



Annual Report 2019

IMPRESA – SGPS, S.A.
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SINGLE MANAGEMENT REPORT 2019

In compliance with the requirements imposed by law regarding public companies, the Board of Directors of IMPRESA – Sociedade Gestora de Participações Sociais, S.A. hereby presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2018. In doing so, the Board was careful to include sufficient elements and information for the shareholders and investors in general to be able to assess the activity of the GROUP IMPRESA, in a clear and objective manner within the respective horizon of intervention.

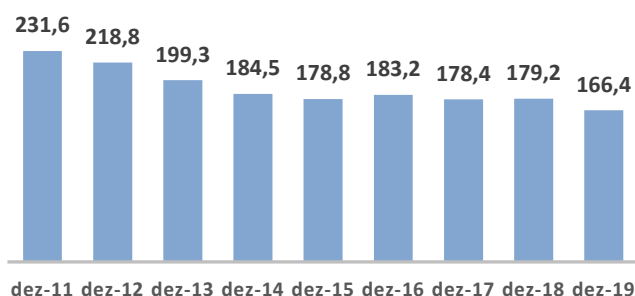
IMPRESA RESULTS FOR 2019

- ✓ IMPRESA's Net Income grows 150%
- ✓ EBITDA grows 39%, highlighting the best operational results since 2014
- ✓ Net debt falls by M€ 12.8, and shows the lowest value since 2005
- ✓ SIC leads audiences with a share of viewing of 19,5%
- ✓ Number of EXPRESSO readers and subscribers increases once again

1. Main highlights

1.1. Financial

- Impresa's net income reached M€ 7.8, an increase of M€ 4.7 in relation to the same period of the previous year (+150%).
- EBITDA exceeded M€ 25.1, showing an improvement of 38.6% relative to the EBITDA of M€ 18.1 recorded in 2018.
- Total revenues of the IMPRESA Group reached M€ 181.9, an increase of 5.6% relative to turnover in 2018. Increase in advertising (7.4%) and IVR (74.2%) revenues in particular, contributed for this value.
- Operating costs increased 1.8%, resulting from the increase in business activity and improved company's performance, namely in the commercial and IVR areas.
- The improvement on SIC's operating performance was evident in the 35% increase in EBITDA that reached the 27 M€.
- IMPRESA has made fundamental improvements in its financing profile:
 - o In July 2019, SIC successfully completed a bond issue of M€ 51 with the objective of increasing the average maturity of its debt.



o Net remunerated debt fell M€ 12.8, year-on-year, to M€ 166.4, the lowest value since 2005, when 100% of SIC's control was acquired.

(valores em €)	2019	2018	var %
Receitas Consolidadas	181 870 149	172 162 757	5,6%
Televisão	155 249 404	145 309 942	6,8%
Publishing	24 188 391	24 273 158	-0,3%
Infoportugal	2 233 365	2 135 721	4,6%
Intersegmentos & Outras	198 989	443 937	-55,2%
Custos Operacionais (1)	156 768 854	154 052 740	1,8%
EBITDA	25 101 295	18 110 017	38,6%
Margem EBITDA	13,8%	10,5%	
EBITDA Televisão	27 002 247	20 001 532	35,0%
EBITDA Publishing	274 654	1 188 370	-76,9%
EBITDA Infoportugal & Intersegmento:	-2 175 605	-3 079 885	29,4%
EBITDA (2)	27 727 133	20 192 046	37,3%
Resultados Líquidos	7 835 921	3 139 284	149,6%
Dívida Líquida (M€)	166,4	179,2	-7,1%

Notes:

EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets.

Net Debt (*) = Loans (ST+MLT) - Cash and Cash Equivalents.

(*) Takes into account the lease liabilities recorded in 2019 arising from the application of IFRS 16.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses in non-current assets.

(2) EBITDA adjusted for restructuring costs.



1.2. Audiovisual

- SIC ended 2019 as audience leader in the universe of generalist channels, with an average share of 19.5% in terms of consolidated data, representing a year-on-year increase of 2.5 pp. **The year of 2019 was marked by the historic change in audience leadership in Portugal. Fifteen years on, SIC returned to its top spot as the leading television channel in Portugal.**
- The SIC channels, i.e. SIC's set of generalist and thematic channels, ended 2019 in a leading position with a market share of 23.3%, corresponding to year-on-year growth of 2.5 pp. In the commercial targets (A/B C D 15/54 and A/B C D 25/54), SIC's set of channels ended the year in the leading position, with shares of 23.0% and 23.9%, respectively.
- In 2019, SIC's websites as a whole registered a remarkable improvement (+71.2%) compared to the results obtained in the previous year, having registered an average of 16,324,691 visits per month in 2019.
- SIC's generalist channel represents a market share of 49.9% in advertising investment, having grown 4.9 pp year-on-year.

1.3. Publishing

- The Expresso continued to be the best selling newspaper in Portugal, with an average of 84 thousand copies sold, according to data from the APCT, with reference to the period covering January to April 2019.
- The EXPRESSO is also the Portuguese leader in paid digital circulation, having sold an average of more than 27 thousand copies per edition in 2019.
- In 2019, Expresso websites as a whole registered a year-on-year improvement of 19.6% in terms of average visits per month (11,836,363) in 2019.



2. Analysis of the Consolidated Accounts

(valores em €)	2019	2018	var %
Receitas Totais	181 870 149	172 162 757	5,6%
Televisão	155 249 404	145 309 942	6,8%
Publishing	24 188 391	24 273 158	-0,3%
Infoportugal & Outras	2 233 365	2 135 721	4,6%
Intersegmentos	198 989	443 937	-55,2%
Custos Operacionais (1)	156 768 854	154 052 740	1,8%
Total EBITDA	25 101 295	18 110 017	38,6%
Margem EBITDA	13,8%	10,5%	
Televisão	27 002 247	20 001 532	35,0%
Publishing	274 654	1 188 370	-76,9%
Infoportugal & Outras	-2 175 605	-3 079 885	29,4%
Total EBITDA (2)	27 727 133	20 192 046	37,3%
Margem EBITDA (2)	15,2%	11,7%	
Amortizações e Depreciações	5 849 203	3 521 332	66,1%
EBIT	19 252 093	14 588 685	32,0%
Margem EBIT	10,6%	8,5%	
Resultados Financeiros	-7 330 997	-5 491 509	-33,5%
Res. Antes Imp. e Int. s/ Controlo	11 921 095	9 097 176	31,0%
Provisões	341 400	2 778 232	-87,7%
Imposto (IRC)	3 743 775	3 179 660	17,7%
Resultados Líquidos	7 835 921	3 139 284	149,6%

Notes:

EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses in non-current assets.

(2) EBITDA adjusted for restructuring costs.

In 2019, IMPRESA reached consolidated revenues of M€ 181.9, which represented a 5.6% increase in total income relative to 2018.

The following should be noted relative to business in 2019:

- o 7.4% increase in advertising revenues.
- o 3.9% increase in sales of paper and digital publications.
- o 23.5% increase in other revenues, mainly those related to IVR (+74.2%), whose margin increased 316% in relation to 2018.



(valores em €)	2019	2018	var %
Total Receitas	181 870 149	172 162 757	5,6%
Publicidade	118 525 510	110 312 696	7,4%
Subscrição Canais	34 308 874	36 857 597	-6,9%
Circulação	9 691 888	9 326 920	3,9%
Outras receitas	19 343 878	15 665 544	23,5%

In 2019, operating costs, without considering amortisation, depreciation, provisions and impairment losses in non-current assets, increased 1.8% in comparison to 2018. This difference results from the strong improvement in commercial performance and in IVR-related business and from the amount related to bonuses granted to employees of the Impresa Group due to the results achieved in 2019.

Consolidated EBITDA was positive by M€ 25.1, an improvement of 38.6% in relation to 2018, when the accounts showed an EBITDA of M€ 18.1.

EBITDA (2), adjusted for compensations, was positive by M€ 27.7, up 37.3% (+ M€ 7.5) year-on-year.

The volume of amortisations and depreciation increased 66% in 2019, as a result of the investment in the expansion of the IMPRESA building.

Net income in 2019 came to a positive value of M€ 7.8 (+150%).

3. SIC

(valores em €)	2019	2018	var %
Total Receitas	155 249 404	145 309 942	6,8%
Publicidade	105 743 980	97 448 776	8,5%
Subscrição Canais	34 308 874	36 857 597	-6,9%
IVR	11 278 342	6 474 786	74,2%
Outras receitas	3 918 209	4 528 783	-13,5%
Custos Operacionais (1)	128 247 157	125 308 410	2,3%
EBITDA	27 002 247	20 001 532	35,0%
Margem EBITDA (%)	17,4%	13,8%	
EBITDA (2)	28 191 438	21 333 480	32,1%
Margem EBITDA (2) (%)	18,2%	14,7%	

Notes:

EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses in non-current assets.

(2) EBITDA adjusted for restructuring costs.



In 2019, SIC achieved total revenues of €M 155.2, representing an increase of 6.8%, as a result of the good performance observed in all revenue lines, with the exception of channel subscriptions.

Advertising revenues reached M€ 105.7, up 8.5% year-on-year.

Subscription revenues generated by the 8 SIC channels, distributed over cable and satellite, in Portugal and abroad, fell 6.9% in 2019 to M€ 34.3. This decrease was essentially due to the negotiation of contracts with international operators.

IVR revenues increased 74.2% to 11.3 M€.

Operating costs increased 2.3%, mainly due to the increase in IVR revenues.

The increase in operating costs (M€ 2.9) was positively offset by the total increase in revenues (M€ 9.9), which led to a 35% increase in EBITDA and a 32.1% increase in EBITDA adjusted for compensations.

SIC's EBITDA in 2019 came to M€ 27 and M€ 28,2 adjusted for compensations.

It should be noted that on 27 January 2019, SIC began broadcasting from the new IMPRESA building studios, in Paço de Arcos, which allowed the entire activity of the IMPRESA Group to be concentrated in only one building (with the exception of the Northern branch office, in Matosinhos and the studios of Parque Holanda, in Carnaxide).

3. Audiences

SIC ended 2019 as audience leader in the universe of generalist channels, with an average share of 19.5% in terms of consolidated data, representing a year-on-year increase of 2.5 pp. The year of 2019 was marked by the historical change in audience leadership in Portugal, as 12 years on SIC become the leading station in Portugal.

SIC ended 2019 as audience leader in prime time, in the universe of generalist channels, with an average share of 21.9%, in terms of consolidated data, representing a year-on-year increase of 1.3 pp.

The following contributed to these results:

- o The success of the various fiction products that SIC broadcast on prime time ("Alma e Coração", "Vidas Opostas", "Golpe de Sorte", "Nazaré", "Terra Brava", "Segundo Sol" and "A Dona do Pedaço") and of the weekend entertainment programmes ("Quem Quer Namorar com o Agricultor", "Esta Mensagem é Para Ti", "Terra Nossa", "A Árvore dos Desejos" e "Casados à Primeira Vista");
- o The "XXIV Gala dos Globos de Ouro", which aired in September, and which ended in the leading position, in the universe of generalist channels, with a share of 31.9%, at a distance from the competition which had not been seen since 2011 (+ 20.0 pp than TVI);



- o The television debates for the Legislative Elections of 2019, which ended in the leading position with a share of 22.6%;
- o The excellent results of day time with “O Programa da Cristina” leading in weekday mornings;
- o The leading in weekday afternoons with the program “Júlia e a Linha Aberta” and in the weekend mornings with the program “Olhó Baião!”;
- o “Primeiro Jornal” and “Jornal da Noite”, which ended 2019 in the leading position, on every weekday. The following different programmes throughout the year - “A Rede”, “O Polígrafo”, “Olhá Festa”, “Vidas Suspensas”, “Grande Reportagem – Entregues à Sorte” and “Opinião de Luís Marques Mendes”, among others that ended the year in a leading position, made a very positive contribution to the good performance of “Jornal da Noite”;
- o The weekend magazines, “Alta Definição”, “E-Especial” and “Fama Show” which ended the year in a leading position;
- o The Europa League broadcast by SIC;
- o The programming of films for the whole family at Christmas and New Year, with SIC having once again being chosen by the Portuguese during this season.

The SIC channels, i.e. SIC's set of generalist and thematic channels, ended 2019 in a leading position with a market share of 23.3%, corresponding to a year-on-year growth of 2.5 pp.

In the commercial targets (A/B C D 15/54 and A/B C D 25/54), SIC's set of channels ended the year in the leading position, with shares of 23.0% and 23.9%, respectively.

SIC's subscription channels achieved a market share of 3.7% in 2019. In terms of consolidated data, SIC ended 2019 with an average share of 1.8%, thus maintaining its leadership in the universe of information channels and increased its distance from TVI to 0.3% pp, which had not been achieved since 2015.

SIC Notícias also continued to be the most watched information channel and achieved a much higher share than the competition whenever there were important events or breaking news. Proof of this were the various days throughout the year on which the channel registered audiences far above the average: the fire of Notre Dame, the bus accident in Madeira, the fuel crisis and the European and legislative elections.

Regarding the rest of the thematic channels, in 2019 SIC Mulher achieved a market share of 0.9%, SIC Radical reached 0.4% and SIC K and SIC Caras reached 0.3%.



4. IMPRESA Publishing

(valores em €)	2019	2018	var %
Total Receitas	24 188 391	24 273 158	-0,3%
Circulação	9 691 888	9 326 920	3,9%
Publicidade	12 767 743	12 835 683	-0,5%
Produtos alternativos	312 540	581 050	-46,2%
Outras receitas	1 416 221	1 529 505	-7,4%
Custos Operacionais (1)	23 913 738	23 084 788	3,6%
EBITDA	274 654	1 188 370	-76,9%
Margem EBITDA (%)	1,1%	4,9%	
EBITDA (2)	1 700 765	1 362 188	24,9%
Margem EBITDA (2) (%)	7,0%	5,6%	

Notes:

EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses in non-current assets.

(2) EBITDA adjusted for restructuring costs.

Total revenues remained in line with the previous year, having fallen slightly (-0.3%) year-on-year to M€ 24.2.

Circulation revenues increased 3.9% to M€ 9.7, with emphasis on Expresso's digital subscription revenues, which grew at a rate of more than 29% in comparative terms (2019 vis-à-vis 2018), representing 17.9% of total circulation revenues.

Advertising revenues reached M€ 12.8, remaining almost identical, with a slight decline of 0.5%, in comparison with 2018.

The continued focus on Expresso's digital formats is reflected in the total advertising and circulation revenues, currently representing 18% of income from the Publishing area.

The 3.6% growth in operating costs was due to compensation costs incurred in 2019. Thus, the combined evolution of operating revenues and costs, without considering restructuring costs, resulted in a positive EBITDA, which reached M€ 1.7, equivalent to 339 thousand euros more than in 2018.



5. IMPRESA Other

(valores em €)	2019	2018	var %
Total Receitas	2 432 354	2 579 657	-5,7%
Infoportugal	2 233 365	2 135 721	4,6%
Intersegmentos & Outras	198 989	443 937	-55,2%
Custos Operacionais (1)	4 607 959	5 659 542	-18,6%
EBITDA	-2 175 605	-3 079 885	29,4%

Notes:

EBITDA = Operating Results + Amortisations and Depreciation + Provisions + Impairment in non-current assets.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses in non-current assets.

In 2019, the growth of aerial photography projects and new content supply contracts remained strong, which allowed Infoportugal to achieve operating revenues of M€ 2.2, representing a year-on-year increase of 4.6%.

In terms of consolidated results, the EBITDA of this segment was negative by M€ 2.2, which nonetheless represented a year-on-year improvement of 29.4%.



6. IMPRESA in the Stock Market

The year of 2019 was very positive for capital markets, with multiple records having been recorded in worldwide stock markets. The second half of the year was marked by the easing of uncertainties surrounding Brexit and the easing of tension in the US-China trade war, which increased investor confidence.

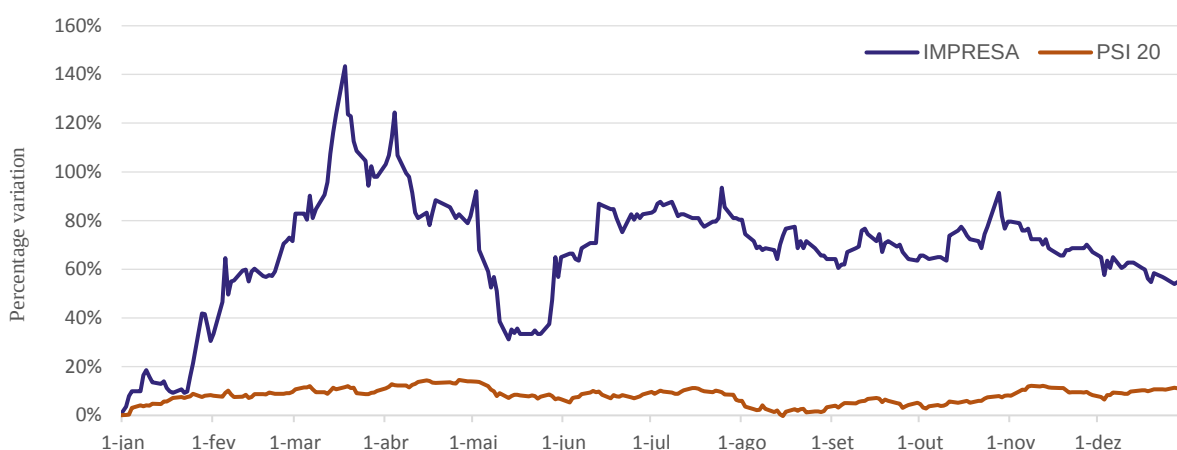
Several signs of a slowdown in the global economy led central banks to strengthen expansionary policies. The European Central Bank cut interest rates and relaunched the growth stimulus programme, while the US Federal Reserve cut interest rates three times over the year.

The phenomenon of negative interest rates was the most prominent aspect of the debt market, with benchmark securities reaching historic lows. In Portugal, in the bond market, the success of the SIC 2019-2022 Bond issue, aimed at the general public, should be highlighted, whose Public Offering registered the highest number of investors in a "Corporate" debt issue in Portugal in the last 6 years¹.

In Europe, the Euro Stoxx 50 ended 2019 with a 24.8% increase in value over the previous year. Although it did not match the strong increases in the other European stock markets, the PSI-20 index registered a growth of 10.2%. The increase registered in the media sector was more conservative, with the Euro Stoxx Media growing 6.3%.

6.1. IMPRESA Stocks

Evolution of the IMPRESA share price and the PSI 20 Index in 2019



Data: Euronext

Benefiting from the favourable economic climate, but above all due to the good results of the Group, and in particular of the subsidiary SIC, IMPRESA's share price increased by 54%, representing the second highest valuation in the Portuguese market. The shares closed the year at a value of € 0.21 euros/share, having reached a maximum value of € 0.33 in March.



Transaction volumes also registered a significant increase of 163%, with an average of 526,340 shares traded per session, compared to an average of around 200,000 shares per session in 2018.

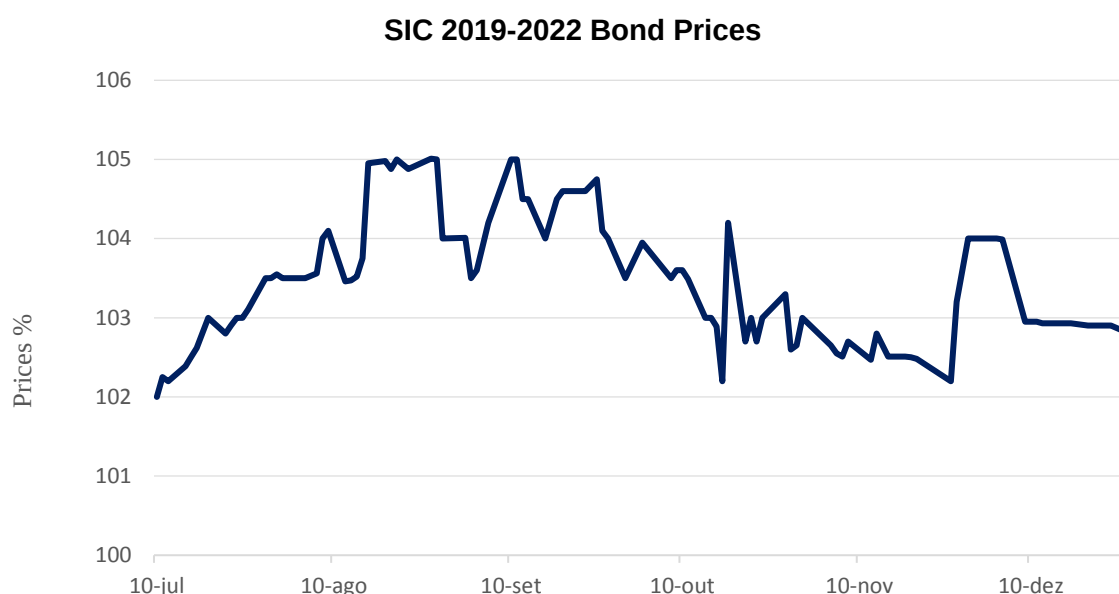
Source: Euronext; Results of the Public Offering of SIC 2019-2022 Bonds (05/07/2019).

6.2. SIC 2019-2022 Bonds

In 2019, SIC issued and admitted to trading 1,700,000 bonds, with a final total nominal value of € 51,000,000, maturing on 11 July 2022 and with a gross annual fixed interest rate of 4.50%.

The Public Offering (IPO), aimed at the general public, registered 10,426 subscribers to SIC Bonds, the highest number of investors in a "Corporate" debt issue in Portugal in the last 6 years. Gross demand was 6.73 times the initial amount and 3.96 times the final amount of the Offering¹.

After the conclusion of the IPO, the shares were admitted to trading on a regulated market (Euronext Lisbon) on 10 July 2019, and integrated in the Central Securities Depository operated by Interbolsa.



Data: Euronext

The bond reflected investors' confidence in the good results that SIC presented throughout 2019, trading between 102% and 105%.

The average number of bonds traded in each session came to 28,848.

Source: Euronext; Results of the Public Offering of SIC 2019-2022 Bonds (05/07/2019).



7. Awards

1st Quarter

- Personality Award given by the American Chamber, under the AmCham's Tributes – Francisco Pinto Balsemão, for the successful internationalisation of SIC
- "Five Stars" 2019 Award in the categories:
 - o "Information Channel" - SIC Notícias
 - o "Journalism" - Rodrigo Guedes de Carvalho
 - o "Career Award" - Cristina Ferreira
 - o "Weekly Newspapers" - Expresso
- Portuguese Society of Authors Award - Isable Osório, "Grande Reportagem" 'The 25 Years of the Associação Abraço (Embrace Association)'
- W2018 Awards - Category of Television Reporting "Event of the Year" - Lúcia Gonçalves, Vintage Families
- Best Environment Journalist of the Decade of the 'All Ladies League - Women Economic Forum 2019' – Carla Castelo
- Best Information Programme Award - Author Awards 2019 - Miriam Alves, "Grande Reportagem" 'The Misunderstanding: The diseases we call cancer'
- LinkedIn Marketing Culture and Values Award in Partner Connect London 2019 - Carlos Prazeres and Cláudio Casquinha

2nd Quarter

- Rockie Awards Canada - First Prize in the category of Serials, Soaps & Telenovelas for "Vidas Opostas"
- Bronze Medal in the Television category - New York Festivals® International TV & Film Awards 2019, for "Vidas Opostas"
- Hold Medal in the Best Soap Opera category in the World Media Festival - Hamburg, Germany, for "Alma e Coração"
- APIFARMA/ Clube de Jornalistas Award - Health Journalism:
 - o Television Award - "O Mal Entendido: As doenças a que chamamos cancro" [The Misunderstood: diseases we call cancer] by Miriam Alves
 - o Honourable Mention - "E De Nós Quem Cuida" [We must take care of ourselves] by Catarina Marques
- Fantastic TV Award:
 - o Best Cultural Programme – "Cartaz Cultural"
 - o Best Female Journalist – Clara de Sousa
 - o Best Male Journalist – Rodrigo Guedes de Carvalho
 - o Best Comedy Programme – "Levanta-te e Ri"
- Journalism Award of the Portuguese League Against Cancer - "O Mal Entendido: As doenças a que chamamos cancro" [The Misunderstood: diseases we call cancer] by Miriam Alves
- AMI Award – Journalism Against Indifference – "O Mal Entendido: As doenças a que chamamos cancro" [The Misunderstood: diseases we call cancer] by Miriam Alves
- Marketeer Awards – TV Media – SIC
- Creativity Means & Advertising Awards:



- o Silver International Spot – "Mundial Ronaldo SIC"
- o Institutional Campaign - Bronze – "SIC Notícias isto é ..."
- o SIC Notícias - Bronze - "Isto não é uma campanha"
- o Information Self-Promotion – Mundial Ronaldo SICGold – "Polígrafo"
- o Institutional Campaign - Bronze – "SIC vai mexer consigo"
- o Entertainment – Gold – "Cristina" Launch Campaign
- o Entertainment – Silver – "Alma e Coração" Launch Campaign
- o Social Digital Networks – Bronze – "Lipsync Portugal"
- o Separator – Gold – "Revamp SIC"
- o Graphism – Gold – "Revamp SIC"
- o Self-Promotion – Grand Award – "Revamp SIC"
- o Self-Promotion – Entertainment – Gold – "Cristina" Launch Campaign
- o Institutional – Silver – "Saco Expresso" Sustainability Campaign
- o Copywriting/spotTV – Bronze – "Saco Expresso" Sustainability Campaign
- o Self-Promotion – Branded Content – Bronze (Digital and Social Networks) – ANA Aeroportos
- o Self-Promotion – Branded Content – Bronze (Digital and Social Networks) – Peugeot Rifler

3rd Quarter

- Communication Means & Advertising Awards:
 - o Corporate Event - Inauguration of the Impresa Building
 - o Culture & Entertainment Category - "O Programa da Cristina"
 - o Institutional Advertising - "Há Coisas que Fazem Mais Sentido em Papel" [There are Things that Make More Sense on Paper]
 - o Sustainability Action Advertising - "Há Coisas que Fazem Mais Sentido em Papel" [There are Things that Make More Sense on Paper]
- GQ Awards:
 - o Male Communication Personality of the Year - Daniel Oliveira
- SND 2019 Awards (Ñh Awards - Best Iberian Journalism
 - o Best Newspaper - Expresso Newspaper
- "Corações Capazes de Construir" [Hearts Capable of Building] Communication Awards:
 - o Honourable Mention - Special Report "E de nós, quem Cuida?" [We must take care of ourselves] – Catarina Marques

8. Prospects

Impresa expects to consolidate the good results achieved in 2019, with a focus on EBITDA growth, an improved operating margin and a reduction in net debt. Fulfilling the Strategic Plan for the three-year period 2020-2022, Impresa will complement its current activities by expanding into new platforms, meeting the needs of more and new audiences and increasing and diversifying its content portfolio.



Up to the date of approval of the financial statements by the Board of Directors, the Group had not experienced relevant impacts on its activity derived from the outbreak of the COVID-19 virus, which has progressively propagated at a worldwide scale, and also in Portugal. The Group has made a survey of the potential impacts of the COVID-19 virus on its activity and prepared a response plan, and has also implemented a contingency plan to ensure the regular operation of the companies in which the Group holds stakes, in particular the continued broadcasts of the different television channels operated by the Group and the activity of the EXPRESSO newspaper. In view of the uncertainty that this situation involves, it is not possible at this particular moment in time to foresee the financial consequences that may be faced by the Group. IMPRESA shall continue to monitor the economic implications of the COVID-19 virus, and, in particular, the identification of potential sources of risk for the activity of its subsidiaries.

Moreover, as the largest Portuguese media group, it should be highlighted that IMPRESA'S main brands, SIC and EXPRESSO, perform an extremely important role in situations like the one currently being experienced, in which updated, rigorous and credible information is crucial. SIC and EXPRESSO, in their various platforms, shall assure, as always, their mission of safeguarding the public interest by informing Portuguese society with their reputed independence and accuracy, clearly conveying institutional messages of relevance.



Single Management Report

In compliance with the requirements imposed by law on publicly held companies, the Board of Directors of IMPRESA – Sociedade Gestora de Participações Sociais, S.A. hereby presents its SINGLE MANAGEMENT REPORT relative to the financial year of 2019. In doing so, the Board was naturally concerned to ensure that this report contained sufficient elements and information for the shareholders and investor public in general could clearly and objective assess the activity of the IMPRESA Group during the period under review.

INDIVIDUAL ACCOUNTS

1. Analysis of Individual Accounts

The Board of Directors of IMPRESA decided to adopt the IAS/IFRS as endorsed by the European Union in the preparation of its individual financial statements from 1 January 2009, considering 1 January 2008 as the transition date for the purpose of calculating the conversion adjustments. Hence, the individual financial statements presented since then have been prepared in accordance with these accounting standards.

In 2019, in individual terms, the operating results were positive by 3,607 thousand euros, compared to the negative results of 22,671 thousand euros, obtained in 2018.

The financial results were positive by 6,445 thousand euros, compared to the positive results of 4,457 thousand euros obtained in 2018, as a consequence of the increased gains of the Group's companies.

Accordingly, net income was positive by 4,412 thousand euros in 2019, higher than the negative value of 17,180 thousand euros obtained in 2018.

2. Proposed appropriation of net income

We propose the transfer of the positive net income for the year of 4,412,400 euros to the retained earnings account.

ACTIVITY OF THE NON-EXECUTIVE DIRECTORS

Non-executive directors, in compliance with the duties entrusted to them by law, participated in the meetings of the Board of Directors, namely in meetings where the quarterly, half-year and annual accounts for the financial year of 2019 were appraised and approved, and in the



general meetings of shareholders. These directors did not encounter any constraints in the performance of their duties.

Pursuant to the law and the IMPRESA Audit Committee regulations, the activity of the non-executive members of the Audit Committee shall be described in a separate report, accompanying the IMPRESA Annual Report of 2019.

ACKNOWLEDGEMENTS

The Board of Directors would like to thank the employees for their effort and dedication shown during the year under analysis, which enabled obtaining these results.

The Board of Directors thanks the Statutory Auditor, BDO & Associados, S.R.O.C., and the banks, Banco BPI, Caixa Geral de Depósitos, Caixa Banco de Investimento, Millennium BCP, Banco Santander Totta, Montepio Geral, Banco EuroBIC, Novo Banco, Caixa de Crédito Agrícola, BNP Paribas, Bankinter, Haitong Bank, Banco BIG, Banco Best, Banco Carregosa, Banco Finantia and ActivoBank for all their collaboration provided during last year.

Lisbon, 19 March 2020

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira da Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

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Individual Accounts

Annual Report 2019

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2019 AND 2018

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 25)

ASSETS	Notes	31 December 2019	31 December 2018
<u>NON-CURRENT ASSETS</u>			
Investments in group and associated companies	11	280.907.854	280.907.854
Tangible fixed assets	10	115.015	-
Other non-current assets	21.1	157.562	227.601
Deferred tax assets	8	76.944	-
Total non-current assets		<u>281.257.375</u>	<u>281.135.455</u>
<u>CURRENT ASSETS</u>			
Other current assets	12	5.713.526	4.624.291
Cash and cash equivalents	13	42.041	122.725
Total current assets		<u>5.755.567</u>	<u>4.747.016</u>
TOTAL ASSETS		<u>287.012.942</u>	<u>285.882.471</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Capital	14	84.000.000	84.000.000
Share premium	15	36.179.271	36.179.271
Legal reserve	16	2.001.797	2.001.797
Other reserves	16	15.753.452	15.806.179
Retained Results	16	(21.978.213)	(4.797.627)
Net (loss)/profit for the year		<u>4.412.400</u>	<u>(17.180.586)</u>
TOTAL EQUITY		<u>120.368.707</u>	<u>116.009.034</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES</u>			
Bank borrowings	17	26.673.129	56.076.197
Borrowings from group companies	18	98.934.953	74.063.385
Deferred tax liabilities	8	35.450	51.210
Total non-current liabilities		<u>125.643.532</u>	<u>130.190.792</u>
<u>CURRENT LIABILITIES:</u>			
Bank borrowings	17	23.657.258	36.610.399
Borrowings from group companies	18	12.125.000	-
Trade and other payables	19	1.191.422	143.539
Current tax liabilities	8	1.079.599	1.134.667
Other current liabilities	12	2.947.424	1.794.040
Total current liabilities		<u>41.000.703</u>	<u>39.682.645</u>
TOTAL LIABILITIES		<u>166.644.235</u>	<u>169.873.437</u>
TOTAL EQUITY AND LIABILITIES		<u>287.012.942</u>	<u>285.882.471</u>

The accompanying notes form an integral part of the statements of financial position
as of 31 December 2019

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 25)

	<u>Notes</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
<u>OPERATING REVENUE:</u>			
Other operating revenue	3	-	41.952
		-	41.952
<u>OPERATING COSTS:</u>			
Supplies and services	4	(338.958)	(585.994)
Personnel costs	5	(2.782.750)	(2.861.369)
Provisions and impairment losses	11	-	(18.788.000)
Amortization and depreciation	10	(73.936)	
Other operating costs	6	(484.905)	(478.050)
Total operating costs		(3.680.549)	(22.713.413)
Operating loss		(3.680.549)	(22.671.461)
<u>NET FINANCIAL ITEMS:</u>			
Net financial costs	7	(4.886.382)	(4.226.358)
Net gain on group companies and associates	7	11.331.547	8.684.179
		6.445.165	4.457.821
Profit before taxes		2.764.616	(18.213.640)
Income tax for the year	8	1.647.784	1.033.054
Net (loss)/profit for the year		4.412.400	(17.180.586)
<u>Other comprehensive income:</u>			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	8 and 21	(52.727)	(24.717)
Comprehensive income for the year		4.359.673	(17.205.303)
Earnings per share:			
Basic	9	0,0263	(0,1023)
Diluted	9	0,0263	(0,1023)
Comprehensive income per share:			
Basic	9	0,0260	(0,1024)
Diluted	9	0,0260	(0,1024)

The accompanying notes form an integral part of the statements of profit and loss and other comprehensive income
for the year ended 31 December 2019

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 24)

	Capital	Share premium	Legal reserve	Other reserves	Retained Results	Net (loss)/profit for the year	Total equity
Balance at 1 January 2018	84.000.000	36.179.271	2.001.797	15.830.896	-	(4.797.627)	133.214.337
Pension plan - actuarial gain/(loss) (Note 21.1)	-	-	-	(31.893)	-	-	(31.893)
Pension plan - deferred tax liability (Note 8)	-	-	-	7.176	-	-	7.176
Other comprehensive income	-	-	-	(24.717)	-	-	(24.717)
Other changes:							
Appropriation of net result for the year ended 31 December 2016 (Note 15)	-	-	-	-	(4.797.627)	4.797.627	-
Net loss for the year ended 31 December 2018	-	-	-	-	-	(17.180.586)	(17.180.586)
Balance at 31 December 2018	84.000.000	36.179.271	2.001.797	15.806.179	(4.797.627)	(17.180.586)	116.009.034
Pension plan - actuarial gain/(loss) (Note 21.1)	-	-	-	(68.035)	-	-	(68.035)
Pension plan - deferred tax liability (Note 8)	-	-	-	15.308	-	-	15.308
Other comprehensive income	-	-	-	(52.727)	-	-	(52.727)
Other changes:							
Application of net result for the year ended 31 December 2018 (Note 15)	-	-	-	-	(17.180.586)	17.180.586	-
Net profit for the year ended 31 December 2019	-	-	-	-	-	4.412.400	4.412.400
Balance at 31 December 2019	84.000.000	36.179.271	2.001.797	15.753.452	(21.978.213)	4.412.400	120.368.707

The accompanying notes form an integral part of the statements of changes in equity for the year ended 31 December 2019

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 25)

	<u>Notes</u>	<u>31 December 2019</u>	<u>31 December 2018</u>
<u>OPERATING ACTIVITIES:</u>			
Cash paid to suppliers		(621.522)	(725.080)
Cash paid to employees		(2.415.000)	(2.448.215)
Cash used in operations		(3.036.522)	(3.173.295)
Recovery/(payments) of income tax		(16.740)	153.632
Other cash received/(paid) relating to operating activities		610.261	(191.859)
Net cash used in operating activities (1)		<u>(2.443.001)</u>	<u>(3.211.522)</u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Dividends	7	11.331.547	8.684.179
Loans granted to group companies	12	-	7.395.000
		<u>11.331.547</u>	<u>16.079.179</u>
Cash paid relating to:			
Loans to group companies	10	-	(11.500.000)
		-	(11.500.000)
Net cash from investing activities (2)		<u>11.331.547</u>	<u>4.579.179</u>
<u>FINANCING ACTIVITIES:</u>			
Cash received relating to:			
Bank borrowings	17	-	500.000
Borrowings from group companies	18	45.801.615	48.832.714
		<u>45.801.615</u>	<u>49.332.714</u>
Cash paid relating to:			
Bank borrowings	17	(41.342.104)	(46.796.106)
Borrowings from group companies	18	(8.805.047)	-
Interest and similar costs		(3.900.491)	(3.974.308)
		<u>(54.047.642)</u>	<u>(50.770.414)</u>
Net cash (used)/from financing activities (3)		<u>(8.246.027)</u>	<u>(1.437.700)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		642.519	(70.043)
Cash and cash equivalents at the beginning of the year	13	(4.841.593)	(4.771.550)
Cash and cash equivalents at the end of the year	13	(4.199.074)	(4.841.593)

The accompanying notes form an integral part of the cash flow statements
for the year ended 31 December 2019.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

(Translation of notes originally issued in Portuguese – Note 25)

1. INTRODUCTORY NOTE

Impresa - Sociedade Gestora de Participações Sociais, S.A. ("the Company" or "Impresa") has its head office in Lisbon, it was founded on 18 October 1990 and its main activity is the management of participations in other companies.

Impresa is the parent company of a group made up of Impresa and its subsidiaries ("the Group"). The Group operates in the media business, namely in television broadcasting and publishing in paper and digital format.

The accompanying financial statements were authorized for publication by the Board of Directors of Impresa on March 19, 2020.

The Company has also prepared consolidated financial statements in accordance with current legislation.

2. MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The financial statements were prepared on a going concern basis, from the Company's accounting records, maintained in accordance with the provisions of the International Financial Reporting Standards as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the related "SIC" and "IFRIC" interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). These standards are hereinafter referred to as "IFRS".

The Board of Directors made an evaluation of the Company's ability to continue as going concern, as disclosed in the notes of the consolidated financial statements of December 31, 2019 considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As a result of this analysis, the Board of Directors concluded that the Company has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the financial statements.

Impresa adopted IFRS for the preparation of its separate financial statements for the first time in 2009 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards ("IFRS 1"), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2008.

Therefore, in compliance with IAS 1, Impresa declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for the years beginning on 1 January 2019.

2.2 Adoption of new or revised IAS/IFRS

Except for the adoption of IFRS 16, whose impact is detailed below, which, as a result of the transitional dispositions adopted, did not lead to the restatement of the comparative financial statements, the accounting policies used in the year ended 31 December 2019 are consistent with those used for the preparation of the financial statements of Impresa for the year ended 31 December 2018 and explained in the corresponding notes.

(Translation of notes originally issued in Portuguese – Note 25)

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2019:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 16 – Leases	01-jan-19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lessor of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendment to IFRS 9 - Prepayment features with negative compensation	01-jan-19	This amendment allows that financial assets with contractual conditions that foresee, on anticipated amortization, the payment to a considerable amount by the creditor may be measured at amortized cost or at fair value through reserves (depending on the business model), provided that: i) on the date of initial recognition of the asset the fair value of the anticipated amortization is insignificant; and (ii) the possibility of negative compensation on the anticipated amortization is the only reason for that the asset is not considered an instrument that only includes payments of principal and interest.
IFRIC 23 - Uncertainty over Income Tax Treatments	01-jan-19	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.
Improvements to international financial statement standards (cycle 2015-2017)	01-jan-19	These improvements are related to the clarification of some aspects related to: IFRS 3 – Business combinations: it requires remeasuring interests previously held when an entity obtains control over a participated where previously held joint control; IFRS 11 – Joint arrangements: clarifies that there should not be remeasurement of interest previously held when an entity obtains joint control over a joint operation; IAS 12 – Income tax: clarifies that all the tax consequences of dividends should be recognised in profit and loss, regardless of how the tax is generated; IAS 23 - Borrowing costs: clarifies that the part of the loan directly related to the acquisition / construction of an asset, outstanding after the corresponding asset becomes available for the intended use, is, for the effects of determination of the capitalization rate, considered as part of the generic financing of the entity.
Amendments to IAS 19 - Plan amendments, curtailments or settlements	01-jan-19	If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. • In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The adoption of IFRS 16 had the following impact on the Company's financial statements as of 1 January 2019_

IFRS 16 – Leases

The Company opted by the modified retrospective transition model, foreseen in paragraphs IFRS 16:C3(b), C7 and C8. Consequently, the Company used the practical expedient of not reanalyse if a contract is, or contains, a lease, having made a global evaluation for the new definition, and evaluated the totality of the contracts it had entered into or modified prior to 1 January 2019, and did not restate the comparative financial information, having recorded at the transition date the liability related to the future rents, and a right-of-use asset by the same amount.

The adoption of IFRS 16 had the following effects on the Company's financial statements for the year ended 31 December 2019:

Impacts of the lease definition

The change in the lease definition relates essentially to the concept of control. IFRS 16 distinguishes lease services based on the existence or non-existence of control over the use of an identifiable asset by the client, by opposition to the focus on "risks and rewards" foreseen in IAS 17. Control is considered to exist if the client has, cumulatively:

(Translation of notes originally issued in Portuguese – Note 25)

- The right to obtain substantially all the economic benefits from the use of a specific identified asset; and
- the right to direct the use of that specific asset.

The Company applied the definition of a lease established in IFRS 16 and respective application guides to all lease contracts it had entered into, as lessee or lessor, at or after 1 January 2019. The analysis made by the Company has shown that the new definition did not made significant changes to the scope of contracts that meet the definition of lease for the Company.

IFRS 16 changes the way the Company records the leases formerly classified as operating leases pursuant to IAS 17, which were not recorded in the statement of financial position, being disclosed as commitments not included in the balance sheet.

Operating leases

In accordance with IAS 17, the future responsibilities with operating leases were disclosed in the notes as commitments not included in the statement of financial position. IFRS 16 changed the way the Company accounted for the leases previously classified as operating leases, starting to record the responsibilities and futures rights in the statement of financial position.

In the initial adoption of IFRS 16, the Company:

- Recognized lease liabilities and right of use assets in the statement of financial position, measured by the present value of the future payments of each lease;
- Recognized financial expenses over lease liabilities and depreciation of right of use assets in the profit and loss statement;
- Separated the amounts paid between principal and interest (presented as financing activities) in the cash-flow statement.

For short term leases (12 months or less) and low value lease (as described in paragraphs B3-B8 of IFRS 16), the Company chose to recognize the lease expense on a linear basis as on operating expense, as permitted by IFRS 16:

At 31 December 2018, the Company had non-cancellable lease commitments of, approximately, 100.000 Euros.

At 1 January 2019, as a result of the transitional model adopted by the Company, and in relation to the contracts previously classified as operating leases, the Company recognized a right of use asset, under tangible fixed assets, of, approximately, 170.000 Euros, and a lease liability under the caption Bank borrowings in the same amount, related to contracts previously classified as operating leases. In addition, the Company recognized an amount of depreciation of approximately 74.000 Euros and interest of approximately 4.000 Euros related to these right of use assets in the year ended 31 December 2019.

The right of use assets are presented in the same line item where the underlying assets would be presented, in case they were the Company's property, and are duly identified in the notes. Lease liabilities are included in the line item Bank borrowings of the statement of financial position, and are duly identified in the notes.

(Translation of notes originally issued in Portuguese – Note 25)

The following standards, interpretations, amendments and revisions with mandatory application in future years were endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to Conceptual Framework	01-jan-20	Amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 e SIC 32) on march 2018 revised Conceptual Framework. The revised Conceptual Framework provides updated definitions and recognition criteria for assets and liabilities and clarifies some concepts, such as, measurement, derecognition, presentation and disclosure.
The definition of materiality (Amendments to IAS 1 and IAS 8)	01-jan-19	These amendments clarify the definition of material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The Company did not apply any of these standards in the financial statements for the year ended December 31, 2019.

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 17 - Insurance contracts	01-jan-21	This standard establishes, for insurance contracts within its scope of application, the principles for recognition, measurement, presentation and disclosure. This standard supersedes IFRS 4 - Insurance contracts.
Definition of a Business (Amendments to IFRS 3)	01-jan-20	It corresponds to amendments to the definition of business, aiming to clarify the identification of the acquisition of a business, or of a group of assets. The revised definition also clarifies the definition of output of a business as the supply of goods or services to customers. The changes include examples for the identification of a business acquisition.
Amendments to IFRS 9, IAS 39 and IFRS 7 – reform of the interest rates benchmark (IBOR Reform)	01-jan-20	It corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the project of reform of the interest rates benchmark (known as “IBOR reform”), in order to reduce the potential impact of the change of the reference interest rate in financial reporting, namely in hedge accounting.

These standards have not yet been endorsed by the European Union and so have not been applied by the Company in the year ended 31 December 2019.

From the above referred standards, the Company understands that their adoption will not lead to significant changes in its financial statements.

2.3 Investments in group and associated companies

Equity investments in group and associated companies are recorded at cost, which includes the amount paid plus transaction costs or at deemed cost as of the date of transition to IFRS, which corresponds to the amount recorded as of that date in accordance with generally accepted accounting principles in Portugal.

Investments are maintained at cost of acquisition or deemed cost, less any estimated impairment losses, when applicable.

(Translation of notes originally issued in Portuguese – Note 25)

Supplementary capital contributions made by the Company to group and associated companies are recorded at nominal value less any impairment losses. Such contributions are added to the amount of the investment in group and associated companies due to their permanent nature, they do not bear interest and in accordance with the applicable commercial legislation they can only be repaid if, after repayment, equity of the companies is not less than the sum of their capital and non-distributable reserves.

Dividends attributed by group and associated companies are recorded as financial income and decreases in capital are recorded as decreases in the amount of the investment.

2.4 Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase expenses.

Estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognized as a decrease in the corresponding asset by corresponding entry to the statement of profit and loss and other comprehensive income for the year.

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets when they correspond to the replacement of assets which are written off and result in increased future economic benefits.

Tangible fixed assets are depreciated from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, which, for transport equipment, varies between 4 and 8 years.

2.5 Leases

2.5.1 Applicable accounting policy from 1 January 2019 onwards

The Company analyses whether a contract contains or not a right of use asset at contract inception. The company recognizes a right of use asset and the corresponding liability in relation to all contracts where it is a lessee, except for short term leases (less than 12 months) and low value leases. For such contracts, the Company recognizes the lease expenses on a linear basis as an operating expense.

The lease liability is initially measured by the present value of the future payments of each lease, discounted at the rate implied in the lease contracts. If such rate is not readily determinable, the Company uses its incremental interest rate.

The lease payments included in the measurement of the lease liabilities include:

- In-substance fixed payments), net of any incentives associated to the lease;
- Variable payments based on indexes or rates;
- Expectation of payments related to residual value;
- Exercise price of purchase options, if it is reasonably expected that the Company will exercise the option; and
- Penalties related to ending or renewing unilaterally exercisable, if it is reasonably certain that the Company will exercise the option to end or renew the term of the lease.

The lease liability is remeasured subsequently, increased by the interest accrued (recognized in the profit and loss statement), and reduced by the lease payments made.

Its book value is remeasured to reflect an eventual reassessment, when a modification or revision of the fixed in-substance payments occurs.

The lease liability is remeasured, the corresponding adjustment in the asset being made, whenever:

- Events or significant changes occur, that are under the control of the lessee, on the lease term, or on the right of exercising the purchase option as a result of a significant event or a change in circumstances. In that case, the lease liability is remeasured, based on the actual lease payments, using a new discount rate;

(Translation of notes originally issued in Portuguese – Note 25)

- The lease payments are modified due to changes in an index or rate or a change in the expected payment under a guaranteed residual value, the lease liability being remeasured, discounting the new lease liability using an unchanged discount rate (unless the change in the lease payments is due to a change based on a floating interest rate, in which case the new discount rate is used);
- A lease contract is modified and the modification in the lease is not accounted as a separate lease. In this case, the lease liability is remeasured based on the modified term, discounting the new payments using a discount rate determined at the effective date of the modification.

The lease liabilities are presented in the line item Bank borrowings of the statement of financial position, and are duly identified in the notes.

The right of use assets correspond to the initial measurement of the corresponding lease liability, added by the lease payments before or on the date of the beginning of the lease, and added by the eventual initial direct expenses, and deducted by eventual amounts received. Subsequently, the right of use assets are measured at cost, net of accumulated depreciations and impairments.

Whenever the Company expects to incur in restoration costs, or in expenses with the repair where the asset is installed, a provision is recognized and measured in accordance with IAS 37. The referred expenses are included in the related right of use asset, provided that the expenses are related with it.

The right of use assets are depreciated at the less of the term of the lease, or the useful life of the underlying asset.

If a lease transfers the property of the underlying asset or the price of the right of use reflects that the Company expects to exercise the purchase option, the right of use is depreciated over the useful life of the underlying asset. Depreciation starts on the beginning of the lease contract.

The right of use assets are presented under the same line item where the underlying assets would be presented, and are duly identified in the notes. The Company applies IAS 36 in the determination of the recoverable value of the underlying asset, whenever needed.

The parts of variable rents that do not depend from an index or rate are not included in the measurement of the liability and the corresponding asset. The corresponding payments are recognized as an operating expense, in the profit and loss statement of the period to which they relate.

IFRS 16, through a practical expedient, allows that, by class of asset, the lessee does not separate the lease components from the non-lease components included in the same contract, and alternatively, consider both as a single component of the contract. The Company applies this expedient in transport equipment contracts, for contracts that contain a lease component and one or more components that are not leases, the Company allocates the payments to each lease component based on the independent price of each component, and on the aggregated price of the non-lease components.

2.5.2 Accounting policy prior to 1 January 2019

Leases are classified as (i) finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee and (ii) operating leases when the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

Leases are classified as finance or operating leases based on the substance of the contracts rather than their form.

Tangible fixed assets acquired under finance lease contracts, as well as the corresponding liabilities, are recorded in accordance with the financial method. Under this method, the cost of the assets is recorded under tangible fixed assets, at the lower of the present value of the lease payments or their fair value at the inception of the lease, by corresponding entry to liabilities. The assets are depreciated in accordance with their estimated useful lives, the lease instalments being recorded as a reduction of the liability, and interest and depreciation of the asset are recognised as costs in the statement of profit and loss and other comprehensive income for the period to which they relate.

Operating lease instalments are charged to the statement of profit and loss and other comprehensive income on a straight-line basis over the term of the lease contract.

(Translation of notes originally issued in Portuguese – Note 25)

2.6 Financial instruments

2.6.1 Other current assets

Other current assets are initially recorded at their nominal value and are presented net of any impairment losses. Impairment losses of these assets are recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms originally established for settlement of the amounts due. The amount of the loss corresponds to the difference between the nominal value and the estimated recoverable value and is recognized in the statement of profit and loss and other comprehensive income for the year.

2.6.2 Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

2.6.3 Borrowings

Borrowings are initially recognized as liabilities at the amount received, net of expenses relating to their issuance.

Expenses incurred with the issuance of borrowings are recognized in accordance with the amortized cost method, in the statement of profit and loss and other comprehensive income over the period of the borrowings.

Financial costs relating to bank interest and similar costs, such as stamp tax, are recognized in the statement of profit and loss and other comprehensive income on an accruals basis, the amounts due as of the date of the financial statements being classified as "Other current liabilities".

2.6.4 Borrowings from Group companies

Borrowings from group companies are recorded at their nominal value, the amount corresponding accrued interest as of the date of the financial statements being classified in the caption "Other current liabilities".

Expenses incurred with the issuance of borrowings from Group companies are recognized in accordance with the amortized cost method, in the statement of profit and loss and other comprehensive income over the period of the borrowings.

2.6.5 Trade and other payables and other current liabilities

Payables are recorded at their nominal value and do not bear interest.

2.7 Provisions and contingent liabilities

Provisions are recognized when there is a present (legal or implied) obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

The amount of provisions is reviewed and adjusted at each statement of financial position date so as to reflect the best estimate at that time.

When any of the above mentioned conditions is not met, the corresponding contingent liability is not recorded but only disclosed, unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.8 Pension liability

The Company has assumed the commitment to grant its employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

(Translation of notes originally issued in Portuguese – Note 25)

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognize the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period, the Company obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognized in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, being recognized in equity (other comprehensive income).

2.9 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS"), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the difference between the book value of assets and liabilities and their corresponding value for tax purposes.

Deferred tax assets and liabilities are calculated and valued annually using the tax rates expected to be in force when the temporary differences reverse.

Deferred tax assets are only recognized when there is reasonable expectation that there will be sufficient future taxable income to use them. At each statement of financial position date, a review of the temporary differences underlying the deferred tax assets is made so as to recognize the deferred tax assets not previously recognized because they did not fulfill the conditions required for them to be recognized, and/or reduce the amount of the deferred tax assets based on the current expectation of their future recovery.

2.10 Accruals basis

Costs and income are recorded in the period to which they relate, independently of the date they are paid or received.

