



1st Half Results, 2020

Matosinhos, 26th August 2020

Proforma unaudited figures reported according to IFRS 16

SAFE HARBOUR

This document may contain forward-looking information and statements based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in the regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes," "expects," "anticipates," "projects," "intends," "should," "seeks," "estimates," "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.

1H'2020:

A sound business performance under very exceptional circumstances

01.

MESSAGE FROM THE CEO

"Over the last six months, the world has changed beyond what one could have imagined. Clearly, the first half of 2020 was an extraordinary period for the whole of Sonae MC's businesses, with massive challenges that impacted both our near-term priorities and long-term direction.

From the outset, we worked exceptionally hard, playing our full part to assist the Portuguese nation. Under the most demanding conditions, our associates went above and beyond in their commitment to ensuring top-notch customer service and providing access to food in a safe environment. We have been successful in our endeavors, and our solid results reflect this recognition.

Sales trend has improved since the start of 2020, and yet again in the second quarter, resulting in an increase in market share and further reinforcing our market leadership position. The steady growth achieved throughout the first half of the year was mainly driven by an acceleration in food sales, underpinned by initial stocking up of essential groceries, followed by increased demand in the eat-at-home market, which remained more significant than usual until the end of June.

Still, the COVID-19 outbreak has materially impacted our business. Our response to the crisis has required substantial changes to our operating model, which have led to a significant increase in costs, weighing down on profitability in the first six months of the year.

Looking ahead, our capital structure remains well-funded, with lower net financial debt and a strong maturity profile providing significant liquidity headroom and giving us enhanced flexibility.

Our day-to-day operations are gradually adjusting to a "new normal", while customers are adapting to a "new life" and resuming their daily routines. In light of this, we are investing in understanding the structural changes and consequences arising from this unprecedented event, by refocusing on our longer-term strategy to stay at the forefront of the market and continue leading transformation in our industry, as the most forward-looking and innovative player in the sector."

Luís Moutinho



Continente Bom Dia frontline associates

02.

OPERATIONAL AND FINANCIAL PERFORMANCE

TURNOVER (€m)	1 st Half				2 nd Quarter			
	2019	2020	Δ y.o.y.	Δ LFL	2019	2020	Δ y.o.y.	Δ LFL
Total Sonae MC	2,180	2,431	11.5%	8.3%	1,132	1,237	9.2%	6.2%
Hypermarkets	761	823	8.2%	8.0%	392	422	7.7%	7.4%
Supermarkets	1,041	1,210	16.2%	12.3%	544	619	13.8%	10.3%
New Growth Businesses & Others	378	398	5.3%	-8.0%	196	196	-0.3%	-15.4%

KEY RESULTS (€m)	1 st Half			2 nd Quarter		
	2019	2020	Δ y.o.y.	2019 Restated ¹	2020	Δ y.o.y.
Underlying EBITDA (unEBITDA)	207	226	9.2%	122	129	6.4%
as % of turnover	9.5%	9.3%	-0.2pp	10.7%	10.5%	-0.3pp
Net profit (from continuing operations)	43	42	-1.7%	33	32	-1.5%

- Trends from the end of the first quarter of 2020 continued into the second quarter, with favorable sales growth, good momentum in e-commerce, and strengthened leadership position. In the first half of the year, Sonae MC's turnover amounted to €2,431m, driven by a total growth of 11.5%, and a like-for-like sales increase of 8.3%, amid an environment of accelerating food inflation (2.0% in 1H'2020).
- Within the Company's food business, the relevance of the customer offering, and in particular, the vast assortment, dependable availability, and safe and clean shopping environment, resulted in dynamic business activity, consecutive weekly gains in market share and improved satisfaction scores.
- Sonae MC experienced steady growth, both in the larger formats and the more convenient channels. Hypermarkets registered a resilient performance thanks to their broad offering and perceived sense of safety, acting as a one-stop-shop for sizable weekly purchases. Proximity supermarkets enjoyed sound sales, as customers looked closer to home for their everyday essentials.
- The Company's e-commerce business also posted strong double-digit growth, remaining at high levels even after containment measures were eased, benefiting from a channel shift that appears to have stuck. Sonae MC was swift to adapt to this surge in demand by expanding its online capacity in the period, more than doubling the number of weekly delivery slots and providing different delivery options to customers.
- Following a challenging start to the second quarter, both New Growth Businesses and non-food categories at the Company's hypermarkets, partially recovered in the latter part of the period, owing to the ease of government restrictions. Notwithstanding, Sonae MC's foodservice formats (including Bagga coffee shops and Go Natural restaurants) were negatively impacted by a temporary reduction in customer footfall, with many consumers remaining cautious of eating out.
- On the whole, trading results for the six-month period reflect the extraordinary impact of the COVID-19 pandemic and the embedded strategic advantages of the Company's distinctive value proposition, well-planned business model, and high-quality team.

¹ In the second quarter of 2019, the Company adopted IFRS 16 in transportation lease agreements, with retrospective impacts dating back to 1st January 2019. For comparison purposes, in this document, figures for the second quarter of 2019 have been restated to exclude the abovementioned retrospective effect, which regards to the first quarter of 2019.

- Despite the positive top-line performance, underlying EBITDA margin stood slightly below the previous year at 9.3%, evidencing the incremental impact the pandemic has had on the business, namely, substantial COVID-related trading costs throughout the period, and changes in channel and product mix weighing down on gross margins. These became more material towards the second quarter.
- Operating profitability was also impacted by -€5m of non-recurring items related to temporary rent discounts granted to tenants at Sonae MC's operated power centers, in the context of the pandemic. All-in-all, net profit from continuing operations totaled €42m, slightly down from the previous year.

FREE CASH-FLOW AND DEBT (€m)	1 st Half		
	2019	2020	Δ y.o.y.
Free cash-flow	-90	3	€93m
Net financial debt	772	663	-14.1%
Lease liabilities	957	990	3.4%
Total net debt ² to unEBITDA	3.8x	3.3x	-

- Free cash-flow amounted to €3m in the period (reflecting typical first half seasonality), an increase of +€93m compared to the first half of 2019. The positive operational performance, coupled with a disciplined approach to investment, led to a cash conversion ratio of 61.2%.
- The Company remained on track with developing its capital expenditure program, aimed at capturing future profitable growth opportunities and ensuring that it upholds its prime position. Major investments included the opening of +37 company-operated stores, adding +12k square meters of sales area, and the refurbishment of 2 food retail units. Other capex projects encompassed investments in improving omnichannel capabilities and revamping the technology backbone. Also, the impact of the outbreak on working capital resulted in lower inventory and accounts payable ratios.
- Sonae MC continued to operate from a very solid financial position, with a robust balance sheet and lower net financial debt, which stood at €663m, decreasing -€109m versus the same period last year, and a comfortable maturity profile. In the first six months of the year, the Company further improved its liquidity, increasing the available credit facilities on attractive financial terms.

