



**COFINA, SGPS, S.A.**  
Public Company

Head Office: Rua Manuel Pinto de Azevedo, 818 – Porto  
Fiscal Number 502 293 225  
Share Capital: 25,641,459 Euro

**Financial Information – 1<sup>st</sup> Quarter of 2019**  
**(Unaudited)**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34 – Interim Financial Reporting, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The financial information was prepared in accordance with the International Financial Reporting Standards (IFRS). Since January 1, 2019, IFRS 16 was adopted, and in accordance with this standard, 2018 information was not restated.

(Thousand Euro)	1Q 2019	1Q 2018 restated (d)	Var (%) 1Q19/1Q18
<b>Operational revenues</b>	<b>20,149</b>	<b>20,786</b>	<b>-3.1%</b>
Circulation	10,393	10,392	0.0%
Advertising	5,735	5,565	3.1%
Alternative marketing products and others	4,021	4,829	-16.7%
<b>Operational costs (a)</b>	<b>17,072</b>	<b>18,416</b>	<b>-7.3%</b>
<b>Consolidated EBITDA (b)</b>	<b>3,077</b>	<b>2,370</b>	<b>29.8%</b>
EBITDA Margin	15.3%	11.4%	+3.9 p.p.
Amortizations (-)	905	420	115.5%
<b>EBIT</b>	<b>2,172</b>	<b>1,950</b>	<b>11.4%</b>
EBIT Margin	10.8%	9.4%	+1.4 p.p.
Net financial income / (loss)	(650)	(653)	-0.5%
<b>Profit before taxes</b>	<b>1,522</b>	<b>1,297</b>	<b>17.3%</b>
Income taxes	651	479	35.9%
<b>Net profit of continuing operations</b>	<b>871</b>	<b>818</b>	<b>6.5%</b>
Net profit of discontinuing operations	-	-70	-
<b>Consolidated net profit (c)</b>	<b>871</b>	<b>748</b>	<b>16.4%</b>

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

(c) Net profit attributable to the parent company

(d) Restated according to IFRS 5

### **Advertising records an increase of 3.1%**

Cofina's consolidated operational revenues in the first quarter of 2019 amounted to 20.1 million Euro, corresponding to a 3% decrease over the same period of 2018. This evolution arises from a decrease in the level of alternative marketing products (-17%) because, in the first quarter of 2019, less marketing actions were developed. It should be mentioned, in 2018, the Football World Cup occurred, which comprised more alternative marketing campaigns.

Regarding advertising, a 3% increase was recorded, while circulation revenues kept stable. The increase recorded in advertising is related with the excellent performance of CMTV channel.

Therefore, consolidated EBITDA amounted to 3.1 million Euro, which reflects a 30% increase over EBITDA recorded in the first quarter of 2018. EBIT achieved approximately 2.2 million Euro, which corresponds to a 11% increase.

Net profit of discontinuing operations, in 2018, results from the restatement of 2018 values in order to reflect the disposal of the operation that Cofina held in Brazil, through its subsidiary AdCommedia and its associated Destak Brazil. The profit and loss statement of the first quarter of 2018 was restated in order to segregate into a separate line the profit attributable to those discontinuing units.



Hence, consolidated net profit reached 0.9 million Euro, a 16% increase when compared with the same period of the previous year.

As of March 31, 2019, Cofina's nominal net debt was 43.0 million Euro, which corresponds to a 3.3 million Euro increase comparatively to the nominal net debt recorded in the end of 2018. This increase, besides seasonal effects, is related with investments made, mainly, in the TV segment.

### TV Segment

CMTV channel has been recording a very positive performance, beating consistently audience records. Hence, in the end of March 2019, CMTV recorded a 3.9% average annual share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind the Free to Air.

