



1st Half Results, 2019

Matosinhos, 24th July 2019

Sonae MC's new perimeter
Proforma unaudited figures
reported according to IFRS 16

01.

Highlights

- Another quarter of **record sales** and **gains in market share**
- **Steady underlying EBITDA** on par with benchmark profitability figures
- **Conservative capital structure** providing adequate financial support

Message from the CEO | Luís Moutinho

“During the second quarter of 2019, Sonae MC continued to deliver excellent results, as demonstrated by our strong sales, healthy operational profitability, and improved earnings. It is highly encouraging to note that all segments yielded favourable results, marked by recurring improvements in value proposition and focused and agile execution amidst a buoyant macroeconomic backdrop.

By improving the quality and value of our offers, and making shopping more convenient, we are strategically poised to continue progress at the level of our core businesses. Our clients appreciate our efforts as we continue to transform, as well as explore material growth avenues.

With an abiding belief in our Company, and its extraordinary and unique assets, and revolving capabilities, we look towards the future with confidence in our ability to continue growing and steering the retail revolution, whilst simultaneously delivering sustainable returns for our shareholders.”



Coffee shop at a Continente store

02.

Operational and Financial Performance

TURNOVER (€m)	2 nd Quarter				1 st Half			
	2018	2019	Δ y.o.y.	Δ LFL	2018	2019	Δ y.o.y.	Δ LFL
Total Sonae MC	1,007	1,132	12.4%	6.7%	1,982	2,180	10.0%	3.9%
Hypermarkets	372	392	5.4%	5.6%	743	761	2.4%	2.6%
Supermarkets	486	544	11.8%	7.1%	957	1,041	8.8%	4.2%
New Growth Businesses & Others	148	196	32.5%	9.0%	282	378	33.9%	8.6%

- Against a backdrop of favourable macroeconomic conditions, the buoyant activity trends from the first three months of 2019 continued into the second quarter, during which Sonae MC posted a sharp acceleration of its sales and gained market share in a highly competitive market.
- Turnover in the first half totalled €2,180m, up 10.0% versus the same period last year, as the business portfolio continued to perform very well, and the Company continued strengthening its leadership position, both in brick-and-mortar and e-commerce, mainly due to:
 - Excellent like-for-like growth of 3.9% across all segments** (particularly regarding proximity supermarkets and new growth businesses) driven by increased volumes. Sonae MC continued to innovate and improve its offering, to which customers responded positively, focusing on healthier lifestyles, more convenient shopping experiences and high-quality products at market-leading value (namely in perishables and private label products). In particular, the second quarter saw a solid like-for-like performance of 6.7%, which remained robust, even excluding the positive calendar effect of later Easter compared to the previous year. Also, worth highlighting was the upward momentum of the omnichannel food offer, with online sales up by double-digit figures, with both transactions and basket size growing year-on-year, benefiting from increased speed and delivery coverage plus the expansion of the click & collect network.
 - Accelerated organic expansion programme via which the Company opened 49 new stores** (11 net additions), corresponding to circa 16 thousand sqm. of sales area, marked by the roll-out of the first Continente Bom Dia store under the new ultra-proximity format (300 to 600 sqm. of sales area). This was coupled with the refurbishment of 19 stores, which harbour heightened potential, and which effectively increased sales density over the period. At the end of June 2019, Sonae MC's store portfolio totalled 1,168 stores (or 888 thousand sqm. of sales area).
 - High brand power** with continued improvement in perception and top of mind awareness, along with **enhanced customer engagement**. Nearly 3.9m customers have enrolled in the Cartão Continente loyalty programme, of which >750,000 are already registered users of the new app. These shoppers visit the stores more than average and spend above average.
 - Effectiveness of the Arenal post-acquisition integration efforts** that are going according to plan, and as a result, the Company has achieved the expected synergies.

CONSOLIDATED RESULTS (€m)	2 nd Quarter			1 st Half		
	2018	2019	Δ y.o.y.	2018	2019	Δ y.o.y.
Turnover	1,007	1,132	12.4%	1,982	2,180	10.0%
Underlying EBITDA	105	126	19.3%	180	207	14.6%
<i>as % of turnover</i>	<i>10.5%</i>	<i>11.1%</i>	<i>0.6p.p.</i>	<i>9.1%</i>	<i>9.5%</i>	<i>0.4p.p.</i>
D&A – Fixed assets	-39	-38	-2.5%	-75	-75	0.3%
D&A – Right-of-use	-16	-27	67.4%	-32	-45	41.0%
Underlying EBIT	50	61	20.8%	73	86	17.6%
<i>as % of turnover</i>	<i>5.0%</i>	<i>5.4%</i>	<i>0.4p.p.</i>	<i>3.7%</i>	<i>4.0%</i>	<i>0.3p.p.</i>
Net financial activity – Financing	-4	-3	-	-8	-7	-
Net financial activity – Leasing ¹	-13	-15	-	-26	-30	-
Other investment income	0	0	-	0	0	-
Non-recurring items	0	0	-	0	0	-
Equity method	0	0	-	0	1	-
EBT	33	43	27.1%	40	50	25.8%
Income tax	-10	-8	-	-8	-5	-
Minorities	-1	-2	-	-1	-2	-
Net profit (from continuing operations)	22	33	46.0%	30	43	41.2%

- Following the adoption of IFRS 16, over the second quarter, Sonae MC completed the review of additional transportation lease agreements under this new standard, with retrospective impacts on the income statement and the balance sheet dating back to the beginning of the year. These changes, applied in the second quarter of 2019, included the replacement of €8.2m of rental charges with €8.0m depreciation on the right-of-use asset and €0.4m interest on lease liability. Excluding this effect, underlying EBITDA performance was broadly in line with the previous year. Furthermore, an additional right-of-use asset to the value of €57m, and lease liability of €58m was registered on the balance sheet for the period. On an annual basis, these changes will increase underlying EBITDA by €16.4m, depreciation by €16.0m, and interest by €0.7m.
- The Company's underlying EBITDA totalled €207m in the first half, growing €26.4m year-on-year, with a resilient underlying EBITDA margin of 9.5%, which remains an industry benchmark.
- This performance is namely due to the continuous improvement and cost-to-serve efforts, as the Company continued to deliver efficiencies and gains in productivity across its operating model, along with the simplification of its business, resulting in a solid underlying operational performance despite the persistent pressure on operating costs (namely labour costs).

¹ Interest on lease liability.

- In the first six months of the year, Sonae MC posted record earnings, as net profit from continuing operations totalled €43m, up €12.5m compared to the same period in 2018, taking advantage of dynamic revenue growth and best-in-class margin profile.

CASH-FLOW (€m)	1st Half		
	2018	2019	Δ y.o.y.
Underlying EBITDA	180	207	14.6%
Fixed rents	-51	-68	32.9%
Change in working capital ²	-175	-33	-81.1%
Gross capex	-109	-185	70.1%
<i>Maintenance & Optimisation</i>	-68	-51	-
<i>Expansion</i>	-40	-52	-
<i>Acquisitions</i> ³	-1	-82	-
Sales & leaseback divestments	0	0	-
Income tax and net financial activity	-16	-11	-
Cash flow⁴	-170	-90	47.1%
Cash conversion⁵	47.4%	63.6%	+16.2p.p.

- For the same period, Sonae MC's cash flow amounted to -€90m (reflecting typical first half seasonality), up €80m mainly due to an improved top-line and the contribution from working capital. A higher level of investment than in the previous year was what drove the change in cash flow from investing activities. As a result, Sonae MC cash conversion⁵ ratio stood at 63.6% (+16.2 p.p. vs. H1 2018).
- The Company continued carrying out its investments, of which €51m were assigned to maintenance and optimisation, aimed at revamping selected stores, €52m were allocated to support Sonae MC's fast-paced expansion programme, and €82m were allotted to strategic acquisitions (completed in the first quarter). Major CAPEX projects also included structural investments in the backbone of the business (namely IT and logistics), real estate investments (including the acquisition of properties), and development of new winning business concepts.

² Includes impacts from the changes in perimeter that occurred during 2018.

³ Includes both the equity stake and the assumed debt.

⁴ Corresponds to the change in net debt and dividends.

⁵ Underlying EBITDA less fixed rents, less maintenance and optimisation capex, as percentage of (underlying EBITDA less fixed rents).

- There were no sale & leaseback transactions completed in the second quarter, hence Sonae MC's freehold real estate ownership ratio stood at 44% as of June 2019, in line with the previous quarter. Towards the end of the first half of 2018, this ratio was 49%.

CONSOLIDATED BALANCE SHEET (€m)	1 st Half		
	2018	2019	Δ y.o.y.
Net fixed assets	1,505	1,548	2.9%
Leased assets right-of-use	693	866	24.9%
Goodwill and financial investments	468	516	10.2%
Working capital	-482	-561	16.4%
Invested capital	2,184	2,369	8.5%
Shareholders' funds	608	641	5.3%
Lease liabilities	760	957	25.9%
Net financial debt	816	772	-5.4%
Sources of financing	2,184	2,369	8.5%
Total net debt⁶ / unEBITDA⁷	3.9x	3.8x	-
Net financial debt / unEBITDA⁷ (pre-IFRS 16)	2.7x	2.3x	-

- At the end of June 2019, invested capital amounted to €2,369m, an increase of €185m when compared with 30 June 2018. This result reflected both the fast CAPEX execution associated with the store portfolio expansion momentum and with the acquisitions completed at the beginning of the year.
- Despite substantial growth investments, Sonae MC benefited from a solid balance sheet that was reinforced in the first half, maintaining a sound financial profile. Net financial debt stood at €772m as at 30 June 2019, down €44m versus the end of June 2018.
- In the first half of the year, Sonae MC refinanced approximately €200m in long term facilities with maturities between 5 and 6 years. With the above-mentioned refinancing operations, the Company maintained a comfortable average maturity profile and a low average cost of debt.
- At the end of June 2019, total net debt⁶ in relation to underlying EBITDA was 3.8x, which compares to 3.9x at the end of last year's second quarter.

⁶ Total net debt equals net financial debt plus lease liabilities.

⁷ Estimated values

03.

Outlook

- Sonae MC foresees a globally positive outlook for the second half of the year, although economic growth in Portugal is expected to ease in the coming months. Additionally, despite some progress in several downside risks in the recent period (including Brexit, US-China trade dispute, and tensions between Italy and the European Commission), the Company anticipates a challenging scenario going forward, with several pockets of uncertainty and a harsh trading environment.
- Against this backdrop, Sonae MC will continue committed to aggressively pursuing its business strategies, which among other things, calls for investing in its operations in order to strengthen its several concepts, achieving higher efficiency with innovative solutions, and expanding its footprint in existing and new markets, with the ultimate goal of continuing to deliver profitable growth and ensuring it upholds its leadership status.
- Looking towards the future, Sonae MC remains well placed to better serve the Portuguese consumer, with the Company standing by all the objectives restated at the beginning of the year and reiterating its confidence in its ability to deliver on its financial targets and ambitions, thus ensuring high long-term value creation.

A.

Store Network

Nº OF STORES	2018	2019			
	Dec 31 st	Openings	Acquisitions	Closures	Jun 30 th
Total Sonae MC	1,108	49	49	-38	1,168
Total Company Operated	758	30	49	-4	833
Continente	41	0	0	0	41
Continente Modelo	126	1	0	0	127
Continente Bom Dia	107	5	0	0	112
Well's	213	5	0	0	218
Arenal	0	1	41	0	42
Bagga	132	1	0	-2	131
Note!	53	2	0	0	55
Zu	15	1	0	0	16
Go Natural supermarkets	10	2	0	-1	11
Go Natural restaurants	28	7	0	-1	34
Maxmat	31	0	0	0	31
Dr. Wells	0	4	8	0	12
Other	2	1	0	0	3
Total Franchised	350	19	0	-34	335
Continente Modelo	9	0	0	0	9
Meu Super	298	15	0	-32	281
Well's	29	1	0	-1	29
Bagga	7	0	0	0	7
Go Natural restaurants	1	2	0	0	3
Note!	6	1	0	-1	6

SALES AREA ('000 SQM.)	2018	2019			
	Dec 31 st	Openings ⁸	Acquisitions	Closures	Jun 30 th
Total Sonae MC	853	16	25	-6	888
Total Company Operated	776	13	25	-1	813
Continente	276	0	0	0	276
Continente Modelo	260	2	0	0	263
Continente Bom Dia	133	7	0	0	139
Well's	21	0	0	0	22
Arenal	0	1	23	0	25
Bagga	8	0	0	0	8
Note!	10	0	0	0	10
Zu	2	0	0	0	2
Go Natural supermarkets	2	0	0	0	2
Go Natural restaurants	2	1	0	0	2
Maxmat	61	0	0	0	61
Dr. Wells	0	1	1	0	2
Other	1	0	0	0	1
Total Franchised	77	4	0	-5	75
Continente Modelo	20	0	0	0	20
Meu Super	53	3	0	-5	51
Well's	2	0	0	0	2
Bagga	0	0	0	0	0
Go Natural restaurants	0	1	0	0	1
Note!	1	0	0	0	1

FREEHOLD (END OF PERIOD)	2018			2019	
	Jun 30 th	Set 30 th	Dec 31 st	Mar 31 st	Jun 30 th
Total Sonae MC	49%	48%	45%	44%	44%

⁸ Includes changes in sales area resulting from store optimisation initiatives.

B.

Glossary

Turnover: total revenue from sales and services rendered

LFL sales (Like for Like sales): sales from owned stores that operated under the same conditions in comparable months in both the current period and the prior comparative period, and excludes stores opened, closed or that underwent major upgrade works in one of the periods

Hypermarkets: mainly Continente and Continente Online banners

Supermarkets: mainly Continente Modelo and Continente Bom Dia banners

New growth businesses & Others: mainly Meu Super, Well's, Go Natural, Bagga, Note!, Zu and Maxmat banners. From 2019, it includes Arenal and Dr. Well's banners. It also includes the real estate component that owns the assets and rents them out to third parties

EBITDA: EBIT before depreciation and amortisation expenses, provisions and impairments losses, gains/losses on the disposal of subsidiaries, losses on the disposal of assets and gains on sales of assets excluding non-recurring items

Underlying EBITDA (unEBITDA): EBITDA excluding non-recurring items

Underlying EBITDA margin: underlying EBITDA as a percentage of turnover

D&A: depreciations, amortisations, provisions, and impairments

Fixed rents: rental costs from leased real estate assets

EBIT: profit before interest tax, dividends, and share of profit or loss of joint ventures and associates

Underlying EBIT: EBIT excluding non-recurring items

Underlying EBIT margin: underlying EBIT as a percentage of turnover

Non-recurring items: net capital gains/losses on the sale & leaseback transactions of real estate assets

Change in working capital: working capital variation during the period

Gross capital expenditure ("Gross CAPEX"): maintenance CAPEX, plus optimisation CAPEX, plus expansion CAPEX, plus acquisitions CAPEX

Maintenance capital expenditure ("Maintenance CAPEX"): investments to maintain and refurbish existing stores, as well as investments in non-store areas such as IT, warehousing, logistics and e-commerce

Optimisation capital expenditure ("Optimisation CAPEX"): investments to significantly change the existing stores' customer experience. This type of investment goes beyond a typical shop refurbishment

Expansion capital expenditure ("Expansion CAPEX"): investments to open new stores in the period (including associated real estate investments)

Acquisitions capital expenditure (“Acquisitions CAPEX”): integration of companies/businesses acquired in the period, including the assumed financial debt

Sale-and-leaseback (S&LB) divestments: net book value of retail properties sold in sale-and-leaseback transactions

Net capital expenditure (“Net CAPEX”): gross CAPEX less sale-and-leaseback divestments

Working capital: inventories, trade creditors and trade debtors and other current assets and current liabilities (excluding loans obtained from non-controlling interests, items included in the computation of net debt and Shareholders attributed dividends)

Net financial debt: loans, bonds and other loans, leases and derivatives less cash and bank balances and other current investments

Total net debt: net financial debt plus lease liabilities

Free cash flow: underlying EBITDA, less fixed rents, less income tax expense, and net capital expenditure, less change in working capital, plus other items (non-recurring items, the share of profit or loss of joint ventures and associates, non-controlling interests and dividends received during the year)

Cash conversion: (underlying EBITDA less fixed rents, less maintenance, and optimisation CAPEX) as a percentage of (underlying EBITDA less fixed rents)

Freehold: stores sales area ownership in the percentage of total stores sales area (end of period figures)

Sqm.: square meters

Net fixed assets: property, plant and equipment and intangible assets

Goodwill and financial investments: goodwill, investments in joint ventures and associates and other non-current investments

Shareholders’ funds: equity attributable to owners of the company and non-controlling interests

C.

