ANNUAL REPORT

31 December 2021

European single electronic reporting format (ESEF) and PDF version

This document is an unofficial and unaudited PDF version of the Annual Report 2021 of Cofina, SGPS, S.A.. This version has been prepared for ease of use and does not contain ESEF information as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The official ESEF reporting package is available on the CMVM website and was submitted on April 7, 2022. This document is a true copy of the aforementioned financial information. In case of discrepancies between this version and the official ESEF package, the latter prevails.

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TABLE OF CONTENTS
(CHAPTERS INCLUDED IN THE DOCUMENT)

MANAGEMENT REPORT

31 December 2021

TABLE OF CONTENTS

To the Shareholders

The Board of Directors of Cofina, SGPS, S.A. (hereinafter "Cofina" or "Company" or "Group"), in accordance with the legal and statutory requirements, hereby submits the Annual Report 2021. In accordance with Article 508(6)(C) of the Portuguese Companies Act, the Board of Directors decided to submit a single Management Report, in compliance with all the legal requirements that will enable a complete, practical and integrated analysis of the information made available therein.

INTRODUCTION

The year 2021 was marked by the COVID-19 pandemic, with the impacts in social and economic terms resulting from restrictions and confinement, which marked in particular the beginning of the year, when the population was not yet vaccinated and there was a strong wave of the disease.

Despite this framework, Cofina Group witnessed a recovery in activity compared to 2020, with an impact essentially on the evolution of the advertising market, with Cofina managing to capture an important part of this growth, developing new advertising formats and investing in the digital aspect, through of the brands that generally lead in their respective segments.

Internally, the Group maintained its search for efficiency, framed by the prospects for the sector's evolution and the negative effects caused by the pandemic. In this way, the strategies for each brand were dynamically adjusted, considering the most appropriate size and format, cover price, editorial strategy, among others. At the same time, a restructuring plan was implemented with the aim of achieving an even more agile company, prepared to face future challenges.

According to data provided by the Portuguese Association for Circulation and Print Control (APCT) for the year 2021, “Correio da Manhã” continues to be in the leadership as the best selling daily newspaper in Portugal, with an average daily paid circulation of around 53 thousand copies sold per printed and digital edition during the period under analysis. In the newsmagazines, according to the data provided by this certifying entity, the weekly magazine “Sábado” managed to reach 27 thousand copies sold per edition (printed and digital). It should be noted that, despite the widespread breakdowns in the paid circulation of its segment, “Correio da Manhã” has been maintaining its leadership year after year and “Sábado” magazine has been able to confirm its market share and remain extremely competitive.

In the television segment, CMTV consolidated and increased its leadership in cable television. CMTV's total revenues amounted to approximately 17.5 million Euro, which corresponds to an increase of 12.4%. EBITDA of the TV segment was around 4.9 million Euro, corresponding to a 4.3% increase when compared to the same period of the previous year. In 2021, CMTV recorded an average daily share of 4.35%, being the fourth most watched channel in Portugal.

MACROECONOMIC FRAMEWORK

The long vaccination process marked the year 2021 as part of the fight against the Covid-19 pandemic. The mass vaccination process in developed economies resulted in a decrease in the number of infections and, consequently, a decrease in restrictions, which allowed economic activity to grow. However, the pace of recovery has not been constant, as the world has always been on alert for the possibility of new infectious variants emerging. The projections of annual GDP variation at constant prices (in %) of the world economy are mostly around 5%: 5.5% by the World Bank, 5.7% by the European Community, and 5.9% by the International Monetary Fund, with the OECD being a little more cautious, estimating a growth of 3.8%.

In 2022, the fight against the pandemic will continue, but new adversities will also arise, namely the armed conflict in Ukrainian territory, which, besides the unfortunate social impact it has had on the lives of Ukrainian citizens, will have repercussions on the world economy. The impacts will be felt namely in the price of raw materials where, for example, oil has reached new historic highs. At the same time, the world has been trying to respond to the Russian invasion with economic sanctions that will have an impact on countless economies, whether they are exporters or importers. Thus, inflation may be a particularly relevant issue, as it may imply important changes in monetary policy. Central Banks may have to tighten monetary policies, strangling demand and thus causing economic deceleration. For 2022, the OECD puts forward GDP growth projections (at constant prices) of around 3.9% for the world economy. The World Bank points to an annual GDP variation at constant prices of 4.1%, while the IMF points to a higher forecast, around 4.8%.

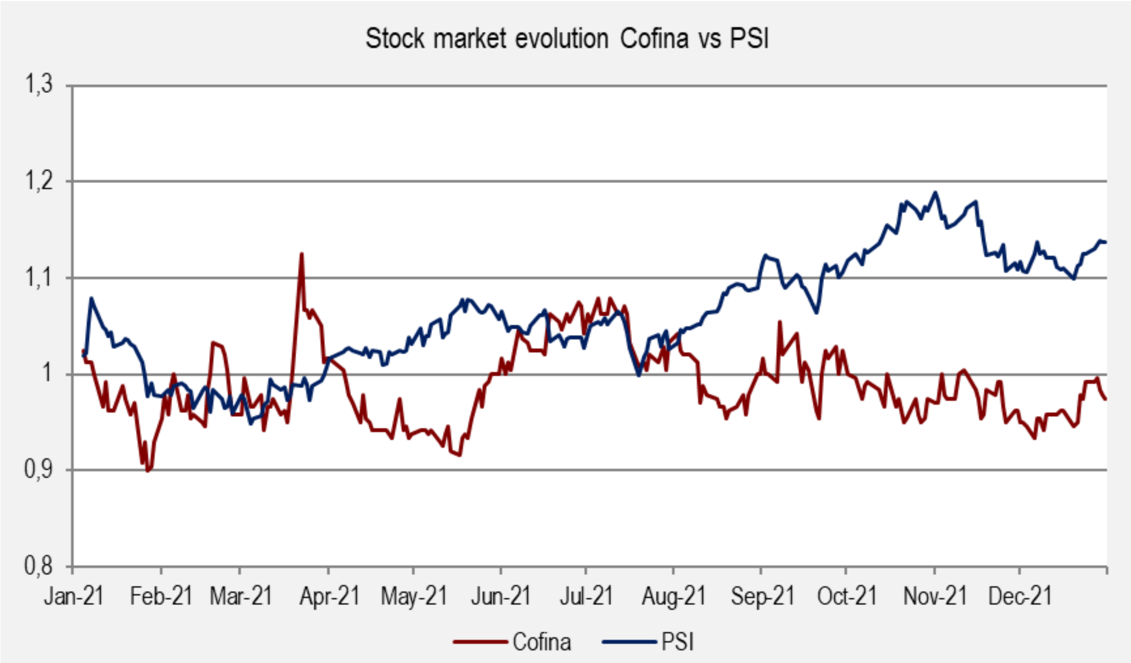
As for the Eurozone economy, which had fallen in 2020, it experienced a solid recovery in 2021, with the latest OECD estimates pointing to growth of 5.2%. Private consumption was the main responsible for this recovery. Inflation rates, both the overall rate and the underlying rate, experienced large increases, reaching 4.1% and 2.0%, respectively, in October 2021. Over the next two years, growth is expected to slow gradually to 4.3% in 2022 and 2.5% in 2023. As for unemployment, it is expected to be back at pre-pandemic levels and to fall below that level in 2023. The OECD forecasts estimate that the unemployment rate in the Eurozone will fall from 7.9% in 2020 to 7.7% in 2021, 7.2% in 2022 and 7.0% in 2023. Eurozone inflation, meanwhile, closed 2021 at 2.4%, and is estimated at 2.7% and 1.8% for 2022 and 2023.

For Portugal, the boost in private consumption after the withdrawal of most restrictive measures led to a more robust than expected recovery in economic activity in the second and third quarters of 2021. The latest projections advance GDP growth between 4.8% and 4.9% in 2021. For 2022, the OECD estimates GDP growth of 5.8% for 2022 and 2.8% for 2023. At the same time, after having closed 2020 with a slight deflation of 0.1%, Portugal will have reached inflation levels of 0.9% in 2021. The Bank of Portugal (BoP) projections for the coming years point to inflation of 1.8% in 2022 and 1.1% in 2023. As for unemployment, BdP and INE estimates point to 6.6% in 2021, 6.0% in 2022 and 5.7% in 2023 (values in % of the active population).

Source: IMF - Informação de Mercados Financeiros, Macroeconomic Framework Report for 2021 and Scenario for 2022, March 21, 2022

STOCK EXCHANGE EVOLUTION

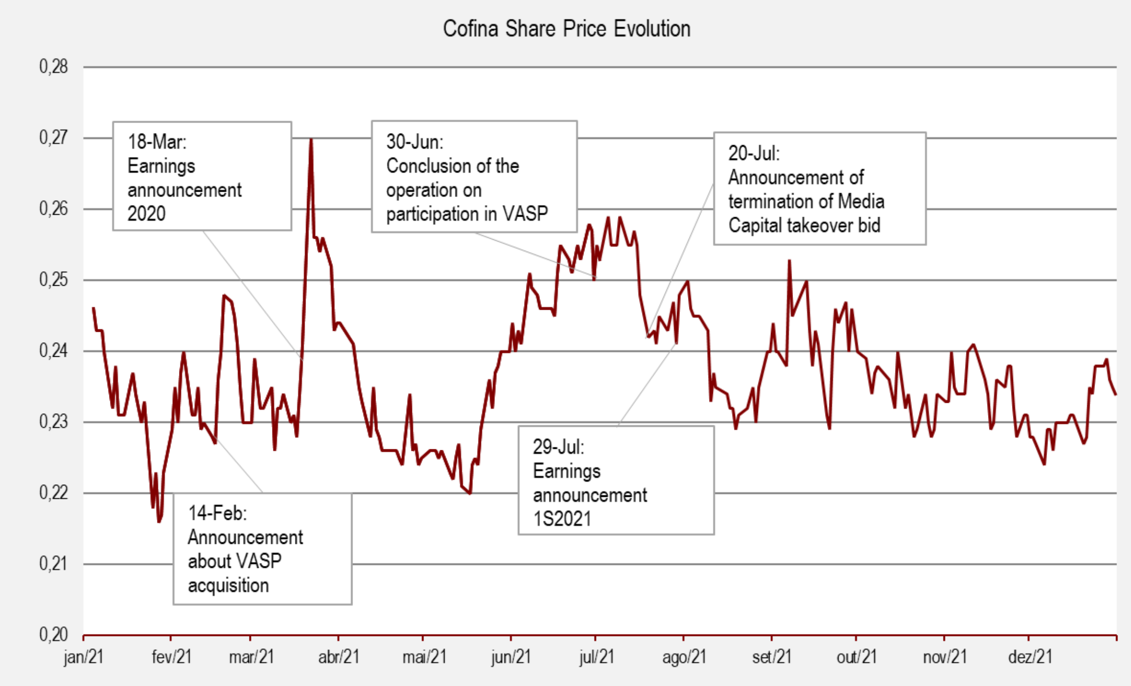
(Note: PSI was considered as an index with the same initial market value as the stocks under analysis in order to enable a better comparison of the price variations.)



At the end of 2021, Cofina's share price closed at 0.234 Euro/share and the corresponding market capitalisation was 24.0 million Euro.

In 2021, Cofina's shares were traded at a maximum price of 0.270 Euro and at a minimum price of 0.216 Euro. In total, 16.9 million shares were traded, equivalent to 16.5% of the issued capital.

The main events that marked the evolution of Cofina's share price during 2021 can be described as follows:



- On February 14, 2021, Cofina informed the market about the agreement to acquire 111,000 shares representing 16.67% of the share capital of Vasp - Distribuidora de Publicações, S.A. ("VASP"), for 1,050,000 Euros, with Impresa - Sociedade Gestora de Participações Sociais, S.A., becoming the holder of 50% of VASP's share capital, should the acquisition take place, after non-opposition by the Competition Authority. The conclusion of this operation was carried out and communicated to the market on June 30, 2021;

- In the press release regarding the announcement of the Group's performance in fiscal year 2020, disclosed on March 18, 2021, Cofina presented a consolidated net profit of 1.6 million Euro. Excluding non-recurring costs and goodwill impairments, the net income would have been 5.5 million Euros. Operational revenue[1] were 71.4 million Euros and EBITDA[2] was 10.0 million Euros. The Group's EBITDA excluding non-recurring costs and goodwill impairments was approximately 13.9 million Euros. On that day, the shares closed at 0.234 Euro per share;

- On July 20, Cofina announced the revocation, with immediate effects, of the general and voluntary public tender offer for the acquisition of shares representing the share capital of Grupo Média Capital, SGPS, S.A., which was authorized by Comissão do Mercado de Valores Mobiliários (CMVM), and the offer will be considered ineffective;

- On July 29, the Group communicated to the market its results for the first half of 2021, having registered operational revenues[1] of 35.5 million Euros. EBITDA[2] excluding non-recurring costs, reached 6.9 million Euros and the EBITDA margin was 19.4%. Net income was 1.95 million Euros and nominal net debt[3] at 38.1 million Euro.

[1] Operational revenues = Sales + Services rendered + Other income

[2] EBITDA = Earnings before taxes, Results related to associates and joint ventures, Financial expenses, Financial income and Amortisations and depreciations

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

GROUP'S ACTIVITY

Cofina Group develops its activity in the media and contents business area. The key group company in this sector is Cofina Media, S.A..

