



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 – FY2020
(unaudited)**

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards adopted in European Union (IFRS-EU), 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.

2020 Financial Information

COVID-19

The year 2020 was marked by the emergence of a global epidemic called COVID-19, and on March 11, 2020 the World Health Organization declared it a pandemic. In Portugal, a state of emergency was declared, which was in force from the 19th of March until the 2nd of May 2020 and from the 6th of November until the end of the year.

Since the beginning of the pandemic, Cofina has been assessing and monitoring the pandemic's developments, in terms of the risk factors that, in its understanding, are relevant and which may affect the business areas, whether in operational, investment or financial terms. Cofina, from an early stage, implemented a set of measures for the prevention, control and surveillance, with prevention / contingency plans being developed that cover the entire organisation.

Ensuring the permanent well-being of all Employees, their families and the community, has always been and will continue to be a priority for Cofina. The Group, together with the human resources department, implemented a series of increased preventive actions to protect the health and safety of its Employees, based on the recommendations of the Portuguese Health Authority to face the pandemic. This plan has been continuously adjusted considering the evolution of the pandemic, being essential for the purpose of containing the impacts of the pandemic between our employees and the local community.

As a result of the various measures implemented, during the 2020 financial year, there was a negative impact on the income statement in the amount of approximately 130 thousand Euro (including protective equipment expenses, among others).

Cofina has been implementing, during the last years, a plan which aims to prepare the Group for the future reality, ensuring its sustainability and adequate profitability levels. In order to manage the impacts of the pandemic, the Group implemented cost containment measures, of which stand out, the review of the product printing (i.e. number of printed copies), the reduction of the number of pages, the reduction of editorial costs, the reduction of marketing actions, the temporary distribution stoppage of Destak (free newspaper) and the implementation of measures to contain other costs (not related to the protection of our Employees). We understand that these actions will be reflected in cost reduction and contribute to mitigate the impacts on the activity from the pandemic.

With regard to liquidity risk management, it is Cofina's understanding that the financing contracts established, as well as the relevant historical activity with the financial institutions with which it has a long-lasting relationship with no history of default, allow the Group to manage any additional needs for funds to maintain the activity in this period of uncertainty. As of December 31, 2020, the amount of consolidated credit lines available (namely pledged current accounts, bank overdrafts and cash



poolings) in the amount of approximately 15.1 million Euro. Additionally, the Group presents Cash and cash equivalents amounting to, approximately, 15.3 million Euro.

Consolidated net profit of 2020

The financial information was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

(thousand Euro)	Recurring costs			Non-recurring costs	Goodwill impairment	Total		
	2020	2019	Var (%) 2020/2019	2020	2020	2020	2019	Var (%) 2020/2019
Operational revenues (a)	71,444	88,024	-19%			71,444	88,024	-19%
Circulation	33,276	41,969	-21%			33,276	41,969	-21%
Advertising	22,208	27,563	-19%			22,208	27,563	-19%
Alternative marketing products and others	15,960	18,492	-14%			15,960	18,492	-14%
Revenues by segment	71,444	88,024	-19%			71,444	88,024	-19%
Press	55,911	73,195	-24%			55,911	73,195	-24%
TV	15,533	14,829	5%			15,533	14,829	5%
Operational costs (b)	(57,548)	(71,252)	-19%	(1,961)	(1,894)	(61,403)	(71,252)	-14%
EBITDA (c)	13,896	16,772	-17%	(1,961)	(1,894)	10,041	16,772	-40%
EBITDA margin (d)	19.5%	19.1%	+0.4 p.p.			14.1%	19.1%	-5.0 p.p.
Press	9,181	12,789	-28%			9,181	12,789	-28%
EBITDA margin Press (e)	16.4%	17.5%	-1.1 p.p.			16.4%	17.5%	-1.1 p.p.
TV	4,715	3,983	18%			4,715	3,983	18%
EBITDA margin TV (f)	30.4%	26.9%	+3.5 p.p.			30.4%	26.9%	+3.5 p.p.
Amortizations and depreciations	(3,414)	(3,594)	-5%	-	-	(3,414)	(3,594)	-5%
EBIT (g)	10,482	13,178	-20%	(1,961)	(1,894)	6,627	13,178	-50%
EBIT margin (h)	14.7%	15.0%	-0.3 p.p.			9.3%	15.0%	-5.7 p.p.
Financial results (i)	(2,366)	(2,722)	-13%	(578)	-	(2,944)	(2,722)	8%
Profit / (Loss) before income tax	8,116	10,456	-22%	(2,539)	(1,894)	3,683	10,456	-65%
Income taxes	(2,627)	(3,306)	-21%	533	-	(2,094)	(3,306)	-37%
Consolidated net profit	5,489	7,150	-23%	(2,006)	(1,894)	1,589	7,150	-78%