Financial Calendar

November 13th, 2019

Results for the 9 months ending 30 September 2019

Condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2019 AND 2018 AND 31 DECEMBER 2018
(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 2019	30 Jun 2018 Restated Note 3	31 Dec 2018 Restated Note 3	01 Jan 2018 Restated Note 3	30 Jun 2019 Pro Forma	30 Jun 2018 Pro Forma	31 Dec 2018 Pro Forma
NON-CURRENT ASSETS:								
Property, plant and equipment	5	1,341,230,356	1,624,950,830	1,293,140,018	1,647,932,405	1,341,230,356	1,285,809,558	1,293,140,018
Intangible assets	6	206,856,656	340,642,381	211,150,982	342,916,302	206,856,656	218,925,682	211,150,982
Right-of-use assets	7	866,184,030	868,639,483	780,101,393	860,046,399	866,184,030	693,403,807	780,101,393
Goodwill	8	494,777,289	548,467,442	446,613,429	553,339,386	494,777,289	447,709,237	446,613,429
Investments in joint ventures and associates	9	3,942,236	115,852,545	4,084,814	41,442,483	3,942,236	8,192,328	4,084,814
Other investments	10	16,991,197	12,612,940	16,589,032	12,323,384	16,991,197	12,223,790	16,589,032
Deferred tax assets	13	25,215,998	49,310,550	31,025,591	56,857,992	25,215,998	30,926,131	31,025,591
Other non-current assets	11	10,235,519	16,424,015	9,345,776	19,208,573	10,235,519	11,114,681	9,345,776
Total Non-Current Assets		2,965,433,281	3,576,900,186	2,792,051,035	3,534,066,924	2,965,433,281	2,708,305,214	2,792,051,035
CURRENT ASSETS:								
Inventories		421,172,071	643,422,938	396,767,259	713,020,919	421,172,071	385,110,325	396,767,259
Trade accounts receivable and other current assets	12	220,394,458	290,306,756	220,320,004	232,872,282	220,394,458	187,847,478	220,320,004
Income tax assets	14	54,296,763	41,258,046	43,820,498	32,179,395	54,296,763	35,719,960	43,820,498
Other investments	10	593,560	1,596,429	1,231,414	179,881	160,318	1,010,001	1,231,414
Cash and bank balances	15	82,990,944	100,702,871	78,235,498	162,378,843	101,974,791	56,745,443	98,818,948
Total Current Assets		779,447,796	1,077,287,040	740,374,673	1,140,631,320	797,998,402	666,433,207	760,958,123
Assets classified as held for sale		-	-	-	782,540	-	-	-
TOTAL ASSETS		3,744,881,077	4,654,187,226	3,532,425,708	4,675,480,784	3,716,747,706	3,353,342,167	3,488,170,078
EQUITY AND LIABILITIES								
EQUITY:								
Share capital	16	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Own shares	16	-	(320,000,000)	-	(320,000,000)	-	-	-
Reserves and retained earnings		(432,371,276)	(67,904,383)	(995,666,567)	(68,700,686)	(432,371,276)	(477,204,163)	(991,666,567)
Profit/(Loss) for the period attributable to the equity holders of the Parent Company		40,364,480	(3,119,129)	644,840,665	-	40,364,480	(3,119,129)	644,840,665
Equity attributable to the equity holders of the Parent Company		607,993,204	608,976,488	649,174,098	611,299,314	607,993,204	519,676,708	653,174,098
Non-controlling interests	17	32,629,462	88,667,485	28,992,807	89,004,903	32,629,462	88,659,139	28,992,807
TOTAL EQUITY		640,622,666	697,643,973	678,166,905	700,304,217	640,622,666	608,335,847	682,166,905
LIABILITIES:								
NON-CURRENT LIABILITIES:								
Loans	18	771,755,434	784,557,027	657,881,978	620,484,413	771,755,434	742,985,785	657,881,978
Lease liabilities	7	887,960,638	827,372,758	751,377,800	810,724,742	887,960,638	668,296,869	751,377,800
Other non-current liabilities	19	21,616,480	414,213,135	23,143,388	414,696,058	21,375,607	3,899,987	22,874,677
Deferred tax liabilities	13	101,520,376	127,962,532	95,559,665	122,806,483	101,462,146	97,616,424	95,501,059
Provisions	21	9,775,019	13,689,559	9,570,442	14,659,973	9,775,019	6,514,204	9,570,442
Total Non-Current Liabilities		1,792,627,947	2,167,795,011	1,537,533,273	1,983,371,669	1,792,328,844	1,519,313,269	1,537,205,956
CURRENT LIABILITIES:								
Loans	18	102,302,193	140,156,496	48,841,228	181,238,135	102,004,523	130,527,225	48,709,992
Lease liabilities	7	68,445,301	127,214,765	107,534,707	128,061,369	68,445,301	91,993,442	107,534,707
Trade payables and other current liabilities	20	1,089,086,488	1,480,877,745	1,122,598,977	1,645,741,127	1,061,549,891	965,733,998	1,074,801,900
Income tax liabilities	14	51,387,550	35,371,648	36,842,217	31,153,884	51,387,550	33,409,244	36,842,217
Provisions	21	408,932	5,127,588	908,401	5,610,383	408,932	4,029,142	908,401
Total Current Liabilities		1,311,630,464	1,788,748,242	1,316,725,530	1,991,804,898	1,283,796,197	1,225,693,051	1,268,797,217
Liabilities directly associated with assets classified as held for sale		-	-	-	-	-	-	-
TOTAL LIABILITIES		3,104,258,411	3,956,543,253	2,854,258,803	3,975,176,567	3,076,125,040	2,745,006,320	2,806,003,173
TOTAL EQUITY AND LIABILITIES		3,744,881,077	4,654,187,226	3,532,425,708	4,675,480,784	3,716,747,706	3,353,342,167	3,488,170,078

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

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019 AND 2018
(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 2019	2 nd Quarter 2018 Restated	30 Jun 2019	30 Jun 2018 Restated Note 3	2 nd Quarter 2018 Pro Forma	30 June 2018 Pro Forma
Sales		1,100,391,993	977,144,158	2,117,714,653	1,925,902,317	977,144,158	1,925,902,317
Services rendered		31,626,898	29,612,203	62,103,249	56,230,536	29,612,203	56,230,536
Gains and losses on investments		(13,575)	(2,936)	2,685	(2,928)	(2,936)	(2,928)
Other income	22	20,238,737	15,435,293	36,764,817	29,303,013	15,435,293	29,303,013
Cost of goods sold and materials consumed		(781,432,885)	(676,364,595)	(1,525,296,079)	(1,365,792,951)	(676,364,595)	(1,365,792,951)
External supplies and services		(92,438,859)	(93,271,324)	(183,852,553)	(179,132,511)	(93,271,324)	(179,132,511)
Employee benefits expense		(142,564,841)	(132,886,309)	(280,754,796)	(263,100,604)	(132,886,309)	(263,100,604)
Other expenses		(10,466,076)	(14,835,319)	(20,542,250)	(23,827,538)	(14,835,319)	(23,827,538)
Depreciation and amortisation expenses	5, 6 and 7	(64,803,260)	(52,815,419)	(120,506,161)	(104,564,616)	(52,815,419)	(104,564,616)
Provisions and impairment losses		69,067	(1,853,190)	581,856	(1,715,331)	(1,853,190)	(1,715,331)
Profit from continuing operations before interests, dividends, share of profit or loss of joint ventures and associates and tax		60,607,199	50,162,562	86,215,421	73,299,387	50,162,562	73,299,387
Dividends received during the year		100,000	100,450	100,000	100,450	100,450	100,450
Share of profit or loss of joint ventures and associates	9, 3	406,408	331,111	636,626	62,726	331,111	62,726
Financial income		675,546	582,596	1,270,602	1,277,980	732,963	1,071,165
Financial expense		(19,284,168)	(24,950,653)	(38,535,956)	(50,450,108)	(17,882,247)	(35,028,863)
Profit from continuing operations before tax		42,504,985	26,226,066	49,686,693	24,290,435	33,444,839	39,504,865
Income tax expense	14	(8,336,155)	(5,716,820)	(4,961,778)	(3,116,703)	(10,371,153)	(8,218,711)
Profit from continuing operations for the period		34,168,830	20,509,246	44,724,915	21,173,732	23,073,686	31,286,154
Profit/(Loss) from discontinued operations after taxation	3	(1,212,964)	(21,043,069)	(2,383,472)	(23,335,097)	(23,607,509)	(33,447,519)
Consolidated profit/(Loss) for the period		32,955,866	(533,823)	42,341,443	(2,161,365)	(533,823)	(2,161,365)
Attributable to owners of the Company:							
Continuing operations		32,662,787	19,805,579	42,747,952	20,156,506	22,370,019	30,268,928
Discontinued operations		(1,212,964)	(20,408,879)	(2,383,472)	(23,275,635)	(22,973,319)	(33,388,057)
		31,449,823	(603,300)	40,364,480	(3,119,129)	(603,300)	(3,119,129)
Attributable to non-controlling interests:							
Continuing operations		1,506,043	703,667	1,976,963	1,017,226	703,669	1,017,228
Discontinued operations		-	(634,190)	-	(59,462)	(634,190)	(59,462)
		1,506,043	69,477	1,976,963	957,764	69,477	957,764
Profit/(Loss) per share							
From continuing operations							
Basic	24	0.031542	0.022006	0.042748	0.022396	0.022006	0.022396
Diluted	24	0.031542	0.022006	0.042748	0.022396	0.022006	0.022396
From discontinued operations							
Basic	24	(0.001083)	(0.022677)	(0.002383)	(0.025862)	(0.022677)	(0.025862)
Diluted	24	(0.001083)	(0.022677)	(0.002383)	(0.025862)	(0.022677)	(0.025862)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 30 JUNE 2019 AND 2018

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

<i>(Amounts expressed in euro)</i>	Notes	2nd Quarter 2019	2nd Quarter 2018 Restated	30 Jun 2019	30 Jun 2018 Restated Note 3
Net Profit / (Loss) for the period		32,955,866	(533,823)	42,341,443	(2,161,365)
Items that maybe reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(71,156)	1,437,803	128,665	2,229,112
Participation in other comprehensive income (net of tax) related to joint ventures and associated companies included in consolidation by the equity method		-	(867,904)	-	(1,298,857)
Changes in hedge and fair value reserves		(725,661)	1,322,001	(282,025)	1,339,997
Deferred taxes related with other components of comprehensive income		175,656	40,023	61,073	(918)
Others		259,260	(117,740)	45,772	(117,740)
Other comprehensive income for the period		(361,901)	1,814,183	(46,515)	2,151,594
Total other comprehensive income for the period		(361,901)	1,814,183	(46,515)	2,151,594
Total comprehensive income for the period		32,593,965	1,280,360	42,294,928	(9,771)
Attributable to:					
Equity holders of parent company		31,096,404	946,719	40,346,202	(1,254,864)
Non controlling interests		1,497,561	333,641	1,948,726	1,245,093

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30 JUNE 2019 AND 2018
(Translation of consolidated financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails.)