Cofina Group, through its subsidiary, Cofina Media, owns/explores the following portfolio in paper: the daily newspaper "Correio da Manhã", daily sports newspaper "Record", economic newspaper "Negócios", free newspaper "Destak", generalist weekly magazine "Sábado", weekly television magazine "TV Guia", television channel distributed on all cable platforms "Correio da Manhã TV" (CMTV), organization and management of events and exploitation of the various products on digital platforms, as well as other digital products, such as "Flash" and "Máxima"

At Cofina Media, and in the television segment, CMTV consolidated and increased its leadership in channels by subscription.

In the written press there was an increasing trend in the advertising investment and a reduction in the number of copies sold. In the gaming area, Cofina Media is present through a 40% participation in "A Nossa Aposta".

Thus, on 31 December 2021, the organisation chart of Cofina Group's holdings was as follows:

"Correio da Manhã" continues to be the best-selling daily newspaper in Portugal. According to data provided by the Portuguese Association for Circulation and Print Control (APCT), it sold in 2021 an average of 51 thousand printed copies per edition, reaching a share of 57% in the generalist daily newspaper.

TV Guia, a magazine in the television segment, obtained in 2021 the number of copies sold at around 39 thousand per edition, keeping increased its share in the television magazine from 36% in 2020 to 39% in 2021.

Despite the adverse context that characterises the press sector, particularly in this year affected by Covid-19, in terms of market share, Cofina Media continued to maintain its leadership in the various publications where its main products are included.

It should be highlighted that the performance of the "CMTV" which, in 2021, recorded an average share of 4.35% (4.22% in 2020), making it the channel with the highest audience on cable TV and the fourth largest Portuguese channel, just behind Free to Air (SIC, TVI and RTP 1).

FINANCIAL REVIEW

The financial information was prepared in accordance with the International Financial Reporting Standards as adopted in European Union (IFRS-EU).

(thousand Euro)	2021	2020	Var (%) 2021/2020
Operational Revenues (a)	**75,849**	**71,444**	**6.2%**
Circulation	32,324	33,276	-2.9%
Advertising	26,812	22,208	20.7%
Alternative marketing products and others	16,713	15,960	4.7%
Revenues by segment	**75,849**	**71,444**	**6.2%**
Press	58,390	55,911	4.4%
TV	17,459	15,533	12.4%
Operational costs (b)	**(61,077)**	**(59,509)**	**2.6%**
Operational EBITDA (c)	**14,772**	**11,935**	**23.8%**
EBITDA margin (d)	19.5%	16.7%	+2.8 p.p.
Press	9,854	7,220	36.5%
EBITDA margin Press (e)	16.9%	12.9%	+4.0 p.p.
TV	4,918	4,715	4.3%
EBITDA margin TV (f)	28.2%	30.4%	-2.2 p.p.
Goodwill impairment	(914)	(1,894)	-51.7%
EBITDA (g)	**13,858**	**10,041**	**38.0%**
Amortizations and depreciations	(3,488)	(3,414)	2.2%
EBIT (h)	**10,370**	**6,627**	**56.5%**
EBIT margin (i)	13.7%	9.3%	-4.4 p.p.
Financial results (j)	(3,194)	(2,944)	8.5%
Profit before income tax	**7,176**	**3,683**	**94.8%**
Income taxes	(2,951)	(2,094)	40.9%
Consolidated net profit	**4,225**	**1,589**	**165.9%**

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

Cofina's total revenues amounted to 75.8 million Euros, which corresponds to a 6.2% increase in relation to the previous year. Advertising revenues increased by 20.7% and alternative marketing revenues increased by 4.7%, with circulation revenues decreasing by 2.9%.

As at 31 December 2021, operating costs include non-recurring costs of approximately 1.8 million Euros, resulting from indemnities from the implementation of the Group's restructuring plan.

During the period under review, the Group recorded goodwill impairment in the amount of approximately 0.9 million Euros.

The Group's operational EBITDA, was approximately 14.8 million Euros (+23.8%). Considering the impairment of Goodwill, EBITDA amounts to 13.9 million Euros (+38.0%).

Consolidated net profit reached 4.2 million Euro, a 165.9% increase over the previous year.

On 31 December 2021, Cofina's nominal net debt[4] was 33.9 million Euro, which corresponds to approximately a 6.2 million Euro decrease, comparatively to the nominal net debt recorded in 31 December 2020, which was 40.1 million Euro.

Free Cash Flow (FCF) (considering the reduction of net debt) yield of 2021 (FCF/market capitalization), based on the stock price as of 31 December 2021, amounted to 25.8%.

Some indicators of the main business segments are presented below:

TV Segment

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

(thousand Euro)	2021	2020	Var (%) 2021/2020
Operational Revenues (a)	**17,459**	**15,533**	**12.4%**
Operational Costs (b)	(12,541)	(10,818)	15.9%
Operational EBITDA TV (c)	**4,918**	**4,715**	**4.3%**
EBITDA Margin (d)	28.2%	30.4%	-2.2 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 (excluding Goodwill impairment) + Other expenses
(c) Operational EBITDA TV = Operational Revenues - Operational Costs
(d) EBITDA Margin = Operational EBITDA TV / TV Operational Revenues

CMTV total revenues reached to approximately 17.5 million Euro, which represents a 12.4% increase.

EBITDA TV recorded was around 4.9 million Euro, which represents a 4.3% increase when compared to the previous year.

In 2021, CMTV recorded a share of 4.35%, being the fourth channel, most seen in Portugal.

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

Press Segment

Cofina's press segment includes the daily newspapers Correio da Manhã, Record and Negócios, the magazines Sábado and TV Guia and their respective websites, as well as the BOOST (Events, Activation and Publishing) area.

(thousand Euro)	2021	2020	Var (%) 2021/2020
Operational revenues (a)	**58,390**	**55,911**	**4.4%**
Circulation	32,324	33,276	-2.9%
Advertising	17,534	15,172	15.6%
Alternative marketing products and others	8,532	7,463	14.3%
Operational costs (b)	(48,536)	(48,691)	-0.3%
Operational EBITDA Press (c)	**9,854**	**7,220**	**36.5%**
EBITDA margin (d)	16.9%	12.9%	+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 (excluding Goodwill impairment) + Other expenses
(c) Operational EBITDA Press = Operational Revenues - Operational Costs
(d) EBITDA Margin = Operational EBITDA Press / Press Revenues

During 2021, total revenues of Press segment were 58.4 million Euro, representing a 4.4% increase over the same period of the previous year. Circulation revenues recorded a 2.9% decrease and advertising revenues increased 15.6%. Revenues from alternative marketing products and others recorded a 14.3% increase.

Operational costs were 48.5 million Euro, recording a slight decrease 0.3% over the previous year, which allowed EBITDA of this segment to record a 36.5% increase, amounting to 9.8 million Euro.

ACTIVITY DEVELOPED BY THE NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

During the 2021 financial year, the Company's non-executive directors acted effectively in the duties of accompanying and monitoring the activity of the executive members.

In 2021, as in previous years, the non-executive members of the Board of Directors participated actively and regularly in the meetings of the Board of Directors, discussing the matters under analysis and expressing their position on the strategic guidelines of the Group and the business areas. Whenever necessary, those members maintained close and direct contact with the Group's operations and financial managers. In the 2021 financial year, and during the course of the meetings of the Board of Directors, the executive directors provided all the information that was required by the non-executive members of the Board of Directors.

RISK MANAGEMENT

Risk management has a vital role in the management structure of the Group. It is our belief that risk management is an opportunity for value creation.

A more detailed description of the risks related to the Group's activities can be found in the attached sections of the Corporate Governance Report, Consolidated Financial Statements and accompanying notes, Individual Financial Statements and accompanying notes, and Sustainability Report.

SUBSEQUENT EVENTS

On February 24, 2022, a conflict started in Europe with the Russian Federation armed forces in Ukrainian territory. Although Cofina's operations are not directly exposed to these countries and no impacts are expected in the financial performance of Cofina, at this date it is not possible to estimate the effects, if any, of the socio-economic impact that this conflict may originate in the Portuguese economy, particularly as a result of the increase in fuel prices and a set of goods and services that has caused an increase in inflation, as well as impacts on financial markets, including increase in interest rates.

We also refer to the considerations disclosed in note 35 Subsequent Events in the Notes to the consolidated financial statements.

OUTLOOK FOR 2021

Following the excellent results achieved in 2021 in the advertising market, Cofina will continue to focus on the development of new advertising formats, maximizing the combined potential of the various brands and segments.

The dynamics of the sector requires an agile and effective response capacity to growing challenges, so its teams are permanently aware of the market and the surrounding conditions, focused on innovation, in order to allow the Group to be permanently able to adapt to changes, anticipating them whenever possible and remaining, as a group, attentive, resilient and innovative in a sector where conditions are admittedly adverse.

In this context, the Group is permanently attentive to new business opportunities, always focusing on growth.

ANALYSIS OF SEPARATE ACCOUNTS

The Board of Directors of Cofina, SGPS, S.A. adopted, in the preparation of its separate financial statements, the IAS/IFRS as adopted by the European Union.

On December 31, 2021, in individual terms, the profit before income tax was positive, amounting to 1.4 million euros, which compares with the positive profit before income tax of 5.5 million euros, obtained in 2020.

As for financial expenses, they amounted to €0.8 million in 2021, which compares with €1.3 million obtained in 2020.

The net profit of the year in 2021 was positive, amounting to 1.7 million euros, lower than the net profit of the year obtained in 2020, amounting to 6.2 million euros.

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF INDIVIDUAL NET PROFIT

Cofina, SGPS, S.A., as holding company of the Group, has registered in its separate financial statements, as of 31 December 2021, prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards as adopted by the European Union, a net profit of 1,652,669 Euro, for which, under the legal and statutory terms, the Board of Directors proposes to the General Meeting the following distribution:

Free Reserves	1,652,669

LEGAL MATTERS

Treasury Shares

Under the terms and for the purposes of Article 66, paragraph 5, d) of the Portuguese Companies Act, hereby declared that, as at 31 December 2021, Cofina did not hold treasury shares, not having acquired or sold treasury shares during the year.

Shares held by the governing bodies of Cofina

Under the terms and for the purposes of the provisions of Article 447 of the Portuguese Companies Act, it is hereby declared that, as at 31 December 2021, the Company's directors held the following shares:

Ana Rebelo de Carvalho Menéres de Mendonça [a]	20,488,760
João Manuel Matos Borges de Oliveira [b]	15,400,000
Paulo Jorge dos Santos Fernandes [c]	14,235,474
Domingos José Vieira de Matos [d]	12,395,257
Pedro Miguel Matos Borges de Oliveira [e]	10,277,248

(a) – The 20,488,760 shares correspond to the total shares of COFINA – SGPS, S.A. held by PROMENDO INVESTIMENTOS, S.A., of which the director, Ana Rebelo de Carvalho Menéres de Mendonça, is a director and a controlling shareholder.
(b) – The 15,400,000 shares correspond to the total shares of COFINA – SGPS, S.A. held by CADERNO AZUL, S.A., of which the director, João Manuel Matos Borges de Oliveira, is a director and a controlling shareholder.
(c) – The 14,235,474 shares correspond to the total shares of COFINA – SGPS, S.A. held by ACTIUM CAPITAL, S.A., of which the director, Paulo Jorge dos Santos Fernandes, is a director and a controlling shareholder.
(d) – The 12,395,257 shares correspond to the total shares of COFINA – SGPS, S.A. held by LIVREFLUXO, S.A., of which the director, Domingos José Vieira de Matos, is a director and a controlling shareholder.
(e) – The 10,277,248 shares correspond to the total shares of COFINA – SGPS, S.A. held by VALOR AUTÊNTICO, S.A., of which the director, Pedro Miguel Borges de Oliveira, is a director and a controlling shareholder.

As at 31 December 2021, the Statutory Auditor, the members of the Supervisory Board and the Board of the General Meeting did not hold shares representing the share capital of Cofina.

Company's share capital participations

On December 31, 2021 and according to the notifications received by the Company, under the terms and for the purposes of Articles 16, 20 and 29-R of the Portuguese Securities Code, it is reported that the companies and/or individuals who have a qualified social participation exceeding 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights, are as follows:

GNB - Sociedade Gestora de Fundos de Investimentos	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Fundo NB - Portugal Ações	2,203,152	2.15%
Total attributable	**2,203,152**	**2.15%**

Credit Suisse Group AG	No of shares held on 31-Dec-2021	% share capital with voting rights
Directly	5,039,060	4.91%
Total attributable	**5,039,060**	**4.91%**

Pedro Miguel Matos Borges de Oliveira	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Valor Autêntico, S.A. (of which he is dominant shareholder and director)	10,277,248	10.02%
Total attributable	**10,277,248**	**10.02%**

Domingos José Vieira de Matos	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	12,395,257	12.09%
Total attributable	**12,395,257**	**12.09%**

Paulo Jorge dos Santos Fernandes	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	14,235,474	13.88%
Total attributable	**14,235,474**	**13.88%**

João Manuel Matos Borges de Oliveira	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Caderno Azul, S.A. (of which he is shareholder and director)	15,400,000	15.01%
Total attributable	**15,400,000**	**15.01%**

Ana Rebelo Carvalho Menéres de Mendonça	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Promendo Investimentos, S.A. (of which she is dominant shareholder and director)	20,488,760	19.98%
Total attributable	**20,488,760**	**19.98%**

Cofina was not notified of any participation exceeding 20% of the voting rights.

