



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

**Annual financial information - FY19
(Unaudited)**

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

(thousand Euro)	4Q 2019	4T 2018 (Restated)	Var (%) 4Q19/4Q18
Operational revenues (a)	22,969	22,761	0.9%
Circulation	9,933	10,157	-2.2%
Advertising	7,852	8,301	-5.4%
Alternative marketing products and others	5,184	4,303	20.5%
Operational costs (b)	17,932	19,204	-6.6%
EBITDA (c)	5,037	3,557	41.6%
EBITDA margin (d)	21.9%	15.6%	+6.4 p.p.
Restructuring costs	-	-	-
Goodwill impairment	-	-	-
EBITDA normalized (e)	5,037	3,557	41.6%
Amortizations and depreciations	-873	-31	2716.1%
EBIT (f)	4,164	3,526	18.1%
EBIT margin (g)	18.1%	15.5%	+2.8 p.p.
Financial results (h)	(781)	(748)	4.4%
Earnings before income taxes from continuing operations	3,383	2,778	21.8%
Income taxes	489	897	-45.5%
Consolidated net profit from continuing operations	2,894	1,881	53.8%
Net profit of discontinued operations	-	1,080	-
Consolidated net profit	2,894	2,961	-2.3%

- (a) Operational revenues = Sales + Services rendered + Other income
- (b) Operational costs = Costs of sales + External supplies and services + Payroll expenses + Provisions and impairment losses + Other costs
- (c) EBITDA = Earnings before income taxes from continuing operations - Share of profit of associates and joint ventures + Financial expenses - Financial income + Amortisations and depreciations
- (d) EBITDA margin = EBITDA / Operational revenues
- (e) EBITDA normalized = EBITDA + Restructuring costs + Impairment losses in goodwill
- (f) EBIT = EBITDA + Amortisations and depreciations
- (g) EBIT margin = EBIT / Operational revenues
- (h) Financial results = Financial expenses – Financial income

Revenues increase 1% during the fourth quarter

The fourth quarter of 2019 was characterized by an increase in total revenues (+1%), which is related to a 5.4% decrease in revenues from advertising and a 21% increase in revenues from marketing alternative products and others. Revenues from circulation recorded a 2% decrease.

EBITDA achieved approximately 5 million Euro, which reflects a 42% increase over EBITDA recorded in the same period of 2018. EBIT reached 4.2 million Euro, which corresponds to a 18% increase.

Consolidated net profit reached 2.9 million Euro, a 2.3% decrease when compared with the same period of the previous year.

TV Segment – advertising increases 30% during the quarter

Cofina's TV segment consists on CMTV channel, the only generalist channel operating exclusively in cable.

(thousand Euro)	4Q 2019	4Q 2018 (Restated)	Var (%) 4Q19/4Q18
Operational revenues (a)	4,034	3,658	10.3%
Advertising	1,751	1,344	30.3%
Transmission fees and others	2,283	2,314	-1.3%
Operational costs (b)	2,894	2,704	7.0%
EBITDA (c)	1,140	954	19.5%
EBITDA margin (d)	28.3%	26.1%	+2.2 p.p.

(a) Operational revenues = Sales + Services rendered + Other income

(b) Operational costs = Costs of sales + External supplies and services + Payroll expenses

 + Provisions and impairment losses + Other costs

(c) EBITDA = Earnings before income taxes from continuing operations - Share of profit of associates and joint ventures + Financial expenses - Financial income + Amortisations and depreciations

(d) EBITDA margin = EBITDA / Operational revenues

CMTV total revenues reached to approximately 4 million Euro, which represents a 10% increase. Advertising revenues reached 1.8 million Euro (+30%) and revenues from Transmission fees and others achieved 2.3 million Euro (-1%).

EBITDA recorded was around 1.1 million Euro, which represents a 20% increase over EBITDA recorded in the same period of the previous year.

EBITDA margin of this segment achieved 28%.

Press Segment

(thousaund Euro)	4Q 2019	4Q 2018 (Restated)	Var (%) 4Q19/4Q18
Operational revenues (a)	18,935	19,103	-0.9%
Circulation	9,933	10,157	-2.2%
Advertising	6,101	6,957	-12.3%
Alternative marketing products and others	2,901	1,989	45.9%
Operational costs (b)	15,039	16,500	-8.9%
EBITDA (c)	3,896	2,603	49.7%
EBITDA margin (d)	20.6%	13.6%	+2.8 p.p.

- (a) Operational revenues = Sales + Services rendered + Other income
- (b) Operational costs = Costs of sales + External supplies and services + Payroll expenses
+ Provisions and impairment losses + Other costs
- (c) EBITDA = Earnings before income taxes from continuing operations - Share of profit of associates and joint ventures + Financial expenses - Financial income + Amortisations and depreciations
- (d) EBITDA margin = EBITDA / Operational revenues

Press segment contains all paper titles owned by Cofina and digital market revenues. Hence, during the fourth quarter of 2019, the total revenues of 18.9 million Euro represent a 1% decrease over the same period of the previous year. Advertising revenues recorded a 12% decrease, achieving 6.1 million Euro, and circulation revenues recorded a 2% decrease, reaching 9.9 million Euro. Revenues from “alternative marketing products and others” recorded a 46% increase, reaching 2.9 million Euro.