(Thousand Euro)	1Q 2019	1Q 2018	Var (%) 1Q19/1Q18
<b>Operational revenues</b>	<b>3,226</b>	<b>2,566</b>	<b>25.7%</b>
Advertising	1,050	694	51.3%
Transmission fees and others	2,176	1,872	16.2%
<b>Operational costs (a)</b>	<b>2,826</b>	<b>2,263</b>	<b>24.9%</b>
<b>EBITDA (b)</b>	<b>400</b>	<b>303</b>	<b>32.0%</b>
EBITDA Margin	12.4%	11.8%	+0.6 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

CMTV total revenues amounted to approximately 3.2 million Euro, a 26% increase. Advertising revenues reached 1 million Euro (+51%) and revenues from transmission fees and others achieved 2.2 million Euro (+16%).

EBITDA recorded was around 0.4 million Euro, a 32% increase over EBITDA recorded in the same period of the previous year of 0.3 million Euro.

EBITDA Margin of this segment achieved 12.4%.

### Press Segment

(Thousand Euro)	1Q 2019	1Q 2018 restated	Var (%) 1Q19/1Q18
<b>Operational revenues</b>	<b>16,923</b>	<b>18,220</b>	<b>-7.1%</b>
Circulation	10,393	10,392	0.0%
Advertising	4,685	4,871	-3.8%
Alternative marketing products and others	1,845	2,957	-37.6%
<b>Operational costs (a)</b>	<b>14,246</b>	<b>16,153</b>	<b>-11.8%</b>
<b>EBITDA (b)</b>	<b>2,677</b>	<b>2,067</b>	<b>29.5%</b>
EBITDA Margin	15.8%	11.3%	+4.5 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interest, taxes, depreciation and amortization

Press segment contains all paper titles published by Cofina and revenues from the digital market. Hence, in the first quarter of 2019, total revenues amounted to 17 million Euro, a decrease of 7% over the previous year. Advertising revenues recorded a 4% decrease to 4.7 million Euro and

Alternative marketing products and others revenues recorded a 38% decrease, reaching around 1.8 million Euro. Revenues from circulation kept stable, reaching 10.4 million Euro.

Operational costs reached a decrease around 12%. Hence, EBITDA of this segment amounted to 2.7 million Euro, a 30% increase when compared with the previous year. EBITDA Margin achieved 15.8%. It should be noted that Brazil operations were previously included in this segment; therefore the amounts for 2018 were restated.

### **Impacts of IFRS 16**

As of January 1, 2019, Cofina financial statements reflect the adoption of IFRS 16. The Group did not restate the comparative information regarding 2018, according to the possibility stated in this standard. The main impacts of the standard in the quarter under analysis are as follows:

- EBITDA: increase of 0.6 million Euro;
- Amortizations: increase of 0.5 million Euro;
- Financial expenses: increase of 0.2 million Euro;
- Assets ("Right of Use"): increase of 12.1 million Euro;
- Liability ("Lease liability"): increase of 14.5 million Euro;
- Equity: decrease of 1.9 million Euro (net of deferred taxes).

The nominal remunerated net debt of 43.0 million Euro, above mentioned, does not include the lease liability.

Oporto, May 30, 2019

# CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

# FINANCIAL INFORMATION 1Q2019

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF 31 MARCH 2019 AND 31 DECEMBER 2018

(Translation of financial statements originally issued in Portuguese - Note 16)

(Amounts expressed in Euro)