Diversity Policy - Article 29 H(1)(q) of the Portuguese Securities Code

Diversity is not a new topic within the Cofina group. Both in the Board of Directors and in the senior and middle-management positions, the Group has been defining and implementing policies that have been materializing in a greater gender parity for several years.

The Company, from early on, has encouraged the assumption of top positions by women, as exemplified by the election, already in 2009, of Dra. Ana Rebelo de Carvalho Menéres de Mendonça, having been elected, in 2020, Dra. Laurentina da Silva Martins, in a board currently composed of six members.

Additionally, COFINA published, during the year of 2020, the Plan for Gender Equality, to be executed during the year of 2021, which has as its fundamental objective, under the terms and for the purposes set out in article 7, no. 1, of Law no. 62/2017, of August 1, contribute even more to achieving effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting reconciliation between personal, family and professional life.

Likewise, COFINA continued its activities in strict compliance with legal requirements, namely when electing new members to integrate the governing bodies, regarding the beginning of a new mandate, which happened at the Annual General Meeting, held on April 30, 2020.

It should be noted that Cofina's Board of Directors, elected in April 2020 for the term of office corresponding to the 2020/2022 three-year period is composed by six members, four men and two women; these represent 33.3% of that governing body. This composition is higher than the previous term office, corresponding to the 2017/2019 three-year period, whose composition was 20% (and, therefore, even before the entry into force of Law 62/2017, of August 1).

The members of the Board of Directors who are in office have revealed, and have already proven themselves in this regard, to be holders of individual characteristics (namely competence, independence, integrity, availability and experience, as already mentioned) for the full and thorough exercise of the functions assigned to them in a manner aligned with the interests of the Company and its Shareholders, first of all for their seniority and experience.

On the other hand, but no less relevant, COFINA considers that the gender balance in its management body, which dates back to before the law came into effect, shows that the diversity policy is not a new issue in the Group, which has been assigning top management positions to women for many years.

The Board of Directors promotes diversity policies at various levels, without losing sight of meritocracy. These include:

- Instructions to the human resources area so that:
  - policies for career progression, performance evaluation and salary reviews be defined based on principles of promoting diversity;
  - seeking to promote this diversity in their recruitment processes, always presenting lists of potential employees to be recruited who are sufficiently representative of both genders.
- Instructions to the operational areas so that the multidisciplinary teams formed within the scope of the most varied projects are always based on the concern for balanced representation.

At Cofina, there is a conviction that a healthy gender balance contributes decisively to making the teams more eclectic, self-challenging and proactive, so the promotion of this diversity is a goal of the Group.

This matter is developed in Point 15 of the Corporate Governance Report.

Non-financial information

As mandatory by Directive 2014/95/EU of the European Parliament and of the Council, transposed by national law by Decree-Law No. 89/2017 of 28 July, the Group must provide information on non-financial matters. Such information should be sufficient for an understanding of the evolution, performance, position and impact of their activities, referring, at least, to environmental, social and worker issues, equality between women and men, non-discrimination, respect for human rights, combating corruption and attempts of bribery.

The non-financial information provided for in Decree-Law No. 89/2017 is included in the Sustainability Report included in this Annual Accounts.

CLOSING REMARKS

We could not conclude without thanking the several stakeholders of Cofina Group for the trust placed in our organization, with whom we want to renew - daily - our commitment to excellence.

We would also like to express our gratitude to all our employees, for their enormous dedication and commitment, that build us every day, and for the trust they have shown in our organization, fundamental to the excellent results achieved.

We would also like to thank the Statutory audit board for the continued monitoring of our operations.

Porto, April 7, 2022

The Board of Directors

Paulo Jorge dos Santos Fernandes – Chairman

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

Laurentina da Silva Martins

APPENDIX OF MANAGEMENT REPORT

31 December 2021

STATEMENT PURSUANT TO ARTICLE 29 G(1) (C) OF THE PORTUGUESE SECURITIES CODE

The signatories individually declare that, to the best of their knowledge, the Management Report, the Consolidated and Separate Financial Statements and other accounting documents required by law or regulation were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), giving a true and fair view of the assets and liabilities, the financial position and the consolidated and separate results of Cofina, SGPS, S.A. and of the companies included in the consolidation perimeter, and that the Management Report faithfully describes the evolution of the business, performance and financial position of Cofina, SGPS, S.A. and of the companies included in the consolidation perimeter, and contains a description of the main risks and uncertainties that they face.

DECLARATION OF RESPONSIBILITY

The members of the Board of Directors of Cofina, SGPS, S.A. declare that they assume responsibility for this information and ensure that the information contained herein is true and that there are no omissions of which they are aware.

In accordance with Article 210 of the Code of Contributory Schemes of the Social Security System (approved by Law No. 110/2009, of 16 September), it is hereby declared that that there are no overdue debts to the State, particularly to Social Security.

ANNEX I

1. Board of Directors

Qualifications, experience and positions held in other companies by members of the Board of Directors:

Paulo Jorge dos Santos **Fernandes**

Graduated from Porto University with a degree in Electronic Engineering, also has an MBA from the University of Lisbon.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved, always with executive functions (Chairman and CEO), in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1982/1984	Assistant Head of Production at CORTAL
1986/1989	General Manager of CORTAL
1989/1994	Chief Executive Officer of CORTAL
1995	Director of CRISAL – CRISTAIS DE ALCOBAÇA, SA
1997	Director of Grupo Vista Alegre, SA
1997	Chairman of the Board of Directors of ATLANTIS – Cristais de Alcobaça, SA
2000/2001	Director of SIC

Throughout his career, also played roles in several associations:

1989/1994	President of FEMB (Fédération Européene de Mobilier de Bureau) for Portugal
1989/1990	President of the General Assembly Assoc. Industr. Águeda
1991/1993	Member of the Advisory Board Assoc. Ind. Portuense
Desde 2005	Board Member of the Association of Former Students of MBA
2013/2016	Chairman of the Supervisory Board of BCSD
Desde 2006	Advisory Board Member for Engineering and Management IST
Desde 2016	Board Member of CELPA - Paper Industry Association

As of 31 December 2021, the other companies where he carries out management functions are as follows:

- A Nossa Aposta – Jogos e Apostas On-Line, S.A. (b)
- Actium Capital, S.A. (a)
- Altri, S.G.P.S., S.A. (a)
- Articulado – Actividades Imobiliárias, S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Cofina Media, S.A.
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Santos Fernandes & Vieira Matos, Lda. (a)

As of 31 December 2021, the other companies where he carries out supervision functions are as follows:

– Fisio Share - Gestão De Clínicas, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group
(b) – associates of the Cofina Group, which is why they are not consolidated in the Group's financial statements using the full method

João Manuel Matos **Borges de Oliveira**

Graduated from the Porto University with a degree in Chemical Engineering, holds an MBA from INSEAD.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 1990s, of which he has been a shareholder and executive director (Chairman and CEO) since then. Ramada Investimentos' activity includes, within the industrial area, which is its core area of activity, steel, machining and manufacturing of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its creation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director (Vice-President), assuming executive functions in the construction of the group since its foundation, a group that has registered a remarkable growth through the realization of large and complex M&A transactions. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the Companies which currently holds functions of director, his professional experience includes:

1982/1983	Assistant Head of Production at CORTAL
1984/1985	Head of Production at CORTAL
1987/1989	Marketing Director of CORTAL
1989/1994	General Manager of CORTAL
1989/1995	Vice-Chairman of the Board of Directors of CORTAL
1989/1994	Director of Seldex
1996/2000	Non-Executive Director of Atlantis, S.A.
1997/2000	Non-Executive Director of Vista Alegre, S.A.
1998/1999	Director of Efacec Capital, SGPS, S.A.
2008/2015	Non-Executive Director of Zon Multimédia, SGPS, S.A.
2008/2011	Chairman of the Supervisory Board of Porto Business School
2011/2013	Member of the ISCTE-IUL CFO Advisory Forum
2019 – present date	Member of the Remuneration Committee of the Serralves Foundation

As of 31 December 2021, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A (a)
- Caderno Azul, S.A. (a)
- Cofina Media, S.A.
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)

- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, .S.A (a)
- Indaz, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Universal – Afir, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Domingos José Vieira de **Matos**

Holds a degree in Economics from the Faculty of Economy of the University of Porto. Initiated his carrier in management in 1978.

He is one of the founders of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s, of which he has been a shareholder and director since then. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also one of the founders of COFINA, a group of which he is a shareholder and director, having been directly involved in the construction and management of the group since its foundation, which is a reference in the media sector in Portugal.

He is also one of the founders of ALTRI, which resulted from a process of spin-off of Cofina, being also a shareholder and director, and having participated in the construction of the group since its foundation, a group that has registered a remarkable growth through the completion of large and complex operations. of M&A. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and also as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management positions, his professional experience includes:

1978/1994	Director of Cortal, S.A.
1983	Founding Partner of Promede – Produtos Médicos,S.A.
1998/2000	Director of Electro Cerâmica, S.A.

As of 31 December 2021, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- Livrefluxo, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Santos Fernandes & Vieira Matos, Lda. (a)
- Sociedade Imobiliária Porto Seguro – Investimentos Imobiliários, S.A. (a)
- Universal - Afir, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Pedro Miguel Matos **Borges de Oliveira**

Holds a degree in Financial Management by the Institute of Administration and Management of Porto. In 2000 completed the Executive MBA in the Enterprise Institute Porto in partnership with ESADE Business School, Barcelona, currently Catholic Porto Business School. In 2009 completed the Business Valuation Course in EGE-Business Management School.
He is a shareholder and director of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding company of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investment

He is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

He is also a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has recorded remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, he promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. He is also a shareholder and director. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management positions, his professional experience includes:

1986/2000	Management Advisor at FERÁGUEDA, Lda.
1992	Director of Bemel, Lda.
1997/1999	Assistant Director of GALAN, Lda.
1999/2000	Assistant Manager of the Saws and Tools Department at F. Ramada, Aços e Indústrias, S.A.
2000	Director of the Saws and Tools Department at F. Ramada, Aços e Indústrias, S.A.
2006	Director of Universal Air, Aços Especiais e Ferragens, S.A.
2009	Director of F. Ramada - Investimentos, SGPS, S.A.
2014	Director of Altri, SGPS, S.A.

As of 31 December 2021, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)
- Universal - Afir, S.A. (a)
- Valor Autêntico, S.A. (a)
- Título Singular, S.A. (a)
- 1 Thing, Investments, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Ana Rebelo de Carvalho Menéres de **Mendonça**

Holds a degree in Economics by the Universidade Católica Portuguesa of Lisbon.

She is a shareholder and manager of RAMADA INVESTIMENTOS E INDÚSTRIA, the current holding of the Ramada group, a group that was acquired in the 90s. The activity of Ramada Investimentos e Indústria includes, within the industrial area, which is its core area of activity, steel, machining and fabrication of structures for molds and wire drawing. It also develops a strong activity in the Real Estate area, focused on the management of real estate assets, especially forestry, and on the management of financial investments.

She is also a shareholder and director of COFINA, a group that is a reference in the media sector in Portugal.

She is as well a shareholder and director of ALTRI, which resulted from a spin-off process from Cofina, a group that has registered remarkable growth through the completion of large and complex M&A operations. Its industrial units are today a world benchmark for technology and innovation and operate in the cellulosic fiber production sector and in the forest-based renewable energy sector, namely industrial cogeneration through black liquor and biomass.

More recently, and as one of the founders, she promoted the Initial Public Offering (IPO) of the ALTRI subsidiary, then called Bioelétrica da Foz, currently GREENVOLT, through an extraordinarily successful operation with unique contours in the Portuguese capital market. She is also a shareholder and administrator. This group is dedicated to the production of renewable energy from biomass, sun, wind and decentralized.

In addition to the companies where he currently holds management positions, his professional experience includes:

1995	Journalist in the economics area at the Semanário Económico newspaper
1996	Citibank Commercial Department
1996	Director of Promendo, S.A.
2009	Director of PROMENDO, SGPS, S.A.

As of 31 December 2021, the other companies where she carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, S.A. (a)
- Cofihold II, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- Promendo Investimentos, S.A. (a)
- Préstimo – Prestígio Imobiliário, S.A. (a)
- Ramada Aços, S.A. (a)
- Ramada Investimentos e Indústria, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Laurentina da Silva **Martins**

With formation in Finance and Administration from Instituto Superior do Porto and is connected with Altri Group since its incorporation. She was designated Director in April 2020.

Her professional experience includes:

1965	Finance Director Assessor of Companhia de Celulose do Caima, S.A.
1990	Finance Director of Companhia de Celulose do Caima, S.A.
2001	Director of Cofina Media, S.G.P.S., S.A.
2001	Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
2004	Director of Grafedisport – Impressão e Artes Gráficas, S.A.
2005	Director of Silvicaima – Sociedade Silvícola do Caima, S.A.
2006	Director of EDP – Produção Bioeléctrica, S.A.

