE

"The results we announce today are the outcome of a year where we achieved important milestones in our corporate strategy, thanks to the efforts of all the people that are part of Sonae Capital universe. Today we can say that we are a bigger company, with an increasingly consolidated business portfolio. The turnover of our Business Units continued to grow and reached 183.5 million euros in 2018, 16.3% above 2017, with an EBITDA of 20.6 million euros, corresponding to an increase of 18.6% when compared to the previous year.

The Real Estate unit, which is key to our corporate strategy financing, continued to perform in line with expectations. In 2018, we highlight the sale, for 30 million euros, of one of the most emblematic assets in our portfolio, the EFANOR Allotment, in addition to the PPSA of Unop 3, in Tróia, and Edifício Metrópolis, in Porto. Regarding the Residential Tourist Units in Tróia, we signed 38 sales deeds amounting to 14.7 million euros (plus 5 sales deeds in the amount of 2.3M€, already in the beginning of 2019), with a sales rhythm we were not able to achieve since 2014.

We are glad to announce that our Business Units remain in a continuous logic of growth, although with expected differences in rhythm and ambition. In Energy, 2018 was the year in which we established the foundations to explore a new market, the Mexican, essentially through the cogeneration technology, where we have the adequate know-how and experience. In Fitness, we have successfully integrated Pump Fitness chain and Lagoas Park Club, while at the same time we opened three new Clubs, which means we are ending the year with thirty clubs in our portfolio. In Hospitality, we won the concession to open a new unit in the iconic building of Santa Apolónia Railway Station, which will allow us to start our activity in Lisbon, a destination of undisputable potential. In Refrigeration & HVAC, we continued to improve the profitability and sustainability of the operation.

In Adira, we proceeded with a series of profound operational and structural transformations during 2018, virtually in all areas of the company. Notwithstanding the unavoidable impact in operational profitability under a short-term horizon, these changes aim to provide Adira with the resources and processes that are required to put the operation at higher levels, both in volume and profitability, in line with the potential that (we would like to reaffirm), the company has.

After closing the year with net debt at 119.8 million euros, we maintain an adequate capital structure when considering the type of businesses and assets held by the Group, even considering the dividend distribution in the amount of 15 million euros, last May, and the 32.6 million euros investment - essential for the path of steady growth we want to pursue.

I have no doubt that the challenges will always remain, but we also know the way forward to overcome them. We aim for an Energy business that also grows outside Portugal, and for a Fitness business that leads the market. We are confident that the Hospitality business will be able to capture the potential of the sector in all its locations and we desire a more profitable Refrigeration & HVAC business, not forgetting the operation in Tróia, in which we see the potential to keep establishing itself as a touristic destination of excellence. Finally, we are determined to create all the conditions for Adira to demonstrate its intrinsic potential, thus fulfilling its role as the seed of a new business area in Sonae Capital.

Given this set of results, in which I would like to highlight the positive Net Profit (Continued Businesses), as well as the evolution trends more and more evident, it seems clear to me that we should face 2019 with optimism."

Miguel Gil Mata

2. HIGHLIGHTS

SONAE CAPITAL GIVES IMPORTANT STEPS IN THE IMPLEMENTATION OF CORPORATE STRATEGY IN 2018

- Reinforcement of Business Units competitive position and robustness, with significant Turnover (+16.3%) and EBITDA growth (+18.6%):
    - Energy business increasing Turnover and EBITDA by 16.2% and 6.5%, respectively, benefiting from cogeneration and renewables operations;
    - Fitness business executing its growth plan, showing a Turnover increase of 55.4% and more than doubling EBITDA, reaching an EBITDA margin of 12.5%, 4.8pp above 2017;
    - Hospitality business posting positive EBITDA (54 thousand euros). It should be noted that RevPAR increased by 4.5% in 2018, with the positive contribution from all units in operation in Porto;
    - Refrigeração & HVAC business registering an EBITDA margin of 4.5%, 1.6pp above 2017; and,
    - Industrial Engineering - Adira - with EBITDA in the amount of negative 1.8M€, consequence of the ongoing transformational process.

- Real Estate unit showing the role of corporate strategy financier:
    - Troia Resort: (i) 38 sales deeds in residential touristic units in Tróia, corresponding to 14.7M€, coupled with 5 deeds in the amount of 2.3M€ already in 2019, plus 12 Reserves/PPSAs totaling 5.8M€; and, (ii) as previously reported, PPSA of UNOP 3, in Tróia, in the amount of 20M€ (not yet accounted in 2018 Results);
    - Other Real Estate Assets: PPSAs of 10.6M€, together with sales deeds of 35.7M€ (which include the sale of EFANOR Allotment, for 30M€).

- Capital structure under control and adequate when considering the Group's portfolio of businesses and real estate assets held: Net Debt to EBITDA of 2.5x and LTV of 21.1%.
    - Net Debt at 119.8M€, 10.4M€ above 2017, as a result of: (i) the dividend payment in the amount of 15M€, last May; and, (ii) the positive Free Cash Flow (levered) amounting to 5M€, including: (a) the payment, in 2Q18, of a 9M€ instalment related with the acquisitions made in 2017 in Energy; and, (b) the investment made, in the amount of 32.6M€, including the acquisition of *Pump Fitness* chain, the *Lagoas Park* club and the ongoing investment in Mangualde biomass-fuelled cogeneration plant, in Energy.