03. OUTLOOK

- At this stage, the impact of COVID-19 remains uncertain, and it is a toilsome task to predict its full extent and duration. For the remainder of the year, Sonae MC considers it is appropriate to remain cautious about the sales trajectory, given a likely further weakening in terms of consumer spending outlook.
- Going forward, the Company will continue to adapt to the new day-to-day circumstances, while being both proactive and reactive in capturing new opportunities, running its business as efficiently as possible, and keeping its absolute focus on what customers want, to stay ahead of the market.

² Total net debt equals net financial debt plus lease liabilities.

A.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED RESULTS (€m)	1 st Half			2 nd Quarter			
	2019	2020	Δ y.o.y.	2019	2019 Restated ¹	2020	Δ y.o.y. (vs. restated)
Turnover	2,180	2,431	11.5%	1,132	1,132	1,237	9.2%
Underlying EBITDA (unEBITDA)	207	226	9.2%	126	122	129	6.4%
<i>as % of turnover</i>	9.5%	9.3%	-0.2pp	11.1%	10.7%	10.5%	-0.3pp
D&A	-121	-126	4.8%	-65	-61	-63	2.6%
Underlying EBIT (unEBIT)	86	99	15.4%	61	61	67	10.3%
<i>as % of turnover</i>	4.0%	4.1%	0.1pp	5.4%	5.3%	5.4%	0.1pp
Net financial activity	-37	-40	-	-19	-18	-19	-
Other investment income	0	0	-	0	0	-0	-
Non-recurring items	-	-5	-	-	-	-5	-
Equity method	1	0	-	0	0	0	-
EBT	50	55	11.3%	43	43	42	-0.7%
Income tax	-5	-11	-	-8	-8	-9	-
Minorities	-2	-2	-	-2	-2	-1	-
Net profit (from continuing operations)	43	42	-1.7%	33	33	32	-1.5%

CONSOLIDATED BALANCE SHEET (€m)	1 st Half		
	2019	2020	Δ y.o.y.
Net fixed assets	1,548	1,639	5.9%
Leased assets right-of-use	866	873	0.8%
Goodwill and financial investments	516	491	-4.8%
Working capital	-561	-609	8.7%
Invested capital	2,369	2,394	1.0%
Shareholders' funds	641	741	15.7%
Lease liabilities	957	990	3.4%
Net financial debt	772	663	-14.1%
Sources of financing	2,369	2,394	1.0%
Total net debt² to unEBITDA	3.8x	3.3x	-

Please visit <https://sonaemc.com/en/financial-information/> for additional information about the results, including a comprehensive glossary.



Condensed Consolidated Financial Statements

1st Half, 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 AND 2019 AND 31 DECEMBER 2019

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)
(Amounts expressed in euro)

ASSETS	Notes	30 Jun 2020	30 Jun 2019	31 Dec 2019	30 Jun 2020 Pro Forma	30 Jun 2019 Pro Forma	31 Dec 2019 Pro Forma
NON-CURRENT ASSETS:							
Property, plant and equipment	4	1,358,727,491	1,341,230,356	1,346,281,271	1,358,727,491	1,341,230,356	1,346,281,271
Intangible assets	5	256,726,704	206,856,656	261,231,849	256,726,704	206,856,656	261,231,849
Right-of-use assets	6	873,003,072	866,184,030	898,438,645	873,003,072	866,184,030	898,438,645
Goodwill		469,424,119	494,777,289	469,424,119	469,424,119	494,777,289	469,424,119
Investments in joint ventures and associates	7	4,149,453	3,942,236	4,437,916	4,149,453	3,942,236	4,437,916
Other investments	8	17,576,268	16,991,197	17,247,851	17,576,268	16,991,197	17,247,851
Deferred tax assets	9	250,774,197	25,215,998	256,228,882	250,774,197	25,215,998	256,228,882
Income tax assets		4,485,193	4,489,601	4,489,601	4,485,193	4,489,601	4,489,601
Other non-current assets		8,937,502	5,745,918	10,763,959	8,937,502	5,745,918	10,763,959
Total Non-Current Assets		3,243,803,999	2,965,433,281	3,268,544,093	3,243,803,999	2,965,433,281	3,268,544,093
CURRENT ASSETS:							
Inventories		383,835,062	421,172,071	407,431,039	383,835,062	421,172,071	407,431,039
Trade receivables and other current assets		225,848,139	220,394,458	231,512,838	212,524,710	220,394,458	176,169,690
Income tax assets		54,943,098	54,296,763	43,121,953	54,943,098	54,296,763	43,121,953
Other investments	8	227,711	593,560	394,309	71,418	160,318	117,866
Cash and bank balances		58,983,586	82,990,944	77,339,624	63,647,586	101,974,791	89,050,845
Total Current Assets		723,837,596	779,447,796	759,799,763	715,021,874	797,998,402	715,891,393
Assets classified as held for sale		23,327,876	-	27,500,462	23,327,876	-	27,500,462
TOTAL ASSETS		3,990,969,471	3,744,881,077	4,055,844,318	3,982,153,749	3,716,747,706	4,011,935,948
EQUITY AND LIABILITIES							
EQUITY:							
Share capital		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Legal reserve		186,480,406	177,949,491	177,949,491	186,480,406	177,949,491	177,949,491
Reserves and retained earnings		(537,104,770)	(610,320,767)	(590,179,221)	(537,104,770)	(610,320,767)	(590,179,221)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		42,233,331	40,364,480	132,300,259	42,233,331	40,364,480	132,300,259
Equity attributable to the equity holders of the Parent Company		691,608,967	607,993,204	720,070,529	691,608,967	607,993,204	720,070,529
Non-controlling interests		49,297,073	32,629,462	54,735,349	49,297,073	32,629,462	54,735,349
TOTAL EQUITY		740,906,040	640,622,666	774,805,878	740,906,040	640,622,666	774,805,878
LIABILITIES:							
NON-CURRENT LIABILITIES:							
Loans	11	709,521,464	771,755,434	659,830,799	709,521,464	771,755,434	659,830,799
Lease liabilities	6	918,001,055	887,960,638	930,393,296	918,001,055	887,960,638	930,393,296
Other non-current liabilities		22,826,762	21,616,480	22,719,068	22,826,762	21,375,607	22,719,068
Deferred tax liabilities	9	328,856,739	101,520,376	330,530,672	328,856,739	101,462,146	330,482,265
Provisions	12	6,959,007	9,775,019	9,418,605	6,959,007	9,775,019	9,418,605
Total Non-Current Liabilities		1,986,165,027	1,792,627,947	1,952,892,440	1,986,165,027	1,792,328,844	1,952,844,033
CURRENT LIABILITIES:							
Loans	11	17,176,633	102,302,193	20,274,872	16,944,417	102,004,523	19,990,547
Lease liabilities	6	71,612,664	68,445,301	75,998,767	71,612,664	68,445,301	75,998,767
Trade payables and other current liabilities		1,051,447,694	1,040,091,144	1,107,764,125	1,042,868,891	1,012,560,599	1,064,193,955
Income tax liabilities		68,771,239	51,387,550	50,200,397	68,771,239	51,387,550	50,200,397
Other tax liabilities		54,349,380	48,995,344	73,346,098	54,344,677	48,989,291	73,340,631
Provisions	12	540,794	408,932	561,741	540,794	408,932	561,741
Total Current Liabilities		1,263,898,404	1,311,630,464	1,328,146,000	1,255,082,682	1,283,796,196	1,284,286,038
TOTAL LIABILITIES		3,250,063,431	3,104,258,411	3,281,038,440	3,241,247,709	3,076,125,040	3,237,130,070
TOTAL EQUITY AND LIABILITIES		3,990,969,471	3,744,881,077	4,055,844,318	3,982,153,749	3,716,747,706	4,011,935,948