As of 31 December 2021, the other companies where she carries out management functions are as follows:

– Altri, S.G.P.S., S.A. (a)
– Ramada Investimentos e Indústria, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

2. Supervisory Board

Qualifications, experience and positions held in other companies by members of the Supervisory Board:

António Luís Isidro de **Pinho**

Qualifications:

Degree in Economics, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1973 – 1978)
Degree in Corporate Organization and Business Administration, from Instituto Superior de Ciências do Trabalho e da Empresa (I.S.C.T.E.), (1986 – 1989)
Statutory Auditor, since 1987
Member of the Order of Economists, the Order of Technical Officials Accounts and the Portuguese Association of Tax Consultants.

Professional Activity:

Extensive professional experience essentially in external audit, but also in the financial direction of several companies and in management consulting.
Beginning of professional activity in 1976 at Lacticoop, as an intern.
Joined Gremetal in January 1979 as a member of the company's financial department, having participated in the construction of the Sines Refinery.
From January 1982 until December 1986, he joined Arthur Andersen & Co as an Audit Manager.
From 1987 to 1991, he was part of the SOPORCEL group, having performed the functions of Internal Auditor of Soporcel, Financial Director of Emporsil (the group's forestry company) and responsible for the Land Acquisition Department.
From 1991 to 1996 he was a member of the Executive Board of SOCTIP, a leading company in its market segment and was in charge of the financial area of the company.
Since 1996, he is a full-time Statutory Auditor.
Between October 1997 and November 2008, joined the staff of Moore Stephens, as a partner at A. Gonçalves Monteiro & Associados, SROC, a company that was later transformed into Kreston & Associados - SROC, Lda.
He currently has the functions of a Statutory Auditor, member of the Statutory Audit Committee or External Auditor, in several companies of significant size and from different sectors of economic activity, being, as Managing Partner of Kreston responsible for the statutory audit of accounts various industrial, commercial and service companies.
In addition to the technical functions of Auditor, he also holds the position of responsible for the Quality Control of the firm and controller-rapporteur of the Quality Control Commission of the Order of Statutory Auditors.

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Supervisory board) (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Pedro Nuno Fernandes de Sá **Pessanha** Da Costa

Qualifications:

Degree in Law from the University of Coimbra Faculty of Law in 1981 Complementary training in management and financial and economic analysis of companies at the Portuguese Catholic University – Porto School of Law in 1982 and 1983.

Professional Activity:

Member of the Portuguese Bar Association since 1983
Chairman of the General and Supervisory Board of a public company, from 1996 to 2010
Chairman of the Fiscal Council of Banco Português de Investimento S.A. since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A.
Chairman of the Board of the General Meeting of several listed and non-listed companies
Continuous practice of law since 1983, with special emphasis on commercial and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktien- Gesellschaft" – Societas Europaea – by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (President of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (President of the Supervisory Board) (a)
Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the General Shareholders Meeting) (a)
Sandeman & CA, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the General Shareholders Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the General Shareholders Meeting) (a)
Storaxinter, S.A. (Chairman of the General Shareholders Meeting) (a)

Honorary Consul of Belgium in Porto (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Paula dos Santos Silva e **Pinho**

Qualifications:	Degree in Economics – Faculdade de Economia do Porto
	Statutory Auditor (ROC nr. 1 374)
	Post Graduate in Finance and Tax – Porto Business School
	Post Graduate in Tax Law – Faculdade de Direito da Universidade do Porto
Professional Activity:	Between September 2001 and September 2010 auditor at Deloitte & Associados, SROC, S.A. (first as staff member and as manager since September 2007)
	Between October 2010 and October 2019 Corporate Centre at Grupo Altri with responsibilities in financial reporting, consolidation and tax
	Since November 2019 head of accounting at Sonae MC's shared services

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Supervisory board) (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

André Seabra Ferreira **Pinto**

Qualifications:

Degree in Economics at University Portucalense
Chartered Accountant (ROC no. 1,243)
Executive MBA - Management School of Porto - University of Porto Business School

Professional Activity:

Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager).
Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores.
Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal.
Since April 2013, Director (CFO) of Mecwide Group
MWIDE, SGPS, S.A. (Member of the Board of Directors)

Other companies where he carries out functions:
Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
Altri, S.G.P.S., S.A. (Substitute Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Substitute Member of the Supervisory board) (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

3. Remuneration Committee

Qualifications, experience and positions held in other companies by members of the Remuneration Committee:

João da Silva Natária

Qualifications: Degree in Law from the University of Lisbon

Professional Activity:

1979	Managing Director of the Luanda/Viana branch of F. Ramada, by joint nomination of the Board and the Ministry of Industry in Angola
1983	Director of the Polyester and Buttons Department at F. Ramada, Aços e Indústrias, S.A.
1984/2000	Human Resources Director at F. Ramada, Aços e Indústrias, S.A.
1993/1995	Board Member of Universal – Aços, Máquinas e Ferramentas, S.A.
2000/2018	Lawyer with an independent practice, specialised in labour law and family law
	Retired

Other companies where he carries out functions:

President oh the Supervisory Board of Celulose Beira Industrial (CELBI), S.A. (a)
President of the Remuneration Commission of Altri, SGPS, S.A. (a)
President of the Remuneration Commission of Ramada Investimentos e Indústria, S.A. (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Pedro Nuno Fernandes de Sá **Pessanha** Da Costa

Qualifications:

Degree in Law from the University of Coimbra Faculty of Law in 1981 Complementary training in management and financial and economic analysis of companies at the Portuguese Catholic University – Porto School of Law in 1982 and 1983.

Professional Activity:

Member of the Portuguese Bar Association since 1983
Chairman of the General and Supervisory Board of a public company, from 1996 to 2010
Chairman of the Fiscal Council of Banco Português de Investimento S.A. since 2016 and BPI Private Equity - Sociedade de Capital de Risco, S.A. from 2018 to August 2019, the date on which both companies were extinguished by merger into Banco BPI, S.A.
Chairman of the Board of the General Meeting of several listed and non-listed companies
Continuous practice of law since 1983, with special emphasis on commercial and corporate law, mergers and acquisitions, foreign investment and international contracts
Co-author of the chapter on Portugal in "Handbuch der Europäischen Aktien- Gesellschaft" – Societas Europaea – by Jannot / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (President of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (President of the Supervisory Board) (a)
Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
SOGRAPE S.G.P.S., S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Vinhos, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE Distribuição S.A. (Chairman of the General Shareholders Meeting) (a)
Sandeman & CA, S.A. (Chairman of the General Shareholders Meeting) (a)
SOGRAPE S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Adriano Ramos Pinto, S.A. (Chairman of the General Shareholders Meeting) (a)
Aquitex – Acabamentos Químicos Têxteis, S.A. (Chairman of the General Shareholders Meeting) (a)
Storaxinter, S.A. (Chairman of the General Shareholders Meeting) (a)

Honorary Consul of Belgium in Porto (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

André Seabra Ferreira **Pinto**

Qualifications:

Degree in Economics at University Portucalense
Chartered Accountant (ROC no. 1,243)
Executive MBA - Management School of Porto - University of Porto Business School

Professional Activity:

Between September 1999 and May 2008, worked in the Audit Department of Deloitte & Associados, SROC, S.A. (initially as a member of staff and since September 2004 as Manager).
Between June 2008 and December 2010, Senior Manager of Corporate Finance department - Transaction Services at Deloitte Consultores.
Between January 2011 and March 2013, CFO of companies of the WireCoWorld Group in Portugal.
Since April 2013, Director (CFO) of Mecwide Group
MWIDE, SGPS, S.A. (Member of the Board of Directors)

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member of the Remuneration Committee) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Remuneration Committee) (a)
Altri, S.G.P.S., S.A. (Substitute Member of the Supervisory board) (a)
Ramada Investimentos e Indústria, S.A. (Substitute Member of the Supervisory board) (a)

(a) – companies, as of December 31, 2021, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Article 447 of the Portuguese Companies Act, Article 14(7) of the CMVM Regulation no. 05/2008 and Article 19 of Regulation (EU) no. 596/2014 of European Parliament and of the Council of 16 April 2014

Disclosure of shares and other securities held by members of the Board of Directors and Managers, as well as by persons closely related thereto, pursuant to Article 29-R of the Portuguese Securities Code, and transactions involving these carried out during the financial year under analysis:

Members of the Board of Directors	Shares held on 31-Dec-2020	Acquisitions	Disposals	Shares held on 31-Dec-2021
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)	14,235,474	—	—	14,235,474
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL, S.A.)	15,400,000	—	—	15,400,000
Domingos José Vieira de Matos (imputation through LIVREFLUXO, S.A.)	12,395,257	—	—	12,395,257
Pedro Miguel Matos Borges de Oliveira (imputation through VALOR AUTÊNTICO, S.A.)	10,277,248	—	—	10,277,248
Ana Rebelo Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)	20,488,760	—	—	20,488,760

CORPORATE GOVERNANCE REPORT

31 December 2021

CORPORATE GOVERNANCE

COFINA, SGPS, SA. (hereinafter referred to as "COFINA" or "the Company") hereby presents to its Shareholders, customers, suppliers and other stakeholders and the society in general the Corporate Governance Report ("Report").

The Report template is set forth in Regulation No. 4/2013 of the Portuguese Securities Market Commission ("CMVM"), and the information contained therein complies with all applicable legal requirements, including, but not limited to, Article 29-H of the Portuguese Securities Code (CVM).

COFINA is subject to compliance with the 2018 Corporate Governance Code of the Portuguese Institute of Corporate Governance ("IPCG") of 2018 and revised in 2020 ("IPCG Corporate Governance Code").

The Company permanently provides high levels of training to its teams, in order to ensure that decisions are made on the basis of sustainability criteria and that the work carried out by them is focused on achieving the objectives.

COFINA believes that the evolution of the results it has been demonstrating in a business area with demanding and often adverse market conditions reflects the suitability and achievement of the objectives that have been defined.

COFINA's commitment to its Shareholders and the market in general is unequivocal: to constantly improve on the work it does and to deliver outstanding results.

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Share Capital Structure

1. Share Capital Structure

The share capital of COFINA is € 25,641,459.00, fully subscribed and paid up, and is represented by 102,565,836 shares, without par value. The Company's share capital is represented by registered and book- entry shares.

Of the total voting rights issued, 78.04% are, to the best of the Company's knowledge, as at December 31, 2021, allocated to the holders of qualifying holdings listed under II.7.

All shares representing the share capital are admitted for trading on the Euronext Lisbon regulated market, managed by Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

2. Restrictions on the transfer and ownership of shares

There are no restrictions on the transfer or ownership of Company's shares, nor are there any shareholders with special rights. Accordingly, COFINA's shares are freely transferable according to the applicable legal rules.

3. Treasury shares

The Company does not hold any treasury shares in its portfolio, as of 31 December 2021.

4. Significant agreements in which the company is a party and which come into force, are amended or terminated in the event of a change in control of the company following a public take-over bid, as well as their effects

There are no significant agreements entered into by COFINA that include any change of control clauses (including following a public take-over bid), i.e., that come into force, are amended, determine payments, assume charges or terminate in such circumstances or in the event of a change in the composition of the management body, and there are no specific conditions that limit the exercise of voting rights by the Company's shareholders which may interfere with the success of public take-over bids.

Some financing contracts of COFINA's subsidiaries, and only of these subsidiaries, contain normal early repayment clauses in the event of a change in shareholder control of the subsidiaries.

5. Rules regarding the renewal or revocation of defensive measures, in particular those that limit the number of votes that may be held or exercised by a single shareholder individually or in concert with other shareholders.

COFINA did not adopt any defensive measures.

6. Shareholder agreements known to the company that may lead to restrictions on the transfer of securities or voting rights.

The existence of any shareholder agreements with regard to the Company is unknown.

II. Shareholdings and Bonds

7. *Qualified shareholdings*

As of 31 December 2021, relying on the notices received by the Company, under the terms and for the purposes of the provisions of Articles 16, 20 and 29-R of the Portuguese Securities Code, it is hereby declared that the companies and/or individuals that have a qualifying holding that exceeds 2%, 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights are as follows:

GNB - Sociedade Gestora de Fundos de Investimentos	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Fundo NB - Portugal Ações	2,203,152	2.15 %
Total attributable	**2,203,152**	**2.15 %**

Credit Suisse Group AG	No of shares held on 31-Dec-2021	% share capital with voting rights
Directly	5,039,060	4.91 %
Total attributable	**5,039,060**	**4.91 %**

Pedro Miguel Matos Borges de Oliveira	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Valor Autêntico, S.A. (of which he is dominant shareholder and director)	10,277,248	10.02 %
Total attributable	**10,277,248**	**10.02 %**

Domingos José Vieira de Matos	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Livrefluxo, S.A. (of which he is dominant shareholder and director)	12,395,257	12.09 %
Total attributable	**12,395,257**	**12.09 %**

Paulo Jorge dos Santos Fernandes	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Actium Capital, S.A. (of which he is dominant shareholder and director)	14,235,474	13.88 %
Total attributable	**14,235,474**	**13.88 %**

João Manuel Matos Borges de Oliveira	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Caderno Azul, S.A. (of which he is dominant shareholder and director)	15,400,000	15.01 %
Total attributable	**15,400,000**	**15.01 %**

Ana Rebelo Carvalho Menéres de Mendonça	No of shares held on 31-Dec-2021	% share capital with voting rights
Through Promendo Investimentos, S.A. (of which she is dominant shareholder and director)	20,488,760	19.98 %
Total attributable	**20,488,760**	**19.98 %**

This information is also disclosed in the Annual Management Report.