- (a) Operational Revenues = Sales + Services rendered + Other income
- (b) Operational costs = Cost of sales + External supplies and services + Payroll expenses + Provisions and impairment losses + Other expenses
- (c) EBITDA = Operational revenues - Operational costs
- (d) EBITDA margin = EBITDA / Operational revenues
- (e) EBITDA Press margin = EBITDA Press / Revenues by Segment Press
- (f) EBITDA TV margin = EBITDA TV / Revenues by Segment TV
- (g) EBIT = EBITDA - Amortizations and depreciations
- (h) EBIT margin = EBIT / Operational revenues
- (i) Financial results = Results related to associated companies and joint ventures + Financial income - Financial expenses

In annual terms, Cofina's total revenues amounted to 71.4 million Euro, which corresponds to a decrease of 18.8% when compared to the same period of 2019. Circulation revenues and Advertising revenues recorded a 20.7% and 19.4% decrease, respectively. Revenues from Alternative marketing products and others recorded a 13.7% decrease.

During the period under analysis, a number of non-recurring costs were recorded, mostly associated with transaction costs of the acquisition of the share capital of Grupo Média Capital, SGPS, S.A. by Cofina, SGPS, S.A., which amounted to 2 million Euro. The Group recorded a Goodwill impairment of approximately 1.9 million Euro.

The Group's EBITDA excluding non-recurring costs and Goodwill impairment was approximately 13.9 Million Euro (-17%). EBITDA recorded in 2020, including non-recurring costs and Goodwill impairment was 10.0 Million Euro (-40%).



Consolidated net profit reached, approximately, 1.6 million Euro, a decrease of 77.8% over the previous year. Excluding non-recurring costs and Goodwill impairments, consolidated net profit would be 5.5 million Euro.

2nd Half 2020

The financial information was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

(thousand Euro)	2H2020	2H2019	Var (%) 2H20/2H19
Operational revenues (a)	37,402	45,328	-17.5%
Circulation	16,657	21,021	-20.8%
Advertising	13,058	14,718	-11.3%
Alternative marketing products and others	7,687	9,589	-19.8%
Revenues by segment	37,402	45,328	-17.5%
Press	28,858	37,649	-23.3%
TV	8,544	7,679	11.3%
Recurring operational costs (b)	(27,724)	(36,297)	-23.6%
Recurring EBITDA (c)	9,678	9,031	7.2%
EBITDA margin (d)	25.9%	19.9%	+6.0 p.p.
Press	6,727	6,685	0.6%
EBITDA margin Press (e)	23.3%	17.8%	+5.6 p.p.
TV	2,951	2,346	25.8%
EBITDA margin TV (f)	34.5%	30.6%	+4.0 p.p.
Impairments and non-recurring costs (g)	(2,206)	-	-
Non-recurring EBITDA (h)	7,472	9,031	-17.3%
Amortizations and depreciations	(1,620)	(1,783)	-9.1%
EBIT (i)	5,852	7,248	-19.3%
EBIT margin (j)	15.6%	16.0%	-0.3 p.p.
Financial results (k)	(978)	(1,545)	-36.7%
Profit / (Loss) before income tax	4,874	5,703	-14.5%
Income taxes	(2,030)	(1,568)	29.5%
Consolidated net profit	2,844	4,135	-31.2%