Financial costs and income relating to interest are recognized on an accruals basis in accordance with the applicable effective interest rate.

2.11 Classification of the statement of financial position

Assets realizable and liabilities payable in less than one year from the statement of financial position date are classified as current assets and liabilities, respectively.

2.12 Subsequent events

Events that occur after the end of the year that provide additional information of conditions that existed at that date are reflected in the financial statements.

Events that occur after the end of the year, that provide additional information on conditions that existed after that date, if significant, are disclosed in the notes to the financial statements.

(Translation of notes originally issued in Portuguese – Note 25)

2.13 Impairment of assets

Impairment tests of assets are made whenever events or changes in circumstances are identified that indicate that the amount at which an asset is recorded may not be recovered.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss and other comprehensive income.

The recoverable amount is the higher of the net selling price and value in use.

Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows from continued use of the asset and its sale at the end of its useful life. Value in use results from future cash flows discounted based on discount rates that reflect the present cost of capital and the specific risk of the asset.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognized had no impairment loss been recognized for the asset in prior years, net of amortization or depreciation. The reversal of impairment losses is recognized immediately in the statement of profit and loss and other comprehensive income.

2.14 Changes in accounting policies and estimates

Except for the adoption of IFRS 16, in 2019 there were no changes in accounting policies in relation to those used in preparing the financial statements for the year ended 31 December 2017, nor were material errors relating to prior years recognized.

As a result of the uncertainties relating to the operations, the basis used for the amounts estimated is the most recent reliable information available, the main estimates being those relating to the impairment analyses of the investments, provisions and pension liability. The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the financial statements.

3. SERVICES RENDERED AND OTHER OPERATING INCOME

Other operating income for the years ended 31 December 2019 and 2018 is made up as follows:

	2019	2018
Other operating income:		
Others	-	41.952
	-	41.952

4. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2019 and 2018 is made up as follows:

	2019	2018
Specialized works	137.726	308.113
Rents (a)	109.995	202.383
Others	91.237	75.498
	338.958	585.994

(a) This caption for the years ended at 31 December 2019 and 2018 includes 74.464 Euros and 81.000 Euros charged each year by related entities (Note 22).

(Translation of notes originally issued in Portuguese – Note 25)

5. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2019 and 2018 are as follows:

	2019	2018
Personnel remuneration	1.327.900	1.185.411
Remuneration of the corporate boards	605.287	636.711
Charges on remuneration	463.675	429.771
Bonuses	366.000	-
Indemnities	-	585.000
Others	19.888	24.476
	<u>2.782.750</u>	<u>2.861.369</u>

The Company had an average of 23 and 20 employees during the years ended 31 December 2019 and 2018, respectively.

6. OTHER OPERATING COSTS

Other operating costs for the years ended 31 December 2019 and 2018 are made up as follows:

	2019	2018
Taxes	406.308	397.607
Subscriptions	78.586	79.843
Other operating costs	11	600
	<u>484.905</u>	<u>478.050</u>

7. NET FINANCIAL GAINS

Net financial gains for the years ended 31 December 2019 and 2018 are made up as follows:

	2019	2018
<u>Financial costs:</u>		
Interest (a)	(4.608.377)	(3.369.344)
Other financial costs	(278.005)	(857.014)
	<u>(4.886.382)</u>	<u>(4.226.358)</u>
<u>Net gain on group and associated companies:</u>		
Dividends (b)	11.331.547	8.684.179
	<u>6.445.165</u>	<u>4.457.821</u>

(a) At 31 December 2019 and 2018 this caption includes 4.261.324 Euros and 1.967.726 Euros, respectively, charged by related entities (Note 22).

(b) This caption at 31 December 2019 and 2018 corresponds to dividends received from the following companies (Note 22):

	2019	2018
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	11.331.457	8.684.179
	<u>11.331.457</u>	<u>8.684.179</u>

(Translation of notes originally issued in Portuguese – Note 25)

8. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Company is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Impresa Publishing, S.A. ("Impresa Publishing"), SIC, GMTS – Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS"), IOSS, and InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal").

The Company is subject to corporate income tax at the rate of 21% of taxable income plus a municipal surcharge at the rate of 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

In addition, taxable income exceeding 1.500.000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1.500.000 Euros to 7.500.000 Euros;
- 5% for taxable profit from 7.500.000 Euros to 35.000.000 Euros;
- 9% on taxable profit exceeding 35.000.000 Euros.

Net financial costs are deductible for determining taxable income, determined by the Group, are limited to the greater of the following limits:

- 1.000.000 Euros;
- 30% of the profit before amortization and depreciation, net financial costs and taxes.

In accordance with article 88 of the Corporate Income Tax Code, the Company is subject to autonomous taxation on certain charges, at the rates established in the article.

In accordance with current legislation tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or contestations have been made, in which case, depending on the circumstances, the period can be extended or suspended. Therefore, the Company's tax returns for the years 2015 to 2018 are still subject to review.

The Board of Directors understands that any corrections resulting from revisions/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as of 31 December 2019 and 2018.

In accordance with current legislation tax losses can be carried forward during a period of 5 years after their occurrence for deduction from taxable income generated in that period, limited to 70% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years.

At 31 December 2019 and 2018 Impresa and its subsidiaries did not have any tax losses carried forward.

Current tax liabilities at 31 December 2019 and 2018 are made up as follows:

	2019	2018
<u>Current tax liabilities</u>		
Payments on account and special payments on account generated under the RETGS	(2.280.658)	(2.008.716)
Corporate income tax generated under the RETGS (i)	3.308.513	3.084.874
Estimated corporate income tax	51.744	58.509
	<u>1.079.599</u>	<u>1.134.667</u>

(i) This amount was made up as follows at 31 December 2019 and 2018:

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	2019	2018
Accounts payable generated under the RETGS (Note 12)	(494.366)	(240.108)
Accounts receivable generated under the RETGS (Note 12)	5.460.016	4.452.821
	<u>4.965.650</u>	<u>4.212.713</u>
Tax losses carried forward of the Company used under the RETGS	(1.657.137)	(1.127.839)
	<u>3.308.513</u>	<u>3.084.874</u>

a) Temporary differences – Changes in deferred tax assets

31 December 2019:

	Tax losses carried forward	Other timing differences	Total
Balance at 31 December 2018	-	-	-
Increases	1.657.137	76.944	1.734.081
Recovery	(1.657.137)	-	(1.657.137)
Balance at 31 December 2019	<u>-</u>	<u>76.944</u>	<u>76.944</u>

31 December 2018:

	Tax losses carried forward
Balance at 31 December 2017	-
Increases	1.127.839
Recovery	(1.127.839)
Balance at 31 December 2018	<u>-</u>

Deferred tax assets resulting from tax losses carried forward, generated during the years ended 31 December 2019 and 2018 were fully used up in the years then ended as a result of the taxable profit calculated by the companies included in the consolidated tax return (RETGS).

b) Temporary differences – Changes in deferred tax liabilities

31 December 2019:

	Pension plan
Balance at 31 December 2018	51.210
Increase/(decrease) with effect on other comprehensive income	(15.308)
Increase/(decrease) with effect on profit or loss	(452)
Balance at 31 December 2018	<u>35.450</u>

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31 December 2018:

	Pension plan
Balance at 31 December 2017	58.913
Increase/(decrease) with effect on other comprehensive income	(7.176)
Increase/(decrease) with effect on profit or loss	(527)
Balance at 31 December 2018	51.210

c) Reconciliation of the tax rate

	2019	2018
Net Result before income tax	2.764.616	(18.213.640)
Nominal tax rate	21%	21%
Estimated income tax	580.569	(3.824.864)
Permanent differences (i)	(2.315.102)	2.696.498
Adjustment to taxable profit (ii)	51.744	58.509
Insufficiency of estimated income tax	35.005	36.803
Excess of estimated income tax of previous year	-	-
Deferred tax	-	-
Income tax for the year	<u>(1.647.784)</u>	<u>(1.033.054)</u>
Current tax	51.744	58.509
Excess of estimated income tax of previous year	-	-
Deferred tax generated in the year	(1.734.532)	(1.128.365)
Insufficiency of estimated income tax of previous year	35.005	36.803
	<u>(1.647.784)</u>	<u>(1.033.054)</u>

(i) At 31 December 2019 and 2018, this caption is detailed as follows:

	2019	2018
Dividends received (Note 7)	(11.331.547)	(8.684.179)
Impairment losses for investments in group companies (Note 11)	-	18.788.000
Other non-deductible costs under RETGS	250.000	2.229.754
Others, net	57.252	506.891
	<u>(11.024.295)</u>	<u>12.840.466</u>
	21%	21%
	<u>(2.315.102)</u>	<u>2.696.498</u>

(ii) This amount corresponds to corporate income tax taxed autonomously.

d) Tax processes in progress

As a result of a tax inspection carried out of Impresa Serviços e Multimédia, S.A. ("ISM") (merged in 2015 into Impresa) and its related tax procedures, in 2011, 2012, 2014 and 2015, Impresa was notified of additional corporation income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this

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non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3.415.295 Euros for 2008, 2.105.621 Euros for 2009, 2.161.788 Euros for 2010, 2.334.795 Euros for 2011 and 943.005 Euros for 2012.

During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943.005 Euros, for which a bank guarantee had been presented, amounting to 325.041 Euros, which was cancelled in April 2016.

During the year ended 31 December 2017 the Group obtained a favorable decision on the claim related to the additional tax assessments for the years ended 31 December 2008 and 2009 related to the deductibility of finance costs incurred. The tax authorities presented an appeal.

At 31 December 2019 the additional tax assessments referred to above had been legally contested, Impresa having provided bank guarantees of 2.991.811 Euros relating to the years 2010 and 2011 (Note 20). Bank guarantees were not given for the appeals for the years 2008 and 2009 as the tax consolidation for these years presented tax losses carried forward (used in the year 2010) that offset the above additional tax assessments.

The Board of Directors understands, based on the opinion of its lawyers, understands that the prospects of success of its claims and/or contestations, are reasonable and so no provision has been recorded for that tax contingency.

9. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2019 and 2018 were calculated as follows:

	2019	2018
Net Result for the year	4.412.400	(17.180.586)
Number of shares (Note 14)	168.000.000	168.000.000
Earnings/Losses for the year per share	0,0263	(0,1023)
Comprehensive income for the year	4.359.673	(17.205.303)
Number of shares (Note 14)	168.000.000	168.000.000
Comprehensive income for the year per share	0,0260	(0,1024)

As there are no situations that involve dilution, diluted earnings per share are the same as basic earnings per share for the years ended December 31, 2019 and 2018.

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10. TANGIBLE FIXED ASSETS

During the year ended 31 December 2019, the movements in tangible fixed assets and the related accumulated depreciation were as follows:

	<u>Transport Equipment</u>
Gross:	
Balance at 31 December 2018:	-
Initial adoption of IFRS 16 (Note 2.2)	169.326
New lease contracts	19.625
Balance at 31 December 2019	<u>188.951</u>
Accumulated depreciations and impairment losses:	
Balance at 31 December 2018:	-
Depreciation for the year	73.936
Balance at 31 December 2019	<u>73.936</u>
Net balance at 31 December 2019	<u>115.015</u>

In addition, the Company recognized the following expenses related to right of use assets in 2019:

	<u>2019</u>
Expense relatd to short term leases (Note 4)	109.995
Depreciation	73.936
Interest	4.367
	<u>188.298</u>

As of 31 December 2019, the Company has commitments with short term leases of, approximately, 73.800 Euros.

11. INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

During the year ended 31 December, there were no movements in this caption.

The movements in investments in group and associated companies and in the related accumulated impairment losses in the year ended 31 December 2018 were as follows:

31 December 2018:

	<u>Investments</u>	<u>Supplementary capital contributions</u>	<u>Total</u>
<u>Investments:</u>			
Balance at 31 December 2017	266.945.786	21.250.000	288.195.786
Increase in impairment losses (a)	(18.788.000)	-	(18.788.000)
Increases (b)	68	11.500.000	11.500.068
Balance at 31 December 2018	<u>248.157.854</u>	<u>32.750.000</u>	<u>280.907.854</u>

- (a) The increase in impairment losses at 31 December 2018, results from the difference between the recoverable amount of this asset, taking into account the value of evaluation of Impresa Publishing, based on the value of the cash generating unit Publishing (as disclosure in the notes to the consolidated financial statements) and the carrying amount of this investment.

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- (b) The increase in caption “Supplementary Capital Contributions” refers to supplementary capital contributions conceded to Impresa Publishing in the amount of 11.500.000 Euros.

At 31 December 2019 and 2018, the Company had the following investments in group and associated companies (accounting information of the participations taken from their financial statements):

31 December 2019:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	20.329.600	1.034.178	24.188.391	(90.391)	100%	35.611.372	(37.688.372)	29.000.000	26.923.000
IOSS (a)	Oeiras	35.117.546	7.411.310	8.831.462	(747.664)	100%	5.947.555	-	3.750.000	9.697.555
SIC	Oeiras	182.300.595	28.139.215	153.181.398	15.319.909	100%	239.408.738	-	-	239.408.738
Infoportugal	Matosinhos	1.363.454	705.475	2.233.365	185.940	100%	2.842.503	-	-	2.842.503
Vasp	Cacém	39.115.016	8.983.887	215.390.446	(76.756)	33,33%	1.144.666	-	-	1.144.666
Lusa	Lisboa	11.088.766	5.138.522	16.795.720	655.042	22,35%	890.732	-	-	890.732
Nexponor	Porto	n.d	n.d	n.d	n.d	0,001%	660	-	-	660
Outros	n.d	n.d	n.d	n.d	n.d	n.d	30.000	(30.000)	-	-
							<u>285.876.226</u>	<u>(37.718.372)</u>	<u>32.750.000</u>	<u>280.907.854</u>

31 December 2018:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	29.143.695	1.205.255	24.272.519	(3.672.457)	100%	35.611.372	(37.688.372)	29.000.000	26.923.000
IOSS (a)	Oeiras	40.339.096	8.158.974	6.492.751	(318.743)	100%	5.947.555	-	3.750.000	9.697.555
SIC	Oeiras	137.638.230	24.150.853	143.378.001	11.647.093	100%	239.408.738	-	-	239.408.738
Infoportugal	Matosinhos	1.392.675	522.019	2.135.721	211.745	100%	2.842.503	-	-	2.842.503
Vasp	Cacém	40.218.110	9.071.219	222.475.796	409.870	33,33%	1.144.666	-	-	1.144.666
Lusa	Lisboa	13.099.971	4.484.400	15.986.983	1.141.508	22,35%	890.732	-	-	890.732
Nexponor	Porto	n.d	n.d	n.d	n.d	0,001%	660	-	-	660
Others	n.d	n.d	n.d	n.d	n.d	n.d	30.000	(30.000)	-	-
							<u>285.876.226</u>	<u>(37.718.372)</u>	<u>32.750.000</u>	<u>280.907.854</u>

- (a) The equity of these investments includes amounts recorded by the Company as supplementary capital contributions in the caption “Permanent loans”.

12. OTHER CURRENT ASSETS AND LIABILITIES

Other current assets at 31 December 2019 and 2018 are made up as follows:

	2019	2018
<u>Customers</u>		
Vasp (Note 22)	1.213	1.213
Other current account customers	18.145	18.536
	<u>19.358</u>	<u>19.749</u>
<u>Other current assets</u>		
Group companies - RETGS (Notes 8 and 22):		
SIC	5.055.488	4.191.039
Impresa Publishing	135.944	-
GMTS	216.266	193.142
InfoPortugal	52.318	68.640
	<u>5.460.016</u>	<u>4.452.821</u>
Others	234.152	151.721
	<u>5.713.526</u>	<u>4.624.291</u>

Accounts receivable from Group companies at 31 December 2019 and 2018 in the amounts of 5.460.016 Euros and 4.452.281 Euros, respectively, correspond to estimated taxes, withholdings at source and payments on account of these subsidiaries recorded under the tax consolidation (Note 8).

During the year ended 31 December 2018, IOSS paid the loan granted by Impresa in the amount of 7.395.000 Euros.

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The caption “Other current liabilities” at 31 December 2019 and 2018 is made up as follows:

	2019	2018
Group companies - RETGS (Notes 8 and 22):		
Impresa Publishing	-	193.284
IOSS	494.366	46.823
	<u>494.366</u>	<u>240.107</u>
Accrued costs:		
Personnel vacation pay and subsidy	325.961	303.352
Bonuses (Note 22)	366.000	
Indemnities	-	450.000
Interest	1.525.665	539.774
Others	15.759	72.133
	<u>2.233.385</u>	<u>1.365.259</u>
State and other public entities		
Personal income tax	93.995	86.854
Social security contributions	91.649	81.425
	<u>185.644</u>	<u>168.279</u>
Other liabilities		
Other creditors	34.029	20.395
	<u>2.947.424</u>	<u>1.794.040</u>

At 31 December 2019 and 2018, accrued interest include 882.292 Euros and 489.939 Euros related to the loan obtained from SIC (Note 22).

13. CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” included in the cash flow statements as of 31 December 2019 and 2018 reflected in the statement of financial position as of those dates are as follows:

	2019	2018
Cash	2.808	1.798
Bank deposits	39.233	120.927
	<u>42.041</u>	<u>122.725</u>
Bank overdrafts (Note 17)	(4.241.115)	(4.964.318)
	<u>(4.199.074)</u>	<u>(4.841.593)</u>

The caption cash and cash equivalents includes cash and bank deposits repayable on demand.

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14. CAPITAL

At 31 December 2019 and 2018 capital was fully subscribed for and paid up and amounted to 84.000.000 Euros, made up of 168.000.000 shares of fifty cents each, held as follows, in accordance with the qualified participations reported to the Stock Exchange Commission (CMVM):

	2019		2018	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,47%	3.750.622	4,47%	3.750.622
Grupo BPI	3,69%	3.100.000	3,69%	3.100.000
Santander Asset Management	2,43%	2.038.048	4,18%	3.507.282
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Others	36,71%	30.834.655	34,96%	29.365.420
	100,00%	84.000.000	#DIV/0!	84.000.000

15. SHARE PREMIUM

This caption corresponds to premiums obtained in share capital increases made in previous years. In accordance with current legislation, utilization of this reserve is subject to the same rules as the legal reserve and so this amount is not available for distribution to the shareholders but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

16. RESERVES

The caption "Legal reserve" at 31 December 2019 and 2018 corresponds to the Company's legal reserve recorded in accordance with commercial legislation, which provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution except upon liquidation of the Company, but may be used to absorb losses, once all the other reserves and retained earnings have been exhausted, or to increase capital.

The movements in reserves in 2019 and 2018 were as follows:

31 December 2019:

	Legal reserve	Other reserves	Retained Results
Balance at 1 January 2019	2.001.797	15.806.179	(4.797.627)
Decreases (a)	-	-	(17.180.586)
Pension plan - actuarial gains/losses (Note 8 and 21.1)	-	(52.727)	-
Balance at 31 de December 2019	2.001.797	15.753.452	(21.978.213)

- (a) The decrease results from the decision of the Shareholders' General Meeting held on 16 April 2019 to appropriate net loss for the year ended 31 December 2017, in the amount of 17.180.586 Euros, to retained results.

31 December 2018:

	Legal reserve	Other reserves	Retained Results
Balance at 1 January 2018	2.001.797	15.830.896	-
Decreases (a)	-	-	(4.797.627)
Pension plan - actuarial gains/losses (Note 8 and 21.1)	-	(24.717)	-
Balance at 31 de December 2018	2.001.797	15.806.179	(4.797.627)

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- (a) The decrease results from the decision of the Shareholders' General Meeting held on 19 April 2018 to appropriate net loss for the year ended 31 December 2017, in the amount of 4.797.627 Euros, to retained results.

17. BANK BORROWINGS

Bank borrowings at 31 December 2019 and 2018 are made up as follows:

Lending entities	31 December 2019				31 December 2018			
	Book value		Nominal value		Book value		Nominal value	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Banco BPI, S.A. (a)	24.692.992	2.722.062	25.400.000	2.800.000	55.581.637	9.939.866	55.826.229	9.983.607
Banco Santander, S.A. (b)	-	494.873	-	500.000	494.560	989.119	500.000	1.000.000
Caixa Central de Crédito Agrícola								
Mútuo, C.R.L. (c)	-	-	-	-	-	1.344.843	-	1.350.000
Banco BIC Português, S.A. (d)	1.928.599	1.285.731	1.937.501	1.291.666	-	4.172.253	-	4.187.500
Leases	51.538	63.477	51.538	63.477	-	-	-	-
Guaranteed current account (f)	-	14.850.000	-	14.850.000	-	15.200.000	-	15.200.000
Bank overdrafts (g) (Note 13)	-	4.241.115	-	4.241.115	-	4.964.318	-	4.964.318
	<u>26.673.129</u>	<u>23.657.258</u>	<u>27.389.039</u>	<u>23.746.258</u>	<u>56.076.197</u>	<u>36.610.399</u>	<u>56.326.229</u>	<u>36.685.425</u>

At 31 December 2019, the movement occurred in the balance of debt in credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Lending entities	31 December 2018	Fluxos de caixa do exercício		Movements without cashflow			31 December 2019
	Book Value	Receivables	(Payments)	Amortized cost	Adoption of IFRS 16 (Note 2.2)	New contracts	Book value
Banco BPI, S.A. (a)	65.521.503	-	(37.609.836)	(496.613)	-	-	27.415.054
Banco Santander, S.A. (b)	1.483.679	-	(1.000.000)	11.194	-	-	494.873
Caixa Central de Crédito Agrícola							
Mútuo, C.R.L. (c)	1.344.843	-	(1.350.000)	5.157	-	-	-
Banco BIC Português, S.A. (d)	4.172.253	-	(958.333)	410	-	-	3.214.330
Bond loan (e)	-	-					
Leases	-	-	(73.935)	-	169.326	19.625	115.016
Guaranteed current account (f)	15.200.000	-	(350.000)	-	-	-	14.850.000
	87.722.278	-	(41.342.104)	(479.852)	169.326	19.625	46.089.273
Bank overdrafts (g) (Note 13)	4.964.318	-	(723.203)	-	-	-	4.241.115
	92.686.596	-	(42.065.307)	(479.852)	169.326	19.625	50.330.388

At 31 December 2018, the movement occurred in the balance of debt in credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Lending entities	31 December 2017	Cashflow of the year		Movements without cashflow	31 December 2018
	Book Value	Receivables	(Payments)	Amortized cost	Book Value
Banco BPI, S.A. (a)	75.462.390	-	(9.983.606)	42.719	65.521.503
Banco Popular, S.A. (b)	2.472.485	500.000	(1.500.000)	11.194	1.483.679
Caixa Central de Crédito Agrícola	-				
Mútuo, C.R.L. (c)	2.687.489	-	(1.350.000)	7.354	1.344.843
Banco BIC Português, S.A. (d)	6.165.723	-	(2.012.500)	19.030	4.172.253
Bond loan (e)	29.915.914	-	(30.000.000)	84.086	-
Guaranteed current account (f)	17.150.000	-	(1.950.000)	-	15.200.000
	<u>133.854.001</u>	<u>500.000</u>	<u>(46.796.106)</u>	<u>164.383</u>	<u>87.722.278</u>
Bank overdrafts (g) (Note 12)	4.983.501	-	(19.183)	-	4.964.318
	<u>138.837.502</u>	<u>500.000</u>	<u>(46.815.289)</u>	<u>164.383</u>	<u>92.686.596</u>

- (a) Loan from Banco BPI, S.A. to ISM for the acquisition of all the capital of Solo (merged into ISM) that held an 18,35% share in SIC and a 30,65% stake in SIC. On 1 January 2015, ISM was merged into Impresa having transferred all the inherent liability to that entity. At 31 December 2019 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 3,25% , an anticipated payment of 32.900.000 Euros having been made in 2019, as a result of a renegotiation of a new payment schedule and changes in financial ratios.

In guarantee of full compliance with the loan the Group signed a blank promissory note and pledged all the shares of SIC. Additionally were assigned to SIC in pawn 100% of the shares capital of SIC.

As a result of the contracting of this loan, Impresa assumed several covenants and restrictions essentially related to the acquisition and sale of assets and the distribution of dividends.

In accordance with the terms of the loan Impresa must maintain at least 51% of the shares of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50,1%.

(Translation of notes originally issued in Portuguese – Note 25)

- (b) Loan contract signed by Impresa with Banco Popular, S.A. (currently Banco Santander) in June 2015 to be repaid in 10 successive half year instalments up to 16 June 2020. At 31 December 2018 the loan bore interest payable half yearly in arrears at the six month Euribor rate plus 2,25%.

In guarantee of full compliance with the loan Impresa signed a blank promissory note.

- (c) Loan contracted by Impresa with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in 8 half yearly instalments up to 15 September 2019. As of 31 December 2019, this loan has been repaid.

- (d) On 18 September 2015, Impresa signed a loan contract with Banco BIC Português, S.A. to be repaid in six half yearly instalments, the first five of 1.200.000 Euros and the last on 18 September 2018 of 5.000.000 Euros. At 16 July 2018, the Company and BIC signed an addendum, defining the reimbursement of this loan in tow last instalments, one of 312.500 Euros in March 2019 and the remaining in June 2019. In March 2019, the Company signed a new addendum, having defined the reimbursement of this loan in half-yearly instalments of 645.833 until March 2022. At 31 December 2018, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus 2%.

In guarantee of full compliance with the loan Impresa signed a blank promissory note.

As a result of the contracting of this loan, the Company assumed compliance with certain covenants.

In accordance with the terms of the loan, Impreger must not reduce its participation in Impresa to below 50,1%.

- (e) On 12 November 2014 the Company issued bonds totaling 30.000.000 Euros, corresponding to 600 bonds of 50.000 Euros each, repayable on 12 November 2018. The bonds bear interest at the Euribor 6 month rate plus a spread of 4%.

In accordance with these bond loan, the Company assumed certain commitments, not ceasing to hold all the share capital of SIC and Impresa Publishing and Impreger must not cease to hold a majority (50,1%) of the Company's capital.

At November 12, 2018 these bonds were totally paid.

- (f) Guaranteed current accounts obtained by Group companies which bear interest at normal market rates for similar operations.
- (g) The bank overdrafts bear interest at market rates for similar operations.

As of 31 December 2019, loans are payable as follows:

2020	23.682.781
2021	3.291.666
2022	6.145.835
2023	6.200.000
2024	6.200.000
2025	5.500.000
	<u>51.020.282</u>

As of 31 December 2019, lease liabilities are payable as follows:

2020	63.477
2021	51.538
	<u>115.015</u>

(Translation of notes originally issued in Portuguese – Note 25)

In the years ended 31 December 2018 and 2017, the effective interest rates on the loans were as follows:

Entidades financiadoras	2019	2018
Banco BPI, S.A.	3,71%	2,50%
Banco Santander, S.A.	3,28%	2,25%
Caixa Central de Crédito Agrícola Mútuo, C.R.L.	-	2,60%
Banco BIC Português, S.A.	2,20%	1,88%
Novo Banco, S.A. e Banco Espírito Santo de Investimento, S.A.	-	4,00%
Contas correntes caucionadas	2,50%	2,50%

If the interest rates had been 0,5% higher or lower in 2018 and 2017, net profit for these years would have decreased or increased by approximately 358.000 Euros and 579.000 Euros, respectively.

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends and the applicable financial covenants, which are detailed in Note 28 to the consolidated financial statements.

18. BORROWINGS FROM GROUP COMPANIES

At 31 December 2019 and 2018 the Company had the following loans from its subsidiaries:

	2019	2018
<u>Non current</u>		
Group companies (Note 22):		
SIC	85.000.000	51.323.385
IP	6.561.953	12.150.000
IOSS	7.373.000	10.590.000
	<u>98.934.953</u>	<u>74.063.385</u>
<u>Current:</u>		
Group companies (Note 22):		
SIC	12.125.000	-
	<u>12.125.000</u>	<u>-</u>
	<u>111.059.953</u>	<u>74.063.385</u>

The loans obtained from group companies bear interest annually to the 6 months Euribor plus a spread of 2,75%.

The amounts related to SIC recorded as non-current liabilities relate to two contracts with a 10 year maturity in the amounts of 55.000.000 Euros and 30.000.000 Euros which mature in 31 May 2029 and 31 December 2029, respectively. The amounts related to IP and IOSS do not have a maturity defined.

The amount related to SIC recorded as current refers to a credit line to Treasury support, which is payable in less than a year.

During the years ended 31 December 2019 and 2018, the loans obtained from SIC were increased by 45.801.615 Euros and 26.092.714 Euros, respectively.

In addition, during the year ended 31 December 2019 the Company reimbursed the amounts of 8.805.047 Euros related to loans granted by IP e IOSS and, during the year ended 31 December 2018, these loans were increased b 22.470.000 Euros.

(Translation of notes originally issued in Portuguese – Note 25)

19. TRADE AND OTHER PAYABLES

Trade and other payables at 31 December 2019 and 2018 are made up as follows:

	<u>2019</u>	<u>2018</u>
Group Companies (Note 22)		
SIC	658.992	82.964
IOSS	245.635	-
Impresa Publishing	269.080	-
Other suppliers	17.715	60.575
	<u>1.191.422</u>	<u>143.539</u>

20. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2019 and 2018 the Company had requested the issuance of bank guarantees totaling 2.991.811 Euros in favor of the Tax Department in guarantee of tax execution processes resulting from the correction of corporation taxable income for the years 2010 and 2011 (Note 8).

21. COMMITMENTS ASSUMED

21.1 Pensions

Impresa has assumed commitments to pay its employees and remunerated members of the Board of Directors hired before 5 July 1993, pension supplements for retirement due to age and incapacity. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions.

In accordance with an actuarial study made by the entity managing the fund, the present value of the above mentioned past service liability for current and retired employees as of 31 December 2019 and 2018 was estimated at 870.543 Euros and 678.966 Euros, respectively, and the amount of the fund on those dates was 1.028.105 Euros and 906.567 Euros, respectively.

(Translation of notes originally issued in Portuguese – Note 25)

The changes in the past service liability of its current and retired employees and the amount of the Company's pension fund assets at 31 December 2019 and 2018 were as follows:

	2019	2018
Present value of the liability for defined benefits at the beginning of the year:	678.966	720.465
Benefits paid	(41.686)	(41.686)
Current service cost	7.125	8.230
Interest cost	14.808	15.742
Transfer of participants	116.215	
Actuarial gain and loss	95.115	(23.785)
Present value of the liability for defined benefits	<u>870.543</u>	<u>678.966</u>
	906.567	
Plan assets at the beginning of the year	(41.686)	982.298
Benefits paid	19.929	(41.686)
Interest of the plan	116.215	21.633
Financial gain/loss	27.080	(55.678)
Plan assets at the end of the year	<u>1.028.105</u>	<u>906.567</u>
<i>Superavit</i>	<u>157.562</u>	<u>227.601</u>

Financial gains and losses resulting from differences between the assumptions used in determining expected income from the assets and the amounts effectively realized and the actuarial gains and losses between the assumptions used in determining the liability were recognized as income and costs directly in equity as other comprehensive income. The remaining income and costs were recognized in the statement of profit and loss.

	2019	2018
Amounts recognized in the statement of profit or loss:		
Current service cost	(7.125)	(8.230)
Interest cost	(14.808)	(15.742)
Fund interest	19.929	21.633
	<u>(2.004)</u>	<u>(2.339)</u>
Amounts recognized as other comprehensive income:		
Actuarial (gain)/loss	95.115	(23.785)
Financial gain/loss	(27.080)	55.678
	<u>68.035</u>	<u>31.893</u>

Other information relating to this matter are included in Note 33.1 to the consolidated financial statements.

21.2 Operating leases

Disclosures required by IAS 17

The operating lease contracts in force do not have contingent rents. The non cancellable rents from operating leases as of 31 December 2018 are as follows:

Until one year	100.043
Between one and five years	100.932

	200.975
	=====

(Translation of notes originally issued in Portuguese – Note 25)

In 2018 the Company recognized in the statements of profit and loss and other comprehensive income the amounts of approximately 121.000 Euros, relating to operating lease contracts.

22. RELATED PARTIES

All the subsidiaries and associated companies belonging to the Impresa Group identified in the consolidated financial statements and the shareholder Impreger are considered as related parties.

During the year ended 31 December 2019, the Group adopted an internal regulation related to the definition of related parties, considering the governance structure and the decision making process, whereby it started considering as key management personnel the Board and the Executive Joint Committee, since all main decisions related to its activity are taken by these bodies. During the years ended 31 December 2019 and 2018, the transactions with the Board and Executive Joint Committee relate essentially, to their remuneration for the performance for their duties within the Impresa Group.

The balances at 31 December 2019 and 2018 and transactions during the years then ended with related parties were as follows:

	2019	2018
<u>Transactions:</u>		
Rent cost (Impreger) (Note 4)	73.800	81.000
Services obtained (Note 4)	2.664	-
Personnel costs (Note 5)	1.438.826	636.711
Interest and similar costs (Note 7)	4.261.324	1.967.726
Dividends received (Note 7)	11.331.547	8.684.179
<u>Balances:</u>		
Cash and cash equivalents (a)	7.862	32.209
Receivables (Note 12)	5.461.229	4.454.034
Current liabilities (Note 12)	1.742.658	730.046
Borrowings (Note 18)	111.059.953	74.063.385
Payables (Note 19)	1.173.707	82.964
Bank borrowings	27.415.054	70.809.836

(a) These balances correspond essentially to bank deposits at Banco BPI, S.A..

In the years ended 31 December 2019 and 2018, pension supplements of 184.739 Euros were paid ,each year, by the pension fund to the President of the Board of Directors.

In the years ended 31 December 2019 and 2018, no long term benefits for termination of labor contracts or payments in shares were attributed to members of the Board of Directors.

As of 31 December 2019, personnel costs include 366.000 Euros related to bonuses payable to key management personnel in 2020.

23. RISK MANAGEMENT

Risk is managed on a consolidated basis and so Note 36 of the consolidated financial statements should be consulted on this matter.

(Translation of notes originally issued in Portuguese – Note 25)

24. SUBSEQUENT EVENTS

Up to financial statements' approval date by the Board of Directors, the Group has not suffered from any relevant impact as result of the Covid-19's outbreak, as it has spread worldwide, including Portugal. The Group has carried out a survey on Covid-19's potential impacts for its activity and has prepared a action plan, having also implemented a contingency plan to ensure regular functioning of its subsidiaries, in particular the continuity of the broadcasts of the various television channels. explored by the Group, as well as the activity of the newspaper Expresso. As per the uncertainty involving the present circumstances, at this point it is not possible to anticipate financial impacts that may arise for the Group. IMPRESA will continue to monitor economic implications of the Covid-19 virus, and, in particular, the identification of potential risk sources for its subsidiaries' business.

Furthermore, under the quality of largest Portuguese media group, it is noteworthy that IMPRESA's main brands, SIC and Expresso, play a much particular important role in situations such as the one we are living in, whereas updated, accurate and credible information is crucial. SIC and EXPRESSO, on their several platforms, will ensure, as always, their mission on public interest: informing Portuguese society with the independence and rigor always recognized from them and clearly conveying relevant institutional messages.

25. OTHER INFORMATION

As of 31 December 2019 and 2018, the amount of annual remuneration paid by the Company to the external auditor and other entities or individuals belonging to the same network were as follows:

	<u>2019</u>	<u>2018</u>
Auditing Services	24.220	61.500
Other assurance services	-	2.700
Other services	-	27.500
	<u>24.220</u>	<u>91.700</u>

26. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

STATUTORY AUDITOR'S CERTIFICATION AND AUDIT REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Impresa - Sociedade Gestora de Participações Sociais, SA (Impresa), which comprise the statement of financial position as at 31 December 2019 (showing a total of 287 012 942 euros and a total net equity of 120 368 707 euros, including a net profit of 4 412 400 euros), the income and comprehensive income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Impresa - Sociedade Gestora de Participações Sociais, SA as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of Impresa in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As mentioned in the management report and in note 24 of the notes to the financial statements, Impresa has been following the outbreak of the Covid-19 virus that has been spreading at a worldwide scale and also in Portugal, and is drawing up an overview of the



potential impacts on its activity and, consequently, defining a response plan, with a contingency plan currently being implemented to ensure the regular functioning of the companies in which it has a stake. However, in view of the uncertainty that this situation involves, Impresa considers that it is not possible at this moment in time to foresee the financial consequences that may be faced by Impresa. Impresa shall continue to monitor the economic implications of the Covid-19 virus, and, in particular, to identify potential sources of risk for the activity of its subsidiaries.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Summary of the audit response
<i>Impairment of the investments in Group companies</i> The statement of financial position as at 31 December 2019 includes investments in Group companies and associates in the amount of 280 907 854 euros recorded at cost or deemed cost less impairment losses, derived from acquisitions of financial investments in previous years, essentially, in entities that control the television and publishing business lines. The realisation of these investments depends on the future cash flows generated by the corresponding subsidiaries, which gives rise to the risk that they will not be sufficient to recover the invested value. As mentioned in note 2.13 of the notes to the financial statements, Impresa analyses these investments whenever there is evidence of impairment, using third parties outside the Group for the effect that prepare the assessments. The impairment tests are based on the discounted cash flow method, based on the future projections of each business over a five-year timeline, considering a perpetuity from the fifth year onwards, which include various assumptions relative to a set of variables that are detailed in note 17 of the notes to the consolidated financial statements. Considering the value recorded under this heading, and the existence of a high number of judgements and estimates entailed by the impairment tests, we deem the analysis of impairment of the financial investments a key audit matter. Related disclosures: Notes 2.3, 2.13 and 11 of the notes to the financial statements.	The audit response involved, in brief, the conduct of the following procedures: Obtaining of the impairment analyses prepared by the board of directors using an external entity and review of the studies made by this entity as to comprehensiveness and consistency with the rest of the financial information: (i) analysis of the reasonableness of the assumptions used, considering the economic and market circumstances, and the expected future performance of the corresponding cash-generating units; (ii) comparison of the projected cash flows in the analyses, including the main assumptions considered, such as the historical performance of the cash-generating units and respective budgets approved by the management body; and (iii) verification of the calculations made; Involvement of our in-house specialists for appraisal of the main assumptions used, including the preparation of scenarios/sensitivity tests. Appraisal of the reasonableness of the disclosures made in the financial statements.

Other matters

The financial statements for the year ended on 31 December 2018 were examined by another statutory auditor whose statutory auditor's report, dated 18 March 2019, was issued without exceptions or emphasis of matter.

Responsibilities of management and of the supervisory body for the financial statements

Management is responsible for:

- (i) the preparation of financial statements that give a true and fair view of Impresa's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- (ii) the preparation of the management report and the corporate governance report in accordance with applicable laws and regulations;
- (iii) designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- (iv) the adoption of accounting policies and principles appropriate in the circumstances; and
- (v) assessing Impresa's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about Impresa's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Impresa's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- (ii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Impresa's internal control;
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (iv) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Impresa's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Impresa to cease to continue as a going concern;
- (v) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- (vi) communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- (vii) determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes their public disclosure;

- (viii) provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over Impresa, we have not identified any material misstatements.

On the corporate governance report

Pursuant to article 451.º, n.º 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to Impresa to provide under article 245.º-A of the Securities Code, with no material misstatements identified in the information disclosed therein, complying with the provisions in paragraphs c), d), f), h), i) and m) of that article.

On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as statutory auditors of Impresa in the shareholders general meeting held on 16 April 2019 for a first mandate from 2019 to 2022.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism, and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement on the financial statements due to fraud.



- We confirm that our audit opinion is consistent with the additional report that we prepared and delivered to the supervisory body of Impresa on 27 March 2020.
- We declare that we have not provided any prohibited services as described in article 77.º, number 8, of the Ordem dos Revisores Oficiais de Contas statutes, and we have remained independent of Impresa in conducting the audit.
- We inform that, in addition to the audit, we provide services to Impresa that are permitted by the law and regulations in force, embodied in the limited review of the interim financial information as at 30 June 2019.

Lisbon, 27 March 2020

Rui Lourenço Helena, in representation of
BDO & Associados - SROC



Consolidated Accounts

Annual Report 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONFOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

ASSETS	Notes	31 December 2019	31 December 2018
<u>NON-CURRENT ASSETS:</u>			
Goodwill	17	268.622.821	268.622.821
Intangible assets	18	346.108	159.523
Tangible fixed assets	19	42.114.822	42.157.742
Investments	20	4.457.156	4.040.066
Investment properties	21	-	1.478.489
Program broadcasting rights	22	4.027.118	2.586.358
Other non-current assets	24	4.976.000	5.086.515
Deferred tax assets	15	1.693.102	1.790.735
Total non-current assets		<u>326.237.127</u>	<u>325.922.249</u>
<u>CURRENT ASSETS:</u>			
Program broadcasting rights	22	15.475.193	15.264.200
Inventories	22	269.021	504.724
Trade and other receivables	23	29.541.617	32.370.747
Other current assets	24	6.721.066	9.813.192
Cash and cash equivalents	25	2.529.843	9.639.108
Total current assets		<u>54.536.740</u>	<u>67.591.971</u>
Current assets classified as held for sale	26	-	3.200.000
TOTAL ASSETS		<u>380.773.867</u>	<u>396.714.220</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Share capital	27	84.000.000	84.000.000
Share premium	27	36.179.272	36.179.272
Legal reserve	27	2.001.797	2.001.797
Retained earnings and other reserves		3.066.249	60.378
Consolidated net profit/(loss) for the year		7.835.921	3.139.284
TOTAL EQUITY		<u>133.083.239</u>	<u>125.380.731</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Bank borrowings	28	118.595.329	98.931.373
Provisions	29.2	7.102.625	7.078.308
Deferred tax liabilities	15	216.406	255.082
Trade and other payables	30	1.760.617	2.026.823
Total non-current liabilities		<u>127.674.977</u>	<u>108.291.586</u>
<u>CURRENT LIABILITIES:</u>			
Bank borrowings	28	50.326.969	89.879.559
Trade and other payables	30	23.182.674	32.880.943
Current tax liabilities	15	1.095.645	1.004.271
Other current liabilities	31	45.410.363	39.277.130
Total current liabilities		<u>120.015.651</u>	<u>163.041.903</u>
TOTAL LIABILITIES		<u>247.690.628</u>	<u>271.333.489</u>
TOTAL EQUITY AND LIABILITIES		<u>380.773.867</u>	<u>396.714.220</u>

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2019.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of consolidated statements of profit and loss and comprehensive income originally issued in Portuguese - Note 39)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
<u>OPERATING REVENUE</u>			
Services rendered	9	170.099.082	160.304.765
Sales	9	9.974.261	9.841.484
Other operating revenue	10	1.796.806	2.016.508
Total operating revenue		<u>181.870.149</u>	<u>172.162.757</u>
<u>OPERATING EXPENSES</u>			
Cost of programs broadcast and goods sold	11	(72.975.755)	(73.756.113)
Supplies and services	12	(37.260.087)	(35.838.956)
Personnel costs	13	(44.740.559)	(43.057.546)
Amortization and depreciation	18 and 19	(5.849.203)	(3.521.332)
Provisions and impairment losses	29	(341.400)	(2.778.232)
Other operating expenses	10	(1.792.453)	(1.400.124)
Total operating expenses		<u>(162.959.457)</u>	<u>(160.352.303)</u>
Operating profit		<u>18.910.692</u>	<u>11.810.454</u>
<u>NET FINANCIAL EXPENSES</u>			
Gain / (loss) on associated companies	14	117.090	430.544
Interest and other financial costs	14	(7.597.483)	(6.387.286)
Other financial income	14	149.396	465.233
Net financial expenses		<u>(7.330.997)</u>	<u>(5.491.509)</u>
Profit before taxes		11.579.695	6.318.945
Income tax expense	15	(3.743.774)	(3.179.661)
Consolidated net profit/(loss) for the year		<u>7.835.921</u>	<u>3.139.284</u>
<u>Other comprehensive income</u>			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	15 and 33.1	(133.413)	(128.903)
Comprehensive income for the year		<u>7.702.508</u>	<u>3.010.381</u>
Earnings per share:			
Basic	16	0,0466	0,0466
Diluted	16	0,0466	0,0466
Comprehensive income per share:			
Basic	16	0,0458	0,0179
Diluted	16	0,0458	0,0179

The accompanying notes form an integral part of the consolidated statement of profit and loss
and other comprehensive income for the year ended 31 December 2019.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of consolidated statements of changes in equity originally issued in Portuguese - Note 39)

		Share Capital	Share premium	Legal Reserve	Retained earnings and other reserves	Consolidated net profit / (loss) for the year	Total
Balance at 1 January 2018		84.000.000	36.179.272	2.001.797	21.774.666	(21.590.996)	122.364.739
Pension plan - actuarial gain/(loss)	33.1	-	-	-	(166.327)	-	(166.327)
Pension plan - deferred tax liability	15	-	-	-	37.424	-	37.424
Other comprehensive income		-	-	-	(128.903)	-	(128.903)
Other changes in equity		-	-	-	5.611	-	5.611
Appropriation of consolidated net profit for the year ended 31 December 2017	27	-	-	-	(21.590.996)	21.590.996	-
Consolidated net loss for the year ended 31 December 2018		-	-	-	-	3.139.284	3.139.284
Balance at 31 December 2018		84.000.000	36.179.272	2.001.797	60.378	3.139.284	125.380.731
Pension plan - actuarial gain/(loss)	33.1	-	-	-	(172.145)	-	(172.145)
Pension plan - deferred tax liability	15	-	-	-	38.732	-	38.732
Other comprehensive income		-	-	-	(133.413)	-	(133.413)
Appropriation of consolidated net loss for the year for the year ended 31 December 2018 (restated)	27	-	-	-	3.139.284	(3.139.284)	-
Consolidated net profit for the year ended 31 December 2019		-	-	-	-	7.835.921	7.835.921
Balance at 31 December 2019		84.000.000	36.179.272	2.001.797	3.066.249	7.835.921	133.083.239

The accompanying notes for an integral part of the consolidated statement of changes in equity for the year ended 31 December 2019.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

FOR THE YEARS ENDED 31 DECEMBER 2019 AND 2018

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 39)

	<u>Notes</u>	<u>2018</u>	<u>2018</u>
<u>OPERATING ACTIVITIES</u>			
Cash receipts from customers		185.071.465	172.702.844
Cash paid to suppliers		(116.944.770)	(110.323.919)
Cash paid to employees		(44.938.921)	(44.002.126)
Cash generated from operations		23.187.774	18.376.799
Payments relating to income taxes		(3.581.541)	(3.091.086)
Other cash paid relating to operating activities		1.413.143	(690.944)
Net cash from operating activities (1)		<u>21.019.376</u>	<u>14.594.769</u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Interests		139.270	329.175
Subsidies		197.157	523.295
Alienation of financial investments	20	-	10.000
Current assets classified as held for sale	26	4.310.000	2.400.000
Investment Property	21	1.800.000	-
		<u>6.446.427</u>	<u>3.262.470</u>
Cash paid relating to:			
Tangible fixed assets		(4.954.023)	(6.092.725)
Intangible assets		(413.241)	(45.147)
Financial investments		(300.000)	-
		<u>(5.667.264)</u>	<u>(6.137.872)</u>
Net cash used in investing activities (2)		<u>779.163</u>	<u>(2.875.402)</u>
<u>FINANCING ACTIVITIES</u>			
Cash received relating to:			
Bank borrowings	28	57.412.500	53.368.322
		<u>57.412.500</u>	<u>53.368.322</u>
Cash paid relating to:			
Bank borrowings	28	(77.914.485)	(53.177.680)
Interests and similar costs		(7.696.620)	(6.807.720)
		<u>(85.611.105)</u>	<u>(59.985.400)</u>
Net cash used in investing activities (3)		<u>(28.198.605)</u>	<u>(6.617.078)</u>
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		(6.400.066)	5.102.289
Captive fixed-term deposit	25	640.000	-
Cash and cash equivalents at the beginning of the year	25	3.302.921	(1.799.368)
Cash and cash equivalents at the end of the year	25	(2.457.145)	3.302.921

The accompanying notes form an integral part of the consolidated cash flow statement for the year ended 31 December 2019.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

(Translation of notes originally issued in Portuguese – Note 39)

1. INTRODUCTORY NOTE

Impresa – Sociedade Gestora de Participações Sociais, S.A. (“the Company” or “Impresa”) has its head-office in Rua Ribeiro Sanches 65, Lisbon and was founded on 18 October 1990, its main activities being the management of investments in other companies.

The Impresa Group (“the Group”) is made up of Impresa and subsidiaries (Note 4). The Group operates in the media industry, namely in television broadcasting and publishing in paper and digital format.

Impresa’s shares are listed in Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

The Board of Directors of Impresa approved these financial statements for publication on March 19, 2020.

During the second half of 2017, the Group decided to sell a range of press titles (portfolio of magazines) as part of a process of repositioning its activity with a primary focus on the audio-visual and digital sectors.

The sale of the above mentioned portfolio of magazines, including a set of related assets and liabilities, was concluded on January 2, 2018, with the signing of the respective sale agreement, whereby Impresa Publishing sold the press titles Activa, Caras, Caras Decoração, Courier Internacional, Exame, Exame Informática, Jornal de Letras, Tele Novelas, TV Mais, Visão, Visão História and Visão Junior, to the company Trust in News, Unipessoal, Lda.. The sale was made at the nominal amount of 10,200,000 Euros, receivable initially during two and a half years, pursuant to the Strategic Plan for 2017-2019 and the repositioning of the Group’s activity focusing primarily on the audiovisual and digital. During the year ended 31 December 2019, the parties reviewed the payment Schedule for the outstanding amounts, having extended it until 2021 (Note 24).

2. MAIN ACCOUNTING POLICIES

(i) Bases of presentation

The consolidated financial statements have been prepared on a going concern basis, from the accounting records of the companies included in the consolidation (Note 4), prepared in accordance with the provisions of IAS/IFRS as endorsed by the European Union, which include the International Accounting Standards (“IAS”) issued by the International Standards Committee (“ISC”), International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and related “SIC” and “IFRIC” interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and Standing Interpretation Committee (“SIC”). These standards are hereinafter referred to as “IFRS”.

The Board of Directors made an evaluation of the Group’s ability to continue as going concern, considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As result of this analysis, the Board of Directors, considering the perspectives of cash-flow generation, the credit limits available for use, the renewable amount of credit lines, concluded that the Group has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the consolidated financial statements (Note 36.d).

2.2 Accounting policies

Impresa adopted IFRS for the preparation of its consolidated financial statements for the first time in 2005 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards (“IFRS 1”), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2004.

Therefore, in compliance with IAS 1, Impresa declares that these consolidated financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for years beginning on 1 January 2018.

Adoption of new or revised IAS/IFRS

Except for the adoption of IFRS 16, whose impact is detailed below, which, as a result of the transitional dispositions adopted, did not lead to the restatement of the comparative financial statements, the accounting policies used in the year ended 31 December 2019 are consistent with those used for the preparation of the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

consolidated financial statements of Impresa for the year ended 31 December 2018 and explained in the corresponding notes.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for the first time in the year ended 31 December 2019:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 16 – Leases	01-jan-19	This standard introduces the principles for the recognition and measurement of leases, substituting IAS 17 – Leases. The standard defines a single model for recording lease contracts, which results in the recognition by the lessor of assets and liabilities for all lease contracts, except for those for periods of less than twelve months or for leases of assets of reduced value. Lessors will continue to classify leases between operating and finance leases, IFRS 16 not requiring substantial changes for such entities in relation to IAS 17.
Amendment to IFRS 9 - Prepayment features with negative compensation	01-jan-19	This amendment allows that financial assets with contractual conditions that foresee, on anticipated amortization, the payment to a considerable amount by the creditor may be measured at amortized cost or at fair value through reserves (depending on the business model), provided that: (i) on the date of initial recognition of the asset the fair value of the anticipated amortization is insignificant; and (ii) the possibility of negative compensation on the anticipated amortization is the only reason for that the asset is not considered an instrument that only includes payments of principal and interest.
IFRIC 23 - Uncertainty over Income Tax Treatments	01-jan-19	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments.
Improvements to international financial statement standards (cycle 2015-2017)	01-jan-19	These improvements are related to the clarification of some aspects related to: IFRS 3 – Business combinations: it requires remeasuring interests previously held when an entity obtains control over a participated where previously held joint control; IFRS 11 – Joint arrangements: clarifies that there should not be remeasurement of interest previously held when and entity obtains joint control over a joint operation; IAS 12 – Income tax: clarifies that all the tax consequences of dividends should be recognised in profit and loss, regardless of how the tax is generated; IAS 23 - Borrowing costs: clarifies that the part of the loan directly related to the acquisition / construction of an asset, outstanding after the corresponding asset becomes available for the intended use, is, for the effects of determination of the capitalization rate, considered as part of the generic financing of the entity.
Amendments to IAS 19 - Plan amendments, curtailments or settlements	01-jan-19	If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. • In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The adoption of IFRS 16 had the following impact on the Group's consolidated financial statements as of 1 January 2019:

IFRS 16 – Leases

The Group opted by the modified retrospective transition model, foreseen in paragraphs IFRS 16:C3(b), C7 and C8. Consequently, the Group used the practical expedient of not reanalyze if a contract is, or contains, a lease, having made a global evaluation for the new definition, and evaluated the totality of the contracts it had entered into or modified prior to 1 January 2019, and did not restate the comparative financial information, having recorded at the transition date the liability related to the future rents, and a right-of-use asset by the same amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

The adoption of IFRS 16 had the following effects on the Group's financial statements for the year ended 31 December 2019:

Impacts of the new lease definition

The change in the lease definition relates essentially to the concept of control. IFRS 16 distinguishes lease services based on the existence or non-existence of control over the use of an identifiable asset by the client, by opposition to the focus on "risks and rewards" foreseen in IAS 17. Control is considered to exist if the client has, cumulatively:

- The right to obtain substantially all the economic benefits from the use of a specific identified asset; and
- the right to direct the use of that specific asset.