- Operational improvement across the majority of the businesses already translated into Continued Businesses Net Profit, in the amount 0.2M€, despite the significant growth in Amortizations and Depreciations.

3. OVERALL PERFORMANCE

Consolidated Profit and Loss Account						
Million euro	**4Q 2018**	**4Q 2017**	**Δ 18/17**	**FY 2018**	**FY 2017**	**Δ 18/17**
Turnover						
Business Units	**46.88**	**42.39**	**+10.6%**	**183.53**	**157.85**	**+16.3%**
Energy	12.84	10.84	+18.5%	52.55	45.22	+16.2%
Industrial Engineering	3.06	3.08	-0.4%	11.91	4.27	>100%
Fitness	9.81	5.96	+64.7%	36.12	23.25	+55.4%
Hospitality	3.93	3.72	+5.5%	23.84	22.96	+3.8%
Refrigeration & HVAC	15.61	17.06	-8.5%	47.70	51.24	-6.9%
Troia Resort - Operations	1.63	1.74	-6.3%	11.41	10.92	+4.6%
Real Estate Assets	**39.12**	**10.68**	**>100%**	**59.63**	**32.12**	**+85.6%**
Troia Resort	4.09	5.14	-20.5%	18.54	15.46	+19.9%
Other Real Estate Assets	35.03	5.54	>100%	41.09	16.65	>100%
Eliminations & Adjustments	-1.29	-1.34	+4.0%	-7.79	-7.64	-2.0%
Consolidated Turnover	**84.71**	**51.73**	**+63.7%**	**235.37**	**182.33**	**+29.1%**
Other Operational Income	2.61	1.90	+37.1%	5.01	5.08	-1.5%
Total Operational Income	**87.32**	**53.64**	**+62.8%**	**240.38**	**187.42**	**+28.3%**
EBITDA						
Business Units	**3.82**	**1.96**	**+95.3%**	**20.64**	**17.41**	**+18.6%**
Energy	3.92	3.24	+20.9%	15.12	14.19	+6.5%
Industrial Engineering	-0.97	-0.34	<-100%	-1.83	-0.59	<-100%
Fitness	1.15	-0.00	-	4.50	1.79	>100%
Hospitality	-1.23	-1.22	-0.2%	0.05	-0.26	-
Refrigeration & HVAC	1.65	1.01	+64.5%	2.15	1.48	+45.1%
Troia Resort - Operations	-0.71	-0.72	+1.0%	0.64	0.80	-19.7%
Real Estate Assets	**4.56**	**1.54**	**>100%**	**8.48**	**6.52**	**+30.0%**
Troia Resort	-0.89	0.56	-	0.57	2.37	-75.8%
Other Real Estate Assets	5.45	0.98	>100%	7.91	4.16	+90.3%
Eliminations & Adjustments	-1.04	-0.81	-29.2%	-2.46	-3.05	+19.2%
Consolidated EBITDA	**7.34**	**2.69**	**>100%**	**26.66**	**20.88**	**+27.7%**
Amortizations & Depreciations	6.46	5.72	+12.9%	24.38	19.44	+25.4%
Provisions & Impairment Losses	-2.08	0.05	-	-2.01	-0.18	<-100%
Non-recurrent costs/income (1)	-0.59	0.28	-	0.18	0.35	-48.8%
EBIT						
Business Units	**-0.61**	**-2.04**	**+70.2%**	**3.35**	**5.55**	**-39.6%**
Real Estate Assets	**5.77**	**0.09**	**>100%**	**5.77**	**1.03**	**>100%**
Eliminations & Adjustments	-1.66	-1.41	-17.7%	-5.02	-5.31	+5.4%
Consolidated EBIT	**3.51**	**-3.36**	**-**	**4.11**	**1.26**	**>100%**
Net Financial Expenses	-0.80	-1.07	+24.7%	-3.82	-4.25	+10.0%
Investment Income and Results from Assoc. Undertakings	0.43	0.41	+3.6%	0.73	2.41	-69.8%
EBT	3.13	-4.02	-	1.01	-0.58	-
Taxes	0.22	-0.50	-	-0.81	-1.90	+57.7%
Net Profit - Continued Businesses	3.36	-4.52	-	0.21	-2.48	-
Net Profit - Discontinued Businesses	-0.21	-1.37	+84.9%	-3.47	-2.92	-18.8%
Net Profit - Total	3.15	-5.89	-	-3.26	-5.40	+39.7%
Attributable to Equity Holders of Sonae Capital	2.45	-6.01	-	-3.86	-6.51	+40.7%
Attributable to Non-Controlling Interests	0.71	0.12	>100%	0.60	1.11	-45.7%

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

3.1 PROFIT AND LOSS STATEMENT

- Business Units' turnover stood at 183.5M€ in 2018, showing an increase of 16.3% y.o.y.. In the same period, consolidated turnover reached 235.4M€, which represents an increase of 29.1% compared to the previous year. Consolidated turnover benefited both from the Business Units performance and the Real Estate business.