	Reserves and Retained Earnings											
	Share Capital	Own Shares	Legal Reserve	Currency translation Reserve	Hedging Reserve	Legal Reserves in accordance with article 342º CSC	Other Reserves and Retained Earnings	Total of reserves and retained earnings	Net Profit/ (Loss)	Total	Non controlling Contolling Interests (Note 17)	Total Equity
(Amounts expressed in euro)	Attributable to Equity Holders of Parent Company											
Balance as at 1 January 2018 Published	1,000,000,000	(320,000,000)	174,845,768	2,703,308	167,896	320,000,000	(686,649,322)	(188,932,350)	27,632,093	693,545,511	92,016,336	785,561,847
Impact of applying IFRS 16	-	-	-	-	-	-	92,599,571	92,599,571	-	(82,246,197)	(3,011,433)	(85,257,630)
Balance as at 1 January 2018 Restated	1,000,000,000	(320,000,000)	174,845,768	2,703,308	167,896	320,000,000	(594,049,751)	(96,332,779)	27,632,093	611,299,314	89,004,903	700,304,217
Total comprehensive income for the period	-	-	-	2,206,342	1,019,140	-	(1,361,217)	1,864,265	(3,119,129)	(1,254,864)	1,245,093	(9,771)
Appropriation of profit of 2017												
Transfer to legal reserves and retained earnings	-	-	42,190	-	-	-	27,589,903	27,632,093	(27,632,093)	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	-	-	(1,393,908)	(1,393,908)
Income distribution	-	-	-	-	-	-	-	-	-	-	(155,134)	(155,134)
Creation of affiliated companies	-	-	-	-	-	-	-	-	-	-	80,000	80,000
Change in consolidation method	-	-	-	-	-	-	-	-	-	-	(1,211,039)	(1,211,039)
Impact of applying IFRS 16	-	-	-	-	-	-	(282,252)	(282,252)	-	(282,252)	446,305	164,053
Others	-	-	-	-	-	-	(785,711)	(785,711)	-	(785,711)	651,265	(134,445)
Balance as at 30 June 2018 Restated	1,000,000,000	(320,000,000)	174,887,958	4,909,650	1,187,036	320,000,000	(568,889,027)	(67,904,383)	(3,119,129)	608,976,488	88,667,485	697,643,973
Balance as at 1 January 2019 Published	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 (Note 17)	-	-	-	-	-	-	(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 (Note 4)	-	-	-	-	-	-	-	-	-	-	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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019 AND 2018
(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 2019	2 nd Quarter 2018 Restated	30 Jun 2019	30 Jun 2018 Restated
OPERATING ACTIVITIES					
Net cash flow from operating activities (1)		159,811,626	61,469,925	160,481,950	26,420,883
INVESTMENT ACTIVITIES					
Cash receipts arising from:					
Investments	25	417,351	1,827,257	525,946	30,455,407
Property, plant and equipment and intangible assets		3,625,648	513,796	7,884,548	1,448,300
Interests and similar income		112,952	222,197	122,594	258,535
Loans granted		-	127	-	659
Dividends		100,000	642,744	100,000	642,744
Others		1,560	-	1,560	-
		4,257,511	3,206,121	8,634,648	32,805,645
Cash Payments arising from:					
Investments	25	(43,986)	(674,173)	(58,417,567)	(27,764,403)
Property, plant and equipment and intangible assets		(53,574,476)	(65,894,648)	(118,599,393)	(153,280,200)
		(53,618,462)	(66,568,821)	(177,016,960)	(181,044,603)
Net cash used in investment activities (2)		(49,360,951)	(63,362,700)	(168,382,312)	(148,238,958)
FINANCING ACTIVITIES					
Cash receipts arising from:					
Investments		-	(14,339)	-	-
Loans obtained		907,753,213	1,387,313,947	1,970,253,213	2,535,467,807
Capital increases, additional paid in capital and share premiums		127,506	-	3,956,767	80,000
		907,880,719	1,387,299,608	1,974,209,980	2,535,547,807
Cash Payments arising from:					
Lease agreements		(28,961,396)	(29,488,908)	(51,821,782)	(59,233,951)
Investments		-	271,570	-	-
Loans obtained		(892,498,721)	(1,402,860,564)	(1,825,315,416)	(2,405,304,487)
Interests and similar charges		(3,111,443)	(4,361,528)	(7,242,062)	(7,814,855)
Dividends		(77,061,603)	(102,255)	(77,121,655)	(222,359)
Others		-	4,457	-	-
		(1,001,633,163)	(1,436,537,228)	(1,961,500,915)	(2,472,575,651)
Net cash used in financing activities (3)		(93,752,444)	(49,237,620)	12,709,065	62,972,156
Net increase in cash and cash equivalents (5) = (1) + (2) + (3)+ (4)		16,698,231	(51,130,394)	4,808,703	(58,845,920)
Effect of foreign exchange rate		4,765	37,082	(4,258)	39,471
Effect of discontinued operations		-	-	-	(6,062,386)
Cash and cash equivalents at the beginning of the period	15	66,295,717	145,782,904	78,176,222	159,563,205
Cash and cash equivalents at the end of the period	15	82,989,183	94,615,428	82,989,183	94,615,428

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 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, as detailed in Notes 9, 10 and 27 as Sonae MC Group ("Sonae MC").

2 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".

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 2019:

With mandatory application during the year 2019:		Effective date (for financial years beginning on or after)
IFRS 9 (amendment)	Prepayment Features with Negative Compensation (This amendment introduces the possibility of classifying financial assets with negative prepayment conditions at amortized cost, provided that specific conditions are met, instead of being classified at fair value through profit or loss).	01 Jan 2019
IFRS 16	Leases (recognition and measurement principles)	01 Jan 2019
IFRIC 23	Uncertainty over income tax treatments (clarifies the accounting for uncertainties in income taxes)	01 Jan 2019
IAS 19 (amendment)	Employee benefits (Plan amendment, curtailment or settlement)	01 Jan 2019
IAS 28 (amendment)	Long-term interests in Associates and Joint ventures	01 Jan 2019
Annual Improvements to international financial reporting standards (cycle 2015-2017)		01 Jan 2019

These standards were first applied by the Group in 2019. The Group made an analysis of the changes made and the impact on the financial statements and concluded that the application of these standards, except for IFRS16, were no significant effects on the financial statements.

2.1 Impact IFRS 16 application

Sonae MC applied IFRS 16 using the full integral retrospective approach, therefore, the information from the financial statements of 2018 were reexpressed, as if this standard had been applied since the beginning of the lease contracts, i.e. the accounting policy as from 1 January 2018 is in accordance with IFRS 16.

Recognition

Sonae MC recognize a right of use of an asset and a lease liability on the start date of the lease. The right of use of the asset is initially measured at the cost, comprising the initial value of the lease liability adjusted for any lease payments made on or before the start date, in addition to any initial direct costs incurred, as well as an estimate of the dismantling costs and removal of the underlying asset (if applicable), deducted from any incentive granted.

The lease responsibility is initially recognized by the present value of the rents not yet paid at the date of the lease, discounting the implied interest rate in the lease, or on the event that it is not possible to easily determine this rate, using the Group's incremental interest rate.

In general, Sonae uses its incremental interest rate as the discount rate to be applied. Lease payments included in the measurement of lease liabilities include fixed payments, deducted from any incentives already received.

The liability is measured at amortized cost, using the effective interest method, being remeasured when changes in future payments derived from a change in the rate or index are verified, as well as the possible modifications of lease agreements.

When the liability is remeasured, the value of the right of use is also adjusted, or if the carrying amount of the asset of the right of use was already reduced to zero, a profit or loss is recorded in the income statement.

Sonae MC presents the rights of use of assets and responsibilities for leases in duly segregated captions in the statement of the financial position.

Low-value asset leases, the Group does not recognize as rights of use assets or lease liability, just recognizes the expenditures associated with these locations, as an expense of the year during the lifetime of the contracts.

Depreciation

The right of use of the asset is depreciated using the linear depreciation method, based on the lease term.

The quantitative impacts of the application of this standard are detailed in Note 3.

3 RESTATEMENT OF FINANCIAL STATEMENTS

The restatement of the consolidated Financial Statements of the periods ended on 30 June 2018 and 31 December 2018, results from the following facts:

- Application of IFRS 16 as referred to in Note 2; and
- Sonae MC aiming to become a group exclusively of food retail and adjacent businesses develop in 2018 a participations reorganization. In this sense, in 2019, were sold to related parties Worten business, Sonae Sports & Fashion, Sonae FS, Tlantic group, real estate not related to food retail activity and MDS SGPS, SA participation. These transactions and some transactions that are in the process of being settled were considered discontinued operations. In 2019 are considered as discontinued operations, some transactions that are in process of liquidation or transfers to others entities.

In accordance with IFRS 5, changes were made to the consolidated income statement by nature for the periods ended on 30 June 2019 and 2018 to reflect in a single caption (Profit/loss from discontinued operations after taxation) profits or losses after taxes from discontinued operating units.

Impact on the consolidated financial statements as at 30 June 2018 and 31 December 2018 as follows:

Amounts in thousands of euro	30 Jun 2018 Restated		
	Before the restatement	IFRS16 Adjustments	After the restatement
Assets			
Property, plant and equipment and intangible assets	1,965,593	-	1,965,593
Right-of-use assets (Note 7)	-	868,639	868,639
Goodwill	548,467	-	548,467
Investments	128,466	-	128,466
Deferred tax assets	49,311	-	49,311
Other non-current assets	18,851	(2,427)	16,424
Non-current assets	2,710,688	866,212	3,576,900
Inventories	643,423	-	643,423
Trade receivables	80,090	-	80,090
Other receivables	258,999	(7,524)	251,475
Other investments	1,596	-	1,596
Cash and bank balances	100,703	-	100,703
Current assets	1,084,811	(7,524)	1,077,287
Total assets	3,795,499	858,688	4,654,187
Liabilities			
Loans	784,557	-	784,557
Lease liabilities (Note 7)	-	827,373	827,373
Other non-current liabilities	414,858	(645)	414,213
Deferred tax liabilities	127,963	-	127,963
Provisions	13,690	-	13,690
Non current liabilities	1,341,068	826,728	2,167,796
Loans	140,156	-	140,156
Lease liabilities (Note 7)	-	127,215	127,215
Suppliers and other current liabilities	1,524,722	(3,345)	1,521,377
Current liabilities	1,664,878	123,870	1,788,748
Total liabilities	3,005,946	950,598	3,956,544
Shareholders' funds excluding non-controlling interests	698,828	(89,852)	608,976
Non-controlling interests	90,725	(2,058)	88,667
Total shareholders' funds	789,553	(91,910)	697,643
Total shareholders' funds and liabilities	3,795,499	858,688	4,654,187

Amounts in thousands of euro	31 Dec 2018 Restated		
	Before the restatement	IFRS 16 Adjustments	After the restatement
Assets			
Property, plant and equipment and intangible assets	1,504,291	-	1,504,291
Right-of-use assets (Note 7)	-	780,101	780,101
Goodwill	446,613	-	446,613
Investments	20,674	-	20,674
Deferred tax assets	31,026	-	31,026
Other non-current assets	9,346	-	9,346
Non-current assets	2,011,950	780,101	2,792,051
Inventories	396,767	-	396,767
Trade receivables	123,074	-	123,074
Other receivables	148,021	(6,954)	141,067
Other investments	1,231	-	1,231
Cash and bank balances	78,236	-	78,236
Current assets	747,329	(6,954)	740,375
Total assets	2,759,279	773,147	3,532,426
Liabilities			
Loans	657,882	-	657,882
Lease liabilities (Note 7)	-	751,378	751,378
Other non-current liabilities	23,143	-	23,143
Deferred tax liabilities	95,560	-	95,560
Provisions	9,570	-	9,570
Non current liabilities	786,155	751,378	1,537,533
Loans	48,841	-	48,841
Lease liabilities (Note 7)	-	107,535	107,535
Suppliers and other current liabilities	1,163,288	(2,938)	1,160,350
Current liabilities	1,212,129	104,597	1,316,726
Total liabilities	1,998,284	855,975	2,854,259
Shareholders' funds excluding non-controlling interests	729,849	(80,675)	649,174
Non-controlling interests	31,146	(2,153)	28,993
Total shareholders' funds	760,995	(82,828)	678,167
Total shareholders' funds and liabilities	2,759,279	773,147	3,532,426

The detail of discontinued activities can be analyzed as follows:

Amount in thousands of euro	30 Jun 2019		
	Continuing operations	Discontinuing operations	Total
Sales	2,117,715	78,917	2,196,632
Services rendered	62,103	-	62,103
Income or expenses related to investments	103	-	103
Other income and financial income	1,271	1,903	3,174
Other income	36,765	4,801	41,566
Cost of good sold and materials consumed	(1,525,296)	(79,658)	(1,604,954)
External supplies and services	(183,853)	(4)	(183,857)
Employee benefits expense	(280,755)	-	(280,755)
Depreciation and amortisation expenses	(120,506)	-	(120,506)
Provisions and impairment losses	582	-	582
Financial expenses	(38,536)	(2,762)	(41,298)
Other expenses	(20,544)	(6,188)	(26,732)
Gains or losses related to joint ventures and associated undertaking	637	-	637
Profit from continuing operations before tax	49,686	(2,991)	46,695
Income tax expense	(4,962)	608	(4,354)
Profit from continuing operations for the period	44,724	(2,383)	42,341
Profit/(Loss) from discontinued operations after taxation	(2,383)	2,383	-
Consolidated profit/(Loss) for the period	42,341	-	42,341

Amounts in thousands of euro	30 Jun 2018 Restated			
	Before the restatement	IFRS16	Discontinued operations	After the restatement
Sales	2,535,556	-	(609,654)	1,925,902
Services rendered	72,783	-	(16,552)	56,231
Income or expenses related to investments	98	-	-	98
Other income and financial income	2,479	-	(1,201)	1,278
Other income	45,553	389	(16,639)	29,303
Cost of good sold and materials consumed	(1,792,562)	-	426,769	(1,365,793)
Changes in stocks of finished goods	1,282	-	(1,282)	-
External supplies and service	(337,079)	51,591	106,355	(179,133)
Employee benefits expense	(362,391)	-	99,290	(263,101)
Depreciation and amortisation expenses	(95,405)	(32,456)	23,296	(104,565)
Provisions and impairment losses	(5,515)	-	3,800	(1,715)
Financial expenses	(26,748)	(25,657)	1,955	(50,450)
Other expenses	(37,170)	(17)	13,360	(23,827)
Gains or losses related to joint ventures and associated undertaking	(1,953)	-	2,016	63
Profit (loss) from continuing operations, before tax	(1,072)	(6,151)	31,513	24,291
Income tax expense	(1,688)	(1,369)	(60)	(3,117)
Consolidated profit (loss) for the period from continuing operations	(2,760)	(7,520)	31,453	21,174
Profit/(Loss) from discountinuing operations, after tax	7,280	-	(30,615)	(23,335)
Consolidated profit/(loss) for the period	4,520	(7,520)	838	(2,161)

4 CHANGES IN THE CONSOLIDATION SCOPE

Acquisitions of subsidiaries occurred in the period ended on 30 June 2019

On September 28, 2018, Sonae MC, SGPS, S.A. reported that its subsidiary Modelo Continente Hipermercados SA sucursal en España, concluded an agreement with Corpfin Capital in order to acquire 60% of the capital of Tomenider SL ("society"), which holds 100% of the Arenal Perfumeries SLU ("Arenal"). The Arenal is a retail company of pharmacies and perfumeries with a network of 41 stores in the north of Spain. Founded in 1971 by the Vázquez family, Arenal generated a turnover of 97 million euros in 2017.

On 11 December 2018, this transaction was approved by the competent competition authorities. The operation was completed in January 2019 and will allow Sonae MC to significantly enhance the combined assets and competences of Well's and Arenal, reinforcing its position in the Health & Wellness segment, one of its main development strategies pillars.

On 2 January 2019, Sonae MC through its subsidiaries Pharmacontinente – Saúde e Higiene, S.A. and Sonaerp-Retail Properties, S.A., acquired 100% of the MCCARE- Serviços de Saúde SA, SK – Skin health Cosmetics, SA and Chão Verde – Sociedade de Gestão Imobiliária, S.A., respectively.