The Group applied the definition of a lease established in IFRS 16 and respective application guides to all lease contracts it had entered into, as lessee or lessor, at or after 1 January 2019. The analysis made by the Company has shown that the new definition did not made significant changes to the scope of contracts that meet the definition of lease for the Group.

IFRS 16 changes the way the Group records the leases formerly classified as operating leases pursuant to IAS 17, which were not recorded in the statement of financial position, being disclosed as commitments not included in the balance sheet.

Operating leases

In accordance with IAS 17, the future responsibilities with operating leases were disclosed in the notes as commitments not included in the statement of financial position. IFRS 16 changed the way the Group accounted for the leases previously classified as operating leases, starting to record the responsibilities and futures rights in the statement of financial position.

In the initial adoption of IFRS 16, the Group:

- Recognized lease liabilities and right of use assets in the statement of financial position, measured by the present value of the future payments of each lease;
- Recognized financial expenses over lease liabilities and depreciation of right of use assets in the profit and loss statement;
- Separated the amounts paid between principal and interest (presented as financing activities) in the cash-flow statement.

For short term leases (12 months or less) and low value lease (as described in paragraphs B3-B8 of IFRS 16), the Group chose to recognize the lease expense on a linear basis as on operating expense, as permitted by IFRS 16:

At 31 December 2018, the Group had non-cancellable lease commitments of, approximately, 2.716.000 Euros, and financial lease liabilities of 7.810.218 Euros.

At 1 January 2019, as a result of the transitional model adopted by the Group, and in relation to the contracts previously classified as operating leases, the Company recognized a right of use asset, under tangible fixed assets, of, approximately, 1.832.000 Euros, and a lease liability under the caption Bank borrowings in the same amount, related to contracts previously classified as operating leases. In addition, the Group recognized an amount of depreciation of approximately 798.000 Euros and interest of approximately 53.000 Euros related to these right of use assets in the year ended 31 December 2019. Also, the Group kept recorded under tangible fixed assets and bank borrowings the right of use and lease liabilities related to the existing contracts as of 31 December 2018 classified as finance leases (Notes 19 and 28).

The right of use assets are presented in the same line item where the underlying assets would be presented, in case they were the Group's property, and are duly identified in the notes. Lease liabilities are included in the line item Bank borrowings of the statement of financial position, and are duly identified in the notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

The following standards, interpretations, amendments and revisions with mandatory application in future years were endorsed by the European Union up to the date of approval of these financial statements:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to Conceptual Framework	01-jan-20	Amendments to several standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 e SIC 32) on march 2018 revised Conceptual Framework. The revised Conceptual Framework provides updated definitions and recognition criteria for assets and liabilities and clarifies some concepts, such as, measurement, derecognition, presentation and disclosure.
The definition of materiality (Amendments to IAS 1 and IAS 8)	01-jan-19	These amendments clarify the definition of material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These standards were not adopted by the Group in 2019, since their application is not mandatory.

The following standards, interpretations, amendments and revisions applicable to future years have, to the date of approval of the accompanying financial statements, not been endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 17 - Insurance contracts	01-jan-21	This standard establishes, for insurance contracts within its scope of application, the principles for recognition, measurement, presentation and disclosure. This standard supersedes IFRS 4 - Insurance contracts.
Definition of a Business (Amendments to IFRS 3)	01-jan-20	It corresponds to amendments to the definition of business, aiming to clarify the identification of the acquisition of a business, or of a group of assets. The revised definition also clarifies the definition of output of a business as the supply of goods or services to customers. The changes include examples for the identification of a business acquisition.
Amendments to IFRS 9, IAS 39 and IFRS 7 – reform of the interest rates benchmark (IBOR Reform)	01-jan-20	It corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the project of reform of the interest rates benchmark (known as “IBOR reform”), in order to reduce the potential impact of the change of the reference interest rate in financial reporting, namely in hedge accounting.

These standards have not yet been endorsed by the European Union and so have not been applied by the Group in the year ended 31 December 2019. From the above referred standards, the Group understands that their adoption will not lead to significant changes in its consolidated financial statements.

2.3 Consolidation principles

The consolidation methods used by the Group were as follows:

a) Controlled companies

The financial statements of all the companies controlled by the Group have been included in the accompanying consolidated financial statements by the full consolidation method. Control is considered to exist when the Group is exposed, or has rights, to variable returns resulting from its involvement with the participated companies and has the ability to affect those returns through the power it exercises over the companies. Shareholders' equity and net profit and loss of these companies corresponding to third party participation in them are presented separately in the consolidated statement of financial position

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

and statement of comprehensive income under the caption “Non-controlling interest”. The controlled companies included in the consolidated financial statements are listed in Note 4.

The assets and liabilities of subsidiaries are reflected at their respective fair values at the date of acquisition of the subsidiary. Any excess of cost over the fair value of identifiable net assets is recorded as goodwill. Where cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit and loss and other comprehensive income for the year of the acquisition.

The results of subsidiaries acquired or sold during the year are included in the consolidated statement of profit and loss and other comprehensive income as from the date of their acquisition or up to the date of their sale.

Changes in the Group’s participation in companies already controlled, which do not result in loss of control are recorded in equity. Consequently, the Group’s interest and non-controlling shareholders’ interest in these companies are adjusted so as to reflect the changes in the control of the subsidiaries. Differences between the non-controlling interests acquired or sold and the fair value of the purchase or sale, respectively, are recognized in equity.

Transactions, balances and dividends distributed between companies included in the consolidation are eliminated on consolidation. Capital gains resulting from the sale of participated companies within the Group are also eliminated in consolidation.

b) Associated companies

An associated company is one over which the Group has significant influence, but does not have control or joint control over decisions relating to their operating and financial policies.

Investments in associated companies (Note 5) are recorded in accordance with the equity method of accounting, except when the investment is classified as held for sale. Investments in associated companies are initially recorded at cost, which is subsequently increased or decreased by the difference between cost and the proportion of equity held in the companies, as of the acquisition date or the date the equity method is applied for the first time.

In accordance with the equity method, investments are periodically adjusted by the amount corresponding to the Group’s share in the net results of the associated companies, by other changes in their equity, as well as by the recognition of impairment losses by corresponding entry to “Net financial gain and loss” (Note 14).

In addition, dividends received from these companies are recorded as decreases in the amount of the investment.

The Group suspends application of the equity method of accounting when the investment in the associated company is reduced to zero, and a liability is recognised only if the Group has a legal or constructive obligation to the associated company or to its creditors. If afterwards the associated company reports profits, the Group only resumes application of the equity method once its share of those profits equals the part of the losses not recognised.

Annually, the Group makes an assessment of impairment indicators of investments in associated companies, and when these are corroborated, the Group makes impairment analyses to determine the recoverable amount, impairment losses being recognised as expenses. When impairment losses previously recognised cease to exist, they are reversed up to the limit of the impairment loss recognised.

Any excess of cost over the fair value of the identifiable net assets as of the date of acquisition is recorded as goodwill and included in the book value of the investment. Where cost is lower than the fair value of the identified net assets, the difference is recognised as income in the statement of profit and loss and other comprehensive income for the year of the acquisition.

Whenever necessary, adjustments are made to the financial statements of the associated companies to make them consistent with the accounting standards used by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

2.4 Goodwill

Goodwill corresponds to the excess of cost over the fair value of the identifiable assets and liabilities of a subsidiary as of its acquisition date. Where cost is lower than the fair value of the identifiable net assets, the difference is recognised as income in the statement of profit and loss and other comprehensive income for the year of the acquisition.

As a result of the exception established in IFRS 1, the Group did not apply retrospectively the provisions of IFRS 3 to acquisitions prior to 1 January 2004, and so goodwill arising on acquisitions prior to the transition to IFRS (1 January 2004) was maintained at the net book value as of that date determined in accordance with generally accepted accounting principles in Portugal.

Goodwill is recorded as an asset and is not amortised, being reflected separately on the statement of financial position. Goodwill is tested for impairment annually and whenever there are indications of a possible loss. Impairment losses are recorded immediately as costs in the statement of profit and loss and other comprehensive income and cannot be subsequently reversed (Note 17).

Goodwill is included in determining the gain or loss on the sale of a subsidiary.

2.5 Non-current assets held for sale

Non-current assets are classified as held for sale if their book value is recovered essentially through a sale transaction and not through continuous use. This condition is considered to be fulfilled only when the asset (or group of assets to be disposed of) is available for immediate sale in its current condition, subject only to terms that are usual for sales of that asset (or group of assets to be disposed of) and its sale is highly likely. It is understood that a non-current asset is held for sale when there is the expectation of the Board of Directors that the sale of these assets will be completed within one year from the date of classification.

Non-current assets (or group of assets to be disposed of) classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

2.6 Intangible assets

Intangible assets, which include software (except for that associated to tangible fixed assets), the cost of registering trademarks and titles, licenses and other rights of use, are recorded at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are only recognized when it is probable that they will generate future economic benefits for the Group, they are controllable and can be reliably measured.

Internal costs relating to maintenance and development of software are expensed as incurred in the statement of profit and loss and other comprehensive income, except where the development costs are directly related to projects which are expected to generate future financial benefits for the Group. In such situations, these costs are capitalised as intangible assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, as from the time the assets are available for use, which varies from three to six years.

2.7 Tangible fixed assets

Tangible fixed assets acquired up to 1 January 2004 (date of transition to IFRS) are recorded at deemed cost, which corresponds to cost or restated cost based on price indices in accordance with tax legislation in force, less accumulated depreciation.

Fixed assets acquired after that date are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase expenses.

Estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognized as a decrease in the corresponding asset by corresponding entry to the statement of profit and loss and other comprehensive income for the year.

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets when they correspond to the replacement of assets which are written off and result in increased future economic benefits.

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Tangible fixed assets are depreciated from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, as follows:

	<u>Years</u>
Buildings and other constructions	4 – 50
Machinery and equipment	3 – 10
Transport equipment	4 - 8
Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

2.8 Finance and operating leases

2.8.1 Applicable accounting policy from 1 January 2019 onwards

The Group analyses whether a contract contains or not a right of use asset at contract inception. The company recognizes a right of use asset and the corresponding liability in relation to all contracts where it is a lessee, except for short term leases (less than 12 months) and low value leases. For such contracts, the Group recognizes the lease expenses on a linear basis as an operating expense.

The lease liability is initially measured by the present value of the future payments of each lease, discounted at the rate implied in the lease contracts. If such rate is not readily determinable, the Company uses its incremental interest rate.

The lease payments included in the measurement of the lease liabilities include:

- In-substance fixed payments), net of any incentives associated to the lease;
- Variable payments based on indexes or rates;
- Expectation of payments related to residual value;
- Exercise price of purchase options, if it is reasonably expected that the Company will exercise the option; and
- Penalties related to ending or renewing unilaterally exercisable, if it is reasonably certain that the Company will exercise the option to end or renew the term of the lease.

The lease liability is remeasured subsequently, increased by the interest accrued (recognized in the profit and loss statement), and reduced by the lease payments made.

Its book value is remeasured to reflect an eventual reassessment, when a modification or revision of the fixed in-substance payments occurs.

The lease liability is remeasured, the corresponding adjustment in the asset being made, whenever:

- Events or significant changes occur, that are under the control of the lessee, on the lease term, or on the right of exercising the purchase option as a result of a significant event or a change in circumstances. In that case, the lease liability is remeasured, based on the actual lease payments, using a new discount rate;
- The lease payments are modified due to changes in an index or rate or a change in the expected payment under a guaranteed residual value, the lease liability being remeasured, discounting the new lease liability using an unchanged discount rate (unless the change in the lease payments is due to a change based on a floating interest rate, in which case the new discount rate is used);
- A lease contract is modified and the modification in the lease is not accounted as a separate lease. In this case, the lease liability is remeasured based on the modified term, discounting the new payments using a discount rate determined at the effective date of the modification.

The lease liabilities are presented in the line item Bank borrowings of the statement of financial position, and are duly identified in the notes.

The right of use assets correspond to the initial measurement of the corresponding lease liability, added by the lease payments before or on the date of the beginning of the lease, and added by the eventual initial direct expenses, and deducted by eventual amounts received. Subsequently, the right of use assets are measured at cost, net of accumulated depreciations and impairments.

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Whenever the Company expects to incur in restoration costs, or in expenses with the repair where the asset is installed, a provision is recognized and measured in accordance with IAS 37. The referred expenses are included in the related right of use asset, provided that the expenses are related with it.

The right of use assets are depreciated at the less of the term of the lease, or the useful life of the underlying asset.

If a lease transfers the property of the underlying asset or the price of the right of use reflects that the Company expects to exercise the purchase option, the right of use is depreciated over the useful life of the underlying asset. Depreciation starts on the beginning of the lease contract.

The right of use assets are presented under the same line item where the underlying assets would be presented, and are duly identified in the notes. The Company applies IAS 36 in the determination of the recoverable value of the underlying asset, whenever needed.

The parts of variable rents that do not depend from an index or rate are not included in the measurement of the liability and the corresponding asset. The corresponding payments are recognized as an operating expense, in the profit and loss statement of the period to which they relate.

IFRS 16, through a practical expedient, allows that, by class of asset, the lessee does not separate the lease components from the non-lease components included in the same contract, and alternatively, consider both as a single component of the contract. The Group applies this expedient in transport equipment contracts.. for contracts that contain a lease component and one or more components that are not leases, the Company allocates the payments to each lease component based on the independent price of each component, and on the aggregated price of the non-lease components.

2.8.2 Accounting policy prior to 1 January 2019

Leases are classified as (i) finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee and (ii) operating leases when the lease does not transfer substantially all the risks and rewards of ownership to the lessee.

Leases are classified as finance or operating leases based on the substance of the contracts rather than their form.

Tangible fixed assets acquired under finance lease contracts, as well as the corresponding liabilities, are recorded in accordance with the financial method. Under this method, the cost of the assets is recorded under tangible fixed assets, at the lower of the present value of the lease payments or their fair value at the inception of the lease, by corresponding entry to liabilities. The assets are depreciated in accordance with their estimated useful lives, the lease instalments being recorded as a reduction of the liability, and interest and depreciation of the asset are recognised as costs in the statement of profit and loss and other comprehensive income for the period to which they relate.

Operating lease instalments are charged to the statement of profit and loss and other comprehensive income on a straight-line basis over the term of the lease contract.

2.9 Investments properties

Investments properties consist essentially of land held for leasing, capital appreciation or both, and not for use in the production or supply of goods, rendering of services or for administrative purposes.

Investments properties are initially recorded at cost plus transaction costs, the Group having opted to maintain them at historical cost, less any impairment losses.

Maintenance, repair, insurance and tax costs, as well as any income realized on property investments are recognized in the consolidated statement of profit and loss and other comprehensive income for the period to which they relate.

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2.10 Financial instruments

2.10.1 Trade and other receivables

Trade and other receivables classified as current assets are recorded at their nominal value which is understood to correspond to amortized cost, as they are expected to be received in the short term and this does not differ significantly from their fair value at the date they were contracted, less any impairment losses.

The Group recognizes an expected credit loss on financial instruments measured at amortized cost. The amounts of expected credit losses are updated at each Reporting date so as to reflect the changes in credit risk since the initial recognition of the financial instrument.

Expected credit losses on these financial assets are estimated based on the historic experience of impairment in accounts receivable of the Group by type of transactions, adjusted by specific conditions of the debtors, general economic conditions and an evaluation of both the current conditions and the prediction of conditions at the reporting date, including the time value of money, whenever appropriate.

Impairment losses on trade and other receivables classified as current assets correspond essentially to the difference between the amount initially recognized and the estimated recoverable amount. Besides the expected losses in accounts receivable, the Group estimates impairment losses based on the age of the balances of the entities, the guarantees that may exist for each entity, the historical experience of each entity and information collected by the financial department relating to their financial situation and possible reasons for delays in their payments.

Trade and other receivables classified as non-current assets are recorded at amortised cost less eventual impairment losses. In measuring amortised cost the effective interest rate method was used, interest income having been applied over the expected life of the financial instruments, considering the contractual terms.

Impairment losses are recognized in the statement of profit and loss and other comprehensive income for the period in which they are estimated.

2.10.2 Cash and cash equivalents

Cash and cash equivalents comprise cash, and bank deposits, which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, reflected under the caption "Bank Borrowings" in the statement of financial position.

2.10.3 Payables

Payables are recorded at their nominal value and, where applicable, by their amount discounted for possible interest calculated in accordance with the effective interest rate method.

2.10.4 Bank borrowings

Bank borrowings are initially recognised at the amount received, net of expenses relating to their issuance and are subsequently measured at amortised cost. Any difference between the amount received (net of issuance costs) and the amount payable is recognised in the statement of profit and loss and other comprehensive income over the term of the borrowing using the effective interest rate method.

Borrowings that mature in less than twelve months are classified as current liabilities, unless the Group has the unconditional right to defer their settlement for more than twelve months after the date of the statement of financial position.

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2.11 Inventories and program broadcasting rights

Inventories are stated at the lower of cost or net realizable value, using the average cost method.

Net realizable value is estimated based on the Company's past experience in accordance with aging and inventory turnover criteria, considering also the possibility of their future use.

The Group records under the caption "Program broadcasting rights" the rights acquired from third parties to broadcast programs, by corresponding entry to the caption "Trade and other payables" when such rights come into force and the following conditions are met:

- The cost of the broadcasting rights is known or can be reasonably determined;
- The program contents have been accepted in accordance with the conditions established contractually;
and
- The programs are available for broadcasting without restriction.

Program broadcasting rights correspond essentially to contracts or agreements with third parties for the broadcasting of soaps, films, series and other TV programs and are stated at specific acquisition cost. The cost of programs is recognized in the statement of profit and loss and other comprehensive income when the programs are broadcasted, considering the estimated number of broadcasts and estimated benefits of each broadcast.

In addition, advances made for the purchase of contents are recorded in the caption "Program broadcasting rights" by corresponding entry to "Trade and other payables".

Future financial commitments for the acquisition of programs are shown in Note 33.2.

Impairment losses (Notes 22 and 29) are recognised whenever the book value of inventories or broadcasting rights is greater than their estimated recoverable amount.

2.12 Provisions and contingent liabilities

Provisions are recognized when the Group has a present (legal or implied) obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

Provisions for restructuring costs are only recognized when a detailed formal plan exists identifying the main characteristics of the plan and after the plan has been communicated to the entities involved.

The amount of provisions is reviewed and adjusted at the date of each statement of financial position so as to reflect the best estimate at that time.

When any of the above conditions is not met, the corresponding contingent liability is not recorded but only disclosed (Note 32), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

2.13 Pension liability

Some of the Group companies have assumed the commitment to grant some of their employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognise the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period the Group obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognised in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

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The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, recorded under equity (other comprehensive income).

2.14 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS"), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the variation between years of the difference between the book value of assets and liabilities at the end of each year and their corresponding value for tax purposes.

As established in the above rules, deferred tax assets are only recognized when there is reasonable assurance that they can be recovered in the future. At the end of each year, an assessment is made of deferred tax assets, and they are reduced whenever their future recovery stops being probable.

2.15 Subsidies

State subsidies are recognized at their nominal amount when there is reasonable certainty that they will be received and the Group companies will comply with the conditions required for their concession.

Operating subsidies are recognised in the statement of profit and loss and other comprehensive income in accordance with the the corresponding costs incurred.

Investment subsidies relating to the acquisition of assets are recorded as deferred income, being recognized as income for the year on a systematic basis over the useful life of the assets.

2.16 Revenue

Revenue from sales (relating mainly from the sale of newspapers, magazines, books and other publications) is recognised in the consolidated statement of profit and loss and other comprehensive income when the control over the goods and services is transferred to the buyer and the corresponding income can be reasonably quantified. Returns are recorded as a reduction of sales for the period to which they relate, are estimated in accordance with historic information, and are included in the revenues from the transaction, as well as in the amounts invoiced to clients. Sales are recognized net of taxes, discounts and other costs relating to their realization.

Income from subscriptions to regular publications is deferred over the subscription period.

Income from services rendered (essentially the sale of advertising space in newspapers, television and the Internet, and from value added services) is recognised in the consolidated statement of profit and loss and other comprehensive income when the advertising is inserted or broadcasted. A significant part of the sale of advertising space in free-to-air television results from the broadcasting of commercial advertisements, for which, the revenues generated depends on the audience reached, considering the profile of the commercial target contracted by the advertiser. Services rendered are recognised net of taxes, discounts and other costs relating to their realisation. The main commercial discounts granted to the main customers of the Group are dependent on the level of advertising investment made by them, as well as other conditions agreed between the parties.

Income relating to the ceding of broadcasting rights of the general channel and theme channels, essentially to cable television operators, is recognized in the consolidated statement of profit and loss and other comprehensive income over the period they are ceded.

Income relating to the ceding of transmission rights of programs or of the rights of the respective formats to third parties is recognized in the consolidated statement of profit and loss and other comprehensive income when the control is transferred and the income can be reliably estimated and is probable. Revenue from this transaction is affected by several costs that belong to the same performance obligation.

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In summary:

Income	Classification	Time of recognition
Sale of publications	Sales	When the publications are on the stands or made available in digital platform
Sale of books and other publications	Sales	When the publications are on the stands or made available in digital platform
Broadcasting of advertisements	Services rendered	When the advertising is broadcasted
Publication of advertisements	Services rendered	When the advertising is published
Value added services related to contests and initiatives with phone participation	Services rendered	When the services are rendered
Broadcasting rights on channels	Services rendered	When the rights are ceded
Contents rights ceded	Services rendered	In the moment the rights are ceded
Projects implementation in geographic information systems area (GIS)	Services rendered	During the period of execution of the project

2.17 Accruals basis

Costs and income are recorded in the period to which they relate, independently of when they are paid or received. Where the amount of costs and revenue is not known it is estimated.

Interest and financial income are recognized on an accruals basis in accordance with the applicable effective interest rate.

2.18 Impairment of assets, excluding goodwill

The Group makes impairment tests of its assets whenever events or changes in circumstances are identified that indicate that the amount of an asset may not be recovered. Where such indications exist, the recoverable amount of the asset is estimated in order to determine the amount of any impairment loss.

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.

The recoverable amount is the higher of net selling price and value of use. Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows discounted based on discount rates that reflect the present value of the capital and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the consolidated statement of profit and loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognised had no impairment loss been recognised for the asset, net of amortisation or depreciation, in prior years. The reversal of impairment losses is recognised immediately in the consolidated statement of profit and loss and other comprehensive income.

2.19 Foreign currency balances and transactions

Foreign currency assets and liabilities are translated to Euros at the exchange rates prevailing as of the date of the consolidated statement of financial position, published by financial institutions. Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the date of the consolidated statement of financial position are recorded as income or costs in the consolidated statement of profit and loss and other comprehensive income for the period.

2.20 Classification in the statement of financial position

Assets realizable and liabilities payable in less than one year from the date of the consolidated statement of financial position are classified as current assets and liabilities, respectively.

2.21 Subsequent events

Events that occur after the year end that provide additional information of conditions that existed at the statement of financial position date are reflected in the consolidated financial statements.

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Events that occur after the year end that provide additional information of conditions that occurred after the statement of financial position date, if material, are disclosed in the notes to the consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Except for the adoption of IFRS 16 described above (Note 2.2), the accounting standards used in the preparation of the consolidated financial statements as of 31 December 2019 are consistent with those used in the consolidated financial statements as of 31 December 2018 and described in the respective notes.

The more significant accounting estimates reflected in the consolidated financial statements as of 31 December 2019 and 2018 include:

- Impairment analysis of goodwill;
- The recording of provisions;
- Useful lives of tangible fixed assets;
- Dates of broadcasting of program exhibition rights;
- Impairment adjustments of receivables;
- Definition of technical actuarial assumptions and bases;
- Commercial discounts to the main customers.

The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. Estimates are determined based on the best information available at the time of preparing the consolidated financial statements.

4. COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation by the full consolidation method, their head offices and the proportion of capital effectively held in them at 31 December 2019 and 2018 are as follows:

Company	Head office	Main activity	Percentage effectively held	
			2019	2018
Impresa - Sociedade Gestora de Participações Sociais, S.A. (parent company)	Lisbon	Holding company	Parent	Parent
Impresa Publishing, S.A. ("Impresa Publishing")	Paço de Arcos	Publishing	100,00%	100,00%
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	Carnaxide	Television	100,00%	100,00%
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Carnaxide	Rendering of services	100,00%	100,00%
InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal")	Matosinhos	Multimedia production	100,00%	100,00%
Impresa Service & Office Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	Paço de Arcos	Management of real estate and service	100,00%	100,00%

5. ASSOCIATED COMPANIES

Investments in associated companies are recorded in accordance with the equity method. Their head offices and the proportion of capital effectively held in them by the Group at 31 December 2019 and 2018 are as follows:

Company	Head office	Percentage effectively held	
		2019	2018
Vasp – Distribuidora de Publicações, S.A. ("Vasp") (a)	Cacém	33,33%	33,33%
Lusa – Agência de Notícias de Portugal, S.A. ("Lusa") (a)	Lisbon	22,35%	22,35%
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress")	Lisbon	7,69%	21,43%

(a) These participations are held directly by Impresa.

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6. OTHER COMPANIES

The investments in other companies and the proportion of capital held in them by the Group at 31 December 2019 and 2018 are as follows:

Company	Percentage held	
	2019	2018
NP - Notícias de Portugal, C.R.L. ("NP") (a)	10,71%	10,71%
Youngsotries, S.A. ("Youngstories") (c)	5,47%	0,00%
Nexponor (b)	0,001%	0,001%

(a) Participation held by Impresa Publishing and SIC.

(b) Participation acquired by Impresa SGPS in April 2013.

(c) Participation acquired by SIC in 2019.

7. CHANGES IN THE GROUP

During the year ended December 31, 2019 and 2018 there were no changes in the Group's consolidation perimeter.

8. SEGMENT REPORTING

The segments identified by the Group are based on identification of the segments in accordance with the financial information reported internally to the Board of Directors that supports it in the assessment of the performance of the businesses and the decisions making as to the allocation of resources to be used. The segments identified by the Group for segment reporting purposes are therefore consistent with the form in which the Board of Directors analyses its business.

Therefore, the Group identified the following reporting segments:

Television – The Group is the sole shareholder of SIC which broadcasts in free-to-air and by cable, under broadcasting licences, the television channels "SIC", "SIC Notícias", "SIC Radical", "SIC Internacional", "SIC Mulher", SIC K and SIC Caras. In addition, the Group includes GMTS in this segment.

Publishing – The Group publishes newspapers, books and other publications, including the weekly newspaper "Expresso".

Others – Includes the Group's holding company, IOSS and InfoPortugal that operates in the geographic information systems area (SIG).

In the Publishing segment, sales to VASP Group contributed 4.3% and 4.7%, respectively, of the Group's revenue reflected in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2019 and 2018, corresponding to 7.807.799 Euros and 8.056.062 Euros, respectively (Note 34). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation (Note 5). In addition, advertising revenue results essentially from purchases from Group companies by five media centrals that operate as intermediaries between the advertiser and the social communication entities.

Inter-segment transactions are recorded using the same principles as transactions with third parties. The accounting policies of each segment are the same as those of the Group.

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a) Reporting by main segment – Business segment:At 31 December 2019:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
<u>Operating revenue</u>						
Services rendered - external costumers	154.054.592	13.946.450	2.098.040	170.099.082	-	170.099.082
Services rendered - intersegment	59.422	54.539	8.431.198	8.545.159	(8.545.159)	-
Sales - external costumers	-	9.974.261	-	9.974.261	-	9.974.261
Other operating revenue - external costumer	1.063.072	213.141	520.593	1.796.806	-	1.796.806
Other operating revenue - intersegment	72.318	-	-	72.318	(72.318)	-
Total operating revenue	155.249.404	24.188.391	11.049.831	190.487.626	(8.617.477)	181.870.149
<u>Operating costs</u>						
Cost of programs broadcast and goods sold	(70.817.070)	(2.158.685)	-	(72.975.755)	-	(72.975.755)
External supplies and services	(29.547.975)	(10.826.849)	(5.502.740)	(45.877.564)	8.617.477	(37.260.087)
Personnel costs	(26.815.859)	(10.758.331)	(7.166.369)	(44.740.559)	-	(44.740.559)
Depreciation and amortization of tangible and intangible fixed assets	(4.381.275)	(298.158)	(1.169.770)	(5.849.203)	-	(5.849.203)
Provisions and Impairment losses (Note 29)	(311.400)	-	(30.000)	(341.400)	-	(341.400)
Other operating costs	(1.066.253)	(169.873)	(556.327)	(1.792.453)	-	(1.792.453)
Total operating costs	(132.939.832)	(24.211.896)	(14.425.206)	(171.576.934)	8.617.477	(162.959.457)
Operating profit/(loss)	22.309.572	(23.505)	(3.375.375)	18.910.692	-	18.910.692
<u>Financial items:</u>						
Gain and loss on associated companies	-	-	117.090	117.090	-	117.090
Other financial items	(1.550.969)	2.023	(5.899.141)	(7.448.087)	-	(7.448.087)
	(1.550.969)	2.023	(5.782.051)	(7.330.997)	-	(7.330.997)
<u>Operating profit/(loss) before taxes</u>	20.758.603	(21.482)	(9.157.426)	11.579.695	-	11.579.695

At 31 December 2018:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
<u>Operating revenue</u>						
Services rendered - external costumers	143.902.299	14.082.328	2.320.138	160.304.765	-	160.304.765
Services rendered - intersegment	33.276	41.322	5.912.395	5.986.993	(5.986.993)	-
Sales - external costumers	-	9.841.484	-	9.841.484	-	9.841.484
Other operating revenue - external costumers	1.284.392	308.024	424.092	2.016.508	-	2.016.508
Other operating revenue - intersegment	89.975	-	-	89.975	(89.975)	-
Total operating revenue	145.309.942	24.273.158	8.656.625	178.239.725	(6.076.968)	172.162.757
<u>Operating costs</u>						
Cost of programs broadcast and goods sold	(71.434.308)	(2.321.805)	-	(73.756.113)	-	(73.756.113)
External supplies and services	(26.270.817)	(11.132.235)	(4.512.872)	(41.915.924)	6.076.968	(35.838.956)
Personnel costs	(26.875.147)	(9.503.500)	(6.678.899)	(43.057.546)	-	(43.057.546)
Depreciation and amortization of tangible and intangible fixed assets	(2.760.878)	(108.805)	(651.649)	(3.521.332)	-	(3.521.332)
Provisions and Impairment losses (Note 29)	(95.883)	(2.610.000)	(72.349)	(2.778.232)	-	(2.778.232)
Other operating costs	(728.138)	(127.248)	(544.738)	(1.400.124)	-	(1.400.124)
Total operating costs	(128.165.171)	(25.803.593)	(12.460.507)	(166.429.271)	6.076.968	(160.352.303)
Operating profit/(loss)	17.144.771	(1.530.435)	(3.803.882)	11.810.454	-	11.810.454
<u>Financial items:</u>						
Gain and loss on associated companies	-	-	430.544	430.544	-	430.544
Other financial items	(1.113.496)	(387.623)	(4.420.934)	(5.922.053)	-	(5.922.053)
	(1.113.496)	(387.623)	(3.990.390)	(5.491.509)	-	(5.491.509)
<u>Operating profit/(loss) before taxes</u>	16.031.275	(1.918.058)	(7.794.272)	6.318.945	-	6.318.945

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Assets, liabilities and other significant information by segment and reconciliation to the consolidated totals are as follows:

At 31 December 2019:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	-	251.123.682	268.622.821	-	268.622.821
Investments	306.235	7.470	4.143.451	4.457.156	-	4.457.156
Assets classified as held for sale	-	-	-	-	-	-
Other assets	163.959.664	20.324.115	34.568.130	218.851.909	(111.158.019)	107.693.890
Total assets	181.765.038	20.331.585	289.835.263	491.931.886	(111.158.019)	380.773.867
Bank borrowings	88.051.741	6.510.763	178.406.139	272.968.643	(104.046.345)	168.922.298
Other liabilities	65.574.082	12.657.502	7.648.420	85.880.004	(7.111.674)	78.768.330
Total liabilities	153.625.823	19.168.265	186.054.559	358.848.647	(111.158.019)	247.690.628
Outras informações:						
Other information:	3.215.239	119.090	989.218	4.323.547	-	4.323.547
Increases in tangible fixed assets (Note 19)	4.377.596	298.423	1.173.184	5.849.203	-	5.849.203
Depreciation and amortization for the year	501.800	64.262	-	566.062	-	566.062
Impairment losses except goodwill (Note 29)	-	-	-	-	-	-
Reversal of impairment losses (Note 29)	54.481	5.346	9.351	69.178	-	69.178
Use of impairment losses, except goodwill (Note 29)	2.523.922	-	-	2.523.922	-	2.523.922
Average number of personnel	589	168	-	757	-	757

At 31 December 2018:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
Goodwill	17.499.139	-	251.123.682	268.622.821	-	268.622.821
Investments	6.235	7.470	4.026.361	4.040.066	-	4.040.066
Assets classified as held for sale	3.200.000	-	-	3.200.000	-	3.200.000
Other assets	126.942.707	31.083.907	32.857.333	190.883.947	70.032.614	120.851.333
Total assets	147.648.081	31.091.377	288.007.376	466.746.834	70.032.614	396.714.220
Bank borrowings	56.176.720	11.856.658	120.777.554	188.810.932	-	188.810.932
Other liabilities	67.320.508	16.081.782	69.152.881	152.555.171	(70.032.614)	82.522.557
Total liabilities	123.497.228	27.938.440	189.930.435	341.366.103	(70.032.614)	271.333.489
Other information:						
Increases in tangible fixed assets (Note 19)	8.995.033	374.632	6.752.835	16.122.500	-	16.122.500
Depreciation and amortization for the year	2.760.879	108.804	651.649	3.521.332	-	3.521.332
Impairment losses except goodwill (Note 29)	268.050	28.920	-	296.970	-	296.970
Reversal of impairment losses, except goodwill (Note 29)	791.333	-	55.834	847.167	-	847.167
Use of impairment losses, except goodwill (Note 29)	-	13.805	-	13.805	-	13.805
Average number of personnel	565	203	127	895	-	895

The column "Others" corresponds essentially to assets and liabilities recorded by Impresa whose activities consist essentially of managing investments, and so the corresponding assets include goodwill relating to the television, publishing and others segments in the amounts of 228.524.334 Euros, 20.130.334 Euros and 2.469.014 Euros, respectively, as well as the corresponding liabilities, namely bank loans used to acquire the investments.

b) Reporting by secondary segments – Geographic markets:

Operating revenue by geographic market for the years ended 31 December 2019 and 2018 were as follows:

	Portugal		Other markets		Consolidated total	
	2019	2018	2019	2018	2019	2018
Services rendered	163.099.812	154.317.772	6.999.270	5.986.993	170.099.082	160.304.765
Sales	9.974.261	9.841.484	-	-	9.974.261	9.841.484
Other operating income	1.796.806	2.016.508	-	-	1.796.806	2.016.508
Total operating income	174.870.879	166.175.764	6.999.270	5.986.993	181.870.149	172.162.757

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At 31 December 2019 and 2018, there were no acquisitions of non-current assets relating to the segment “Other markets”. In addition, more than 99% of the Group’s assets and liabilities at 31 December 2019 and 2018 relate to the Portugal geographic segment.

9. SERVICES RENDERED AND SALES BY ACTIVITY

Services rendered and sales for the years ended 31 December 2019 and 2018 were as follows:

	2019	2018
Services rendered:		
Television		
Advertising	105.743.980	97.448.776
Subscription to channels	34.308.874	36.857.597
Multimedia	11.278.342	6.474.786
Others	2.723.396	3.121.140
	<u>154.054.592</u>	<u>143.902.299</u>
Publishing:		
Advertising	12.767.743	12.616.068
Others	1.178.707	1.466.260
	<u>13.946.450</u>	<u>14.082.328</u>
Others:		
Digital mapping	1.862.430	1.676.256
Others	235.610	643.882
	<u>2.098.040</u>	<u>2.320.138</u>
Total services rendered	<u>170.099.082</u>	<u>160.304.765</u>
Sales:		
Publications	9.691.888	9.326.920
Others - publishing	282.373	514.564
Total sales	<u>9.974.261</u>	<u>9.841.484</u>
Total services rendered and sales	<u>180.073.343</u>	<u>170.146.249</u>

10. OTHER OPERATING REVENUES AND COSTS

Other operating revenues for the years ended 31 December 2019 and 2018 were as follows:

	2019	2018
Supplimentary income and other operating gains (a)	1.058.755	516.040
Subsidies	668.873	653.301
Reversal of impairment losses (Note 29.1)	69.178	847.167
	<u>1.796.806</u>	<u>2.016.508</u>

(a) In 2018 and 2017, this caption corresponded essentially to income received from sponsorships, and to the capital gain from the sale of the FNAC land amounting to, approximately, 322.000 Euros (Note 21).

For the years ended 31 December 2019 and 2018, the caption “Other operating costs” was as follows:

	2019	2018
Impairment losses on receivables (Note 29.1)	566.062	296.970
Taxes	1.035.763	921.902
Subscriptions	137.514	132.218
Other operating costs	53.114	49.034
	<u>1.792.453</u>	<u>1.400.124</u>

11. COST OF PROGRAMS BROADCAST AND GOODS SOLD

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The cost of programs broadcast and goods sold in the years ended 31 December 2019 and 2018 was as follows:

	2019	2018
Programs broadcast	70.826.070	71.434.308
Raw materials consumed	1.992.523	2.043.808
Merchandise sold	157.162	277.997
	<u>72.975.755</u>	<u>73.756.113</u>

12. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2019 and 2018 was made up as follows:

	2019	2018
Specialized works	8.782.948	8.105.264
Subcontracts	5.406.298	5.514.705
Maintenance and repair	4.416.045	4.508.635
Prizes to be given	4.006.268	3.432.088
Communication	5.014.193	2.983.597
Rents and leases	1.553.231	2.742.662
Fees	2.407.961	2.612.060
Advertising	2.043.504	1.747.921
Other	3.629.639	4.192.023
	<u>37.260.087</u>	<u>35.838.955</u>

The variation in the captions “Prizes to be given” and “Communication”, occurred in the year ended 31 December 2019, compared to 2018, results from the increase of the activity related to contests and initiatives with phone participation and corresponding prizes.

The variation in the caption “rents and leases” is related to the adoption of IFRS 16 (Note 2.2).

13. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2019 and 2018 are made up as follows:

	2019	2018
Salaries	34.028.893	32.470.326
Charges on remuneration and other personnel costs	8.131.050	9.103.238
Indemnities	2.580.616	1.483.982
	<u>44.740.559</u>	<u>43.057.546</u>

The variation occurred during the years ended 31 December 2018 compared to 2017, results from the restructuration carried in 2017 and with the sale of the magazines portfolio.

The average number of employees of the companies included in the consolidation in 2019 and 2018 was 900 and 895, respectively.

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14. NET FINANCIAL EXPENSES

Net financial expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	2019	2018
<u>Loss and gain on associated companies: (a)</u>		
Loss on associated companies	(29.107)	-
Gain on associated companies	146.197	430.544
	<u>117.090</u>	<u>430.544</u>
<u>Interest and other financial costs:</u>		
Interest	(6.051.658)	(5.206.394)
Other financial costs (b)	(1.545.825)	(1.180.892)
	<u>(7.597.483)</u>	<u>(6.387.286)</u>
<u>Other financial income:</u>		
Interest	139.270	329.175
Exchange gain	9.596	135.418
Financial discount received	530	640
Other financial income	-	-
	<u>149.396</u>	<u>465.233</u>
Net financial expenses	<u>(7.330.997)</u>	<u>(5.491.509)</u>

(a) This caption is made up as follows:

	2019	2018
Vasp (Note 20)	(29.107)	181.514
Lusa (Note 20)	146.197	249.030
	<u>117.090</u>	<u>430.544</u>

(b) This caption corresponds essentially to commissions and bank charges.

15. DIFFERENCES BETWEEN ACCOUNTING AND TAX RESULTS

Impresa is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Impresa Publishing, SIC, GMTS, IOSS and Infoportugal.

Impresa and its subsidiaries are subject to corporate income tax at the rate of 21% of taxable income. In addition, taxation is increased by a Municipal Surcharge of up to 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

In addition, taxable income exceeding 1,500,000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 9% on taxable profit exceeding 35,000,000 Euros.

Net financial costs for 2019 are deductible for determining the Group's annual taxable income up to the greater of the following limits:

- 1,000,000 Euros;
- 30% of the profit before amortization and depreciation, net financial costs and taxes.

In accordance with article 88º of the Corporation Income Tax Code, the Group is subject to autonomous taxation of certain charges at the rates established in the article.

The Impresa Group's Board of Directors believes that possible corrections to the tax returns resulting from revisions/inspections by the Tax Administration will not have a significant effect on the consolidated financial statements as of 31 December 2019 and 2018.

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Current tax assets and liabilities at 31 December 2019 and 2018 are made up as follows:

	2019	2018
<u>Current tax liabilities</u>		
Estimated tax	3.794.701	3.301.094
Additional payments on account	(514.495)	(441.738)
Payments on account	(1.766.163)	(1.477.323)
Special payments on account	-	(89.656)
Withholding income tax	(418.398)	(288.106)
	<u>1.095.645</u>	<u>1.004.271</u>

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. The following deferred tax assets were recognized at 31 December 2019 and 2018:

(a) Temporary differences – Changes in deferred tax assets31 December 2019:

	Deferred tax assets			
	Impairment losses on receivables	Provisions for other risks and charges	Impairment losses on investments properties	Total
Balance at 31 December 2018	796.845	588.685	405.206	1.790.735
Increase/(decrease)	51.305	256.267	(405.206)	(97.633)
Balance at 31 December 2019	<u>848.150</u>	<u>844.952</u>	<u>-</u>	<u>1.693.101</u>

31 December 2018:

	Deferred tax assets			
	Impairment losses on receivables	Provisions for other risks and charges	Impairment losses on investments properties	Total
Balance at 31 December 2017	530.894	669.784	405.206	1.605.884
Increase/(decrease)	265.951	(81.099)	-	184.851
Balance at 31 December 2018	<u>796.845</u>	<u>588.685</u>	<u>405.206</u>	<u>1.790.735</u>

(b) Temporary differences – Changes in deferred tax liabilities31 December 2019:

	Pension plan
Balance at 31 December 2018	255.082
Increase/(decrease) affecting other comprehensive income	(38.732)
Increase/(decrease) affecting profit and loss	56
Balance at 31 December 2019	<u>216.406</u>

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31 December 2018:

	Pension plan
Balance at 31 December 2017	339.650
Increase/(decrease) affecting other comprehensive income	(37.424)
Increase/(decrease) affecting profit and loss	(47.144)
Balance at 31 December 2018	<u>255.082</u>

In accordance with current legislation, tax losses can be carried forward during a period of 5 years after their occurrence for deduction from taxable income generated in that period, limited to 70% of the Group's taxable income in each year, applicable also to tax losses incurred in prior years. At 31 December 2019 and 2018, the Group did not had tax losses carried forward.

c) Reconciliation of the tax rate

Income tax for the years ended 31 December 2019 and 2018 was as follows:

	2019	2018
Pre-tax result	11.579.695	6.318.945
Nominal tax rate	21%	21%
	<u>2.431.736</u>	<u>1.326.978</u>
Permanent differences (i)	139.130	614.740
Adjustments to corporate income tax	255.328	252.641
Municipal and State Surcharge	1.066.196	874.740
(Excess) / insufficiency of corporate income tax estimate	(148.616)	110.562
Corporate income tax	<u>3.743.774</u>	<u>3.179.661</u>
Current tax	3.794.701	3.301.094
Deferred tax for the year	97.689	(231.995)
(Excess) / insufficiency estimate for prior period income tax	(148.616)	110.562
	<u>3.743.774</u>	<u>3.179.661</u>

(i) This amount at 31 December 2018 and 2017 is made up as follows:

	2019	2018
Effect of the application of the equity method (Note 20)	(117.090)	(430.544)
Interests non-deductible or in excess of legal limits	250.000	2.229.754
Other	529.613	1.128.124
	<u>662.523</u>	<u>2.927.334</u>
Tax rate	21%	21%
	<u>139.130</u>	<u>614.740</u>

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16. EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2019 and 2018 were computed based on the following information:

	<u>2019</u>	<u>2018</u>
<u>Number of shares</u>		
Weighted average number of shares for purposes of computing basic earnings per share (Note 27)	<u>168.000.000</u>	<u>168.000.000</u>
<u>Earnings</u>		
Earnings for purposes of computing basic earnings per share (net profit for the year)	<u>7.835.921</u>	<u>3.139.284</u>
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	<u>7.702.508</u>	<u>3.010.381</u>
<u>Earnings per share:</u>		
Basic	0,0466	0,0187
Diluted	0,0466	0,0187
<u>Comprehensive income for the year per share:</u>		
Basic	0,0458	0,0179
Diluted	0,0458	0,0179

There were no diluting effects in the years ended 31 December 2019 and 2018 and so the basic and diluted earnings per share are the same.

17. GOODWILL

There were no changes in the caption goodwill in the years ended 31 December 2019 and 2018.

Goodwill at 31 December 2019 and 2018 is made up as follows:

Company	<u>2019</u>	<u>2018</u>
Television:		
Recorded by Impresa	228.524.334	228.524.334
Recorded by SIC	<u>17.499.139</u>	<u>17.499.139</u>
	<u>246.023.473</u>	<u>246.023.473</u>
Publishing:		
Recorded by Impresa	<u>20.130.334</u>	<u>20.130.334</u>
	<u>20.130.334</u>	<u>20.130.334</u>
Infoportugal:		
Recorded by Impresa	<u>2.469.014</u>	<u>2.469.014</u>
	<u>268.622.821</u>	<u>268.622.821</u>

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In compliance with the provisions of IAS 36, the Group makes impairment tests of goodwill at 31 December of each year or whenever there are indications of impairment. For purposes of impairment tests, goodwill has been attributed to the identified cash generating units, considering, as a cash generating unit, the smallest identifiable group of cash inflows generating assets that are largely independent of the cash inflows of other assets or groups of assets. Therefore, for these effects, the cash generating units to which goodwill was attributed, were the following:

- Television: corresponding to the generalist channel SIC, the theme channels SIC Notícias, SIC Mulher, SIC Radical, SIC K, SIC Internacional and SIC Caras owned by the legal entity SIC, and to GMTS;
- Publishing: corresponds to the titles Expresso and Blitz, under paper and digital format, which are owned by the legal entity Impresa Publishing;
- InfoPortugal: corresponding essentially to the digital mapping business, including also goodwill of Olhares.com recorded by Infoportugal since, as a result of the merger between the two companies, they became included in a single cash generating unit.

Approach used to determine the amounts attributed to key assumptions

As of 31 December 2019 and 2018, the Group requested a specialised external entity to test impairment of goodwill of Television and Publishing, as they are the most significant amounts and are considered to be the more complex for determination of the recoverable amount. The Group made internal tests of the impairment of goodwill of the remaining cash generating units.

The discounted cash flow method was used to test impairment of goodwill, based on cash flow projections for five years for each cash generating unit, the first year of projection being the approved budget, and a perpetuity being considered as from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the business of the cash generating units, which the Board of Directors believes are coherent with historical experience and the market tendencies, being reasonable and prudent and which reflect their vision and that of the consultants involved in their preparation. In addition, whenever possible data obtained from external entities were considered, which were compared with historical data and the Group's experience.

In the television cash generating unit, the key assumption used relate to advertising revenues and the costs of programs broadcasted, and in the case of Publishing, the key assumptions were advertising revenues and circulation revenues. These variables were projected in accordance with past experience, the Board's knowledge of the operations, as well as the previsual behavior of such variables, which were complemented with external sources whenever possible.

In what relates to the remaining key assumptions of the impairment test, they correspond to the discount rate and perpetuity growth rate, which are determined through external sources, as they are computed by the external consultants.

The discount rates used reflect the level of indebtedness and the borrowing cost of each cash generating unit, as well as the risk level and profitability expected by the market. In addition, in determining the discount rates, an interest rate applicable to assets without risk was used considering the interest rates of ten year German bonds plus a country risk premium corresponding to the average spread between the Portuguese and German 10 year bonds. The discount rates used also include a market risk premium, estimated by the external consultants that made the impairment studies.

The perpetuity growth rate was estimated based on an analysis of the potential market of each cash generating unit, considering the expectations of the Board of Directors and the external consultants involved in the valuations. For this purpose the external consultants considered a sample of Iberian companies.

The main changes made in the impairment analyses as of 31 December 2019 in relation to past experience are as follows:

- Increase in television advertising revenues as a result of the increase of the market share occurred in 2019;
- Increase in Expresso's market share, resulting from the growth of digital sales;

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- Decrease of the discount rate used in the impairment analysis of Publishing, resulting from the reduction in the risk-free rate;

Impairment tests in the year ended 31 December 2019:

As a result of the impairment tests carried out, in the year ended 31 December 2019, the Group did not identify any impairment of goodwill.

Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 7.5% (7.6% at 31 December 2018) and a perpetuity growth rate of 1% (2% in 2018).

The main business assumptions considered were as follows:

- Advertising market: an annual compound growth rate throughout the period of the projections of 2,8%, for the market relating to generalist channels;
- Advertising and audience market share: these variables were considered constant and similar to those occurred in 2019 for the five year period of the projections;
- Programming cost: It was estimated a maintenance for 2020 of the verified costs in 2019, increasing 1.8% until 2024.
- Automatic renewal of the television operating licences at the end of their term, without additional costs;
- Maintenance of the current open signal transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.

The impairment tests carried out assume maintenance of the current number of open signal television broadcasting channels, as well as the current limit of advertising space in each of these channels and other sector regulations.

The Company carried out the following sensitivity tests:

- a 1% decrease in advertising revenues of the cash generating unit over the period of the projection would not imply the need to record an impairment loss at 31 December 2019;
- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2019;
- a 1% increase in the broadcast programs costs during the projection period would not imply the need to record an impairment loss in the year ended December 31, 2019;
- a decrease in the perpetuity growth rate to 0,5% would not imply the need to record an impairment loss at 31 December 2019.

The Group believes that the variations considered in the sensitivity analyses are reasonable considering current evolution and market prospects, the evolution of the diverse parameters considered in the projections and the current situation of the Portuguese economy.

Publishing:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Publishing segment for a five year period, using a discount rate of 6.1% (7.7% at 31 December 2018) and a perpetuity growth rate 0.5% (0.5% in 2018).

The main assumptions considered were as follows:

- Advertising market: a negative annual compound growth rate of 3,9% for publications in paper format, and a positive compound annual growth rate of 8,5% for online advertising, considering a growth similar to the market for the publications in paper format, and a growth above market rates for the publications in digital format;

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- Digital circulation: a significant growth in the volume of digital subscriptions was estimated, as well as a slight price increase;
- Paper circulation: maintenance of current price, and a reduction in circulation over the projection period were estimated;

The Company made the following sensitivity analyses:

- a 1% decrease in advertising income of the cash generating unit over the period of the projection, would not imply the need to record an impairment loss at 31 December 2019;
- a 1% decrease in circulation revenues over the years of the projections would not imply the need to record an impairment loss at 31 December 2019;
- a increase in the discount rate 0,5% would not imply the need to record an impairment loss at 31 December 2019.

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

The Group believes that the variations in the considered in the sensitivity analyzes are reasonable, not considering that it is probable that higher deviations will occur, considering the recent and prospective market evolution, the historical performance of the newspaper Expresso, the variation of the various parameters considered in the evaluation and the current Portuguese economic situation.

InfoPortugal:

The recoverable amount of this cash generating unit was determined considering the financial projections of the digital mapping business for a five year period using a discount rate of 7.28% (8.02% at 31 December 2018) and a perpetuity growth rate of 2% (2% in 2018).

The main assumptions considered in the projections for 2019 assume the continuing recovery of operations registered in 2017, considering a compound rate of annual maintenance of revenues over the projection period, and an annual increase of the cartography business and applications designed profits in the amount of 15% and 0.9%, respectively.

In addition, reasonable possible changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value that would imply the need to record additional impairment losses at 31 December 2019.

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18. INTANGIBLE ASSETS

The changes in intangible assets and related accumulated amortization and impairment losses in 2019 and 2018 were as follows:

31 December 2019:

	Industrial property and other rights	Software	Total
<u>Gross:</u>			
Balance at 31 December 2018	2.757.054	995.334	3.752.388
Reclassifications	368.242	-	368.242
Purchases	45.000	-	45.000
Balance at 31 December 2019	<u>3.170.296</u>	<u>995.334</u>	<u>4.165.630</u>
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2018	(2.745.748)	(847.117)	(3.592.865)
Increases	(139.645)	(87.012)	(226.657)
Balance at 31 December 2019	<u>(2.885.393)</u>	<u>(934.129)</u>	<u>(3.819.522)</u>
Net balance at 31 December 2019	<u>284.903</u>	<u>61.205</u>	<u>346.108</u>

31 December 2018:

	Industrial property and other rights	Software	Total
<u>Gross:</u>			
Balance at 31 December 2017	2.757.054	950.187	3.707.241
Purchases	-	45.147	45.147
Balance at 31 December 2018	<u>2.757.054</u>	<u>995.334</u>	<u>3.752.388</u>
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2017	(2.743.837)	(649.541)	(3.393.378)
Increases	(1.911)	(197.576)	(199.487)
Balance at 31 December 2018	<u>(2.745.748)</u>	<u>(847.117)</u>	<u>(3.592.865)</u>
Net balance at 31 December 2018	<u>11.306</u>	<u>148.217</u>	<u>159.523</u>

Purchases and reclassifications of Intangible assets during the years ended 31 December 2019 and 2018 correspond essentially acquisition of the Volante site and to updates and software licences and Oracle program, respectively.