The accompanying notes are part of these condensed consolidated financial statements.

CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020 AND 2019

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	Notes	2 nd Quarter 2020	2 nd Quarter 2019	30 Jun 2020	30 Jun 2019
Sales		1,217,093,143	1,100,391,993	2,380,539,844	2,117,714,653
Services rendered		19,467,954	31,626,898	50,293,403	62,103,249
Gains and losses on investments		(133)	(13,575)	(133)	2,685
Other income		18,358,789	20,238,737	36,034,008	36,764,817
Cost of goods sold and materials consumed		(871,911,941)	(781,432,885)	(1,726,212,436)	(1,525,296,079)
External supplies and services		(99,175,780)	(92,438,859)	(198,534,392)	(183,852,553)
Employee benefits expense		(150,341,479)	(142,564,841)	(302,116,803)	(280,754,796)
Other expenses		(9,369,890)	(10,466,076)	(19,386,711)	(20,542,250)
Depreciation and amortisation expenses	4, 5 and 6	(63,134,842)	(64,803,260)	(125,541,608)	(120,506,161)
Provisions and impairment losses		264,267	69,067	(331,266)	581,856
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		61,250,088	60,607,199	94,743,906	86,215,421
Dividends received during the year		-	100,000	100,000	100,000
Share of profit or loss of joint ventures and associates	7.2	264,656	406,408	372,146	636,626
Financial income		1,795,779	675,546	2,688,079	1,270,602
Financial expense		(21,027,169)	(19,284,168)	(42,592,536)	(38,535,956)
Profit from continuing operations before tax		42,283,354	42,504,985	55,311,595	49,686,693
Income tax expense		(8,648,631)	(8,336,155)	(11,258,061)	(4,961,778)
Profit from continuing operations for the period		33,634,723	34,168,830	44,053,534	44,724,915
Profit/(Loss) from discontinued operations after taxation		796,384	(1,212,964)	223,776	(2,383,472)
Consolidated profit/(Loss) for the period		34,431,107	32,955,866	44,277,310	42,341,443
Attributable to owners of the Company:					
Continuing operations		32,163,200	32,662,786	42,009,555	42,747,952
Discontinued operations		796,384	(1,212,963)	223,776	(2,383,472)
		32,959,584	31,449,823	42,233,331	40,364,480
Attributable to non-controlling interests:					
Continuing operations		1,471,523	1,506,043	2,043,979	1,976,963
Discontinued operations		-	-	-	-
		1,471,523	1,506,043	2,043,979	1,976,963
Profit/(Loss) per share:					
From continuing operations					
Basic	14	0.032163	0.031542	0.042010	0.042748
Diluted	14	0.032163	0.031542	0.042010	0.042748
From discontinued operations					
Basic	14	0.000796	(0.001083)	0.000224	(0.002383)
Diluted	14	0.000796	(0.001083)	0.000224	(0.002383)

The accompanying notes are part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2020 AND 2019*(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)*

<i>(Amounts expressed in euro)</i>	Notes	2 nd Quarter 2020	2 nd Quarter 2019	30 Jun 2020	30 Jun 2019
Net Profit / (Loss) for the period		34,431,107	32,955,866	44,277,310	42,341,443
Items that maybe reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		1,195,667	(71,156)	5,090,095	128,665
Changes in hedge and fair value reserves		238,430	(725,661)	(687,723)	(282,025)
Deferred taxes related with other components of comprehensive income		151,574	175,656	(1,789)	61,073
Others		14,227	259,260	875	45,772
Other comprehensive income for the period		1,599,898	(361,901)	4,401,458	(46,515)
Total other comprehensive income for the period		1,599,898	(361,901)	4,401,458	(46,515)
Total comprehensive income for the period		36,031,005	32,593,965	48,678,768	42,294,928
Attributable to:					
Equity holders of parent company		32,959,584	31,096,404	46,849,088	40,346,202
Non controlling interests		3,071,421	1,497,561	1,829,680	1,948,726

The accompanying notes are part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2020 AND 2019