The impact of these acquisitions, to be consolidated by the full method, can be analyzed as follows:

COMPANY	Head Office	Direct	Total
Arenal Perfumarias, S.L.U.	Lugo (Spain)	100.00%	60.00%
Tomenider, S.L.	Lugo (Spain)	60.00%	60.00%
Chão Verde - Sociedade de Gestão Imobiliária, S.A.	Maia (Portugal)	100.00%	100.00%
MCCARE - serviços de Saude, S.A.	Matosinhos (Portugal)	100.00%	100.00%
SK - Skin Health Cosmetics	Oeiras (Portugal)	100.00%	100.00%

The effects of these acquisitions on the consolidated financial statements can be analyzed as follows:

Amounts in euro	On the date of acquisition			30 Jun 19		
	Arenal	Others	Total	Arenal	Others	Total
Net assets						
Tangible and intangible assets (Notes 6 and 7)	19,258,447	10,621,558	29,880,005	20,833,265	13,559,254	34,392,519
Rights-of-use assets (Note 8)	43,149,710	2,869,504	46,019,214	45,431,087	1,720,970	47,152,057
Inventories	23,861,179	964,427	24,825,606	29,151,762	1,138,618	30,290,380
Other assets	10,054,933	3,318,357	13,373,290	7,820,962	3,866,347	11,687,309
Cash and cash equivalents	1,982,432	204,054	2,186,486	2,968,213	90,013	3,058,226
Bank loans short term	(67,601,107)	(6,933,440)	(74,534,547)	(48,990,755)	(1,759,911)	(50,750,666)
Trade payables and other current liabilities	(19,850,347)	(1,656,207)	(21,506,554)	(23,140,930)	(1,314,406)	(24,455,336)
Other liabilities	(3,638,640)	(3,187,685)	(6,826,325)	(3,009,764)	(2,108,272)	(5,118,036)
Total net assets acquired	7,216,607	6,200,568	13,417,175	31,063,840	15,192,613	46,256,453
Goodwill (Note 8)	44,888,667	3,370,690	48,259,357			
Badwill	-	(16,258)	(16,258)			
Non- controlling interests (Note 17)	(3,083,553)	-	(3,083,553)			
Acquisition cost	49,021,721	9,555,000	58,576,721			
Net cash flow arising from acquisition (Note 25)						
Cash payment	49,021,721	9,555,000	58,576,721			
Cash and bank balances acquired	1,982,432	204,054	2,186,486			
	47,039,289	9,350,946	56,390,235			
Amounts in euro	30 June 2019					
	Arenal	Others	Total			
Sales and services	59,024,141	3,948,239	62,972,380			
Other income	1,015,330	27,294	1,042,624			
Cost of sales	(42,396,386)	(149,890)	(42,546,277)			
Supplies and external services	(3,048,719)	(3,382,731)	(6,431,451)			
Employee benefits expense	(6,788,805)	(1,365,058)	(8,153,863)			
Depreciation and amortization	(3,618,470)	(588,070)	(4,206,539)			
Others	(71,648)	(46,426)	(118,075)			
Net financial income	(2,078,268)	(96,339)	(2,174,607)			
Profit/loss before taxation	2,037,175	(1,652,982)	384,192			
Income tax expense	(557,883)	636,026	78,143			
Profit/(Loss) for the period	1,479,292	(1,016,956)	462,335			

Following these acquisitions, the group made recognition of a goodwill in the amount of 48,259,357 euro. At the date of presentation of these financial statements, it was not yet possible to finalize the analysis to assign, in accounting terms, the fair value of identified assets and liabilities assumed, a part of the acquisition cost, which is recognized as Goodwill and recorded under Intangible assets. However, the purchase price allocation will be concluded until the end of the one-year period from the date of acquisition, as established by IFRS 3 – Business Combinations.

5 PROPERTY, PLANT AND EQUIPMENTS

During the six months periods ended as at 30 June 2019 and 2018, the movements in Property, plant and equipment's as well accumulated depreciation and impairment losses are made up as follows:

	Tangible assets				
	Land and buildings	Plant and machinery	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2019	1,087,557,293	1,202,871,926	171,770,210	28,629,315	2,490,828,744
Acquisitions	2,282,500	3,308,686	1,168,762	81,092,033	87,851,981
Acquisitions of subsidiaries (Note 4)	5,740,925	20,906,921	20,439,707	1,868,398	48,955,951
Disposals	(1,538,357)	(16,470,883)	(1,907,305)	(2,403,377)	(22,319,922)
Exchange rate effect	-	-	(10,491)	-	(10,491)
Transfers	10,856,882	57,472,135	8,191,444	(78,702,512)	(2,182,051)
Closing balance as at 30 June 2019	1,104,899,243	1,268,088,785	199,652,327	30,483,857	2,603,124,212
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2019	350,421,802	716,837,775	130,429,149	-	1,197,688,726
Depreciation of the period	8,336,384	45,211,113	7,944,657	-	61,492,154
Acquisitions of subsidiaries (Note 4)	-	8,327,153	11,711,227	-	20,038,380
Disposals	(478,164)	(14,602,342)	(1,817,901)	-	(16,898,407)
Exchange rate effect	-	-	(8,698)	-	(8,698)
Transfers	-	(163,265)	(255,033)	-	(418,299)
Closing balance as at 30 June 2019	358,280,022	755,610,434	148,003,401	-	1,261,893,856
Carrying amount as at 30 June 2019	746,619,221	512,478,351	51,648,926	30,483,857	1,341,230,356
	Tangible assets				
	Land and buildings	Plant and machinery	Other tangible assets	Tangible assets in progress	Total tangible assets
Gross assets:					
Opening balance as at 1 January 2018	1,367,477,468	1,510,838,547	214,361,600	39,722,737	3,132,400,352
Transfers to "Discontinued operations"	-	(110,473,385)	(8,013,217)	(712,317)	(119,198,919)
Acquisitions	9,108,725	2,796,509	720,861	101,128,575	113,754,670
Acquisitions of subsidiaries	77,981	155,399	153,918	-	387,298
Disposals of subsidiaries	-	-	(3,901)	-	(3,901)
Disposals	(571,026)	(19,284,393)	(2,484,527)	(776,240)	(23,116,186)
Exchange rate effect	(6,361)	778	(65,596)	-	(71,179)
Transfers	8,624,963	77,386,869	9,552,664	(103,309,287)	(7,744,791)
Closing balance as at 30 June 2018	1,384,711,750	1,461,420,324	214,221,802	36,053,468	3,096,407,344
Accumulated depreciation and impairment losses					
Opening balance as at 1 January 2018	413,694,318	910,392,706	160,247,936	132,988	1,484,467,948
Transfers to "Discontinued operations"	-	(63,819,917)	(5,968,478)	-	(69,788,395)
Depreciation of the period	11,603,448	55,871,243	9,254,736	-	76,729,427
Acquisitions of subsidiaries	9,928	45,430	31,854	-	87,212
Disposals of subsidiaries	-	-	(81)	-	(81)
Disposals	(442,785)	(16,811,348)	(2,311,213)	-	(19,565,346)
Exchange rate effect	(3,800)	30	(51,845)	-	(55,615)
Transfers	(67,916)	(170,105)	(180,615)	-	(418,636)
Closing balance as at 30 June 2018	424,793,193	885,508,039	161,022,294	132,988	1,471,456,514
Carrying amount as at 30 June 2018	959,918,557	575,912,285	53,199,508	35,920,480	1,624,950,830

The investment includes the acquisition of assets of approximately 81 million euro (101 million euro in 2018), associated with the opening and remodeling of stores of Sonae retail operating segments.

The caption "Depreciation for the year" of Property, plant and equipment, rights- of- use assets and intangible assets includes 35.9 million euro as at 30 June 2018, transferred to discontinued operations.

The most significant values under the caption "Property, plant and equipment in progress" refer to the following projects:

	30 Jun 2019	30 Jun 2018 Restated
Refurbishment and expansion of stores located in Portugal	24,442,223	29,306,411
Refurbishment and expansion of stores located in Spain	-	1,519,587
Projects of stores for which advance payments were made	2,126,500	1,296,000
Others	3,915,134	3,798,482
	30,483,857	35,920,480

6 INTANGIBLE ASSETS

During the six-month period ended 30 June 2019 and 2018, the movement occurred in intangible assets and in the corresponding accumulated amortization and impairment losses, was as follows:

	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2019	93,678,549	346,920,774	25,815,572	466,414,895
Acquisitions	4,000	164,917	9,570,521	9,739,438
Acquisitions of subsidiaries (Note 4)	50,903	2,681,526	199,967	2,932,396
Disposals	(4,680)	(143,660)	(1,366,741)	(1,515,081)
Exchange rate effect	(9,711)	(2,821)	-	(12,532)
Transfers	(179,035)	8,456,591	(8,583,522)	(305,966)
Closing balance as at 30 June 2019	93,540,026	358,077,327	25,635,797	477,253,150
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2019	18,205,570	237,058,343	-	255,263,913
Depreciation of the period	128,678	13,379,777	-	13,508,455
Acquisitions of subsidiaries (Note 4)	3,880	1,966,082	-	1,969,962
Disposals	(4,680)	(101,506)	-	(106,186)
Exchange rate effect	(8,630)	(2,622)	-	(11,252)
Transfers	(180,025)	(48,373)	-	(228,398)
Closing balance as at 30 June 2019	18,144,793	252,251,701	-	270,396,494
Carrying amount as at 30 June 2019	75,395,233	105,825,626	25,635,797	206,856,656
	Intangible assets			
	Patents and other similar rights	Other intangible assets	Intangible assets in progress	Total intangible assets
Gross assets				
Opening balance as at 1 January 2018	166,782,696	416,984,432	27,599,820	611,366,948
Discontinued operations	(2,312,244)	(9,046,812)	(49,775)	(11,408,831)
Acquisitions	30,610	758,394	21,818,945	22,607,949
Acquisitions of subsidiaries	-	43,441	-	43,441
Disposals	(375)	(1,037,763)	(443,643)	(1,481,781)
Exchange rate effect	(42,117)	(76,811)	-	(118,928)
Transfers	87,492	19,613,095	(19,544,249)	156,338
Closing balance as at 30 June 2018	164,546,062	427,237,976	29,381,098	621,165,136
Accumulated depreciation and impairment losses				
Opening balance as at 1 January 2018	29,998,545	238,452,101	-	268,450,646
Discontinued operations	(2,230,423)	(4,255,160)	-	(6,485,583)
Depreciation of the period	938,545	18,612,971	-	19,551,516
Acquisitions of subsidiaries	-	19,540	-	19,540
Disposals	(256)	(908,017)	-	(908,273)
Exchange rate effect	(35,581)	(69,284)	-	(104,865)
Transfers	-	(226)	-	(226)
Closing balance as at 30 June 2018	28,670,830	251,851,925	-	280,522,755
Carrying amount as at 30 June 2018	135,875,232	175,386,051	29,381,098	340,642,381

As at 30 June 2019 the Investment related to intangible assets in progress includes 10 million euro related to IT projects and development software (22 million euro at 30 June 2018). Within that amount it is included 3.8 million euro of capitalizations of personnel costs related to own work (about 4 million euro in 30 June 2018) (Note 22).

7 RIGHTS - OF - USE ASSETS

During the period of six months ended on 30 June 2019 and 2018, 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				
Balance as at January 1, 2019	1,070,798,058	17,994,413	515,522	1,089,307,993
Acquisitions of subsidiaries (Note 4)	46,019,214	-	-	46,019,214
Additions	18,454,614	66,904,591	-	85,359,205
Other effects	432,358	(1,110,201)	-	(677,843)
Closing balance as at June, 30 2019	1,135,704,244	83,788,803	515,522	1,220,008,569
Accumulated depreciation and impairment				
Balance as at January 1, 2019	301,662,959	7,231,013	312,628	309,206,600
Depreciation of the period	35,071,334	10,385,523	48,695	45,505,552
Other effects	(323,080)	(564,533)	-	(887,613)
Closing balance as at June, 30 2019	336,411,213	17,052,003	361,323	353,824,539
Carrying amount at 30 June 2019	799,293,031	66,736,800	154,199	866,184,030
	Land and buildings	Vehicles	Others tangible assets	Total tangible assets
Cost				
Balance as at January 1, 2018	1,130,223,175	21,983,477	502,888	1,152,709,539
Investment	58,144,044	3,107,612	12,635	61,264,291
Other effects	(8,299,985)	(588,121)	-	(8,888,107)
Acquisitions of subsidiaries	709,730	-	-	709,730
Closing balance as at June, 30 2018	1,180,776,963	24,502,968	515,522	1,205,795,453
Accumulated depreciation and impairment				
Balance as at 1 January 2018	283,956,971	8,489,400	216,770	292,663,141
Depreciation of the period	41,163,034	3,012,578	47,163	44,222,775
Other effects	270,564	(510)	-	270,054
Closing balance as at June, 30 2018	325,390,569	11,501,468	263,933	337,155,970
Carrying amount at 30 June 2018	855,386,394	13,001,500	251,589	868,639,483

The responsibilities related to Right of use were recorded under the caption Non-current and current Lease liabilities, in the amount respectively of 888 million euro and 68 million euro (751 million and 108 million euro in 31 December 2018).

In the consolidated income statement, 45.5 million euros were recognized for depreciation of the period (32.5 million euros on 30 June 2018) and 30.2 million of euros of interest relating to the adjusted debt (25.7 million euro in 30 June 2018).

8 GOODWILL

Goodwill is allocated to each operating segment and within each segment to each of the homogeneous groups of cash generating units.

As at 30 June 2019 and 31 December 2018, the caption “Goodwill” was made up as follows by insignia and country:

	30 Jun 2019		
	Portugal	Spain	Total
OpCo	448,212,623	44,888,667	493,101,290
PropCo	1,675,999	-	1,675,999
	449,888,622	44,888,667	494,777,289
	31 Dec 2018 Restated		
	Portugal	Spain	Total
OpCo	444,937,430	-	444,937,430
PropCo	1,675,999	-	1,675,999
	446,613,429	-	446,613,429

During the six - month period ended on 30 June 2019 and 2018, movements occurred in Goodwill as well as in the corresponding impairment losses, are as follows:

	30 Jun 2019	30 Jun 2018 Restated
Gross value:		
Opening balance	453,816,647	560,981,054
Discontinued operations	-	(6,160,487)
Goodwill generated in the period (Note 4)	48,259,357	850,088
Other variations	(95,497)	-
Closing balance	501,980,507	555,670,655
Accumulated impairment losses:		
Opening balance	7,203,218	7,641,668
Discontinued operations	-	(438,455)
Closing balance	7,203,218	7,203,213
Carrying amount	494,777,289	548,467,442

9 JOINT VENTURES AND ASSOCIATED COMPANIES

9.1 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 2019 and 31 December 2018 are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 Jun 2019		31 Dec 2018		30 Jun 2019	31 Dec 2018
		Direct*	Total*	Direct*	Total*		
Sohi Meat Solutions - Distribuição de Carnes, SA	Santarém	50.00%	50.00%	50.00%	50.00%	3,340,446	3,006,331
Investments in joint ventures						3,340,446	3,006,331
MOVVO, SA	Porto	25.58%	25.58%	25.58%	25.58%	-	-
S2 Mozambique, SA	Maputo	30.00%	30.00%	30.00%	30.00%	-	-
Sempre a Postos - Produtos Alimentares e Utilidades, Lda	Lisbon	25.00%	25.00%	25.00%	25.00%	601,790	1,078,483
Ulabox, S.L.	Barcelona	36.00%	36.00%	36.00%	36.00%	-	-
Investments in associated companies						601,790	1,078,483
Total						3,942,236	4,084,814

*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.