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19. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2019 and 2018 were as follows:

31 December 2019:

	Land and natural resources	Buildings and other constructions	Rights of Use	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:									
Balance at 31 December 2018:	2.245.593	23.477.475	-	107.989.322	158.639	26.262.406	333.341	19.428.513	179.895.288
Initial adoption IFRS16 (Note 2.2)	-	976.769	-	-	855.581	-	-	-	1.832.350
Acquisitions	-	769.377	-	2.410.588	530.318	613.264	-	-	4.323.547
Sales and write-offs	-	(569.737)	-	(450.902)	(29.047)	(2.352.169)	-	(182.536)	(3.584.391)
Transfers	-	10.784.644	-	7.007.964	-	1.085.127	-	(18.877.735)	-
Reclassifications	-	-	-	-	-	-	-	(368.242)	(368.242)
Balance at 31 December 2019	<u>2.245.593</u>	<u>35.438.528</u>	<u>-</u>	<u>116.956.972</u>	<u>1.515.491</u>	<u>25.608.628</u>	<u>333.341</u>	<u>-</u>	<u>182.098.552</u>
Accumulated depreciation and impairment losses									
Balance at 31 December 2018:	-	(9.583.313)	-	(101.896.891)	(158.639)	(25.911.537)	(187.166)	-	(137.737.546)
Increases	-	(1.226.016)	-	(3.263.549)	(429.910)	(638.068)	(65.002)	-	(5.622.546)
Sales and write-offs	-	569.737	-	449.200	1.702	2.356.550	(827)	-	3.376.362
Balance at 31 December 2019	<u>-</u>	<u>(10.239.592)</u>	<u>-</u>	<u>(104.711.240)</u>	<u>(586.847)</u>	<u>(24.193.055)</u>	<u>(252.995)</u>	<u>-</u>	<u>(139.983.730)</u>
Net balance at 31 December 2019	<u>2.245.593</u>	<u>25.198.936</u>	<u>-</u>	<u>12.245.733</u>	<u>928.644</u>	<u>1.415.573</u>	<u>80.346</u>	<u>-</u>	<u>42.114.822</u>

31 December 2018:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2017	2.245.593	23.477.475	107.515.474	158.639	26.183.588	333.341	4.416.983	164.331.092
Acquisitions	-	-	538.486	-	84.695	-	15.499.319	16.122.500
Sales and write-offs	-	-	(66.904)	-	(8.495)	-	(482.905)	(558.304)
Transfers	-	-	2.266	-	2.618	-	(4.884)	-
Balance at 31 December 2018	<u>2.245.593</u>	<u>23.477.475</u>	<u>107.989.322</u>	<u>158.639</u>	<u>26.262.406</u>	<u>333.341</u>	<u>19.428.513</u>	<u>179.895.288</u>
Accumulated depreciation and impairment losses								
Balance at 31 December 2017	-	(9.118.481)	(99.447.044)	(155.103)	(25.604.388)	(123.834)	-	(134.448.850)
Increase	-	(464.832)	(2.478.403)	(3.536)	(311.742)	(63.332)	-	(3.321.845)
Decreases due to sales and write-offs	-	-	28.556	-	4.593	-	-	33.149
Balance at 31 December 2018	<u>-</u>	<u>(9.583.313)</u>	<u>(101.896.891)</u>	<u>(158.639)</u>	<u>(25.911.537)</u>	<u>(187.166)</u>	<u>-</u>	<u>(137.737.546)</u>
Net balance at 31 December 2018	<u>2.245.593</u>	<u>13.894.162</u>	<u>6.092.431</u>	<u>-</u>	<u>350.869</u>	<u>146.175</u>	<u>19.428.513</u>	<u>42.157.742</u>

During the year ended 31 December 2019, the reclassifications relate essentially to assets in process that were reclassified as intangible assets (Note 18).

The write-offs during 2019 result essentially from the relocation of SIC's studios from Carnaxide to Paço de Arcos, namely the write-off of obsolete machinery and equipment, administrative equipment and improvements made in the old studios.

The acquisition of several broadcasting and television recording technical equipment, as well as the project of increase of the Paço de Arcos building which, as of 31 December 2018 was in progress, are the main acquisitions in 2019.

The increase in the caption "Machinery and equipment" is due essentially to the acquisition of technical broadcasting and television recording equipment.

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During the year ended 31 December 2019, the movements in Rights of Use included in tangible fixed assets, as well as the corresponding depreciations and impairment losses, were as follows:

	Buildings and other constructions	Machinery and equipment	Administrative equipment	Transport equipment	Fixed assets in progress	Total
Gross:						
Balance at 31 December 2018:	104.348	592.789	121.960	-	8.719.128	9.538.225
Initial adoption IFRS16 (Note 2.2)	976.769	-	-	855.581	-	1.832.350
New contracts	2.435.000	5.959.417	1.229.274	496.737	(8.719.128)	1.401.300
Balance at 31 December 2019	3.516.117	6.552.206	1.351.234	1.352.318	-	12.771.875
Accumulated depreciation and impairment losses						
Balance at 31 December 2018:	16.304	201.646	60.974	201.646	-	480.570
Increases	432.439	455.349	201.637	697.130	-	1.786.554
Balance at 31 December 2019	448.743	656.995	262.611	898.776	-	2.267.124
Net balance at 31 December 2019	3.067.374	5.895.211	1.088.623	453.542	-	15.038.999

In addition, the Group recognized the following expenses related to rights of use in 2019:

	2019
Depreciation	1.786.554
Short term leases	834.328
Interest	249.062
Low value leases	169.352
	<u>3.039.296</u>

At 31 December 2019, the Group had commitments related to short term leases amounting to, approximately, 96.600 Euros.

20. INVESTMENTS

The changes in investments in the years ended 31 December 2019 and 2018 were as follows:

31 December 2019:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2018	4.025.703	14.363	4.040.066
Application of the equity method (Note 14)	117.090	-	117.090
Increase	-	300.000	300.000
Balance at 31 December 2019	<u>4.142.793</u>	<u>314.363</u>	<u>4.457.156</u>

31 December 2018:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2017	3.595.158	19.363	3.614.521
Application of the equity method (Note 14)	430.544	-	430.544
Alienation	-	(10.000)	(10.000)
Other movements	-	5.000	5.000
Balance at 31 December 2018	<u>4.025.702</u>	<u>14.363</u>	<u>4.035.066</u>

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The variation occurred in this caption during the year ended 31 December 2019 is related to the recognition of gains in associated companies and the acquisition of a financial participation of 5,47% in Youngstories S.A. by 300.000 Euros.

Investments in associated companies at 31 December 2019 and 2018 are comprised as follows:

31 December 2019:

Company	Head office	2019				Percentage effectively held	Amount of participation	Accumulated impairment	Net value of the asset
		Total assets	Total revenue	Equity	Net result			losses (Note 29.1)	
Vasp	Cacém	39.115.016	215.390.446	8.983.887	(76.756)	33,33	2.994.332	-	2.994.332
Lusa	Lisbon	11.088.766	16.795.720	5.138.522	655.042	22,35	1.148.461	-	1.148.461
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	7,69	5.000	(5.000)	-
							<u>4.147.793</u>	<u>(5.000)</u>	<u>4.142.793</u>

31 December 2018:

Company	Head office	2018				Percentage effectively held	Amount of participation	Accumulated impairment	Net value of the asset
		Total assets	Total revenue	Equity	Net result			losses (Note 29.1)	
Vasp	Cacém	40.218.110	222.475.796	9.071.219	409.870	33,33	3.023.438	-	3.023.438
Lusa	Lisbon	13.099.971	15.927.572	4.484.400	1.141.508	22,35	1.002.263	-	1.002.263
Visapress	Lisbon	n.a.	n.a.	n.a.	n.a.	7,69	5.000	(5.000)	-
							<u>4.025.701</u>	<u>(5.000)</u>	<u>4.025.701</u>

As a result of applying the equity method at 31 December 2019 and 2018, the following changes were recorded in the caption “Investments in associates”:

Company	2019			2018		
	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total	Gain on associated companies (Note 14)	Loss on associated companies (Note 14)	Total
Vasp	-	(29.107)	(29.107)	181.514	-	181.514
Lusa	146.197	-	146.197	249.030	-	249.030
	<u>146.197</u>	<u>(29.107)</u>	<u>117.090</u>	<u>430.544</u>	<u>-</u>	<u>430.544</u>

Investments in other companies at 31 December 2019 and 2018 are made up as follows:

Company	2019				2018	
	Effective participation of the Group	Amount of the participation	Impairment losses (Note 29.1)	Amount net of impairment losses	Effective participation of the Group	Amount net of impairment losses
Youngstories S.A.	5,50%	300.000	-	300.000	0,00%	-
NP	10,71%	18.703	(5.000)	13.703	10,71%	13.703
Nexponor	0,001%	660	-	660	0,001%	660
Others	n.d.	30.000	(30.000)	-	n.d.	-
		<u>49.363</u>	<u>(35.000)</u>	<u>14.363</u>		<u>19.363</u>

21. INVESTMENT PROPERTIES

Durante the year ended 31 December 2019, the Group reached na agreement to sell the remaining part of the FNAC land, by a price of 1.800.000 euros, having entered into the corresponding sale and purchase deed.

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Investment properties held by the Group at 31 December 2019 and 2018, are as follows:

Investment property	2019	2018
Land "FNAC" (a)	-	1.478.489

(a) This amount is net of impairment losses in the amount of 1.473.474 Euros (Note 29.1).

During the years ended 31 December 2018, there were no movements in the caption "Investment properties".

22. PROGRAM BROADCASTING RIGHTS AND INVENTORIES

Program broadcasting rights at 31 December 2019 and 2018 are made up as follows:

	31 December 2019		31 December 2018	
	Non-current	Current	Non-current	Current
<u>Broadcasting rights</u>				
<u>Gross:</u>				
Program broadcasting rights	4.027.118	5.439.902	2.586.358	3.562.879
Advances on account of purchases	557.128	10.035.291	557.128	11.701.321
	<u>4.584.246</u>	<u>15.475.193</u>	<u>3.143.486</u>	<u>15.264.200</u>
<u>Impairment of realizable value:</u>				
Accumulated impairment of the realizable value (Note 29.1)	(557.128)	-	(557.128)	-
Net realizable value of the broadcasting rights	<u>4.027.118</u>	<u>15.475.193</u>	<u>2.586.358</u>	<u>15.264.200</u>
<u>Inventories:</u>				
Raw, subsidiary and consumable material	-	269.021	-	416.784
Work in progress	-	-	-	87.940
Net realizable value of inventories	<u>-</u>	<u>269.021</u>	<u>-</u>	<u>504.724</u>
Net realizable value of inventories and broadcasting rights	<u>4.027.118</u>	<u>15.744.214</u>	<u>2.586.358</u>	<u>15.768.924</u>

The caption "Advances on account of purchases" at 31 December 2019 and 2018 includes payments made by SIC to program suppliers under contracts entered into with these entities, relating to program broadcasting rights, which at that date were not available for broadcasting, corresponding essentially to soaps and sports rights.

At 31 December 2019 and 2018 the Group had no inventories pledged in guarantee of liabilities.

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23. TRADE AND OTHER RECEIVABLES

This caption at 31 December 2019 and 2018 was made up as follows:

	31 December 2019			31 December 2018		
	Gross	Accumulated impairment Losses (Note 29.1)	Net	Gross	Accumulated impairment Losses (Note 29.1)	Net
Customers	38.457.994	(10.141.146)	28.316.849	41.557.360	(10.694.710)	30.862.650
Invoices to be issued:		-			-	
Value added services	675.358	-	675.358	563.521	-	563.521
Television broadcasting rights of theme channels	114.920	-	114.920	566.978	-	566.978
Television broadcasting rights of generalist channels	70	-	70	167.370	-	167.370
Other amounts to be invoiced	434.420	-	434.420	210.228	-	210.228
	<u>39.682.762</u>	<u>(10.141.146)</u>	<u>29.541.617</u>	<u>43.065.457</u>	<u>(10.694.710)</u>	<u>32.370.747</u>

24. OTHER NON-CURRENT AND CURRENT ASSETS

At 31 December 2018 and 2017, this caption was made up as follows:

	2019	2018
<u>Other non-current assets:</u>		
Pension fund - Post employment benefits (Note 33.1)	961.810	1.133.697
Premius, S.A.	906.250	906.250
Digital telebroadcasting services (a)	498.825	561.178
Others (c)	2.609.115	2.485.390
	<u>4.976.000</u>	<u>5.086.515</u>
<u>Other current assets:</u>		
Advances to suppliers	145.909	220.534
Other debtors		
Novimovest - Fundo de Investimento Imobiliário (b)	800.000	800.000
Subsidies receivable	374.821	571.978
Advances to employees	255.929	218.035
Deposit (d)	1.302.868	1.227.302
Others (c)	2.601.738	5.004.932
Prepayments:		
Licenses	154.173	196.492
Digital telebroadcasting services (b)	62.352	62.352
Insurance	67.572	57.066
Others	942.359	1.232.073
Taxes:		
Other taxes	13.345	222.428
	<u>6.721.066</u>	<u>9.813.192</u>
	<u>11.697.066</u>	<u>14.899.707</u>

- (a) This caption corresponds to the deferral of the single instalment for access to the digital telefusion network and for services rendered by MEO, under the technical alteration process. The amount is being deferred over the period of the contract to render digital telebroadcasting services entered into MEO. The contract became effective on 1 January 2012 and remains in force until 9 December 2028.
- (b) Amount still receivable from the sale of the SIC building in 2004, which is dependent upon updating of the utilization licence, which the Board of Directors estimates it will be obtained in the short term. As

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disclosed in Note 37, the license was obtained subsequently, the Group having received an amount of 770.000 Euros.

- (c) At 31 December 2019, the caption "Other accounts receivable" includes accounts receivable from Fantasy Day - Unipessoal, Lda. and Lemon- Entretenimento, Lda., related to the sale of 90% of the capital Dialectus – Traduções Técnicas, Legendagem e Locução, Lda., and 100% of the capital of iPlay - Som e Imagem, Lda., respectively, and also 4.514.481 Euros (whose nominal value is 4.550.000 Euros) related to the amount receivable from Trust in News, S.A. ("TIN") resulting from the sale of the magazines portfolio, which is under a payment plan, renegotiated in 2019 as follows:

2020	2.150.000
2021	2.400.000
	<u>4.550.000</u>

As of 31 December 2018, the nominal value of the receivable from TIN was 6.300.000 Euros.

- (d) As of 31 December 2019, and 2018, the amounts of 302.868 Euros and 1.227.302 Euros correspond to the net amount of a dollar term deposit of 4.005.697 Euros and 3.930.131 Euros, respectively, and a loan contract of 2.702.829 Euros and 2.702.829 Euros at 31 December 2019 and 2018, recorded in this caption with a maximum amount of 10.000.000 Euros, being automatically renewable for successive six month periods. The term deposit is in guarantee of the liability resulting from the loan contract.

25. CASH AND CASH EQUIVALENTS

The caption "Cash and cash equivalents" included in the consolidated statement of cash flow as of 31 December 2019 and 2018 and reconciliation thereof to the amount of cash and cash equivalents reflected in the statement financial position as of those dates are as follows:

	2019	2018
Cash	84.722	57.314
Bank deposits	<u>2.445.121</u>	<u>9.581.794</u>
	2.529.843	9.639.108
Bank deposits captives	-	(640.000)
Bank overdrafts (Note 27)	<u>(4.986.988)</u>	<u>(5.696.187)</u>
	<u>(2.457.145)</u>	<u>3.302.921</u>

At December 31, 2018, captive bank deposits are related to the sale process of a portion of the so-called "FNAC Terrain" (Note 21), which were released after its sale in 2019.

26. NON-CURRENT ASSETS HELD FOR SALE

The variation occurred in the year ended 31 December 2019 is related to the sale of part of the FNAC land, by an amount of 3.200.000 Euros, from which 640.000 Euros had been received in prior years and were captive until the signing of the deed (Note 25). Additionally, as disclosed in Note 21, the Group sold in 2019 the remaining portion of the FNAC land by 1.800.000 Euros, whose receipt is classified in the cash-flow statement as receipt related to investment properties.

During the year ended 31 December 2019, the Group received the amount of 1.750.000 Euros related to the sale of the magazines portfolio to TIN, a new schedule of payments having been renegotiated as described in Note 24.

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27. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY

Share Capital: At 31 December 2019 and 2018 Impresa's fully subscribed and paid up share capital amounted to 84.000.000 Euros, represented by 168.000.000 shares of fifty cents each, which, in accordance with the information communicated to CMVM, are held as follows:

	2019		2018	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora	50,31%	42.257.294	50,31%	42.257.294
Madre - SGPS, S.A.	4,47%	3.750.622	4,47%	3.750.622
Grupo BPI	3,69%	3.100.000	3,69%	3.100.000
Santander Asset Management	2,43%	2.038.048	4,18%	3.507.282
Newshold - SGPS, S.A.	2,40%	2.019.382	2,40%	2.019.382
Others	36,71%	30.834.655	34,96%	29.365.420
	<u>100,00%</u>	<u>84.000.000</u>	<u>#DIV/0!</u>	<u>84.000.000</u>

Share premium: This caption corresponds to premiums obtained in capital increases made in previous years. According to current Portuguese legislation, the use of the amount included in this caption follows the regime applicable to the legal reserve, that is, it can not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted or incorporated in the capital.

Legal reserve: Portuguese law provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of share capital. The reserve is not available for distribution to the shareholders except upon liquidation of the Company, but may be used to absorb losses, once all other reserves and retained earnings have been exhausted, or to increase capital.

As decided at the Shareholders' General Meeting held on 16 April 2016, negative net result for the year ended 31 December 2018 in the amount of 17.180.586, presented in the non-consolidated financial statements of Impresa, was transferred to retained earnings.

The difference between the non-consolidated and consolidated result was transferred to Retained earnings.

As decided at the Shareholders' General Meeting held on 19 April 2018, negative net result for the year ended 31 December 2017 in the amount of 4.797.627, presented in the non-consolidated financial statements of Impresa, was transferred to retained earnings.

The difference between the non-consolidated and consolidated result was transferred to Retained earnings and other legal reserves.

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28. BANK BORROWINGS AND FINANCE LEASES28.1 Bank Borrowings

As of December 31, 2019 and 2018 the balance of debts related to bank borrowings has the following composition:

Companies	Lending entities	31 December 2019				31 December 2018			
		Book value		Nominal value		Book value		Nominal value	
		Non current	Current	Non current	Current	Non current	Current	Non current	Current
Impresa	Banco BPI, S.A. (a)	24.692.992	2.722.062	25.400.000	2.800.000	55.581.637	9.939.866	55.826.229	9.983.607
Impresa	Banco Santander, S.A. (b)	-	494.873	-	500.000	494.560	989.119	500.000	1.000.000
Impresa	Caixa Central de Crédito Agrícola	-	-	-	-	-	-	-	-
	Mútuo, C.R.L. (c)	-	-	-	-	-	1.344.843	-	1.350.000
Impresa	Banco BIC Português, S.A. (d)	1.928.599	1.285.731	1.937.501	1.291.666	-	4.172.253	-	4.187.500
SIC	Banco BPI, S.A. (f)	16.727.801	-	17.000.000	-	10.577.474	2.115.495	10.625.000	2.125.000
SIC	Caixa Central de Crédito Agrícola	-	-	-	-	-	-	-	-
	Mútuo, C.R.L. (c)	-	-	-	-	-	75.000	-	75.000
SIC	Montepio Geral (g)	-	-	-	-	-	4.615.315	-	4.666.667
SIC	Bond loan (n)	49.500.912	-	51.000.000	-	-	-	-	-
IOSS	Novo Banco, S.A. (m)	18.354.835	1.592.772	19.790.259	1.717.333	20.008.357	1.395.267	21.507.592	1.653.892
Impresa Publishing	Montepio Geral (h)	-	541.300	-	543.051	535.766	1.285.839	536.779	1.288.271
Impresa Publishing	Banco Comercial Português, S.A. (i)	-	-	-	-	-	2.167.913	-	2.200.000
Impresa Publishing	Caixa Central de Crédito Agrícola	-	-	-	-	-	-	-	-
	Mútuo, C.R.L. (c)	-	-	-	-	-	75.000	-	75.000
	Factorings (l)	1.372.192	2.008.032	1.372.192	2.008.032	5.823.748	7.983.325	5.833.400	7.987.572
	Guaranteed current accounts (j)	-	33.740.000	-	33.740.000	-	46.123.750	-	46.123.750
	Bank overdrafts (k) (Nota 25)	-	4.986.988	-	4.986.988	-	5.696.187	-	5.696.187
	Lease liabilities	6.017.998	2.955.212	6.017.998	2.955.212	5.909.830	1.900.388	5.909.830	1.900.388
		118.595.329	50.326.969	122.517.950	50.542.281	98.931.373	89.879.559	100.738.830	90.312.833

On December 31, 2019, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Company	Lending entities	1 January	Movements without				31 December
		2019	Cash-flows		cash-flow		2019
		Book value	Receipits	(Payments)	Initial adoption IFRS 16 (Note 2.2)	Effect of amortized cost	Book value
Impresa	Banco BPI, S.A. (a)	65.521.503	-	(37.609.836)	-	(496.613)	27.415.054
Impresa	Banco Santander, S.A. (b)	1.483.679	-	(1.000.000)	-	11.194	494.873
Impresa	Caixa Central de Crédito Agrícola						
	Mútuo, C.R.L. (c)	1.344.843	-	(1.350.000)	-	5.157	-
Impresa	Banco BIC Português, S.A. (d)	4.172.253	-	(958.333)	-	410	3.214.330
SIC	Banco BPI, S.A. (f)	12.692.969	5.312.500	(1.062.500)	-	(215.168)	16.727.801
SIC	Caixa Central de Crédito Agrícola						
	Mútuo, C.R.L. (c)	75.000	-	(75.000)	-	-	-
SIC	Montepio Geral (g)	4.615.315	-	(4.666.667)	-	51.352	-
SIC	Bond loan (n)	-	51.000.000	-	-	(1.499.088)	49.500.912
IOSS	Novo Banco, S.A. (m)	21.403.624	-	(1.653.892)	-	197.875	19.947.607
Impresa Publishing	Montepio Geral (h)	1.821.605	-	(1.281.999)	-	1.694	541.300
Impresa Publishing	Banco Comercial Português, S.A. (i)	2.167.913	1.100.000	(3.300.000)	-	32.087	-
Impresa Publishing	Caixa Central de Crédito Agrícola						
	Mútuo, C.R.L. (c)	75.000	-	(75.000)	-	-	-
	Factorings (l)	13.807.073	-	(10.426.849)	-	-	3.380.224
	Lease liabilities	7.810.218	-	(2.070.659)	1.832.350	-	8.973.210
	Guaranteed current accounts (j)	46.123.750	-	(12.383.750)	-	-	33.740.000
		183.114.745	57.412.500	(77.914.485)	1.832.350	(1.911.099)	163.935.310
	Bank overdrafts (k) (Note 25)	5.696.187	-	(709.199)	-	-	4.986.988
		188.810.932	57.412.500	(78.623.684)	1.832.350	(1.911.099)	168.922.298

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On December 31, 2018, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Company	Lending entities	1 January 2018	Cash-flows		Movements without cash-flow		31 December 2018
		Book value	Receipts	(Payments)	Finance Leases	Effect of amortized cost	Book value
Impresa	Banco BPI, S.A. (a)	75.462.390	-	(9.983.606)	-	42.719	65.521.503
Impresa	Banco Santander, S.A. (b)	2.472.485	500.000	(1.500.000)	-	11.194	1.483.679
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	2.687.489	-	(1.350.000)	-	7.354	1.344.843
Impresa	Banco BIC Português, S.A. (d)	6.165.723	-	(2.012.500)	-	19.030	4.172.253
Impresa	Empréstimo obrigacionista (e)	29.915.914	-	(30.000.000)	-	84.086	-
SIC	Banco BPI, S.A. (f)	14.808.464	-	(2.125.000)	-	9.505	12.692.969
SIC	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	150.000	-	(75.000)	-	-	75.000
SIC	Montepio Geral (g)	-	5.000.000	(333.333)	-	(51.352)	4.615.315
IOSS	Novo Banco, S.A. (m)	-	24.173.600	(1.012.116)	-	(1.757.860)	21.403.624
Impresa Publishing	Montepio Geral (h)	4.077.751	-	(2.252.701)	-	(3.445)	1.821.605
Impresa Publishing	Banco Comercial Português, S.A. (i)	4.357.041	-	(2.200.000)	-	10.872	2.167.913
Impresa Publishing	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	150.000	-	(75.000)	-	-	75.000
	Factorings (l)	-	13.820.972	-	-	(13.899)	13.807.073
	Finance leases (Note 28.2)	768.273	-	(258.424)	7.300.369	-	7.810.218
	Guaranteed current accounts (j)	36.250.000	9.873.750	-	-	-	46.123.750
		<u>177.265.530</u>	<u>53.368.322</u>	<u>(53.177.680)</u>	<u>7.300.369</u>	<u>(1.641.796)</u>	<u>183.114.745</u>
	Bank overdrafts (k) (Note 25)	4.983.501	712.686	-	-	-	5.696.187
		<u>182.249.031</u>	<u>54.081.008</u>	<u>(53.177.680)</u>	<u>7.300.369</u>	<u>(1.641.796)</u>	<u>188.810.932</u>

- (a) Loan from Banco BPI, SA contracted by Impresa Serviços e Multimédia, S.A. ("ISM") to finance the acquisition of all the share capital of Solo (merged into ISM) that had an 18.35% participation in SIC, and a 30.65% participation in SIC. On 1 January 2015 ISM was merged into Impresa, responsibility for payment of the full amount of the loan being transferred to Impresa. At 31 December 2019, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus a spread of 3.25%, an anticipated payment of 32.900.000 Euros having been made in 2019, as a result of a renegotiation of a new payment schedule and changes in financial ratios.

In guarantee of full compliance with this loan, the Group signed a blank promissory note and gave in guarantee all the share capital of SIC (Note 32).

Impresa assumed several covenants with respect to this loan and restrictions relating essentially to the acquisition and sale of assets and the distribution of dividends.

In accordance with this contract Impresa must maintain at least 51% of the capital of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50.01% of its capital.

- (b) Loan contract entered into by the Group with Banco Popular, S.A. in June 2015, (nowadays Banco Santander, S.A.), repayable in ten successive half yearly instalments up to 16 June 2020. At 31 December 2018, the loan bore interest payable half yearly in arrears at a rate corresponding to the Euribor six month rate plus a spread of 2.25%.

The Group signed a blank promissory note in guarantee of full compliance with the loan.

- (c) Loan contract entered into by the Group with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in eight half yearly instalments up to 15 September 2019. At 31 December 2019, this loan is fully paid.

- (d) On 18 September 2015, Impresa signed a loan contract with Banco BIC Português, S.A. to be repaid in six half yearly instalments, the first five of 1.200.000 Euros and the last on 18 September 2018 of 5.000.000 Euros. At 16 July 2018, the Company and BIC signed an addendum, defining the reimbursement of this loan in two last instalments, one of 312.500 Euros in March 2019 and the remaining in June 2019. In March 2019, the Company signed a new addendum, having defined the reimbursement of this loan in half-yearly instalments of 645.833 until March 2022. At 31 December 2018, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus 2%.

The Group signed three blank promissory notes in guarantee of full compliance with the loan.

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In addition, as a result of this loan contract, Impresa committed to some determined covenants.

Under the terms of this contract, Impreger must not reduce its participation in Impresa to below 50,01% of its share capital.

- (e) On 12 November 2014 the Company issued a bond loan totalling 30,000,000 Euros, corresponding to 600 bonds of 50,000 Euros each, repayable on 12 November 2018. The bonds bear interest at the Euribor 6-month rate plus a spread of 4%.

In accordance with these bonds Impresa assumed certain commitments, must not ceasing to hold all the share capital of SIC and Impresa Publishing and Impreger must not cease to hold a majority (50.01%) of Impresa's capital.

At November 12, 2018 these bonds were totally paid.

- (f) Bank loan contracted by SIC with Banco BPI, S.A. on 26 June 2013 for the maximum amount of 17,000,000 Euros, which was fully used up in 2014. At 31 December 2019 the loan bore interest at the six-month Euribor rate plus a spread of 3,5% and is repayable in 16 successive half yearly instalments as from 30 June 2017. In 2019, an increase of 5.300.000 Euros was negotiated, and a new schedule of payment. As a result of this loan the Group signed a blank promissory note, assumed several covenants and restrictions relating essentially to the acquisition and sale of assets, a promissory mortgage of the FNAC land, as well as maintenance of part of the current shareholder structure of Impresa. New covenants were introduced, namely financial ratios and the contract of channel transmission with a NOS Comunicações, S.A. as a guarantee of its fulfilment, within the negotiation occurred in 2019.

Under the terms of this loan contract, Impreger must not reduce its participation in Impresa to below 50.01% of its share capital.

- (g) SIC contracted a loan in August 2018 with Caixa Económica Montepio Geral to be repayable in 56 monthly instalments until 2023. In December 31, 2018 the monthly loan bore interest payable half yearly in arrears at a rate corresponding to the six-month Euribor rate plus a spread of 2,5%. As of 31 December 2019, this loan has been paid.
- (h) Loan contracted by Impresa Publishing in May 2016, with Caixa Económica Montepio Geral, to be repaid in 48 monthly instalments until May 2010. At 31 December 2019, this loan bore interest at the six months Euribor plus 2.5%. As a guarantee, Impresa Publishing subscribed a blank promissory. Under this loan, if Impresa ceases holding, directly or indirectly, 100% of Impresa Publishing, the bank has the possibility of resolving the contract.
- (i) Issuance of commercial paper by Impresa Publishing under a commercial paper program for 5 years with issuance terms of up to six months, ending on 18 November 2019, for a total amount of 11.000.000 Euros, which will progressively decrease to 1.100.000 by the last issuance. At 31 December 2018 and 2017 this commercial paper issuance bore interest at the Euribor rate for the period of the issuance plus a spread of 2.25% and an annual commission of 1%. At 31 December 2019, this loan has been paid.
- (j) Guaranteed current accounts obtained by Group companies that bear interest at normal market rates for similar operations. The Group believes, considering experience and the evolution of its operation that these credit lines will be renewed without significant penalization.
- (k) The bank overdrafts bear interest at market rates for similar operations.
- (l) The factoring relates to financing operations obtained by SIC which bear interest calculated at normal market rates, between 1,5% and 1,95%, for similar operations. These operations are supported by the anticipation of future revenues related to specific transmission concession contracts for SIC channels.
- (m) Loan contracted by IOSS relates to medium / long term financing based on the Impresa Building in Paço de Arcos for a period of 10 years with the nominal value of approximately 24.170.000 Euros through 120 monthly payments of 208,225 Euros, with a nominal rate of 3.77% and with a residual value of 20%. Considering the conditions of the agreement, the Group considers that the substance of the agreement reflects a financing guaranteed by the real estate and not a lease contract. In addition to a set of obligations to be fulfilled by the Group, includes compliance with a financial ratio.

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- (n) Bond loan of 1.700.000 bonds with a unit value of 30 Euros in the total amount of 51.000.000 Euros. The bond loan was issued in 10 July 2019, maturing in 11 July 2022, with fixed gross nominal rate of 4,50%.

Under this loan, the Group assumed certain obligations, namely the financial ratios, and must not cease fully holding SIC. As of 31 December 2019, this loan is admitted to negotiation (Euronext), its market value amounting to 52.433.100 Euros.

At 31 December 2019, loans are payable as follows:

2020	47.587.069
2021	6.697.063
2022	59.497.443
2023	8.622.632
2024	8.696.381
2025	8.072.958
2026	6.152.474
2027	6.235.039
2028	9.775.962
2029	2.750.000
	<u>164.087.021</u>

At 31 December 2019, lease liabilities are payable as follows:

2020	2.955.212
2021	2.551.797
2022	2.054.613
2023	1.297.950
2024	113.638
	<u>8.973.210</u>

At 31 December 2019 and 2018, the Group had approved unused credit limits of approximately 10.693.004 Euros and 3.207.050 Euros, respectively.

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In the years ended 31 December 2018 and 2017, the effective interest rates on the loans were as follows:

Company	Lending entities	2019	2018
Impresa	Banco BPI, S.A.	3,71%	2,50%
Impresa	Banco Santander, S.A.	3,28%	2,25%
Impresa	Caixa Central de Crédito Agrícola		
	Mútuo, C.R.L.	-	2,60%
Impresa	Banco BIC Português, S.A.	2,20%	1,88%
Impresa	Novo Banco, S.A. e Banco Espírito Santo de Investimento, S.A.	-	4,00%
SIC	Banco BPI, S.A.	3,66%	5,00%
SIC	Caixa Central de Crédito Agrícola		
	Mútuo, C.R.L.	-	2,60%
SIC	Montepio Geral	2,50%	2,50%
SIC	Novo Banco, S.A. (bond loan)	5,65%	-
IOSS	Novo Banco, S.A.	3,77%	3,77%
Impresa Publishing	Banco Comercial Português, S.A.	2,25%	2,25%
Impresa Publishing	Banco Popular, S.A.	2,25%	-
Impresa Publishing	Montepio Geral	2,50%	2,50%
Impresa Publishing	Caixa Central de Crédito Agrícola		
	Mútuo, C.R.L.	-	2,60%
Grupo	Guaranteed current accounts	2,50%	2,50%
SIC	Factorings	1,95%	1,65%

Information regarding the Group's exposure to interest rate risk based on the loans in force is included in Note 36.

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends as well as the applicable financial covenants. The financial covenants to be complied with, not applicable to all the borrowings, correspond to the "Remunerated net debt/EBITDA Ratio" and the "Financial Autonomy Ratio", in which the existence of possible non-compliance, could result in the financial entities requiring early repayment of the borrowings and/or change in the lending conditions previously agreed. At 31 December 2019, waivers were obtained from the financing entities regarding compliance with the ratios that the Group did not achieve at that date.

29. IMPAIRMENT LOSSES, LEGAL AND TAX PROCESSES AND PROVISIONS

29.1 Impairment losses

The following changes occurred in the accumulated impairment loss captions in the years ended 31 December 2019 and 2018:

31 December 2019:

	Impairment losses on goodwill (Note 17)	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)	Other receivables (Note 21)
Balance at 31 December 2018	-	40.000	1.473.474	10.694.710	557.128	-
Increases	-	-	-	566.062	-	-
Reversals	-	-	-	(69.178)	-	-
Utilizations	-	-	(1.473.474)	(1.050.448)	-	-
Balance at 31 December 2019	-	40.000	-	10.141.146	557.128	-

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31 December 2018:

	Impairment losses on goodwill (Note 17)	Impairment losses on investments (Note 20)	Impairment losses on investments properties (Note 21)	Impairment losses on receivables (Notes 10 and 23)	Impairment losses on broadcasting rights and inventories (Note 22)
Balances at 31 December 2017 (Restated)	21.965.668	45.000	1.473.474	11.258.712	557.128
Increases	-	-	-	296.970	-
Utilization	(21.965.668)	-	-	(13.805)	-
Reversal/adjustment (Note 10)	-	-	-	(847.167)	-
Balances at 31 December 2018	-	45.000	1.473.474	10.694.710	557.128

As of 31 December 2019 and 2018, the Group has impairments recorded to related parties in the amount of 4.613 Euros.

During the years ended 31 December 2019 and 2018, there were no movements concerning related parties.

29.2 Provisions

The provision for risks and charges at 31 December 2019 and 2018 relates essentially to legal actions in progress and is made up as follows:

Natureza	2019		2018	
	Amount claimed	Amount provided	Amount claimed	Amount provided
Tax (a)	30.705	30.705	30.705	30.705
Dismissal/Labour	1.707.790	944.046	1.947.437	872.094
Publicity fines	1.219.067	142.467	944.351	122.445
Abuse of freedom of the press	2.136.283	348.628	3.131.625	330.058
Others	21.485.241	5.636.779	21.485.241	5.723.007
	<u>26.579.086</u>	<u>7.102.625</u>	<u>27.539.358</u>	<u>7.078.308</u>

(a) Excluding the lawsuits described in Note 29.4.

The amounts claimed under legal actions relating to advertising fines result essentially from the filing of several countermanding actions by ERC for violation of the Publicity Code.

The Group is subject to several lawsuits for abuse of freedom of the press, for which it has recorded provisions based on the opinion of its lawyers and historical experience of this type of litigation.

The significant amount claimed under the caption “Others” results from the quantification by GDA – Cooperativa de Gestão dos Direitos dos Artistas, Intérpretes ou Executantes, CRL in the liquidation incidence presented in December 2015 (Note 29.3).

The Board of Directors and the Group’s lawyers believe, based on an assessment of the risks of the litigation in process, that the outcome of the litigation will not result in significant liabilities not covered by provisions reflected in the consolidated financial statements as of 31 December 2019, which correspond to the best estimate of the outflow of funds resulting from these lawsuits as of that date.

The changes in provisions in the years ended 31 December 2019 and 2018 were as follows:

31 December 2019:

	Provisions for risks and charges
Balance at 31 December 2018	7.078.308
Increases	341.400
Utilizations	(317.083)
Balance at 31 December 2019	<u>7.102.625</u>

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31 December 2018:

	Provisions for risks and charges
Balance at 31 December 2017	4.502.402
Increases	2.778.232
Utilization	<u>(202.326)</u>
Balance at 31 December 2018	<u>7.078.308</u>

Increases and utilization of provisions in the years ended 31 December 2019 and 2018 corresponds to recording or direct utilization of the balance to cover the liabilities resulting essentially from the Group's legal and non-legal litigation.

The caption "Provision for impairment losses" in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2019 and 2018 was recorded for the movements in provisions for risks and charges.

29.3 Legal processes in progress

At 31 December 2019 there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome at the time of preparing the financial statements were still unknown, including:

- In prior years GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL ("GDA") brought a legal action against SIC, in the Judicial Court of Oeiras, under which GDA claimed payment of annual remuneration due to artists, interpreters or performers at the rate of 1.5% of the annual amount of advertising revenues, effective as from September 2004, as well as late payment interest. SIC contested this action, a favourable decision having been issued, considering the initial petition to be unfounded due to the lack of cause of the demand and, consequently, annulled the whole process. This decision was contested, the action following in the first instance. The Court judged GDA's action as groundless and established as annual equitable remuneration, an amount per minute of the exhibitions, the amount per minute being subject to determination. At 31 December 2015 GDA presented a liquidation incidence under which it demands payment by SIC of approximately 17,700,000 Euros, this amount increased by approximately 2,357,000 Euros since the amount related to 2015 and 2016 were added to the process, thus the total claim amounting to approximately 20.017.000 Euros .

Determination of this amount was based on a study made by a third party having as one of its assumptions the closeness of television activities to the activity of any company and its production. SIC contested GDA's demand, based on the incompetence of the court, the lack of legal capacity of GDA, which only represents national artists, interpreters and performers, having also contested the methodology presented, and in the contestation estimated its responsibility based on the effective utilisation of the services rendered by the artists, in accordance with what the sentence that it intends to liquidate determines, as well as by the calculation of a price per minute for the services close to that paid by SIC to Sociedade Portuguesa de Autores, but a reduced amount in terms of the law and practice. Therefore, an amount substantially lower than that demanded by GDA was determined, this being provided for in the financial statements as of 31 December 2019 to cover the liability, which the Board of Directors, based on the opinion of its lawyers and technicians, believes is sufficient.

29.4 Tax processes in progress

In previous years the Group was notified of additional tax assessments, most of which were not recorded or paid as they are considered to have no merit:

- As a result of tax inspections carried out of ISM (merged into Impresa in 2015) and its related tax procedures, in 2011, 2012, 2014 and 2015 Impresa was notified of additional corporate income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders' loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this non-acceptance is that the

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normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010, 2,334,795 Euros for 2011 and 943,005 for 2012.

During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943,005 Euros, for which a bank guarantee had been presented, amounting to 325,041 Euros, which was cancelled in April 2016.

During the year ended December 31, 2017, the Group obtained a favourable decision regarding a judicial challenge filed against the additional IRC settlements for the years ended December 31, 2008 and 2009 related to the deductibility of financial charges incurred, and an appeal was lodged by the Tax Authority, the Group awaiting for a decision on the appeal.

At 31 December 2018, the above mentioned tax corrections, had been legally contested, Impresa having provided bank guarantees of 2,991,811 Euros for the years 2010, 2011 (Note 32). As regards the contestation for the years 2008 and 2009 bank guarantees were not provided as for these years the tax consolidation presented tax losses carried forward (used in the year 2010) that offset the above mentioned tax corrections.

Based on the opinion of its lawyers, the Board of Directors consider that the outlook of success of the claims and / or challenges of those acts, lodged, is reasonable, and therefore no provision was recorded for this tax contingency.

30. TRADE AND OTHER PAYABLES

At 31 December 2019 and 2018 this caption was made up as follows:

	<u>2019</u>	<u>2018</u>
<u>Non-current:</u>		
Trade payables	<u>1.760.617</u>	<u>2.026.823</u>
<u>Current:</u>		
Trade payables, current account	22.102.125	29.186.892
Suppliers of fixed assets, current account	1.080.549	3.694.051
	<u>23.182.674</u>	<u>32.880.943</u>
	<u>24.943.291</u>	<u>34.907.766</u>

The non-current amount relates to equipment acquisition contracts, for which where celebrated agreements with suppliers with monthly payments until 2023.

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31. OTHER CURRENT LIABILITIES

This caption was made up as follows at 31 December 2019 and 2018:

	2019	2018
<u>Other current liabilities:</u>		
Advances from clients	66.441	60.288
Accrued costs:		
Commercial agreements	12.421.953	10.610.621
Personnel vacation and vacation subsidy	5.353.682	5.586.543
Cost of program production	1.797.577	1.953.471
Accrued interest	1.252.867	152.275
Personnel commission payable	134.430	161.761
TSU - Green receipts	246.572	271.011
Authors' rights	150.000	500.000
Personnel bonuses	1.213.762	104.713
Other accrued costs	4.444.198	4.648.722
	<u>27.015.041</u>	<u>23.989.117</u>
Deferred income:		
Pre-billing	1.486.996	2.200.448
Subscriptions to newspapers and magazines	448.713	270.921
Subsidies	262.561	928.949
Other deferred income	860.888	703.969
	<u>3.059.158</u>	<u>4.104.287</u>
State and other public entities:		
Value Added Tax	4.313.244	2.916.608
Personal income tax - withholdings at source	1.425.181	1.382.142
Social security contributions	1.451.144	1.459.684
Instituto Português de Arte Cinematográfica e Audiovisual/Cinemateca Portuguesa	1.472.699	1.307.173
Stamp tax	303.532	124.862
	<u>8.965.800</u>	<u>7.190.469</u>
Other liabilities:		
Other creditors	6.303.923	3.932.969
	<u>45.410.363</u>	<u>39.277.130</u>

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32. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2019 and 2018 Impresa had pledged shares representing 100% of SIC's capital in guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that participation (Note 28.a)).

At 31 December 2019 and 2018 the companies of the television segment had requested the issuance of the following guarantees in favour of third parties:

	2019	2018
General Secretariat of the Ministry of Internal Administration ("SGMAI")	1.126.281	1.158.532
ERC	1.995.192	1.995.192
Santander Novimovest	-	1.320.600
Lidl	-	640.000
Imopólis	44.701	44.701
Municipal Council of Oeiras	35.745	35.745
Lisboa Oeste Judicial Court	-	30.000
Oeiras Court	4.000	4.000
Union des Associations Européennes de Football	2.622.000	4.370.000
Vila Real Court	30.000	-
	<u>5.857.918</u>	<u>9.598.769</u>

The guarantees given to the General Secretariat of the Ministry of Internal Administration are to ensure fulfilment of the publicity contests. The change of the amount of the guarantees is related to the existing contests at each moment.

The guarantee given to ERC results from the requirements of current legislation to license channels and for broadcasting television contests.

Guarantee given to UEFA to ensure full compliance with the "UEFA Europa League 2018-2021" contract.

The guarantee given to Santander Novimovest is to ensure the fulfilment of obligations resulting from the lease contract of the SIC head office with that entity, especially the payment of the rent, whose contract ended in June 2019.

The guarantee given to Lidl relates to the fulfilment of contractual obligations defined within the contract for the sale of part of the "Fnac" land (Note 26).

The guarantee given to the Municipal Council of Oeiras is to ensure the repair of any damage that could be caused to the public infrastructure due to excavations and containment of land on the Outurela Road on a plot of land adjacent to the installations of SIC's headquarters.

At 31 December 2019 and 2018 the companies of the "Publishing" segment had requested the issuance of the following bank guarantees in favor of third parties:

	2019	2018
Lisboa Oeste Judicial Court	30.000	30.000
	<u>30.000</u>	<u>30.000</u>

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At 31 December 2019 and 2018 the companies of the “Others” segment had requested the issuance of the following bank guarantees in favor of third parties:

	2019	2018
Tax and Customs Authority (Note 29.4)	2.991.811	2.991.811
IAPMEI	157.146	157.146
Oeiras Municipality	146.960	146.960
Ass. Cova da Beira	16.862	16.862
Infraestruturas de Portugal	9.404	15.056
IFAP	5.449	11.335
CIMRC	16.409	-
	<u>3.339.169</u>	<u>3.339.169</u>

The guarantees given to IAPMEI relate to subsidies received from that entity regarding the Intellitouring and SINTTRA projects that are being carried out by InfoPortugal.

The guarantee given to Oeiras Municipality is to fulfill the obligation of restoration of the land where the construction works of the Paço de Arcos building are being performed.

33. COMMITMENTS ASSUMED33.1 Pensions

Certain Group companies (Impresa and Impresa Publishing) have assumed commitments to pay their employees and remunerated members of the Board of Directors hired up to 5 July 1993, pension supplements for retirement due to age and disability. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions. In addition, Impresa Publishing assumed joint responsibility with the remaining companies to comply with all the obligations, namely for financing of the pension plan.

In accordance with an actuarial study made by the entity managing the fund, the present value of the past service liability of the above mentioned companies for current and retired employees as of 31 December 2019 and 2018 was estimated in 3.051.443 Euros and 2.905.439 respectively, the amount of the fund at those dates being 4.013.253 and 4.039.136 Euros, respectively.

The actuarial study was made using the method known as “Projected Unit Credit” to calculate the pensions for retirement due to disability and age using the following main assumptions and actuarial and technical bases:

	2019	2018
Discount rate	1,25%	2,25%
Salary growth rate	0,00%	0,00%
Pension growth rate	0,00%	0,00%
National minimum salary growth rate	2,00%	2,00%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80
Decrease due to incapacity	100% EVK 80	100% EVK 80
Retirement age	66 years	66 years

The rate used was determined based on market income rates for high quality corporate bonds, consistent with the currency and the expected period of the benefits.

The method used was based on the creation of an adjusted interest rate curve, considering the income of high quality, corporate debt which covers the various maturities. For this, a Eurozone interest rate swap curve was considered, obtaining, through the bootstrapping method, a zero coupon curve. The

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interest rate curve used resulted from the application of a risk spread to the zero coupon curve obtained. To determine the spread, the *iTraxx Europe Main*, index was used, that covers European corporate debt securities with an investment grade rating, therefore being considered of high quality. The rates for the intermediate term were obtained by straight-line interpolation, and for terms of less than 3 or more than 10 years a constant rate was used.

The pension fund is exposed to the following risks:

- Fund profitability risk

Definition of an investment policy is the responsibility of Impresa, with the advice of the Managing Entity, respecting the limits and restrictions defined for each class of investment. Caixa Gestão de Activos, S.A. is the entity responsible for implementing the strategy and managing the financial assets of the Pension Fund. The securities held are selected considering the defined guidelines, taking into account the economic-financial realities and expectations of the evolution of the market.

The investment policy follows a benchmark management model, which defines the maximum limits of exposure for each class of assets and reference indices for each, against which performance is measured.

There are some deviations between the makeup of the portfolio allocated and the benchmark, due to the significant monetary market component. This is due in part to the significant excess financing of the fund.

The composition of the portfolio of assets obeys a set of rules aimed, through systematic spreading of risks and a benchmark process, at referencing and measuring the performance and risk of the portfolio, ensuring that the principles of diversification and spreading of risk are met.

There are also precise guidelines regarding the quality of credit that establish minimum credit notations and define the universe of investments.

Financial flow projections were made for the liabilities up to the end of the useful life of the Pension Fund.

This management model, not being specifically aimed at minimizing the mismatch between assets and liabilities, is justified as the residual maturity of the past service liability exceeds 65 years and its duration is of approximately 10 years, which makes an effective immunization strategy difficult. This strategy does not invalidate the rebalancing of the portfolio, considering the evolution of the liability.

In the years ended 31 December 2019 and 2018 the profitability of the fund assets was 5.8% and - 3.4%, respectively. Expected income from the assets, considering the defined benchmark, was 0.36% and 1.34%, which is lower than the income rate considered for the projection.

- Exchange risk

The portfolio is preferably represented by securities in the same currency as that of the liability, which is Euros. At 31 December 2019 and 2018 the percentage of the portfolio exposed to exchange risk was 2.55 and 0.34%, respectively.

- Liquidity risk

At 31 December 2019 and 2018, the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore, at those dates the percentage of the portfolio invested in the monetary market was 5.9% and 8.9%, respectively, and so the cash in the portfolio was sufficient to cover the payment of expected pensions over the next year in 31% and 39%, respectively.

- Credit risk

The control of credit risk takes into consideration the maturities of each security and is made, whether in aggregate terms, whether considering separately both the fixed and variable rate. The investment policy stipulates a minimum investment grade notation or equivalent for any security to be acquired.

At 31 December 2019 and 2018, all the of the portfolio consisted of BBB- grade or higher rating.

The securities in question are analysed and are only maintained in the portfolio if they are comfortable with the issuer, as well as their maturity, being permanently monitored.

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In addition, sensitivity analyses were made to variations in the portfolio of assets, as regards interest rates in both the share and real estate markets. Therefore, for the fixed income component, increases in the interest rate curve of 1% and 2% and decreases of 10% and 15% were considered simultaneously for the share and real estate markets, it having been determined that in any of the simulations, the amount of the portfolio is sufficient to cover the minimum level of solvency.

Furthermore, so as to assess the adequacy of the relationship between the assets and the liability, that in the sensitivity analyses made to the portfolio of assets to the various types of risk of the assets which, despite the expected profitability of the assets being lower than the discount rate used, if this scenario is maintained, it is not expected that it will be necessary to make any contribution to the Fund for the next years.

The changes in the amount of the past service liability for current and retired employees and the amount of the assets of the Company's plan in the years ended 31 December 2019 and 2018 were as follows:

	2019	2018
Present value of the liability for defined benefits at the beginning of the period	2.905.439	3.144.052
Benefits paid	(254.350)	(252.928)
Current service cost	25.250	29.689
Interest cost	62.511	67.896
Actuarial (gains)/losses	312.593	(83.270)
Present value of the liability for defined benefits at the end of the period	3.051.443	2.905.439
Plan assets at the beginning of the year	4.039.136	4.444.506
Benefits paid	(254.350)	(252.928)
Interest of the plan	88.019	97.156
Financial gain/(loss)	140.448	(249.598)
Plan assets at the end of the year	4.013.253	4.039.136
Surplus (Note 24)	961.810	1.133.697

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs directly in equity, as other comprehensive income. The remaining income and costs were recorded in the statement of profit and loss.

	2019	2018
Amounts recognized in the statement of profit and loss:		
Current service cost	(25.250)	(29.689)
Interest cost of the plan	(62.511)	(67.896)
Plan interest	88.019	97.156
	258	(429)
Amounts recognized as other comprehensive income:		
Actuarial gain/(loss)	(312.593)	83.270
Financial gain/(loss)	140.448	(249.598)
	(172.145)	166.327

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The portfolio of assets of the pension fund at 31 December 2019 and 2018 was made up as follows:

	2019		2018	
	Amount	%	Amount	%
Bonds	2.037.904	51%	1.762.802	44%
Public debt securities	1.052.034	26%	1.208.720	30%
Money market	237.680	5,92%	360.046	9%
Shares	449.790	11%	496.535	12%
Participating units in real estate investment funds	235.845	6%	212.780	5%
Cash, receivables (payables) and other short term assets (liabilities)	-	0%	(1.747)	0%
	<u>4.013.253</u>	<u>100%</u>	<u>4.039.136</u>	<u>100%</u>

The pension fund does not have any securities of the Impresa Group or any assets used by it.