- Business Units' EBITDA grew to 20.6M€, 18.6% above 2017, equivalent to an EBITDA margin of 11.2%. The consolidated EBITDA increased by 27.7%, to 26.7M€, generating an EBITDA margin of 11.3%.
- Net Profit (Continued Businesses) reached positive 0.2M€, improving by 2.8M€ against 2017. This evolution benefited from:
  - (i) an EBITDA increase in the amount of 5.8M€;
  - (ii) the reversal of impairments related with Sonae Capital Real Estate assets. The valuation made by Cushman & Wakefield at the end of 2018 confirmed the intrinsic value of our portfolio, which triggered the reversal of some impairments;
  - (iii) lower non-recurrent costs. In 2018, Sonae Capital had non-recurrent costs in the amount of 0.2M€, due to personnel restructuring and an impairment related to a business carried out through RACE Brasil, partially offset by non-recurrent income related to insurance claims received in the Energy business, on Ferreira and Alrota operations (formerly named Ventos da Serra and Lusobrisa), related to their stoppage, in 2018.

  Notwithstanding:
  - (iv) an increase in Amortizations (+4.9M€), mostly driven by the acquisitions made in Energy and Fitness;
  - (v) when compared to last year, the recognition of Badwill in the amount of 1.8M€ in 1H17, consequence of the operations acquired in the Energy segment.
- Net Profit (discontinued businesses) show, as previously reported, the recognition of non-recurrent costs in the amount of 3.5M€, resulting from the most recent estimate of potential contingencies resulting from the closing of RACE operations in Brazil and Mozambique;
- Driven by the evolution of Net Profit (in continued and discontinued businesses), Consolidated Net Profit improved by 2.1M€ y.o.y., totaling negative 3.3M€;
- On a quarterly standpoint, Consolidated Net Profit stood at 3.2M€ in 4Q18, increasing by 9.0M€ when compared to 4Q17.

3.2 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Dec 2018	Dec 2017	D 18/17
Net Capital Employed	**387.81**	**400.74**	**-3.2%**
Fixed Assets	328.98	322.63	+2.0%
Non-Current Investments (net)	20.12	8.64	>100%
Working Capital	43.66	71.85	-39.2%
Capex (end of period)	32.62	61.62	-47.1%
% Fixed Assets	9.9%	19.1%	-9.2 pp
Net Debt/EBITDA	**119.78**	**109.37**	**+9.5%**
% Net Capital Employed	30.9%	27.3%	+3.6 pp
Debt to Equity	44.7%	37.5%	+7.2 pp
Capital Structure Ratios			
Loan to Value (Real Estate)	21.1%	15.9%	+5.2 pp
Net Debt/EBITDA (recurrent)	2.49x	2.67x	(0.2x)

- Capex totalled 32.6M€ in 2018, mostly as a consequence of the acquisition of *Pump Fitness* chain (8.4M€), the acquisition of Lagoas Park Club (0.26M€) and in the biomass-fuelled cogeneration project development (13.2M€), in the Energy segment.

- FCF (levered) stood at positive 5.0M€ in 2018, on the back of: (i) Business Units Cash Flow from Operations in the amount of 21.5M€; (ii) sale of Real Estate Assets in the amount of 36.8M€; and (iii) 41.7M€ investment, including: the payment of a 9M€ instalment in 2Q18 related with the acquisitions made in the Energy business in 2017 and the acquisition of *Pump* (8.4M€). Additionally, considering the 15M€ dividend paid in 2018, Net Debt showed an increase of 10.4M€ and totalled 119.8M€.
- We maintained an adequate capital structure when considering the Group's portfolio of businesses and Real Estate Assets held: Net Debt to EBITDA of 2.5x and LTV of 21.1%.
- Net capital employed decreased from 400.7M€ in 2017, to 387.8M€ in 2018, mostly due to the sale of Real Estate Assets.
- As a result of Net Debt and Total Equity evolution, Debt to Equity reached 44.7%, +7.2pp when compared to 2017 year-end.

4. BUSINESS UNITS

4.1 ENERGY

Profit and Loss Account - Energy						
Million euro	**4Q 2018**	**4Q 2017**	**Δ 18/17**	**FY 2018**	**FY 2017**	**Δ 18/17**
Total Operational Income	**14.78**	**11.95**	**+23.7%**	**55.14**	**46.60**	**+18.3%**
Turnover	**12.84**	**10.84**	**+18.5%**	**52.55**	**45.22**	**+16.2%**
Other Operational Income	1.94	1.12	+73.7%	2.59	1.38	+87.7%
Total Operational Costs	**-10.86**	**-8.71**	**-24.7%**	**-40.03**	**-32.41**	**-23.5%**
Cost of Goods Sold	-7.60	-5.61	-35.3%	-28.03	-23.18	-20.9%
External Supplies and Services	-2.14	-1.50	-42.1%	-6.93	-5.09	-36.1%
Staff Costs	-0.72	-0.87	+17.6%	-2.95	-2.64	-11.9%
Other Operational Expenses	-0.41	-0.72	+43.9%	-2.12	-1.50	-40.9%
EBITDA	**3.92**	**3.24**	**+21.0%**	**15.12**	**14.19**	**+6.5%**
EBITDA Margin (% Turnover)	30.5%	29.9%	+0.6 pp	28.8%	31.4%	-2.6 pp
EBIT	**1.42**	**0.86**	**+65.2%**	**5.22**	**7.23**	**-27.8%**
EBIT Margin (% Turnover)	11.1%	7.9%	+3.1 pp	9.9%	16.0%	-6.0 pp
Capex	**4.19**	**1.79**	**>100%**	**15.00**	**38.99**	**-61.5%**
EBITDA-Capex	**-0.27**	**1.45**	**-**	**0.12**	**-24.80**	**-**
Total Capacity (MW)	**69.5**	**65.5**	**+6.1%**	**69.5**	**65.5**	**+6.1%**
Owned & Operated	66.3	62.3	+6.4%	66.3	62.3	+6.4%
Operated (not consolidated)	3.2	3.2		3.2	3.2	