ASSETS	Notes	31.03.2019	31.12.2018
<b>NON CURRENT ASSETS</b>			
Tangible assets		3,283,575	2,747,887
Goodwill	5	83,977,180	83,977,180
Intangible assets		82,051	299,531
Right of use	3	11,659,741	-
Investments in associated companies	4	4,338,407	3,434,890
Other financial investments	4	5,510	5,510
Investments held for sale		-	-
Other non current assets		55,488	51,919
Deferred tax assets	3	1,156,763	595,271
<b>Total non current assets</b>		<b>104,558,715</b>	<b>91,112,188</b>
<b>CURRENT ASSETS</b>			
Inventories		1,924,717	1,349,795
Customers		5,301,305	5,820,863
Contract assets		4,032,488	4,149,321
State and other public entities		1,000	1,000
Other current debtors		720,789	375,912
Other current assets		1,645,499	2,954,688
Cash and cash equivalents	7	3,884,472	6,624,512
<b>Total current assets</b>		<b>17,510,270</b>	<b>21,276,091</b>
<b>TOTAL ASSETS</b>		<b>122,068,985</b>	<b>112,388,279</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	25,641,459	25,641,459
Share premium account	8	15,874,835	15,874,835
Legal reserve	8	5,409,144	5,409,144
Other reserves	3	(10,803,180)	(15,577,084)
Consolidated net profit / (loss) for the period attributable to the parent company		871,397	6,653,405
Total equity attributable to equity holders of the parent company		36,993,655	38,001,759
Non-controlling interests		-	-
<b>TOTAL EQUITY</b>		<b>36,993,655</b>	<b>38,001,759</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Lease liability	3	10,125,793	-
Other non current creditors		25,771	25,771
Provisions	6	4,535,000	4,535,000
<b>Total non current liabilities</b>		<b>14,686,564</b>	<b>4,560,771</b>
<b>CURRENT LIABILITIES</b>			
Bank loans	7 and 9	202,727	177,809
Other loans	9	46,481,486	46,120,428
Suppliers		9,324,919	10,718,928
Contract liabilities		2,223,285	3,027,856
Lease liability	3	2,751,349	-
State and other public entities		4,113,960	3,725,230
Other current creditors		405,756	1,424,497
Other current liabilities		4,885,284	4,631,001
<b>Total current liabilities</b>		<b>70,388,766</b>	<b>69,825,749</b>
<b>TOTAL LIABILITIES</b>		<b>85,075,330</b>	<b>74,386,520</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>122,068,985</b>	<b>112,388,279</b>

The accompanying notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

## FINANCIAL INFORMATION 1Q2019

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS BY NATURE  
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2019 AND 2018  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	<u>Notes</u>	<u>31.03.2019</u>	<u>31.03.2018</u> <u>restated *</u>
Sales	13	10,392,518	10,392,247
Services rendered	13	5,735,080	5,566,277
Other operating income	13	4,021,432	4,828,347
Cost of sales		(2,579,418)	(2,247,115)
External supplies and services		(7,984,166)	(9,634,504)
Payroll expenses		(6,391,432)	(6,391,983)
Amortisation and depreciation		(905,518)	(419,599)
Provisions and impairment losses		(76,925)	(66,839)
Other operating expenses		(39,933)	(76,869)
Gains / (losses) in associated companies	10	(96,483)	(197,763)
Financial expenses	10	(553,258)	(462,537)
Financial income	10	-	7,690
Profit before income tax from continuing operations		<u>1,521,897</u>	<u>1,297,352</u>
Income tax	6	(650,500)	(478,459)
Net consolidated profit from continuing operations		<u>871,397</u>	<u>818,893</u>
Net profit from discontinued operations		-	(70,679)
Net consolidated profit for the period		<u>871,397</u>	<u>748,215</u>
Attributable to:			
Shareholders of the parent company		871,397	748,215
Continuing operations		871,397	818,893
Discontinued operations		-	(70,679)
Earnings per share:			
From continuing operations			
Basic	12	0.01	0.01
Diluted	12	0.01	0.01

\* According to IFRS 5



# FINANCIAL INFORMATION 1Q2019

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)

(amounts expressed in Euro)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS PERIODS ENDED AS OF 31 MARCH 2019 AND 2018**  
 (Translation of financial statements originally issued in Portuguese - Note 16)  
 (Amounts expressed in Euro)

	Attributable to equity holders of the parent company						Non-controlling interests	Total equity
	Share capital	Share premium account	Legal reserve	Exchange conversion rate	Other reserves	Net profit / (loss)		
Balance as of 1 January 2018	25,641,459	15,874,835	5,409,144	(757,263)	(20,330,538)	5,067,102	-	30,904,739
Appropriation of consolidated net result for 2017:								
Transfer to legal reserve and retained earnings	-	-	-	-	5,067,102	(5,067,102)	-	-
Changes in reserves and non-controlling interests	-	-	-	-	(866)	-	-	(866)
Other changes	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	50,358	-	748,215	-	798,573
Balance as of 31 March 2018	25,641,459	15,874,835	5,409,144	(706,905)	(15,264,302)	748,215	-	31,702,446
Balance as of 1 January 2019	25,641,459	15,874,835	5,409,144	-	(15,577,084)	6,653,405	-	38,001,759
IFRS 16 adoption effect	-	-	-	-	(1,878,572)	-	-	(1,878,572)
Balance as of 1 January 2019 restated	25,641,459	15,874,835	5,409,144	-	(17,455,656)	6,653,405	-	36,123,187
Appropriation of consolidated net result for 2018:								
Transfer to legal reserve and retained earnings	-	-	-	-	6,653,405	(6,653,405)	-	-
Changes in reserves and non-controlling interests	-	-	-	-	(929)	-	-	(929)
Other changes	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	871,397	-	871,397
Balance as of 31 March 2019	25,641,459	15,874,835	5,409,144	-	(10,803,180)	871,397	-	36,993,655