33.2 Commitments to acquire programs

At 31 December 2019 and 2018, the Group had contracts and agreements with third parties to acquire films, series and other programs not included in the statement of financial position, in accordance with the valuation criteria used (Note 2.11), as follows:

Nature	31 December 2019				31 December 2018			
	Year the titles are available				Year the titles are available			
	2020	2021	2022 and following years	Total	2019	2020	2021 and following years	Total
Entertainment	6.919.871	2.100.000	-	9.019.871	4.854.199	3.636.590	2.108.250	10.599.039
Films	424.968	25.000	-	449.968	464.288	-	-	464.288
Format	29.990	-	-	29.990	27.430	-	-	27.430
Soap-operas	9.807.436	-	-	9.807.436	4.585.342	-	-	4.585.342
Children	438.904	11.838	-	450.742	341.255	10.369	99.811	451.435
Documentaries	292.094	365.000	-	657.094	157.891	-	-	157.891
60 Series	307.639	-	-	307.639	670.451	-	56.151	726.602
Mini séries	160.447	-	-	160.447	-	-	-	-
Sport	1.543.333	-	-	1.543.333	1.930.161	1.533.333	-	3.463.494
Events	67.365	-	-	67.365	24.500	-	5.245	29.745
	<u>19.992.048</u>	<u>2.501.838</u>	<u>-</u>	<u>22.493.885</u>	<u>13.055.517</u>	<u>5.180.292</u>	<u>2.269.457</u>	<u>20.505.266</u>

Nature	31 December 2019				31 December 2018			
	Limit year for broadcasting the titles				Limit year for broadcasting the titles			
	2020	2021	2022 and following years	Total	2019	2020	2021 and following years	Total
Entertainment	4.646.796	3.627.988	745.088	9.019.871	3.724.137	4.024.940	2.849.962	10.599.039
Films	3.400	303.010	143.558	449.968	-	-	464.288	464.288
Format	-	3.210	26.780	29.990	-	-	27.430	27.430
Soap-operas	43.258	2.184.178	7.580.000	9.807.436	66.887	53.454	4.465.000	4.585.342
Children	-	350.943	99.798	450.742	34.854	202.572	214.009	451.435
Documentaries	245.317	378.887	32.890	657.094	54.921	102.970	-	157.891
60 Series	833	209.201	97.605	307.639	-	199.263	527.339	726.602
Mini séries	-	4.447	156.000	160.447	-	-	-	-
Sport	10.000	1.533.333	-	1.543.333	396.827	1.533.333	1.533.333	3.463.494
Events	27.865	-	39.500	67.365	-	-	29.745	29.745
	<u>4.977.469</u>	<u>8.595.197</u>	<u>8.921.220</u>	<u>22.493.885</u>	<u>4.277.627</u>	<u>6.116.533</u>	<u>10.111.107</u>	<u>20.505.266</u>

AS of 31 December 2019 and 2018, the commitments to acquire programs include 7.580.000 Euros and 4.465.000 Euros, respectively, related to content to be acquired from related parties (SP Televisão).

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33.3. Commitments for the acquisition of tangible fixed assets

At 31 December 2019 and 2018, the commitments assumed for the acquisition of tangible fixed assets amounted to approximately 509.865 and 3.056.538 Euros and, respectively.

34. RELATED PARTIES

The balances at 31 December 2019 and 2018 and transactions during the years then ended with related parties were as follows:

31 December 2019:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
<u>Shareholders:</u>				
Grupo BPI	1.585.919	1.328.903	-	54.800.000
Grupo Madre (SP - Televisão, Lda.) (b)	-	133.325	7.855.250	-
<u>Associates:</u>				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	741.609	59.975	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	11.264	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMI")	-	-	4.957	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	108.696	-
DPS-Digital Printing Services, Lda	-	-	819	-
<u>Others</u>				
Key management personnel (a)	-	-	366.000	-
Compta - Equipamentos e Serviços de Informática, S.A. ("Compta")	-	-	-	-
Compta - Infra-estruturas e Segurança, S.A. ("Compta Infra-estruturas")	-	-	-	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	165.723	-
	<u>1.585.919</u>	<u>2.203.837</u>	<u>8.572.684</u>	<u>54.800.000</u>

(a) This amount relates to bonuses payable to the Board and Executive Joint Committee, related to the year ended 31 December 2019.

(b) The balances related to accounts payable are concerned to suppliers of program rights – soap operas.

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	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
Shareholders:					
Impreger	73.800	-	-	-	-
Grupo BPI	-	-	2.419.170	263.204	40.830
Grupo Madre (SP - Televisão, Lda.) (a)	16.943.274	-	-	585.108	-
Associates:					
Vasp (Note 8)	256.772	-	-	7.807.799	-
Vasp Premium	83.734	-	-	-	-
Vasp TMK	10.412	-	-	-	-
Lusa	360.421	-	-	-	-
DPS	2.502	-	-	-	-
Others					
Morais Leitão, Galvão Teles, Soares da Silva & Associados	430.340	-	-	12	-
Key management personnel (a)	-	1.438.826	-	-	-
	<u>18.161.254</u>	<u>1.438.826</u>	<u>2.419.170</u>	<u>8.656.123</u>	<u>40.830</u>

(a) Services are related essentially to the acquisition of soap operas rights.

31 December 2018:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
Shareholders:				
BPI Group	2.203.236	1.317.611	-	87.609.836
Madre Group (SP - Televisão, Lda.)	-	74.415	7.208.374	-
Associates:				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	1.026.509	78.989	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	12.409	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMI")	-	-	246	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	135.466	-
DPS - Digital Priting Services, Lda. ("DPS")	-	-	269	-
Others:				
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	208.969	-
	<u>2.203.236</u>	<u>2.418.535</u>	<u>7.644.723</u>	<u>87.609.836</u>

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	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
<u>Shareholders:</u>					
Impreger	81.000	-	-	-	-
BPI Group	-	-	2.914.900	369.256	34.932
Madre Group (SP - Televisão, Lda.)	24.460.277	-	-	740.300	-
<u>Associates:</u>					
Vasp (Note 8)	200.084	-	-	8.056.062	-
Vasp Premium	79.380	-	-	-	-
Vasp TMK	3.900	-	-	-	-
Lusa	360.407	-	-	-	-
DPS	1.095	-	-	-	-
<u>Others:</u>					
Morais Leitão, Galvão Teles, Soares da Silva & Associados	452.310	-	-	-	-
Board of Directors		615.440			
	<u>25.638.453</u>	<u>615.440</u>	<u>2.914.900</u>	<u>9.165.618</u>	<u>34.932</u>

The terms and conditions practiced in transactions between Impresa and related parties are substantially the same to those that would normally be contracted, accepted and practiced between independent entities in comparable operations. Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of Impresa's operations, with similar conditions to those currently contracted with independent entities. The transactions carried out under the commercial agreements relate essentially to advertising services rendered by the Impresa Group and the granting of loans by the financial institutions. In the beginning of 2005, the Group acquired from the BPI Group and other small shareholders, 49% of SIC's share capital and obtained a loan of 152.500.000 Euros (Note 27) to finance the acquisition.

Balances and transactions between the consolidated companies were eliminated in the consolidation process and are shown in Note 8.

During the year ended 31 December 2019, the Group adopted an internal regulation related to the definition of related parties, considering the governance structure and the decision making process, whereby it started considering as key management personnel the Board and the Executive Joint Committee, since all main decisions related to its activity are taken by these bodies. During the years ended 31 December 2019 and 2018, the transactions with the Board and Executive Joint Committee relate essentially, to their remuneration for the performance for their duties within the Impresa Group.

In the years ended 31 December 2019 and 2018, pension supplements of 184.739 Euros were paid each year to the Chairman of the Board of Directors by the pension fund.

35. RATES USED TO TRANSLATE FOREIGN CURRENCY BALANCES

The following rates were used to translate foreign currency assets and liabilities to Euros at 31 December 2019 and 2018:

	2019	2018
US Dollar (USD)	1,1234	1,145
Swiss Franc (CHF)	1,0854	1,1269
Pound Sterling (GBP)	0,8508	0,8945
Australian Dollar (AUD)	1,5995	1,7056
Canadian Dollar (CAD)	1,4598	1,5605
Real do Brasil (BRL)	4,5157	4,444

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36. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that the subsidiary companies carry out their operations from a going concern standpoint. In this respect, the Group periodically analyses the capital structure (own and third party) and debt maturities of all the companies therein, financing them when necessary.

The financial instruments at 31 December 2019 and 2018 were as follows:

	2019	2018
<u>Financial assets:</u>		
Receivables	38.551.592	45.161.293
Cash and equivalents (Note 25)	-	3.302.921
Assets classified as held for sale	-	3.200.000
	<u>38.551.592</u>	<u>51.664.214</u>
<u>Financial liabilities:</u>		
Borrowings	163.935.310	183.114.745
Payables	67.294.496	71.084.880
Cash and equivalents (Note 25)	2.457.145	-
Liabilities related to assets classified as held for sale	1.095.645	-
	<u>234.782.596</u>	<u>254.199.625</u>

As of December 31, 2019 and 2018, as disclosed in Note 28, the Group believes that the amounts at which the loans are recorded do not differ significantly from their fair value or exceed fair value. Fair value of the borrowings depends significantly on the risk level attributed by the financing entities and conditions under which Impresa would, at 31 December 2019 and 2018, be able to obtain if it went to the market to contract loans with similar terms and amounts as those that it had at that date.

The Group believes that the majority of loans have market spreads as they have been negotiated recently or the rates are updated periodically and so their conditions are updated in relation to the current situation of the financial markets, so reflecting the risk level attributed by the lenders.

The Impresa Group is exposed essentially to the following financial risks:

a) Interest rate risk

Interest rate risk relates essentially to interest cost on several loans subject to variable interest rates. The loans contracted are exposed to changes in the market rates of interest (Note 28).

If market interest rates in the years ended 31 December 2019 and 2018 were 0.5% higher or lower, net result for these years would have decreased or increased by approximately 1.003.000 Euros and 1.040.000 Euros, respectively, without considering the tax effect.

b) Exchange rate risk

Exchange rate risk refers to receivables and payables in currencies other than the Euro, the Group's currency.

Exchange rate risk at 31 December 2019 and 2018 relates essentially to the acquisition of television broadcasting rights from foreign producers. So as to reduce the risk to which the Company is exposed, a loan was contracted, which at 31 December 2019 and 2018 amounted to 2.702.829 Euros and 2.702.829 Euros, respectively, which was converted to a USD term deposit, which at 31 December 2019 and 2017 amounted to 4.005.697 and 3.930.131 Euros, respectively (Note 24).

During the year ended 31 December 2019 and 2018, the Group did not have exchange forwards.

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The foreign currency balances payable, expressed in Euros at the exchange rates in force on 31 December 2019 and 2018 were as follows:

	2019	2018
US Dollar (USD)	1.213.121	3.445.925
Swiss Franc (CHF)	39.880	21.670
Pound Sterling (GBP)	7.345	7.549
Australian Dollar (AUD)	4.320	4.320
Canadian Dollar (CAD)	422	422
	<u>1.265.088</u>	<u>3.479.886</u>

At 31 December 2019 and 2018, the Group had foreign currency receivables as follows:

	2019	2018
US Dollar (USD)	2.617.330	1.843.039
Swiss Franc (CHF)	8.204	-
Pound Sterling (GBP)	2.113	-
Australian Dollar (AUD)	10.000	-
Canadian Dollar (CAD)	179.736	-
	<u>2.817.383</u>	<u>1.843.039</u>

c) Credit risk

Credit risk relates essentially to accounts receivable resulting from the operations of the Group companies (Note 23). In order to reduce credit risk, the Group companies have defined policies for granting credit, with defined credit limits by client and collection terms and discount policies for payment in advance or in cash. The credit risk of each Group business is monitored regularly with the objective of:

- limiting credit granted to customers considering the profile and age of the account receivable;
- monitor evolution of the level of credit granted;
- review the recoverability of amounts receivable on a regular basis.

Impairment losses on accounts receivable are calculated considering:

- a review of the aging of accounts receivable;
- expected losses;
- risk profile of the customer;
- historical commercial and financial relationship with the customer;
- existing payment agreements;
- financial condition of the customers.

The changes in impairment losses on accounts receivable are shown in Note 29.1.

The Board of Directors believes that the impairment losses on accounts receivable are adequately reflected in the financial statements, there being no need to increase the impairment losses on accounts receivable.

Receivables at 31 December 2019 and 2018 include amounts overdue as follows, for which impairment losses were not recognized as the Board of Directors believes that they are collectible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Overdue balances	2019			2018		
	Clients	Other current and non-current assets	Total	Clients	Other current and non-current assets	Total
Up to 90 days	5.072.716	-	5.072.716	5.699.911	-	5.699.911
From 90 to 180 days	840.900	-	840.900	2.831.547	-	2.831.547
More than 180 days	1.696.146	-	1.696.146	3.074.975	6.166.090	9.241.065
	<u>7.609.762</u>	<u>-</u>	<u>7.609.762</u>	<u>11.606.434</u>	<u>6.166.090</u>	<u>17.772.524</u>

In addition, as of 31 December 2019 the Group has accounts receivable from TIN related to the sale of the portfolio of magazines, on the mount of 4.550.000 Euros (nominal amount), for which a payment plan was agreed, with collections foreseen in 2020 and 2012 in the amounts of 2.150.000 Euros and 2.400.000 Euros, respectively. As described in Note 24, in 2019 both parties negotiated a new payment schedule, this being the reason why the balance is not overdue at 31 December 2019.T.

d) Liquidity risk

Liquidity risk exists if the funding sources such as operating cash flows, divestment, credit lines and flows from financing operations do not meet the financing needs such as cash outflow for operating and financing activities, investment, shareholder remuneration and debt repayment.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt under reasonable conditions. At 31 December 2019 and 2018, the amount of cash and credit lines approved and not used amounted to approximately 10.693.004 Euros and 3.207.050 Euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2019, and the capacity of the Group to renew its current used lines, will be sufficient to settle the Group's current liabilities and continue to operate on a going concern.

Financial indebtedness at 31 December 2019 and 2018 matures as follows:

	2019				
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	42.352.939	6.431.834	57.527.260	48.650.067	154.962.101
Lease liabilities	2.955.212	2.551.797	2.054.613	1.411.588	8.973.210
Suppliers' credits					
guaranteed by third parties	5.602.747	-	-	-	5.602.747
	<u>50.910.897</u>	<u>8.983.631</u>	<u>59.581.874</u>	<u>50.061.655</u>	<u>169.538.057</u>
Not remunerated:					
Trade payables	22.102.125	-	-	-	22.102.125
Suppliers of fixed assets	1.080.549	1.760.617	-	-	2.841.166
Other current liabilities	40.301.248	-	-	-	40.301.248
	<u>63.483.922</u>	<u>1.760.617</u>	<u>-</u>	<u>-</u>	<u>65.244.539</u>
	<u>114.394.819</u>	<u>10.744.248</u>	<u>59.581.874</u>	<u>50.061.655</u>	<u>234.782.596</u>

Financial liabilities	2018				
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Remunerated:					
Borrowing (a)	82.282.985	18.520.751	15.899.845	58.600.945	175.304.526
Finance lease liability	1.900.387	3.153.736	1.328.473	1.427.623	7.810.219
Suppliers' credits					
guaranteed by third parties	1.987.732	-	-	-	1.987.732
	<u>86.171.104</u>	<u>21.674.487</u>	<u>17.228.318</u>	<u>60.028.568</u>	<u>185.102.477</u>
Not remunerated:					
Trade payables	29.186.892	1.114.821	912.002	-	31.213.715
Suppliers of fixed assets	3.694.051	-	-	-	3.694.051
Other current liabilities	34.189.383	-	-	-	34.189.383
	<u>67.070.326</u>	<u>1.114.821</u>	<u>912.002</u>	<u>-</u>	<u>69.097.149</u>
	<u>153.241.430</u>	<u>22.789.308</u>	<u>18.140.320</u>	<u>60.028.568</u>	<u>254.199.626</u>

(a) This caption does not include bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2019

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

37. SUBSEQUENT EVENTS

At February 2020, the Group conclude the procedures within Municipality of Oeiras to obtain the license of the Carnaxide building. As a result, the Group received in March 2020 an amount of 770.000 Euros from Novimovest Note 24).

Up to financial statements' approval date by the Board of Directors, the Group has not suffered from any relevant impact as result of the Covid-19's outbreak, as it has spread worldwide, including Portugal. The Group has carried out a survey on Covid-19's potential impacts for its activity and has prepared a action plan, having also implemented a contingency plan to ensure regular functioning of its subsidiaries, in particular the continuity of the broadcasts of the various television channels. explored by the Group, as well as the activity of the newspaper Expresso. As per the uncertainty involving the present circumstances, at this point it is not possible to anticipate financial impacts that may arise for the Group. IMPRESA will continue to monitor economic implications of the Covid-19 virus, and, in particular, the identification of potential risk sources for its subsidiaries' business.

Furthermore, under the quality of largest Portuguese media group, it is noteworthy that IMPRESA's main brands, SIC and Expresso, play a much particular important role in situations such as the one we are living in, whereas updated, accurate and credible information is crucial. SIC and EXPRESSO, on their several platforms, will ensure, as always, their mission on public interest: informing Portuguese society with the independence and rigor always recognized from them and clearly conveying relevant institutional messages.

38. OTHER INFORMATION

As of 31 December 2019, and 2018, the amount of annual remuneration paid by the Group to external auditors and other entities or individuals belonging to the same network were as follows:

	2019	2018
<u>By Impresa (a)</u>		
Auditing Services	24.220	61.500
Other assurance services	-	2.700
Other services	-	27.500
	<u>24.220</u>	<u>91.700</u>
<u>By other Group entities (a)</u>		
Auditing Services	158.200	162.400
Other assurance services	101.800	-
	<u>260.000</u>	<u>162.400</u>
Total	<u>284.220</u>	<u>254.100</u>

(a) Including consolidated and separate accounts

39. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE ACCOUNTANTTHE BOARD OF DIRECTORS

STATUTORY AUDITOR'S CERTIFICATION AND AUDIT REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Impresa - Sociedade Gestora de Participações Sociais, SA (Impresa) and its subsidiaries (Group), which comprise the consolidated statement of financial position as at 31 December 2019 (showing a total of 380 773 867 euros and a total net equity of 133 083 239 euros, including a net profit of 7 835 921 euros), the consolidated income and comprehensive income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Impresa Sociedade Gestora de Participações Sociais, SA as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities forming the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As mentioned in the management report and in note 37 of the notes to the consolidated financial statements, the Group has been following the outbreak of the Covid-19 virus that has been spreading at a worldwide scale and also in Portugal and is drawing up an overview of the potential impacts on its activity and, consequently, defining a response plan, with a contingency plan currently being implemented to ensure the regular functioning of the companies in which it has a stake. However, in view of the uncertainty that this situation involves, the Group considers that it is not possible at this moment in time to foresee the financial consequences that may be faced by the Group. The Impresa Group shall continue to monitor the economic implications of the Covid-19 virus, and, in particular, to identify potential sources of risk for the activity of its subsidiaries.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Summary of the audit response
Impairment of goodwill The consolidated statement of financial position as at 31 December 2019 includes, in the heading "Goodwill", the value of 268 622 821 euros, relative to the goodwill generated in business combinations occurred in previous years, essentially related to the cash-generating units of television and publishing. The realisation of the goodwill depends on the future cash flows generated by the corresponding cash-generating units, which gives rise to the risk that they will not be sufficient to recover the value of the respective goodwill. As mentioned in note 17 of the notes to the consolidated financial statements, the Group conducts impairment tests on the goodwill on an annual basis, or whenever there is evidence of impairment. To this end, the Group uses a third party entity, outside the Group, that prepares assessments using the discounted cash flow method, based on the future projections of each business line over a five year timeline, considering a perpetuity from the fifth year onwards, which include various assumptions relative to a set of variables that are detailed in the aforesaid note 17. Considering the value of "Goodwill", and the existence of a high number of judgements and estimates entailed by the impairment tests, we deem the analysis of goodwill impairment a key audit matter. Related disclosures: Notes 2.4 and 17 of the notes to the consolidated financial statements.	The audit response involved, in brief, the conduct of the following procedures: Obtaining of the impairment analyses prepared by the board of directors using an external entity and review of the studies made by this entity as to comprehensiveness and consistency with the rest of the financial information, namely: (i) analysis of the assumptions used, considering the economic and market circumstances, and the expected future performance of the corresponding cash-generating units; (ii) comparison of the projected cash flows in the analyses, including the main assumptions considered, such as the historical performance of the cash-generating units and respective budgets approved by the management body; and (iii) verification of the calculations made. Involvement of our in-house specialists for appraisal of the main assumptions used, including the preparation of scenarios/sensitivity tests. Appraisal of the reasonableness of the disclosures made in the consolidated financial statements.

Key audit matters	Summary of the audit response
Recognition of the revenue derived from advertising on television The revenue generated from the advertisements shown on television consist of the Group's main source of revenue. This revenue essentially arises from advertising campaigns on television made by the customers through a high number of transactions, of the respective audiences, and from the conditions agreed with the customers. As mentioned in note 2.16 of the notes to the consolidated financial statements, the measurement of this revenue depends on the measurement and profile of the respective audiences, the discounts and allocations according to the advertising investment made by the customers and the conditions agreed with them. Therefore, there is a risk of these campaigns being incorrectly recorded, namely considering the effective measurement of the audiences and the application of the discounts to be granted that have been negotiated and the respective agreed conditions. Related disclosures: Notes 2.16 and 9 of the notes to these consolidated financial statements.	
	The audit response was carried out under ISA 600 - Special considerations - Audits of group financial statements (including the work of component auditors) and involved, in brief, the conduct of the following procedures: Comprehension of the process of ascertainment of advertising revenue by the key systems supporting invoicing, which involved IS Audit specialists and assessment of the internal control mechanisms considered relevant in the ascertainment and recording of advertising revenue; Assessment of the policy adopted for recognition of the revenue generated by the showing of advertisement on television, by reference to the applicable accounting standards; Analysis of the main variations of revenue in relation to the same period of the previous year, taking into account the key measurement indicators of the business activity generated; Appropriate reconciliation of the invoicing system with the accounting records; Analysis of a sample of advertising orders recognised as revenue, recalculation of revenue based on the agreed commercial conditions, respective showing and/or audience reached during the established and programmed time slot; Comparison of the recorded values of discounts already granted and to be granted in the future to customers, with those arising from the respective advertising investment and the approved commercial conditions; Appraisal of the reliability of the estimates made by the board of directors, based on the comparison of the discounts effectively granted in the year with estimates recorded in previous years; Direct confirmation of balances with the main customers as at 31 December 2019; Analysis of the reasonableness of the disclosures made in the consolidated financial statements.

Other matters

The consolidated financial statements for the year ended on 31 December 2018 were examined by another statutory auditor whose statutory auditor's report, dated 18 March 2019, was issued without exceptions or emphasis of matter.

Responsibilities of management and of the supervisory body for the consolidated financial statements

Management is responsible for:

- (i) the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- (ii) the preparation of the management report and the corporate governance report in accordance with applicable law and regulation;
- (iii) designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- (iv) the adoption of accounting policies and principles appropriate in the circumstances; and
- (v) assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control;
- (ii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (iv) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- (v) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- (vi) we obtain sufficient and appropriate audit evidence relative to the financial information of the Group's entities or activities to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit, and we are ultimately accountable for our audit opinion;
- (vii) communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- (viii) determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore

the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes their public disclosure;

- (ix) provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.^o, n.^o 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements.

On the non-financial information established in article 508.^o-G of the Portuguese Companies' Code

In compliance with article 451, number 6, of the Portuguese Companies' Code, we disclose that Impresa prepared a report separated from the management report that includes non-financial information, as established in article 508.^o-G of the Portuguese Companies' Code, which was published together with the management report.

On the corporate governance report

Pursuant to article 451.^o, n.^o 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to Impresa to provide under article 245.^o-A of the Securities Code, with no material misstatements identified in the information disclosed therein, complying with the provisions in paragraphs c), d), f), h), i) and m) of that article.

On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as statutory auditors of Impresa in the shareholders general meeting held on 16 April 2019 for a first mandate from 2019 to 2022.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism, and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that our audit opinion is consistent with the additional report that we prepared and delivered to the supervisory body of the Group on 27 March 2020.
- We declare that we have not provided any prohibited services as described in article 77.º, number 8, of the Ordem dos Revisores Oficiais de Contas statutes, and we have remained independent of the Group in conducting the audit.
- We inform that, in addition to the audit, we provide services to Impresa that are permitted by the law and regulations in force, embodied in the limited review of the interim financial information as at 30 June 2019.

Lisbon, 27 March 2020

Rui Lourenço Helena, in representation of
BDO & Associados - SROC

CERTIFICATE OF COMPLIANCE OF THE FINANCIAL RATIO AS OF DECEMBER 31, 2019
RELATED TO TERMS AND DEFINITIONS OF THE
PROSPECTUS OF PUBLIC OFFERING AND ADMISSION TO TRADING
OF THE BOND LOAN “OBRIGAÇÕES SIC 2019-2022”

(Translation of a certificate originally issued in Portuguese; in the event of discrepancies,
the original version in Portuguese prevails)

(Amounts stated in Euros)

Ratio	31 December 2019	Limit Clause 6.9.3
Net financial debt ratio / Recurring Consolidated EBITDA = [(a)-(b)] / [(c)+...+(j)]	6,0	<8,5
(a) Bank borrowings	168.922.298	
(b) Cash and cash equivalents	2.529.843	
(c) Operating profit	18.910.692	
(d) Amortization and depreciation	5.849.203	
(e) Provisions and impairment losses	341.400	
(f) Disposal and write-off of non-current assets	(336.991)	
(g) Disposal of financial holdings	-	
(h) Termination benefits to employees	2.580.616	
(i) Outcome of legal and tax proceedings	-	
(j) Increases and reversals of customer impairment losses	496.884	

These amounts were obtained from the consolidated financial statements of IMPRESA - Sociedade Gestora de Participações Sociais, SA on December 31, 2019. The ratio and the items that contribute to its calculation were determined according to the terms and definitions of the prospectus of public offering and admission to trading of the bond loan issued during the year ended 31 December, 2019.

Lisboa, 8 April 2020

President of the Board (or CEO)

Financial Director (or CFO)

To the Board of Directors of
Impresa Sociedade Gestora de Participações Sociais, SA
Rua Ribeiro Sanches, n.º 65
1200-787 Lisbon

Statutory Auditor's Report on the certificate of compliance with the financial ratio as at 31 December 2019 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022

Introduction

We were hired by the Board of Directors of Impresa Sociedade Gestora de Participações Sociais, SA (hereinafter referred to as Impresa) to carry out reliability assurance work concerning the examination of the certificate of compliance with the financial ratio as at 31 December 2019 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022 (Annex 1 or Certificate).

We stress that the criteria and definitions used to ascertain the financial ratio presented in Annex I are not defined by law or regulation, and were not defined by any official body, but are defined in the prospectus referred to above, only for use of the Board of Directors, the Bondholders and the Securities Market Commission as supervisory entity of the capital market where the bonds are listed for trading.

Responsibilities

The Board of Directors is responsible for the correct preparation and submission of the Certificate, pursuant to the terms and definitions of the prospectus, based on the audited consolidated financial statements of Impresa as at 31 December 2019.

Impresa's Board of Directors is also responsible for keeping the accounting records and preparing the financial information in a manner presenting a true and appropriate view of the consolidated financial position of Impresa, and for the adoption of adequate accounting policies and criteria, and the maintenance of an appropriate internal control system.

Our responsibility consists of verifying the reasonableness of the information presented in the Certificate and expressing a professional and independent conclusion on its adequate preparation and presentation.

Scope

Our work was conducted in conformity with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised). We are independent from Impresa and comply with all the other technical and ethical rules and guidelines of the Portuguese Institute of Statutory Auditors (OROC), which require that our work should be planned and carried out for the purpose of obtaining reasonable assurance of the reliability of the information presented in Annex I and expressing a professional and independent conclusion on the adequacy of its preparation and presentation. To this end, our work included the following procedures:

- (i) Verification of arithmetic correction;
- (ii) Verification as to whether the formula and parameters considered for the calculation of the financial ratio are in conformity with the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022; and
- (iii) Verification as to whether the items considered for the calculation of the indicators of consolidated recurring net financial debt and EBITDA, as defined in Annex I, are concordant with Impresa's consolidated financial statements as at 31 December 2019.

We applied the International Standard on Quality Control ISQC 1 and, consequently, maintained a comprehensive quality control system, which includes documented policies and procedures on compliance with ethical requirements, professional standards, and legal and regulatory requirements that are applicable.

We believe that our work provides an acceptable basis for issuing our report.

Opinion

In our opinion, the information contained in the certificate of compliance with the financial ratio as at 31 December 2019 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022 (Annex I), is adequately prepared and presented in accordance with the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022.

**Restrictions of use**

This report is intended only for the information and use of the Board of Directors of Impresa, for provision through the information disclosure system of the Securities Market Commission pursuant to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2019-2022 (Annex I), and cannot be used for any other purpose without our prior approval in writing.

Lisbon, 16 April 2020

Rui Lourenço Helena, in representation of
BDO & Associados - SROC



Audit Committee Report

Annual Report 2019



ACTIVITY REPORT AND OPINION OF THE AUDIT COMMITTEE

2019

1. Introduction

The Audit Committee submits this report and opinion for the purposes of subparagraph g) of number 1 of article 423-F of the Commercial Companies Code.

The Audit Committee, elected at the General Meeting of 16 April 2019, for the term of office 2019-2022, consists of the following members:

- Chairman - Manuel Guilherme Oliveira da Costa
- Members - Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
- Ana Filipa Mendes de Magalhães Saraiva Mendes

Up to the date of the aforesaid General Meeting, the Audit Committee was composed of the following members:

- Chairman - Alexandre de Azeredo Vaz Pinto
- Members - António Soares Pinto Barbosa
- Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

The members of the Audit Committee comply with the qualitative composition indicated in article 414 of the Commercial Companies Code, as well as the criteria on compatibility for the performance of their duties established in article 414-A of the Commercial Companies Code. The composition of the Audit Committee complies with the requirements in article 3 of Law 148/2015, of 9 September.

The members of the Audit Committee participated in the meetings of the Board of Directors, to which they were properly called in due time, and on which they subsequently received the corresponding minutes, having presented, whenever relevant, appropriate recommendations and suggestions concerning internal external audit and risk control.

During 2019, the Audit Committee monitored and supervised the Company's management, the financial reporting procedures, the efficacy of the internal control system and the implemented risk management processes, having held 14 in-person meetings.

The Audit Committee received all the minutes of the meetings of the Executive Committees of the operational companies in due time.



The Audit Committee reviewed and approved the work plans of the Statutory Auditor and held periodic meetings to assess the work carried out and analyse the results.

In view of the current non-existence of an Internal Audit Division, the Audit Committee maintains close relations with the Administrative and Financial Division and with the Chief Technology Officer (CTO), and concentrates and focuses on reviewing processes where the nature and/or amounts involved imply higher potential risks, being open to the possibility, when justified, of hiring supplementary internal audit services from specialised firms.

At the end of 2019, the Audit Committee worked on the review of the Audit Committee Regulation, the policy on transactions with related parties and the whistleblowing mechanism.

2. External Audit

2.1 Audit activity including the accounts

The Audit Committee represents the company, for all purposes, before the Statutory Auditor and strikes to ensure that suitable conditions exist for the provision of the latter's services. Furthermore, the Audit Committee is also the company's representative in dealing with the Statutory Auditor, and the first receiver of the respective reports.

At the beginning of 2019 the Audit Committee developed, with the support of the CFO and the Financial Division of the Group, an organised process for selecting the new Statutory Auditor for Impresa, SGPS, S.A., in view of the necessary rotation established in article 54 of the Statutes of the Statutory Auditors Bar Association (OROC).

The selection process was opened to various entities and followed transparent and non-discriminatory selection criteria, based on the analysis of the quality of the five proposals received, on knowledge of the sector in which the Impresa Group operates, on demonstrated experience in the audit of entities of public interest, on technical quality and seniority of the team of professionals, and on the proposed financial conditions. The Audit Committee also assessed the conditions of independence of the applicants. Following this work, the Audit Committee proposed to the General Meeting the appointment of the new Statutory Auditor, presenting two options and its preference, as foreseen in article 16 of Regulation (EU) 537/2014, of the European Parliament and of the Council, of 16 April 2014. BDO & Associados, SROC, Lda., represented by Rui Lourenço Helena, ROC number 923, registered at the CMVM under number 2016054, was appointed Statutory Auditor for the term of office of 2019 to 2022 at the General Meeting of 16 April 2019.



The Audit Committee regularly supervised the work of the Statutory Auditor, promoting regular meetings both with the Statutory Auditor of Impresa, SGPS, S.A. and with the Statutory Auditor of the operational companies of the Impresa Group. During 2019, three meetings were held with the Statutory Auditor of Impresa, SGPS, S.A. and a further three meetings were held with the Statutory Auditor of the operational companies.

The progress achieved in the work leading up to the auditing of the accounts, the atmosphere of cooperation of the company's departments with the Statutory Auditor, any weaknesses found in terms of the implemented internal control system and adopted accounting policies, and the material effects of the implemented accounting policies and procedures were discussed in the meetings, in particular.

The assessments and recommendations for improving the internal control system presented by the Statutory Auditor were reported by the Audit Committee to the Board of Directors. Specifically, presentations were made, whenever applicable, of the relevant control activities for the most significant transactions of the Impresa Group.

The meetings held with the Statutory Auditor enabled the Audit Committee to assure the integrity, rigour, competence and quality of the work and independence of the review and auditing of the accounts by the auditors, as well as the reliability of the published financial information.

The Statutory Auditor cooperated with the Audit Committee throughout 2019 with regard to all of the issues raised. The Statutory Auditor formally informed the Audit Committee that its duties were conducted in conformity with compliance with its duties of independence.

Thus, in relation to the financial year of 2019, discussions were held both with the Statutory Auditor of Impresa, SGPS, S.A. and with the Statutory Auditor of the Group's operational companies, on the accounting policies, criteria, estimates and procedures related to the most significant areas of risk, among other issues.

The following documents were analysed by the Audit Committee:

- (i) Additional Report of the Supervisory Body, relative to the year ended on 31 December 2019, issued in compliance with the provisions in article 24 of the Legal Framework on Audit Supervision approved by Law 148/2015, of 9 September, and article 11 of Regulation (EU) 537/2014 of the European Parliament and Council, of 16 April 2014;
- (ii) Legal Certification of the Accounts and Audit Report relative to the Consolidated Financial Statements of Impresa, SGPS, as at 31 December 2019.



- (iii) Legal Certification of the Accounts and Audit Report relative to the Financial Statements of Impresa, SGPS, as at 31 December 2019.

2.2 Fees for Review of Accounts and Other work undertaken by the auditor

Whenever applicable, the Audit Committee was requested to assess and issue its approval, duly recorded in minutes, in relation to the hiring of the Statutory Auditor for the provision of services not included under statutory audit services, with a view to ensuring that the independence of the auditor was not compromised. The assessment took into consideration, namely, the reasonableness of the proposed prices and the level of specific knowledge on the business sector.

In 2019 the total services provided by the Statutory Auditor amounted to € 4,220, which €17,920 were related to legal review services for annual accounts, €4,480, to limited review services on semiannual accounts and € 1,820 to guarantee services of reliability.

3. Business carried out between the company and owners of qualifying holdings or entities which are related to it in any way

For purposes of prior appraisal of any business to be conducted between the company and owners of qualifying holdings or entities which are related to them in any way, the Audit Committee had defined that transactions representing more than 1% of the consolidated variable costs of the Group for the year before that to which the business refers, are considered to be of significant relevance. In December 2019, under its regulation, the Audit Committee defined relevant transactions as legal business transactions, whether onerous and gratuitous, or any transfer of resources, services or obligations worth one million euros or more.

In 2019, the Audit Committee commented on a contract in the context of the partnership constituted for the provision of television services. The Audit Committee also analysed amendments to financing contracts of a related entity.

4. Specific opinion on the conditions of independence of the auditor

Throughout 2019, the Audit Committee appraised the activity of the Statutory Auditor, regularly monitoring and assessing its performance of duties and independence, having concluded on the non-existence of situations of conflicts of interest and having considered that the review of accounts work was satisfactory.

The assessment of the Statutory Auditor was also discussed at the meetings of the Audit Committee, with no reason having been found, so far, for its dismissal and consequent replacement.



5. Opinion on the Single Management Report, Accounts and proposed appropriation of net income

Pursuant to number 6 of article 420 of the Commercial Companies Code, applicable by reference to number 2 of article 423-F of the same Code, the Audit Committee issues a favourable opinion on the Single Management Report and Accounts relative to the financial year of 2019, respective Legal Certification of Accounts, and the Board of Directors' proposed appropriation of net income.

In compliance with number 1 of subparagraph c) of article 245 of the Commercial Companies Code, the Audit Committee declares that, as far as it is aware, the information in the documents presenting the accounts issued by the Group was prepared in conformity with the applicable accounting rules, giving a true and appropriate view of the assets and liabilities, financial position and results, and that the management report faithfully describes the business evolution and performance, and contains a description of the main risks and uncertainties faced by the Company.

6. Opinion on the Corporate Governance Report

Pursuant to number 5 of article 420 of the Companies Code, applicable by reference to number 2 of article 423-F of the same Code, the Audit Committee also issues a favourable opinion on the Corporate Governance Report relative to 2019, which includes the elements required by article 245-A of the Securities Market Code.

Lisbon, 30th March 2020

The Audit Committee

Manuel Guilherme Oliveira da Costa

Maria Luísa Anacoreta Correia

Ana Filipa Mendes de Magalhães Saraiva Mendes



Corporate Governance Report

Annual Report 2019



CORPORATE GOVERNANCE REPORT – 2019

PART I

INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I

Capital structure

- 1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of these shares and the capital percentage that each class represents (article 245-A, number 1, subparagraph a)).**

The share capital, fully subscribed and paid up, is 84,000,000.00 euros, represented by 168,000,000 book-entry shares, of a nominal value of 0.50 euros each. These shares correspond to an equal number of voting rights, under number 1 of article 8 of the memorandum of association, which establishes that each share corresponds to one vote. There are no different classes of shares and the existing shares have all been listed for trading.

- 2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (article 245-A, number 1, subparagraph b)).**

There are no restrictions to the transfer of shares.

- 3. Number of own shares, the percentage of share capital that these shares represent and the corresponding percentage of voting rights that corresponded to these own shares (article 245-A, number 1, subparagraph a)).**

The company does not hold any own shares.



4. **Significant agreements to which the company is a party and which come into effect, are amended or terminate in the event of a change in the control of the company following a takeover bid, and the respective consequences, except where due to their nature the disclosure thereof would be seriously detrimental to the company; this exception shall not apply where the company is specifically obliged to disclose such information pursuant to other legal requirements (article 245-A, number 1, subparagraph j).**

Under the terms of the (i) Loan agreement concluded by Impresa Serviços e Multimédia (in the meantime incorporated by merger into Impresa), in March 2005, with Banco BPI, S.A., of the value of M€ 152.5 for the acquisition of 49% of the share capital of SIC, (ii) the Loan agreement concluded by SIC, in June 2013, with Banco BPI, SA, of the value of M€ 17, to support cash flow, (iii) the Loan Agreement concluded with Banco BIC Portugal, S.A., of the value of M€ 11, to support cash flow; and (iv) the Pledged Current Account concluded with Banco BPI, SA, of the value of up to M€ 10.45, concluded on 12 January 2016, to support cash flow, the banks may terminate the agreements or declare the early and immediate maturity of the obligation to repay the borrowed funds, if IMPREGER's holding in IMPRESA falls below 50.01% of the share capital and/or of the voting rights of this company.

Under the terms of the SIC - Sociedade Independente de Comunicação S.A. bond issue, in July 2019, of the value of M€ 51, the bondholders may demand its early repayment if Francisco José Pereira Pinto de Balsemão, or his legal successors, no longer hold, directly or indirectly, the majority of the share capital and voting rights of the issuer.

5. **A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by one shareholder individually or together with other shareholders.**

There are no countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by one shareholder individually or together with other shareholders.

6. **Shareholders' agreements that the company is aware of and may lead to restrictions on the transfer of securities or voting rights (article 245-A, number 1, subparagraph g)).**

There are no agreements outside the scope of the memorandum of association known to the company which may lead to restrictions on the transfer of securities or the exercise of voting rights.

II

Shareholdings and Bonds Held

7. **Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (article 245-A, number 1, subparagraphs c) and d) and article 16), with details of the percentage of capital, votes attributed, and the source and causes of attribution.**



Qualifying shareholder	Quantity of Shares Held	Percentage voting rights
IMPREGER - Sociedade Gestora de Participações Sociais, S.A.		
* Directly (a)	84,514,588	50.306%
* Through the Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão	2,520,000	1.500%
* Through the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão	8,246	0.005%
* Through the Chairman of the Supervisory Board, António Flores de Andrade	160	0.000%
Total Imputable	87,042,994	51.811%
(a) - IMPREGER – Sociedade Gestora de Participações Sociais, S.A. is majority held by BALSEGER – Sociedade Gestora de Participações Sociais, S.A., of which 99.99% of the voting rights are imputable to Francisco José Pereira Pinto de Balsemão.		
Madre Entretenimento SGPS, Unipessoal, Lda.		
* Directly (a)	7,501,243	4.465%
Total Imputable	7,501,243	4.465%
(a) – Madre Entretenimento SGPS, Unipessoal, Lda. is held by Madre – Empreendimentos Turísticos, S.A., which in turn is held by António da Silva Parente, and majority held by Universal Management Foundation. Universal Management Foundation is controlled by António da Silva Parente, hence the corresponding voting rights are also imputable to him.		
BANCO BPI, S.A.		
* Directly	6,200,000	3.690%
Total Imputable	6,200,000	3.690%
Santander Asset Management, S.A.		
* Through Fundo Santander Acções Portugal	4,017,958	2.392%
* Through Fundo Santander PPA	58,137	0.035%
Total Imputable	4,076,095	2.426%
Newshold - S.G.P.S.		
* Directly (a)	4,038,764	2.404%
Total Imputable	4,038,764	2.404%
(a) – Newshold – S.G.P.S., S.A. is 91.25% held by Pineview Overseas, S.A., hence the corresponding voting rights are also imputable to it.		



8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.

Indication of IMPRESA shares:

Members of the Management and Supervisory Bodies who ended their terms of office on 16 April 2019	Shares			
	Held on 31/12/2018	Acquired	Transferred	Held on 16/04/2019
Alexandre de Azeredo Vaz Pinto	140	0	0	140
António Soares Pinto Barbosa	0	0	0	0
José Manuel Archer Galvão Teles	0	0	0	0

Alexandre de Azeredo Vaz Pinto (Member of the Board of Directors and Chairman of the Audit Committee) – Held 140 IMPRESA shares as at 31/12/2018, a position which remained the same as at 16/04/2019, date of the end of the term of office, since there was no acquisition/divestment.

António Soares Pinto Barbosa (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment between 31/12/2018 and the end of the term of office

José Manuel Archer Galvão Teles (Member of the Board of Directors) – Made no acquisition/divestment between 31/12/2018 and the end of the term of office.

Members of the Management and Supervisory Bodies who started their terms of office on 16 April 2019	Shares			
	Held on 16/04/2019	Acquired	Transferred	Held on 31/12/2019
Manuel Guilherme Oliveira e Costa	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0

Manuel Guilherme Oliveira e Costa (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment from the start of the term of office to 31/12/2019.

Ana Filipa Mendes Magalhães Saraiva Mendes (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment from the start of the term of office to 31/12/2019.



Members of the Management and Supervisory Bodies who renewed their terms of office on 16 April 2019	Shares			
	Held on 31/12/2018	Acquired	Transferred	Held on 31/12/2019
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Francisco Pedro Presas Pinto de Balsemão	5,100	0	0	5,100
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0

Francisco José Pereira Pinto de Balsemão (Chairman of the Board of Directors) – Held 2,520,000 IMPRESA shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment during 2019. IMPREGER – Sociedade Gestora de Participações Sociais, S.A., in which he holds the position of Chairman of the Board of Directors and is a majority shareholder of IMPRESA, held 84,514,588 IMPRESA shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment during 2019. IMPREGER is majority held by BALSEGER, Sociedade Gestora de Participações Sociais, S.A., in which 99.99% of the voting rights are imputable to Francisco José Pereira Pinto de Balsemão.

Maria Mercedes Aliú Presas Pinto de Balsemão, wife of Francisco José Pereira Pinto de Balsemão, held 868 IMPRESA shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment in 2019.

Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer) – Held 5,100 IMPRESA shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment in 2019.

Francisco Maria Supico Pinto Balsemão (Deputy Chairman of the Board of Directors) – Held 8,246 IMPRESA shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment in 2019. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is a Director, held 84,514,588 shares as at 31/12/2018, a position which remained the same as at 31/12/2019, since there was no acquisition/disposal of shares in 2019.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2019.

João Nuno Lopes de Castro (Member of the Board of Directors) – Made no acquisition/divestment from the start of the term of office to 31/12/2019.



Statutory Auditor who ended the term of office on 16 April 2019	Shares			
	Held on 31/12/2018.	Acquired	Transferred	Held on 16/04/2019
Deloitte & Associados, SROC, S.A.	0	0	0	0
Luís Augusto Gonçalves Magalhães (ROC) – (Alternate)	0	0	0	0

Statutory Auditor who started the term of office on 16 April 2019	Shares			
	Held on 16/04/2019.	Acquired	Transferred	Held on 31/12/2019
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

Indication of SIC 2019-2022 Bonds:

In 2019, SIC – Sociedade Independente de Comunicação, S.A., a subsidiary 100% owned by IMPRESA – Sociedade Gestora de Participações Sociais, S.A., issued and admitted to trading 1,700,000 bonds, with a total nominal value of € 51,000,000, maturing on 11 July 2022.

Members of the Management and Supervisory Bodies of IMPRESA	SIC 2019-2022 Bonds			
	Held on 10/07/2019**	Acquired	Transferred	Held on 31/12/2019
Francisco José Pereira Pinto de Balsemão	100	0	0	100
Francisco Pedro Presas Pinto de Balsemão	0	0	0	0
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Manuel Guilherme Oliveira e Costa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0

*Nominal unit value of €30

**Date of admission to trading of the SIC 2019-2022 Bonds on the regulated Euronext Lisbon market

Francisco José Pereira Pinto de Balsemão (Chairman of the Board of Directors) – Held 100 SIC 2019-2022 Bonds as at 10/07/2019, a position which remained the same as at 31/12/2019, since there was no acquisition/divestment in 2019.



Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer) - Made no acquisition/divestment in 2019.

Francisco Maria Supico Pinto Balsemão (Deputy Chairman of the Board of Directors) - Made no acquisition/divestment in 2019.

Manuel Guilherme Oliveira e Costa (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2019.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2019.

Ana Filipa Mendes Magalhães Saraiva Mendes (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2019.

João Nuno Lopes de Castro (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2019.

Statutory Auditor of IMPRESA	SIC 2019-2022 Bonds			
	Held on 10/07/2019**	Acquired	Transferred	Held on 31/12/2019
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

*Nominal unit value of €30

**Date of admission to trading of the SIC 2019-2022 Bonds on the regulated Euronext Lisbon market

9. **Special powers of the management body, especially as regards resolutions on capital increase (article 245-A, number 1, subparagraph i), with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of the powers and the mode of implementing the powers assigned.**

Regarding deliberations on capital increases, the memorandum of association does not define any empowerment of the Board of Directors, but may, however, make proposals to this effect to the General Meeting, which is solely responsible for this matter.

10. **Information on any significant business relationships between qualifying shareholders and the company.**

The following business relations exist with qualifying shareholders:

- With IMPREGER – lease agreement for premises (head office) of which IMPRESA is the tenant.
- With BPI – financing agreements (see point 4).
- With SP Televisão (Madre Group) – television production agreements (see point 90).



B. GOVERNING BODIES AND COMMITTEES

I

GENERAL MEETING

a) Composition of the Board of the General Meeting

- 11. Identification and position held by the members of the Board of the General Meeting and respective term of office (beginning and end).**

The composition of the General Meeting for the current term of office (2019-2022 four-year period) is as follows:

Chairman: Manuel de Abreu Castelo Branco

Secretary: Maria João da Silva Dias Gonçalves dos Santos

b) Exercising the right to vote

- 12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (article 245-A, number 1, subparagraph f));**

There are no restrictions on the right to vote.

- 13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in number 1 of article 20.**

There are no statutory rules with the characteristics referred to above.

- 14. Identification of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of this majority.**

There are no statutory rules on constitutive and deliberative quorum numbers, and the General Meetings comply with the rules established in the law.



II

MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the adopted corporate governance model.

The corporate governance model adopted is the one referred to in subparagraph b) of number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee and a Statutory Auditor.

16. Statutory rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board (article 245-A, number 1, subparagraph h)).

The General Meeting is responsible for appointing the members of the management and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on 2 July 2012, the position of Chief Executive Officer (CEO) was created with responsibility in all areas, which is maintained in the current term of office (2019-2022) by deliberation of the Board of Directors elected in 2019, at its meeting of 2 May 2019.

Directors are replaced in accordance with the provisions laid down in the Commercial Company Code, i.e. through co-optation within sixty days, or if this does not occur, by appointment of the Audit Committee, with the selection being ratified at the following General Meeting, which is valid until the end of the period for which the director had been elected.

When applicable, the Statutory Auditor will be replaced by his/her substitute.

17. Composition, as applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board, indicating the statutory minimum and maximum number of members, statutory duration of term of office, number of permanent members, date of first appointment and end of the term of office for each member.

The composition of the Board of Directors for the current term of office (2019-2022 four-year period) is as follows:

Chairman:	Francisco José Pereira Pinto de Balsemão
Deputy Chairman:	Francisco Maria Supico Pinto Balsemão
Members:	Francisco Pedro Presas Pinto de Balsemão (CEO)
	Manuel Guilherme Oliveira da Costa
	Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
	João Nuno Lopes de Castro
	Ana Filipa Mendes de Magalhães Saraiva Mendes



The term of office of the Board of Directors, composed of three to eleven members, is four years, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets. According to the composition mentioned above, the Board of Directors has 7 permanent members.

Members of the Board of Directors	Date of 1st appointment	Term of office
Francisco José Pereira Pinto de Balsemão	18/01/1990	31/12/2022
Francisco Maria Supico Pinto Balsemão	05/02/2001	31/12/2022
Francisco Pedro Presas Pinto de Balsemão	06/03/2016	31/12/2022
Manuel Guilherme Oliveira da Costa	16/04/2019	31/12/2022
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2022
João Nuno Lopes de Castro	29/04/2015	31/12/2022
Ana Filipa Mendes de Magalhães Saraiva Mendes	16/04/2019	31/12/2022

18. Distinction to be drawn between executive and non-executive members of the Board of Directors and, as regards non-executive members, indication of members who may be considered independent, or, where applicable, identification of independent members of the General and Supervisory Board.

Pursuant to the previous point, only one director, Francisco Pedro Presas Pinto de Balsemão (CEO), has executive functions.

Among the six non-executive members, based on the criteria included in point 18.1 of Annex I of the CMVM Regulation number 4/2013 and of number 5 of article 414 of the Commercial Company Code, the following three members are independent: Manuel Guilherme Oliveira da Costa, João Nuno Lopes de Castro and Ana Filipa Mendes de Magalhães Saraiva Mendes.

19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.

Francisco José Pereira Pinto de Balsemão

Member of the Council of State (since July 2005). Chairman of the Selection Panel of the Pessoa Award (since 1987), Chairman of the General Council of the Sá Carneiro Institute (since 1998), member of the “Consejo de Protectores ”of “Fondación Carolina ”(since 2001), member of the Council of Curators of the Portuguese-Brazilian Foundation (since April 2004), member of the Steering Committee of the Ibero-American Forum (since May 2004) and Co-Chair (since November 2018), member of the Advisory Board of the magazine “Quaderns del Cac”, published by the Audiovisual Council of Catalonia (since August 2018), member of the Advisory Council of ISEG - Higher Education Institute of Economics and Management (since



April 2009), Chairman of the General Council of AEM - Association of Issuers of Market Listed Securities (since February 2014), Chairman of the General Council of PMP - Private Media Platform (August 2014), Chairman of the Board of the "Encontros de Cascais" [Cascais Meetings] (since November 2018). Doctor Honoris Causa from Universidade Nova de Lisboa (April 2010) and Universidade da Beira Interior (October 2010).

Member of the Steering Committee of the Bilderberg Meetings (1983-2015), member of the Advisory Council of ISEG - Higher Education Institute of Economics and Management (2010-2014), Associate Professor at the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (1987-2002), Chairman of the Board of Directors of the "European Institute for the Media" (1990-1999), Chairman of the "European Television and Film Forum" (1997-2003), Deputy Chairman of the "Journalistes en Europe" Foundation (1995-2003), Chairman of the "European Publishers Council" (1999-2014), member of the Executive Committee of the "Global Business Dialogue" (1999-2002), member of the General Council of COTEC Portugal – Business Association for Innovation (2003-2006), member of the International Advisory Board of the Santander Group (2004-2014), member of the Advisory Board of Universidade de Lisboa (from January 2007 to May 2009), Member of the Committee for the Review of the Strategic Concept of National Defence (June 2012), member of the Selection Panel of the "Príncipe/Princesa de Astúrias de Cooperação Internacional" Award (1985-1986 and 1996-2015), Non-executive Director of the Daily Mail and General Trust plc (2002-2017), Chairman of the Board of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (2009-2017), External Advisor to the chairman of the 72nd General Assembly of the UN (September 2017 to September 2018) and Chairman of the Board of the General Meeting of COTEC Portugal - Business Association for Innovation (2016-2018).