9.2 Financial indicators of participations

9.2.1 Joint ventures

The value of investments in joint ventures and associates can be analyzed as follows:

Joint Ventures	Sohi Meat	
	30 Jun 2019	31 Dec 2018 Restated
Assets		
Tangible assets	19,548,593	19,454,900
Intangible assets	629,077	789,101
Rights of use	3,397,101	85,608
Investments in joint ventures and associates	12,253	7,475
Other non-current assets	34,431	34,519
Non-current assets	23,621,455	20,371,603
Trade account receivables	49,297,684	46,125,085
Cash and cash equivalents	100,214	408,471
Other current assets	2,729,022	3,597,963
Current assets	52,126,920	50,131,519
Total assets	75,748,375	70,503,122
Liabilities		
Borrowings	3,438,769	-
Non-current liabilities	3,438,769	-
Trade creditors	64,262,454	62,591,866
Lease agreements	-	87,012
Other current liabilities	2,242,355	2,429,932
Total current liabilities	66,504,809	65,108,810
Shareholders' funds excluding non-controlling interests	5,804,797	5,394,312
Total Equity	5,804,797	5,394,312
Total equity and liabilities	75,748,375	70,503,122

	Sohi Meat	
Joint Ventures	30 Jun 2019	30 Jun 2018 Restated
Turnover	135,839,947	133,524,373
Other operating income	19,803,918	8,358,356
	155,643,865	141,882,729
Cost of goods sold and materials consumed	(133,185,325)	(128,047,206)
External supplies and services	(5,676,374)	(5,265,621)
Depreciation and amortisation	(2,507,830)	(1,889,439)
Operational expenses	(13,392,957)	(5,137,903)
	(154,762,486)	(140,340,169)
Financial expense	(213,149)	(17,196)
Income taxation	(138,525)	(229,497)
Consolidated net income/(loss) for the year	529,705	1,295,867
Other comprehensive income for the period	-	-
Total comprehensive income for the period	529,705	1,295,867

9.2.2 Associates

Summary financial information of associated companies can be analyzed as follows:

	30 Jun 2019			31 Dec 2018		
Associated Companies	Sempre a Postos	S2 Mozambique	Ulabox	Sempre a Postos	S2 Mozambique	Ulabox
Non-current assets	314,175	5,896,621	1,886,528	436,165	5,896,621	1,868,023
Current assets	14,984,628	2,206,536	1,120,025	9,785,087	2,206,536	1,133,210
Non-current liabilities	30,000	-	2,515,850	-	-	-
Total current liabilities	12,861,642	5,589,119	1,955,589	5,907,317	5,589,119	1,284,421
Shareholders' funds	2,407,160	2,514,038	(1,464,886)	4,313,935	2,514,038	1,716,812

	30 Jun 2019			30 Jun 2018		
Associated Companies	Sempre a Postos	S2 Mozambique	Ulabox	Sempre a Postos	S2 Mozambique	Ulabox
Turnover	28,693,380	-	5,845,017	26,658,928	3,583,716	2,522,473
Other operational income	1,558,192	-	225,154	1,419,778	133,649	101,945
Operational expenses	(28,672,180)	-	(7,909,071)	(27,133,990)	(5,376,551)	(3,518,095)
Financial expense	596	-	(4,700)	1,825	(225,809)	-
Taxation	(369,943)	-	-	(215,263)	-	-
Consolidated net income/(loss) for the period	1,210,045	-	(1,843,600)	731,278	(1,884,995)	(893,677)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	1,210,045	-	(1,843,600)	731,278	(1,884,995)	(893,677)

9.3 Movements occurred in the period

During the period ended at 30 June 2019 and 2018, movements in investments in joint ventures and associates are as follows:

	30 Jun 2019			30 Jun 2018		
	Proportion on equity	Goodwill	Total investment	Proportion on equity	Goodwill	Total investment
Joint ventures						
Initial balance as at January,1	3,006,331	-	3,006,331	17,301,187	17,160,451	34,461,638
Discontinued operations	-	-	-	55,564	-	55,564
Equity method:						
Effect in gain or losses in joint ventures	334,115	-	334,115	814,960	-	814,960
Other effects on reserves	-	-	-	(1,176,385)	-	(1,176,385)
	<u>3,340,446</u>	<u>-</u>	<u>3,340,446</u>	<u>16,995,326</u>	<u>17,160,451</u>	<u>34,155,777</u>
Associated companies						
Initial balance as at January,1	1,078,483	-	1,078,483	5,431,436	1,549,408	6,980,844
Discontinued operations	-	-	-	(2,071,578)	-	(2,071,578)
Change of consolidation method	-	-	-	78,085,756	-	78,085,756
Capital increase	-	-	-	118,745	-	118,745
Equity method:						
Effect in gain or losses in associated companies	302,511	-	302,511	(752,234)	-	(752,234)
Distributed dividends	(779,204)	-	(779,204)	(542,293)	-	(542,293)
Other effects on reserves	-	-	-	(122,472)	-	(122,472)
	<u>601,790</u>	<u>-</u>	<u>601,790</u>	<u>80,147,360</u>	<u>1,549,408</u>	<u>81,696,768</u>
Total	<u>3,942,236</u>	<u>-</u>	<u>3,942,236</u>	<u>97,142,686</u>	<u>18,709,859</u>	<u>115,852,545</u>

The value of the "Change of consolidation method by loss of control" on 30 June 2018 in the amount of 78,085,756 euros in the investments in associates is related to ISRG by the agreement signed in 2018 between Sonae and JD Group and since the end of January 2018 is included the participation in the new partnership, the Iberian Sports Retail Group, by the equity method.

10 OTHER INVESTMENTS

Other non-current investments, their head offices and book value as at 30 June 2019 and 31 December 2018, are as follows:

Company	Head Office	Percentage of capital held				Statement of financial position	
		30 Jun 2019		31 Dec 2018		30 Jun 2019	31 Dec 2018
		Direct	Total	Direct	Total		
Dispar - Distrib. de Participações, SGPS, SA	Lisbon	14.28%	14.28%	14.28%	14.28%	9,976	9,976
Insco - Insular de Hipermerc., SA	Ponta Delgada	10.00%	10.00%	10.00%	10.00%	5,252,372	5,252,372
Other investments						11,728,849	11,326,684
						<u>16,991,197</u>	<u>16,589,032</u>

As at 30 June 2019 the caption "Other investments" includes, among others, 9.850.004 euro (9.872.807 euro in 31 December 2018) 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 21).

As at 30 June 2019 and 2018, the movements in "Other investments" made up as follows:

	30 Jun 2019		30 Jun 2018	
	Non Current	Current	Non Current	Current
Other investments:				
Opening balance as at 1 January	16,589,032	-	12,323,383	-
Discontinued operations	-	-	(51,369)	-
Increases in the period	650,923	-	550,654	-
Transfer to "Associated companies"	-	-	(120,000)	-
Decreases in the period	(248,758)	-	(89,728)	-
Closing balance as at 30 June	16,991,197	-	12,612,940	-
Derivative financial instruments				
Fair value as at 1 January	-	1,231,414	-	179,881
Increase/(Decrease) in fair value	-	(637,854)	-	1,416,548
Fair value as at 30 June (Note 17)	-	593,560	-	1,596,429
Total of Other Investments	16,991,197	593,560	12,612,940	1,596,429

11 OTHER NON-CURRENT ASSETS

As at 30 June 2019 and 31 December 2018, "Other non-current assets" are detailed as follows:

	30 Jun 2019	31 Dec 2018
Trade accounts receivable and other debtors		
Bills	1,380,931	66,189
Legal deposits (a)	3,576,929	3,502,069
Special regime for payment of tax and social security debts (b)	4,527,309	4,527,309
Amount receivable for selling subsidiary companies	400,000	900,000
Others	350,350	350,209
	10,235,519	9,345,776

The amounts recorded in non-current "Trade receivable and others current assets" correspond essentially to:

- Amounts related to legal deposits made by a Brazilian subsidiary, for which are recorded the correspondent liabilities in the caption "Other non-current liabilities" (Note 19), with no defined maturity;
- The amount disclosed as Special Regime for Payment of Tax and Social Security Debts corresponds to taxes paid, voluntarily, related to settlements of income tax on corporate income, which were already in judicial process. The judicial processes are still in progress, however the guarantees provided for the said processes were cancelled. No impairment loss was recorded since it is the Board of Directors understanding that the claims presented will have a favorable end to Sonae MC, reason why they were not object of provision.

12 TRADE RECEIVABLE AND OTHERS CURRENT ASSETS

As at 30 June 2019 and 31 December 2018, "Trade receivable and others current assets" are detailed as follows:

	30 Jun 2019	31 Dec 2018 Restated
Trade accounts receivable	91,929,492	126,027,910
Taxes recoverable	18,000,390	21,839,668
Granted loans to related companies	8,136	6,425
Other debtors		
Trade suppliers - debtor balances	41,070,023	25,071,018
Disposal of investments	500,000	300,000
VAT recoverable on real estate assets	4,363,371	2,516,735
Accounts receivable from the disposal of tangible fixed assets	580,362	235,820
Vouchers and gift cards	3,479,314	4,496,588
Other debtors	14,595,921	21,498,524
	64,588,991	54,118,685
Other current assets		
Commercial discounts	26,334,902	11,290,106
Insurance premiums paid in advance	6,385,275	3,950,267
Software licenses	4,984,459	2,630,616
Interests to be received	179,697	285,641
Other current assets	14,670,796	6,889,621
	52,555,129	25,046,251
Accumulated impairment losses (Note 21)	(6,687,680)	(6,718,935)
	220,394,458	220,320,004

13 DEFERRED TAXES

Deferred tax assets and liabilities as at 30 June 2019 and 31 December 2018 may be described as follows considering the different natures of temporary differences:

	Deferred tax assets		Deferred tax liabilities	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Difference between fair value and acquisition cost	3,897,779	3,897,779	3,995,824	4,063,924
Temporary differences on tangible and intangible assets	8,490	8,867	71,462,931	68,282,906
Provisions and impairment losses not accepted for tax purposes	11,459,729	12,179,279	-	-
Write off of tangible and intangible assets	3,942	3,942	-	-
Valuation of hedging derivatives	101,938	45,311	81,116	85,641
Amortisation of goodwill for tax purposes in Spain	-	-	25,011,624	22,103,284
Revaluation of tangible assets	-	-	696,044	746,894
Tax losses carried forward	7,216,876	6,791,868	-	-
Reinvested capital gains/(losses)	-	-	264,923	277,016
Tax benefits	1,193,182	6,354,690	-	-
Others	1,334,062	1,743,855	7,914	-
	25,215,998	31,025,591	101,520,376	95,559,665

As at 30 June 2019 and 31 December 2018, 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.

As at 30 June 2019 and 31 December 2018, and in accordance with the tax statements presented by companies that recorded deferred tax assets arising from tax losses carried forward and using exchange rates effective at that time, tax losses carried forward can be summarized as follows:

		30 Jun 2019			31 Dec 2018		
		Tax losses carried forward	Deferred tax assets	Time limit	Tax losses carried forward	Deferred tax assets	Time limit
With limited time use							
Generated in 2014	Portugal	18,326	3,848	2026	18,326	3,849	2026
Generated in 2015	Portugal	69,902	14,680	2027	69,902	14,680	2027
Generated in 2016	Portugal	243,591	51,154	2028	243,591	51,154	2028
Generated in 2017	Portugal	1,613,743	338,886	2022	1,278,464	268,476	2022
Generated in 2018	Portugal	1,512,943	317,718	2023	1,299,779	272,953	2023
Generated in 2019	Portugal	1,475,398	309,834	2024	-	-	2024
		4,933,903	1,036,120		2,910,062	611,112	
Without limited time use							
	Spain	24,723,024	6,180,756		24,723,024	6,180,756	
		29,656,927	7,216,876		27,633,086	6,791,868	

As at 30 June 2019 and 31 December 2018, the deferred taxes to be recognized arising from tax losses were evaluated. In the cases in which they originated deferred tax assets, they were only recorded to the extent that it is probable that future taxable income will occur that could be used to recover the tax losses or tax differences that reverted in the same period and considering the limit of compensation existing by law in the applicable cases. This assessment was based on the business plans of Sonae's companies, which are periodically reviewed and updated.

As at 30 June 2019, the Group had an amount of 6.2 million euro (6.2 million euro as at 31 December 2018) in the Retail segment of deferred tax assets related to tax losses for this and previous years of the Spanish Tax Group and which can be recovered by it in Spain. The Modelo Continente Hipermercados, SA branch in Spain was, on 30 June 2019 and 31 December 2018, the representative entity of the Tax Group in Spain, whose dominant entity is Sonae SGPS, S.A.

As at 30 June 2019, there are reportable tax losses in the amount of 79.8 million euro (53.7 million euro as at 31 December 2018), whose deferred tax assets are not recorded for prudence purposes.

		30 Jun 2019			31 Dec 2018		
		Tax losses carried forward	Deferred tax credit	Time limit	Tax losses carried forward	Deferred tax credit	Time limit
With limited time use							
Generated in 2014	Portugal	112,213	23,565	2026	-	-	2026
Generated in 2015	Portugal	41,183	8,648	2027	-	-	2027
Generated in 2016	Portugal	633,610	133,058	2028	-	-	2028
Generated in 2017	Portugal	25,912	5,442	2022	-	-	2022
		812,918	170,713		-	-	
Without limited time use							
	Brazil	18,580,910	6,317,509		17,416,580	5,921,637	
	Malta	54,923	19,223		44,040	15,414	
	Spain	60,312,815	15,078,204		36,233,788	9,058,447	
		78,948,648	21,414,936		53,694,408	14,995,498	
		79,761,566	21,585,649		53,694,408	14,995,498	

14 INCOME TAX

As at 30 June 2019 and 31 December 2018, “Other tax assets”, and “Other tax liabilities” are made up as follows:

	30 Jun 2019	31 Dec 2018 Restated
Tax recoverable		
Income taxes recoverable from parent company	45,939,843	23,427,538
Income taxes recoverable	8,356,920	20,392,960
	<u>54,296,763</u>	<u>43,820,498</u>
Taxes and contributions payable		
Income taxes payable to parent company	40,860,865	33,201,771
Income taxes payable	10,526,685	3,640,446
	<u>51,387,550</u>	<u>36,842,217</u>

Income taxes recognized for the periods ended 30 June 2019 and 2018 are detailed as follows:

	30 Jun 2019	30 Jun 2018 Restated
Current tax	104,488	(849,113)
Deferred tax	4,857,290	3,965,816
	<u>4,961,778</u>	<u>3,116,703</u>

15 CASH AND CASH EQUIVALENTS

As at 30 June 2019 and 31 December 2018, Cash and cash equivalents are as follows:

	30 Jun 2019	31 Dec 2018
Cash at hand	10,180,035	9,240,758
Bank deposits	72,798,750	68,994,739
Treasury applications	12,159	-
Cash and cash equivalents on the statement of financial position	<u>82,990,944</u>	<u>78,235,498</u>
Bank overdrafts (Note 18)	(1,762)	(23,141)
Discontinued operations	-	(36,135)
Cash and cash equivalents on the statement of cash flows	<u>82,989,183</u>	<u>78,176,222</u>

Bank overdrafts are disclosed in the statement of financial position under “Loans”.

16 SHARE CAPITAL

As at 30 June 2019, the share capital, which is fully subscribed and paid for, is made up of 1,000,000,000 ordinary shares, which do not have the right to a fixed dividend, with a nominal value of 1 euro each.