The accompanying notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2019

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2019 AND 2018  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	<u>31.03.2019</u>	<u>31.03.2018</u>
Profit / (loss) for the period	871,397	748,215
Other comprehensive income:		
Items that will be reclassified to net income:		
Exchange differences on translation of foreign operations	-	50,358
Total comprehensive income for the period	<u>871,397</u>	<u>798,573</u>
Attributable to:		
Shareholders of the parent company	871,397	798,573
Non-controlling interests	<u>-</u>	<u>-</u>

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The Chartered Accountant

The Board of Directors

# FINANCIAL INFORMATION 1Q2019

## Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH-FLOWS**  
**FOR THE THREE MONTHS PERIODS ENDED 31 MARCH 2019 AND 2018**  
(Translation of financial statements originally issued in Portuguese - Note 16)  
(Amounts expressed in Euro)

	Notes	31.03.2019	31.03.2018
Operating activities:			
Cash flow from operating activities (1)		1,248,541	365,798
Investment activities:			
Collections relating to:			
Interest and similar income		-	292
Loans conceded		-	50,000
Financial investments		-	81,175
131,467			
Payments relating to:			
Investments	7	(1,000,000)	(230,000)
Tangible assets		(905,452)	(86,385)
Intangible assets		(39,285)	(85,934)
Loans conceded		-	(70,000)
(472,319)			
Cash flow from investment activities (2)		(1,944,737)	(340,852)
Financing activities:			
Collections relating to:			
Loans obtained		30,000,000	30,000,000
-			
Payments relating to:			
Interest and similar costs		(445,628)	(625,265)
Leasing contracts		(2,123,134)	(20,391)
Loans obtained		(29,500,000)	(2,808)
(648,465)			
Cash flow from investment activities (3)		(2,068,762)	(648,465)
Cash and cash equivalents at the beginning of the period	7	6,446,703	3,449,463
Effect of currency exchange differences		-	(609)
Variations of cash and cash equivalents: (1)+(2)+(3)		(2,764,958)	(623,518)
Cash and cash equivalents at the end of the period	7	3,681,745	2,825,336

The accompanying notes form an integral part of the consolidated financial statements

The Chartered Accountant

The Board of Directors

## FINANCIAL INFORMATION 1Q2019

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

#### 1. INTRODUCTION

Cofina, SGPS, S.A. (“Cofina” or “Company”) is a public company, with headquarters located at Rua Manuel Pinto de Azevedo, 818, in Porto and has its shares listed on the Euronext Lisbon Stock Exchange (“Euronext Lisbon”). Cofina is the Parent company of a group of companies detailed in Note 4, commonly designated as Cofina Group, and its main activity is the management of investments in the Media sector (written press).

The Cofina Group owns headings of reference in their respective segments, editing titles like newspapers “Correio da Manhã”, “Record”, “Jornal de Negócios”, “Destak” and “Metro”, as well as the magazines “Sábado” and “TV Guia”, among others. Additionally, since the year of 2013, the Cofina Group incorporated in its portfolio of activities the television channel “CMTV”.

During the quarter ended as of 31 March 2019, the Group developed its activity only in Portugal.

Cofina’s consolidated financial statements are expressed in Euro (rounded to the nearest unit). This is the currency used by the Group in its operations and as such, considered the functional currency. The operations of the foreign group companies whose functional currency is not the Euro are translated to Euro using the exchange rates in force at the balance sheet date. Income and expenses and cash flows are converted to Euro using the average exchange rate for the period. The exchange rate differences originated are recorded in equity captions.