- (a) Operational Revenues = Sales + Services rendered + Other income
- (b) Recurring operational costs = Cost of sales + External supplies and services + Payroll expenses
+ Provisions and impairment losses (excluding Goodwill impairment) + Other expenses (excluding non-recurring costs)
- (c) Recurring EBITDA = Operational revenues - Recurring operational costs
- (d) EBITDA margin = Recurring EBITDA / Operational revenues
- (e) EBITDA Press margin = EBITDA Press / Revenues by Segment Press
- (f) EBITDA TV margin = EBITDA TV / Revenues by Segment TV
- (g) Impairments and non-recurring costs = namely costs with Media Capital operation acquisition and Goodwill impairment
- (h) Non-recurring EBITDA = Recurring EBITDA + Impairments and non-recurring costs
- (i) EBIT = EBITDA + Amortizations and depreciations
- (j) EBIT margin = EBIT / Operational revenues
- (k) Financial results = Results related to associated companies and joint ventures + Financial income
- Financial expenses

The results of the second half of 2020 were characterised by a decrease in the intensity of the negative impact of COVID-19, which, however, still had a relevant impact on the revenues of the media groups, having witnessed significant falls in all the captions that constitute the revenues.

Hence, in the second half of 2020, Cofina's total revenues amounted to 37.4 million Euro, which corresponds to a 17.5% decrease in relation to the same period of the previous year. Circulation and advertising revenues recorded 20.8% and 11.3% decreases, respectively. Revenues from marketing alternative products and others recorded 7.7 million Euro (-19.8%).



As mentioned above, in strategic terms, measures to reinforce operational efficiency were implemented, which lead recurring operational costs of the second half of 2020 to amount to 27.7 million Euro, which corresponds to a decrease of 23.6%. This means that, during the second half of 2020, compared to the same period in 2019, recurring operating costs were reduced by 8.6 million Euro.

Hence, recurring EBITDA of the second half of 2020 achieved approximately 9.7 million Euro, which reflects a 7.2% increase over recurring EBITDA recorded in the same period of 2019.

Consolidated net profit of the second half reached, approximately, 2.8 million Euro.

As of 31 December 2020, Cofina's nominal net debt¹ was 40.1 million Euro, which corresponds to approximately a 4.8 million Euro decrease, comparatively to the nominal net debt recorded in the end of 2019, which was 44.9 million Euro.

The nominal net debt amount as of 31 December 2020 includes a 10 million Euro collateral related to the purchase and sale agreement celebrated, on the 20th of September 2019, with Promotora de Informaciones, S.A. ("Prisa") for the 100% acquisition of the 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., constituted in 2019.

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

TV Segment

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

<i>(thousand Euro)</i>	2H2020	2H2019	Var (%) 2H20/2H19
Operational revenues (a)	8,544	7,679	11.3%
Advertising	4,430	3,183	39.2%
Transmission fees and others	4,114	4,496	-8.5%
Operational costs (b)	(5,593)	(5,333)	4.9%
EBITDA TV (c)	2,951	2,346	25.8%
EBITDA margin	34.5%	30.6%	+4.0 p.p.

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

(b) Operational costs = Cost of sales + External supplies and services + Payroll expenses
+ Provisions and impairment losses + Other expenses

(c) EBITDA TV = Operational revenues - Operational costs

(d) EBITDA margin = EBITDA TV / Operational revenues

CMTV total revenues reached to approximately 8.5 million Euro, which represents a 11.3% increase. Revenues from Transmission fees and others achieved 4.1 million Euro (-8.5%), while Advertising revenues recorded a 39.2% increase, by reaching 4.4 million Euro.