As at 30 June 2019 and 31 December 2018, the subscribed share capital was held as follows:

Company	30 June 2019	31 December 2018
Sonae, SGPS, S.A.	35.029%	35.029%
Sonae Holdings, S.A. ¹⁾	51.827%	51.827%
Sonae Investments, BV	13.144%	13.144%

1) Ex- Sonaecenter, S.A.

17 NON-CONTROLLING INTEREST

As at 30 June 2019 and 31 December 2018, “Non-controlling interests” are detailed as follows:

	30 Jun 2019				
	Equity	Net Profit/ (Loss)	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Elergone	5,172,106	945,962	1,247,021	236,491	-
Gowell	(866,245)	(68,526)	3,406,349	(33,578)	-
Arenal	64,881,390	997,346	2,305,793	398,939	-
Investment Funds	114,495,675	4,210,032	2,292,012	(40,050)	-
Maxmat	45,748,280	2,465,739	23,378,296	1,415,162	(2,027,573)
Others	(14,394,855)	(723,578)	(9)	-	-
Total	215,036,351	7,826,975	32,629,462	1,976,964	(2,027,573)

	31 Dec 2018 Restated				
	Equity	Net Profit/ (Loss)	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests	Dividends attributable to non-controlling interests
Elergone	4,300,983	1,414,333	1,011,818	353,583	-
Gowell	(453,136)	(507,461)	3,161,454	(248,656)	-
Investment Funds	114,985,651	12,703,768	2,810,915	254,516	-
Maxmat	48,371,157	4,295,181	22,008,626	2,156,979	-
Outros	(13,386,695)	(6,220,043)	(6)	(245,397)	-
Discontinued Activities	-	(8,236,610)	-	(11,678)	(1,393,908)
Total	153,817,960	3,449,168	28,992,807	2,259,347	(1,393,908)

Movements in non-controlling interests during the periods ended as at 30 June 2019 and 2018 are as follows:

	30 Jun 2019					
	Elergone	Gowell	Arenal	Investments funds	Maxmat	Total
Balance as at 1 January	1,023,963	3,520,072	-	2,301,712	24,300,216	31,145,957
Effect of restatement	(12,145)	(358,618)	-	509,203	(2,291,590)	(2,153,150)
Opening balance as at 1 January 2019 Restated	1,011,818	3,161,454	-	2,810,915	22,008,626	28,992,807
Dividends distributed	-	-	-	-	(2,027,573)	(2,027,573)
Income distribution from investment funds	-	-	-	(94,082)	-	(94,082)
Acquisition of subsidiaries (Note 4)	-	-	1,906,854	-	-	1,906,854
Additional paid in capital	-	127,506	-	-	-	127,506
Impact of applying IFRS16	4,883	139,490	-	(126,943)	1,484,387	1,501,817
Others	(6,171)	11,477	-	(257,828)	497,694	245,169
Profit for the period attributable to non-controlling interests	236,491	(33,578)	398,939	(40,050)	1,415,162	1,976,964
Balance as at 30 June	1,247,021	3,406,349	2,305,793	2,292,012	23,378,296	32,629,462

	30 Jun 2018 Restated					
	Elergone	Gowell	Investment funds	Maxmat	Discontinued operations	Total
Opening balance as at 1 January 2018 - Disclosed	777,572	3,814,830	30,837,270	22,114,613	34,472,051	91,238,764
Effect of Restatement	(10,160)	(294,444)	251,900	(802,681)	(2,156,048)	(3,001,273)
Balance as at 1 January 2018 Restated	767,412	3,520,386	31,089,170	21,311,932	32,316,003	88,237,491
Dividends distributed	-	-	(67,224)	-	(1,326,684)	(1,393,908)
Income distribution from investment funds	-	-	(155,134)	-	-	(155,134)
Changes in shareholdings interests	-	-	-	-	-	-
Exchange rate effect	-	-	-	-	22,770	22,770
Constitution of subsidiaries	-	-	-	-	80,000	80,000
Changes in hedge and fair value reserves	174,989	-	-	7,932	137,018	144,950
Change in consolidation method	-	-	-	-	(1,211,039)	(1,211,039)
Impact of applying IFRS16	-	4,328	254,024	(370,708)	1,220,087	1,107,731
Others	(2)	(38,004)	-	-	(27,535)	(65,539)
Profit for the period attributable to non-controlling interests	201,466	(48,336)	581,358	933,337	(710,061)	756,298
Balance as at 30 June	1,143,865	3,438,374	31,702,194	21,882,493	30,500,559	87,523,620

18 LOANS

As at 30 June 2019 and 31 December 2018, loans are made up as follows:

	30 Jun 2019		31 Dec 2018	
	Outstanding amount		Outstanding amount	
	Current	Non Current	Current	Non Current
Bank loans				
Sonae Investimentos, SGPS, S.A. - commercial paper	35,500,000	375,000,000	15,500,000	313,000,000
Subsidiary of Sonae Investimentos 2014/2023	-	50,000,000	-	50,000,000
Subsidiary of Sonae Investimentos 2015/2023	-	20,000,000	-	20,000,000
Subsidiary of Sonae Investimentos 2015/2019	30,000,000	-	30,000,000	-
Subsidiary of Sonae Investimentos 2017/2025	3,333,333	16,666,667	-	20,000,000
Sonae MC / 2018/2031	-	55,000,000	-	-
Subsidiary of Sonae Investimentos/ 2019	30,000,000	-	-	-
Others	1,061	-	91,323	-
	98,834,394	516,666,667	45,591,323	403,000,000
Bank overdrafts (Note 15)	1,762	-	23,141	-
Up-front fees beared with the issuance of loans	(12,445)	-	(35,073)	-
Bank loans	98,823,711	516,666,667	45,579,391	403,000,000
Bonds				
Bonds Sonae Investimentos / December 2015/2020	-	50,000,000	-	50,000,000
Bonds Sonae Investimentos / May 2015/2022	-	75,000,000	-	75,000,000
Bonds Sonae Investimentos / December 2015/2020	-	30,000,000	-	30,000,000
Bonds Sonae Investimentos / June 2016/2021	-	95,000,000	-	95,000,000
Bonds Sonae Investimentos / September 2016/2021	3,000,000	6,000,000	3,000,000	6,000,000
Up-front fees beared with the issuance of loans	(3,620)	(915,785)	(3,620)	(1,129,591)
Bonds	2,996,380	255,084,215	2,996,380	254,870,409
Other loans	55,746	-	66,582	-
Derivative instruments	408,047	-	181,705	-
Other loans	463,793	-	248,287	-
Obligations under finance leases	18,309	4,552	17,170	11,569
	102,302,193	771,755,434	48,841,228	657,881,978

As at 30 June 2019, bonds and bank loans bear an average interest rate of 1.16% (1.18% as at 31 December 2018). Most of the bonds and bank loans have variable interest rates 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 2019	31 Dec 2018
N+1	101,910,211	48,698,217
N+2	216,337,885	159,344,902
N+3	156,333,333	251,333,333
N+4	144,444,444	138,333,333
N+5	199,444,444	93,333,333
After N+5	56,111,111	16,666,667
	874,581,430	707,709,786

The maturities above were estimated in accordance with the contractual terms of the loans and taking into account Sonae MC best estimated regarding their reimbursement date.

As at 30 June 2019 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 30 June 2019, Sonae MC had as detailed in Note 15, "Cash and cash equivalents", the amount of 82,990,941 euro (78,235,498 euro as at 31 December 2018) and available credit lines as follows:

	30 Jun 2019		31 Dec 2018	
	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	21,500,000	187,500,000	94,000,000	202,000,000
Agreed credit facilities	49,000,000	617,500,000	101,500,000	515,000,000

19 OTHERS NON-CURRENTS LIABILITIES

As at 30 June 2019 and 31 December 2018 "Other non-current liabilities" are made up as follows:

	30 Jun 2019	31 Dec 2018
Fixed assets suppliers	348,332	348,332
Other non-current liabilities	495,628	485,255
Future responsibilities arising on Sale & Leaseback net of costs already recognized	19,123,210	20,453,191
Accruals and deferrals	1,649,310	1,856,610
Other non-current liabilities	21,616,480	23,143,388

The amount included in the caption "Charges assumed in the disposal of real estate" refers to expenses that are traditionally the responsibility of the owner, which in the case of Sale & Leaseback these amounts were paid at the time of the transaction and Sonae MC assumed the future responsibility.

20 TRADE PAYABLES AND OTHER PAYABLES

As at 30 June 2019 and 31 December 2018 Trade payables and other payables are as follows:

	30 Jun 2019	31 Dec 2018
Trade creditors	806,212,627	832,109,114
Taxes payable	48,995,344	65,407,359
Other creditors		
Tangible asset suppliers	38,137,524	54,500,369
Other debts	25,531,182	25,979,307
	63,668,706	80,479,676
Other current liabilities		
Holiday pay and bonuses	103,537,394	91,766,856
Other external supplies and services	34,368,136	24,619,409
Marketing expenses	10,709,589	13,791,639
Charges made on the sale of real estate	1,268,185	1,314,235
Rights of use	6,153,560	-
Accrued income - rents	2,365,539	3,845,852
Interest payable to Others	996,218	915,488
Real estate municipality tax	1,924,514	1,709,241
Others	8,886,676	6,640,109
	170,209,811	144,602,828
	1,089,086,488	1,122,598,977

The caption "Other payables" includes:

- 13,356,822 euro (9,980,132 euro as at 31 December 2018) of attributed discounts not yet redeemed related to loyalty card "Cartão Cliente", and
- 3,146,335 euro (3,080,487 euro as at 31 December 2018) related to amounts payable to Sonae Distribuição Brasil. S.A. buyer as result of responsibilities assumed with that entity (Note 21);

21 PROVISIONS AND IMPAIRMENT LOSSES

Movements in "Provisions and impairment losses" during the period ended 30 June 2019 and 2018 are as follows:

Caption	Balance as at 1 Jan 2019	Increase	Decrease	Transfers and other movements	Balance as at 30 Jun 2019
Accumulated impairment losses on investments	3,401,434	15,000	-	-	3,416,434
Accumulated impairment losses on tangible assets (Note 5)	84,590,757	-	(313,892)	-	84,276,865
Accumulated impairment losses on intangible assets	6,921,736	-	-	-	6,921,736
Accumulated impairment losses on trade accounts receivable and other debtors (Note 12)	6,718,935	270,881	(308,847)	6,711	6,687,680
Non current provisions	9,570,442	204,577	-	-	9,775,019
Current provisions	908,401	-	(499,469)	-	408,932
	112,111,705	490,458	(1,122,208)	6,711	111,486,666

Caption	Balance as at 1 Jan 2018	Increase	Decrease	Transfers and other movements	Balance as at 30 Jun 2018
Accumulated impairment losses on investments	11,451,896	-	-	-	11,451,896
Accumulated impairment losses on tangible assets	114,815,604	-	(1,044,605)	(4,510,175)	109,260,824
Accumulated impairment losses on intangible assets	1,519,950	-	-	-	1,519,950
Accumulated impairment losses on trade accounts receivable and other debtors	15,457,040	1,659,066	(930,422)	(427,281)	15,758,403
Non current provisions	14,659,973	-	(970,414)	-	13,689,559
Current provisions	5,610,383	3,856,881	(4,028,209)	(311,467)	5,127,588
	163,514,846	5,515,947	(6,973,650)	(5,248,923)	156,808,220

The caption “Non-current provisions” and “Current provisions” includes 9,775,019 euro (9,570,442 euro as at 31 December 2018), relating to non-current contingencies assumed by the Company, when selling its subsidiary Sonae Distribuição Brasil, S.A. in 2005. The evolution of the provision between years is associated with the evolution of the real against the euro. This provision is being used in the moment at the liabilities are materialized, being constituted based on the best estimate of the expenses to be incurred with such liabilities and that result from a significant set of processes of a civil and labour nature and of small value.

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

22 OTHER INCOME

As at 30 June 2019 and 2018, the caption “Other Income” is made up as follow:

	30 Jun 2019	30 Jun 2018 Restated
Supplementary income	12,973,027	10,587,606
Prompt payment discounts received	11,269,964	10,911,139
Exchange differences	3,243,652	2,632,035
Own work capitalised (Note 6)	3,770,305	4,088,751
Gains on disposal of assets	1,125,902	217,359
Others	4,381,967	866,123
	36,764,817	29,303,013

23 RELATED PARTIES

Balances and transactions with related parties are detailed as follows:

	Parent company		Jointly controlled companies		Associated companies	
	30 Jun 2019	30 Jun 2018 Restated	30 Jun 2019	30 Jun 2018 Restated	30 Jun 2019	30 Jun 2018 Restated
Sales & Services rendered	433,764	169,070	1,380,672	1,706,506	17,500,239	21,963,926
Other income	27,934	26,216	194,773	56,836	116,162	204,783
Financial income	-	-	-	-	-	-
Cost of goods sold and materials consumed	-	-	128,982,207	133,371,270	990	4,704
External supplies and services	826,991	701,486	554,741	36,460	-	9,586
Other expenses	-	-	5	2,544	-	-
Financial expense	206,815	182,109	-	-	-	-
	1,495,504	1,078,881	131,112,398	135,173,616	17,617,391	22,182,999

	Other related parties		Discontinued operations	
	30 Jun 2019	30 Jun 2018 Restated	30 Jun 2019	30 Jun 2018 Restated
Sales & Services rendered	126,823,644	20,789,566	-	(1,894,797)
Other income	5,623,197	722,352	-	739,920
Financial income	-	-	-	-
Cost of goods sold and materials consumed	11,947,300	1,200,440	-	11,129,665
External supplies and services	20,538,127	15,975,069	-	237,534
Other expenses	1,150,867	151,922	-	(311,823)
Financial expense	3,160,301	18,111,079	-	-
	169,243,437	56,950,429	-	9,900,499

	Parent company		Jointly controlled companies		Associated companies	
	30 Jun 2019	31 Dec 2018 Restated	30 Jun 2019	31 Dec 2018 Restated	30 Jun 2019	31 Dec 2018 Restated
Other non-current assets	-	-	-	-	-	-
Trade receivables	14,518	104,189	688,446	312,350	2,065,857	1,411,382
Other receivables	(59,137)	30,863	569,281	591,594	35,810	(8)
Income tax assets	43,117,036	21,435,437	-	-	-	-
Other current assets	19,250	49,320	(46,951)	(102,136)	114,809	-
Other non-current liabilities	-	-	-	-	-	-
Trade payables	61,540	154,049	68,265,545	69,610,827	12,673	2,097
Other payables	-	-	-	-	440	-
Income tax liabilities	19,063,874	16,816,833	-	-	55,660	-
Other current liabilities	663,958	1,510,506	284,009	167,719	196,518	-
	62,881,038	40,101,198	69,760,331	70,580,355	2,481,768	1,413,471
Tangible asstes acquisitions	-	-	18,626	1,790	702	-
Tangible asstes disposals	-	-	380,986	1,790	251,994	4,223
Intangible Assets acquisitions	-	-	-	-	-	-
Intangible Assets disposals	-	-	-	-	-	-
	-	-	399,612	3,580	252,696	4,223

	Other related parties		Discontinued operations	
	30 Jun 2019	31 Dec 2018 Restated	30 Jun 2019	31 Dec 2018 Restated
Other non-current assets	-	-	-	-
Trade receivables	9,597,095	9,241,546	-	89,900,452
Other receivables	1,293,910	6,054,400	-	9,734,256
Income tax assets	35,066	-	-	1,992,101
Other current assets	2,578,373	2,035,528	-	1,202,186
Other non-current liabilities	239,447	239,447	-	152,112
Trade payables	5,163,480	2,114,238	-	7,049,159
Other payables	5,138,927	12,776,952	-	499,618
Income tax liabilities	733,612	538,414	-	18,739,884
Other current liabilities	1,616,273	2,215,790	-	1,844,159
	26,396,183	35,216,315	-	131,113,928
Tangible asstes acquisitions	35,613,067	35,613,067	-	-
Tangible asstes disposals	4,970,719	4,970,719	-	13,010
Intangible Assets acquisitions	3,308,763	3,308,763	-	-
Intangible Assets disposals	-	-	-	6,041,129
	43,892,549	43,892,549	-	6,054,139

- 1) “Other related parties” are considered to be related party affiliates or companies under joint control of Efanor SGPS, SA that are not included in Sonae MC, including companies belonging to the Sonae Group, Sonae Indústria and Sonae Capital, and minority shareholders of subsidiaries of the Group.