The accompanying consolidated financial statements have been prepared on a going concern basis.

#### 2. BASIS OF PRESENTATION AND MAIN ACCOUNTING POLICIES

Annual financial statements were prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The financial statements as of 31 March 2019 were prepared in accordance with the International Accounting Standard 34 – Interim Financial Reporting.

The accounting policies adopted in Cofina’s consolidated financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended as of 31 December 2018.

#### 3. CHANGES IN ACCOUNTING POLICIES AND COMPARABILITY OF THE CONSOLIDATED FINANCIAL STATEMENTS

During the period there were no changes in accounting policies nor were detected any material errors relating to previous periods.

The comparability of the consolidated financial statements as of 31 March 2019, 31 December 2018 and 31 March 2018 was affected by the adoption of IFRS 16 – Leases as of 1 January 2019.

The Group opted for the modified retrospective model foreseen in paragraphs 16.C5 (b) and C7 of IFRS 16. Regarding the measurement of the right of use, the measurement method of those assets was analysed lease by lease, and the Group opted for the measurement foreseen in paragraph 16.C8 (b).ii), except for the contract lease of Cofina Media headquarter, which was measured according the foreseen in paragraph 16.C8 (b).i). The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Group present assets “Right of use” and “Lease liability” in captions properly segregated in the financial position statement.

The liabilities recorded as “Lease liability” correspond to the actual value, as of 1 January 2019, of the remaining lease payments from contracts previously classified as operational leases, as stated at IAS 17, and do not correspond to short-term leases or “low-value” leases, accordingly to IFRS 16.

## FINANCIAL INFORMATION 1Q2019

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
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The biggest impact of the IFRS 16 adoption refers to the lease contracts of subsidiary Cofina Media's headquarters.

If this standard had not been adopted, the main changes in the consolidated financial statements as of 31 March 2019 would be as follows:

ASSETS		31.03.2019		31.03.2019 without IFRS 16 effect
			IFRS 16	
NON CURRENT ASSETS				
Right of use		11,659,741	11,659,741	-
Deferred tax assets		1,156,763	561,492	595,271
<b>Total non current assets</b>		<b>104,558,715</b>	<b>12,221,233</b>	<b>595,271</b>
CURRENT ASSETS				
Other assets		1,645,499	(1,278,121)	2,923,620
<b>Total current assets</b>		<b>17,510,270</b>	<b>(1,278,121)</b>	<b>18,788,391</b>
<b>TOTAL ASSETS</b>		<b>122,068,985</b>	<b>10,943,112</b>	<b>111,125,873</b>
EQUITY AND LIABILITIES				
EQUITY				
Other reserves		(10,803,180)	(1,878,572)	(8,924,608)
Consolidated net profit / (loss)		871,397	(55,458)	926,855
Total equity attributable to the equity holders of the parent company		36,993,655	(1,934,030)	38,927,685
<b>TOTAL EQUITY</b>		<b>36,993,655</b>	<b>(1,934,030)</b>	<b>38,927,685</b>
LIABILITIES				
NON CURRENT LIABILITIES				
Lease liability		10,125,793	10,125,793	-
<b>Total non current liabilities</b>		<b>14,686,564</b>	<b>10,125,793</b>	<b>4,560,771</b>
CURRENT LIABILITIES				
Lease liability		2,751,349	2,751,349	-
<b>Total current liabilities</b>		<b>70,388,766</b>	<b>2,751,349</b>	<b>67,637,417</b>
<b>TOTAL LIABILITIES</b>		<b>85,075,330</b>	<b>12,877,142</b>	<b>72,198,188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>122,068,985</b>	<b>10,943,112</b>	<b>111,125,873</b>

