



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 – 1st Half 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)	1H 2019	1H 2018 restated	Var (%) 1H19/1H18
Operational revenues	42,696	44,405	-3.8%
Circulation	20,948	21,234	-1.3%
Advertising	12,845	13,093	-1.9%
Alternative marketing products and others	8,903	10,078	-11.7%
Operational costs (a)	34,955	37,534	-6.9%
Consolidated EBITDA (b)	7,741	6,871	12.7%
EBITDA Margin	18.1%	15.5%	+2.6 p.p.
Amortizations	1,811	839	115.9%
EBIT	5,930	6,032	-1.7%
EBIT Margin	13.9%	13.6%	+0.3 p.p.
Net financial income / (loss)	(1,177)	(1,361)	-13.5%
Profit before taxes from continuing operations	4,753	4,671	1.8%
Income taxes	1,738	1,774	-2.0%
Consolidated net profit from continuing operations	3,015	2,897	4.1%
Net profit of discontinued operations	-	-254	-
Consolidated net profit (c)	3,015	2,643	14.1%

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interests, taxes, depreciations and amortizations

(c) Net profit attributable to the parent company

Consolidated net profit increases 14% amounting to 3 M€

Cofina's consolidated total revenues in the first half of 2019 amounted to 42.7 million Euro, which corresponds to a 4% decrease over the same period of 2018. This evolution arises from a decrease in alternative marketing products (-12%). Regarding advertising, it was recorded a 2% decrease, while circulation revenues were 1% lower than in the previous year.

It should be noted that the Football World Cup occurred in June 2018, a sports event that has an extraordinary advertising investment, besides being an inductor of circulation. Therefore, the comparation with the first half of 2019 is affected by this non-recurring event.

Consolidated EBITDA amounted to approximately 7.7 million Euro, which reflects a 13% increase over EBITDA recorded in the first half of 2018. EBIT achieved 5.9 million Euro, which corresponds to a 2% decrease.

Net profit of discontinued operations, in 2018, results from the restatement of 2018 figures in order to reflect the sale 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 half of 2018 was restated in order to segregate into a separate line the profit attributable to those discontinuing units.

Hence, consolidated net profit reached 3.0 million Euro, a 14% increase when compared with the same period of the previous year.

As of 30 June 2019, Cofina's nominal net debt was 42.2 million Euro, which corresponds to a 2.5 million Euro increase comparatively to the nominal net debt recorded in the end of 2018 and a reduction of 0.8 million Euro over the nominal net debt recorded in the end of the first quarter of 2019.

This increase, besides seasonal effects, is related with investments made, mainly, in the TV segment, namely new studios and the development of new business initiatives.

TV Segment – EBITDA increases 51%

CMTV channel has been recording a very positive performance. In the end of June 2019, CMTV recorded a 3.86% average annual share, being the channel with the highest audience in the cable and the fourth largest Portuguese channel, behind the main Free to Air.

(thousand Euro)	1H 2019	1H 2018	Var (%) 1H19/1H18
Operational revenues	7,150	5,621	27.2%
Advertising	2,663	1,659	60.5%
Transmission fees and others	4,487	3,962	13.3%
Operational costs (a)	5,513	4,537	21.5%
EBITDA (b)	1,637	1,084	51.0%
EBITDA Margin	22.9%	19.3%	+3.6 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interests, taxes, depreciations and amortizations

CMTV total revenues amounted to approximately 7.2 million Euro, a 27% increase. Advertising revenues reached 2.7 million Euro (+61%) and revenues from transmission fees and others achieved 4.4 million Euro (+13%).

EBITDA recorded was around 1.6 million Euro, a 51% increase over 1.1 million Euro EBITDA recorded in the same period of the previous year.

EBITDA Margin of this segment achieved 22.9%.

Press Segment

(thousand Euro)	1H 2019	1H 2018 restated	Var (%) 1H19/1H18
Operational revenues	35,546	38,784	-8.3%
Circulation	20,948	21,234	-1.3%
Advertising	10,182	11,434	-10.9%
Alternative marketing products and others	4,416	6,116	-27.8%
Operational costs (a)	29,442	32,997	-10.8%
EBITDA (b)	6,104	5,787	5.5%
EBITDA Margin	17.2%	14.9%	+2.3 p.p.

(a) Operational costs excluding amortization

(b) EBITDA = earnings before interests, taxes, depreciations and amortizations

Press segment contains all paper titles owned by Cofina and digital market revenues. Hence, in the first half of 2019, total revenues amounted to 36 million Euro, a 8% decrease over the same period of the previous year. Advertising revenues recorded a 11% decrease achieving 10.2 million Euro and alternative marketing products and others recorded a 28% decrease, amounting to 4.4 million Euro. Revenues from circulation recorded a 1% decrease, amounting 20.9 million Euro.

Operational costs recorded a decrease around 10%. Therefore, EBITDA of this segment amounted to 6.1 million Euro, a 6% increase when compared with the homologous period of the previous year. EBITDA Margin achieved 17.2%. 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 period under analysis are as follows:

- EBITDA: increase of 1.2 million Euro;
- Amortizations: increase of 0.9 million Euro;
- Financial expenses: increase of 0.5 million Euro;
- Assets ("Right of Use"): increase of 11.2 million Euro;
- Liability ("Lease liability"): increase of 12.9 million Euro;
- Equity: decrease of 1.9 million Euro (net of deferred taxes).

The nominal remunerated net debt of 42.2 million Euro, above mentioned, does not include the lease liability.

Oporto, July 31, 2019