

TRADING STATEMENT, 2020

Matosinhos, 29th January 2021

Full-year 2020: Reinforced customer recognition and strengthened market leadership

01. HIGHLIGHTS

In the twelve-month period, and within the context of the COVID-19 pandemic:

- Sonae MC stood beside its customers at this time of great need, and the Company's excellent sales results and clear market share gains reflected customers' satisfaction and recognition for this effort
- Turnover outperformed the market reaching €5,153m, representing an increase of 9.6% on a total basis and 6.6% on a like-for-like comparison
- Online sales accelerated this year and grew approximately 80%, reinforcing Sonae MC's undisputed leadership in grocery e-commerce in Portugal

MESSAGE FROM THE CEO | Luís Moutinho

"In an unprecedented and turbulent 2020, Sonae MC continued the positive dynamics of recent years, delivering a superior trading performance and strengthening its leadership position, amid a buoyant market.

We are very proud of our results, and in particular of our role in responding to the challenges brought by COVID-19 on Portuguese families. We feel our efforts have paid off because throughout the year our associates were unsurpassable in ensuring the continuity of food distribution, guaranteeing our customers' safety, and adapting the shopping experience in our stores to meet rapidly changing consumer needs and expectations.

For 2021, we remain mobilized to keep gaining commercial lead. We will prioritize the safety of our associates and customers, and will constantly adjust our value proposition and operating models according to the evolution of the health and economic crisis."



Continente Online van during a home delivery service

02. TURNOVER PERFORMANCE

TURNOVER (€m)	Full-year				4 th Quarter			
	2019	2020	Δ y.o.y.	Δ LFL	2019	2020	Δ y.o.y.	Δ LFL
Total Sonae MC	4,702	5,153	9.6%	6.6%	1,275	1,383	8.5%	5.4%
Hypermarkets	1,653	1,758	6.4%	6.4%	466	490	5.2%	5.3%
Supermarkets	2,239	2,527	12.8%	9.2%	600	667	11.2%	7.6%
New Growth Businesses & Others	810	868	7.1%	-3.8%	209	226	7.9%	-3.6%

- Sonae MC ended an incredibly challenging year exceeding market growth and enhancing its leadership position. In 2020, turnover totaled €5,153m, driven by a total rise of 9.6%, and a like-for-like sales increase of 6.6%, amid an environment of low food inflation (slightly above 2%). Fourth quarter performance was also very solid, above that of previous months, despite a weaker Christmas season due to the restrictive containment measures in force (for example, a temporary mandatory curfew after 1pm during weekends).
- In a period deeply marked by COVID-19, consumers responded very well to Sonae MC's evolving value proposition, recognising its merits in providing access to a vast assortment of food and general merchandise items, in a safe and pleasant shopping environment. The Company's exceptional trading performance in the full-year reflected consumers' preference and improved satisfaction scores.
- Supermarkets and Hypermarkets' robust results were positively impacted by higher eat-at-home consumption, which more than compensated for the New Growth Businesses more deeply challenged by the pandemic. Key food categories grew above market figures, on the back of a positive trend in essential groceries and fresh produce, whereas non-food categories presented more heterogeneous performances (with a positive highlight for personal hygiene, household cleaning, electronics and DIY, while, for example, beauty, toys and other seasonal categories were more negatively influenced by COVID-19).
- In order to meet the sharp increase in demand for online shopping, Sonae MC has augmented order preparation and delivery capacities. Online sales accelerated to grow approximately 80% in the full-year, reinforcing the Company's clear leadership in grocery e-commerce in Portugal. Also, Sonae MC continued investments in digital transformation, with a focus on adapting the customer experience, business models, processes, and culture. Particularly noteworthy, as a result of the Company's continuous digital effort, were developments in digital communication (for example, the spread of targeted digital leaflets, to reach about 2m customers weekly), and in the mobile apps' ecosystem (with more than 1.3m customers using the Continente Card digital app), as well as the successful launch of the Continente Pay mobile payment solution.
- Despite the pandemic, Sonae MC maintained the high pace of expansion, opening +89 new company-operated stores (of which +13 Continente Bom Dia proximity stores), adding circa +31k square meters to the total sales area. At year-end, the Company store network consisted of 1,313 units (including franchises), corresponding to 942k square meters of sales area.

SAFE HARBOUR

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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.

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