(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Reserves and Retained Earnings						Net Profit/ (Loss)	Total	Non controlling Controlling Interests (Note 10)	Total Equity
	Share Capital	Legal Reserve	Currency translation Reserve	Hedging Reserve	Other Reserves and Retained Earnings	Total of reserves and retained earnings				
<i>(Amounts expressed in euro)</i>										
Attributable to Equity Holders of Parent Company										
Balance as at 1 January 2019	1,000,000,000	174,887,958	6,494,942	110,162	(1,275,486,299)	(1,093,993,237)	648,954,594	729,849,315	31,145,956	760,995,271
Impact of applying IFRS 16	-	-	-	-	98,326,670	98,326,670	(4,113,929)	(80,675,217)	(2,153,149)	(82,828,366)
Balance as at 1 January 2019 Restated	1,000,000,000	174,887,958	6,494,942	110,162	(1,177,159,629)	(995,666,567)	644,840,665	649,174,098	28,992,807	678,166,905
Total comprehensive income for the period	-	-	128,670	(212,887)	65,939	(18,278)	40,364,480	40,346,202	1,948,726	42,294,928
Appropriation of profit of 2018										
Transfer to legal reserves and retained earnings	-	3,061,533	-	-	641,779,132	644,840,665	(644,840,665)	-	-	-
Dividends distributed	-	-	-	-	(75,000,000)	(75,000,000)	-	(75,000,000)	(2,027,573)	(77,027,573)
Income distribution	-	-	-	-	-	-	-	-	(94,082)	(94,082)
Aquisitions of affiliated companies	-	-	-	-	-	-	-	-	3,083,553	3,083,553
Capital increase	-	-	-	-	-	-	-	-	127,506	127,506
Impact of applying IFRS 16	-	-	-	-	(7,836,955)	(7,836,955)	-	(7,836,955)	395,408	(7,441,547)
Others	-	-	-	-	1,309,859	1,309,859	-	1,309,859	203,117	1,512,976
Balance as at 30 June 2019	1,000,000,000	177,949,491	6,623,612	(102,725)	(616,841,654)	(432,371,276)	40,364,480	607,993,204	32,629,462	640,622,666
Balance as at 1 January 2020	1,000,000,000	177,949,491	7,271,149	(315,627)	(597,134,743)	(590,179,221)	132,300,259	720,070,529	54,735,349	774,805,878
Total comprehensive income for the period	-	-	5,090,086	(475,169)	840	4,615,757	42,233,331	46,849,088	1,829,680	48,678,768
Appropriation of profit of 2019										
Transfer to legal reserves and retained earnings	-	8,530,915	-	-	123,769,344	123,769,344	(132,300,259)	-	-	-
Dividends distributed	-	-	-	-	(75,000,000)	(75,000,000)	-	(75,000,000)	(5,224,091)	(80,224,091)
Capital decrease	-	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)
Others	-	-	-	-	(310,650)	(310,650)	-	(310,650)	(43,865)	(354,515)
Balance as at 30 June 2020	1,000,000,000	186,480,406	12,361,235	(790,796)	(548,675,209)	(537,104,770)	42,233,331	691,608,967	49,297,073	740,906,040

The accompanying notes are part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2020 AND 2019
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

(Amounts expressed in euro)	2 nd Quarter 2020	2 nd Quarter 2019	30 Jun 2020	30 Jun 2019
OPERATING ACTIVITIES				
Net cash flow from operating activities (1)	206,189,930	159,811,626	180,556,073	160,481,950
INVESTMENT ACTIVITIES				
Cash receipts arising from:				
Investments	167,033	417,351	296,965	525,946
Property, plant and equipment and intangible assets	394,657	3,625,648	14,207,761	7,884,548
Interests and similar income	209,491	112,952	226,689	122,594
Dividends	660,609	100,000	760,609	100,000
Others	-	1,560	-	1,560
	1,431,790	4,257,511	15,492,024	8,634,648
Cash Payments arising from:				
Investments	(535,327)	(43,986)	(832,321)	(58,417,567)
Property, plant and equipment and intangible assets	(45,343,495)	(53,574,476)	(103,662,571)	(118,599,393)
	(45,878,822)	(53,618,462)	(104,494,892)	(177,016,960)
Net cash used in investment activities (2)	(44,447,032)	(49,360,951)	(89,002,868)	(168,382,312)
FINANCING ACTIVITIES				
Cash receipts arising from:				
Loans obtained	654,998,717	907,753,213	1,368,500,311	1,970,253,213
Capital increases, additional paid in capital and share premiums	-	127,506	-	3,956,767
	654,998,717	907,880,719	1,368,500,311	1,974,209,980
Cash Payments arising from:				
Lease agreements	(32,957,893)	(28,961,396)	(68,910,210)	(51,821,782)
Loans obtained	(705,000,000)	(892,498,721)	(1,322,833,333)	(1,825,315,416)
Interests and similar charges	(4,063,710)	(3,111,443)	(6,193,306)	(7,242,062)
Reimbursement of capital and paid in capital	(2,000,000)	-	(2,000,000)	-
Dividends	(80,224,091)	(77,061,603)	(80,224,091)	(77,121,655)
	(824,245,694)	(1,001,633,163)	(1,480,160,940)	(1,961,500,915)
Net cash used in financing activities (3)	(169,246,977)	(93,752,444)	(111,660,629)	12,709,065
Net increase in cash and cash equivalents (5) = (1) + (2) + (3)+ (4)	(7,504,079)	16,698,231	(20,107,424)	4,808,703
Effect of foreign exchange rate	670	4,765	54,288	(4,258)
Cash and cash equivalents at the beginning of the period	64,668,705	66,295,717	77,325,668	78,176,222
Cash and cash equivalents at the end of the period	57,163,956	82,989,183	57,163,956	82,989,183

The accompanying notes are part of these condensed consolidated financial statements.

SONAE MC, SGPS, SA

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2020 AND 2019

(Translation of condensed consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts stated in euro)

1 INTRODUCTION

Sonae MC, SGPS, S.A., formerly referred to as Sonae Investimentos, SGPS, S.A., has its head-office at Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Portugal, and is the parent company of a group of companies.

2 RELEVANT EVENTS

Sonae MC continues to monitor all the developments related to the Covid-19 pandemic and to adapt all its actions to the current circumstances, according to each business context and to the recommendations and rules established by the competent authorities. Since the beginning of the pandemic, and given the existing risks, a specific governance model was implemented early on to manage this crisis, and prevention/contingency plans were developed to cover the entire organisation, from the operational areas to the central structures, across all businesses.