EBITDA recorded in the TV segment was around 3 million Euro, which represents a 25.8% increase over EBITDA recorded in this segment for the same period of the previous year.

In 2020, CMTV recorded a 4.22% average annual share, being the fourth largest seen channel in Portugal.

Press Segment

(thousand Euro)	2H2020	2H2019	Var (%) 2H20/2H19
Operational revenues (a)	28,858	37,649	-23.3%
Circulation	16,657	21,021	-20.8%
Advertising	8,628	11,535	-25.2%
Alternative marketing products and others	3,573	5,093	-29.8%
Operational costs (b)	(22,131)	(30,964)	-28.5%
Press EBITDA (c)	6,727	6,685	0.6%
EBITDA margin (d)	23.3%	17.8%	+5.6 p.p.

- (a) Operational Revenues = Sales + Services rendered + Other income
- (b) Operational costs = Cost of sales + External supplies and services + Payroll expenses
+ Provisions and impairment losses + Other expenses
- (c) EBITDA Press = Operational revenues - Operational costs
- (d) EBITDA margin = EBITDA Press / Operational revenues

Press segment, which contains all paper titles owned by Cofina and digital market revenues, was the most affected by the pandemic crisis.

During the second half of 2020, total revenues amounted to 28.9 million Euro, which represents a 23.3% decrease over the same period of the previous year. Advertising revenues and circulation revenues recorded a 25.2% and 20.8% decrease, respectively. Revenues from Alternative marketing products and others recorded a 29.8% decrease.

Operational costs reached 22.1 million Euro, recording a decrease around 28.5%, which allowed EBITDA of this segment to amount 6.7 million Euro, which is a value in line when compared to the same period of the previous year.



Prisa complaint and Media Capital Public Tender Offer

On April 15, 2020, Cofina Group announced to the market about a notification from Arbitration Request ("Request") submitted by Promotora de Informaciones, S.A. ("Prisa") at Câmara do Comércio e Indústria Portuguesa (CCIP), claiming the right to be delivered, by the Escrow Agent (Banco BPI, S.A.), the 10 million Euro amount deposited there as a down payment. Currently, the mentioned amount is deposited in the Escrow Account at Banco BPI, S.A..

Cofina understands that Prisa's requests have no basis whatsoever and submitted its response within the scope of the referred arbitration proceedings. Therefore, it is understanding of the Board of Directors, based on the available, current and up to date information, supported by the legal advisors, that the amount will be recovered by Cofina Group, so the Group has not recorded any provision against the Group's assets.

At the present date, the arbitration proceeding is following its normal procedures.

As of March 6, 2021, Cofina Group informed the market that it had been notified, on March 2, 2021, of the Valuation Report prepared by the independent auditor appointed by CMVM, a report that sets the unit amount of compensation at € 0.725 (seventy-two cents and half of a cent) per share.

In line with point (a) of point (iv) of the Amendment to the Preliminary Announcement for the Public Offering of Shares representing the share capital of Grupo Média Capital, SGPS, S.A., following the modification of the offer, pursuant to article 128 of the Securities Code disclosed to the market on August 12, 2020, it was a launching condition that the independent auditor appointed by CMVM to calculate the offer compensation, did not set a unit compensation value that exceeded the amount of € 0.415 (forty one cents and five tenths of a cent) per share, therefore, on March 6, 2021, the Cofina Group informed the market about its intention to not waive this condition.



Outlook

As of the date of this press release, the country remains under the "State of Emergency", with a plan to gradually lift the lockdown being announced a few days ago.

Cofina will continue to implement all necessary measures to adjust the cost level to the estimated revenue level.

However, as 2021 is being marked by an ambitious global vaccination campaign, it is to be anticipated that after the inoculation of the percentage of the population sufficient to reach the level of group immunity there will be strong economic growth, with the normal positive consequences in the media sector.

On the other hand, Cofina is constantly analysing growth opportunities.

Oporto, March 18, 2021