Law degree from the Lisbon Law School (FDL), where he attended the supplementary Political and Economic Sciences. Journalist, management secretary (1963-1965) and director (1965-1971) of the Diário Popular newspaper. Founder and director of the Expresso newspaper (1973-1980), founder of the Social Democratic Party (1974), Member of Parliament and deputy chairman of the Constitutional Parliament (1975), Member of Parliament in 1979, 1980 and 1985, Deputy Minister of State for the 6th Constitutional Government (1980) and Prime Minister for the 7th and 8th Constitutional Governments (1981-1983). Founder and main driver of the launch of SIC (1992), the first private television channel in Portugal.

Francisco Maria Supico Pinto Balsemão

Degree in Electrotechnical and Computer Engineering, Telecommunications and Electronics Branch, from the Higher Technical Institute (IST), Universidade Técnica de Lisboa.

Post-Graduation Course in Telecommunications Business Management (1998/99) from ISTP - Higher Institute of Transport, organised by the ISTP, APDC - Portuguese Association for the Development of Communications and the Enterprise Institute of Madrid (IE).

Participation and completion of the EJE Programme – Young Entrepreneurial Engineer (1993/1994), promoted by the State Secretariat for Youth, Junitec (Junior Enterprises of IST (Higher Technical Institute)) and ITEC (Technological Institute for Community Europe).

At TMN - Telecomunicações Móveis Nacionais, S.A., Director of International Business and Roaming (from October 1997 to March 2000), Product Manager at the Products and Services Department for the Corporate Market of the Products and Services Development and Management Division (from April 1997 to October 1997) and Project Manager at the Products and Services Innovation and Development Department of the Direction of Communication and Marketing Division (from December 1995 to April 1997).



Member of the Management Board of AAAIST - Association of Alumnae of Instituto Superior Técnico in the biennium 2000-2002, and chairman of its Communication and Image Committee from 1995 to 2000. Member of the National Management Board (Region of the South/Islands) of APIGRAF - Portuguese Association of Graphic, Visual Communication and Paper Manufacturing Industries in the biennium 2005-2007.

Observer member of the Advisory Board of ICP/ANACOM - National Communications Authority (representing SIC); member of the assessment board of the Professional Aptitude Exams of the Telecommunications Technician courses ministered by INETE – Instituto de Educação Técnica and EPET – Escola Profissional de Electrónica e Telecomunicações (representing APDC), and senior advisor for Portugal of the Investment Banking Division of the North American multinational bank, Lehman Brothers, from July 2006 until the bankruptcy of this institution (on 15 September 2008), and member of the Iberian Advisory Board of American technology multinational Oracle up to June 2014 (having, since 2006, been a member of the Iberian Advisory Board of SUN Microsystems, a company subsequently acquired by Oracle); and, from 2006 to 2014, was a member of the Iberian Advisory Board of Thomson-Reuters Aranzadi, a Spanish publisher of specialised contents for the legal market, belonging to the Canadian multinational Thomson-Reuters (world leader in the provision of specialised contents for professionals: legal, tax-related, financial, scientific).

Member of the Board of Directors of ACEPI – Association of Electronic Commerce and Interactive Advertising - from November 2005 to May 2019 (Director of its B2C Specialised Group from 2001 to 2005); alternate member of the Board of Directors of API - Portuguese Press Association from 2007 to 2016; chairman of the general meeting of ANETIE - National Association of Information Technology and Electronics Companies from 2015 to 2018 (member of the Board of Directors from 2010 to 2012, and deputy chairman of the general meeting from 2012 to 2014); liaison person between IMPRESA, SGPS and COTEC Portugal – Business Association for Innovation until December 2019; member of the Advisory Board of the Faculty of Economics and Management of Universidade Católica do Porto (Católica Porto Business School) from 2010 to 2018.

Chairman of the National Board of ANJE (National Association of Young Entrepreneurs) from May 2009 to October 2013, having been its deputy chairman from 2003 to 2006 and its assistant chairman from 2006 to 2009. During the period in which he was chairman of ANJE, he was also: chairman of the Executive Committee of Portugal Fashion; member of the Economic and Social Council of Portugal; member of the Supervisory Board of RTP2; member of the Advisory Board of AIESEC Portugal (international association of economics and management students); member of the Executive Committee of the Civic Movement "New Portugal – Options of a Generation"; and deputy chairman of the General Board of CIP – Confederation of Portuguese Industry from 2011 to 2013, having been a member of the Board of Directors of CIP – Confederation of Portuguese Industry in 2010.

Member of the Board of Directors of APDC – Portuguese Association for the Development of Communications since 2016 (member of its Board of Directors from 2001 to 2011, director of its magazine "Comunicações" from 2011 to 2012, and commissioner for the media from 2012 to 2016); deputy chairman of the Board of Directors of AIP/CE – Portuguese Industrial Association/Business Confederation since 2015 (deputy chairman of the Board of Directors from 2007 to 2011 and member of the General Board from 2012 to 2015); chairman of the supervisory board of EF - Association of Family Companies; member of the General Board of APDSI – Association for the Promotion and Development of the Information Society, member of the General Board of AEP – Business Association of Portugal since 2014;

Chairman of the Board of Directors of the Youth Foundation since January 2014, having been its deputy chairman in 2013.



Francisco Pedro Presas Pinto de Balsemão

Law graduate of Universidade Nova de Lisboa (1998-2003), Erasmus programme at Universitat Pompeu Fabra, Barcelona (2002), Master of Laws - LLM (2006-2007) at University of Oxford, England, General Management Course at Nova School of Business and Economics of Universidade Nova de Lisboa (2008), Advanced Management Program at Universidade Católica Portuguesa, Lisbon, and Kellogg School of Management, Chicago (USA) (2011), Management Course "Orchestrating Winning Performance / Leading the Family Business", at IMD Business School, Lausanne (Switzerland) (2012) and "Journey to Business Transformation" at Esade Business School, taught at Singularity University (NASA Research Park) in Silicon Valley (2018).

Junior Associate (2003-2005) and Associate (2005-2006) at Linklaters (Lisbon), Assistant Adviser in the Portugal Mission at the United Nations, New York (USA) (2007), Senior Associate at Heidrick & Struggles (2008-2009).

Member of the BE Nova Board, between 2011 and 2013, advisory services to the Director of the Faculty of Management and Economics of Universidade Nova de Lisboa in the taking of strategic decisions on the future of the institution.

Nominated for the European Counsel Awards 2012 – General Commercial category.

Masters Capital Humano 2015 in the category of "Best strategy of motivation and engagement of the employees".

Elected for the General Counsel (GC) Powerlist of the Iberian Peninsula, award attributed by the company Legal 500 (2016).

Member of the Advisory Board of Imagens de Marca, magazine providing information on brand communication (January 2017).

Member of the St. Julian's School Association.

Elected Director of the International Academy of Television Arts & Sciences (November 2017).

Member of the Advisory Board of the Forum for Competitiveness, for the 2018-2020 three-year period.

Member of the Council of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa for the 2018-2021 four-year period.

Elected Personality of the Year 2019 in the area of Media by the Meios & Publicidade magazine.

IMPRESA: Director of Human Resources (September 2009 to September 2011), Director of Human Resources and Legal Affairs (October 2011 to September 2012), Human Resources, Legal and Sustainability COO (October 2012 to March 2016), Company Secretary (September 2011 to January 2016) and Deputy Chairman of the Management Board of SIC Esperança since 2013.

Manuel Guilherme Oliveira da Costa

Graduate from ISCEF - Higher Institute of Economics and Finance, in 1973, and Post-Graduation (DEA) in "Économie et Finances Internationales" from the University of Paris I (Panthéon – Sorbonne), in 1981.



Currently performs the duties of Chairman of the Board of Directors of Phyxius Management and Phyxius Holding (companies of the Phyxius Project, in progress since 2015) and Director of Metalsorim, S.A..

Previous duties:

Chairman of the Board of Directors of Tegopi, S.A., between 2015 and 2017.

Business Consultant and Coordinator of the "NEXUS" Circle of Reflection, at UCP-CRP, between 2013 and 2016.

Chairman of the Board of Directors of RTP – Rádio e Televisão de Portugal, S.A., between 2008 and 2012.

Member of the Board of Directors (non-executive) and of the Audit Committee of IMPESA, S.G.P.S., S.A., from April 2007 to December 2007

Chairman of the Supervisory Board of Sonae Industria, S.G.P.S., S.A., from May 2007 to December 2007.

Chairman of the Supervisory Board of Modelo Continente, S.G.P.S., S.A., from May 2007 to December 2007.

Member of the Board of Directors of InvestAlentejo, S.G.P.S., from 2004 to March 2007.

Member of the Board of Directors of various participated companies of InvestAlentejo, from 2004 (Ipaper, Sete e Meio Herdades, CAJAP) to March 2007.

Member of the Board of Directors of Soporcel, S.A., from 2001 to 2004.

Member of the Board of Directors of Portucel, S.A., from 2001 to 2004.

Member of the Board of Directors of Sonae Industria, S.A., from 2001 to 2002.

Member of the Board of Directors of various participated companies of Sonae Indústria, from 2001 to 2003 (SPDF – Sonae Produtos e Derivados Florestais, S.G.P.S., Socelpac, S.G.P.S., Ecociclo – Energia e Ambiente, S.A., Maiequipa – Gestão Florestal, S.A.).

Chairman of the Board of Directors of Gescartão, S.G.P.S., from 2000 to 2005.

Chairman of the Board of Directors of Portucel Viana, S.A., from 2000 to 2005.

Membro do Conselho de Administração da Imocapital, S.G.P.S., de 2000 a 2004.

Member of the Board of Directors of Portucel Viana Energia, S.A., from 2003 to 2005.

Member of the Board of Directors of Portucel Embalagem, S.A., from 2000 to 2003.

Member of the Board of Directors of Portucel Recicla, S.A., from 2000 to 2003.

Member of the Board of Directors of LEPE, S.A., from 2000 to 2003.

Chairman of the Board of Directors of ICEP - Investimento, Comércio e Turismo de Portugal, from 1996 to 2000 (January).

Member (non-executive) of the Board of Directors of FIEP – Fundo para a Internacionalização da Economia Portuguesa, S.A., from 1998 to 2000.

Chairman of the General Council of CPD, Portuguese Design Centre, from 1998 to 2000.

Director-coordinator of the International Trade Department of Banco Borges e Irmão, from 1994 to 1996.



Advisor to the Chairman of the Board of Directors of Banco de Fomento e Exterior, S.A., from 1992 to 1996.

Director of the Centre for Management Studies and Applied Economics of Universidade Católica Portuguesa - Oporto Regional Centre, from 1991 to 1993.

Manager of the company Unicordas, Lda. In the area of international trade and transports, from 1984 to 1991.

Associate Researcher at CEPPII Centre d'Études Prospectives et d'Informations Internationales, Paris), from 1981 to 1984.

Assistant Professor at the School of Economics of Porto, from 19774 to 1993.

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

PhD in Management, specialising in Accountancy, from ISCTE, in October 2009.

Master's in Economics, from the School of Economics of Universidade do Porto, in March 2001.

Degree in Business and Management Management, from the School of Economics and Business Management of Universidade Católica Portuguesa, in September 1991.

Statutory Auditor (ROC number 1133).

Assistant Professor at the School of Economics and Management of Universidade Católica Portuguesa (Católica Porto Business School).

Partner of the company Novais, Anacoreta e Associado, SROC, Lda.

OROC representative at the Accounting Working Party of the Fédération des Experts-Comptables Européens - Accountancy Europe.

Member of the list of tax arbitrators of the Administrative Arbitration Centre.

Member of the Scientific Board of the Portuguese Tax Association.

Author of the books "Anexo em SNC - Guia prático", co-authored with Sónia Costa Matos and Rui Neves Martins, published by Vida Económica, 2011 and "Instrumentos Financeiros Derivados: Enquadramento Contabilístico e Fiscal", published by Universidade Católica Editora, 2000.

João Nuno Lopes de Castro

Director of the Centre for Digital Business and Technology of Nova School of Business and Economics.

Post-doctorate at Stanford University in 2010.

Doctorate in Engineering Systems from the Massachusetts Institute of Technology in 2010.

Masters (ABD) in Engineering Design from the Instituto Superior Técnico in 2004.

Licentiate degree in Electrical Engineering and Computers from the Faculty of Engineering of Universidade do Porto in 2000.

Chairman of the Portuguese-American Post-Graduate Society for the 2007-2008 term of office and chairman of the general meeting in the following term of office.



Considerable professional and consulting experience in the development of new technological, innovative or strategic solutions at Canal de Notícias de Lisboa, Sonae.com, Cisco Systems, Metro do Porto, UMIC and Sumol+Compal.

Guest speaker invited regularly in advanced and executive training programmes on topics related to Entrepreneurship, Innovation and Product Development.

Ana Filipa Mendes de Magalhães Saraiva Mendes

Degree in Business Management from Universidade Católica Portuguesa, in 1993.

Until February 2019, he was a member of the capital restructuring team of InterCement Participações, S.A. [São Paulo, Brasil ("InterCement")] and of the former Cimpor – Cimentos de Portugal, S.G.P.S., S.A. ("Cimpor"), now known as InterCement Portugal, S.A.. In this group, she accumulated the responsibilities of Investor Relations Director of InterCement and Official Representative for Capital Market Relations of InterCement Portugal, S.A., as well as External Communication Director and Crisis Corporate Manager of both companies, and Secretary of the company and of the Board of the General Meeting for InterCement Portugal, S.A..

In 1996, she joined Cimpor's Investor Relations Office and between 2004 and 2009 she cumulatively took on duties in the Studies and Strategic Planning Department.

She was an auditor and consultant at KPMG, in the Banking and Insurance area (Lisbon, Portugal), between 1993 and 1996.

She was an advisor to the marketing department at Alcatel - SEC (Toronto, Canada) in 1992.

20. Customary and significant family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

The known family relationships between the indicated members of the boards and qualifying shareholders in the company are:

The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, is father of the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão and of the Chief Executive Officer, Francisco Pedro Presas Pinto de Balsemão.

The known professional or business relationships between the indicated members of the boards and qualifying shareholders in the company are:

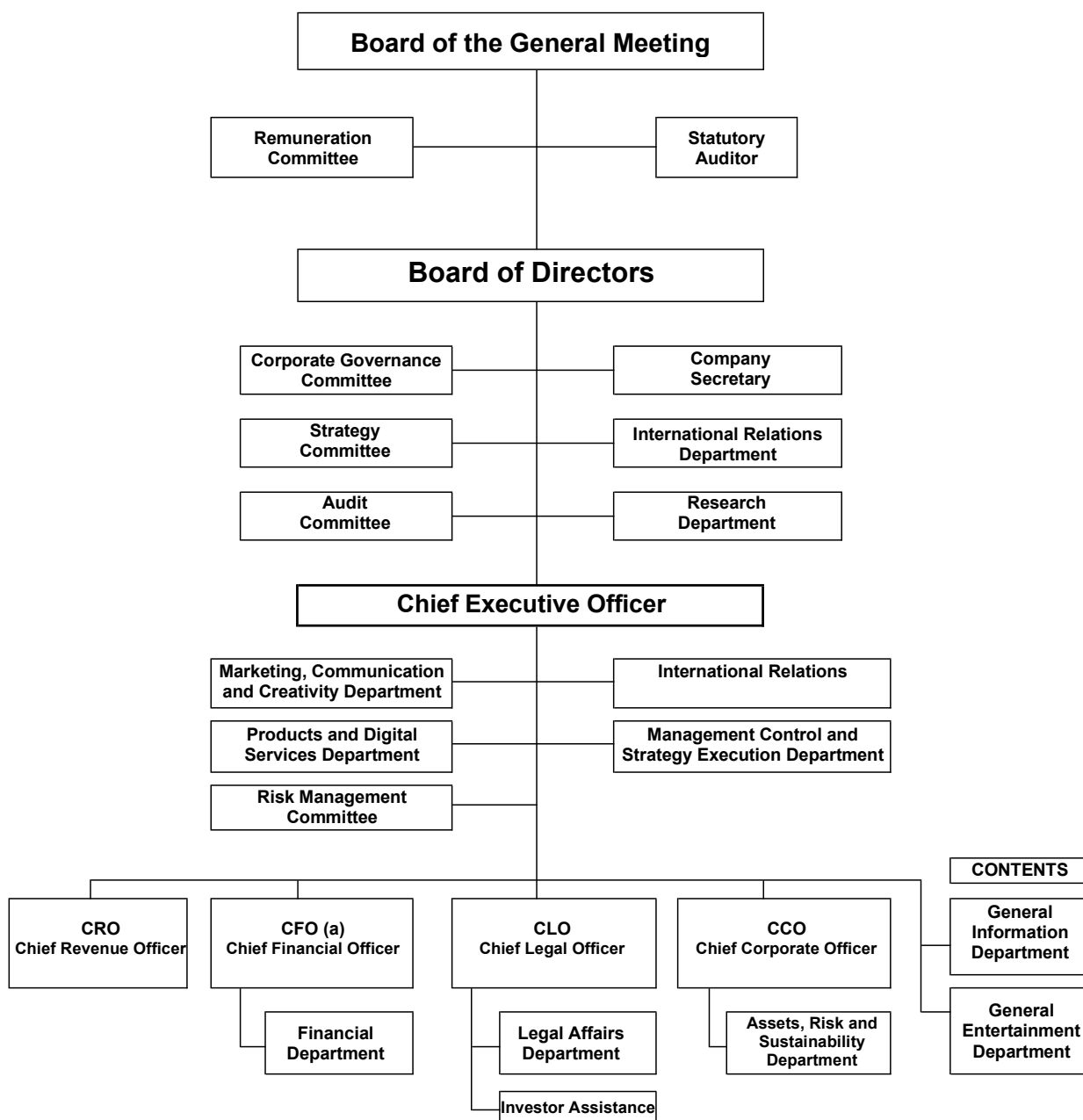
The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, and the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão, are, respectively, Chairman and Member of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A., majority shareholder of IMPRESA.

The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, is Chairman of the Executive Board of Directors of BALSEGER, S.G.P.S., S.A., which is the majority shareholder of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.



21. Organisational charts or flowcharts concerning the allocation of powers between the Companies' various governing bodies, committees and/or departments, including information on delegating powers, particularly in relation to the delegation of the company's daily management.

IMPRESA GROUP OPERATIONAL CHART



(a) is also the Market Liaison Officer



DISTRIBUTION OF DUTIES

The **Board of Directors** is the body responsible for the management of the Company's activities, as established in the Commercial Companies Code and in the memorandum of association, being responsible, in particular, for:

- a) the Company's representation, actively and passively, in court and out of court;
- b) negotiation and signing of all contracts, including arbitration conventions, regardless of their scope, nature and form, in which the company is involved;
- c) acquisition, sale, encumbrance or any other form of corporate asset transaction;
- d) contracting loans, as well as provision of the necessary guarantees, regardless of their extent and nature;
- e) confession, discontinuance or transactions relative to any judicial proceeding;
- f) the constitution of authorised corporate representatives, empowered as deemed appropriate, pursuant to the terms and limits established in the law and memorandum of association;
- g) delegation of specific duties and powers to any director, with the scope established in the respective deliberation;
- h) the constitution of specialised committees and commissions;
- i) establishing the objectives and management policies of the Company and Impresa Group;
- j) preparing the annual activity and financial plans;
- k) establishing the technical and administrative organisation of the Company and IMPRESA Group and the internal operating standards concerning the staff and their remuneration;
- l) managing the Company's corporate business and conducting all the acts and operations pertaining to its corporate object which do not fall under the duties of other Company bodies;
- m) approving Transactions with Related Parties, under the terms of the Policy of And Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- n) performing all other duties assigned by law or by the General Meeting.

The **Chairman of the Board of Directors** is responsible, in particular, for:

- a) promoting the meetings of the Board of Directors as deemed necessary, calling them, chairing them, and deciding on all matters concerning the functioning of the Board;
- b) exercising all powers and carrying out, alone, all acts delegated by the Board of Directors;
- c) chairing joint meetings of the Board of Directors and Audit Committee that are held in the cases established in the memorandum of association, in the law and applicable regulations;
- d) chairing the Strategy Committee and the Corporate Governance Committee;
- e) institutionally representing the Group and coordinating institutional relations, with the Institutional Relations Department being dependent on the Chairman of the Board of Directors;
- f) chairing the Group's Staff Meeting;
- g) striving to ensure the proper execution of the determinations of the Board of Directors.



The Board of Directors delegated the Company's daily management to a Chief Executive Officer, without prejudice to the duties and powers assigned to the Audit Committee, under the terms of the Regulation of the Audit Committee and the provisions in the memorandum of association, the law and other applicable regulations.

Within the scope of the delegation of powers established in the Regulation of the Board of Directors, the following duties and powers were delegated to the Chief Executive Officer:

- a) the hiring and dismissing of workers and/or employees, approval of internal regulations, and exercise of the powers inherent to employer entities, including disciplinary power;
- b) the opening and operating of bank accounts;
- c) the conclusion of contracts deemed necessary to the development of the corporate object, including financial lease contracts;
- d) the deliberating of holding stakes in the share capital of companies to be incorporated in the future or that are currently incorporated, and the disposal of equity stakes;
- e) the acquisition, disposal or encumbrance of movable and fixed assets, including automobiles;
- f) the contracting of loans or other similar financial liabilities;
- g) the opening, closing or transfer of establishments or part of them;
- h) the collaboration in the definition of the Impresa Group's Strategic Plan, within the Strategy Committee;
- i) the collaboration in the definition of the editorial strategy of the different trademarks of the Impresa Group, within the Supra Editorial Committee;
- j) the coordination of the Impresa Group's operating management;
- k) the coordination of the areas of Human Resources; Management Control and Strategic Execution; Marketing, Communication and Creativity; Digital Products and Services; Information; Entertainment and External Communication;
- l) the individual supervision of the Chief Operating Officers (COO) in the main policies and decisions of their respective areas;
- m) the chairing of the Impresa Group's Operational Coordination meetings;
- n) the chairing of the meetings with each COO and first-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
- o) the chairing of the presentations of the accounts of the Impresa Group.

Without prejudice to the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, the Chief Executive Officer:

- (i) must obtain prior authorisation from the Chairman of the Board of Directors when any act to be conducted or authorised, namely any of the previously mentioned acts, implies the undertaking of commitments or the payment of values higher than € 500,000 or involves the disposal of assets of value higher than this same amount;
- (ii) must obtain the authorisation of the Board of Directors for acts of value higher than € 1,000,000 (one million euros);
- (iii) the authorisation of the Chairman of the Board of Directors or of the Board of Directors shall not be necessary, according to the case in question, when involving acts included in the Company's annual budget, already approved by the Board of Directors.



MATTERS WHICH CANNOT BE DELEGATED

The following matters cannot be delegated by the Board of Directors, in particular:

- a) Co-optation of directors;
- b) Request to call general meetings;
- c) Approval of annual reports and accounts;
- d) Provision of deposits and personal or real guarantees by the company;
- e) Change of registered office under the terms established in the memorandum of association;
- f) Company merger, demerger and transformation projects;
- g) Definition of the Group's strategic options;
- h) Organisation and coordination of the Group's business structure;
- i) Approval of the annual budget.

All the members of the Board of Directors are called appropriately and in due time to the meetings of the body and receive the respective minutes.

All other members of the Board of Directors and of the Remuneration Committee may request from the CEO all and any information relative to the activities of IMPRESA and its participated companies. Usually, these requests for information are made in writing (namely by electronic mail), but they may also be made by telephone or in the presence of the persons concerned (normally during meetings of the Board of Directors). After these requests have been made, and if the CEO does not have all the data to enable an immediate and full response (in writing or verbally), these requests are forwarded internally to the structure of IMPRESA and/or its participated companies. In this last case, and on average, the response to the request will take approximately 5 business days to be given to the member of the governing body who requested it. If this member is not satisfied with the abovementioned answer, the process is re-started, and involves the number of iterations required until the request has been met in an entirely satisfactory manner.

b) Functioning

- 22. Existence and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.**

There are operating regulations for the Board of Directors, Corporate Governance Committee and Audit Committee, which may be consulted on the company website - www.impresa.pt.

- 23. Number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.**

The Board of Directors met 18 times throughout the year, with members having registered the following attendance:



Attendance of the Members of the Board of Directors with term of office until 16/04/2019 (6 meetings):

Francisco José Pereira Pinto de Balsemão (Chairman)	100.00%
Francisco Maria Supico Pinto Balsemão (Deputy Chairman)	100.00%
Francisco Pedro Presas Pinto de Balsemão	100.00%
Alexandre de Azeredo Vaz Pinto	100.00%
António Soares Pinto Barbosa	100.00%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%
José Manuel Archer Galvão Teles	100.00%
João Nuno Lopes de Castro	100.00%

Attendance of the Members of the Board of Directors with term of office until 16/04/2019 (12 meetings):

Francisco José Pereira Pinto de Balsemão (Chairman)	91.67 %
Francisco Maria Supico Pinto Balsemão (Deputy Chairman)	100.00 %
Francisco Pedro Presas Pinto de Balsemão	100.00 %
Manuel Guilherme Oliveira da Costa	91.67 %
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00 %
João Nuno Lopes de Castro	100.00 %
Ana Filipa Mendes de Magalhães Saraiva Mendes	100.00 %

24. Indication of the competent governing bodies to conduct the performance assessment of the executive directors.

The mission of the Corporate Governance Committee is, among others, to assess the performance of the Chief Executive Officer, in accordance with article 6, number 2, subparagraph b), clause ii of the Regulation of the Corporate Governance Committee.

In accordance with article 7, number 5 of the Regulation of the Board of Directors, non-executive directors are also responsible, pursuant to the law, for the general surveillance of the action of the Chief Executive Officer.

25. Predefined criteria for assessing the performance of the executive directors.

The Corporate Governance Committee Assessed the performance of the Chief Executive Officer (CEO) based on the following seven criteria: Communication, Improvement and Innovation, Responsibility, Collaboration and Teamwork, Decision Making, Leadership and Orientation for the future.

26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.



* Francisco José Pereira Pinto de Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Directors of IMPRESA PUBLISHING, S.A.
- Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A.

b) Companies outside the Group

- Chairman of the Executive Board of Directors of BALSEGER-SGPS, S.A.
- Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.
- Manager of Sociedade Francisco Pinto Balsemão, SGPS, LDA.
- Manager of Sociedade Turística da Carrapateira, LDA.
- Manager of Estrelícia – Investimentos Imobiliários, Unipessoal, LDA.

* Francisco Maria Supico Pinto Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Deputy Chairman of the Board of Directors of IMPRESA Publishing, S.A.
- Deputy Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A.

b) Companies outside the Group

- Chairman of the Board of Directors of SPECTACOLOR Portugal, S.A.
- Deputy Chairman of the Board of Directors of COMPTA – Equipamentos e Serviços de Informática, S.A.
- Director of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.
- Director of BROADLOOP – INVESTMENTS, S.A.
- Director of EUROTEMPUS, S.A.
- Director of LIFETIME VALUE, S.A.
- Manager of SEGMENTABILITY, LDA.
- Manager of ENCOREXPERT – Investments, SGPS, LDA.
- Manager of BORN TO RUN – Consultoria Empresarial, LDA.
- Manager of INCLUDES EVERYONE, LDA.
- Manager of CASUAL PORTION, LDA.



* Francisco Pedro Presas Pinto de Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Directors of InfoPortugal – Sistemas de Informação e Conteúdos, S.A.
- Chairman of the Board of Directors of IMPRESA OFFICE & SERVICE SHARE – Gestão de Imóveis e Serviços, S.A.
- Director of IMPRESA PUBLISHING, S.A.
- Director of SIC – Sociedade Independente de Comunicação, S.A.
- Chairman of the Management Board of GMTS (Global Media e Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal Lda.

b) Companies outside the Group

Does not hold any position in other companies.

* Manuel Guilherme Oliveira da Costa

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Chairman of the Board of Directors of Phyxius Management and of Phyxius Holding (companies of the Phyxius Project, in progress since 2015)
- Director of Metalsorim, S.A.

* Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

In addition to the professional curriculum and relevant activities reported in point 19, she performs the following duties in other companies:

Companies outside the Group

- Chairman of the Audit Committee and Non-Executive Director of CTT, S.A.
- Member of the Governing Board of Ordem dos Revisores Oficiais de Contas (OROC)
- Non-Executive Director of SFS - Gestão de Fundos, SGFI, S.A.
- Chairman of the Supervisory Board of Centro Hospitalar de São João
- Chairman of the Supervisory Board of Sogrape S.G.P.S., S.A.
- Member of the General Board and of the Executive Committee of the Commission of Accounting Standards.

* João Nuno Lopes de Castro

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:



Companies outside the Group

- Ganexa Seed Capital – General Partner

* Ana Filipa Mendes de Magalhães Saraiva Mendes

Does not hold any position in other companies.

**c) Committees within the Management or Supervisory Body
and Board Delegates**

- 27. Identification of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and place where the operating regulations can be viewed.**

The following committees have been created within the Board of Directors: Audit Committee, Corporate Governance Committee and Strategy Committee.

The operating regulations of the Audit Committee, the Corporate Governance Committee and the Strategy Committee may be consulted on the company website.

- 28. Composition of the Executive Board and/or identification of the Board Delegate/s, where applicable.**

The Member of the Board of Directors, Francisco Pedro Presas Pinto de Balsemão, is the current Chief Executive Officer, appointed by the Board of Directors at its meeting on 2 May 2019.

- 29. Description of the powers of each of the established committees and summary of activities undertaken in exercising these powers.**

Audit Committee

The **Audit Committee** is responsible, without prejudice of all other duties entrusted by the law, memorandum of association and this regulation, for:

- a) overseeing the company's management;
- b) ensuring compliance with the law and the memorandum of association;
- c) preparing the annual report on its oversight activity and expressing an opinion on the report, accounts and proposals presented by the Board of Directors;
- d) following and overseeing the process of preparation and disclosure of financial information;
- e) supervising the legal review of accounts;
- f) monitoring, appraising and commenting on the risk policy defined by the Board of Directors;
- g) monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of



preparation of financial information, without breaching its independence and proposing to the Chief Executive Officer measures aimed at improving its operation that prove necessary;

- h) checking, when deemed appropriate and in the manner deemed suitable, the regularity of the book-keeping, its underlying accounting records, as well as the situation of any assets or values possessed by the Company in any capacity;
- i) issuing prior and binding opinions to the Board of Directors on the internal process of approval of business and transactions with related parties, under terms defined by the Committee;
- j) receiving disclosures of irregularities occurred within the Company and presented by shareholders, employees or others;
- k) calling the General Meeting when the Chairman of the respective Board, entrusted with this duty, does not do so;
- l) examining the Company's book-keeping, whenever deemed convenient;
- m) issuing binding opinions on the giving of advances on profit during a financial year;
- n) certifying that the disclosed annual report on corporate governance structure and practices includes the elements referred to in article 245-A of the Securities Market Code;
- o) analysing efficacy in compliance with the legal, regulatory or other applicable requirements, as well as those arising from any investigations by the Chief Executive Officer and their conclusions (including the application of any penalties) in cases of proven non-compliance;
- p) analysing the conclusions of any examinations conducted by inspectors of governmental or regulatory entities, as well as observations of non-compliance made by the external auditors of the IMPRESA Group;
- q) ensuring the appropriate conditions for provision of audit services within the premises of the IMPRESA Group.

The Audit Committee's financial oversight activity also includes:

- a) supervising the process of preparation and disclosure of financial information and submitting to the Chief Executive Officer recommendations or proposals to ensure its integrity;
- b) issuing opinions on the correctness and completeness of the annual management report, including the non-financial statement, the annual accounts and proposals presented by the Company's management, and other documents to be submitted to the regulatory entities of financial markets, in which it should in particular express its agreement or not with the annual management report and accounts, and include the statement foreseen in subparagraph c) of number 1 of article 245 of the Securities Market Code;
- c) monitoring the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM), the competent authority for audit oversight;
- d) informing the management of the findings of the legal review of accounts, explaining how this contributes to the integrity of the process of preparation and disclosure of financial information, and the role performed by the Committee in this process.



In its oversight of business between related parties and conflicts of interest, the Committee is responsible for:

- a) monitoring and supervising the mechanisms implemented for approval, control and disclosure of transactions with related parties, namely the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- b) submitting recommendations to the Board of Directors concerning measures of prevention and identification of conflicts of interest;
- c) indicating, in its annual report, the opinions endorsed in relation to transactions with Related Parties and the adequacy of the respective policy for purposes of prevention and resolution of conflicts of interest.

In the process of selection of the Company's statutory auditor, and pursuant to article 16 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014, the Committee is responsible for:

- a) selecting, through a formal market tender process, at least two statutory auditors to be proposed to the General Meeting, recommending and justifying their preference for one of them, after appraisal of their qualifications and independence for performance of duties.
- b) inviting any statutory auditors or audit firms to submit proposals to render legal accounts review services.
- c) preparing, for the purposes of the provisions in the previous subparagraph, tender documents aimed at the invited entities, so as to enable understanding the activity of IMPRESA, the type of legal review of accounts that will be carried out, including criteria of transparent and non-discriminatory selection that will be used to assess the submitted proposals.

In the relations with the Company's statutory auditor, the Audit Committee is responsible for:

- a) annually analysing the proposed provision of the Company's legal review of accounts services, proposing the remuneration of these services and, whenever applicable, checking the adequacy and approving the provision of non-audit services by the Company's statutory auditor and, if different, by the statutory auditors of its participated companies, except for the prohibited non-audit services established in article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014;
- b) analysing the proposed annual planning of the work of the Company's statutory auditor and, if different and so deemed, of the auditor of its participated companies;
- c) holding regular meetings with the Company's statutory auditor and, if different, with the statutory auditor of its participated companies;
- d) checking and monitoring the independence of the Company's statutory auditor and, if different, of the statutory auditor of its participated companies;
- e) analysing the performance of the statutory auditor and respective adequacy to carry out the legal review of accounts, proposing to the Chief Executive Officer the cancellation of the contract or dismissal whenever there are fair grounds for the purpose;
- f) ensuring the appropriate conditions for provision of the statutory auditor's services within the premises of the IMPRESA Group.



The Audit Committee is the main interlocutor of the Statutory Auditor, namely within the scope of the audit of the accounts, its reports and conclusions, and appraisal of the internal control system.

Whenever deemed appropriate, the Committee shall contact the Company's statutory auditor directly and, if different, the statutory auditor of its participated companies, in order to obtain clarifications.

The content of the external auditors' reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices and the results of the legal review of the accounts are subsequently reported and discussed with the Board of Directors.

The Audit Committee also holds regular meetings with the Chief Financial Officer of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information, as well as to discuss other matters deemed relevant.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services, taking into account, in particular, the non-existence of an internal audit department at the Group.

All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

Corporate Governance Committee

The Corporate Governance Committee is composed of three non-executive members of the Board of Directors and holds meetings twice a year and whenever called by its Chairman or at the request of any of its members. The Corporate Governance Committee has the general task of assisting the Board of Directors:

- a) in perfecting the Company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed;
- b) Preparing and implementing rules of conduct, aimed at imposing observance of the applicable provisions and strict ethical and deontological principles in the performance of duties assigned to the members of the governing bodies and employees of the Company.

In the performance of its duties concerning the Company's governance and oversight model, the Corporate Governance Committee is particularly responsible for:

- a) endeavouring to ensure full compliance with the legal and regulatory requirements, recommendations and good practices relative to the Company's governance model;
- b) proceeding with the annual appraisal of the following aspects:
 - i. The Company's corporate governance structure, principles and practices;



- ii. Efficiency and overall performance of the Chief Executive Officer or the members of the Executive Committee;
 - iii. Efficacy of the corporate governance system and appropriate measures for its improvement.
- c) recommending the Board of Directors' endorsement, in conformity with ethical, deontological and corporate governance principles, of the necessary policies, rules and procedures for compliance with the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices, both national and international, on corporate governance matters;
- d) supporting the Board of Directors and Audit Committee in the appraisal of the systems of identification and resolution of conflicts of interest;

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

All the minutes of the Corporate Governance Committee meetings are distributed to all the members of the Board of Directors.

Strategy Committee

The Strategy Committee is composed of the Chairman of the Board of Directors, the Chief Executive Officer and another two non-executive members of the Board of Directors and holds meetings twice a year and whenever called by its Chairman. The Strategy Committee is responsible for assisting the Chairman of the Board of Directors in the definition of high-level strategic objectives of IMPRESA, namely:

- a) in the preparation of the IMPRESA Group's Strategic Plan (three-year plan), which should be submitted for approval by the Board of Directors;
- b) in the assessment, follow-up and monitoring of the implementation of this Plan and its annual review, designing any necessary proposed changes;
- c) in the submission of recommendations of action to the Board of Directors, taking into account the IMPRESA Group's Strategic Plan;

All the minutes of the Strategy Committee meetings are distributed to all the members of the Board of Directors.

III SUPERVISION

a) Composition

30. Identification of the supervisory body corresponding to the adopted model.



The corporate governance model adopted is the one referred to in subparagraph b), number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising an Audit Committee (with supervisory functions) and a Statutory Auditor.

- 31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where this information is already included pursuant to number 17.**

The Audit Committee, for the current term of office (2019-2022 four-year period), is composed of the following 3 members of the Board of Directors:

Chairman: Manuel Guilherme Oliveira da Costa
Members: Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
Ana Filipa Mendes de Magalhães Saraiva Mendes

The term of office of the Audit Committee is four years, which coincides with the term of office of the other governing bodies.

The Audit Committee is composed of members from the Board of Directors, appointed by the General Meeting, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

Members of the Audit Committee	Date of 1st appointment	Term of office
Manuel Guilherme Oliveira da Costa	16/04/2019	31/12/2022
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2022
Ana Filipa Mendes de Magalhães Saraiva Mendes	16/04/2019	31/12/2022

- 32. Identification, as applicable, of the members of the Supervisory Body, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, who are considered to be independent, under the terms of article 414, number 5 of the CSC, and reference to the section of the report where this information already appears pursuant to paragraph 18.**

As mentioned in point 18, Manuel Guilherme Oliveira da Costa and Ana Filipa Mendes de Magalhães Saraiva Mendes are independent members of the Audit Committee.

- 33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where this information already appears pursuant to number 21.**

See point 19.



b) Functioning

- 34. Existence and place where the operating regulations can be viewed, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, and reference to the section of the report where this information already appears pursuant to number 22.**

See point 22.

- 35. Number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where this information already appears pursuant to number 23.**

The Audit Committee met 14 times throughout the year.

Attendance of the Members of the Audit Committee with term of office until 16/04/2019 (3 meetings):

Alexandre de Azeredo Vaz Pinto (Chairman)	100.00%
António Soares Pinto Barbosa	100.00%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%

Attendance of the Members of the Audit Committee with term of office until 16/04/2019 (11 meetings):

Manuel Guilherme Oliveira da Costa (Chairman)	100,00%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%
Ana Filipa Mendes de Magalhães Saraiva Mendes	100.00%

- 36. Availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to number 26.**

See point 26.

c) Powers and duties

- 37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.**

Whenever applicable, the Audit Committee assesses and gives it approval of the contracting of the Statutory Auditor to provide services other than auditing, provided that they are not prohibited by article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council and that this respects the limit established in article 4 of the same Regulation. The assessment seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business.



38. Other duties of the supervisory bodies and, where appropriate, the Financial Matters Committee.

See point 29 for a description of the powers and duties of the Audit Committee.

IV STATUTORY AUDITOR

39. Identification of the statutory auditor and the partner representing the statutory auditor.

The Statutory Auditor, elected for the current term of office (2019-2022 four-year period), is Deloitte & Associados, SROC, LDA, registered at the CMVM under number 20161384, which is represented by the partner Rui Carlos Lourenço Helena.

40. Indication of the number of years that the statutory auditor consecutively carries out duties with the company and/or group.

The Statutory Auditor carries out duties with the company since 16/04/2019.

41. Description of other services provided by the statutory auditor to the company.

In 2019, the services other than auditing carried out by the Statutory Auditor of Impresa, S.G.P.S, S.A. refer to the verification, required by the banking authorities, of the contractual obligations (ratios) contained in the loan agreements (reliability assurance services).

As noted in point 37, the contracting of the Statutory Auditor to provide additional services other than auditing, in addition to the assurance of the auditor's independence, took into consideration, namely, the reasonableness of the proposed prices and level of knowledge of the activity sector and the continuous monitoring of the company's business.

V EXTERNAL AUDITOR

42. Identification of the external auditor appointed in accordance with article 8 and the partner that represents the external auditor in carrying out these duties, and the respective registration number at the CMVM.

See point 39 (Chapter IV).



- 43. Indication of the number of years that the external auditor and respective partner representing it in carrying out these duties consecutively carries out duties with the company and/or group.**

See point 40 (Chapter IV).

- 44. Policy and periodicity of the rotation of the external auditor and respective partner representing it in carrying out these duties.**

At the end of each term of office, the Audit Committee assesses and discusses the conditions of independence and the performance of the duties of the Statutory Auditor, with a view to a possible rotation. The Committee also verifies compliance with the limitations of terms of office contained in article 54 of Law 140/2015 of 7 September, which approves the Statutes of the Ordem dos Revisores Oficiais de Contas (OROC).

Whenever there is a rotation of auditors, the Audit Committee selects the Statutory Auditor to be proposed to the General Meeting for election, and justifiably recommends its option, as provided for in paragraph f) of number 3 of article 4 of Law 148/2015 of 9 September, which contains the Legal Framework on Audit Supervision.

In 2019, the Statutory Auditor was rotated, since the former auditor had reached the limitation of mandates provided for in the aforementioned article 54 of the Statutes of the Ordem dos Revisores Oficiais de Contas (OROC). Thus, the Audit Committee developed, with the support of the CFO and the Financial Department of the Group, an organized selection process for the Statutory Auditor for the 2020-2023 term of office. The selection process was open to various entities and complied with transparent and non-discriminatory selection criteria, in addition to the analysis of the conditions of independence of candidates to the tender. The final selection of the two auditors proposed for election at the General Meeting, as well as the recommendation of the Audit Committee for the auditor who was elected at that Meeting, was based on objective criteria relating to knowledge of the sector in which the Impresa Group operates, experience in auditing public interest entities, technical quality and seniority of the team of professionals and proposed financial conditions.

- 45. Indication of the body responsible for assessing the external auditor and periodicity with which this assessment is made.**

The Audit Committee regularly assesses and discusses the conditions of independence and the performance of the duties of the Statutory Auditor.

- 46. Identification of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for this recruitment.**

The Audit Committee assesses and approves the contracting of the Statutory Auditor for the provision of services other than auditing. The assessment and approval process seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into



account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business. The Audit Committee also verifies whether the value of these services is below the limit imposed by Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014.

In 2019, the Statutory Auditor, in addition to the statutory audit services, provided IMPRESA with reliability assurance services, for the purposes of bank financing.

47. **Indication of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (for the purposes of this information, the network concept follows European Commission Recommendation number C (2002) 1873 of 16 May):**

By IMPRESA (a)	In Euros	In %
Statutory audit services	€ 22,400	92%
Reliability assurance services	€ 1,820	8%
Tax advisory services	€ 0	0%
Other non-statutory audit services	€ 0	0%
By other entities of the Group (a)		
Statutory audit services	€ 0	0%
Reliability assurance services	€ 0	0%
Tax advisory services	€ 0	0%
Other non-statutory audit services	€ 0	0%
Overall Total	€ 24,220	100%

(a) Including individual and consolidated financial statements

C. INTERNAL ORGANISATION

I

ARTICLES OF ASSOCIATION

48. **Rules applicable to the amendment of the company's articles of association (article 245-A, number 1, subparagraph h)).**

There are no rules on the alteration of the company's memorandum of association, except those arising from the applicable law.



II

REPORTING OF IRREGULARITIES

49. Means and policy on the reporting of irregularities in the company.

The Audit Committee created and approved an internal system for the communication of irregularities in 2007, aimed at preventing and eliminating irregular practices, thereby avoiding damages caused by their continuation. In 2019, the Audit Committee proposed amendments to improve and fine-tune the reporting of irregularities system, having approved a new version of the Regulation on Procedures to be Adopted for Reporting Irregularities.

This system, whose Regulations are disclosed on the IMPRESA website and IMPRESA Group Intranet network, ensures the confidentiality of the information provided and defines the procedures for receiving, recording and processing reports on misconduct, in conformity with the applicable legal and regulatory provisions, received by the IMPRESA Group from shareholders, workers, clients, suppliers and others, on matters of:

- a) Accounting;
- b) Internal Accounting Controls;
- c) Audits;
- d) Risk Control;
- e) Abuse of Privileged Information;
- f) Fraud or Corruption;
- g) Money Laundering and Terrorist Financing.

In the case of reporting of irregularities, the investigation process is conducted and supervised by the Audit Committee, in compliance with the legislation in force, which will be responsible for drawing up a final duly substantiated report on the facts ascertained during the investigation and with the proposed closing of the case or the adoption of suitable measures.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

Over the course of 2019, similarly to 2018, there were no communications under this Regulation.

III

INTERNAL CONTROL AND RISK MANAGEMENT

50. Individuals, bodies or committees responsible for the internal audit and/or implementation of the internal control systems.



The following bodies, at IMPRESA, are responsible for the internal audit and/or implementation of the internal control system:

- Risk Management Committee;
- Assets, Risk and Sustainability Department;
- Financial Department;
- Legal Affairs Department;
- Institutional Relations Department.

51. Explanation, including the organisational chart, of the relations of hierarchical and/or functional dependence with respect to other bodies or committees of the company.

The relations of dependence are defined in the organisational structure in point 21.

52. Existence of other functional areas responsible for risk control.

In addition to the areas indicated in point 50, operating under the terms described in point 54, there are no other areas responsible for risk control.

53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the exercise of its activity.

Economic risks (activity and facilities):

Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

Financial risks (credit, liquidity, exchange rate and interest rate risk):

Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, the Issuer company has defined credit granting policies, with credit ceilings per customer and collection deadlines, and financial discount policies for early repayment or cash payment.

Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

Exchange rate risk is essentially related to the acquisition of television programmes.

Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.

Legal Risks (Legislation):

Risks related to compliance with the legislation in force, applicable to the corresponding sector, primarily in terms of the operating subsidiaries (TV Law, Press Law, ERC Law, Advertising Law, etc.).



54. Description of the procedure of identification, assessment, monitoring, control and management of risks.

The management of the IMPRESA Group takes particular care to adopt risk management mechanisms aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.

The IMPRESA Group has two bodies which enable the pursuit of this objective:

- a) Risk Management Committee – this Committee is responsible for identifying the risks and events that might generate risks inherent to the activities developed by the different Group companies, as well as analysing the impact, following-up and monitoring the identified risks. The Risk Management Committee holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.
- b) Assets, Risk and Sustainability Department - supervises insurance contracting at the level of the IMPRESA Group, in order to achieve the most appropriate solutions to cover the insurable risks.
- c) Financial Department - develops the following aspects on risk control:
 - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the IMPRESA Group;
 - Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks;
 - Definition of credit granting policies, with credit ceilings per customer and collection deadlines.
- d) Legal Affairs Department and Institutional Relations Department - monitor the relationship with the regulators (ERC, CMVM, AdC, ANACOM) on matters with an impact on the activity developed by the IMPRESA Group and, at the level of the operating subsidiaries, follow the applicable legislation to the corresponding sector (TV Law, Press Law, ERC Law, Advertising Law, etc.), in order to minimise the risks associated to any non-compliance.

Also at the level of the operating subsidiaries, plans relative to external situations which may affect current company operation, namely fires, production stoppages, broadcasting failure, IT system failures, etc., have been established and implemented, with the objective of safeguarding people and goods, and ensuring, as far as possible, the continuity of production not only of newspapers and magazines but also of television activities and digital contents.

With regards to financial information, the Chief Executive Officer, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

55. Main details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A, number 1, subparagraph m)).



Before the Board of Directors meetings, scheduled in advance (with the exception of any exceptional meetings) and with this schedule being agreed by all, the non-executive members of the Board of Directors, therefore including all the members of the Audit Committee, receive all the documentation related to the points on the agenda in due time, and may request additional information on any points on the agenda, propose the inclusion of other points they would like to see discussed, and propose to the Chairman of the Board of Directors the attendance of the meeting of any employee or director of IMPRESA and its participated companies who might be related to the discussion of one (or more) points on this same agenda. The non-executive members of the Board of Directors also receive the minutes of the meetings of the Group's Operating Coordination, between the Chief Executive Officer and the COO responsible for the different business areas, and all the information and documentation of an economic and financial nature, in particular concerning investment, management control and bank debt evolution, as well as any other related to the Group's activity, such as for example information on human resources, evolution of publication sales and audiences, etc.

The Chief Executive Officer, in coordination with the Audit Committee and CFO, supervises the preparation and disclosure of financial information, in order to ensure a true and fair view of such information, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

The documents providing accounts are drawn up based on information provided by the different companies of the Group and, in particular, by the shared services. The Group has implemented mechanisms and procedures for internal control of the process of closing accounts and disclosure of financial information, taking into account the detected risks and defining time limits, requirements and obligations for financial reporting. This entails the definition and communication of schedules, tasks and responsibilities among the employees involved in the process of drawing up the financial reporting documentation.

The Group's Financial Department reviews the adopted accounting policies, identifies the relevant or unusual transactions, analysing, whenever necessary, with the Audit Committee, the appropriate accounting treatments and corresponding requirements on disclosure, and identifies the transactions that involve judgements or estimates, defining calculation methods, assumptions and all other pertinent information.

Mechanisms for communication between each segment and the Financial Department are defined, so as to ensure that any new operations were properly identified and treated from an accounting perspective, namely by coordination between the Financial Department and the Management Control of each segment and the Group.

The Audit Committee, in particular, as indicated in point 29, holds regular meetings with the Statutory Auditor in order to assess whether conditions have been created for the adequate performance of their work. The content of the Statutory Auditor's reports is presented and analysed in detail at these periodic meetings, which are held prior to the Board of Directors-meetings, so that the Audit Committee is the first body of the Group to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices are subsequently presented and discussed with the Board of Directors.

The financial information is only disclosed after approval by the Board of Directors, under the legal terms.



IV INVESTOR ASSISTANCE

56. Department responsible for investor assistance, composition, functions, the information made available by this department and contact details.

IMPRESA has a Market Liaison Officer (who is also the CFO) and an Investor Relations Officer, providing assistance to investors, in order to ensure permanent communication and the institutional relations with the universe of investors and analysts, as well as with the regulated market where IMPRESA shares are listed for trading (Euronext Lisbon), and the respective regulatory and supervisory entities.

The Market Liaison Officer and the Investor Relations Officer operate as interlocutors between the Board of Directors of IMPRESA, investors and the market. Their function is to ensure the timely and accurate availability of information concerning the Group, in compliance with applicable legal and regulatory provisions, in particular with regard to the disclosure of privileged information and other reports to the market, as well as the publication of annual and interim financial information following the procedure described in point 55.

The Investor Assistance contacts are:

Edifício IMPRESA
R. Calvet de Magalhães, 242
2770-022 Paço de Arcos
Tel.: +351 213 929 780
Email: impresa@impresa.pt

57. Market Liaison Officer.

The Market Liaison Officer is Paulo Miguel dos Reis who is also Chief Financial Officer (CFO).

Contact:

Edifício IMPRESA
R. Calvet de Magalhães, 242
2770-022 Paço de Arcos
Tel.: +351 213 929 780
Email: impresa@impresa.pt

58. Details on the extent and deadline for replying to requests for information received throughout the year or pending from preceding years.

All the requests for information (received by telephone, email or mail) are replied to at the earliest opportunity, and there are no pending requests relative to 2019 or from preceding years.



V WEBSITE

59. Address(es).

The company website address is “www.impresa.pt”.

60. Place where information on the firm, public company status, head office and other details referred to in article 171 of the Commercial Company Code is available.

The details relative to all the information referred to in article 171 of the Commercial Company Code is available on the company website, in *investors/contacts*.

61. Place where the articles of association and operating regulations of the bodies and/or committees are available.

The articles of association are available on the company website, in *investors/corporate governance/articles of association*.

The regulations of the bodies and committees are available on the company website, in *investors/corporate governance*.

62. Place where information is available on the names of the governing bodies' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective duties and contact details.

Information on the names of the governing bodies' members is available on the company website, in *investors/governing bodies*.

Information on investor support contacts is available on the company website, in *investors/contacts*.

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.

Information on the financial accounts reporting is available on the company website, in *investors/annual reports*.

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.

Information on the General Meetings is available on the company website, in *investors/general meetings*.



65. **Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.**

Information on the historical archive of the General Meetings is available on the company website, in *investors/general meetings*.

D. REMUNERATIONS

I

POWER TO ESTABLISH

66. **Details of the powers for establishing the remuneration of governing bodies, members of the executive committee or chief executive officer and directors of the company.**

The remuneration of the members of the Board of Directors is established by a Remuneration Committee, elected by the General Meeting.