Updated information regarding qualified shareholdings is available at http://www.cofina.pt/investors/shareholder-structure.aspx?sc_lang=pt-PT.

8. *Number of shares and bonds held by members of the statutory management and supervisory bodies, pursuant to paragraph 5 of article 447 of the Portuguese Companies Act (CSC)*

The shares and bonds held by members of the management and supervisory bodies in the Company and in companies in a control or group relationship with the Company, directly or through related persons, are disclosed in an annex to the Annual Management Report as required by article 447 of the CSC and Article 19 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014.

9. Powers of the Board of Directors on share capital increases

The Board of Directors is vested with the competences and powers conferred on it by the CSC and the Company's Articles of Association.

By resolution of the General Meeting held on 29 January 2020, the Board of Directors was given the power to increase the share capital, one or more times, defining its terms and characteristics, provided that the following conditions are respected:

a) The maximum global amount of the capital increase (s) cannot exceed eighty-five million Euros and five cents;
b) The increase (s) operates by issuing new shares, which may be of one or more categories permitted by law or by the Articles of Association, with or without an issue premium;
c) The Board of Directors will establish the conditions of the issue (s), as well as the terms of the exercise of the shareholders' preference in the respective subscription, except in the event of a limitation or deliberate suppression by the General Meeting;
d) The preferential allocation not subscribed by the shareholders can be offered for the subscription of third parties, under the terms permitted by law and in the resolution issued by the Board of Directors;
e) This authorization includes resolutions by the Board of Directors of one or more capital increases, for new cash inflows, with the limit referred to above;
f) The decision to increase the exercise of this authorization will necessarily be preceded by a prior favorable opinion from the Audit Committee, under the terms prescribed by law.

10. Relevant business relationship between owners of qualified shareholdings and the Company

There are no relevant business relationships between the Company and owners of qualified shareholdings notified to the Company.

Information on business between the Company and related parties can be found in Note 29 of the notes to the Consolidated Accounts and Note 20 of the notes to the Separate Accounts of the Company relating to transactions with related parties.

B. GOVERNING BODIES AND COMMITTEES

I. SHAREHOLDERS' GENERAL MEETING

a) Composition of the Board of the Shareholders' General Meeting

11. Identification and positions of the members of the Shareholders' General Meeting and their term of office

The Board of the Shareholders' General Meeting of COFINA is made up, in compliance with the provisions of Article 11 of the Company's Articles of Association and Article 374 of the CSC, of a Chairman and a Secretary elected at the General Meeting, by the Company's shareholders, for each term of office corresponding to three years, coinciding with the term of the Board of Directors and the Supervisory Board.

At 31 December 2021, the Board of the General Meeting was composed of the following members for the second term of office:

Chairman: Manuel Eugénio Pimentel Cavaleiro Brandão

Secretary: Maria Conceição Henriques Fernandes Cabaços

The current mandate corresponds to the three-year period that began in 2020 and ends in 2022.

b) Exercise of voting rights

12. Possible restrictions on voting rights

At COFINA, there are no statutory restrictions on the exercise of voting rights.

The Company's share capital is fully represented by a single category of shares, each share corresponding to one vote, and there are therefore no statutory restrictions on the number of votes that may be held or exercised by any shareholder.

The Company has not issued any non-voting preferred shares.

Shareholder participation in the General Meeting depends on the proof of their status of shareholder by reference to the “Registration Date” under the applicable legal terms and defined in the Notice of Meeting, and the Company does not establish any requirements additional to the requirements established by law.

It should also be noted that, in line with the provisions of Article 23-C(2) of the Portuguese Securities Code, the exercise of participation and voting rights in the General Meeting is not hindered by the transfer of shares after the registration date, nor does it depend on their being blocked between that date and the date of the General Meeting.

Individual shareholders and legal entities may be represented by whomsoever they appoint for this purpose by means of a written representation document addressed to the Chairman of the Board of the General Meeting, by letter delivered to the registered office by the end of the third business day prior to the date of the General Meeting.

Also, under the applicable legal terms, a shareholder may designate different representatives in respect of the shares held in different securities accounts, without prejudice to the principle of voting unity and to voting differently, as established by law for shareholders on a professional basis.

The Company's shareholders may vote by correspondence in relation to all matters subject to the appreciation of the General Meeting, by written statement, with the identification of the shareholder, when an individual, by sending a certified copy of his/her citizen's card, which is requested in compliance with Article 5(2) of Law No. 7/2007, of 5 February, as amended by Law No. 61/2021, of 19 August, and, when a company, by his/her duly recognised signature, under the applicable legal terms.

In accordance with the Company's Articles of Association:

- Without prejudice to the proof of quality of shareholder in compliance with the terms and deadlines provided by law, only postal votes sent by registered mail to the Company's registered office, addressed to the Chairman of the Board of the General Meeting and received by the latter by the end of the third business day prior to the date of the General Meeting, will be admitted;
- The voting statement must be signed by the holder of the shares or by the person legally representing him/her, and the shareholder, if a natural person, must accompany the voting statement with a certified copy of his/her identification document and, if a legal entity, its signature must be recognized as such and its powers for the act;
- Voting statements must (i) indicate the item or items on the agenda to which they refer, (ii) indicate the specific proposal to which they refer, indicating the proponents, as well as (iii) contain a precise and unconditional indication of the voting direction for each proposal;
- Postal votes count for the verification of the constitutive quorum of the General Meeting, being the result of the vote by correspondence in relation to each item of the agenda disclosed in the item to which it refers;
- The postal vote is considered revoked in the case of the presence in the General Meeting of the shareholder who issued it or of the representative designated by him/her;
- If the vote declarations omit the vote in relation to proposals presented prior to the date on which the same votes were issued, the shareholder will be considered to have abstained in relation to those proposals;
- Postal votes count as negative votes in relation to deliberative proposals presented subsequent to the date on which those votes were issued.

The Chairman of the Board of the General Meeting is responsible for verifying the conformity of postal voting declarations, and votes corresponding to declarations that are not accepted shall be deemed not to have been cast.

Without prejudice to the permanent monitoring of the suitability of its model and the immediate response to any request addressed to it in a different sense, COFINA has been promoting the physical participation of its shareholders, directly or through representatives, at its General Meetings, as it considers that these are excellent opportunities for contact between its Shareholders and the management team, taking advantage of the presence of the members of the other governing bodies, particularly the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This interaction has proved fruitful within the Company.

In this sense, the Company has not implemented the necessary mechanisms for the exercise of voting rights by electronic means, nor for the participation of shareholders in the meeting by telematic means. These types of voting and participation have never been requested from the Company by any Shareholder, so it is considered that the absence of such forms of voting and participation does not constitute any constraint or restriction on the exercise of the right to vote and to participate in the General Meeting.

It should also be noted that the Company discloses, within the applicable legal deadlines, and in all places required by law, the convening of General Meetings, which contains information on how to enable shareholders to participate and exercise their right to vote, as well as on the procedures to be adopted for voting by correspondence or for appointing a representative.

The Company also discloses, in accordance with applicable law, the proposals for resolutions, the preparatory information required by law, the minutes of representation letters and ballot papers for the exercise of postal voting, all in order to ensure, promote and encourage the participation of shareholders, either by themselves or by representatives appointed by them, at General Meetings.

In this context, the Company firmly believes that the current model promotes and encourages, in the terms fully described in this Report, the participation of Shareholders at General Meetings

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are related to the latter as set forth in Article 20(1) of the Portuguese Securities Code

There is no limit to the number of votes that may be held or exercised by a single shareholder or group of shareholders..

14. Shareholder decisions which, by statutory imposition, can only be taken with a qualified majority

In accordance with the Company's Articles of Association, corporate resolutions are passed by a majority of votes cast, irrespective of the percentage of share capital represented at the meeting, except when a different majority is required by law.

At second call, the General Meeting may make decisions irrespective of the number of shareholders present and of the share capital they represent.

The deliberative quorum for the General Meeting is in accordance with the provisions of the CSC.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the governance model adopted

COFINA uses what is called a monist governance model, which includes a Board of Directors and a Supervisory Board, as provided for in Article 278(1)(a) of the CSC, and a Statutory Auditor, in compliance with Article 413(2)(a) of the CSC, by reference to Article 278(3).

The Board of Directors is therefore the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation, without prejudice to the monitoring and evaluation of this by the Supervisory Board, within the scope of its powers.

The Company continuously monitors the adequacy of the model adopted, which has proved to be perfectly suited to the size and structure of the Company, and an essential basis for the good performance of the Group.

In terms of diversity policy in the corporate bodies, it should be noted that this is not a new issue for the COFINA Group. In fact, and taking into account the activities engaged in by the Group's companies, the Company has, from an early stage, promoted the assumption of senior positions by women, as exemplified by the 2009 election of Ana Rebelo de Carvalho Menéres de Mendonça; in 2020, Laurentina da Silva Martins and Alda Maria Farinha dos Santos Delgado (who resigned from office on August 27, 2021) were elected on a board currently composed of six members.

At a time when there were no legal requirements, COFINA was already following a path of increasing evolution, having gender representation considered significant in its organisation.

This is because COFINA's culture is based on criteria of true meritocracy.

In addition, COFINA published, during the year 2021, the Plan for Gender Equality, to be implemented during the year 2022, which has as a fundamental objective, under the terms and for the purposes set out in article 7 (1) of Law no. 62/2017, of August 1, contribute even more to achieving effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting reconciliation between personal, family and professional life.

The members of the Board of Directors who are in office have revealed and have already proven themselves to have the individual characteristics (namely competence, independence, integrity, availability and experience, as mentioned above) for the full and complete exercise of the functions assigned to them in a manner aligned with the interests of the Company and its Shareholders, primarily due to their seniority and experience.

On the other hand, but no less relevant, COFINA considers that the gender balance within its management body, which preceded the entry into force of the Law, demonstrates that the policy of diversity is nothing new to the Group which, faithful to the principles of true meritocracy, has been attributing senior management positions to women for many years.

16. Statutory rules on procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors

The election of members to sit on the Company's Board of Directors is the responsibility of the Shareholders, by resolution taken at the General Meeting. Members are elected for three-year terms and they may be re- elected one or more times.

The Board of Directors consists of an even or odd number of members, at least three and at most twelve, elected at the General Meeting, which may designate the respective Chairman.

The market positioning that the Group has been achieving and the results presented to the market prove that the Company's management team has performed its duties with rigour and competence.

Also with regard to the election of members to the Board of Directors, it is important to refer to the statutory rule set out in Article 15 of the Articles of Association, according to which, at the Electoral General Meeting, one director may be elected among persons proposed in lists subscribed by groups of shareholders, provided that none of these groups holds shares representing more than twenty per cent or less than ten per cent of the share capital. If there are proposals to that effect, the election will be held separately before the election of the other directors. Each of the lists referred to above shall propose at least two eligible persons for each of the positions to be filled. No shareholder may subscribe to more than one of the aforementioned lists. If, in a single election, lists are presented by more than one group, the vote is for all of these lists. The General Meeting may not elect any other directors until one director have been elected, in accordance with the above, unless such lists are not presented. In the absence of an elected director, under the terms above, the alternate will be called. In the absence of one, a new election will be held, to which the rules described above will be applied, with the necessary adaptations. However, these rules will only apply if, under any circumstances, the Company is considered to be a public company, a State concessionary or an entity equivalent to it.

17. Composition of the Board of Directors

The Board of Directors, currently made up of six members, since Mrs. Alda Maria Farinha dos Santos Delgado and Mr. Luís Manuel Castilho Godinho Santana resigned from their positions as Board Members on August 27, 2021, is the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation, always acting in the manner it considers best to defend the interests of the Company, in the constant creation of value for its shareholders and other stakeholders.

At 31 December 2021, this body was composed of the following members:

- Paulo Jorge dos Santos Fernandes – Chairman
- João Manuel Matos Borges de Oliveira – Member of the Board
- Domingos José Vieira de Matos – Member of the Board (non-executive)
- Pedro Miguel Matos Borges de Oliveira – Member of the Board (non-executive)
- Ana Rebelo de Carvalho Menéres de Mendonça – Member of the Board (non-executive)
- Laurentina da Silva Martins – Member of the Board (non-executive)

All current members of the Board of Directors were elected at the General Meeting held on 30 April 2020 for the 2020/2022 three-year period.

NAME	FIRST APPOINTMENT	END OF MANDATE
Paulo Jorge dos Santos Fernandes	1990	December 31, 2022
João Manuel Matos Borges de Oliveira	1990	December 31, 2022
Domingos José Vieira de Matos	1990	December 31, 2022
Pedro Miguel Matos Borges de Oliveira	May 2009	December 31, 2022
Ana Rebelo de Carvalho Menéres de Mendonça	May 2009	December 31, 2022
Laurentina da Silva Martins	April 2020	December 31, 2022

18. Distinction between executive and non-executive members of the Board of Directors and, in relation to non-executive members, identification of the members who may be considered independent

On 31 December 2021, the Board of Directors, composed of six members, included four non-executive members: Domingos José Vieira de Matos, Pedro Miguel Matos Borges de Oliveira, Ana Rebelo de Carvalho Menéres de Mendonça, and Laurentina da Silva Martins.