		31.03.2019		31.03.2019 without IFRS 16 effect
			IFRS 16	
External supplies and services		(7,984,166)	612,350	(8,596,516)
Amortisation and depreciation		(905,518)	(458,493)	(447,026)
Other expenses		(39,933)	2,111	(42,044)
Financial expenses		(553,258)	(227,526)	(325,731)
Financial income		-	-	-
Profit before income tax from continuing operations		1,521,897	(71,558)	1,593,456
Income tax		(650,500)	16,100	(666,600)
Consolidated net profit for the period from continuing operations		871,397	(55,458)	926,855

## FINANCIAL INFORMATION 1Q2019

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

#### 4. INVESTMENTS

##### Consolidation perimeter

The companies included in the consolidated financial statements by the full consolidation method, their headquarters, percentage of participation held and activity developed as of 31 March 2019 and 31 December 2018 are as follows:

Designation	Headquarters	Percentage participation held	Activity
<u>Parent company:</u>			
Cofina, SGPS, S.A.	Porto		Investment management
<u>Cofina Media Group</u>			
Cofina Media, S.A. ("Cofina Media")	Lisboa	100,00%	Newspapers and magazines publication, television broadcast, production and creation of websites for online business development, events promotion and organization
Grafedisport – Impressão e Artes Gráficas, S.A. ("Grafedisport")	Queluz	100,00%	Newspapers print

All the above companies were included in the consolidated financial statements in accordance with the full consolidation method.

The associated companies, their headquarters, percentage of participation held and activity developed as of 31 March 2019 are as follows:

Designation	Headquarters	Percentage participation held		Activity
		Direct	Indirect	
VASP – Sociedade de Transportes e Distribuições, Lda.	Lisboa	33,33%	-	Publications distribution
A Nossa Aposta – Jogos e Apostas On-line, S.A. ("A Nossa Aposta").	Lisboa	40%	-	Online gambling and betting activity
Mercados Globais – Publicação de Conteúdos, Lda.	V.N.Gaia	50%	-	Management services and promotion of a financial forum on the internet

Associated companies were included in the consolidation financial statements in accordance with the equity method.

## FINANCIAL INFORMATION 1Q2019

### Consolidated financial statements and notes

(Translation of financial statements originally issued in Portuguese – Note 16)  
(amounts expressed in Euro)

#### Investments in associated companies

The acquisition cost of the associated companies and their book value as of 31 March 2019 are as follows:

Designation	Acquisition Cost	Book Value
VASP – Sociedade de Transportes e Distribuições, Lda.	€ 6,234	€ 2,957,842
A Nossa Aposta – Jogos e Apostas On-line, S.A.	€ 3,000,000	€ 1,374,550
Mercados Globais – Publicação de Conteúdos, Lda.	€ 72,000	€ 6,015

As of 31 March 2019 and 31 December 2018 the caption “Investments in associated companies” can be detailed as follows:

	31.03.2019	31.12.2018
Financial Investment		
VASP	2,957,842	3,023,740
A Nossa Aposta	-	-
Mercados Globais - Publicação de Conteúdos, Lda.	6,015	6,015
	<u>2,963,857</u>	<u>3,029,755</u>
Supplementary capital contributions		
A Nossa Aposta	2,900,000	1,900,000
Effect of the equity method	(1,525,450)	(1,494,865)
	<u>4,338,407</u>	<u>3,434,890</u>

#### Other financial investments

As of 31 March 2019 and 31 December 2018 the Group has other financial investments corresponding to non-controlling investments in unlisted companies. The Group has recorded impairment losses to face differences to the net realizable amount, presenting this caption, as of those dates, a net book value of 5,510 Euro. As of 31 March 2019 and as of 31 December 2018 the total investments for which impairment losses were recorded amount to 171,754 Euro.

#### 5. GOODWILL

During the three months periods ended 31 March 2019 and 2018 there were no changes in the caption “Goodwill”.

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#### 6. INCOME TAX

The income taxes recognized in the income statement as of 31 March 2019 and 2018 refer only to the income tax estimate for the year.

As of 31 March 2019 and 2018, disputes with the Portuguese tax authorities (“Autoridade Tributária e Aduaneira”) were still in progress following a Corporate Income Tax inspection with an amount of, approximately, 17,900,000 Euro being challenged by the tax authorities. This amount results from two corrections performed by the tax authorities: one related with the non-acceptance of a capital loss generated by a disposal of a subsidiary; and another related with the nonacceptance of deductibility of part of the dividends distributed by a subsidiary.