Below is a summary of the main initiatives and impacts in several areas during the last months:

- **Employees:**

At the operations level, measures continued to be implemented in order to ensure the health of our employees, partners and customers.

Businesses that were closed during the state of emergency have been gradually reopening since mid-May and, at this date, all operations are adjusted to the new normality, requiring special hygiene and social distancing measures.

Regarding central offices, as well as in every job function in which this was possible, remote work continued to be prioritised.

- **Community support**

Sonae continued to reinforce its social responsibility initiatives in the quarter, in particular:

- Wide support for institutions (hospitals, local authorities, support centres) through the distribution of thousands of food and non-food goods and PPE (Personal Protective Equipment) to the most vulnerable, but also health professionals and security forces.
- Sonae MC companies have actively participated in cooperation networks created to support the community, highlighting the international sourcing support made available to public institutions, having managed to purchase PPE (personal protective equipment) in a time of great need and providing all the logistics for its transportation to Portugal, as well as for distribution to priority entities and institutions (e.g. hospitals). At the same time, portfolio companies participated in several fundraising campaigns, with Sonae MC having donated more than 150 tons of essential products.

- **Business operations:**

The food retail sector registered an increased level of demand before and after the state of emergency. After the lockdown, Sonae MC's sales returned to more normal levels, but still above the pre-Covid period, which demonstrates the recognition of its value proposition, as well as the cleanliness and safety environment felt in our stores.

Sonae MC maintained a close dialogue with all stakeholders in the supply chain to strengthen its response capacity during the crisis, including the activation of alternative suppliers, namely at the national level, promoting market liquidity, especially for small producers. At the moment, all supply chain operations have been normalised.

The unprecedented demand in the online channel, that required Sonae MC to significantly increase its response capacity and to establish partnerships for home delivery, is already normalised. Nevertheless, sales continue to be higher than the pre-Covid period, which shows the quality of the service and a strong customer loyalty.

The formats that had been forced to close during the state of emergency, namely Arenal in Spain, as well as the Go Natural restaurants, Bagga coffee shops and most of the Dr.Wells clinics in Portugal, have resumed their activity.

- **Capital markets:**

In compliance with its internal policies and given the current high uncertainty context, Sonae has privileged the increase of the group's liquidity, the reduction of debt amortizations in the coming years and the expansion of maturities. Therefore, since the beginning of 2020, more than €330 M in debt facilities were reinforced, and as of the end of June, Sonae MC had €357 M of available credit lines and €59 M of cash. In this context, we do not foresee any significant financing needs in the short term and we believe we have the adequate liquidity levels, even under more adverse scenarios. In addition, we do not foresee any situation of debt covenant breach in the short term at Sonae MC.

In the first half of 2020, direct costs related to management initiatives of Covid-19 pandemic amounted to € 13.5 M, mainly comprising premiums attributed to store and logistics employees, and safety expenses related to incremental cleaning efforts, hygiene materials and PPE (protective personal equipment). At this stage, it is not possible to provide accurate estimates of the future economic, operational and financial impacts of this pandemic, as these depend on the economy relaunch, which in turn depends on the evolution of the pandemic contagion and the economic stimulus measures that are being implemented. However, Sonae MC has been directing all efforts to minimise the effects of this crisis, in line with the recommendations of the competent entities and in the best interest of all its stakeholders.

3 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in preparing the accompanying consolidated financial statements are described below. These policies have been consistently applied in comparative periods.

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), as adopted by the European Union as from the consolidated financial statements issuance date.

Interim financial statements are presented quarterly, in accordance with IAS 34 – "Interim Financial Reporting". As such, they do not include all the information to be disclosed in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the previous year.

The accompanying condensed consolidated financial statements have been prepared from the books and accounting records of the company and subsidiaries, adjusted in the consolidation process, on a going concern basis and under the historical cost convention, except for some financial instruments and properties investments which are stated at fair value.

New accounting standards and their impact in these consolidated financial statements:

Up to the date of approval of these consolidated financial statements, the European Union endorsed the following standards, interpretations, amendments and revisions some of which become mandatory during the year 2020:

With mandatory application during the year 2020:		Effective date (for financial years beginning on or after)
IFRS 3 (amendment)	Business combinations (Change of business definition)	01 Jan 2020
IFRS 9, IAS 39 and IFRS 7 (amendment)	Reform of reference interest rates (Introduction of exemptions from hedge accounting so that the reform of reference interest rates does not lead to the termination of hedge accounting)	01 Jan 2020
IAS 19 (amendment)	Employee benefits (Obliges to use updated assumptions for the calculation of the remaining liabilities after actualization, curtailment or settlement of benefits, with impact on the income statement, except for the decrease of any excess within the scope of the asset ceiling)	01 Jan 2020
IAS 1 and IAS 8 (amendment)	Presentation of financial statements and accounting policies, changes in accounting estimates and errors (Update of material definition in the application of the standards to the financial statements as a whole)	01 Jan 2020
	Concetual structure - Changes in the reference to other IFRS (Amendment to some IFRS regarding cross references and clarifications on the application of the new definitions of assets / liabilities and expenses / income)	01 Jan 2020

These standards were first applied by the Group in 2020, however there were no significant impacts on these financial statements.

The following standards, interpretations, amendments and revisions were not at to the date of approval of these consolidated financial statements endorsed by the European Union:

With mandatory application after 2020		Effective date (for financial years beginning on or after)
IFRS 17	Insurance contracts (New accounting for insurance contracts, reinsurance contracts and investment contracts with discretionary participation features).	01 Jan 2023
IAS 1 (amendment)	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	01 Jan 2022
IFRS 3 (amendment)	Business Combinations	01 Jan 2022
IAS 16 (amendment)	Property, Plant and Equipment	01 Jan 2022
IAS 37 (amendment)	Provisions, Contingent Liabilities and Contingent Assets	01 Jan 2022
	Annual improvements 2018- 2020	01 Jan 2022
IFRS 16 (amendment)	Leases Covid 19- Related Rent Concessions	01 Jan 2020
IFRS 4 (amendment)	Insurance contracts- deferral of IFRS 9	01 Jan 2021

The Group did not proceed with the early implementation of any of these standards in the financial statements for the year ended 30 June 2020 due to the fact that their application is not mandatory, lying in the process of analysing expected effects of those standards.