Taking into account the personal profile, the trajectory and the professional experience of the members of the COFINA Board of Directors, it is considered that the number of non-executive directors, in relation to the total number of members that make up the body, proves to be adequate and balanced in view of the nature and dimension of the Society. In this sense, COFINA considers that there are enough non-executive directors to guarantee effective monitoring, as well as true supervision and inspection, to the activity carried out by the executives, especially considering that the Company has developed mechanisms aimed at allowing non-executive directors to independent and informed decision making, namely through:

- Availability of executive directors to provide non-executive directors with all additional information deemed relevant or necessary, as well as for carrying out further studies and analyses in relation to all matters that are the subject of deliberation or that are in any way under consideration in the Company;

- Prior and timely notification to all members of the Board of Directors of meetings of that body, including the agenda, even if provisional, of the meeting, accompanied by other relevant information and documentation;

- Availability of the minutes books, records, documents and other information on operations carried out in the Company or its subsidiaries, for examination, as well as the availability and promotion of a direct channel for obtaining information from the directors and operations and financial managers of the various companies in the group, without requiring any intervention by executive directors in this process.

The Company, in this matter, as in others, carries out an ongoing assessment of the adequacy of the current model, concluding that it has proved to be adequate and efficient.

It should be added that the management report includes, in the chapter “Activities carried out by non- executive members of the Board of Directors”, a description of the activity carried out by non-executive directors during the 2021 financial year.

The Board of Directors includes an independent member: Laurentina Martins.

Thus, COFINA considers that the independence criteria provided for in point 18.1 of the Attachment to the CMVM Regulation number 4/2013 are fully verified in relation to this director, which classifies this board member as an independent director, whether the independence criteria set out in recommendation III.4 of the IPCG Corporate Governance Code.

19. Professional qualifications and curricular references of the members of the Board of Directors

The curricular information on the members of the Board of Directors is presented in Annex I of the Management Report.

20. Significant family, business and commercial relationships between members of the Board of Directors and shareholders having qualified holding with more than 2% of the voting rights

At 31 December 2021, the Chairman of the Board of Directors, Paulo Jorge dos Santos Fernandes, is a director and dominant shareholder of ACTIUM CAPITAL, S.A., a company with a 13.88% stake in COFINA's capital.

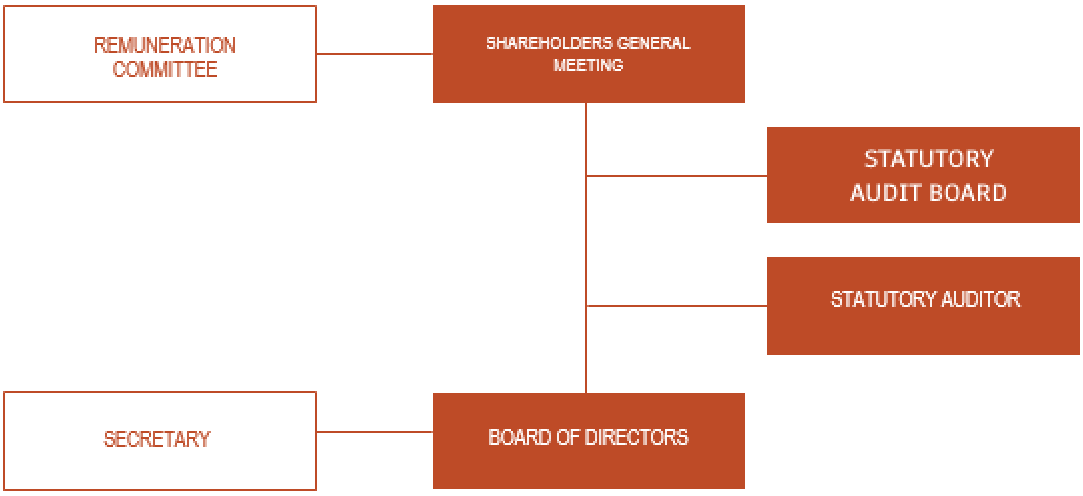
Director João Manuel Matos Borges de Oliveira is a director and dominant shareholder of CADERNO AZUL, S.A., a company that holds a 15.01% stake in the capital of COFINA.

Director Pedro Miguel Matos Borges de Oliveira is a director and dominant shareholder of VALOR AUTÊNTICO, S.A., which holds a 10.02% stake in COFINA and is the brother of director João Manuel Matos Borges de Oliveira.

Director Domingos José Vieira de Matos is a director and dominant shareholder of LIVREFLUXO, S.A., a company that holds a 12.09% stake in the capital of COFINA.

Director Ana Rebelo de Carvalho Menéres de Mendonça is a director and dominant shareholder of Promendo Investimentos, S.A., which holds a 19.98% stake in COFINA.

21. Organisation charts or functional charts relating to the division of powers among the various governing bodies, committees and/or departments of the Company, including information on the delegation of powers, particularly with regard to the delegation of Company's daily management



In accordance with the current corporate governance structure, the Board of Directors, currently made up of eight members, is the body responsible for managing the Company's business in pursuit of its corporate purpose, determining its strategic orientation, always acting in the way it considers best to defend the interests of the Company, in the permanent creation of value for its shareholders and other stakeholders. The Board of Directors currently consists of six members, elected by the General Meeting, one chairman and five board members, four of whom are non-executive members.

The Board of Directors, in the pursuit of its duties, establishes permanent iteration with the Supervisory Board and the Statutory Auditor, cooperating with the supervisory body in a transparent and rigorous manner, in compliance with their operating regulations and the best corporate governance practices.

There is no limit to the maximum number of positions that may be held by the directors in the management bodies of other companies. Therefore, the members of the Board of Directors of COFINA, in the majority of cases, belong to the management bodies of the most relevant subsidiaries of the group, ensuring close and permanent monitoring of their activities.

COFINA's Board of Directors encourages all departments and operational areas to create multidisciplinary teams, with a view to developing projects of relevance to the Group, which makes it possible to ensure the identification of issues and the analysis of ways of resolving them from different perspectives, ensuring a more transversal view of the issues under analysis. COFINA believes that the establishment of agile and efficient communication channels between the Company's departments, between these and the operational areas, and between all of these and the boards of directors of each subsidiary and the Company itself, is a way to better implement projects, identify the associated risks, develop the mechanisms necessary to mitigate these, from a truly comprehensive perspective and analysis from different points of view.

COFINA believes that an effective flow of information within the organisation is the only way to ensure an equally adequate flow of information between the multidisciplinary teams and the governing bodies and, consequently, from these to shareholders, investors, other stakeholders, financial analysts and the market in general.

In compliance with this Group policy, which is perfectly aligned with Recommendation I.1.1. of the IPCG Corporate Governance Code, COFINA has ensured strict and timely disclosure of information to the market, through the CMVM's Information Disclosure System (CMVM's SDI), guaranteeing access to that information, to its shareholders, other stakeholders and the market in general, at the same time and with the same level of detail.

In line with the above, COFINA presents the Company's Committees and/or departments and their competences and duties below:

Remuneration Committee

The Board of Directors considers that, given its organisational structure and the size and complexity of the Company (as explained in detail in section 28 below), the only specialised committee required is the Remuneration Committee.

The Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies. It is up to this committee, in compliance with the provisions of Article 26-A of the CVM, and Recommendation V.2.2 of the IPCG Corporate Governance Code, to prepare the Declaration on the Remuneration and Compensation Policy for Governing Bodies as well as, through the preparation of a proposal for approval, to submit it for scrutiny by the deliberative body par excellence for this matter, which is the General Meeting.

As the Remuneration and Compensation Policy for Governing Bodies deserves the approval of the Shareholders at the General Meeting, it is up to this committee to fight for its application, monitoring its permanent adequacy to the reality of the Company.

In terms of corporate management, COFINA highlights the following areas:

Corporate Finance Area

COFINA's Corporate Finance area, given its integrated and transversal vision of all group companies, is responsible, on the one hand, for setting financial management strategies and policies and, on the other, for ensuring the interface with the capital, debt and banking markets. It is also responsible for developing the necessary mechanisms to implement the financial management strategies and policies outlined.

Management Planning and Control Area

COFINA's management planning and control area provides support in the implementation of the corporate and/or business strategies followed by the group. This area prepares and analyses management information for all group companies, as well as at a consolidated level, whether monthly, quarterly, half-yearly or annually, monitoring deviations from the budget and proposing the necessary corrective measures. It also assumes responsibility for the construction of business plans, integrating the multidisciplinary work teams created for this purpose, activities that it develops while at the same time carrying out technical and benchmarking studies on existing businesses, in order to monitor COFINA's performance, taking into account its strategic position in the market.

Legal & Compliance Area

COFINA's legal department provides legal support in all of the group's areas of activity, monitoring and guaranteeing, on the one hand, the legality of the activities carried out and, on the other hand, assuring relations with Euronext Lisbon, with CMVM and with the shareholders whenever legal issues are at stake. This area is also responsible for monitoring the corporate governance policy in order to comply with best practices in this area. It is also responsible for the preparation and/or analysis of contracts that maximise security and reduce legal risks and potential costs, the management of aspects related to the intellectual and industrial property used by the group, such as trademarks and patents, logos, domains and copyrights, also exercising the duties of corporate secretariat and constantly monitoring legal compliance, providing support to the Board of Directors in the implementation of its strategies.

Investor Relations Area

COFINA's investor relations area establishes the relationship between the group and the financial community, constantly disclosing relevant and up-to-date information on its activities. It is also responsible for assisting the Board of Directors in providing updated information on the capital markets, as well as supporting the management of COFINA's institutional relations, establishing permanent contact with institutional investors, shareholders and analysts and representing the group in associations, forums or events (national or international).

Management Control Area at Subsidiary Level

In addition, the COFINA Group's operating companies have their own management control bodies that carry out their activities at all levels of the subsidiaries, preparing monthly reports periodically sent to their Boards of Directors.

COFINA's directors focus their activity essentially on managing the Group's shareholdings and defining its strategic lines. Decisions related to matters of structure for the Group's activity are made by the Board of Directors as a collegiate body composed of all its members, executive and non-executive, in the normal performance of their duties.

The day-to-day management of the operating companies is carried out by the management of each of the subsidiaries, which also include, as a rule, some of the directors of COFINA, in addition to other directors with specifically defined competences and areas of responsibility.

It should be noted that the exercise of management positions by the Company's directors in the subsidiary companies is reflected in an in-depth knowledge of the business, close to the operations and people, which means that the decisions made by the group's holding company, COFINA, are thus even more aware and informed.

COFINA believes that the more the Company's directors know about the specificities and subtleties of the business, the more correct their decisions regarding the strategic lines are and, consequently, the success of the decisions made at senior management level.

This way, and taking into account the development of the activities of the members of the Board of Directors, both in COFINA and in its subsidiaries, the functional organisation chart can be presented as follows:

<table>
<tr><td colspan="2">COFINA, SGPS, S.A.
Paulo Fernandes
João Borges de Oliveira
Domingos Matos
Pedro Borges de Oliveira
Ana Mendonça
Laurentina Martins
Alda Delgado
Luís Santana</td></tr>
<tr><td>COFINA MEDIA
Paulo Fernandes
João Borges de Oliveira
Luís Santana
Ana Dias Fonseca</td><td>GRAFEDISPORT
Luís Santana
Ana Dias Fonseca</td></tr>
</table>

b) Procedure

22. Existence of procedural rules for the Board of Directors and place where they can be consulted

The procedural rules for the Board of Directors are available for consultation on the Company's website (www.cofina.pt) ("About Cofina" tab, "Corporate Governance" section).

23. Number of meetings held and attendance level of each member of the Board of Directors

Article 17 of the Company's Articles of Association provides that the Board of Directors shall meet whenever convened by its Chairman, on his/her own initiative or at the request of any two directors and at least once a quarter.

The quorum required to hold any meeting of the Board of Directors is deemed to be constituted provided that the majority of its members are present or duly represented.

In 2021, the Board of Directors met eight times, with an attendance rate of 100%.

The meetings of the Board of Directors are scheduled and prepared in advance, and documentation is made available in relation to the matters on its agenda in good time, in order to ensure that all the members have the necessary conditions to carry out their duties and adopt resolutions in a fully informed manner.

Likewise, the convening notices and, subsequently, the minutes of the meetings are made available to the Chairman of the Supervisory Board.

24. Indication of the governing bodies competent to assess the performance of the executive directors

In line with point 21 above, the Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies.

It is up to this committee, in compliance with the provisions of Article 26-A of the CVM, and Recommendation V.2.2 of the IPCG Corporate Governance Code, to prepare the Declaration on the Remuneration and Compensation Policy for Governing Bodies as well as, through the preparation of a proposal for approval, to submit it to scrutiny by the deliberative body par excellence for this matter, which is the General Meeting.

At least one member of the Remuneration Committee must attend the Annual General Meetings when the Declaration on Governing Body Remuneration and Compensation Policy is on the Agenda, in order to ensure that any doubts regarding said Declaration that may arise therein are clarified. The committee was represented by Pedro Pessanha at the Annual General Meeting held in 2021

If the Remuneration and Compensation Policy for Governing Bodies, as set out in that Declaration, deserves the approval of the Shareholders at the General Meeting, it is up to this committee to fight for its application, monitoring its permanent adequacy to the reality of the Company.

25. Predetermined criteria for assessing the performance of the executive directors

The performance assessment for executive directors is based on predetermined criteria, based on performance indicators objectively established for each mandate, which are aligned with the medium/long- term strategy of the Company's performance and business growth.