- Energy turnover reached 52.6M€ in 2018, growing by 16.2% versus 2017. The operations acquired in 2017 continued to be very relevant for this segment performance, contributing with 10.6M€ in 2018 (+5.5M€ versus 2017). Although positive, this value is below of what is expected in these operations, due to the lower availability of the renewables resources (sun and wind) in 2018.
- The EBITDA reached 15.1M€, performing a growth of 6.5% and benefiting from the contribution of the operations acquired, in the amount of 6.7M€ (+2.7M€ vs. 2017). The EBITDA margin stood at 28.8%, decreasing when compared with the EBITDA margin of 31.4% posted in 2017, driven by: (i) cogeneration operation, as the price of CO_2 licenses increased significantly; and (ii) renewables operations (consequence of the resource availability).
- The EBIT decreased 27.8%, to 5.2M€, as a result of a 48.6% increase in Amortizations and Depreciations, mostly driven by the operations acquired in 2017, but also because of the resource evolution, as mentioned above.
- The CAPEX reached 15.0M€, mainly due the investment in the new biomass-fuelled cogeneration plant, totalling 13.2M€. As already announced, this will start operating in the beginning of 2020.
- Currently, almost all the projects of this segment operate in the regulated market. The first project to be carried over the free market corresponds to 10MW (solar energy), which will take place in 2H21.

4.2 INDUSTRIAL ENGINEERING

Profit and Loss Account - Industrial Engineering						
Million euro	4Q 2018	4Q 2017	Δ 18/17	FY 2018	FY 2017	Δ 18/17
Total Operational Income	**3.40**	**3.13**	**+8.6%**	**12.65**	**4.37**	**-**
Turnover	**3.06**	**3.08**	**-0.6%**	**11.91**	**4.27**	**-**
Other Operational Income	0.34	0.05	>100%	0.74	0.10	-
Total Operational Costs	**-4.37**	**-3.47**	**-25.8%**	**-14.48**	**-4.96**	**-**
Cost of Goods Sold	-2.34	-2.13	-9.9%	-8.18	-2.90	-
External Supplies and Services	-0.62	-0.37	-67.3%	-1.86	-0.69	-
Staff Costs	-0.91	-0.90	-1.7%	-3.67	-1.24	-
Other Operational Expenses	-0.49	-0.07	<-100%	-0.76	-0.13	-
EBITDA	**-0.97**	**-0.34**	**<-100%**	**-1.83**	**-0.59**	**-**
EBITDA Margin (% Turnover)	-31.8%	-11.2%	-20.6 pp	-15.3%	-13.8%	-1.5 pp
EBIT	**-1.52**	**-0.59**	**<-100%**	**-3.09**	**-0.99**	**-**
EBIT Margin (% Turnover)	-49.6%	-19.1%	-30.5 pp	-25.9%	-23.2%	-2.7 pp
Capex	**0.44**	**0.03**	**>100%**	**1.10**	**16.20**	**-**
EBITDA-Capex	**-1.41**	**-0.37**	**<-100%**	**-2.92**	**-16.79**	**-**

- The Industrial Engineering segment includes Adira, acquired in July 2017. Throughout 2018, our major goal has been the design and construction of a structure of adequate and sufficient resources for the implementation of the growth strategy set. This process is taking longer than was initially expected, as a transformational process is being relaunched in the commercial, after-sales and customer satisfaction areas.
- As antecipated, the FY18 results reflect the restructuring process in course. Accordingly, Adira had a contribution of 11.9M€ and negative 1.8M€ for turnover and EBITDA, respectively.
- In a more operational stance and, despite not visible at results level, the number of machines produced continued to grow and totalled 157 machines in 2018, of which 36 machines were produced in 4Q18. We also observe a better evolution in group of key performance indicators, as the lead time, the after-sales service, or product non-compliance issues.

4.3 FITNESS

Profit and Loss Account - Fitness						
Million euro	4Q 2018	4Q 2017	Δ 18/17	FY 2018	FY 2017	Δ 18/17
Total Operational Income	**9.65**	**6.17**	**+56.2%**	**36.42**	**23.62**	**+54.2%**
Turnover	**9.81**	**5.96**	**+64.7%**	**36.12**	**23.25**	**+55.4%**
Other Operational Income	-0.16	0.22	-	0.30	0.38	-19.9%
Total Operational Costs	**-8.49**	**-6.18**	**-37.5%**	**-31.92**	**-21.84**	**-46.2%**
Cost of Goods Sold	-0.08	-0.03	<-100%	-0.25	-0.14	-76.6%
External Supplies and Services	-4.96	-3.58	-38.6%	-18.89	-13.12	-44.0%
Staff Costs	-2.81	-2.08	-35.2%	-11.03	-7.34	-50.3%
Other Operational Expenses	-0.64	-0.49	-31.7%	-1.74	-1.24	-40.8%
EBITDA	**1.15**	**-0.00**	**-**	**4.50**	**1.79**	**>100%**
EBITDA Margin (% Turnover)	11.7%	0.0%	+11.8 pp	12.5%	7.7%	+4.8 pp
EBIT	**0.35**	**-0.53**	**-**	**1.04**	**0.06**	**>100%**
EBIT Margin (% Turnover)	3.6%	-9.0%	+12.6 pp	2.9%	0.2%	+2.6 pp
Capex	**0.87**	**1.70**	**-48.9%**	**12.62**	**3.23**	**>100%**
EBITDA-Capex	**0.28**	**-1.71**	**-**	**-8.12**	**-1.45**	**<-100%**
# Health Clubs in Operation	**30**	**19**	**+11**	**30**	**19**	**+11**