24 EARNING PER SHARES

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

	30 Jun 2019		30 Jun 2018 Restated	
	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)	42,747,952	(2,383,472)	20,156,506	(23,275,635)
Net profit taken into consideration to calculate diluted earnings per share	42,747,952	(2,383,472)	20,156,506	(23,275,635)
Number of shares				
Weighted average number of shares used to calculated basic earnings per share	1,000,000,000	1,000,000,000	900,000,000	900,000,000
Weighted average number of shares used to calculated diluted earnings per share	1,000,000,000	1,000,000,000	900,000,000	900,000,000
Earnings per share (basic and diluted)	0.042748	(0.002383)	0.022396	(0.025862)

25 CASH RECEIPTS AND CASH PAYMENTS OF INVESTMENTS

As at 30 June 2019 and 2018, cash receipts and cash payments related to investments can be detailed as follows:

- Investments activities

Receipts	30 Jun 2019	30 Jun 2018
Account receivable related to the disposal of Tlantic in 2018	300,000	-
Disposal of Sport Zone participation	-	28,628,150
Disposal of Arat	-	1,699,515
Others	225,946	127,742
	525,946	30,455,407
Payments	30 Jun 2019	30 Jun 2018
Acquisition of Tomenider and Arenal (Note 4)	47,039,289	-
Acquisition of Chão Verde (Note 4)	2,472,365	-
Acquisition of MCCare (Note 4)	4,632,682	-
Acquisition of SK Skin (Note 4)	2,245,899	-
Price adjustment of a subsidiary	1,526,103	-
Subscription of JD Sprinter shares	-	26,546,230
Acquisition of Amorbio	-	537,734
Supplementary benefit of Sonvcap to S2 Mozambique	-	118,745
Others	501,229	561,694
	58,417,567	27,764,403

26 APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 24 July 2019.

27 GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their head offices and percentage of share capital held by Sonae as at 30 June 2019 and 31 December 2018 are as follows:

COMPANY			Percentage of capital held				
			30 june 2019		31 December 2018		
			Direct*	Total*	Direct*	Total*	
OpeCo							
Sonae MC- SGPS, S.A.			Matosinhos	HOLDING	HOLDING	HOLDING	HOLDING
Amor Bio, Mercado Biológico, Lda			a) Maia	100.00%	100.00%	100.00%	100.00%
1)	Arenal Perfumerias SLU		a) Lugo (Spain)	100.00%	60.00%	-	-

BB Food Service, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
Bom Momento - Restauração, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
Brio – Produtos de Agricultura Biológica, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Continente Hipermercados, S.A.	a)	Oeiras	100.00%	100.00%	100.00%	100.00%
Elergone Energias, Lda	a)	Matosinhos	75.00%	75.00%	75.00%	75.00%
Farmácia Selecção, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Fundo de Investimento Imobiliário Imosonae Dois	a)	Maia	98.00%	98.00%	98.00%	98.00%
Go Well – Promoção de Eventos, Catering e Consultoria, S.A.	a)	Lisbon	51.00%	51.00%	51.00%	51.00%
Make Notes Design, Lda	a)	Maia	100.00%	100.00%	100.00%	100.00%
Marcas MC, zRT	a)	Budapest (Hungary)	100.00%	100.00%	100.00%	100.00%
1) MCCARE – Serviços de Saúde, S.A.	a)	Matosinhos	100.00%	100.00%	-	-
Modelo - Distribuição de Materiais de Construção, S.A.	b)	Maia	50.00%	50.00%	50.00%	50.00%
Modelo Continente Hipermercados, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Modelo Continente International Trade, S.A.	a)	Madrid (Spain)	100.00%	100.00%	100.00%	100.00%
Modelo Continente, SGPS, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmacontinente - Saúde e Higiene, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Pharmaconcept – Atividades em Saúde, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
SCBrasil Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
SIAL Participações, Ltda	a)	São Paulo (Brazil)	100.00%	100.00%	100.00%	100.00%
1) SK Skin Health Cosmetics, S.A.	a)	Oeiras	100.00%	100.00%	-	-
Soflorin, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
Sonae MC S2 Africa Limited	a)	La Valletta (Malta)	100.00%	100.00%	100.00%	100.00%
Sonae MC – Serviços Partilhados, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
2) Sport Zone spor malz.per.satis ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%

	Sonvecap, BV	a)	Amsterdam (Netherlands)	100.00%	100.00%	100.00%	100.00%
1)	Tomenider	a)	Lugo (Spain)	60.00%	60.00%	-	-
2)	Zippy cocuk malz.dag.ith.ve tic.ltd.sti	a)	Istanbul (Turkey)	100.00%	100.00%	100.00%	100.00%
PropCo							
	Asprela – Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Azulino Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Bertimóvel - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Canasta - Empreendimentos Imobiliários, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
1)	Chão Verde - Sociedade de Gestão Imobiliária, S.A.	a)	Maia	100.00%	100.00%	-	-
	Citorres - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Contimobe - Imobiliária de Castelo de Paiva, S.A.	a)	Castelo de Paiva	100.00%	100.00%	100.00%	100.00%
	Cumulativa - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Fozimo - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Igimo - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Iginha - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoestrutura - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imomuro - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Imoresultado - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Imosistema - Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	MJLF - Empreendimentos Imobiliários, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Modelo Hiper Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Ponto de Chegada – Sociedade Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Predicomercial - Promoção Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Predilugar - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
	Selifa - Empreendimentos Imobiliários de Fafe, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
	Sempre à Mão - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

Socijofra - Sociedade Imobiliária, S.A.	a)	Gondomar	100.00%	100.00%	100.00%	100.00%
Sociloures - Sociedade Imobiliária, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%
Sonaerp – Retail Properties, S.A.	a)	Porto	100.00%	100.00%	100.00%	100.00%
Sondis Imobiliária, S.A.	a)	Maia	100.00%	100.00%	100.00%	100.00%
Valor N, S.A.	a)	Matosinhos	100.00%	100.00%	100.00%	100.00%

*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;

- a) Control held by majority of voting rights which gives power of relevant activities;
- b) Control held by majority of Board members.

- 1) Company acquired during the period.;
- 2) Company in liquidation process reason why it is classified in discontinued operations.

These entities are consolidated using the full consolidation method.

Approved at the Board of Directors meeting on 24 July 2019

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

Maria Inês Martins Valadas

CONDENSED SEPARATE FINANCIAL STATEMENTS

CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 AND 2018 AND 31 DECEMBER 2018
(Translation of the condensed separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	30.June.2019	30.June.2018	31.December.2018
ASSETS				
NON-CURRENT ASSETS:				
Intangible assets		-	22	-
Investments	4	1,524,967,499	1,638,142,459	1,524,967,499
Deferred tax assets		9,296	6,253	6,211
Other non-current assets	5	802,660,687	1,430,679,956	819,906,686
Total non-current assets		2,327,637,482	3,068,828,690	2,344,880,396
CURRENT ASSETS:				
Trade account receivables and other current assets	6	737,243,584	1,300,297,161	791,884,460
Cash and cash equivalents	7	1,004,391	91,829	17,382,396
Total current assets		738,247,975	1,300,388,990	809,266,856
TOTAL ASSETS		3,065,885,457	4,369,217,680	3,154,147,252
EQUITY AND LIABILITIES				
EQUITY:				
Share capital	8	1,000,000,000	1,000,000,000	1,000,000,000
Reserves		939,859,519	1,797,628,866	953,628,866
Profit for the period		9,586,424	(7,723,183)	61,230,652
TOTAL EQUITY		1,949,445,943	2,789,905,683	2,014,859,518
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Loans	9	685,084,215	623,038,031	567,870,409
Other non-current liabilities		-	400,000,000	-
Total non-current liabilities		685,084,215	1,023,038,031	567,870,409
CURRENT LIABILITIES:				
Loans	9	38,496,380	94,502,854	18,496,380
Trade creditors and other current liabilities	10	392,858,919	461,771,112	552,920,945
Total current liabilities		431,355,299	556,273,966	571,417,325
TOTAL EQUITY AND LIABILITIES		3,065,885,457	4,369,217,680	3,154,147,252

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

CONDENSED SEPARATE INCOME STATEMENT FOR THE PERIODS ENDED AS AT 30 JUNE 2019 AND 2018
(Translation of separate financial statements originally issued in Portuguese. In case of discrepancy the Portuguese version prevails)

(Amounts expressed in euro)	Notes	2 nd quarter 2019	2 nd quarter 2018	30.June.2019	30.June.2018
Gains or losses on investments	13	1,560	(1,283)	9,331,885	71,229
Financial income	14	3,826,315	7,424,397	7,717,820	14,733,004
Other income		57,227	73,500	119,847	221,475
External supplies and services		(367,992)	(753,256)	(957,367)	(1,448,387)
Staff costs		(124,821)	(9,435)	(254,281)	(16,780)
Depreciation and amortisation		-	(33)	-	(65)
Provisions and impairment losses		-	(27,794)	-	(27,794)
Financial expenses	14	(3,190,908)	(11,692,029)	(6,290,998)	(23,301,646)
Other expenses		(9,238)	(10,028)	(19,574)	(20,102)
Profit/(Loss) before taxation		192,143	(4,995,961)	9,647,332	(9,789,066)
Taxation		(34,185)	2,065,883	(60,908)	2,065,883
Profit/(Loss) after taxation		157,958	(2,930,078)	9,586,424	(7,723,183)
Profit/(Loss) per share	15	0.0002	(0.0033)	0.0096	(0.0086)

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

CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED AS AT 30 JUNE 2019 AND 2018

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

(Amounts expressed in euro)	2 nd quarter 2019	2 nd quarter 2018	30.June.2019	30.June.2018
Net Profit / (Loss) for the period	157,958	(2,930,078)	9,586,424	(7,723,183)
Total comprehensive income for the period	157,958	(2,930,078)	9,586,424	(7,723,183)

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

CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED AS AT 30 JUNE 2019 AND 2018

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

(Amounts expressed in euro)	Share capital	Reserves			Net Profit/(Loss)	Total
		Legal reserve	Other reserves	Total reserves		
Balance as at 1 January 2018	1,000,000,000	174,845,768	1,621,939,314	1,796,785,082	843,784	2,797,628,866
Total comprehensive income for the period	-	-	-	-	(7,723,183)	(7,723,183)
Appropriation of profit of 2017:						
Transfer to legal reserve and other reserves	-	42,190	801,594	843,784	(843,784)	-
Balance as at 30 June 2018	1,000,000,000	174,887,958	1,622,740,908	1,797,628,866	(7,723,183)	2,789,905,683
Balance as at 1 January 2019	1,000,000,000	174,887,958	778,740,909	953,628,867	61,230,652	2,014,859,519
Total comprehensive income for the period	-	-	-	-	9,586,424	9,586,424
Appropriation of profit of 2018:						
Transfer to legal reserve and other reserves	-	3,061,533	-	3,061,533	(3,061,533)	-
Dividends distributed	-	-	(16,830,881)	(16,830,881)	(58,169,119)	(75,000,000)
Balance as at 30 June 2019	1,000,000,000	177,949,491	761,910,028	939,859,519	9,586,424	1,949,445,943

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

CONDENSED SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIODS ENDED AS AT 30 JUNE 2019 AND 2018

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

(Amounts expressed in euro)	2 nd quarter 2019	2 nd quarter 2018	30.June.2019	30.June.2018
OPERATING ACTIVITIES				
Net cash flow from operating activities (1)	(564,256)	(1,972,149)	(1,955,155)	(3,148,988)
INVESTMENT ACTIVITIES				
Cash receipts arising from:				
Interest and similar income	75,291	33,964	18,080,514	19,297,668
Dividends	9,327,573	67,225	9,327,573	67,225
Others	1,560	(1,283)	4,312	4,004
Loans granted	635,879,999	614,430,000	1,228,596,999	1,221,782,000
	645,284,422	614,529,906	1,256,009,398	1,241,150,897
Cash payments arising from:				
Investments	-	(1,000,000)	-	(1,800,000)
Loans granted	(521,650,000)	(584,150,000)	(1,166,670,000)	(1,286,754,518)
	(521,650,000)	(585,150,000)	(1,166,670,000)	(1,288,554,518)
Net cash used in investment activities (2)	123,634,422	29,379,906	89,339,398	(47,403,621)
FINANCING ACTIVITIES				
Cash receipts arising from:				
Loans obtained	1,528,083,500	1,662,313,000	3,204,270,500	3,100,531,518
	1,528,083,500	1,662,313,000	3,204,270,500	3,100,531,518
Cash payments arising from:				
Loans obtained	(1,559,377,000)	(1,690,958,862)	(3,227,932,000)	(3,047,217,862)
Interest and similar charges	(2,718,451)	(3,700,646)	(5,100,748)	(5,439,029)
Dividends	(75,000,000)	-	(75,000,000)	-
	(1,637,095,451)	(1,694,659,508)	(3,308,032,748)	(3,052,656,891)
Net cash used in financing activities (3)	(109,011,951)	(32,346,508)	(103,762,248)	47,874,627
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	14,058,215	(4,938,751)	(16,378,005)	(2,677,982)
Cash and cash equivalents at the beginning of the period	(13,053,824)	224,106	17,382,396	(2,036,662)
Cash and cash equivalents at the end of the period	1,004,391	(4,714,645)	1,004,391	(4,714,644)

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

SONAE MC, SGPS, SA

NOTES TO THE CONDENSED SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

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

(Amounts expressed in euro)

1 INTRODUCTION

Sonae MC, SGPS, SA, “the Company” or “Sonae MC” it’s a Portuguese Corporation, with head-office in Rua João Mendonça nº 529, 4464-501 Senhora da Hora, Matosinhos, Portugal.
The Company’s main activity is the management of shareholdings (note 4).

2 BASIS OF PRESENTATION

Interim Financial Statments are presented quarterly, in accordance with IAS 34 – “Interim Financial Reporting”.