4 PROPERTY, PLANT AND EQUIPMENT

During the six months period ended 30 June 2020, the movements in Property, plant and equipment as well accumulated depreciation and impairment losses are made up as follows:

Property, plant and equipment	Land and Buildings	Plant and Machinery	Other Tangible Assets	Tangible assets in progress	Total property, plant and equipment
Gross assets:					
Opening balance as at 1 January 2020	1,074,648,043	1,316,697,830	200,019,872	25,302,362	2,616,668,107
Investment	839,866	2,957,415	921,507	75,016,297	79,735,085
Disposals	(74,026)	(8,007,320)	(3,960,705)	(522,787)	(12,564,838)
Exchange rate effect	-	-	(1,121)	-	(1,121)
Transfers	6,149,541	60,868,665	6,350,252	(74,752,950)	(1,384,492)
Closing balance as at 30 June 2020	1,081,563,424	1,372,516,590	203,329,805	25,042,922	2,682,452,741
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2020	354,358,786	771,902,662	144,125,388	-	1,270,386,836
Depreciation	8,122,618	47,317,921	8,564,265	-	64,004,804
Disposals	(22,341)	(6,890,234)	(3,716,316)	-	(10,628,891)
Exchange rate effect	-	-	(412)	-	(412)
Transfers	16,921	(31,932)	(22,076)	-	(37,087)
Closing balance as at 30 June 2020	362,475,984	812,298,417	148,950,849	-	1,323,725,250
Carrying amount					
As at 30 June 2020	719,087,440	560,218,173	54,378,956	25,042,922	1,358,727,491

5 INTANGIBLE ASSETS

During the six months period ended 30 June 2020, the movement occurred in intangible assets and in the corresponding accumulated amortisation and impairment losses, was as follows:

Intangible Assets	Industrial property	Software	Others intangible assets	Intangible assets in progress	Total Intangible Assets
Gross cost					
Opening balance as at 1 January 2020	152,223,491	355,243,232	8,999,675	20,983,940	537,450,338
Investment	5,317	153,527	60,000	9,922,485	10,141,329
Disposals	-	-	-	(268,374)	(268,374)
Exchange rate effect	-	-	(562)	-	(562)
Transfers	18,438	12,581,520	3,580	(12,414,092)	189,446
Closing balance as at 30 June 2020	152,247,246	367,978,279	9,062,693	18,223,959	547,512,177
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2020	18,288,666	250,140,686	7,789,137	-	276,218,489
Depreciation of the period	105,844	14,389,437	72,265	-	14,567,546
Exchange rate effect	-	-	(562)	-	(562)
Closing balance as at 30 June 2020	18,394,510	264,530,123	7,860,840	-	290,785,473
Carrying amount					
As at 30 June 2020	133,852,736	103,448,156	1,201,853	18,223,959	256,726,704

As at 30 June 2020 the Investment related to intangible assets in progress includes 9.9 million euro related to IT projects and development software. Within that amount it is included 4.6 million euro of capitalizations of personnel costs related to own work.

6 RIGHTS OF USE

During the period of six months ended on 30 June 2020, the detail and the movement in the value of the rights of use, as well as in the respective depreciations, was as follows:

	Land and Buildings	Vehicles	Others tangible assets	Total tangible assets
Cost				
Opening balance as at 1 January 2020	1,208,450,574	85,380,039	611,176	1,294,441,789
Additions	39,355,823	2,318,377	114,270	41,788,470
Write-offs and decreases	(30,827,553)	(2,685,815)	(96,909)	(33,610,277)
Closing balance as at 30 June 2020	1,216,978,844	85,012,601	628,537	1,302,619,982
Accumulated depreciation and impairment				
Opening balance as at 1 January 2020	368,666,816	26,924,377	411,951	396,003,144
Depreciation of the period	36,470,750	10,453,395	45,113	46,969,258
Write-offs and transfers	(10,983,638)	(2,295,119)	(76,735)	(13,355,492)
Closing balance as at 30 June 2020	394,153,928	35,082,653	380,329	429,616,910
Carrying amount				
As at 30 June 2020	822,824,916	49,929,948	248,208	873,003,072

Liabilities related to rights of use are recorded under non-current and current lease liabilities of 918 million euro and 72 million euro respectively (930 million euro and 76 million euro at 31 December 2019).

In the consolidated income statement, 46.9 million euros were recognised for depreciation of the period (45.5 million euros in 30 June 2019) and 31.9 million of euros of interest relating to the adjusted debt (30.2 million in 30 June 2019).

7 JOINT VENTURES AND ASSOCIATED COMPANIES

7.1 DETAIL OF BOOK VALUE OF INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Joint ventures and associates, their head offices, percentage of share capital held and their value in the statement of financial position as at 30 June 2020 and 31 December 2019 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 Jun 2020		31 Dec 2019		30 Jun 2020	31 Dec 2019
		Direct*	Total*	Direct*	Total*		
Sohi Meat Solutions - Distribuição de	Santarém	50.00%	50.00%	50.00%	50.00%	3,645,281	3,356,985
Maremor Beauty & Fragances, S.L.	Madrid	50.00%	30.00%	50.00%	30.00%	126,460	120,649
Investments in joint ventures						3,771,741	3,477,634
1) S2 Mozambique, SA	Maputo	-	-	-	-	-	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	377,712	960,282
Investment in associates companies						377,712	960,282
Total						4,149,453	4,437,916

* the percentage of capital held "Total" is the total percentage of interest held by the parent company's shareholders; the percentage of capital held "Direct" corresponds to the percentage that subsidiary(s) which hold(s) a participation, hold(s) this participation directly in the share capital of that company.

1) Associate in liquidation process.

Jointly controlled companies and associated companies were included in the consolidated financial statements by the equity method.