- In the Fitness segment, in 2018 we excelled both in the operational and in the financial front. The average number of active members kept increasing favourably and totaled 85,637. Comparing with 2017, the average number of active members increased by 69% (which corresponds to a 16% increase when considering the *Solinca* chain). In the same period, turnover increased by 55.4%, to 36.1M€, benefiting from the contribution of the *Pump* chain, in the amount of 7.2M€. Regarding the average membership fees, the like-for-like growth stood at 7%.
- We closed the year with 30 Clubs in operation: 20 *Solinca* Clubs, 9 *Pump* Clubs and 1 *ONE* Club. Aimed at fulfiling a multi-segment strategy, we are planning to keep the expansion plan already in course in the coming quarters, increasing the number of Clubs in each segment.
- The EBITDA reached 4.5M€, more than doubling when compared to 1.8M€, registered in 2017. The EBITDA margin reached 12.5%, 4.8pp above 2017.
- The EBIT stood at 1.0M€, which compares with 0.1M€ in 2017. As previously reported, the EBIT in 2018 is negatively impacted by an impairment of 0.3M€, driven by the closing of the Crossfit operation, in "Cascais", that had a profitability below expectations.

4.4 HOSPITALITY

Profit and Loss Account - Hospitality

Million euro	4Q 2018	4Q 2017	Δ 18/17	FY 2018	FY 2017	Δ 18/17
Total Operational Income	**3.80**	**3.87**	**-1.7%**	**24.28**	**23.52**	**+3.2%**
Turnover	**3.93**	**3.72**	**+5.5%**	**23.84**	**22.96**	**+3.8%**
Other Operational Income	-0.12	0.15	-	0.44	0.56	-20.1%
Total Operational Costs	**-5.03**	**-5.10**	**+1.4%**	**-24.22**	**-23.78**	**-1.8%**
Cost of Goods Sold	-0.57	-0.56	-3.1%	-3.26	-3.02	-7.9%
External Supplies and Services	-2.44	-2.70	+9.7%	-13.17	-13.27	+0.8%
Staff Costs	-1.81	-1.61	-12.7%	-7.08	-6.70	-5.7%
Other Operational Expenses	-0.21	-0.23	+11.7%	-0.71	-0.79	+9.8%
EBITDA	**-1.23**	**-1.22**	**-0.2%**	**0.05**	**-0.26**	**-**
EBITDA Margin (% Turnover)	-31.2%	-32.9%	+1.7 pp	0.2%	-1.2%	+1.4 pp
EBIT	**-1.36**	**-1.33**	**-2.7%**	**-0.39**	**-0.65**	**+39.2%**
EBIT Margin (% Turnover)	-34.7%	-35.7%	+1.0 pp	-1.6%	-2.8%	+1.2 pp
Capex	**0.26**	**0.05**	**>100%**	**1.28**	**0.80**	**+60.9%**
EBITDA-Capex	**-1.49**	**-1.27**	**-17.4%**	**-1.23**	**-1.06**	**-15.8%**
# Units	**5**	**5**		**5**	**5**	

- In Hospitality, the consolidated RevPAR increased by 4.5%, benefiting from the positive contribution of all units in operation in Porto (Porto Palácio Hotel, The Artist and The House Ribeira) as well as of Aqualuz Tróia. Particularly, the performance of Porto Palácio Hotel evolved very significantly, increasing the RevPAR by almost 15%, well above market benchmark.
- The turnover increased by 3.8% versus 2017, totalling 23.8M€. The EBITDA was positive and reached 54 thousand euros, an historical milestone for the business unit. It should be noted that all operations at Porto recorded positive EBITDA, as the main profitability challenge resides now at Aqualuz Tróia.
- The EBITDAR stood at 6.8M€, an increase of 5.0% when compared to 2017, with EBITDAR margin reaching 28.5%, an increase of 0.4pp comparing to 2017.
- The CAPEX stood at 1.3M€ in 2018, which represents an increase versus 0.8M€ reported in 2017, mostly driven by the refurbishment of Porto Palácio Hotel.