The remuneration of the executive members of the Board of Directors includes a variable medium-term component and is designed to more sharply align the interests of executive directors with those of shareholders, in order to raise awareness of the importance of their performance for global success of the Company and will be calculated covering the period corresponding to a term of office, based on objective and predetermined criteria, namely: (i) total return for the shareholder (share remuneration plus dividend distributed); (ii) sum of the consolidated net results of the 3 years (2020 to 2022); and (iii) evolution of the Company's business.

The total value of the medium-term component cannot exceed 50% of the fixed remuneration earned during the 3-year period.

26. Availability of each member of the Board of Directors, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the year

The commitment of COFINA's directors to the nature and requirements of the duties they have undertaken is total. In this sense, the Group's senior management is management that is present, close to the people and to the business.

Their professional activities, the indication of other companies where they perform management duties and the indication of other relevant activities performed by them are detailed in Annex I of the Management Report.

27. Identification of the Committees established within the Board of Directors and the place where the procedural rules can be consulted

The Board of Directors considers that, given its organisational structure and the size and complexity of the Company (as explained in detail in section 28 below), the only specialised committee required is the Remuneration Committee.

COFINA thus has a formally constituted Remuneration Committee, elected by the General Meeting for the three-year term of office which began in 2020 and ended at 2022, as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member of the Board
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member of the Board

The Remuneration Committee has a valid operating regulation for the current term of office, approved at the meeting of that same committee, which is available for consultation on the Company's website (www.cofina.pt) ("About Cofina" tab, "Corporate Governance" section).

28. Composition, if applicable, of the executive committee and/or identification of the chief executive(s)

As already mentioned throughout this Report, COFINA continuously monitors the adequacy of the current model. In this sense, this permanent monitoring has resulted in the conclusion that, due to its organisational structure, given the small size of the Board of Directors, which is composed of six members, it is unnecessary to formally appoint an Executive Committee within the Board of Directors.

However, as mentioned in point 18 of this Report, of the five members of the Board of Directors, two perform executive functions – more practical or operational – according to the following:

(i) prior and timely notification to all members of the Board of Directors of meetings of that body, including the agenda, even if provisional, of the meeting, accompanied by other relevant information and documentation;

(ii) availability of executive directors to provide non-executive directors with all additional information deemed relevant or necessary, as well as for carrying out further studies and analyses in relation to all matters that are the subject of deliberation or that are in any way under consideration in the Company, as well as

(iii) availability of the minutes books, records, documents and other information on operations carried out in the Company or its subsidiaries, for examination, as well as the availability and promotion of a direct channel for obtaining information from the directors and operations and financial managers of the subsidiaries in the group, without requiring any intervention by executive directors in this process.

As decisions of the Board of Directors are made by all its members, executive and non-executive, in the normal course of their duties, as a collegiate body, in an enlightened and informed manner, the Company considers that the necessary conditions are guaranteed for decisions on strategic matters to be fully focused on the creation of value for shareholders.

Nevertheless, and as mentioned above, the Board of Directors has regularly reflected on the adequacy of its organisational structure, and these reflections have always resulted in the conclusion that this structure is in compliance with the best corporate governance practices, which has been reflected in the positive performance of the Company.

29. Indication of the powers of each of the committees created and a summary of the activities carried out in the exercise of those powers

In line with points 21 and 24 above, the Remuneration Committee is the body responsible for assessing the performance and approving the remuneration of the members of the Board of Directors and other governing bodies.

It is up to this committee, in compliance with the provisions of Article 26-A of the CVM, and Recommendation V.2.3 of the IPCG Corporate Governance Code, to prepare the Declaration on the Remuneration and Compensation Policy for Governing Bodies as well as, through the preparation of a proposal for approval, to submit it for scrutiny by the deliberative body par excellence for this matter, which is the General Meeting.

If the Remuneration and Compensation Policy for Governing Bodies deserves the approval of the Shareholders at the General Meeting, it is up to this committee to fight for its application, monitoring its permanent adequacy to the reality of the Company.

Company Secretary

The Company Secretary exercises the powers attributed to him/her by law, namely the provisions of article 446-B of the Portuguese Companies Code and which are, among others, the following: a) Act as secretary for the meetings of the corporate bodies; b) Draw up the minutes and sign them jointly with the members of the respective corporate bodies and the chairman of the board of the general meeting, when this is the case; c) Keep and maintain in order the books and sheets of minutes, the attendance lists, the share registration book, as well as the related expedient; d) Issue the legal notices of meetings for all company bodies; e) Recognise the signatures of the members of the company bodies on the company's documents; f) Certify that all copies or transcriptions extracted from the company's books or filed documents are true, complete and up-to-date g) Satisfy, within the scope of his/her powers, any requests made by shareholders exercising their right to information and provide the information requested of the members of the corporate bodies performing supervisory functions regarding resolutions of the board of directors or the executive committee h) Certify the content, total or partial, of the articles of association in force, as well as the identity of the members of the various company bodies and the powers they hold; i) Certify the updated copies of the articles of association, of the resolutions of the shareholders and of the administration and of the entries in force in the company's books, as well as ensure that they are delivered or sent to the holders of shares who have requested them and who have paid the respective cost. He/she is also responsible for supporting the flow of information between the Board of Directors and the Supervisory Body and ensuring the timely registration of corporate resolutions with the Commercial Registry Office.

The Company's secretarial duties were performed on a regular basis during 2021.

III. SUPERVISION

a) Composition

30. Identification of the supervisory body corresponding to the adopted model

The Supervisory Board and the Statutory Auditor are the supervisory bodies of the Company, according to the governance model adopted.

31. Composition of the Supervisory Board, indicating the minimum and maximum statutory number of members, duration of term of office, number of effective members, date of first appointment, and date of end of term of office of each member.

The Supervisory Board is appointed by the General Meeting of Shareholders for terms of two years, and may be re-elected one or more times. It is composed of an even or odd number of members, with a minimum of three and a maximum of five, in a number to be decided by the General Meeting, with one or two substitutes, depending on whether it has three or more members, respectively, assuming, in full, the duties assigned to it by law, including the proposal for the appointment of the Statutory Auditor or Statutory Audit Firm, in compliance with the provisions of Article 413(1)(b) of the CSC, as well as Article 420(2)(b) of the CSC.

As at 31 December 2021, this body was composed of the following members:

- António Luís Isidro de Pinho – Chairman
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member of the Board
- Ana Paula dos Santos Silva e Pinho – Member of the Board
- André Seabra Ferreira Pinto – Substitute Member of the Board

The Supervisory Board member Pedro Nuno Fernandes de Sá Pessanha da Costa was elected, for the first time, in April 2014, for the term that began in 2014 and ended in 2016, having been reelected, in April 2017, for a second term (three-year term that started in 2017 and ended in 2019), in April 2020, for a third term (year 2020), and in April 2021, for a fourth term that began in 2021 and will end on 2022. The member António Pinho was elected, for the first time, in April 2017, for the three-year period that began in 2017 and ended in 2019, served his second term (one year) in 2020, and was re-elected in April 2021 for a third term that began in 2021 and will end in 2022. Member Ana Paula dos Santos Silva e Pinho was elected in April 2020, having served his first term (year 2020) and was re-elected in April 2021 for a second term that began in 2021 and will end in 2022. The alternate member of the Supervisory Board André Seabra Ferreira Pinto was elected, for the first time, in April 2014, for the term that started in 2014 and ended in 2016. In April 2017 he was elected alternate and in April 2020 and April 2021 he was elected alternate.

32. Identification of the members of the Supervisory Board who are considered independent under the terms of article 414(5) of the CSC

As a collegiate body, the assessment of the independence of the Supervisory Board is carried out on all its members, assessing the independence of each one of them in accordance with the definition given in Article 414(5) and incompatibility in accordance with the definition in Article 414-A(1), both of the CSC.

With the exception of Pedro Nuno Fernandes de Sá Pessanha da Costa, who upon being re-elected for the fourth term (2021-2022) ceased to be independent in accordance with the provisions of 414(5)(b) of the CSC, all others members of the Company's Supervisory Board comply with the rules of incompatibility and independence identified above and are not in any of the situations of incompatibility laid down by law. This compliance is declared by the members in a statement that they individually sign and submit to the Company.

33. Professional qualifications and curricular references of each member of the Supervisory Board and other relevant curricular elements

All the members of COFINA's Supervisory Board have the training, skills and experience necessary to carry out their functions in full, in line with the provisions of Article 414(4) of the CSC and Article 3(2) of Law 148/2015 of 9 September. The Chairman of this body is adequately supported by the other members of the Supervisory Board.

Annex I of the Management Report presents the professional qualifications and other activities carried out by the members of the Supervisory Board.

b) Procedure

34. Existence of procedural rules for the Supervisory Board and place where they can be consulted

The procedural rules for the Supervisory Board are available for consultation on the Company's website, (www.cofina.pt) “About Cofina” tab, “Corporate Governance” section.

35. Number of meetings held and meeting attendance by each member of the Supervisory Board

During 2021, the Company's Supervisory Board met seven times and there were no absences. The corresponding minutes are recorded in the book of minutes of the Supervisory Board.

36. Availability of each member of the Supervisory Board, indicating the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out

The members of the Supervisory Board have made a commitment to the Company, which they have scrupulously complied with and which is reflected in a level of availability that is fully in line with the interests of the Company.

Information on other positions held, qualifications and professional experience of the members of the Supervisory Board is detailed in Annex I of the Management Report.

c) Powers and duties

37. Description of the procedures and criteria applicable to the intervention of the Supervisory Body for the purpose of contracting additional services from the external auditor

It is the responsibility of the Supervisory Board to previously approve the provision of services other than audit services to be contracted from the External Auditor.

As a preliminary note, it should be mentioned that the Board of Directors, when considering the possibility of contracting additional services from the External Auditor or the Statutory Auditor, ensures, before communicating its decision to the Supervisory Board, that no services shall be contracted from those Auditors or Entities that are part of their network which, according to European Commission Recommendation No. C (2002) 1873, of 16 May, could jeopardise its independence.

Upon conclusion by the Board of Directors that the conditions are in place to submit the matter to the Supervisory Board, the latter will analyse, in advance and in depth, the scope of such additional services to be provided by the External Auditor and by the Statutory Auditor, taking a favourable decision if the analysis carried out indicates that: (i) the contracting of additional services does not jeopardise the independence of the External Auditor; (ii) a healthy balance is maintained between the normal audit services and the additional services whose performance is being analysed and (iii) the additional services whose provision is proposed do not constitute services whose provision was prohibited under Article 77(8) of Law No. 140/2015, of 9 September. In this analysis, the Supervisory Board also analyses if (iv) if the additional services will be provided in compliance with the quality levels in force in the Group, always bearing in mind that the objective of these services, should this occur, should not undermine the independence that is required when carrying out auditing duties.

In this regard, it should be noted that Deloitte & Associados, SROC, S.A., before accepting the award of the services, also carries out a rigorous internal assessment to ensure that the services it proposes to provide do not affect, under any circumstances, the independence criteria that it proposed to comply with when accepting the election to perform these duties.

The Company therefore considers that a triple degree of control is ensured, in the verification that the independence criteria are not compromised, when deciding to contract additional services from the External Auditor.

It should be added that the Supervisory Board also receives, on an annual basis, a declaration of independence from the External Auditor and the Statutory Auditor, which describes the services provided by the External Auditor and by other entities in the same network, the fees paid, any threats to their independence and measures for safeguarding against these.

All potential threats to the independence of the External Auditor, if any, as well as the safeguard measures, are evaluated and discussed, openly and transparently, by the Supervisory Board and the External Auditor.

38. Other duties of the supervisory bodies

The supervision of the Company is incumbent upon the Supervisory Board, which exercises these responsibilities in COFINA, as provided for in Article 420 of the CSC and its Regulations.

The Supervisory Board, in the performance of its statutory and legally assigned duties, has the following duties in particular:

a) Supervising the Company's management;

b) Ensuring compliance with the law and the articles of association;

c) Annually preparing a report on its supervisory action and giving an opinion on the report and accounts and proposals submitted by the Management;

d) Convening the General Meeting of Shareholders, when this is not, and should be, done by the chairman of the meeting board;

e) Monitoring the effectiveness of the risk management system, the internal control system and the internal audit system;

f) Receiving reports of irregularities, submitted by shareholders, employees of the Company or others;

g) Contracting the provision of expert services to assist one or more of its members in the performance of their duties. The hiring and remuneration of experts shall take into account the importance of the matters entrusted to them and the economic situation of the company;

h) Complying with the other duties contained in the law or the articles of association;

i) Supervising the process of preparation and disclosure of financial information;

j) Proposing the appointment of the Statutory Auditor to the General Meeting of Shareholders;

k) Supervising the audit of the company's accounts and financial statements;

l) Supervising the independence of the Statutory Auditor, particularly regarding the provision of additional services;

For the performance of the duties mentioned above, the Supervisory Board:

a) Obtains from the Board, the information necessary for the exercise of its activities, in particular the operational and financial evolution of the company, changes in the composition of its portfolio, the terms of the operations performed and content of the decisions made;

b) Monitors the risk management and internal control system, drawing up an annual appraisal report and recommendations for the Board of Directors if there are issues that justify this;

c) Receives, at least five days before the date of its meeting, the consolidated and separate financial statements and the administration reports, analysing in particular the main changes, the relevant transactions and the corresponding accounting procedures, and clarifications obtained from Management, namely through the Board of Directors and the external auditor, and issues its assessments and decisions;

d) Notifies the Management of the checks, inspections and procedures it has carried out and of the results thereof;

e) Attends the General Meetings, as well as the meetings of the Board of Directors it is invited to or at which the accounts for the financial year are to be examined;

f) Performs an annual self-assessment of its activities and performance, including a review of the regulations, with a view to developing and implementing improvements in its operation;

g) Carries out the other duties of supervision that are required by law.