7.2 MOVEMENTS OCCURED IN THE PERIOD

During the period ended at 30 June 2020, movements in investments in joint ventures and associates are as follows

	30 Jun 2020		
	Propotion on equity	Goodwill	Total investment
Investments in joint ventures			
Initial balance as at 1 January	3,477,635	-	3,477,635
Equity method:			
Effect in gain or losses in joint controlled and associated companies	294,106	-	294,106
	<u>3,771,741</u>	-	<u>3,771,741</u>
Investments in associates companies			
Initial balance as at 1 January	960,281	-	960,281
Equity method:			
Effect in gain/losses in associated companies	78,040	-	78,040
Distributed dividends	(660,609)	-	(660,609)
	<u>377,712</u>	-	<u>377,712</u>
Total	<u>4,149,453</u>	-	<u>4,149,453</u>

8 OTHER INVESTEMENTS

Other non-current investments, their head offices and book value as at 30 June 2020 and 31 December 2019, are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 Jun 2020		31 Dec 2019		30 Jun 2020	31 Dec 2019
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Inscó - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	2,672,520	2,672,520
Sporessence - Spor Retail, SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	2,672,520	2,672,520
Other investments						12,221,252	11,892,835
						<u>17,576,268</u>	<u>17,247,851</u>

As at 30 June 2020 the caption "Other investments" includes, among others, 9,795,309 euro (9,823,569 euro in 31 December 2019) related to deposited amounts on an Escrow Account which is applied in investment funds with superior rating, which is a guarantee for contractual liabilities assumed in the disposal of a Brazil Retail business and for which provisions were recorded in the applicable situations (Note 12).

At 30 June 2020, the movements in "Other Investments" made up as follows:

	30 Jun 2020	
	Non Current	Current
Other investments:		
Opening balance as at 1 January	17,247,851	-
Acquisitions in the period	603,641	-
Disposals in the period	(275,224)	-
Closing balance as at 30 June	17,576,268	-
Derivative financial instruments		
Fair value as at 1 January	-	394,309
Increase/(Decrease) in fair value	-	(166,598)
Fair value as at 30 June	-	227,711
Total of Other Investments	17,576,268	227,711

9 DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2020 and 31 December 2019 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Difference between fair value and acquisition cost	4,310,278	4,310,278	18,806,807	18,877,011
Temporary differences on property, plant and equipment and intangible assets	7,733	8,113	79,824,448	77,467,323
Provisions and impairment losses not accepted for tax purposes	11,469,367	11,816,298	-	-
Valuation of hedging derivatives	92,397	107,507	54,317	67,639
Amortisation of goodwill for tax purposes in Spain	-	-	30,828,304	27,919,963
Revaluation of property, plant and equipment	-	-	636,433	683,776
Tax losses carried forward	6,878,904	6,664,266	-	-
Reinvested capital gains/(losses)	-	-	241,135	252,746
Rights of use	222,661,823	227,885,185	198,460,380	205,257,299
Tax Benefits	3,124,461	3,311,517	-	-
Others	2,229,234	2,125,718	4,915	4,915
	250,774,197	256,228,882	328,856,739	330,530,672

As at 30 June 2020, the tax rate to be used in Portuguese companies, for the calculation of the deferred tax assets relating to tax losses is 21%. The tax rate to be used to calculate deferred taxes in temporary differences in Portuguese companies is 22.5% increased by the state surcharge in companies in which the expected reversal of those deferred taxes will occur when those rates will be applicable. For companies or branches located in other countries, rates applicable in each jurisdiction were used.

10 NON CONTROLLING INTEREST

During the period ended 30 June 2020, the movement in non-controlling interests are detailed as follows:

	30 Jun 2020						
	Elegone	Gowell	Arenal	Fundo de Investimento Imobiliário Imosonae Dois	Maxmat	Others	Total
Opening balance as at 1 January	1,778,960	3,625,450	21,977,691	2,243,500	25,109,815	(67)	54,735,349
Dividends distributed	-	-	-	-	(5,224,091)	-	(5,224,091)
Changes in hedging reserves	(164,431)	-	-	-	(49,911)	-	(214,342)
Decrease of capital and premium on subsidiaries	-	-	-	-	(2,000,000)	-	(2,000,000)
Others	(1,035)	1,070	1	125,080	(168,945)	7	(43,822)
Profit for the period attributable to non-controlling interests	600,100	(435,241)	(378,221)	(37,101)	2,294,449	(7)	2,043,979
Closing balance as at 30 June	2,213,594	3,191,279	21,599,471	2,331,479	19,961,317	(67)	49,297,073

11 LOANS

As at 30 June 2020 and 31 December 2019, loans are made up as follows:

	30 Jun 2020		31 Dec 2019	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae MC, SGPS, S.A. - commercial paper	8,500,000	265,000,000	13,500,000	266,000,000
Subsidiary of Sonae MC 2014/2023	-	50,000,000	-	50,000,000
Subsidiary of Sonae MC 2015/2023	-	20,000,000	-	20,000,000
Subsidiary of Sonae MC 2017/2025	3,333,333	13,333,333	3,333,333	16,666,667
Sonae MC 2018/2031	-	55,000,000	-	55,000,000
Subsidiary of Sonae MC / 2020/2025	-	55,000,000	-	-
Others	802	-	492	-
	11,834,135	458,333,333	16,833,825	407,666,667
Bank overdrafts	1,819,629	-	13,956	-
Up-front fees beard with the issuance of borrowings	-	(140,477)	-	-
Bank loans	13,653,764	458,192,856	16,847,781	407,666,667
Bonds				
^{1 and 2} Bonds Sonae MC / December 2015/2024	-	50,000,000	-	50,000,000
¹⁾ Bonds Sonae MC / May 2015/2022	-	75,000,000	-	75,000,000
^{1 and 2} Bonds Sonae MC / December 2019/2024	-	30,000,000	-	30,000,000
¹⁾ Bonds Sonae MC / June 2016/2021	-	-	-	95,000,000
¹⁾ Bonds Sonae MC / September 2016/2021	3,000,000	3,000,000	3,000,000	3,000,000
¹⁾ Bonds Sonae MC / Abril 2020/2027	-	95,000,000	-	-
Up-front fees beard with the issuance of borrowings	(3,620)	(1,671,392)	(3,620)	(836,824)
Bonds	2,996,380	251,328,608	2,996,380	252,163,176
Obligations under finance leases	6,540	-	10,613	956
Derivative	519,949	-	420,098	-
Other loans	526,489	-	430,711	956
	17,176,633	709,521,464	20,274,872	659,830,799

- 1) Former Sonae Investimentos, SGPS; and
- 2) Bounds' maturity extendable until 2024.

The interest rate at 30 June 2020 on bond loans and bank loans averaged approximately 1.00% (1.20% at 31 December 2019). Most of the bond loans and variable-rate bank loans are indexed to Euribor.