4.5 REFRIGERATION & HVAC

Profit and Loss Account - Refrigeration & HVAC						
Million euro	4Q 2018	4Q 2017	Δ 18/17	FY 2018	FY 2017	Δ 18/17
Total Operational Income	**15.70**	**17.16**	**-8.5%**	**47.88**	**51.36**	**-6.8%**
Turnover	**15.61**	**17.06**	**-8.5%**	**47.70**	**51.24**	**-6.9%**
Other Operational Income	0.09	0.10	-4.0%	0.18	0.12	+51.2%
Total Operational Costs	**-14.05**	**-16.15**	**+13.0%**	**-45.72**	**-49.88**	**+8.3%**
Cost of Goods Sold	-10.29	-12.08	+14.8%	-31.51	-34.81	+9.5%
External Supplies and Services	-1.30	-1.43	+9.4%	-4.94	-5.41	+8.7%
Staff Costs	-2.35	-2.11	-11.5%	-8.89	-8.43	-5.5%
Other Operational Expenses	-0.10	-0.53	+80.2%	-0.39	-1.23	+68.5%
EBITDA	**1.65**	**1.01**	**+64.5%**	**2.15**	**1.48**	**+45.1%**
EBITDA Margin (% Turnover)	10.6%	5.9%	+4.7 pp	4.5%	2.9%	+1.6 pp
EBIT	**1.62**	**0.70**	**>100%**	**1.64**	**0.89**	**+83.7%**
EBIT Margin (% Turnover)	10.4%	4.1%	+6.3 pp	3.4%	1.7%	+1.7 pp
Capex	**0.04**	**0.00**	**>100%**	**0.14**	**0.10**	**+40.8%**
EBITDA-Capex	**1.61**	**1.00**	**+60.7%**	**2.01**	**1.38**	**+45.4%**

- Turnover stood at 47.7M€ in 2018, 6.9% below 2017. This was driven by a reduction in HVAC activity as well as in the Refrigeration activity (although at a smaller scale), as some of the projects were rescheduled to 2019. The reduction in HVAC activity is the result of our business strategy, which focuses on projects of greater value and complexity, where our contribution is better perceived.
- The EBITDA stood at 2.2M€ in 2018, an increase of 45.1% when compared to 2017, boosted by a 64.5% incease in 4Q18, a frequent seasonality effect. This is the result of a greater focus on Refrigeration and benefits from an increase in HVAC, related to a greater focus in more profitable projects.
- It should be noted that the contracts in pipeline at the end of December 2018 amounted to 18.0M€, which gives good prospects for 2019.
- The EBIT reached 1.6M€, 83.7% above 2017, impacted by the recognition of non-recurrent costs, consequence of an impairment related with a business made through RACE Brazil, as disclosed in 1Q18.

4.6 TROIA RESORT - OPERATIONS

Profit and Loss Account - Troia Resort - Operations						
Million euro	4Q 2018	4Q 2017	Δ 18/17	FY 2018	FY 2017	Δ 18/17
Total Operational Income	**1.88**	**1.83**	**+3.0%**	**12.27**	**11.70**	**+4.9%**
Turnover	**1.63**	**1.74**	**-6.3%**	**11.41**	**10.92**	**+4.6%**
Other Operational Income	0.25	0.08	>100%	0.85	0.78	+9.1%
Total Operational Costs	**-2.62**	**-2.55**	**-2.9%**	**-11.66**	**-10.90**	**-7.0%**
Cost of Goods Sold	-0.16	-0.12	-32.7%	-1.56	-1.44	-8.0%
External Supplies and Services	-1.37	-1.14	-20.4%	-5.86	-4.93	-18.9%
Staff Costs	-0.89	-0.86	-3.5%	-3.47	-3.65	+5.1%
Other Operational Expenses	-0.20	-0.43	+53.3%	-0.78	-0.88	+11.7%
EBITDA	**-0.71**	**-0.72**	**+1.0%**	**0.64**	**0.80**	**-19.7%**
EBITDA Margin (% Turnover)	-43.5%	-41.2%	-2.3 pp	5.6%	7.3%	-1.7 pp
EBIT	**-1.12**	**-1.16**	**+3.2%**	**-1.07**	**-0.99**	**-8.6%**
EBIT Margin (% Turnover)	-68.8%	-66.6%	-2.2 pp	-9.4%	-9.1%	-0.3 pp
Capex	**0.03**	**0.24**	**-85.2%**	**0.38**	**0.62**	**-39.2%**
EBITDA-Capex	**-0.75**	**-0.95**	**+21.7%**	**0.26**	**0.18**	**+48.9%**

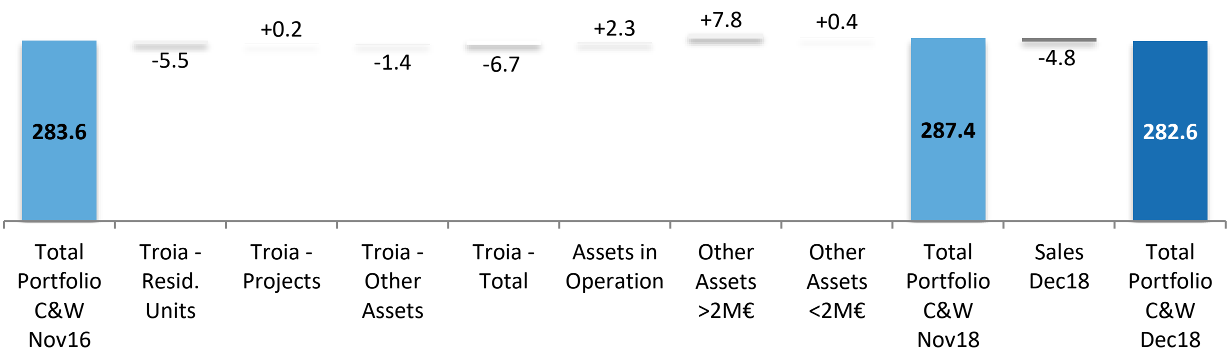
- This segment includes Atlantic Ferries river transportation and operations such as Tróia Marina and Tróia Market.
- Turnover generated by the operations in Troia Resort reached 11.4M€ in 2018, 4.6% above 2017. The EBITDA stood at 0.6M€, decreasing when compared to 0.8M€ registered in 2017. This reduction is mainly due to costs related with the repositioning of Tróia, which, we believe, will drive profitability to higher levels and, above all, will drive up the customer experience in Resort to levels of excellence.
- Capex remained at controlled levels and was mainly due to investments in the renovation and improvement of Tróia Marina and Atlantic Ferries river transportation.

