

**ADDENDUM TO THE REPORT OF THE
BOARD OF DIRECTORS OF SONAECOM – S.G.P.S., S.A.**
APPROVED ON JANUARY 4, 2023
ON THE OPPORTUNITY AND CONDITIONS OF THE GENERAL AND
VOLUNTARY OFFER LAUNCHED BY SONAE S.G.P.S., S.A.

*(Unofficial translation for information purposes only.
The Portuguese version shall prevail)*

Sonaecom - S.G.P.S. S.A.
Lugar do Espido, Apartado 11, Via Norte, 4470-177 Maia
Sole Commercial Registry and Tax Number: 502 028 351
Share capital: €230,391,627.38

Whereas:

1. Following the general and voluntary tender offer for the acquisition of shares representing the share capital of SONAECOM - S.G.P.S. S.A. ("**Sonaecom**" or "**Target Company**"), ("**Offer**"), launched by SONAE - SGPS, S.A. ("**Sonae**" or "**Offeror**") and which preliminary announcement was published on 21 December, 2022, the Board of Directors of Sonaecom ("**Board of Directors**"), carried out the analysis of the draft of the prospectus received on 27 December, 2022 and approved its report on the opportunity and conditions of the Offer, pursuant to the provisions of paragraph 1 of article 181 of the Portuguese Securities Code ("**CVM**"), ("**Target Company's Report**"), which was released to the market on 4 January, 2023 and is available at <https://web3.cmvm.pt/sdi/emitentes/docs/FR84491.pdf>.
2. By decision taken on 14 March 2023 by the Portuguese Securities Market Commission ("**CMVM**") the general and voluntary tender offer for the acquisition of 35,228,749 Sonaecom shares, preliminarily announced by Sonae, was registered and the respective prospectus approved (as made available at <https://web3.cmvm.pt/sdi/emitentes/docs/fsd1240466.pdf> (hereinafter "**Prospectus**").
3. Pursuant to the *mentioned* resolution, CMVM notified the Board of Directors of the Target Company to, under the terms of article 181(1)(b) of the CVM, update the Report of the Target Company.

The Board of Directors hereby updates the Target Company's Report, regarding the following aspects (the same systematization, including numbering, used in the Report of the Target Company being adopted):

2. TERMS AND CONDITIONS OF THE OFFER

2.1. Offeror

According to the information included in the preliminary announcement, the Offeror held, as of that date, directly and indirectly (pursuant to Article 20(1) of the CVM), 275,086,083 shares, representing 88.356% of the share capital and 89.965% of Sonaecom's voting rights.

At the time of the registration of the Offer, the Offeror held, directly and indirectly (pursuant to Article 20(1) of the CVM), 276,111,288 shares, representing 88.685% of the share capital and 90.301% of Sonaecom's voting rights.

2.4. Shares Subject to the Offer

In accordance with the Prospectus, the object of the Offer encompasses the 35,228,749 shares, representing 11,315% of the Sonaecom's share capital and which correspond to all the shares representing the Company's share capital, excluding (i) the 82,048,169 shares held directly by the Offeror as of the date of the Offer's registration and (ii) the 194,063,119 shares owned by Sontel, the only entity which has a relationship with the Offeror in accordance with the terms of Article 20(1) of the Portuguese Securities Code, and which has undertaken not to take part in the Offer, having agreed to block its shares until termination of the Offer.

The Target Company owns 5,571,014 treasury shares which are included in the scope of the Offer. However, the Board of Directors of Sonaecom considers, by reference to the aforementioned treasury shares, to be prevented from accepting the Offer. This understanding is based on the provisions of Article 321 of the Portuguese Companies Code, according to which "*The acquisitions and disposals of treasury shares must respect the principle of equal treatment of shareholders, unless the very nature of the case prevents this*". If the Board of Directors was to accept the Offer by reference to the 5,571,014 treasury shares owned by Sonaecom, it would be, in its understanding, disregarding that principle. In light of this, the Board of Directors decided not to accept the Offer, by reference to the treasury shares.