It is estimated that the book value of all loans does not differ significantly from its fair value, determined based on discounted cash flows methodology.

The loans face value, maturities and interests are as follows (including obligations under financial leases):

	30 Jun 2020	31 Dec 2019
N+1	16,660,304	19,858,394
N+2	56,333,333	251,334,289
N+3	169,444,444	138,333,333
N+4	132,777,778	115,444,444
N+5	223,444,444	109,444,444
After N+5	129,333,333	46,111,111
	727,993,637	680,526,017

The maturities presented above were estimated according to the contractual clauses of the loans and considering Sonae MC's best expectation as to its amortization date.

As at 30 June 2020, Sonae MC has, as detailed below, cash and bank balance equivalents in the amount of 59 million euro (77 million euro as at 31 december 2019) and available credit lines as follows:

	30 Jun 2020		31 Dec 2019	
	Commitments of less than one year	Commitments of more than one year	Commitments of less than one year	Commitments of more than one year
Unused credit facilities	92,235,860	265,000,000	124,000,000	284,000,000
Agreed credit facilities	94,000,000	530,000,000	129,000,000	550,000,000

12 PROVISION AND IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses" during the period ended 30 June 2020 are as follows:

Caption	Balance as at 1 January 2020	Increase	Decrease	Transfers and other movements	Balance as at 30 June 2020
Accumulated impairment losses on investments	769,213	-	-	-	769,213
Impairment losses on property, plant and equipment	86,688,619	-	(110,750)	(2,695)	86,575,174
Impairment losses on intangible assets	6,839,207	-	-	-	6,839,207
Accumulated impairment losses on trade receivables and other debtors	7,014,224	600,905	(851,177)	-	6,763,952
Non current provisions	9,418,605	-	(2,459,598)	-	6,959,007
Current provisions	561,741	-	(20,947)	-	540,794
	111,291,609	600,905	(3,442,472)	(2,695)	108,447,347

Impairment losses are deducted from the value of the corresponding asset.

13 RELATED PARTIES

Balances and transactions with related entities can be detailed as follows:

	Parent company		Jointly controlled companies		Associated companies	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
Sales & Services rendered	1,284,685	433,764	1,270,574	1,380,672	22,752,259	17,500,239
Other income	61,966	27,934	108,133	194,773	182,147	116,162
Cost of goods sold and materials consumed	-	-	139,018,401	128,982,207	2,400	990
External supplies and services	2,803,522	826,991	702,245	554,741	343	-
Other expenses	-	-	1	5	4,338	-
Financial expense	217,058	206,815	-	-	-	-
	4,367,231	1,495,504	141,099,354	131,112,398	22,941,486	17,617,391
Other Related Parties						
	30 Jun 2020	30 Jun 2019				
Sales & Services rendered	83,255,911	126,823,644				
Other income	4,644,347	5,623,197				
Cost of goods sold and materials consumed	15,089,358	11,947,300				
External supplies and services	17,275,225	20,538,127				
Other expenses	163,919	1,150,867				
Financial expense	3,176,638	3,160,301				
	123,605,398	169,243,437				
	Parent company		Jointly controlled companies		Associated companies	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
Trade receivables	300,303	410,300	636,161	564,183	3,939,453	2,261,161
Other receivables	56,928	26,647	89,388	516,005	53,070	24,553
Income tax assets	44,662,198	32,915,209	-	-	-	-
Other current assets	19,314	40,352	2,215,179	169,086	89,085	111,067
Trade payables	462,175	1,722,869	75,802,891	74,436,005	5,261	6,573
Other payables	637,853	281,156	2,315	106,409	-	1,546
Income tax liabilities	26,106,413	20,886,901	-	-	55,660	55,660
Other current liabilities	645,646	1,021,018	145,466	137,426	774,624	197,443
	72,890,830	57,304,452	78,891,400	75,929,114	4,917,153	2,658,003
Property, plant and equipment acquisitions	172	3,507	11,087	-	-	4,126
Property, plant and equipment disposals	2,783	1,762	-	-	4,686	277,996
	2,955	5,269	11,087	-	4,686	282,122
Other Related Parties						
	30 Jun 2020	31 Dec 2019				
Other non-current assets	-	259,783				
Trade receivables	26,857,226	69,762,725				
Other receivables	7,692,786	21,267,534				
Income tax assets	3,856,273	3,113,129				
Other current assets	4,620,960	3,876,244				
Other non-current liabilities	343,250	391,535				
Trade payables	10,949,750	9,665,997				
Other payables	7,475,239	10,983,698				
Income tax liabilities	27,501,103	23,022,914				
Other current liabilities	4,721,585	4,694,032				
	94,018,173	147,037,591				
Property, plant and equipment acquisitions	8,842,244	23,086,634				
Property, plant and equipment disposals	272,689	1,174,788				
Intangible Assets acquisitions	1,255,327	3,081,313				
Intangible Assets disposals	10,570	7,712,623				
	10,380,829	35,055,358				

14 EARNING PER SHARE

Earnings per share for the periods ended 30 June 2020 and 2019 were calculated taking into consideration the following amounts:

	30 Jun 2020		30 Jun 2019	
	Continuing Operations	Discontinuing Operations	Continuing Operations	Discontinuing Operations
Net profit				
Net profit taken into consideration to calculate basic earnings per share (consolidated profit for the period)	42,009,555	223,776	42,747,952	(2,383,472)
Net profit taken into consideration to calculate diluted earnings per share	42,009,555	223,776	42,747,952	(2,383,472)
Number of shares				
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Effect of dilutive potential ordinary shares from	-	-	-	-
Weighted average number of shares used to calculate diluted earnings per share	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Earnings per share (basic and diluted)	0.042010	0.000224	0.042748	(0.002383)

15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors in a meeting held on July 27, 2020.

The Board of Directors,

Maria Cláudia Teixeira de Azevedo

Ângelo Gabriel Ribeirinho dos Santos Paupério

João Pedro Magalhães da Silva Torres Dolores

Álvaro José Barrigas do Nascimento

António Carlos Merckx de Menezes Soares

Ricardo Emanuel Mangana Monteiro

Luís Miguel Mesquita Soares Moutinho

Rui Manuel Teixeira Soares de Almeida

Isabel Sofia Bragança Simões Barros

José Manuel Cardoso Fortunato