5. REAL ESTATE ASSETS

Sonae Capital real estate portfolio includes assets with different licensing and construction stages, namely land plots (with and without construction viability), residential units, construction projects, offices, industrial premises and commercial areas, with wide geographical dispersion.

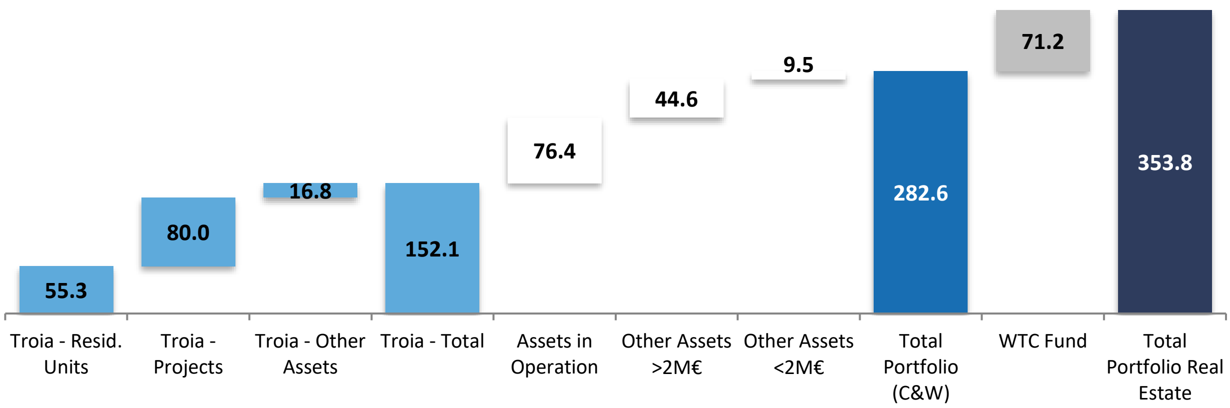
Aligned with our commitment to disclose complete and reliable information, we update the valuation of our portfolio with the support of the independent entity Cushman & Wakefield every two years. According to the valuation made in November 30th 2018, the global value of the portfolio reached 287.4M€, which compares with 283.6M€ in November 30th 2016.

Real Estate Assets Portfolio: 2018
Evolution of C&W Valuation 2016 | 2018 (M€)



Accordingly, in December 31st 2018, Sonae Capital real estate portfolio amounted to 353.8M€, including the real estate assets valued by Cushman & Wakefield and the WTC Fund valuation, with a market value of 71.2M€. In the same date, the capital employed in this group of real estate assets, excluding touristic residential units in Tróia and the WTC Fund, remained at 145.6M€.

Real Estate Assets Portfolio: 2018
C&W Valuation and WTC Fund (M€)



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 84 units available for sale at the date of this report (already excluding Reserves and PPSAs).

The turnover reached 18.5M€ in 2018, 19.9% above 2017, on the back of the following contributions:

- 38 sales deeds, corresponding to 14.7M€, which compares with 29 sales deeds in the amount of 11.7M€ in 2017. Out of the 38 sales deeds, 19 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), for 2.7M€, in line with the previous year.

Already in 2019 and up to the date of this report, we signed 5 additional deeds (in the amount of 2.3M€) and there are still in stock 12 promissory purchase and sale agreements and reserves totalling 5.8M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results. We expect the sales deed to take place in the coming months.

5.2 OTHER ASSETS

The other real estate assets unit registered a turnover of 41.1M€ in 2018. This includes the rents coming from assets under management and sales deeds of 35.7M€, namely the sales deed of EFANOR Allotment, one of the most valuable assets in the portfolio, and Lote 11, in Matosinhos.

Already in 2019 and up to the date of this report, there is still a group of promissory purchase and sale agreements and reserves in the amount of 10.6M€, providing good prospects over the coming months. We would like to highlight that Edifício Metrópolis is included in this set of assets.

6. OUTLOOK AND DIVIDENDS

In the course of 2019, we will keep the Real Estate Assets monetisation plan, one of the major drivers for the effective implementation of Corporate Strategy.

In Energy, we will remain focused on growth, which will involve strengthening our cogeneration operation, exploring possible opportunities in the Portuguese market, and also in new geographies, namely in Mexico. In 2019, we intend to complete the ongoing investment in the biomass-fired cogeneration plant in Mangualde, which, at cruising speed, will generate a considerable and stable flow of cash.

In Fitness, pursuing the market leadership goal, we will continue the expansion plan through a multi-segment strategy based on Pump, Solinca and ONE brands. We expect not only to open further clubs, but also to explore new acquisition opportunities.

As Hospitality is concerned, and now counting with the integration of Aqualuz Suite Hotel Lagos, we start 2019 with six units in operation. At the same time, we won the concession for a new unit in Santa Apolónia Railway Station in Lisbon, which we consider to have extremely high potential. We are creating a more balanced portfolio and, above all, a portfolio with more scale to face coming years with sustained positive profitability. At the same time, we will continue to monitor the market dynamics, both in terms of price and demand, and in terms of potential consolidation movements.