II

REMUNERATION COMMITTEE

67. **Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to this committee and a statement on the independence of each member and advisor.**

The composition of the Remuneration Committee for the current term of office (2019-2022 four-year period) is as follows:

Chairman:	Fernando António de Lacerda Andresen Guimarães
Members:	Manuel Soares Pinto Barbosa
	José Luis Rosado Catarino

The business of the Remuneration Committee was conducted by its members, with no natural or legal persons having been contracted to provide assistance. However, in order to carry out its duties and ensure its responsibilities, the Remuneration Committee may call upon the members of the governing bodies, workers, employees and consultants of the Company.

The Remuneration Committee may also conclude contracts for provision of services and/or assistance with consultants or other advisers or experts, as deemed necessary for pursuit of the objectives and exercise of the duties, powers and responsibilities established in the Regulation of this Committee. The remuneration committee should, however, ensure that the



services are provided independently and that the respective providers do not provide other services to the company, or to others in a controlling or group relationship, without the express authorisation of the committee.

All the (non-remunerated) members of this Committee are independent.

All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

As established in article 7, number 7 of the Regulation of the Remuneration Committee, in order to provide information or clarifications to shareholders, the Chairperson or, in case of his/her impediment, another member of the remuneration committee should be present at the annual General Meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the Company's management bodies or, if such presence has been requested by the shareholders.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.

All the members of the Remuneration Committee have knowledge and experience for this position, due to the pursuit of their professional activity.

III

REMUNERATION STRUCTURE

69. Description of the remuneration policy of the Board of Directors and Supervisory Bodies referred to in article 2 of Law 28/2009, of 19 June.

In a context of major digital change and competition in the Media, in which the activity developed by the IMPRESA Group is immersed, the capacity to motivate and retain the best professionals on the market, as well as transform their contribution into true teamwork, is one of the main critical factors for success.

The Remuneration Committee of the IMPRESA Group has defined a compensation strategy for the executive and non-executive members of the Board of Directors, with the following key objectives:

- (i) Signal recognition of merit (Meritocracy);
- (ii) Determine the attribution of variable remuneration in accordance with criteria that are easy to understand (Simplification);
- (iii) Ensure balance between the interests of the company and those of the shareholders (Reasonableness).

Considering these objectives, the Remuneration Committee of IMPRESA deliberated on:



- (i) Definition of the value of the fixed remuneration of all the executive and non-executive members of the Board of Directors;
- (ii) Implementation of a Variable Remuneration Model for the Chief Executive Officer.

Considering the current duties of the Chairman of the Board of Directors, stipulated in the organisation and management model of the IMPRESA Group, the Remuneration Committee deliberated to extend the application of the variable remuneration model also to the Chairman of the Board of Directors (in force since 2014).

Multiannual variable remuneration model 2017-2019:

Following best market practices, the Remuneration Committee deliberated, with reference to the 2017-2019 three-year period, the application of a multiannual variable remuneration model, with deferred payment for 3 years.

This multiannual variable remuneration model considers 3 bonus levels, corresponding to 1, 2 and 3 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

- a) Positive assessment of performance;
- b) Achievement of a consolidated value of Net Remunerated Debt;
- c) Achievement of a consolidated value of EBITDA.

For the financial year of 2019, taking into account the achievement of all the defined criteria and the very positive evolution of the IMPRESA Group, with emphasis on the successful concentration of people and operations in the expanded facilities of the IMPRESA building in Paço de Arcos, the Remuneration Committee deliberated the attribution of a variable remuneration of three times the monthly gross remuneration to the Executive Chief Officer and one and a half times the monthly gross remuneration to the Chairman of the Board of Directors.

Multiannual variable remuneration model 2020-2022:

Following best market practices, the Remuneration Committee deliberated, with reference to the 2020-2022 three-year period, the application of a multiannual variable remuneration model, with deferred payment for 3 years.

This multiannual variable remuneration model considers 6 bonus levels, corresponding to 1 to 6 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

- a) Positive assessment of performance;
- b) Achievement of a consolidated value of Net Remunerated Debt;
- c) Achievement of a consolidated value of EBITDA.



- 70. Information on how the remuneration is structured in order to enable the alignment of the interests of the members of the management body with the long term interests of the company, as well as on how this is based on performance assessment and discourages excessive risk-taking.**

See point 69.

- 71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.**

See point 69.

- 72. Deferred payment of the variable component of remuneration, specifying the period of deferral.**

See point 69.

- 73. Criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.**

Not applicable since there is no attribution of a variable remuneration in shares in the company.

- 74. Criteria on which the allocation of variable remuneration on options is based and details of the period of deferral and exercise price.**

Not applicable since there is no attribution of a variable remuneration in shares in the company.

- 75. Key factors and grounds for any annual bonus scheme and any additional non-financial benefits.**

Not applicable since there is no attribution of bonuses and/or non-financial benefits in the company.

- 76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.**

Among the members that compose the Board of Directors, only the Chairman benefits from a supplementary retirement scheme, through the "Impresa Publishing & Asociadas" Pension Fund, created in 1987, which covers directors, journalists and other paid staff recruited up to 5 July 1993, as indicated in the information presented in Note 33.1 of the Annex to the consolidated financial statements of IMPRESA.



The supplement attribution plan consists of the following rules and characteristics:

"Journalists and directors who have worked for the company for 10 years or more are entitled to a supplementary retirement subsidy, due to old age or disability, the amount of which is calculated as follows, with there being no commitments regarding future updating:

- a) Journalists and directors who have worked for the company for 10 years will receive a subsidy equivalent to half the difference between the pension paid by Social Security and their pensionable salary;
- b) For every year worked after 10 years, this supplement will increase by 1%, until the sum of the pension and the supplement totals 90% of their pensionable salary.

Retirement due to old age is defined as that granted to employees aged over 66 years old.

Retirement due to disability is defined as that recognised and granted to employees by Social Security.

Pensionable salary is defined as the value of all the remunerations (base salary, bonuses and allowances) determined for the year of 2002.

Any employee may remain at the service of the Associate, by common agreement, after the old age retirement date. In this case, the value of the pension will be calculated as defined above, based on the pensionable salary and pensionable working time on the date the employee in question completed 66 years of age.

Pension supplements are calculated using the formula used by Social Security to calculate pensions which was in force on 5 July 1993."

For the financial year ended 31 December 2019, pension supplements in the amount of € 184,739.38 were paid by the Pension Fund to the Chairman of the Board of Directors.

The retirement plan described above is included in the information provided in the IPO of IMPRESA in 2000 and, since then, in all documents presenting the accounts.

IV

REMUNERATION DISCLOSURE

77. **Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to its different components.**



Remuneration of the Board of Directors (in euros)			
Non-executive	Fixed	Variable	Total
Renewal of the term of office on 16/04/2019 (from 01/01/2019 to 31/12/2019)			
Chairman of the Board of Directors – Francisco José Pereira Pinto de Balsemão	€ 106,400.00	€ 11,400.00	€ 117,800.00
Deputy Chairman of the Board of Directors – Francisco Maria Supico Pinto Balsemão	€ 49,000.00	n.a.	€ 49,000.00
Chief Executive Officer – Francisco Pedro Presas Pinto de Balsemão	€ 280,000.00	€ 60,000.00	€ 340,000.00
Member of the Audit Committee – Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	€ 40,012.00	n.a.	€ 40,012.00
Member of the Board of Directors – João Nuno Lopes de Castro	€ 30,002.00	n.a.	€ 30,002.00
Start of the term of office on 16/04/2019 (from 16/04/2019 to 31/12/2019)			
Chairman of the Audit Committee – Manuel Guilherme Oliveira da Costa	€ 28,525.00	n.a.	€ 28,525.00
Member of the Audit Committee – Ana Filipa Mendes de Magalhães Saraiva Mendes	€ 28,525.00	n.a.	€ 28,525.00
End of the term of office on 16/04/2019 (from 01/01/2019 to 16/04/2019)			
Chairman of the Audit Committee – Alexandre de Azeredo Vaz Pinto	€ 18,467.00	n.a.	€ 18,467.00
Member of the Audit Committee – António Soares Pinto Barbosa	€ 18,467.00	n.a.	€ 18,467.00
Member of the Board of Directors – José Manuel Archer Galvão Teles	€ 13,847.00	n.a.	€ 13,847.00
Total	€ 613,245.00	€ 71,400.00	€ 684,645.00

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

No amounts were paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

79. Remuneration paid as participation in profit and/or bonuses and reasons for the awarding of these bonuses and/or participation in profit.

See points 69 and 77.



80. Compensations paid or due to former executive directors relative to the termination of their functions during the financial year.

No compensation was paid under this item.

81. Indication of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory body for the purposes of Law number 28/2009, of 19 June.

The members of the Audit Committee are remunerated as directors, having received, in 2019 and as referred to in point 77, the following remunerations:

Remuneration of the Members of the Audit Committee		
Non-executive	Fixed	Variable
Renewal of the term of office on 16.04.2019 (from 01/01/2019 to 31/12/2019)		
Member of the Audit Committee – Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	€ 40,012.00	n.a.
Start of the term of office on 16.04.2019 (from 16/04/2019 to 31/12/2019)		
Chairman of the Audit Committee – Manuel Guilherme Oliveira da Costa	€ 28,525.00	n.a.
Member of the Audit Committee – Ana Filipa Mendes de Magalhães Saraiva Mendes	€ 28,525.00	n.a.
End of the term of office on 16.04.2019 (from 01/01/2019 to 16/04/2019)		
Chairman of the Audit Committee – Alexandre de Azeredo Vaz Pinto	€ 18,467.00	n.a.
Member of the Audit Committee – António Soares Pinto Barbosa	€ 18,467.00	n.a.
Total	€ 133,996.00	€ 0.00

82. Indication of the remuneration in the reference year of the Chairman of the Board to the General Meeting.

The Chairman of the Board of the General Meeting Board earned the sum of 6,500 euros for the performance of his duties during the financial year of 2019.



V

AGREEMENTS WITH REMUNERATION IMPLICATIONS

- 83. Established contractual limitations to compensation payable for the unfair dismissal of directors and its relevance to variable component of remuneration.**

There are no established contractual limitations to compensation payable for the unfair dismissal of directors. In this case, the provisions of article 403, number 5 of the Commercial Companies Code shall apply.

- 84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to number 3 of article 248-B of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (article 245-A, number 1, subparagraph I)).**

There are no agreements whatsoever between the company and members of the management body and directors, pursuant to number 3 of article 248-B of the Securities Market Code, which foresee the payment of indemnities in the case of resignation, dismissal without just cause or termination of the work contract, following a change of company control.

VI

SHARE ALLOCATION AND/OR STOCK OPTION PLANS

- 85. Details of the plan and persons included therein.**

There is no share allocation and/or stock option system in the company.

- 86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase shares and/or exercise options).**

See point 85.

- 87. Stock option rights for company employees and staff.**

See point 85.

- 88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (article 245-A, number 1, subparagraph e)).**

See point 85.



E. TRANSACTIONS WITH RELATED PARTIES

I

CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept arising from IAS 24).

In 2019, the Board of Directors approved the Policy on Appreciation and Control of Transactions with Related Parties and Prevention of Conflicts of Interest, which establishes that the execution of transactions with related parties is subject to the supervision of the Audit Committee, without prejudice to the approval by the Board of Directors.

The Policy on Appreciation and Control of Transactions with Related Parties and Prevention of Conflicts of Interest defines "Relevant Transaction" as "legal transactions, whether costly or free of charge, or any transfer of resources, services or obligations worth one million euros or more".

The conduct of Relevant Transactions requires the Audit Committee's favourable prior opinion. If the Audit Committee issues an unfavourable opinion, the management body may decide to go ahead with the Relevant Transaction, demonstrating, in a substantiated manner, that this transaction is especially important and advantageous in the pursuit of IMPRESA's corporate interest, despite the Audit Committee's position.

Contracts concluded between the Company and its directors, directly or through intermediaries, must be authorised previously by determination of the Board of Directors, in which the interested party cannot vote, and receive the favourable prior opinion of the Audit Committee, otherwise they will be deemed null and void.

90. Details of transactions that were subject to control in the reference year.

In 2019, a contract for the provision of television production services between SIC and SP Televisão was subject to approval by the Audit Committee. The Audit Committee assessed the terms of the contract and concluded that it forms part of the day-to-day development of SIC's business, considering the defined terms and conditions to be normal. Furthermore, the technical specifications relative to the Amendments to the Loan Agreements of Banco BPI, S.A. Were analysed.

91. Description of the procedures and criteria applicable to the intervention of the supervisory board for the purpose of prior assessment of business to be carried out between the company and owners of qualifying holdings or entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code.

See point 89.



II

DATA ON BUSINESS DEALS

- 92. Indication of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of this information.**

The information on business dealings with related parties is reported in Note 34 of the Notes to the Consolidated Financial Statements of IMPRESA.

DIVERSITY OF THE MANAGEMENT AND SUPERVISORY BODIES

- 93. Diversity of the management and supervisory bodies.**

Diversity is, of course, part of IMPRESA's organisational culture, reflected in the vast and diverse professional experience of its Directors (as evidenced by the biographies in this report) and in the age of its members, with a view to maintaining a balance between seniority and youth.

For the 2019-2022 four-year period, the General Meeting elected two women to the Board of Directors, with a total of 7 members, one of whom has been a Board member for 12 years. The issue of gender equality is one of the founding principles of the IMPRESA Group and this is the premise that guides the measures included in the Plan for Equality, disclosed by the Group. It provides for the development of measures and actions, to be implemented in 2020, that promote conditions of professional integration and career development on equal terms for men and women, encouraging the elimination of gender discrimination and promoting practices that facilitate the reconciliation of family and personal and professional life.

The process of selection of candidates for election of the members of the Board of Directors should promote diversity and integration of different skills, training and professional experience, while seeking to boost a balanced gender representation, in conformity with article 3, number 3 of the Regulation of the Board of Directors.



PART II

ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted Corporate Governance Code.

The company has adopted the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG).

2. Analysis of compliance with the adopted Corporate Governance Code.

RECOMMENDATIONS:

Chapter I - GENERAL PROVISIONS

I.1. Company's relationship with investors and disclosure

I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous form, the production, management and timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.

Adopted (Points 54 to 65).

I.2. Diversity in the composition and functioning of the company's governing bodies

I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.

Adopted (Points 16 to 19, 25, 26 and 93).

In conformity with article 2, number 4 of the Regulation of the Board of Directors, the proposals for election of the members of the Board of Directors should be submitted to the General Meeting duly substantiated with respect to the candidate's profile and curriculum, so that the shareholders can appraise the candidate's adequacy to the duties to be performed.

According to article 3 of the Regulation of the Board of Directors, the members of the Board of Directors should show high ethical principles, values and behaviour compatible with the standards required for the performance of their duties at the Company, as well as capacity to exercise critical, pondered, constructive and independent judgements. The members of the Board of Directors should also show appropriate availability and professional qualifications, which requires taking the following factors into account:



- a) academic qualifications, specialised training and professional experience in relevant fields for the Company's activity;
- b) nature, size and complexity of previous activities, in particular, length of service, seniority and responsibilities;
- c) nature, size and complexity of the duties that shall be performed at the Company.

I.2.2. The company's management and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, and detailed minutes of the meetings of each of these bodies should be carried out.

Adopted (Points 21, 22, 27 and 29).

I.2.3. The internal regulations of the governing bodies — the management body, the supervisory body and their respective committees — should be disclosed, in full, on the company's website.

Adopted (Points 22, 27, 29 and 34).

I.2.4. The composition, the number of annual meetings of the management and supervisory bodies, as well as of their committees, should be disclosed on the company's website.

Adopted (Points 17, 18, 23, 29, 31 and 35).

I.2.5. The company's internal regulations should provide for the existence and ensure the functioning of mechanisms to detect and prevent irregularities, as well as the adoption of a policy for the communication of irregularities (whistleblowing) that guarantees the suitable means of communication and treatment of those irregularities, but safeguarding the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.

Adopted (Point 49) In addition to the adoption of the Regulation on Procedures to be Adopted for Reporting Irregularities, the Regulations of the Board of Directors, the Audit Committee and the Corporate Governance Committee also provide for the detection and prevention of irregularities and conflicts of interest.

I.3. Relationships between the Company bodies

I.3.1. The articles of association, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the management and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the management board, without impairing the access to any other documents or people that may be requested for information.

Adopted (Points 21, 29 and 55).



I.3.2. Each of the company's bodies and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the articles of association, of each of the remaining bodies and committees.

Adopted (Points 21, 29 and 55).

I.4. Conflicts of interest

I.4.1. The duty should be imposed, to the members of the company's bodies and committees, of promptly informing the respective body or committee of facts that could constitute or give rise to a conflict between their interests and the company's interest.

Adopted. In accordance with article 11 of the Regulation of the Board of Directors, the members of the Board of Directors must promptly inform the Chairman of the Board of Directors about facts that could constitute or give rise to a conflict between their own interests and corporate interests, and must abstain from participating and voting in the meeting at which the respective matter is discussed and voted on, without prejudice to the duty to provide information and clarifications requested by the Board of Directors.

Business conducted between the Company and any of its participated companies with directors, owners of the qualifying holdings, or entities with which these are in any relationship, must be authorised by the Board of Directors.

The prevention and detection of situations of conflicts of interest are subject to the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, available for consultation on the IMPRESA Group website (www.impresa.pt), without prejudice to all other duties arising from the law and internal regulations.

I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.

Adopted. In accordance with article 11, number 2 of the Regulation of the Board of Directors, article 5, number 5 of the Regulation of the Audit Committee and article 9, number 1 of the Policy for the Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, in the decisions of the Board of Directors, Executive Committee (when applicable) or Audit Committee, should any of its members be prevented from deciding on the matter under discussion at the meeting, due to a potential conflict of interest, they shall declare themselves to be prevented from participating and intervening in the respective discussion and voting, without prejudice to the duty to provide information and clarifications as requested by the body in question.

I.5. Related party transactions

I.5.1. The management body should define, in accordance with a previous favourable and binding opinion of the supervisory body, the type, the scope and the minimum individual or aggregate value of related party transactions that: (i) require the previous authorization of the management board, and (ii) due to their increased value require an additional favourable report of the supervisory body.



Adopted (Points 89 to 91).

I.5.2. The management body should report all the transactions contained in Recommendation 1.5.1. to the supervisory body, at least every six months.

Adopted. In conformity with article 4, number 7 of the Policy for Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest and with article 11, number 5 of the Regulation of the Board of Directors, the Board of Directors reports to the Audit Committee on a biannual basis on transactions with Related Parties.

Chapter II - SHAREHOLDERS AND GENERAL MEETING

II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.

Adopted (Points 1, 5, 6 and 12 to 14).

II.2. The company should not adopt mechanisms that make decision-making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.

Adopted (Points 1, 5, 6 and 12 to 14).

II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.

Partially adopted. The company ensures the exercise of voting rights through postal votes, but not by electronic means. The company considers that, given the concentration of the capital structure (existence of a majority shareholder) and the culture of proximity that characterises the Group, the physical participation of shareholders or their representatives should be promoted, to the detriment of means that, besides not having been requested by them and whose absence does not constitute an obstacle to the exercise of voting rights, may increase the risk of dissemination of information outside the universe of shareholders and entail high implementation costs, ultimately diverging from those that are the interests of the company and its shareholders.

II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.

Not adopted. The company considers that, given the concentration of the capital structure (existence of a majority shareholder) and the culture of proximity that characterises the Group, the physical participation of shareholders or their representatives should be promoted, to the detriment of means that, besides not having been requested by them and whose absence does not constitute an obstacle to the exercise of voting rights, may increase the risk of dissemination of information outside the universe of shareholders and entail high implementation costs, ultimately diverging from those that are the interests of the company and its shareholders.

II.5. The articles of association, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or



maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.

Not applicable.

II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the management body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the management body.

Adopted (points 4 and 83). The contracts referred to in point 4 of the report are not likely to harm the economic interest of the company in the transfer of shares and the free assessment by shareholders of the performance of directors, since, considering the size of the company and the concentration of the capital structure (existence of a majority shareholder), they have as a condition of ownership the maintenance of this participation as a guarantee of the continuity of management stability, as well as the credibility of the company in the market where it operates.

Chapter III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

III.1. Without prejudice to question the legal powers of the chair of the management body, if he or she is not independent, the independent directors should appoint a coordinator (lead independent director), from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the management body, as established in Recommendation V.1.1.

Not adopted. The company considers that the current size and structure of the board of directors does not justify the appointment of a lead independent director. Of the 7 members that make up this body, 3 are also members of the Audit Committee, and only 1 of the directors is not part of the specialised committees.

III.2. The number of non-executive members of the management body, as well as the number of members of the supervisory body and the number of members of the financial matters committee must be appropriate to the size of the Company and the complexity of the risks inherent in its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed.

Adopted (Points 17, 18, 31 and 32). For the 2019-2022 four-year period, the management body is composed of 6 non-executive members (of which 3 members belong to the Audit Committee) and 1 executive member, who exercises the position of Chief Executive Officer. The Company considers that the number of non-executive directors is adequate and ensures the effective monitoring, supervision, inspection and evaluation of the company's management activity, taking into account, in particular, its size, shareholder structure, as well as the characteristics inherent to its activity.

III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.

Adopted (Points 17 and 18).



III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

- (i) Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;**
- (ii) Having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;**
- (iii) Having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;**
- (iv) Having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship, in addition to the remuneration resulting from the exercise of a director's duties;**
- (v) Living in a non-marital partnership or being the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings;**
- (vi) Being a qualifying shareholder or representative of a qualifying shareholder.**

Adopted. Among the six non-executive members, the following four members are independent, considering the criteria contained in recommendation III.4 of the IPCG Code: Manuel Guilherme Oliveira da Costa, Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia, João Nuno Lopes de Castro and Ana Filipa Mendes de Magalhães Saraiva Mendes.

III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).

Not applicable.

III.6. Non-executive directors should participate in the definition, by the management body, of the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

Adopted (Points 18, 21 and 29). The present composition of the Board of Directors gives it an eminently non-executive character. Of its 7 members, only the Chief Executive Officer assumes executive functions.

The definition of the Group's strategic options and the organisation and coordination of its corporate structure are the responsibility of the Board of Directors and are among the matters that cannot be delegated to the Chief Executive Officer. The Strategy Committee has been set up within the Board of Directors and must be assisted in this matter.



Within this framework, the non-executive directors, within the Board of Directors, participate in the definition of the main objectives and policies of the Group, making the Chief Operating Officers ("COO") responsible for their implementation.

On a monthly basis, within the Board of Directors, the non-executive directors assess strategic execution not only through the use of financial and operational indicators, but mainly through the Chief Executive Officer's presentations on the challenges and risks facing the Group, bringing to discussion the initiatives to be adopted to achieve the defined strategic objectives.

III.7. The general and supervisory board should, within its legal and statutory competences, collaborate with the management body in defining the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

Not applicable.

III.8. The supervisory body, in observance of the powers conferred to it by law, should, in particular, monitor, evaluate, and pronounce itself on the strategic lines and the risk policy defined by the management body.

Not adopted. The members of the Audit Committee, within the scope of their general duties, supervise the management of the company and, as members of the Board of Directors, participate in the definition of strategic options. In addition, the Chairman of the Audit Committee sits as non-executive director on the Strategy Committee.

As regards risks, the Audit Committee is responsible for monitoring, evaluating and commenting on the risk policy to be defined by the Board of Directors and for monitoring and evaluating the risk management system and the internal control system.

III.9. Companies should create specialised internal committees that are adequate to their dimension and complexity, separately or cumulatively covering matters of corporate governance, remuneration, performance assessment, and appointments.

Partially adopted (Point 29). The company has a Corporate Governance Committee, created within the Board of Directors, which is responsible for assessing the overall performance of the Chief Executive Officer. It also has a Remuneration Committee which, although not an "internal committee", under the Glossary of the IPCG Code, is appointed by the General Meeting of Shareholders and is responsible for setting the remuneration of each of the directors, taking into account the duties performed and the economic situation of the Company. In this respect, the Company considers that the existence of this Committee is sufficient for the pursuit of good practices with regards to remuneration.

As regards the creation of a Nomination Committee, the company considers that its size and the concentration of the capital structure (existence of a majority shareholder) do not justify it. However, article 2 of the Regulation of the Board of Directors provides that the proposals for election of the members of the Board of Directors should be submitted to the General Meeting duly substantiated with respect to the candidate's profile and curriculum, so that the shareholders can appraise the candidate's adequacy to the duties to be performed.



III.10. Risk management systems, internal control and internal audit systems should be structured in terms adequate to the dimension of the company and the complexity of the inherent risks of the company's activity.

Partially adopted (Points 29 and 50 to 55). Although the Company does not currently have an internal audit department, the implementation of internal control systems is the responsibility of the Risk Management Committee, the Assets, Risk and Sustainability Department, the Financial Department, the Legal Affairs Department and the Institutional Relations Department, which work together according to the complexity of the risks inherent to the company's activity. For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services.

III.11. The supervisory body and the committee for financial affairs should supervise the effectiveness of the systems of risk management, internal control and internal audit, and propose adjustments where they are deemed to be necessary.

Adopted (Points 29 and 55).

III.12. The supervisory body should provide its view on the work plans and resources of the internal auditing service, including the control of compliance with the rules applied to the company (compliance services) and of internal audit, and should be the recipient of the reports prepared by these services, at least regarding matters related with approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.

Partially adopted (Points 21, 29, 49 and 50 to 55). The Risk Management Committee holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.

According to article 7, number 1, subparagraph g) of the Regulation of the Audit Committee, it is responsible for monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of preparation of financial information, without breaching its independence and proposing to the Chief Executive Officer measures aimed at improving its operation that prove necessary;

The Audit Committee is the main interlocutor of the Statutory Auditor, namely within the scope of the audit of the accounts, its reports and conclusions, and appraisal of the internal control system.

Chapter IV – EXECUTIVE MANAGEMENT

IV.1. The management body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

Adopted. See article 2, number 3 and articles 7 ("Delegation of Powers") and 8 ("Scope of Delegation of Powers") of the Regulation of the Board of Directors.



IV.2. The management body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.

Adopted (Point 21) See articles 7 (“Delegation of Powers”) and 8 (“Scope of the Delegation of Powers”) of the Regulation of the Board of Directors.

IV.3. In matters of risk assumption, the management body should set objectives and look after their accomplishment.

Not adopted. However, there is a follow-up and monitoring system for the risks listed in point 53, and this mission is the responsibility of the Risk Management Committee, the Asset, Risk and Sustainability Department, the Financial Department, the Legal Affairs Department and the Institutional Relations Department, which work in articulation, taking into account the complexity of the risks inherent to the company's activity (point 54).

IV.4. The supervisory body should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the management body.

Not adopted. The Audit Committee is responsible for monitoring, evaluating and commenting on the risk policy to be defined by the Board of Directors, and for monitoring and evaluating the risk management system and the internal control system. To this end, the Audit Committee meets regularly with the Risk Management Committee, the Statutory Auditor and, on a monthly basis, evaluates the financial and operational indicators that are regularly provided to it.

Chapter V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT

V.1. Annual evaluation of performance

V.1.1. The management body should annually evaluate its performance as well as the performance of its committees and delegated directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.

Partially adopted. The Corporate Governance Committee is responsible for assessing the performance of the Chief Executive Officer, in accordance with article 6, number 2, subparagraph b), clause ii) of the Regulation of the Corporate Governance Committee. The minutes of the Corporate Governance Committee meetings, which include the assessment of the performance of the Chief Executive Officer, as well as his self-assessment, are presented to the Board of Directors.

In accordance with article 7, number 5 of the Regulation of the Board of Directors, non-executive directors are also responsible, pursuant to the law, for the general surveillance of the action of the Chief Executive Officer. (Point 24).



In accordance with Article 7, number 6 of the same Regulation, the creation by the Board of Directors of specialised committees for the practice of certain management acts shall be subject to the same surveillance by the Board of Directors.

V.1.2. The supervisory body should supervise the company's management, especially, by annually assessing the accomplishment of the company's strategic plans and of the budget, the risk management, the internal functioning of the management body and its committees, as well as the relationship with the company's other bodies and committees.

Partially adopted (Points 29 and 55). See also III.6., considering that the Audit Committee is composed of 3 non-executive directors.

V.2. Remuneration

V.2.1. The remuneration should be set by a committee, the composition of which should ensure its independence from management.

Adopted (Points 66 and 67).

V.2.2. The remuneration committee should approve, at the start of each term of office, execute, and annually confirm the company's remuneration policy for the members of its boards and committees, including the respective fixed components. As to executive directors or directors periodically invested with executive duties, in the case of the existence of a variable component of remuneration, the committee should also approve, execute, and confirm the respective criteria of attribution and measurement, the limitation mechanisms, the mechanisms for deferral of payment, and the remuneration mechanisms based on the allocation of options and shares of the company.

Adopted (Points 69 to 72).

V.2.3. The statement on the remuneration policy of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, shall also contain the following:

- (i) The total remuneration amount itemised by each of its components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the adopted remuneration policy, including how it contributes to the long-term performance of the company, and information on how the performance criteria were applied;**
- (ii) Any remuneration from companies that belong to the same group as the company;**
- (iii) The number of shares and share options granted or offered, and the main conditions for the exercise of those rights, including the exercise price and date and any change thereof;**
- (iv) Information on the possibility to request the reimbursement of variable remuneration;**
- (v) Information on any deviation from the procedure for the implementation of the approved remuneration policy, including the explanation of the nature of the exceptional circumstances and the indication of the specific elements subject to derogation;**
- (vi) Information on the enforceability or non-enforceability of payments claimed in regard to the termination of office by directors.**

Partially adopted, namely, in relation to sub-points (i), (ii) and (iii).



V.2.4. For each term of office, the remuneration committee should also approve the directors' pension benefit policies, when provided for in the articles of association, and the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office.

Not adopted with regards to the pension scheme (the plan in force for the CBD is prior to IMPRESA's stock market flotation. As to the second aspect, in the absence of contractual limitations foreseen for the compensation to be paid for dismissal without just cause of a director, the provisions of article 403, no. 5 of the Commercial Companies Code shall apply (Point 83).

V.2.5. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's bodies and committees or, if such presence has been requested by the shareholders.

Adopted (Point 67).

V.2.6. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties. The remuneration committee should ensure that the services are provided independently and that the respective providers do not provide other services to the company, or to others in a controlling or group relationship, without the express authorisation of the committee.

Adopted (Point 67).

V.3. Director remuneration

V.3.1. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.

Adopted (Point 69).

V.3.2. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.

Adopted (Point 69).

V.3.4. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.

Not applicable.



V.3.5. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.

Not adopted (Points 21 and 69). As referred to in point 69, considering the current duties of the Chairman of the Board of Directors, stipulated in the organisation and management model of the IMPRESA Group, and set out in point 21, the Remuneration Committee deliberated to extend the application of the variable remuneration model also to the Chairman of the Board of Directors. As for the remuneration of the remaining non-executive directors, the recommendation is adopted.

V.3.6. The company should be provided with suitable legal instruments so that the termination of a director's time in office before its term does not result, directly or indirectly, in the payment to such director of any amounts beyond those foreseen by law, and the company should explain the legal mechanisms adopted for such purpose in its corporate governance report.

Adopted (Points 83 and 84).

V.4. Appointments

V.4.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.

Adopted. See recommendation I.2.1..

V.4.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.

Not applicable. As also mentioned in recommendation III.9, with regard to the creation of a Nomination Committee, the company considers that its size and the concentration of the capital structure (existence of a majority shareholder) do not justify it. However, article 2 of the Regulation of the Board of Directors provides that the proposals for election of the members of the Board of Directors should be submitted to the General Meeting duly substantiated with respect to the candidate's profile and curriculum, so that the shareholders can appraise the candidate's adequacy to the duties to be performed.

V.4.3. This nomination committee includes a majority of non-executive, independent members.

Not applicable. See previous point V.4.2..

V.4.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.

Not applicable. See previous point V.4.2..



Chapter VI - RISK MANAGEMENT

VI.1. The management body should debate and approve the company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.

Partially adopted (Point 21). With regards to the risk policy, see explanation of recommendation IV.3.

VI.2. Based on its risk policy, the company should establish a system of risk management, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; (iv) the monitoring procedures, aiming at their follow-up; and (v) the procedure for control, periodic evaluation and adjustment of the system.

Adopted (Points 29 and 50 to 55).

VI.3. The company should annually evaluate the level of internal compliance and the performance of the risk management system, as well as future perspectives for amendments of the risk framework previously defined.

Adopted (Points 29, 50 to 54).

Chapter VII – FINANCIAL INFORMATION

VII.1. Financial information

VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the management body, including suitable accounting policies, estimates, judgements, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.

Adopted (Point 29) See article 7 ("Powers") of the Regulation of the Audit Committee.

VII.2. Statutory audit of accounts and supervision

VII.2.1. Through the use of internal regulations, the supervisory body should define:

- (i) The criteria and the process of selection of the statutory auditor;**
- (ii) The methodology of communication between the company and the statutory auditor;**
- (iii) The monitoring procedures destined to ensure the independence of the statutory auditor;**
- (iv) The services, besides those of accounting, which may not be provided by the statutory auditor.**

Adopted (Point 29).

VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.

Adopted (Point 29).



VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.

Adopted (Point 29).

VII.2.4. The statutory auditor should, within their powers, verify the application of policies and systems of remuneration of governing bodies, the effectiveness and the functioning of the mechanisms of internal control, and report any irregularities to the supervisory body.

Not applicable.

VII.2.5. The statutory auditor should collaborate with the supervisory body, immediately providing information on the detection of any relevant irregularities as to the accomplishment of the duties of the supervisory body, as well as any difficulties encountered whilst carrying out their duties.

Not applicable.

Lisbon, 19 March 2020

The Board of Directors:

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira e Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

Ana Filipa Mendes de Magalhães Saraiva Mendes



Consolidated Report On Non-Financial Information

Annual Report 2019



CONSOLIDATED REPORT ON NON-FINANCIAL INFORMATION - 2019

(SOCIAL, ENVIRONMENTAL AND GOVERNMENTAL DIMENSION)



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INTRODUCTION

The IMPRESA Group fully undertakes its increased social responsibility, since most of its companies operate in the media area and due to the consequent impact it has on society.

For this reason, since the launch of the Expresso newspaper in January 1973, IMPRESA has always sought to govern its activity based on a set of values and pursuing objectives associated to them:

- Defence of freedom of expression;
- Role of the independent media and quality in the functioning of democracy;
- Development of strong relations with stakeholders, local communities and Portuguese society in general;
- Focus on talent and human capital;
- Conservation and defence of the environment.

In this context, throughout the year of 2019, several actions were developed by the Group's main media, being the object of reference in the following pages.



1. COMMITMENT AND SOCIAL RESPONSIBILITY DIMENSION

1.1. EXTERNAL LEVEL

1.1.1 SIC ESPERANÇA

SIC Esperança is a Private Institution of Social Solidarity (IPSS), of public utility, transversal to the IMPRESA Group, whose purpose is to make civil society aware of the social problems that, unfortunately, still exist in Portugal. To achieve this objective, SIC Esperança works in partnership with companies to finance projects and with institutions that carry them out under its supervision, thus contributing to the solution or minimisation of these problems and to the construction of a fairer and less inequitable country.

In 2019, SIC Esperança counted once again on the IMPRESA Group for the dissemination of several social solidarity actions. Throughout the year, the SIC, SIC Notícias and SIC Mulher channels provided about 25 hours free of charge in the public service slot. Fifty-two campaigns of Private Social Solidarity Institutions were announced, namely: Aldeias SOS [Villages SOS] Liga Portuguesa Contra o Cancro [Portuguese League Against Cancer], Associação de Mulheres Contra a Violência [Association of Women Against Violence], Associação para a Promoção da Segurança Infantil [Association for the Promotion of Children's Safety], Make a Wish, and APAV, among others.

Projects

- In January 2019, SIC Esperança once again teamed up with Google.org and Ayuda en Acción for the implementation of the 2nd Edition of the GEN10S Portugal project. This edition's objectives were much more ambitious, setting a target of 6,000 students who will benefit from these training actions, whose mission is to promote equal opportunities in the digital area and reduce socio-economic and gender barriers.
- SIC Esperança established a partnership with the Associação Terra Amarela [Yellow Earth Association] which enabled the award of 13 Criação Artística [Artistic Creation] grants, with a total value of 3,000 euros, to artists with disabilities. The Criação Artística Grants were awarded on 7 February, at the Iberian Theater in Lisbon, after the premier of the play



"Romeo Loves Juliet", interpreted by the actors of the Crinabel Theatre Group, recipients of the grants. The cheque was delivered by the actor Albano Jerónimo.

- The project "Eu Quero Ser" [I Want to Be], from APPT21 was concluded. The support of SIC Esperança, in partnership with Porto Editora, enabled the award of 21 internship grants to young people with mild disorders of intellectual development.
- In March 2019, the central region of Mozambique was hit by cyclone IDAI which ravaged the country. Faced with this catastrophe, SIC and Expresso joined SIC Esperança for the launch of the Support Mozambique campaign, which was born from the initiative of the Luso-Mozambican artist from the band Quinta do Bill, Carlos Moisés, who mobilised a group of musicians to create an anthem of support to Mozambique, entitled "Terra Mãe Que Fala" [Earth Mother that Speaks] and challenged SIC Esperança to develop the fundraising project. To this end, a campaign with a value-added telephone line was created, and SIC Esperança's bank account was also provided to receive donations from anonymous people. Approximately 240,000 euros were raised, which have permitted the construction of about 60 homes in the region of Dondo.
- With regard to support for the devastated areas in Mozambique, SIC Esperança also partnered with Compal and APOIAR - Portuguese Association of Assistance to Africa in launching the initiative "Ajude-nos a Ajudar Moçambique" [Help Us Support Mozambique], which aimed to rebuild two schools in the province of Beira that were destroyed as a result of cyclone IDAI. The campaign consisted of the sale of "Compal da Terra", with the total sales value having been donated to SIC Esperança. The construction of two schools will benefit 1,541 children from Dondo. The project also provides daily meals and school supplies to the basic education students of these schools for one school year.
- In partnership with the consultancy AKA, "Faz Parte" [Is Part Of] was designed, an awareness raising project that aims to create a movement capable of mobilizing Portuguese society around themes that seek a better and more sustainable world, not only in the present but that will last for future generations, based on the UN's Sustainable Development Goals (SDGs). This movement is intended to continue until 2030, the date set by the UN for the pursuit and conclusion of the objectives set. As part of this project, a computer database was developed which contains several potential partner companies, and therefore several meetings were held to present the project. An APP was also developed to support the project.



- An informal partnership was established with the Associação Terra Amarela, with a view to creating the first inclusive arts centre in Portugal, where young people with physical and/or intellectual disabilities, or other young people from low-income social groups, can graduate in theatre, dance and music. In this sense, the Association mentioned above presented the budget and a model for this inclusive academy. SIC Esperança established a partnership with Capital do Natal, responsible for a Christmas theme park, which opened its doors for the first time in Oeiras between November 2019 and January 2020, and for each ticket sold, 1 euro went towards building this centre.
- The project "É um Restaurante" [It's a Restaurant] was inaugurated, one of the winners of the 15 Years SIC Esperança Special Prize - Delta. This is a restaurant, located in the centre of Lisbon, where people who were homeless work.
- As a social partner of the 2019 edition of the Expresso/BPI Golf Cup, SIC Esperança allocated the amount raised to the project "Ésmúsica Rabo Peixe", developed by the Ésmúsica Rabo Peixe Musical Association, on the Island of São Miguel. This project aims to promote the social inclusion of about 80 children and young people through the teaching of different musical instruments such as piano, bass, flute and guitar.
- For the 7th consecutive year, a Christmas project was launched by SIC Esperança and Porto Editora (in partnership), in which, for each children's book sold with the Alfa & SIC Esperança Christmas Campaign sticker, 1 euro reverted to develop the Movement S, which aims to mobilise children, parents and professors for the adoption of a healthy life style. The presenter Andreia Rodrigues was the public figure of this campaign.
- SIC Esperança joined Girl Move and provided a two-day internship for two participants in this project. One intern was at SIC Esperança and another was at Expresso.
- The 8th edition of the SIC Esperança Award – Rock in Rio Solar School was launched. One hundred and seventy-six applications were received. However, for the first time, the selection board decided not to award the prize, as it concluded that there were no projects that met all the requested criteria or had the desired quality.
- SIC Esperança became a partner of Giving Tuesday Portugal, for its innovative character and impact on society. Giving Tuesday is a movement that emerged in 2012 in the United States of America, focused on a small community where the population was encouraged to



donate to institutions in this area. Over the years, it has become a great worldwide solidarity movement, and today it is a community of millions of people who are fighting together for a more generous and inclusive world. This event is always celebrated on the first Tuesday after Black Friday and in 2019 it was celebrated for the first time in Portugal on 3 December.

Internal Actions

- Following the support provided to Mozambique, SIC Esperança launched the Mochila Esperança (Hope Backpack), challenging workers of the IMPRESA Group to donate basic necessities (such as pots, pasta, rice, clothes or canned goods), later organized in backpacks, to vulnerable families affected by cyclone IDAI. EDP, Águas de Portugal and Lusíadas Saúde joined this campaign and developed internal initiatives. In total, it was possible to deliver 5,000 Hope Bags to Mozambique, of which 500 resulted from the participation of IMPRESA's workers. In July, the Chairperson and Executive Director of SIC Esperança went to the Beira region to attend the backpack delivery event.
- With the aim of promoting social contact in the buildings of the IMPRESA Group, SIC Esperança launched the project SIC Esperança 2019 Participatory Budget, through which it encouraged the workers of the Group to present proposals for the creation of new spaces or the development of initiatives, within IMPRESA buildings (Paço de Arcos and Matosinhos), which aim to promote greater interaction among all. Twenty-five proposals were received and, after the workers' vote, the following won:
 - **Leisure area:** Transformation of a previously reserved outdoor space into a leisure area, providing it with equipment for that purpose.
 - **After Works:** On the last Friday of each month of the summer period, a meeting between the workers of the Group is held, between 18h00 and 19h00, with the purpose of increasing conviviality.
- The 3rd edition of the IMPRESA Holiday Camp was held between 8 and 13 July 2019. The organisation was led by 2 coordinators and 9 monitors and, for this edition, SIC Esperança brought a new dynamic to the team of monitors, inviting the older children of IMPRESA's employees to be part of this group, with 3 monitors with this profile having been selected. In this edition of the IMPRESA Holiday Camp, a total of 73 enrolments were registered and 64 participants were confirmed.



- At the beginning of the year, SIC Esperança launched the IMPRESA 2019 Voluntary Action initiative, in which the Group's workers were challenged to suggest Social Solidarity Institutions where volunteering activities could be carried out throughout the year. Twenty-seven proposals were received. Two of the proposed initiatives have been implemented:
 - **Refood:** On 17 October, on International Day for the Eradication of Poverty, the workers of the IMPRESA Group participated in voluntary work organised by SIC Esperança, in partnership with Refood. The volunteers took part in several groups of this association, in Lisbon and Porto, contributing with two hours of work.
 - **Campo de Ourique Volunteer Firefighters:** During the 22, 23 and 24 November 2019, the rundown fire station was refurbished with the help of the Group's workers. The dormitories, the women's bathroom, the living room and the kitchen were transformed, thus contributing to improve the working conditions of the volunteer firemen who work there, in what was the first corporation in the country to integrate women in its forces.

Other initiatives

- With the support of the IMPRESA Group, SIC Esperança, as a Private Institution of Social Solidarity, promoted a campaign to donate to this entity the assignment of 0.5% of personal income tax. The presenter Andreia Rodrigues was the public figure of this campaign.
- As a social partner of Capital do Natal, SIC Esperança awarded 2,000 tickets to beneficiaries of 74 Social Solidarity Institutions in the country, who were thus able to visit the thematic space on 2 and 3 December 2019, and also on 10 January 2020, in an initiative to contribute to access to culture for all.
- In partnership with SIC Notícia's Volante programme, SIC Esperança identified two social solidarity institutions, the Help Association and the Champs Academy, which were part of a solidarity programme at Christmas. About 60 children received a visit from the presenters of the programme, Pedro Amante and Rui Pedro Reis, as well as José Figueiras and João Pedro Pais, who were responsible for distributing gifts.
- As part of the communication actions of the soap opera "Nazaré" and considering that one of the main storylines is linked to solidarity and surf, the production of the soap opera planned a surf lesson in solidarity with some actors. SIC Esperança was challenged to



select a group of beneficiaries of an IPSS to participate in this activity. Thus, 14 young people, between the ages of 8 and 12, supported by the Santa Casa da Misericórdia of Almada, enjoyed this experience.

- During 2019, SIC Esperança organised, with the support of SIC and NOS, the donation of computers and monitors to 5 schools, identified by employees of the IMPRESA Group, with computer needs. SIC and NOS provided 50 monitors and NOS 86 computers, which allowed improved access to technology for students from the 5 schools involved.
- SIC Esperança joined the Oeiras Collaboration Week, providing a visit to the premises of the IMPRESA Group to a group of 25 pre-school children and 2 teachers from the Sagrada Família Centre.

1.1.2. CULTURE

The media of the IMPRESA Group continued to support cultural events in 2019, through the dissemination of content and other actions:

Support to performing arts and other cultural initiatives

In the area of musical and cultural performances, the SIC Group supported a total of 77 events related to music, the performing arts or culture. The SIC brand was present in most of the event venues to foster proximity, namely the Rock in Rio, Super Bock Super Rock, Sumol Summer Fest, Meo Sudoeste and EDP Vilar de Mouros music festivals, as well as Rui Massena's classical music concert and the musicals Phantom of the Opera and Amar Amália [Love Amália].

Special conditions for advertising

Cultural initiatives and other events of an institutional nature benefited from price discounts to advertise with IMPRESA Group brands.

Programa Cartaz

The "Programa Cartaz" [Billboard Programme] is one of the oldest programmes on the air at SIC Notícias. First, as an item within the SIC Notícias Night edition and later, as a stand-alone programme.



The "Programa Cartaz" is dedicated to national and international culture. From theatre to cinema, from music to plastic arts, from dance to literature, all areas are represented in the "Cartaz" programme where what one can see is anticipated and what one has not yet seen is shown. In and out of the country, there is a world to discover. And the protagonists are all included in "Cartaz".

Original é a Cultura

"Original é a Cultura" [Culture is Original] is a SIC programme aired from September to November 2019 and produced in partnership with the Portuguese Society of Authors, broadcast in the early hours of Saturday on SIC and rebroadcast on SIC Notícias on Sunday nights.

In an informal environment, the aim is to understand the culture of the different perspectives of the participants: Carlos Fiolhais, physicist and university professor, Dulce Maria Cardoso, writer, Ruy Vieira Nery, musicologist and university professor, with mediation by Cristina Ovídio.

1.1.3. INSTITUTIONAL INITIATIVES

The IMPRESA Group sought, during 2019, to promote and distinguish people and institutions, and use the means at its disposal to draw attention to major current affairs.

1.1.3.1. Expresso

Pessoa Award

Launched in 1987, by Expresso, this is one of the most important awards in the country, attributed every year to a Portuguese personality with relevant intervention in scientific, artistic and literary life.

The 2019 Jury was composed of Francisco Pinto Balsemão (Chairman), Emídio Rui Vilar (Deputy Chairman), Ana Pinho, António Barreto, Clara Ferreira Alves, Diogo Lucena, Eduardo Souto Moura, José Luis Porfírio, Maria Manuel Mota, Maria de Sousa, Pedro Norton, Rui Magalhães Baião, Rui Vieira Nery and Viriato Soromenho Marques.

In 2019, the award of the value of 60,000 euros was attributed to Tiago Rodrigues. The 42-year-old actor, playwright, director and producer and current artistic director of the D. Maria II National



Theatre is the 33rd winner of the Pessoa Award, an initiative of Expresso and Caixa Geral de Depósitos.

Primus Inter Pares Award

Launched in partnership with Banco Santander Totta, this award aims to contribute to the development of a culture of rigour, professionalism and excellence in business management, by providing privileged opportunities for complementary academic training, both nationally and internationally. Five final year Master's students are selected, following a licentiate degree in Business Management, Economics or Engineering, from Portuguese Universities, Schools or Other Higher Education Institutions, and whose merit the selection board intends to distinguish each year.

The prize for the three final year student winners consists of an MBA in a Business School of national and international prestige: IESE in Barcelona, IE Business School, in Madrid, Lisbon MBA, ISCTE, ISEG and Porto Business School. The other two final year students (classified in 4th place) receive a postgraduate course.

The selection board of the Primus Inter Pares Award is composed of Francisco Pinto Balsemão (Chairman), António Vieira Monteiro (Deputy Chairman), Estela Barbot, Miguel Poiares Maduro and Raquel Seabra.

The winner of the Primus Inter Pares 2018/19 Prize was Tomás Ambrósio, 23 years old, with a licentiate degree in Economics and a Master's degree in Finance, from Nova SBE.

Branquinho da Fonseca Award

Organised in partnership with the Calouste Gulbenkian Foundation, the objective of this biannual award, of the value of 5,000 euros and guaranteed publication of the winning works, is to encourage young writers of literature for children and young people.

The selection board is composed of Ana Maria Magalhães, Rita Taborda Duarte, José António Gomes, Henrique Monteiro, representative of the Expresso newspaper, and Maria Helena Melim Borges, representative of FCG.

In the last edition, concerning 2019, the Branquinho da Fonseca Award was attributed to Rui Miguel Cerqueira Coelho, in the children's literature category, for his work *A Migração das Alforrecas* [The



Migration of Jellyfish] and to Geremias José Mendoso, in the juvenile literature category, with *O Gato que Chora como Pessoa* [The Cat that Cries like a Person].

This was the last edition of the Award.

I have cancer. And then?

In 2018, IMPRESA launched the project "I have cancer. And then?", focusing on survival stories and the daily lives of women with breast cancer.

More than 400,000 people shared their stories and interacted with the project, which also involved the key stakeholders in oncology and the discussion of public health policies.

This editorial project of the IMPRESA Group - through the SIC and Expresso brands - enabled the creation of an information team in 2019 exclusively dedicated to this subject, which affects the lives of about 250,000 people in Portugal. This year, the project covered all channels - print, television and digital - involving patient associations, oncology societies and health service providers. In total, the project reached more than two million people and 30 associations, producing more than 150 stories with patients, specialists, stakeholders and doctors.

ESSILOR Car of the Year | Crystal Wheel Trophy 2019/2020

The 37th edition of the Essilor Car of the Year/Crystal Wheel Trophy was launched in June 2019, with the aim of highlighting the best products in the automotive sector.

The Organising Committee of the award has the mission of selecting the best car available in the national market, as well as the best cars in various segments: City, Family, Executive, Sport (includes convertibles), Compact SUV (includes Crossovers), Large SUV, Electric and Hybrid.

The 37th Edition includes cars which were sold between 1 January 2019 and 31 December 2019.

It is also important to mention, in place of the Ecological Award of the Year, which no longer exists, the fact that the Organising Committee of the Car of the Year created new categories dedicated exclusively to electric and hybrid cars, with the aim of underlining the importance of electrification in the automotive sector and reflecting the commitment and investment that manufacturers are making in the sector.



The selection board of the 37th edition is composed of 19 specialised journalists, representing the print media, digital media, radio and television, in a search for plurality of opinions. For the second time since the trophy has existed, the three largest Portuguese television channels, SIC, TVI and RTP, are members of the selection board.

- **Technology and Innovation Award**

In the 37th edition of the CAR OF THE YEAR Trophy, the organisation will again select five innovative and technologically advanced devices that directly benefit both driving and the driver. These will be appreciated and then voted by the selection board members simultaneously with the final vote.

Global Management Challenge

Launched in Portugal in 1980, the Global Management Challenge has become the largest International Strategy and Management Competition. It consists of an interactive business simulation in which each team manages a company with the aim of obtaining the best result.

This Portuguese initiative is organized by SDG - Simuladores e Modelos de Gestão and by the Expresso newspaper, and has achieved, over the years, a huge success, being today an event of high notoriety, visibility and prestige for the organisations that participate in it.

After its debut in Portugal in 1980, and following its success and recognition by companies, the competition became exportable and rapidly expanded around the world, gaining more and more prestige and participants. In its 40 years of existence, the Global Management Challenge has involved more than 650,000 company executives and university students from around the world. The success of this initiative is only possible due to the full involvement of its sponsors, supporters, selection board and media partners, and the thousands of teams that annually participate in this competition with the aim of winning the title of Best National Team and competing for the World Title.

The Prize: The winning team of the Global Management Challenge National Final wins an Intercontinental TAP trip for each team member, and represents Portugal in the International Final, facing the winning teams from the other 35 participating countries.



1.1.3.2. EXPRESSO ECONOMY AWARDS

In 2018, Expresso created new awards, with the support of Informa D&B and Deloitte, and in partnership with Caixa Geral de Depósitos.

The 2nd edition of the Expresso Economy | Caixa Geral de Depósitos Award, which took place in the CDG headquarters building, on the 18 December, was attributed to a number of companies and entrepreneurs for their merit, boldness and excellent work. Vasco de Mello, the chairman of the José de Mello group, was the grand winner of the Entrepreneur of the Year award. The Business Conquest of the Year award was attributed to Farfetch.

1.1.4. RELATIONS WITH STAKEHOLDERS

The presence of the IMPRESA Group in the various regulatory and self-regulatory bodies ensures participation in debates and proposals for amendments to draft laws, directives, regulations or standards that the government or the European Union submits to public consultation or to the entities where we are represented.