3 PRINCIPAL ACCOUNTING POLICIES

The accounting policies adpted are consistent with those described in the file of the annual financial statements for the year ended 31 December 2018.
The adoption of the IFRS 16 standards had no impacts.

4 INVESTMENTS

As at 30 June 2019 and 31 december 2018, the investments are made up as follows:

Companies	30.June.2019		31.december.2018	
	% held	Final balance	% held	Final balance
Elergone Energia, Lda	75.00%	1,196,862	75.00%	1,196,862
Fundo de Investimento Imobiliário Imosonae Dois	0.09%	143,429	0.09%	143,429
Modelo - Distribuição de Materiais de Construção, SA	50.00%	24,790,614	50.00%	24,790,614
Sonae MC - Serviços Partilhados, SA	100.00%	60,032,319	100.00%	60,032,319
Modelo Continente, SGPS, SA	100.00%	1,438,804,276	100.00%	1,438,804,276
Total		1,524,967,499		1,524,967,499

5 OTHER NON-CURRENT ASSETS

As at 30 June 2019 and 31 December 2018 the other non-current assets were as follows:

	30.June.2019	31.December.2018
Loans granted	802,660,687	819,906,686
	802,660,687	819,906,686

The loans granted bear interests at market rates indexed to Euribor, have a long term maturity, and their fair value is similar to their carrying amount.

6 TRADE ACCOUNT RECEIVABLES AND OTHER CURRENT ASSETS

As at 30 June 2019 and 31 December 2018, the caption Trade account receivables and other current assets can be detailed as follows:

	30.June.2019	31.December.2018
Short term loans	707,711,529	752,392,528
Interests charged but not received	482,997	18,481,133
Taxes - Special regime for taxation of groups of companies	9,917,954	9,972,890
Adicionnal tax payment	17,721	17,721
Special program of debt reduction to the state (DL 67/2016, 3 November)	1,002,114	1,002,114
Special regime for payment of tax and social security debts (DL 248-A/2002, 14 November)	1,108,699	1,108,699
Special regime for payment of tax and social security debts (DL 151-A/2013, 31 October)	788,298	788,298
Taxes and contributions payable	5,631,316	5,619,332
Accrued and deferred assets	10,405,641	2,348,966
Others	218,631	194,095
	737,284,900	791,925,776
Accumulated impairment losses	(41,316)	(41,316)
	737,243,584	791,884,460

Loans granted bear interest at market rates indexed to Euribor, have a maturity less than one year and their fair value is similar to their carrying amount.

The amount of 9,917,954 euros (9,972,890 euros at 31 december 2018), recorded in the caption Taxes – Special regime for taxation of groups companies, corresponds to the income tax for the period receivable, in accordance with the special tax regime for groups of companies, to Sonae, SGPS, SA is the dominant company.

The amount disclosed as 'Special regime for payment of tax and social security debts' (DL 248-A/2002, of 14 November, DL 151-A/2013, of 31 October and DL 67/2016, 3 November) relates to taxes paid which were previously disputed and subject to reimbursement claims. The tax litigations are still in progress, although, following the payment, the guarantees previously given were canceled. No impairment loss was recorded since it is Sonae MC understanding that the decisions over the appeals will be favorable to the Company.

The caption accrued and deferred assets include mainly receivables relating to interest not yet due, from loans granted to group companies.

7 CASH AND CASH EQUIVALENTS

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

	30.June.2019	31.December.2018
Bank deposits	1,004,391	17,382,396
Cash and cash equivalents on the balance sheet	1,004,391	17,382,396
Cash and cash equivalents on the cash flow statement	1,004,391	17,382,396

8 SHARE CAPITAL

As at 30 June 2019 and 31 December 2018, the share capital, which is fully subscribed and paid for, is made up by 1,000,000,000 ordinary shares, with a nominal value of 1 euro each.

As at 30 June 2019 and 31 December 2018, the subscribed share capital was held as follows:

	30.June.2019	31.December.2018
Sonae, SGPS, SA	35.0287%	35.0287%
Sonae Investments BV	13.1444%	13.1444%
Sonae Holdings, SA	51.8269%	51.8269%

9 BORROWINGS

As at 30 June 2019 and 31 December 2018, this caption included the following loans:

	30.June.2019	31.December.2018
Bonds Sonae Investimentos / December 2015/2020	50,000,000	50,000,000
Bonds Sonae Investimentos / May 2015/2022	75,000,000	75,000,000
Bonds Sonae Investimentos / December 2015/2020	30,000,000	30,000,000
Bonds Sonae Investimentos / June 2016/2021	95,000,000	95,000,000
Bonds Sonae Investimentos / September 2016/2021	6,000,000	6,000,000
Up-front fees not yet charged to income statement	(915,785)	(1,129,591)
Bond loans	255,084,215	254,870,409
Commercial paper	375,000,000	313,000,000
Other bank loans	55,000,000	-
Bank loans	430,000,000	313,000,000
Non-current loans	685,084,215	567,870,409
Bonds Sonae Investimentos / 2016/2021	3,000,000	3,000,000
Up-front fees not yet charged to income statement	(3,620)	(3,620)
Bond loans	2,996,380	2,996,380
Commercial paper	35,500,000	15,500,000
Bank loans	35,500,000	15,500,000
Current loans	38,496,380	18,496,380

The carrying value from all the loans does not differ significantly from its fair value. The calculation method used for estimating the fair value of loans is based on the discounted cash flows model. All loans mentioned bear interest at variable rates indexed to market benchmarks.

Loans shall be reimbursed as follows:

	30.June.2019	31.December.2018
	Capital	Capital
N+1	38,500,000	18,500,000
N+2	213,000,000	156,000,000
N+3	153,000,000	248,000,000
N+4	141,111,111	135,000,000
N+5	126,111,111	20,000,000
após N+5	52,777,778	10,000,000

The aforementioned maturities were estimated according to the loans contractual clauses and taking into account Sonae MC expectation of its amortization date.

As at 30 June 2019 there are financial covenants included in borrowing agreements at market conditions, and which at the date of this report are in regular compliance.

As at 30 June 2019 and 31 December 2018 in addition to the amounts in cash and its equivalents the Company has available credit facilities in order to manage liquidity risk that can be summarized as follows:

	30.June.2019	
	Commitments of less than one year	Commitments of more than one year
Agreed credit facilities amounts	49,000,000	552,500,000
Available credit facilities amounts	21,500,000	122,500,000

The interest rate as at 30 June 2019 of the bonds and bank loans was, on average, 1.22% (1.21% as at 31 December 2018).

10 TRADE CREDITORS AND OTHER CURRENT LIABILITIES

As at 30 June 2019 and 31 December 2018, this heading is made up as follows:

	30.June.2019	31.December.2018
Suppliers	8,897	262,304
Group companies:		
Short term loans	387,312,923	547,974,423
Taxes - Special regime for taxation of groups of companies	298,837	218,612
Taxes and contributions payable	1,921,463	1,960,091
Payables on the acquisitions of investments	33,800	33,800
Accrued and deferred liabilities	3,282,999	2,471,715
	392,858,919	552,920,945

The caption accrued and deferred liabilities includes mainly accrued interests not yet due relating to loans obtained.

11 CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2019 and 31 December 2018, the contingent liabilities were detailed as follows:

	30.June.2019	31.December.2018
Guarantees rendered:		
related to tax claims awaiting outcome		
Guarantees provided by financial institutions	91,944,064	91,944,064
Guarantees provided by parent company	244,673,503	244,707,426
Others	1,770,000	1,770,000
Guarantees given in favour of subsidiaries (a)	62,887,051	62,887,051

a) Guarantees given to Tax Authorities in favour of subsidiaries to suspend claims from tax authorities.

12 RELATED PARTIES

Main transactions and balances with related parties are detailed as follows:

	30.June.2019	30.June.2018
Transactions:		
Shareolders	450,459	539,854
Subsidiaries	844	10,300
Jointly controlled companies	-	13,393
Other related parties	2,402	1,121
Purchases and services obtained	453,705	564,668
Shareolders	21,166	25,258
Subsidiaries	88,282	112,921
Other related parties	6,334	-
Other income	115,782	138,179
Subsidiaries	7,697,507	14,691,027
Other related parties	14,979	-
Interest income	7,712,486	14,691,027
Shareolders	181,830	206,815
Subsidiaries	1,371,604	1,493,006
Other related parties	-	16,088,888
Interest expenses	1,553,434	17,788,709
Subsidiaries	7,300,000	67,225
Associated companies	2,027,573	-
Dividend income	9,327,573	67,225
Subsidiaries	4,312	4,004
Income from Investment Fund Participation Units	4,312	4,004
Subsidiaries	-	1,800,000
Investments acquisitions	-	1,800,000
Balance:	30.June.2019	31.December.2018
Shareolders	9,937,260	10,034,214
Subsidiaries	8,964,206	19,513,128
Other related parties	22,258	-
Accounts receivable	18,923,724	29,547,342
Shareolders	488,824	1,061,371
Subsidiaries	1,909,840	544,389
Other related parties	98,415	118,995
Accounts payable	2,497,079	1,724,755
Subsidiaries	1,525,231,084	1,586,675,087
Loans granted	1,525,231,084	1,586,675,087
Subsidiaries	387,312,923	547,974,423
Loans obtained	387,312,923	547,974,423

All Sonae SGPS, SA and Efanor Investimentos SGPS, SA subsidiaries, associates and joint ventures are considered related parties and are identified in Consolidated Financial Statements.

13 INVESTMENT INCOME/LOSSES

As at 30 June 2019 and 2018 investment income or losses are as follows:

	30.June.2019	30.June.2018
Dividends received	9,327,573	67,225
Income of financial investments	4,312	4,004
	9,331,885	71,229

14 FINANCIAL INCOME/EXPENSES

As at 30 June 2019 and 2018, net financial income and expenses are as follows:

	30.June.2019	30.June.2018
Interest receivable		
related to bank deposits	3,336	12,375
related to loans granted	7,712,486	14,691,027
Others financial income	1,998	29,602
Financial income	7,717,820	14,733,004
Interest payable		
related to bank deposits	(1,409,882)	(1,399,474)
related to non convertible bonds	(1,888,729)	(2,780,470)
related to loans obtained	(1,553,434)	(17,788,709)
Up front fees on the issuance of debt	(1,434,989)	(1,324,503)
Others	(3,964)	(8,490)
Financial expenses	(6,290,998)	(23,301,646)

15 EARNINGS PER SHARE

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

	30.June.2019	30.June.2018
Net Profit		
Net profit taken into consideration to calculate basic earnings per share (Net profit for the period)	9,586,424	(7,723,183)
Net profit taken into consideration to calculate diluted earnings per share	9,586,424	(7,723,183)
Number of shares		
Weighted average number of shares used to calculate basic earnings per share	1,000,000,000	900,000,000
Weighted average number of shares used to calculate diluted earnings per share	1,000,000,000	900,000,000
Earnings per share (basic and diluted)	0.0096	(0.0086)

16 APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Board of Directors and authorized for issue on 24 July 2019.

17 INFORMATION REQUIRED BY LAW

Decree-Law nr 318/94 art 5 nr 4

During the period ended as at 30 June 2019 shareholders' loan contracts were signed with the following companies:

SCBrasil Participações, Ltda

During the period ended as at 30 June 2019, treasury application agreements were signed with the following companies:

Amor Bio – Mercado Biológico, Lda

Chão Verde - Sociedade de Gestão Imobiliária, SA

MCCARE, Serviços de Saúde, SA

Pharmacontinente – Saúde e Higiene, SA

SK Skin Health Cosmetics, SA

Sociloures - Sociedade Imobiliária, SA

Sonae, SGPS, SA

Sonae MC - Serviços Partilhados, SA

As at 30 June 2019 amounts owed by subsidiaries can be detailed as follows:

Company	30.June.2019
Azulino - Imobiliária, SA	1,114,826
BB Food Service, SA	990,000
Bertimóvel - Sociedade Imobiliária, SA	9,704,000
Bom Momento - Comercio Retalhista, SA	827,000
Canasta - Empreendimentos Imobiliários, SA	2,134,000
Citorres - Sociedade Imobiliária, SA	3,713,000
Continente Hipermercados, SA.	262,972,896
Contimobe - Imobiliária do Castelo de Paiva, SA	29,205,000
Cumulativa - Sociedade Imobiliária, SA	7,381,000
Elergone Energia, Lda	2,117,000
Farmácia Selecção, SA	3,952,000
Fozimo – Sociedade Imobiliária, SA	3,405,000
Iginha – Sociedade Imobiliária, SA	4,844,701
Imoestrutura - Sociedade Imobiliária, SA	3,726,000
Imomuro - Sociedade Imobiliária, SA	534,000
Imoresultado – Sociedade Imobiliária, SA	3,445,000
Imosistema - Sociedade Imobiliária, S.A.	3,747,000
MJLF - Empreendimentos Imobiliários, SA	2,784,000
Make Notes Design, Lda	1,911,500
Modelo Hiper Imobiliária, SA	10,050,000
Pharmaconcept - Actividades em Saúde, SA	1,974,000
Predicomercial - Promoção Imobiliária, SA	15,093,000
Ponto de Chegada - Promoção Imobiliária, SA	381,000
Selifa - Sociedade de Empreendimentos Imobiliários, SA	4,475,000
Socijofra - Sociedade Imobiliária, SA	4,270,000
Valor N, SA	2,562,000
	387,312,923

The amounts due to group companies as at 30 June 2019 related to the mentioned contracts were the following:

Company	30.June.2019
Amor Bio - Mercado Biológico, Lda	496,000
Asprela - Sociedade Imobiliária, SA	297,000
BRIO - Produtos de Agricultura Biológica, SA	2,292,000
Chão Verde - Sociedade de Gestão Imobiliária, SA	745,000
Igimo – Sociedade Imobiliária, SA	154,000
MCCARE, Serviços de Saúde, SA	6,082,000
Modelo Continente Hipermercados, SA	635,895,001
Pharmacontinente - Saúde e Higiene, SA	2,102,000
Predilugar - Sociedade Imobiliária, SA	91,000
SK Skin Health Cosmetics, SA	893,000
Sempre à Mão - Sociedade Imobiliária, SA	1,820,000
Sociloures - Sociedade Imobiliária, SA	557,000
SCBrasil Participações, Ltda	15,558,868
Sonae MC - Serviços Partilhados, SA	7,450,000
Modelo Continente, SGPS, SA	827,169,687
Sonaerp - Retail Properties, SA	22,458,528
Sondis Imobiliária, SA	1,170,000
	1,525,231,084

18 SUBSEQUENT EVENTS

The merger process is underway through the incorporation of the assets and liabilities of Modelo Continente SGPS, SA in Sonae MC, SGPS, SA, as required by Article 97, paragraph 1, subparagraph a) and paragraph 4, of the CSC, with the extinguishment of Modelo Continente SGPS, SA.

The merger produces effects since 1 January 2019 onwards.

Approved at the meeting of the Board of Directors held on July 24th, 2019.

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 de Barros

José Manuel Cardoso Fortunato

Maria Inês Martins Valadas

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.