In the Refrigeration & HVAC business, with the appropriate suitability to the nature and maturity of the business, we focus on improving the profitability profile, always keeping in mind the evolution of the sector.

Lastly, in the Industrial Engineering business, Adira is expected to conclude the ongoing transformational process throughout the year, which is leveraged on the definition and implementation of an adequate commercial strategy, a requirement to achieve results that meet our ambition. We expect that 2020 will already be a year at cruising speed, with a completely redesigned Adira.

In the future, following our Corporate Strategy, we will continue to invest in the creation of a cluster of technology-based companies, with strong exporting vocation and leveraged on Portuguese engineering competencies.

Given the results reached in 2018, particularly in the Real Estate Assets unit, and assuring the maintenance of an adequate capital structure when considering the type of businesses and assets held by the Group, the Board of Directors will propose at the next Annual General Meeting the distribution of 18.5 million euros in dividends, equivalent to a gross dividend of 0.074 euros per share. This dividend corresponds to a dividend yield of 8.7%, considering the closing price on 31 December 2018 (0.849€).

7. BACKUP – CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Dec 2018	Dec 2017	Δ 18/17
Total Assets	**501.93**	**516.13**	**-2.8%**
Tangible and Intangible Assets	276.96	275.25	+0.6%
Goodwill	52.02	47.38	+9.8%
Non-Current Investments	2.29	2.00	+14.9%
Other Non-Current Assets	35.20	34.38	+2.4%
Stocks	63.26	94.40	-33.0%
Trade Debtors and Other Current Assets	63.96	53.00	+20.7%
Cash and Cash Equivalents	7.56	7.31	+3.4%
Assets held for sale	0.67	2.42	-72.3%
Total Equity	**268.03**	**291.37**	**-8.0%**
Total Equity attributable to Equity Holders of Sonae Capital	258.59	280.45	-7.8%
Total Equity attributable to Non-Controlling Interests	9.44	10.92	-13.5%
Total Liabilities	**233.90**	**224.76**	**+4.1%**
Non-Current Liabilities	**76.80**	**116.20**	**-33.9%**
Non-Current Borrowings	59.43	88.47	-32.8%
Deferred Tax Liabilities	12.98	21.64	-40.0%
Other Non-Current Liabilities	4.39	6.10	-27.9%
Current Liabilities	**157.10**	**108.55**	**+44.7%**
Current Borrowings	67.91	28.21	>100%
Trade Creditors and Other Current Liabilities	83.57	75.55	+10.6%
Liabilities associated to assets held for sale	5.62	4.79	+17.2%
Total Equity and Liabilities	**501.93**	**516.13**	**-2.8%**

8. CORPORATE INFORMATION

8.1 CORPORATE INFORMATION IN 4Q18

On 15 November 2018, Sonae Capital informed that, through its subsidiary SC ASSETS, SGPS, S.A., it has executed an agreement with Grandavenue72 – Sociedade Imobiliária, S.A., pursuant to which it sold 100% of the share capital and voting rights of Prédios Privados – Imobiliária, S.A., for the global amount of 30 million euros. Prédios Privados – Imobiliária, S.A. was the sole owner of the "Efanor Allotment", located in Matosinhos, in the Metropolitan area of Porto. The 30 million euros was divided into three instalments totalling 10 million euros each. The first instalment was paid in the date of the contract, the second and third instalments will be paid up to one year and two years respectively from the date of the transaction.

8.2 SUBSEQUENT EVENTS

On 21 January 2019, Sonae Capital informed that, in the context of a tender launched by IP Património – Administração e Gestão Imobiliária, S.A., its subsidiary The House Ribeira Hotel – Exploração Hoteleira, S.A. was awarded with the sub-concession for the creation and operation of a Hotel Unit in Santa Apolónia Railway Station Building, in Lisbon. The sub-concession will have a duration of thirty-five years, with an exception from rent payment for the first two years. The opening of the unit is scheduled for the first half of 2021.

On 6 February 2019, Sonae Capital informed that, following Efanor's intention to sell, it has acquired for 1 euro the operation of "Aqualuz Suite Hotel Lagos". Up to the date of the transaction, the "Aqualuz Suite Hotel Lagos" Hotel operation was fully owned by Aqualuz – Turismo e Lazer, Lda (a subsidiary from Efanor Investimentos, SGPS, S.A.). This transaction had effect from January 1st 2019.

9. METHODOLOGICAL NOTES

The quarterly consolidated financial information presented in this report is 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 recognized as discontinued operations.

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	Non-Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments
Operational Cash Flow	EBITDA - Capex
PPSA	Promissory Purchase and Sale Agreement
RevPAR	Revenue Per Available Room

.

CONTACTS

Anabela Nogueira de Matos

Representative for Market Relations

E-mail: anm@sonaecapital.pt

Tel.: +351 22 012 9528

Fax: +351 22 010 7900

Nuno Parreiro

Investor Relations Officer

E-mail: ir@sonaecapital.pt

Tel.: +351 22 010 7903

Fax: +351 22 010 7935

Sonae Capital, SGPS, SA

Lugar do Espido, Via Norte

Apartado 3053

4471 – 907 Maia

Portugal

www.sonaecapital.pt

SONAE CAPITAL