Under the Tax and Social Security Debts’ Regularization Exceptional Regime, approved by the Decree-Law 151-A/2013, of October 31 (“RERD”), the Group paid voluntarily, during the year ended as of 31 December 2013, an amount of 2,000,000 Euro, with the corresponding exemption of default and penalty interests and other costs of the tax process. Under that same regime, the Group requested to the Tax Authorities the offset of part of the amounts challenged related with that inspection, with credits that the Group had over the Tax Authorities (regarding Income Tax administrative and judicial appeals), having obtained, in the year ended as of 31 December 2014, the approval of the requirement in the amount of, approximately, 5,700,000 Euro.

Under the State Indebtedness Reduction Special Plan, approved by the Decree-Law 67/2016, of November 3 (“PERES”), the Group paid voluntarily, during the year ended as of 31 December 2016, an amount of 3,614,561 Euro, with the corresponding exemption of default and penalty interests and other costs of the tax process.

Consequently, the amount of the unresolved contingency/tax assessment, as of 31 March 2019 and 2018, amounts to, approximately, 13,500,000 Euro, from which 3 million Euro refers to the correction of the capital loss above referred and the remaining amount (10.5 million Euro) is related to the dividends correction.

The Board of Directors, supported by its legal and tax advisors, and under the process of its tax contingencies revaluation, evaluated as probable a: (i) favourable decision in the case of the dividends and (ii) an unfavourable decision in the case of the capital loss, reason why a provision in the amount of, approximately, 3,000,000 Euro was allocated to that component of the process.

Nevertheless, the Group is still in litigation with the Portuguese tax authorities regarding these two situations.

In order to cope with these disputes, the Group recorded provisions, which correspond to the best estimate made by the Board of Directors, supported by their legal and tax advisors, of the impact that might result from the ongoing tax claims.



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#### 7. CASH AND CASH EQUIVALENTS

As of 31 March 2019, 31 December 2018 and 31 March 2018, the caption “Cash and cash equivalents” can be detailed as follows:

	31.03.2019	31.12.2018	31.03.2018
Cash	66,638	64,733	72,349
Bank deposits repayable on demand	3,817,834	6,559,779	2,752,987
Bank deposits repayable in less than three months	3,884,472	6,624,512	2,825,336
Bank overdrafts (note 9)	(202,727)	(177,809)	-
Cash and cash equivalents	3,681,745	6,446,703	2,825,336

Payments related to financial investments in the period ended March 31, 2019 refer to supplementary capital granted to the associated company A Nossa Aposta.

#### 8. SHARE CAPITAL

As of 31 March 2019, the Company's fully subscribed and paid up capital consisted of 102,565,836 shares without nominal value. As of that date, Cofina and the Group companies did not hold own shares.

#### 9. BANK AND OTHER LOANS

The caption “Bank loans” as of 31 March 2019 and 31 December 2018 refers to bank overdrafts (Note 7).

As of 31 March 2019 and 31 December 2018, the caption “Other loans” was made up as follows:

	31.03.2019			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,528,444	-	16,666,667	-
Commercial paper	29,953,042	-	30,000,000	-
	46,481,486	-	46,666,667	-

  

	31.12.2018			
	Book value		Nominal value	
	Current	Non current	Current	Non current
Bond loans	16,617,753	-	16,666,667	-
Commercial paper	29,502,675	-	29,500,000	-
	46,120,428	-	46,166,667	-

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#### Bond loans

As of 31 March 2019, this caption refers to a bond loan denominated “Obrigações Cofina SGPS – 2013/2019”, amounting to 16,666,667 Euro, issued by Cofina SGPS, S.A. recorded in accordance with the effective interest rate method, with a book value of 16,528,444 Euro. This loan, according to its terms, matures on September 28, 2019.