This was the case in 2019, in relation to issues of great importance, such as, among others:

- The defence of Publishers' Copyright and Related Rights in the digital single market;
- The fight against unbridled piracy has increasingly sophisticated means;
- The conclusion of the framework laws of the General Data Protection Regulation (RGPD);
- The misinformation propagated by social networks and false media;
- The unacceptable usurpation of content and the consequent diversion of advertising by large aggregators (Google, Facebook and others), without Europe succeeding in putting an end to these abuses, despite the efforts of some countries, a situation that causes enormous loss of revenue and endangers the survival of free information media.

During the year, the IMPRESA Group maintained and/or reinforced its presence in the corporate bodies of the following associations, as well as with Regulatory Entities:

- AEM – Associação de Empresas Emitentes de Valores Cotados em Mercados [Association of Issuers of Market Listed Securities] (Chairman of the General Council)
- AEP – Associação Empresarial de Portugal [Business Association of Portugal] (Member of the General Council)



- AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial [Portuguese Industrial Association/Corporate Confederation] (Deputy Chairman of the Board of Directors)
- AMD – Associação de Marketing Direto [Direct Marketing Association] (Board of Directors)
- ANACOM - Autoridade Nacional de Comunicações [National Communications Authority] (Advisory Board)
- ANETIE – Associação Nacional das Empresas de Tecnologia de Informação e Eletrónica [National Association of Information Technology and Electronic Companies] (Deputy Chairman of the General Meeting)
- APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Edition and Circulation Control Association] (Deputy Chairman of the Board of Directors)
- APDC – Associação Portuguesa para o Desenvolvimento das Comunicações [Portuguese Association for the Development of Communications] (Board of Directors)
- APDSI – Associação para a Promoção e Desenvolvimento da Sociedade de Informação [Association for the Promotion and Development of the Information Society] (General Council)
- API – Associação Portuguesa de Imprensa [Portuguese Press Association] (Chairman of the Board of Directors)
- CAEM – Comissão de Análise e Estudos de Meios [Commission for Media Analysis and Studies] (Board of Directors, Media Section and Technical Committee)
- Comissão de Classificação dos Meios de Comunicação Social [Media Classification Committee] (Chairman)
- COTEC - Associação Empresarial para a Inovação [Business Association for Innovation] (Chairman of the General Meeting)
- ERC – Entidade Reguladora para a Comunicação Social [Social Communication Regulatory Entity] (Advisory Board)
- Fórum para a Competitividade [Competitiveness Forum] (Advisory Board)
- GEDIP – Associação para a Gestão Coletiva de Direitos de Autor e de Produtores Cinematográficos e Audiovisuais [Association for the Collective Management of Copyrights and Cinematographic and Audiovisual Producers] (Chairman of the General Meeting)
- ICAP – Auto Regulação Publicitária [Advertising Self-Regulation] (Chairman of the General Meeting)



- MAPINET – Movimento Cívico Anti Pirataria na Internet [Internet Anti-Piracy Civic Movement] (Board)
- NP – Notícias de Portugal [News from Portugal] (Chairman of the Board of Directors)
- OBERCOM – Observatório da Comunicação [Communication Observatory] (Board of Directors)
- PMP – Plataforma de Media Privados [Private Media Platform] (Chairman of the General Council)]
- VISAPRESS – Cooperativa de Gestão de Conteúdos [Contents Management Cooperative] (Board of Directors)

In each of these bodies, as well as before the Government, Parliament and the European Commission, the different interventions advocated the defence of freedom of information and the independence and sustainability of media companies.

1.1.4.1. Before the Government, Parliamentary Groups and other Entities

1. General Regulation of Data Protection

Although the Regulation was implemented on 25 May 2017, discussion of the draft law ensuring implementation of the Regulation in the national legal system and complementary framework laws continued until July 2019. Of all of them, the most difficult to reach consensus was the Draft Law 120/XIII, especially due to the sensitive nature of article 24 on freedom of expression, information and the press, including the processing of data for journalistic purposes.

This cause was won and sources of information were protected as well.

2. New Directive on Copyright in the digital single market and Related Rights of Publishers

The discussion and voting process leading to the approval of the Directive, published in the Official Journal of the European Union on 17 April 2019, was followed. The first institutional contacts were developed with a view to transposing the Directive into national law, and this should take place by 7 June 2021.



3. AVMS Directive

It was approved in the European Union on 28 November 2018 and has to be transposed by the Portuguese State by 19 September 2020. This transposition requires amendments to the Television and Audiovisual Services on Demand Act.

The Government inaugurated on 26 October 2019 announced that it was preparing a public consultation to be held in 2020.

4. Advertising Code

The discussion and implementation of Law 30/2019, which introduces restrictions on the advertising of foodstuffs and beverages containing high energy value, salt content, sugar, saturated fatty acids and processed fatty acids to persons under 16 years of age, was extended throughout the year.

This law, which constitutes the 14th amendment to the Advertising Code, implies not only restrictions to the content of advertising, but also to its placement on radio, television and outdoor advertising locations.

5. Process of Selling Media Capital

The process of selling Media Capital to Cofina was followed with due care, and the Regulatory Authorities involved in the process were opposed.

6. Fake News

They were a topical issue with the approaching legislative elections and the spectre of the possible influence on the results, as in the case of the Presidential elections in the USA and Brazil. In this regard, the ERC produced and presented to the President of the Parliament a study on "Disinformation - European and National Context" which consists of a reflection on the dimension and problem of the proliferation of false news and narratives online and beyond, advancing measures to combat their dissemination.



1.1.4.2. In the different bodies:

AMD – ASSOCIAÇÃO DE MARKETING DIRETO [DIRECT MARKETING ASSOCIATION]

Preamble

Although the General Data Protection Regulation has been in force since 2016 and effective as of 2018, its applicability lacked proper legislation in the national legal system, which only occurred about 16 months later, with the publication of Law 58/2019 of 8 August.

During this long period, the Management of AMD followed the process step by step, not only with the CNPD, but also in Parliament.

- **Data Protection**

Also in this area, the assistance and support to Members was more intense, given the doubts and fears due to the amount of the fines, which could be applied, as well as in the monitoring of the retraction in business, namely in the assignment of registrations, conquest and maintenance of subscribers in JPP, printing and distribution of mailings and telemarketing actions.

The cooperation scheme with the CNPD was maintained, which requested the submission of a proposal for the disclosure of FAQs concerning marketing actions.

- **Contacts with the Government**

The reappointment of the Secretary of State for Consumer Protection has made possible the continuity of institutional collaboration and allowed meetings whenever the Management requested them.

- **Threats to Advertising and Commercial Communication**

The entire legislative process that resulted in Law 30/2019 was followed with special attention and commitment, which introduced restrictions on the advertising of foods and beverages containing high levels of salt, sugar and saturated fatty acids to minors under 16 years of age.

- **Directorate General for the Consumer**

Regular contacts were maintained, having participated in all actions developed by the DGC.



- **Bank of Portugal**

AMD, represented by its Chairman, remained a Permanent Member of the Payment Systems Forum of Bank of Portugal. Two of the claims, relating to direct debits affecting a large number of Members, were resolved satisfactorily.

At the same time, meetings were held with the Members of the SEPA Group.

- **CTT – Correios de Portugal**

It was possible to re-establish the AMD-CTT Monitoring Committee

- **DG for Economic Activities**

At the suggestion of the Director General, and after a joint meeting, a regime of continuous cooperation was agreed between the two entities.

- **Cooperation with Partners**

Institutional and cooperation relations with the API and APAN were continued.

ANACOM - Autoridade Nacional de Comunicações [National Communications Authority]

- As part of the 30th anniversary celebrations, it promoted a Conference on the challenges of Digital Society where the associated risks and opportunities were reflected upon, as well as the challenges faced by all.
- It prepared the migration process of the DTT network from the 700 MHz range to the implementation of 5G. The first experiment, near the end of the year, took place successfully in Odivelas.
- It launched a public consultation on the provision of the universal service of CTT, which was giving rise to repeated complaints after privatisation.
- It harmonised various pricings and intervened in the marketing of combined Internet, television and telephone packages by distributors.
- It gave its opinion on the Cofina/Media Capital merger process, considering that it 'does not raise relevant competitive issues'.



APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Edition and Circulation Control Association]

- The website was renewed, enriching the information and data consultation, as well as the graphics and image refresh.
- At the request of the majority of publishers, a decision was made to change the frequency of the audits from bimonthly to quarterly, with the software being adapted accordingly. The amendment will enter into force at the beginning of 2020. The frequency of annual audits remains unchanged.
- In terms of member turnover, 2019 was less negative when compared to the previous year. Two titles were lost, compared to eleven in 2018: a women's magazine, due to closure, and another in the area of travel and safaris, due to obstruction of audits. There were no entries.
- Membership is distributed as follows: 65 publications, 14 agencies/media centres, 3 associations and 1 advertiser in the financial area.

The serious crisis that the press is going through is reflected in the widespread and constant loss of sales, without the digital editions redressing the balance.

ARP – Auto Regulação Publicitária [Advertising Self-Regulation]

1. The 2019 Activity Plan was based on two Pillars:

Elections for the Governing Bodies (2019-2021 three-year period) were held and SIC continued to chair the Board of the General Meeting.

2. Actions taken:

1. With the entry into force of Law 30/2019 (law on food and beverage marketing directed at children), several meetings were held with the government, warning of the consequences that could arise for advertising and media.
2. The 3 I'S - Good Practices on Marketing Influence Guide was prepared.
3. Protocols were signed with Banco Santander Consumer and Caixa Bank Consumer (Pre-Clearance Financial Sector) for the provision of services, and around 205 pieces were analysed.



4. Established institutional relationship with the Portuguese Dental Association, given the compliance of the advertising of the sector's agents.
5. Disclosure and presence of Tailor-Made Training Actions with P&G.
6. Closer relationship with EASA, ICAS and Autocontrol, as well as participation in international meetings.
7. Member movements: 7 new members entered and 2 left. Whenever a new member joins, the reasons for joining ARP are highlighted in Flash.

CAEM – Comissão de Análise e Estudos de Meios [Media Analysis and Research Committee]

1. There have been changes in the composition of the governing bodies (biennium 2019-2020), with SIC representing the Media Section as a member of the Board. The Chair is held by APAN and the third element, representing the Agencies Section, has been nominated by Iniciative, as a member.
2. In order to prepare the tender for the selection of the audience measurement service provider, several meetings of the Management and also the Technical Advisory Committee on Television were held, in which the following topics were discussed:
 - Preparation of technical specifications for international consultation of the TAM 2021-2025 system.
 - Discussion and validation of the technical evaluation protocol for international consultation of the TAM 2021-2025 system.
 - Evaluation of the technical proposals received within the context of the international consultation of the TAM 2021-2025 system.

3. An international tender was opened for the selection of the television audience mediation service provider.

Three entities submitted offers: Cantar, Marktest and GFK (current service provider).

Alongside all this, CAEM maintained the performance of the other functions assigned to it:

- Continuous monitoring of the live and deferred TELEVISION audience measurement system;
- Monitoring of BAREME RÁDIO;
- Monitoring of BAREME IMPRENSA;



- Monitoring of NETSCOPE and NETPANEL of Marktest;
- Monitoring of the Multimedia study of Media Monitor on Internet Advertising Investments.

MAPINET – Movimento Cívico Anti Pirataria na Internet [Internet Anti-Piracy Civic Movement]

Removal Requests

- The year 2019 maintained the trend of previous years regarding requests for removal of links, reaching a total of 976,976,687, distributed by Movies, Series, Streaming, Software, Books, Magazines, Newspapers, Playstation (1.2,3), Wii, Nintendo, PC, XBox, Music, among others.

In addition, 303,115,881 links distributed among the categories identified above were re-blocked.

The means available to piracy, as is known, are powerful and agile. On the contrary, tougher punitive measures and more effective means to combat piracy are still lacking, in spite of the strong monitoring of our activity by IGAC and the swiftness with which it validates interventions in good time.

The extension of the Memorandum of Understanding is the best example of this, allowing for the temporary blocking of live sports events. This year, 14,556 websites were blocked that were broadcasting 175 events, many of them live.

- In 2019, 653 websites were targeted by Mapinet, and in the press area, five websites were blocked and two re-blocked. We also found that three websites, out of the five blocked, disappeared permanently, leading to the removal of hundreds of links from complete magazines and newspapers or articles.
- With regard to websites which broadcast television content, 383 were blocked, a significant increase sustained by the extension to the Memorandum of Understanding, and 13 were re-blocked, with 170 of those that were intervened during the year having disappeared.
- The issue of re-blocking, which is obligatory at the end of a year of blocking, means that, on average, about 40% of blocked websites disappeared or changed their name in 2019. Although the numbers achieved are far from what was hoped for, Portugal continues to be singled out as a European success story in the fight against piracy.



- Regarding the blocking of videos in YOUTUBE, about 2,139 reference files were uploaded, which permitted the blocking of 8,299 contents uploaded by users without the rights to do so.

OBERCOM – Observatório da Comunicação [Communication Observatory]

1. Actions

The actions developed during 2019 were structured according to the following dimensions:

- Development of the production of analyses on business models and monetization logic applicable to national media companies.
- Research and production of prospective analyses and support for the definition of strategies and public policies in the field of media, information society and culture.
- Research and production of analyses on new trends in journalism and journalistic entrepreneurship.
- Strategic approach to the new challenges of the media ecosystem, namely trust in news, governance, privacy, new business models and advertising and the role of algorithms and the fiscal relocation of large social networking platforms and consequent impact on the Portuguese media structure.

Bearing in mind the proposed objectives and the relationship with its members and media and media entities, OberCom management has developed a diverse set of activities which are presented below:

2. Research Activities and Collection of Statistical Information

OberCom Project - National Statistics Collection in the Communication Sector

Regarding the Annual Media and Communication Report, it was intended that in 2019 this publication would present statistical information on the different sectors analysed by OberCom. This report is published online on the OberCom website in PDF files available for download, by sector, and updated throughout the year whenever possible.



OberCom Project- Digital News Report

Reuters Digital News Report 2019 (ReutersDNR 2019) is the eighth annual report of the Reuters Institute for the Study of Journalism (RISJ) and the fifth report with information on Portugal.

The present work offers a more in-depth analysis based on data from Portugal.

OberCom Project - European Journalism Observatory

In 2019, the statistical elements underpinning the publication of the Yearbook were also a contribution by OberCom to its partnership with the CIES-IUL research centre in support of the Weekly News Barometer published in the EJO and the production of the Portuguese version of the European Journalism Observatory.

Obercom Project - Network of Portuguese Research Centres

Since 2018 the research centres, namely of the Universidade de Aveiro, Escola Superior de Comunicação Social of the Instituto Politécnico de Lisboa, Lusófona Universidade and Universidade Católica Portuguesa have formalised the association as honorary members of OberCom, joining ISCTE-IUL, Universidade do Minho and Universidade da Beira Interior.

3. Public disclosure reports

Twenty research reports were published, 11 of which were made public and 9 of which were produced as a document exclusively for members, in particular the following:

- **What should journalists know? Practices and training in Portugal**
- **The Advertising Market in Portugal - General Prospects and Future Scenarios - Detailed Analysis of the Press Sector**
- **Media - Portuguese market, trends and models**
- **Fake News in an election year**
- **Impact of branding and sponsored content in journalism**



4. Observatory (OBS*) Magazine

It is an interdisciplinary magazine, open to contributions from the many subjects related to communication studies, publishing articles that address different theoretical and methodological paths, from academia to the business world.

In 2019, it maintained the course of its activity ensuring the regular and timely publication of its 4 annual volumes, having registered edition no. 57 in December 2019.

The magazine is currently indexed in several worldwide databases, such as Scopus Elsevier, ERIH-PLUS and SciELO.

PMP (Private Media Platform)

During 2019, the PMP continued its action on behalf of the media sector and the private publishing groups that comprise it, focusing on five key activities:

- Representation of the collective interests of the Platform before the sovereign bodies (Government and Parliament) and society;
- Carrying out, in partnership with Obercom, an in-depth study on the State of the Media in Portugal;
- Preparation of an Action Book for the Media, a key component for the claims positioning of the PMP;
- Management of the Nónio Project (unified system for collecting and qualifying digital audiences);
- Response to national and European public consultations relevant to the sector;
- Active monitoring of the most relevant legislative developments for the media.

The Nónio Project has seen new developments, approaching the barrier of 1.5 million registered users on 31 December. In the last quarter, further steps were taken towards the establishment of an autonomous platform for the marketing of the advertising inventories of the consortium members, namely the adoption of a common adserver and the creation of a Nónio Marketplace, which should become operational in the first quarter of 2020.

The PMP followed the preparatory work on the transposition of the new Directives on Copyright and Audiovisual Services, for which public consultations will take place in 2020.



The Action Book for the Media was disclosed and presented to the main political groupings and regulatory entities. At the same time, contacts have been initiated at national and Community level to define the *modus operandi* appropriate to the wish of publishers to see mechanisms for transparency and fairness in the digital advertising sector.

In addition, PMP also carried out the following activities:

- Participation in working groups on topics of interest to the media;
- Participation in forums related to innovation and the digital economy;
- Participation in Media Conferences.

VISAPRESS (Contents Management Cooperative)

1. Judicial action that is taking place in the IPC – Intellectual Property Court

On 3 September 2019, the IPC finally handed down a judgement on the case opposing VISAPRESS to the companies providing the clipping service, CISION and MANCHETE. This decision was fully in favour of the claims of VISAPRESS, which thus saw the rights of the intellectual property works (copyright) it represents on behalf of its co-workers and beneficiaries legitimised. The defendants did not appeal against this decision, such that the judgement is final.

2. In compliance with the Plan of Activities, we highlight the following actions:

- Distribution of funds from the licensing of the use of content published in the newspapers and magazines belonging to VISAPRESS cooperators and, at the same time, distribution by AGE COP of fair remuneration of the Private Copy for the year 2018 to Cooperators.
- More than two dozen meetings with public and private entities were held, inviting them to license themselves for the legal use they make of the written press contents belonging to the Editors represented in VISAPRESS.
- Sending of more than five hundred letters to the private and public entities that subscribe to the provision of the written press clipping services, informing them of the sentence handed down by the IPC and requesting that they obtain the respective license from VISAPRESS.



- Participation in several international meetings on the subject of licensing for access to content published in the written press.
- Following the final judgement delivered by the IPC, an intensive information and awareness campaign for the general public on the issue of collective management of copyright in the written press was promoted. This promotion was made on two private cable television channels, on a national radio station and in newspapers, with national and regional circulation.
- Participation in several meetings at the Ministry of Culture, Parliament and the European Parliament with the purpose of clarifying the position of VISAPRESS, regarding the copyrights of Publishers in Portugal, taking advantage of these forums to frame and analyse the impact of the proposal for a European Directive on the digital market on the remuneration of Publishers' rights.
- Renewal of all existing licenses and conclusion of nine new contracts, with 30 entities being represented in the VISAPRESS portfolio for the primary and secondary use of content published in the written press.

1.1.4.3. Postgraduate Course in Multi-Platform Journalism

The VIII Course (2018-2019) was concluded in June with good results, but with a relatively smaller number of students than in previous years.

Following an assessment of the need for a refreshment of the programme and academic staff, and given the fact that enrolments for the IX Course (2019-2020) are unlikely to fully meet expectations, it was decided, by agreement with the Faculty of Social and Human Sciences, to suspend the Course for one year, resuming the next one in 2020-2021.

An assessment of this partnership with the Faculty of Social and Human Sciences of Universidade Nova de Lisboa and Rádio Renascença shows that over these eight years, 147 students, 98 of whom are working in various media, have successfully completed the course.

It is also noted that the quality of the Course - theoretical part taught by journalists of recognized competence and practical part (professional internship) in subsequent shifts in Press, Radio and Television Editorial Offices - has made access to the profession easier.

This initiative is thus a success, which urges us to continue.



1.1.5. INVESTOR RELATIONS

IMPRESA has a Market Liaison Officer (who is also the CFO) and an Investor Relations Officer, providing assistance to investors, in order to ensure permanent communication and the institutional relations with the universe of investors and analysts, as well as with the regulated market where IMPRESA shares are listed for trading (Euronext Lisbon), and the respective regulatory and supervisory entities.

The Market Liaison Officer and the Investor Relations Officer operate as interlocutors between the Board of Directors of IMPRESA, investors and the market. Their function is to ensure the timely and accurate availability of information concerning the Group, in compliance with applicable legal and regulatory provisions, in particular with regard to the disclosure of privileged information and other reports to the market, as well as the publication of annual and interim financial information.

All the requests for information (received by telephone, email or mail) are replied to at the earliest opportunity, and there are no pending requests relative to 2019 or from preceding years.

1.1.6. VIEWER SERVICE

In 2019, 45,965 contacts were received, an increase of 39% over the previous year. Of these contacts, 74% were made via email and were requests for information (63%), suggestions for topics for reporting (27%), criticism (1%), and praise (1%). In 92% of cases, the topic was the generalist channel SIC. All subjects received their due attention, because in addition to being useful, they allow SIC to improve its relationship with viewers.

1.1.7. STUDY VISITS

In 2019, as of March, following the move to Paço de Arcos, IMPRESA organised 48 visits (more than double the 22 received in the previous year), with a total of 1,387 visitors (average of 29 people per visit).

Schools of various education levels, including vocational education, study and/or leisure centres, as well as IPSS, are the most frequent and regular visitors. Occasionally, there were visits from



Universities or companies. Requests were mostly made from the districts of Lisbon and Setúbal. In the North, there were mainly visits to the Matosinhos facilities.

1.2. INTERNAL LEVEL

1.2.1. SOCIAL AND EMPLOYMENT ISSUES

Since Human Capital is the most important source of competitive advantage of the IMPRESA Group, its optimisation in terms of competences, knowledge, skills and individual experiences is crucial. The IMPRESA Group believes that the valorisation of Human Capital drove, to a great extent, the success of the implementation of the Group's Strategic Plan for the 2017-2019 three-year period.

Training

Training at the IMPRESA Group represents a management practice par excellence. Its premise is the enhancement of Human Capital and the attainment of competitive advantages within the market environment.

In 2019, the IMPRESA Group continued to ensure the compatibility of its strategic objectives with the expectations and individual development of its assets.

To this end, the IMPRESA Group sought to enable its employees to develop their skills, not only through the possibility of attending external training courses, but also through the sharing of knowledge and experiences.

The following table presents the most relevant data for 2019 and its comparison with the year 2018.

Table: Training 2018-2019

Area	Number of actions			Employees covered			Number of training hours		
	2018	2019	Variation	2018	2019	Variation	2018	2019	Variation
Publishing	36	32	-4.00%	154	78	-76.00%	2124	1384	-74.0%
Television	46	51	5.00%	313	286	-27.00%	3365	4279	91.45%
Other	43	41	-2.00%	91	66	-25.00%	1820	1573	-24.65%
Total Impresa Group	125	124	-1%	558	430	-13%	7308	7236	-7%

Source: IMPRESA



The following actions should be highlighted:

- Training in the digital area, in the commercial and marketing aspects, namely through Digital Marketing actions, Professional Management of Facebook Pages and Applied Digital Transformation;
- E-learning training in several areas;
- Training in Law and Journalism;
- Internal training on Elvis, ENPS, Invenio, Linkedin and the SIC television archive;
- Academic training: 17th Executive MBA, Post-Graduation in Applied Digital Marketing and Post-Graduation in Storytelling.

Performance Management

The IMPRESA Group, during the year 2019, started the development of a new Integrated Human Resources Management Model:

- 1) New Performance Management model - during 2019, work was done on the development of a simple, unique and agile performance management process, which promotes continuous monitoring among stakeholders and serves as a tool for the various human resources management policies, namely development and recognition.
- 2) Functional Descriptions - the mapping of all Group functions as well as their description has been started. The objective was to ensure descriptions that reflect the present/future challenges of each of the functions, and as a whole, contribute to the achievement of IMPRESA's ambition and Strategic Plan.

Initiatives

In 2019, the IMPRESA Group maintained its objective of working towards greater motivation and involvement, giving a set of benefits to all the employees of the IMPRESA Group, in addition to those provided for in the Labour Code:

- Right to a day-off on birthdays, providing it coincides with a working day;
- Regular pastimes with the offer of invitations to shows (theatre, concerts, conferences, football games, etc.);
- Provision of exclusive parking spaces for pregnant employees;
- Assignment of flexible working hours to employees with family responsibilities;



- Distribution of Christmas presents to all the workers and their children aged up to 12 years old;
- Vaccination campaign against influenza;
- Provision of medical services to Group employees at the Paço de Arcos and Matosinhos facilities, as well as home medical assistance to employees and their families;
- Regular organisation of sampling initiatives: distribution, at Paço de Arcos and Matosinhos facilities, of products or sale at advantageous conditions;
- Providing workers and, as of the current year, their direct relatives, access to products and services at a lower price than the list price, through the establishment of protocols with entities that exercise their activity in areas such as banking, communications, children's services, aesthetics, gymnasiums, leisure, health, insurance and vehicles.

The IMPRESA Group believes that the adoption of policies that promote a greater reconciliation between work and family life is one of the key elements to provide employees with a better quality of life and, consequently, greater motivation, commitment and productivity. In this sense, the following are examples:

- IMPRESA Workshops, Commemoration of the 10th anniversary of SIC K, IMPRESA Holiday Camp, Christmas Gifts, Day Care Cheque, Birthday gift and a Benefit Policy (partnerships with other entities and established protocols that can provide advantageous conditions not only to employees but also to direct family members);
- Annual Meeting of the Board of Directors in order to promote internal networking and align the Group's culture and values;
- Use of iNet, the internal communication channel. On iNet, the following information is made available: the list of all benefits attributed to employees, the execution of internal actions, internal communications (mobility, appointments and CEO communications). Other information such as birthdays, protocols and established partnerships are also made available;
- Use of iPortal, contributing to the acceleration, simplification and dematerialisation of the most administrative processes of human resources, such as consultation of receipts and IRS (personal income tax) declarations, training hours, registration of absences, management of vacations and updating of personal data;



- Enhancement of initiatives that promote greater interaction among workers and foster the feeling of belonging, through the creation of moments of conviviality and sharing, such as Magusto IMPRESA and birthday celebrations of the various IMPRESA Group brands;
- In the multigenerational management and integration of millennials it was considered important to provide conviviality between all the millennials and the Chief Executive Officer of IMPRESA. The objective of the initiative was to discuss topics related to the business and listen to different opinions on proposals for improvements and new business lines and models;
- It focuses on a training programme that meets the training needs of employees of the IMPRESA Group and its managers. This analysis is conducted within the scope of the Performance Management Model which includes, as a compulsory field, the indication of training actions to be attended. After completing this field, an analysis is made by the Human Resources Department, which initiates the annual training process in order to enhance the talent of employees in articulation with the Strategic Plan of the IMPRESA Group.

Professional Ethics

In addition to regulatory compliance (Press Law, Television Law, Journalist Statute, etc.), the large areas of the Group - SIC and Espresso - have their own Codes of Journalist Conduct, adapted, when necessary, to the specific characteristics of journalism in the digital era. These Codes of Conduct are not confused with Style Books or mere orthographic norms; they are the result of in-depth discussions and are an extension of the main ethical, deontological and legal norms applied to the exercise of the profession.

1.2.2. EQUALITY BETWEEN WOMEN AND MEN

The IMPRESA Group, aware of the fact that equality between women and men is a central theme of corporate social responsibility, adopts measures and actions that ensure conditions for professional integration and equal career development for men and women:

In 2019, the IMPRESA Group continued to adopt measures to promote gender equality and fairness with the following objectives:



- Review the Equality Plan creating measures for non-discrimination between women and men, with the support of the Commission for Citizenship and Gender Equality and the Commission for Equality in Labour and Employment;
- Ensure a clear explanation, in the IMPRESA Group Norms and Procedures Manual, of the concepts of gender equality and non-discrimination between women and men;
- Define criteria and procedures for internal recruitment, external recruitment or outsourcing, which should be based on the principle of meritocracy as well as the principle of gender equality and non-discrimination;
- Ensure equal opportunities for all employees in the attendance of training actions;
- Create procedures and tools that facilitate the formal presentation of a complaint in the event of sexual and/or moral harassment;
- Encourage and raise awareness of sharing parental leave, as well as sharing the exercise of family care rights;
- Ensure that the Annual Training Plan is based on equality and non-discrimination between women and men;
- Comply with the principle of equal pay for equal work in nature, quantity and quality;
- Evaluate performance based on objective criteria to provide a fair and accurate assessment, free of any connection to female or male characteristics;

Ensure promotion and career progression based on objective individual performance criteria, which are exempt from gender discrimination.

Distribution by gender	
Number of female employees	409
Number of male employees	488

Despite the average monthly salary difference between genders, this does not reflect any discrimination since the remuneration policy of the IMPRESA Group is based on the evaluation of the components of the functions performed by the employees, and on objective criteria such as seniority and professional experience, merit, productivity and academic qualifications.

Remuneration level by gender	
Average monthly salary of female employees	€ 2,063.97
Average monthly salary of male employees	€ 2,605.23



The IMPRESA Group promotes reconciliation between the three spheres (personal, family and professional) and argues that women and men, when they decide to become parents, should do so in a shared, responsible and balanced way.

Maternity and parental leave	
Maternity leave	12
Parental leave	17

1.2.3. NON-DISCRIMINATION

At IMPRESA, the diversity of its employees is perceived as a factor of competitive advantage, and the individuality each employee offers to the IMPRESA Group is respected and valued, such that the creation of a discrimination-free work environment is promoted.

The IMPRESA Group does not tolerate any form of direct or indirect discrimination, such that every employee has the right to equal opportunities and treatment with regard to access to employment, training and promotion or professional career and working conditions, and cannot be privileged, benefited, disadvantaged, deprived of any right or exempted from any duty whether because of descent, age, gender, sexual orientation, marital status, family status, economic situation, social origin or condition, reduced working capacity, disability, chronic illness, nationality, ethnic origin, political or ideological beliefs and trade union membership.

1.2.4. RESPECT FOR HUMAN RIGHTS

Respect for human and workers' rights is a *sine qua non* prerequisite of the IMPRESA Group, being the guiding principle in all its relations with its employees, investors, partners, suppliers, customers and consumers.

1.2.5. COMBATING CORRUPTION AND ATTEMPTED BRIBERY

The IMPRESA Group does not tolerate any corrupt practices and attempted bribery, so transparency, cooperation and respect are basic principles of the Group.



2. ENVIRONMENTAL DIMENSION

2.1. ENVIRONMENTAL POLICY

During 2019, also within the scope of the change of facilities from SIC to Paço de Arcos, the implementation of consumable reduction policies was continued, namely paper, energy and water, waste recovery and treatment. The official declarations for the Integrated Environmental Licensing System (SILiAmb) and for the Waste Monitoring Guidelines (WMS) were adapted to the new situation involving a change in facilities.

Measures have been taken to protect the environment, thanks to the development of computerisation and the adoption of more ecological practices:

- Significant reduction in energy consumption (>20%) as a result of new investments in equipment, with control and system integration solutions, and in electrical infrastructure;
- Continuation of the digitisation of business information both on IMPRESA's Intranet and on other computer media;
- Decrease in the number of cassettes used in the production and television archive and use of internally recycled cassettes;
- Operation to reduce the number of printers, as a consequence of the change of facilities of SIC. All printers were equipped with scanning systems;
- Control of the use of fluorinated gases;
- Reduction in the use of plastic containers and selective collection of plastic in own containers, with the survey of plastic waste carried out by the Oeiras Municipal Council.

2.2. CONTROL AND IMPLEMENTATION

Control of drinking water consumption

- Placement of regulators or automatic taps in bathrooms;
- Regular verification, included in the maintenance plan, of water leaks in all existing flushing systems;
- In the Paço de Arcos facilities, exclusive use of water from the borehole for irrigation, washing or works.



Control of electricity consumption

- Detailed monthly examination of electricity consumption and immediate decisions to reduce consumption;
- The following actions were continued:
 - Control of the number of lamps lit in public areas and open spaces;
 - Continuation of installation of lighting switches in meeting rooms and offices;
 - Management of automatic lighting hours;
 - Control of the minimum and maximum temperatures in air conditioning systems;
 - Reduction of the number of hours of air conditioning;
 - Replacement of incandescent lamps by low consumption lighting;
 - Awareness-raising amongst programme producers and lighting staff on the need to cut lighting consumption.

Control of consumption related to newspaper and magazine editing

- Purchase of 100% of paper for printing from environmentally certified paper mills;
- Requesting environmental certificates from suppliers in preparation for obtaining IMPRESA's environmental certification;
- Reduction of the number of copies of newspapers and magazines bought from other publishers and their replacement by purchase of subscriptions in digital format whenever possible.

Residues

- Maintaining and encouraging the policy of separation and recycling of waste, with selective collection containers (paper/carton, plastic and glass);
- Waste such as batteries, cassettes, bulbs and others, are sent to entities certified for their treatment;
- Recovery of plastic packaging waste through Ponto Verde;
- Reduction in the number of plastic packages;
- Waste generated at the IMPRESA Group's facilities is annually registered in the Integrated System of Registration of the Portuguese Environment Agency (SIRAPA), of restricted access to organisations that have environmental responsibilities committed by law.

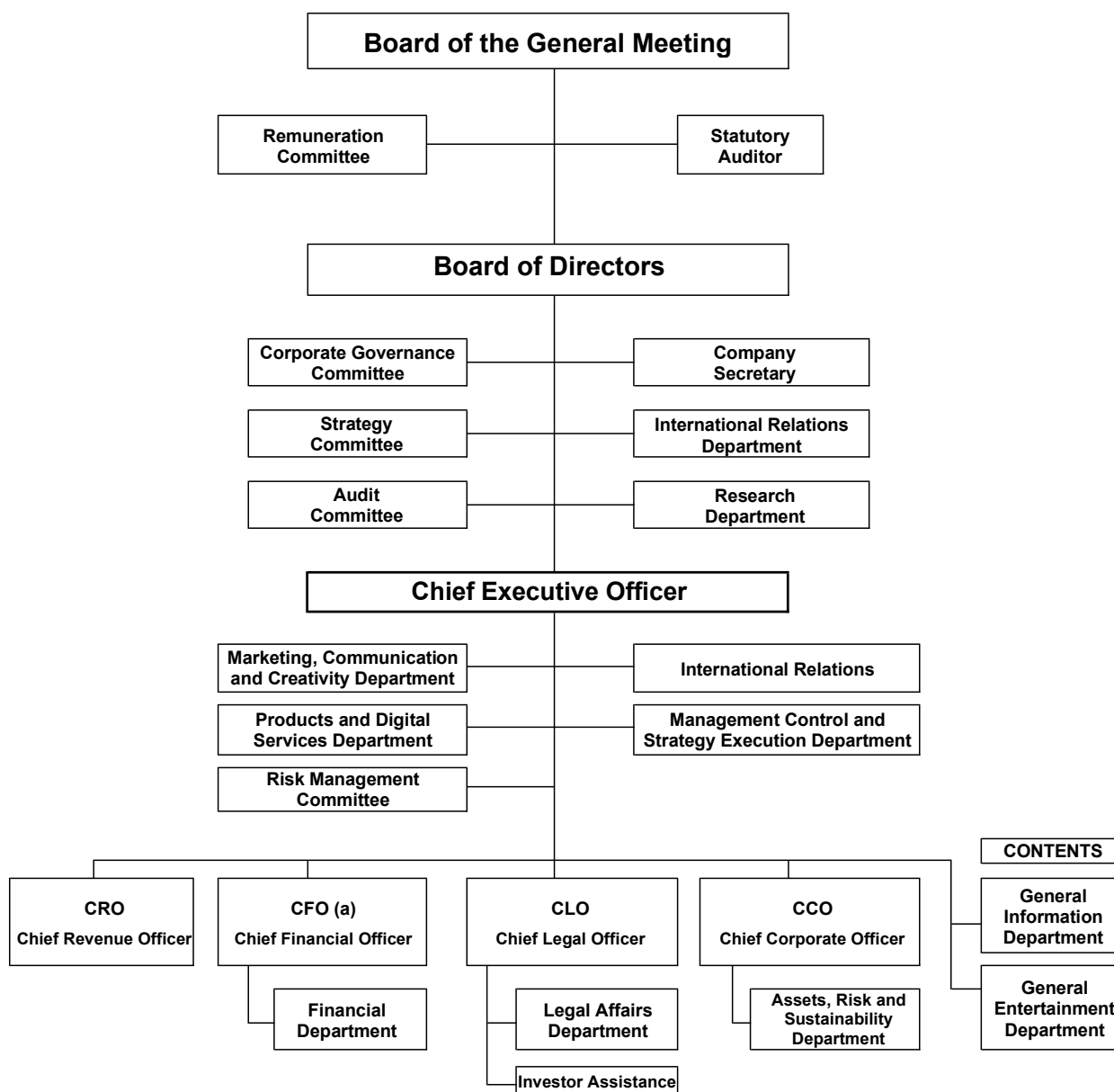


3. STRUCTURAL AND GOVERNANCE DIMENSION

3.1. GOVERNANCE MODEL

The corporate governance model adopted is the one referred to in subparagraph b) of number 1 of article 278 of the Commercial Company Code, i.e. with a Board of Directors, comprising of an Audit Committee and a Statutory Auditor.

IMPRESA GROUP OPERATIONAL CHART



(a) is also the Market Liaison Officer



The General Meeting is responsible for appointing the members of the management and supervisory bodies at the beginning of each term of office.

The **Board of Directors** is the body responsible for the management of the Company's activities, as established in the Commercial Companies Code and in the memorandum of association, being responsible, in particular, for:

- a) the Company's representation, actively and passively, in court and out of court;
- b) negotiating and signing all contracts, including arbitration conventions, regardless of their scope, nature and form, in which the Company is involved;
- c) the acquisition, sale, encumbrance or any other form of corporate asset transaction;
- d) contracting loans, as well as provision of the necessary guarantees, regardless of their extent and nature;
- e) confession, discontinuance or transactions relative to any judicial proceeding;
- f) the constitution of authorised corporate representatives, empowered as deemed appropriate, pursuant to the terms and limits established in the law and memorandum of association;
- g) delegation of specific duties and powers to any director, with the scope established in the respective deliberation;
- h) the constitution of specialised committees and commissions;
- i) establishing the objectives and management policies of the Company and Impresa Group;
- j) preparing the annual activity and financial plans;
- k) establishing the technical and administrative organisation of the Company and IMPRESA Group and the internal operating standards concerning the staff and their remuneration;
- l) managing the Company's corporate business and conducting all the acts and operations pertaining to its corporate object which do not fall under the duties of other Company bodies;
- m) approving Transactions with Related Parties, under the terms of the Policy of And Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- n) performing all other duties assigned by law or by the General Meeting.

The Chairman of the Board of Directors is responsible, in particular, for:

- a) promoting the meetings of the Board of Directors as deemed necessary, calling them, chairing them, and deciding on all matters concerning the functioning of the Board;
- b) exercising all powers and carrying out, alone, all acts delegated by the Board of Directors;
- c) chairing joint meetings of the Board of Directors and Audit Committee that are held in the cases established in the memorandum of association, in the law and applicable regulations;



- d) chairing the Strategy Committee and the Corporate Governance Committee;
- e) institutionally representing the Group and coordinating institutional relations, with the Institutional Relations Department being dependent on the Chairman of the Board of Directors;
- f) chairing the Group's Staff Meeting;
- g) striving to ensure the proper execution of the determinations of the Board of Directors.

At the meeting of the Board of Directors held on 23 July 2012, the position of Chief Executive Officer was created with responsibility in all areas, which is maintained in the current term of office 2019-2022.

Within the scope of the delegation of powers established in the Regulation of the Board of Directors, the following duties and powers **were delegated to the Chief Executive Officer**:

- a) the hiring and dismissing of workers and/or employees, approval of internal regulations, and exercise of the powers inherent to employer entities, including disciplinary power;
- b) the opening and operating of bank accounts;
- c) the conclusion of contracts deemed necessary to the development of the corporate object, including financial lease contracts;
- d) the deliberating of holding stakes in the share capital of companies to be incorporated in the future or that are currently incorporated, and the disposal of equity stakes;
- e) the acquisition, disposal or encumbrance of movable and fixed assets, including automobiles;
- f) the contracting of loans or other similar financial liabilities;
- g) the opening, closing or transfer of establishments or part of them;
- h) the collaboration in the definition of the Impresa Group's Strategic Plan, within the Strategy Committee;
- i) the collaboration in the definition of the editorial strategy of the different trademarks of the Impresa Group, within the Supra Editorial Committee;
- j) the coordination of the Impresa Group's operating management;
- k) the coordination of the areas of Human Resources; Management Control and Strategic Execution; Marketing, Communication and Creativity; Digital Products and Services; Information; Entertainment and External Communication;
- l) the individual supervision of the Chief Operating Officers (COO) in the main policies and decisions of their respective areas;
- m) the chairing of the Impresa Group's Operational Coordination meetings;



- n) the chairing of the meetings with each COO and first-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
- o) the chairing of the presentations of the accounts of the Impresa Group.

With regards to financial information, the Chief Executive Officer, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

The following committees have been created within the Board of Directors: Audit Committee, Corporate Governance Committee and Strategy Committee.

The **Audit Committee** is responsible for:

- a) overseeing the Company's management;
- b) ensuring compliance with the law and the memorandum of association;
- c) preparing the annual report on its oversight activity and expressing an opinion on the report, accounts and proposals presented by the Board of Directors;
- d) following and overseeing the process of preparation and disclosure of financial information;
- e) supervising the legal review of accounts;
- f) monitoring, appraising and commenting on the risk policy defined by the Board of Directors;
- g) monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of preparation of financial information, without breaching its independence and proposing to the Executive Committee measures aimed at improving its operation that prove necessary;
- h) checking, when deemed appropriate and in the manner deemed suitable, the regularity of the book-keeping, its underlying accounting records, as well as the situation of any assets or values possessed by the Company in any capacity;
- i) issuing prior and binding opinions to the Board of Directors on the internal process of approval of business and transactions with related parties, under terms defined by the Committee;
- j) receiving disclosures of irregularities occurred within the Company and presented by shareholders, employees or others;
- k) calling the General Meeting when the Chairman of the respective Board, entrusted with this duty, does not do so;
- l) examining the Company's book-keeping, whenever deemed convenient;
- m) issuing binding opinions on the giving of advances on profit during a financial year;



- n) certifying that the disclosed annual report on corporate governance structure and practices includes the elements referred to in article 245-A of the Securities Market Code;
- o) analysing efficacy in compliance with the legal, regulatory or other applicable requirements, as well as those arising from any investigations by the Executive Committee and their conclusions (including the application of any penalties) in cases of proven non-compliance;
- p) analysing the conclusions of any examinations conducted by inspectors of governmental or regulatory entities, as well as observations of non-compliance made by the external auditors of the IMPRESA Group;
- q) ensuring the appropriate conditions for provision of audit services within the premises of the IMPRESA Group.

The Audit Committee's financial oversight activity also includes:

- a) supervising the process of preparation and disclosure of financial information and submitting to the Chief Executive Officer recommendations or proposals to ensure its integrity;
- b) issuing opinions on the correctness and completeness of the annual management report, including the non-financial statement, the annual accounts and proposals presented by the Company's management, and other documents to be submitted to the regulatory entities of financial markets, in which it should in particular express its agreement or not with the annual management report and accounts, and include the statement foreseen in subparagraph c) of number 1 of article 245 of the Securities Market Code;
- c) monitoring the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM), the competent authority for audit oversight;
- d) informing the management of the findings of the legal review of accounts, explaining how this contributes to the integrity of the process of preparation and disclosure of financial information, and the role performed by the Committee in this process.

In its oversight of business between related parties and conflicts of interest, the Committee is responsible for:

- a) monitoring and supervising the mechanisms implemented for approval, control and disclosure of transactions with related parties, namely the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- b) submitting recommendations to the Board of Directors concerning measures of prevention and identification of conflicts of interest;



- c) indicating, in its annual report, the opinions endorsed in relation to transactions with Related Parties and the adequacy of the respective policy for purposes of prevention and resolution of conflicts of interest.

Also, within the remit of the Audit Committee, a whistle-blowing system was created in 2007 with a view to the prevention and punishment of irregularities, avoiding damages aggravated by the continuity of irregular practice. In 2019, the Audit Committee proposed amendments to improve and fine-tune the reporting of irregularities system, having approved a new version of the Regulation on Procedures to be Adopted for Reporting Irregularities.

This system ensures the confidentiality of the information provided and defines the procedures for receiving, recording and processing reports on misconduct, in conformity with the applicable legal and regulatory provisions.

In the case of reporting of irregularities, the investigation process is conducted and supervised by the Audit Committee, in compliance with the legislation in force, which will be responsible for drawing up a final duly substantiated report on the facts ascertained during the investigation and with the proposed closing of the case or the adoption of suitable measures.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

The Corporate Governance Committee has the general task of assisting the Board of Directors:

- a) in perfecting the Company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed;
- b) in preparing and implementing rules of conduct, aimed at imposing observance of the applicable provisions and strict ethical and deontological principles in the performance of duties assigned to the members of the governing bodies and employees of the Company.

In the performance of its duties concerning the Company's governance and oversight model, the Corporate Governance Committee is particularly responsible for:

- a) endeavouring to ensure full compliance with the legal and regulatory requirements, recommendations and good practices relative to the Company's governance model;
- b) proceeding with the annual appraisal of the following aspects:



- i. The Company's corporate governance structure, principles and practices;
 - ii. Efficiency and overall performance of the Chief Executive Officer or the members of the Executive Committee;
 - iii. Efficacy of the corporate governance system and appropriate measures for its improvement.
- c) recommending the Board of Directors' endorsement, in conformity with ethical, deontological and corporate governance principles, of the necessary policies, rules and procedures for compliance with the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices, both national and international, on corporate governance matters;
- d) supporting the Board of Directors and Audit Committee in the appraisal of the systems of identification and resolution of conflicts of interest.

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

The Strategy Committee is responsible for assisting the Chairman of the Board of Directors in the definition of high-level strategic objectives of IMPRESA, namely:

- a) in the preparation of the IMPRESA Group's Strategic Plan (three-year plan), which should be submitted for approval by the Board of Directors;
- b) in the assessment, follow-up and monitoring of the implementation of this Plan and its annual review, designing any necessary proposed changes;
- c) in the submission of recommendations of action to the Board of Directors, taking into account the IMPRESA Group's Strategic Plan;

Within the context of the operating subsidiaries, SIC and IMPRESA PUBLISHING, the following is observed:

- a) The Chair and the Deputy Chair of the Board of Directors are held by the Chairman and Deputy Chairman of the Board of Directors of IMPRESA, respectively;
- b) In addition to the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer and the CCO - Chief Corporate Officer of IMPRESA, the three heads of operating units (CRO - Chief Revenue Officer, CLO - Chief Legal Officer and CFO - Chief Financial Officer) are appointed as directors;
- c) The day-to-day management is entrusted to an Executive Committee composed of the three operational heads and chaired by the Chief Executive Officer of IMPRESA.



3.2. ACTIVITY INDICATORS

3.2.1. QUALITATIVE CRITERIA

The Corporate Governance Committee defined the following six criteria for assessing the performance of activity: Communication; Improvement and Innovation; Responsibility; Collaboration and Teamwork; Decision Making; Leadership and Orientation for the future.

3.2.2. QUANTITATIVE CRITERIA

The Remuneration Committee, following the best market practices, decided on the application of a multi-year variable remuneration model, which is based on cumulative attainment criteria, defined annually: "Positive Performance Evaluation"; "Attainment of Consolidated Net Remunerated Debt" and "Attainment of Consolidated EBITDA".

3.3. RISK

3.3.1. RISK CONTROL AND MANAGEMENT

At IMPRESA, there are the following bodies responsible for monitoring and implementing internal control and risk management:

- Risk Management Committee, which is responsible for identifying the risks and events that might generate risks inherent to the activities developed by the different Group companies, as well as analysing the impact, following-up and monitoring the identified risks. The Risk Management Committee holds periodic meetings with the Audit Committee, disclosing and proposing any necessary measures for the assessment of the implemented risk management system.
- Asset, Risk and Sustainability Division, which oversees insurance contracts at the Group level, in order to achieve the most appropriate solutions to cover insurable risks.
- The General Financial Department develops the following aspects of risk control:
 - Negotiation, contracting and management of bank financing, in order to meet the financial needs of the Group;



- Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks.
- Definition of credit granting policies, with credit ceilings per customer and collection deadlines.
- Legal Affairs Department and Institutional Relations Department, which monitor the relationship with the regulators (ERC, CMVM, AdC, ANACOM) on matters with an impact on the activity developed by the IMPRESA Group and, at the level of the operating subsidiaries, follow the application of the legislation in force, applicable to the media sector, in order to minimise the risks associated to any non-compliance.

These bodies assess:

- Economic risks (activity and facilities): Risks primarily related to situations which affect the current operation of companies, namely fire, loss of production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.
- Financial risks (credit, liquidity, exchange rate and interest rate risk):
 - Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, IMPRESA has defined credit granting policies, with credit limits per customer and collection deadlines, and financial discount policies for early repayment or cash payment.
 - Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.
 - Exchange rate risk is essentially related to the acquisition of television programmes.
 - Interest rate risk is essentially related to interest paid in relation to the contracting of financing with variable interest rates, which are consequently exposed to changes in market interest rates.
- Legal Risks: Risks related to compliance with existing legislation applicable to the media sector.

The Management of the IMPRESA Group takes particular care to adopt a risk management policy aimed at minimising any consequences on the business, people or assets of the Group, arising from any intentional or unintentional threats.



Also at the level of operational subsidiaries, plans for exogenous situations that affect the current operation of companies, such as fires, production breaks, broadcasting cuts, computer systems failures, etc., are being equated and implemented with the purpose of safeguarding assets and people and to ensure, as far as possible, the continuity of the production of newspapers and magazines (Expresso and New Media Solutions area), television and digital content.

3.3.2. SELF PROTECTION MEASURES AND RISK FACTORS

In 2019 the safety and self-protection measures plans were revised according to the annual planning. The self-protection measures of the Paço de Arcos building are under revision.

The "Internal Security Plans" continued to be developed, in accordance with the recommendations of the National Data Protection Authority (ANPC) for the facilities of Parque Holanda (PH), in Carnaxide, and of Matosinhos.

The new Safety Delegates were appointed and trained, in articulation with the Department of Human Resources, for the premises of Paço de Arcos, Parque Holanda and Matosinhos, and given their respective identifying material and procedural manual.

- The "low risk" level was maintained at the Paço de Arcos and Matosinhos facilities and a "medium risk" situation was maintained at the Parque Holanda facilities.

Risks related to facilities and infrastructures

The risk factors were monitored and controlled as part of the process of transforming the Paço de Arcos building for operation in 24/7: the alarm system was reviewed and is fully operational, and as regards the technical infrastructure, after successive tests and simulations on the new equipment, new contingency plans are being drawn up.

The risks relating to the Matosinhos and PH facilities have been checked and revised as necessary.

Internal air quality checks were carried out on a regular basis in all facilities, as well as testing for active legionella.

- "Low risk" level in all Group facilities.



Risk of interruption in communications

- Outdoor access:
 - Secure fibre connections;
 - Missing: box for second communication connection to the outside to allow second access way in second ditch;
 - "Medium risk" level.
- Inter-building communication:
 - Secure fibre connections;
 - Missing: box for second communication connection to the outside to allow second access way in second ditch;
 - "Medium risk" level.
- Distribution of television signals:
 - Secure dual fibre paths (coding redundancy ensured by client operators/distributors);
 - Missing: box for second communication connection to the outside to allow second access way in second ditch;
 - "Medium risk" level.
- Mail system:
 - Security system through Microsoft's 360-service;
 - "Low risk" level.

Risks in running, printing of newspapers and magazines

- As usual, the alternative printing plans of the Group's newspapers and magazines have been revised in the event of a breakdown or financial collapse that causes unforeseen and prolonged interruption at the printers where they are usually printed.
 - "Low risk" level was maintained.
- Ink and paper stocks are in place, to assure the continuity of printing, in the case of unforeseen interruption in the supply of these materials, purchased from abroad.
 - "Low risk" level was maintained.
- Electronic editing and pagination system - editing system.
 - "Low risk" level was maintained.
- Photo editing and archiving systems.
 - "Low risk" level was maintained.



Risk of interruption of broadcasting of SIC television channels

- Several emergency alternatives are foreseen for the broadcasting of the SIC channels that guarantee their continuity, in case of interruption caused by the failure of several systems. The persons in charge of the Information Services, Continuity, IT and Technical Support are prepared and equipped with the necessary means to act, in emergency situations.
 - "Medium risk" level.

Misuse of sensitive customer data

- The policy of responsibility of the IMPRESA Group was maintained to respect the legal obligations, in accordance with the General Regulation on Data Protection - RGPD).
- Systematic control that the policies of use, cookies and guarantees of confidentiality are explicitly and properly transmitted to customers.
 - "Low risk" level was maintained.

Asset conservation - paper and digital content

- The policy of responsibility of the IMPRESA Group was maintained, which is to conserve the contents produced for the editions in paper, TV and digital support.
- Digitisation plans, content indexing and conservation were fulfilled.
 - The level of "low risk" was maintained for the loss of content produced by IMPRESA.

Insurance

- The policies that provide IMPRESA with financial means to deal with emergency situations arising from disasters or dramatic events beyond its control are maintained.
 - The "low risk" level for existing coverages was maintained.



Lisbon, 19 March 2020

The Board of Directors,

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira e Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

Ana Filipa Mendes de Magalhães Saraiva Mendes