Operational costs recorded a decrease around 9%. Therefore, EBITDA of this segment amounted to 3.9 million Euro, a 50% increase when compared to the same period of the previous year. EBITDA Margin achieved 20.6%.

Consolidated net profit of 2019 increases 7.5% reaching around 7.2 M€

(thousand Euro)	2019	2018 (Restated)	Var (%) 2019/2018
Operational revenues (a)	88,024	89,293	-1.4%
Circulation	41,969	43,059	-2.5%
Advertising	27,563	28,115	-2.0%
Alternative marketing products and others	18,492	18,119	2.1%
Operational costs (b)	71,252	75,166	-5.2%
EBITDA (c)	16,772	14,127	18.7%
EBITDA margin (d)	19.1%	15.8%	+3.3 p.p.
Restructuring costs	-	-	-
Goodwill impairment	-	(800)	-
EBITDA normalized (e)	16,772	14,927	12.4%
Amortizations and depreciations	(3,594)	(1,288)	179.0%
EBIT (f)	13,178	12,839	2.6%
EBIT margin (g)	15.0%	14.4%	+0.6 pp
Financial results (h)	(2,722)	(2,726)	-0.1%
Earnings before income taxes from continuing operations	10,456	10,113	3.4%
Income taxes	3,306	3,914	-15.5%
Consolidated net profit from continuing operations	7,150	6,199	15.3%
Net profit of discontinued operations	-	454	-
Consolidated net profit	7,150	6,653	7.5%

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- (h) Financial results = Financial expenses – Financial income

Cofina's consolidated net profit in 2019 amounted to 88 million Euro, which corresponds to a 1.4% decrease over the same period of 2018.

EBITDA achieved approximately 16.8 million Euro, which reflects a 19% increase over the EBITDA recorded in the same period of 2018. EBIT reached around 13.2 million Euro, which corresponds to a 3% increase.

The net profit of discontinuing operations" in 2018 refers to the impact of the sales operation that Cofina hold in Brazil, through its subsidiary *AdCommedia* and its associated *Destak Brasil*. Those investments were sold in the end of 2018. The information above related with the income statement in the fourth quarter of 2018 was restated in order to segregate into an independent line the profits attributable to those discontinuing units.

Consolidated net profit amounted around 7.2 million Euro, which represents a 7.5% increase when compared to the homologous period of the previous year.



As of 31 December 2019, Cofina's nominal net debt¹ was 44.9 million Euro, which corresponds to a 5.2 million Euro increase, comparatively to the nominal net debt recorded in the end of 2018

This increase is due to a 10 million Euro collateral related to the purchase and sale agreement celebrated, as of 20 September 2019, with Promotora de Informaciones, S.A. for the 100% acquisition of share capital and voting rights of Vertix, SGPS, S.A. (and, indirectly, 94.69% of the share capital and voting rights of Grupo Média Capital, SGPS, S.A.).

In terms merely operational (without considering the effect due to the transaction mentioned), Cofina's nominal net debt would be 34.9 million Euro, which corresponds to a 4.8 million Euro decrease over the nominal net debt recorded in the end of 2018.

¹ Nominal net debt: Other loans (nominal values) + Bank loans (nominal values) – Cash and cash equivalents

IFRS 16 Impacts

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 2.4 million Euro;
- Amortizations: increase of 1.8 million Euro;
- Financial expenses: increase of 0.8 million Euro;
- Assets ("Right of Use"): increase of 10.6 million Euro;
- Liability ("Lease liability"): increase of 12.5 million Euro;
- Equity: decrease of 1.3 million Euro (net of deferred taxes).

Subsequent Events

On March 11th, Cofina announced the market that the number of shares subscribed did not reach the total number of shares that were the object of the public offering. Specially considering the recent and significant deterioration of the market conditions, Cofina Group understood that the conditions for the launch of a private offer to place the remaining shares were not met, and, to that extent, as mentioned in the prospectus issued, the condition for the full subscription of the capital increase was not verified, and hence the offer was without effect.

As a consequence of the public offering being rendered ineffective, the capital increase was not subjected to commercial registration, and therefore it was not verified the last suspensive condition on which the closing of the acquisition operation depends, by Cofina to Promotora de Informaciones, S.A., of shares representing 100% of the share capital and voting rights of Vertix, SGPS, S.A. ("Vertix"), which in turn holds shares representing 94.69% of the share capital and voting rights of Grupo Média Capital, SGPS, S.A., as established in the purchase and sale agreement entered into on September 20, 2019 and amended on December 23, 2019 ("Agreement").

Cofina Group is evaluation the possible impacts, if any, resulting from this event.



2020 Outlook

Considering the current reality, it is essential to consider the impacts of Covid-19 on the world economy and on the financial markets, whose consequences will be reflected in the financial performance of different business areas and industries all over the world.

The Group will remain alert and careful in the face of the risks that may arise for its business area, whether in operational, investment or financial terms. Being currently implementing prevention, control and surveillance measures that deems necessary for the minimization of eventual impacts.

We are convinced that with prevention, serenity and joint efforts with all of our partners, namely customers, suppliers and local communities, we will be ready to face this challenge.

Oporto, 13 March 2019