The main features of this bond loan are as follows:

i) Cofina, SGPS, S.A.:

- Issuer – Cofina, SGPS, S.A.;
- Nominal value – 50,000,000 Euro;
- Subscription date – 27 September 2013;
- Maturity – 28 September 2019;
- Reimbursement – at par, on interest payment dates, in three equal instalments, as of 28 September 2017, September 2018 and September 2019;
- Interests – postponed, corresponding to 6-month Euribor plus spread of 3.8%.

#### Commercial paper

The liability caption “Commercial Paper” relates to four commercial paper programs, with guaranteed subscription by the banks, in the maximum amounts of 15,000,000 Euro, 15,000,000 Euro, 7,000,000 Euro and 5,000,000 Euro, which bear interests at market rates. These commercial paper programs mature in September 2021, July 2019, April 2020 and September 2022, respectively.

## 10. FINANCIAL RESULTS

Financial results for the three months' periods ended as of 31 March 2019 and 2018 are made up as follows:

	31.03.2019	31.03.2018 restated
<u>Financial expenses</u>		
Interest paid	431,525	352,641
Commissions	118,098	109,890
Other financial expenses	3,634	473
<u>Gains and Losses in associated companies</u>		
Application of the Equity Method	96,483	197,297
	<u>649,740</u>	<u>660,301</u>
<u>Financial income</u>		
Interest received	-	7,690
	<u>-</u>	<u>7,690</u>

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#### 11. GUARANTEES

As of 31 March 2019, Cofina had provided guarantees as follows:

- a) Pledge of 20,000,000 shares of Cofina Media, S.A., in favour of the Portuguese Tax Authority (“Autoridade Tributária e Aduaneira”) as a guarantee of the ongoing income tax claims.

As of 31 March 2019, Cofina Media group companies had assumed responsibilities for guarantees granted amounting to 299,827 Euro related to its advertising activities and ongoing tax and civil proceedings.

#### 12. EARNINGS PER SHARE

Earnings per share for the three months periods ended as of 31 March 2019 and 2018 were determined taking into consideration the following amounts:

	31.03.2019	31.03.2018 restated
Net profit / (loss) considered for the computation of basic and diluted earnings	871,397	818,893
Weighted average number for shares used to be compute the basic earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.01	0.01
Diluted	0.01	0.01

#### 13. SEGMENT INFORMATION

According to the source and nature of the income generated by the Group, the following segments were considered:

- Press
- Television

Since the Group mainly operates in the domestic market, geographic segments are not reported.

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The information for the three months periods ended as of 31 March 2019 and 2018 is detailed as follows:

			Consolidation adjustments and elimination	Total
<b>31.03.2019</b>	Press	Television		
Net operating income	16,922,844	3,226,186	-	20,149,030
Operating cash-flows - EBITDA (a)	2,676,685	400,471	-	3,077,156
Amortisation and depreciation	(827,445)	(78,073)	-	(905,518)
Operating profit (EBIT)	1,849,240	322,398	-	2,171,638

			Consolidation adjustments and elimination	Total
<b>31.03.2018 restated</b>	Press	Television		
Net operating income	18,220,092	2,566,779	-	20,786,871
Operating cash-flows - EBITDA (a)	2,066,291	303,270	-	2,369,561
Amortisation and depreciation	(331,906)	(87,693)	-	(419,599)
Operating profit (EBIT)	1,734,385	215,577	-	1,949,962

(a) – EBITDA: earnings before interests and taxes, depreciations and amortisations

#### 14. NET PROFIT APPROPRIATION

Regarding the 2018 financial year, the Board of Directors proposed in its annual report that the individual net profit of Cofina, SGPS, S.A. amounting to 1,966,504.21 Euro would be transferred to Free Reserves. That proposal was approved in the Annual Shareholders' General Meeting held on May 28, 2019.

#### 15. FINANCIAL STATEMENTS APPROVAL

The interim financial statements as of 31 March 2019 were approved by the Board of Directors for issuance on May 30, 2019.

#### 16. EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards (IFRS/IAS) as adopted by the European Union, some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.



**COFINA, SGPS, S.A.**

Rua Manuel Pinto de Azevedo, 818

4100 – 320 Porto, Portugal

Tel: + 351 22 834 65 00

[www.cofina.pt](http://www.cofina.pt)

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