2.5. Conditions to launch the Offer

It was envisaged in the preliminary announcement referred to above, that the effectiveness of the Offer was contingent upon the Offeror coming to hold, as a consequence of the Offer, more than 90% of the voting rights calculated in accordance with Article 20(1) of the CVM. The Offeror has decided to waive said condition and therefore, the effectiveness of the Offer is not subject to the verification of any condition.

2.7. Consideration

The consideration for the Offer consists is EUR2.50 (two euros and fifty cents) per share to be paid in cash, less any (gross) amount that may be attributed to each share, whether as dividends, advance for account of profit for the financial year or distribution of reserves or other, such deduction being made from the moment when the right to the relevant amount has been detached from the shares if such detachment occurs before the financial settlement of the Offer.

The Offer is not a mandatory tender offer; nevertheless, the Offeror states in the Prospectus that it understands that the consideration would comply with the criteria set out in Article 188(1) of the CVM, if they were applicable, since:

- a) neither the Offeror nor, to the best of its knowledge, the entities or persons that are - with respect to it - in one of the situations set out Article 20(1) of the CVM, acquired shares during the six months prior to the date of the preliminary announcement, at a price higher than that of the consideration (€2.50);
- b) the consideration is higher than the volume weighted average price of Sonaecom's shares on the *Euronext Lisbon* regulated market over the six months immediately preceding 21 December 2022, which is €1.89; and
- c) none of the situations of lack of fairness of the consideration provided for in Article 188(3) of the Portuguese Securities Code is verified (in particular, there is no reduced liquidity of the shares *Euronext Lisbon* regulated market).

3. INTENTIONS OF THE OFFEROR AND IMPACT OF THE OFFER

After analyzing the Prospectus, the Board of Directors considers that the Offeror intends to continue and maintain the strategic line defined by the Board of Directors, and no material changes are foreseen in the current situation of the employees, customers and suppliers.

The Board of Directors notes that, following the Offer, the Offeror intends to use the squeeze-out mechanism provided for in Article 194 of the CVM, which, if it happens, will imply the immediate exclusion of the Shares from trading on a regulated market.

It is the Board of Directors understanding that the Offeror and current majority shareholder, Sonae, has the necessary knowledge and resources to ensure compliance with Sonaecom's strategy.

If the legal conditions that would allow the Offeror to use the squeeze-out mechanism provided for in Article 194 of CVM are not met, it is the Offeror's intention, as stated in the Prospectus, to propose to the Board of Directors of the Target Company the adoption of a management strategy focused on (i) strengthening its position of reference in NOS SGPS, SA, continuing to support its growth strategy in the telecommunications sector and (ii) to focus at the level of the Target Company all investments by the Offeror's group in technology - and/or innovation-based companies, broadening, on one hand, its scope of action in order to cover other segments and sectors while increasing the capital allocated to this type of investments.

The Board of Directors considers that the current financial situation of the Target Company is compatible with the reinforced ambition to invest in the abovementioned opportunities.

4. TYPE AND AMOUNT OF CONSIDERATION OFFERED

The current high level of uncertainty as a result of the global political instability (namely, the conflict between Russia and Ukraine) and the challenging macroeconomic moment (including interest rate hikes, inflation, among others) create significant obstacles to the assessment of the potential value on a long-term perspective.

In any case, the following elements were considered by the Board of Directors on the evaluation of the Offer's consideration:

- Sonaecom share price evolution and Offer premia; and
- Premia paid on comparable transactions.

It should be added that the Offeror listed, in the Prospectus, some methodologies for analysing the consideration that have not been considered by it in the context of the Offer, since in the opinion of the Offeror the use of such methodologies does not prove useful, in particular:

- (i) Book value of the shares: this methodology was not considered, as it is understood that it is not relevant in the context of the analysis of Sonaecom, given that this indicator only reflects the historical book value of the Target Company, and not its market value;
- (ii) Valuations of the Target Company or of its current assets included in investment recommendations relating to the Offeror: this methodology is based exclusively on the valuation of the Target Company's assets identified in the equity research reports on the Offeror and which are considered for the purposes of the Offeror through the *sum-of-the-parts* methodology and was disregarded since in the Offeror's opinion, it does not represent the market value of Sonaecom, as a *holding discount* is typically applied to companies that manage portfolios of very diversified assets, as it is the case of the Target Company; it should also be noted that, to the best of this Board of Directors' knowledge, in the eighteenth (18) months prior to the date of publication of the preliminary announcement, no reports of *equity research* on Sonaecom were published by investment houses;
- (iii) Information prepared by the Offeror or by Sonaecom in the *Investor Kit* or in the latest accounts: it was also disregarded from the analysis by the Offeror since Sonaecom's shares have been trading at a material discount to *Net Asset Value* Value.

5. CONCLUSION OF THE BOARD OF DIRECTORS ON THE OFFER AND CONSIDERATION

After analyzing the Prospectus, the Board of Directors considers that the Offeror intends to continue and maintain the strategic line defined by the Sonaecom Board of Directors and, according to their best understanding, no material changes are anticipated in the current situation of the employees, the financial situation and that of other *stakeholders*. Therefore, the Board of Directors considers that this Offer, in view of the criteria set forth in Article 181 of the CVM, is justifiable and its conditions are adequate.

Furthermore, the Board of Directors notes that:

- (i) In the three years immediately preceding the preliminary announcement of the Offer, the daily closing price of Sonaecom shares was between €1.37 and €2.13 per share, with a volume-weighted average price of €1.67 per share, being the Offer consideration (€2.50) 49.8% higher than the volume-weighted average price of Sonaecom shares during this period;
- (ii) The Offer consideration represents a premium of 25.0% when compared to the closing price of the day before the preliminary announcement of the Offer and a premium of around 32.6% when compared to the volume-weighted average price of the six months immediately prior to the preliminary announcement of the Offer;

- (iii) The premium of 25.0% implied in the Offer compared to the closing share price on the day before the preliminary announcement is higher than the adjusted average of the premia paid in comparable transactions carried out since 2011, whose value is around 21.2% in Portugal and 22.1% in Iberia. Regarding the weighted-average price in the six months immediately prior to the preliminary announcement of the Offer, this premium is 32.6%, which is also higher than the adjusted average of premia paid in comparable transactions carried out since 2011, whose value is around 21.7% in Portugal and 23.8% in Iberia; and
- (iv) None of the situations of lack of fairness of the consideration provided for in Article 188(3) of the Portuguese Securities Code is verified (in particular, there is no reduced liquidity of the shares *Euronext Lisbon* regulated market);
- (v) It should be noted that, to the best of this Board of Directors' knowledge, in the eighteenth (18) months prior to the date of the preliminary announcement, no reports of *equity research* on Sonaecom were published by investment houses;
- (vi) Shareholders should also consider the possible implications for the liquidity of their shares that may arise from the Offer.

In view of the above and in the light of the current macroeconomic uncertainty, it is the understanding of the Board of Directors that considering the criteria contained in Article 181 of the CVM, the Offer and its conditions are adequate and, taking into account the existing information on the Company and the historical behaviour of Sonaecom shares on a regulated market, the consideration for the Offer deserves to be taken into account and is susceptible of being accepted by the shareholders.

The Board of Directors also recommends that each shareholder make their own individual decision as to whether accept, or not accept the Offer, based on their own investment profile and their target of return, liquidity and investment's time horizon.

7. ADOPTION OF THIS ADDENDUM TO THE REPORT BY THE MANAGEMENT BOARD

This addendum to the Target Company's Report was approved by unanimity of the votes cast by the members of the Board of Directors of Sonaecom present at the meeting, held on 20 March, 2023, including the votes of the Chairman of the Board of Directors Ângelo Gabriel Ribeirinho dos Santos Paupério and the directors Maria Cláudia Teixeira de Azevedo and João Pedro Magalhães da Silva Torres Dolores, who are also members of the Board of Directors of the Offeror, reason why, for the purposes of article 181(3), of the CVM, a conflict of interest is observed between the referred directors of the Company and the addressees of the Offer.

Maia, March 20, 2023

The Board of Directors