The Supervisory Board also represents the Company before the External Auditor and the Statutory Auditor, and is responsible for proposing the provider of these services and their remuneration, also ensuring that adequate conditions for the provision of these services are ensured within the group.

The Supervisory Board is the first recipient of the reports issued by the External Auditor and the Statutory Auditor, as well as the Group's interlocutor in the relationship with these bodies. It is also responsible for giving its opinion on relevant projects and work plans and on the adequacy of the resources allocated to the implementation of such projects.

The Supervisory Board is, therefore, responsible for drawing up an annual report on its supervisory action and issuing an opinion on the annual financial statements and proposals presented by the management and for supervising the effectiveness of the risk management and internal control system.

The Supervisory Board, in conjunction with the Board of Directors, regularly analyses and supervises the preparation and disclosure of the financial information, providing all the necessary support and expressly undertaking the commitment that there will be no undue or untimely access to the relevant information by third parties.

In addition, the supervisory body is called upon to intervene in order to issue an opinion whenever there are transactions between directors of COFINA and the Company itself or between COFINA and companies in a control or group relationship in which the intervening party is a director, in accordance with Article 397 of the CSC. This intervention by the Supervisory Board will be requested regardless of the degree of materiality of the operation in question.

The External Auditor, in turn, and as part of the Company's supervisory body, within the scope of the annual audit process, analyses (i) the operation of internal control mechanisms and reports any deficiencies identified; (ii) verifies whether the main elements of the internal control and risk management systems implemented in the Company in relation to the financial information disclosure process are presented and disclosed in the annual report on Corporate Governance and (iii) issues legal certification of the accounts and an Audit Report, in which it attests that the report disclosed on the corporate governance structure and practices includes the information referred to in article 66-B of the CSC in its current wording or, if not included, ensures that such information is contained in a separate report also made available to shareholders, complies with the provisions of article 245-A of the Portuguese Securities Code, complies with the structure of CMVM Regulation No. 4/2013 and the information contained therein also includes a statement on compliance with the IPCG Corporate Governance Code.

During 2021, the Statutory Auditor monitored the development of the Company's activities and carried out the inspections and checks deemed necessary for the review and legal certification of the accounts, in conjunction with the Supervisory Board, which was always able to count on the full, speedy and expeditious cooperation of the Board of Directors in providing access to the information requested.

In line with the above, the Statutory Auditor has issued an opinion on the activities carried out by him in the 2021 financial year, which was included in the annual audit report that will be voted on by the Shareholders at the Annual General Meeting.

The supervisory body monitors and ensures compliance by COFINA and its subsidiaries with the legislation applicable at all times, in order to assess the Group's compliance levels in this area, which has been classified as high and aligned with the interests of the Company and its Shareholders.

IV. STATUTORY AUDITOR

39. Identification of the statutory audit firm and the statutory auditor that represents it

The Company's statutory auditor is Deloitte & Associados, SROC, S.A., registered at the CMVM under number 20161389, represented by Tiago Nuno Proença Esgalhado, registered at the CMVM under number 20160762.

40. Indication of the number of consecutive years in which the statutory auditor has performed duties for the company and/or group

Deloitte & Associados, SROC S.A. conducted the statutory audit of the Company and its group companies since 2021, having been appointed for a current term of office, following a proposal by the Supervisory Board, at the General Meeting of Shareholders held on 30 April 2021.

41. Description of other services provided by the Statutory Auditor to the company

The Statutory Auditor is also the External Auditor of the Company, as detailed in the points below.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of Article 8 and of the partner that represents it in the performance of these duties, as well as its CMVM registration number

The Company's External Auditor, appointed for the purposes of Article 8 of the Portuguese Securities Code, is Deloitte & Associados, SROC S.A., registered with the CMVM under number 20161389, represented by Tiago Nuno Proença Esgalhado, registered at the CMVM under number 20160762.

43. Indication of the number of consecutive years in which the external auditor, and the statutory auditor partner representing the external auditor in the performance of its duties, have performed duties with the company and/or the group.

The External Auditor was elected in 2021, as well as the partner who represents him.

44. Policy and frequency of rotation of the external auditor and the statutory auditor partner representing it

Regarding the rotation of the External Auditor, the Company had not established, by the date of entry into force of the new Statutory Auditors Regulations, approved by Law No. 140/2015, of 7 September, a policy for the rotation of the External Auditor based on a predetermined number of mandates, taking into account, in particular, the fact that such a rotation policy does not constitute a common or usual practice and that the Company, by constantly monitoring the adequacy and fairness of the current model, has never identified situations of loss of independence or any other situations that might recommend the adoption of a formal policy that would require such rotation.

The entry into force of the new Statutory Auditors Regulations, on 1 January 2016, established a new system applicable to the rotation of statutory auditors for companies whose shares are admitted to trading on a regulated market, as is the case of the Company. Therefore, during 2016, the Supervisory Board began a selection process for the election of a new statutory auditor who, meeting all legal requirements in terms of technical skills and independence, could be proposed at the Annual General Meeting, which took place at the 2017 Annual Meeting of Shareholders, where Ernst & Young Audit & Associados - SROC, S.A. was elected for a first three-year term. Ernst & Young Audit & Associados - SROC, S.A. was subsequently re-elected for a second annual mandate (2020), and the Annual General Meeting of 2021 resolved to elect Deloitte & Associados, SROC, S.A., for the term corresponding to the year 2021.

In this sense, the Company does not have a formal, internal policy that provides for the rotation of the External Auditor, considering it unnecessary, as it complies with the legal requirements in this matter, to the fullest extent.

45. Indication of the body responsible for assessing the external auditor and the frequency at which this assessment is carried out

Throughout the year, the Supervisory Board, in the performance of its duties, monitors the performance of the External Auditor and carries out an annual assessment of its independence. In addition, the Supervisory Board promotes, whenever necessary or appropriate in light of developments in the Company's activity or legal or market requirements, reflection on the suitability of the External Auditor at the level required for the performance of its duties.

46. Identification of work, other than audit work, carried out by the external auditor, as well as an indication of the internal procedures for the purpose of approving the contracting of such services and an indication of the reasons for contracting them

During the 2021 fiscal year, the External Auditor did not provide any services other than auditing.

47. Indication of the amount of annual remuneration paid to the auditor and other natural or legal persons belonging to the same network and a breakdown of the percentage related to the following services:

	31.12.2021		31.12.2020	
Company				
Annual audit services value (€)	25,000	3.3 %	2,000	1.7 %
Value of reliability assurance services (€)	—	35.6 %	33,750	0.0 %
Group entities				
Audit and statutory audit (€)	45,000	62.3 %	59,000	98.3 %
Other assurance services (€)	—	0.0 %	—	0.0 %
Total				
Audit and statutory audit (€)	70,000	64.4 %	61,000	100.0 %
Other assurance services (€)	—	35.6 %	33,750	0.0 %
	70,000		94,750	

C. INTERNAL ORGANISATION

I. Articles of Association

48. Rules applicable to the amendment of the company's Articles of Association

Amendments to the Articles of Association follow the relevant legal terms, in particular those of the CSC, which require a two-thirds majority of the votes cast for the approval of that decision.

II. Reporting irregularities

49. Means and policy for communicating irregularities occurring in the company

Any reports of irregularities from any employee, partner, supplier or any other stakeholder must be sent to the Supervisory Board.

The COFINA Group has a specific mechanism for reporting irregularities that constitute violations of an ethical or legal nature with a significant impact on the fields of accounting, combating corruption and banking or financial crime (whistleblowing), which safeguards the confidentiality of the information reported and the identity of the reporting party whenever requested.

If the Board of Directors receives any requests for clarification or expressions of concern related to whistleblowing, it shall immediately refer the matter to the Supervisory Board.

Reports of any irregularity or indication of irregularity to the Supervisory Board shall be made by letter in a sealed envelope with reference to its confidentiality and sent to the following address: Rua Manuel Pinto de Azevedo, No. 818, 4100-320 Porto. Anonymous complaints will only exceptionally be accepted and processed.

It should be noted that during the 2021 financial year, no reports of irregularities were reported to the Company's Supervisory Board.

III. Internal control and risk management

50. Individuals, boards or committees responsible for the internal audit and/or implementation of internal control systems

Risk management, as a cornerstone of the principles of good corporate governance, is an area considered fundamental in COFINA, which promotes the constant awareness of all its employees at different levels of the organisation, instilling this responsibility into them in all decision-making processes.

Risk management is carried out with a view to creating value, with clear identification of the circumstances that constitute a threat likely to affect the business goals.

Environmental management, based on sustainability criteria, and Social Responsibility play an increasingly decisive role within the organisation, and risk management is also monitored in these areas, with increasing accuracy.

Although there is no formally established department, the COFINA Group ensures that each department is sufficiently aware of the need to identify and quantify the risk associated with all decisions, with well-defined criteria which allow them to judge independently and in each individual case, whether the risk can be assumed by the Board or whether the decision to take it, based on criteria of materiality or exposure of the Group, should be submitted to the Board of the company in question, whether it is COFINA or any of its subsidiaries. Therefore, the Group's operational teams act based on clear criteria of (i) levels of risk assumption and who should make the decision to take them or not and (ii) the identification of ways to mitigate them.

Risk management is thus ensured by all COFINA departments, based on the following methodology, which includes several stages:

- Initially, internal and external risks which may materially affect the pursuit of the Group's strategic objectives are identified and prioritised;

- The operations managers of the Group's various departments identify the risk factors and events that may affect the operations and activities of COFINA, as well as any processes and control mechanisms;

- Additionally, the impact and probability of occurrence of each risk factor are weighted and, depending on the level of exposure, the need for a response to the risk is assessed; and

- Risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

It is up to the Board of Directors, at all times, to decide the level of exposure of the Group in its different activities and, without prejudice to the delegation of duties and responsibilities, to define overall risk limits and ensure that the risk management policies and procedures are complied with.

In monitoring the risk management process, the Board of Directors, as the body responsible for COFINA's strategy, has the following table of goals and responsibilities:

- To know the most significant risks affecting the Group;

- To ensure the existence within the Group of appropriate levels of knowledge of the risks affecting operations and how to manage them;

- To ensure the dissemination of the risk management strategy at all hierarchical levels;

- To ensure that the Group has the capacity to minimise the probability of occurrence and the impact of business risks;

- To ensure that the risk management process is adequate and that rigorous monitoring of the risks with the greatest probability of occurring and impact on the Group's operations is carried out; and

- To ensure permanent communication with the Supervisory Board, making it aware of the level of risk exposure taken on and requesting, whenever necessary, the opinions of this body that it deems necessary for conscious and informed decision-making, ensuring that the risks identified and the policies defined are analysed from the multidisciplinary perspectives that guide the Group's operations.

The subsidiaries manage the risks within the established criteria and delegations.

The Supervisory Board continuously monitors and supervises the performance of the group in this area.

Based on this methodology, COFINA has been able to conclude that it has succeeded in ensuring greater awareness in decision-making at all levels of the organisation, given the inherent responsibility of each internal player, which contributes to people feeling empowered, truly involved and participating actively in the performance of the Company.

COFINA, as has been said several times throughout this Report, continuously monitors the appropriateness of its model in the area of risk management and has concluded, to date, that this model has proved to be totally appropriate in view of its organisational structure.

51. Explanation of the hierarchical and/or functional dependency relationships with other company bodies or committees

The Supervisory Board is responsible for assessing the operation of risk management mechanisms, and it is to this body that the control procedures considered appropriate for the respective mitigation are reported. It is therefore the responsibility of this body to supervise the actions taken by the Company in these matters and to periodically check that the risks effectively incurred by the Company are consistent with those laid down by the Board of Directors.

The External Auditor, in the exercise of its duties, verifies the appropriateness of the mechanisms and procedures in question, ensuring the reporting of its conclusions to the Supervisory Board.

The Board of Directors is responsible for monitoring such mechanisms and procedures.

52. Existence of other functional areas with risk control competencies

In COFINA, risk management is ensured by all departments and operational units, as described in point 51 above. COFINA, as has also been said several times throughout this Report, continuously monitors the appropriateness of its model in this area of risk management and has concluded, to date, that this model has proved to be totally appropriate in view of the Company's organisational structure.

53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the performance of its activities

The Board of Directors considers that the Group is exposed to normal risks arising from its activities, particularly in its operational units. The following financial risk factors stand out, which are detailed and analyzed in the Annex to the Consolidated Financial Statements:

1. Market Risk
    1.1. Interest Rate Risk
    1.2. Exchange Rate Risk
2. Liquidity Risk
3. Credit Risk
4. Capital Risk

In addition to the financial risks identified above, it is important to bear in mind that the Group is also exposed to legal, tax and regulatory risks.

COFINA, as well as its business, has permanent legal, tax and regulatory advice, which works in conjunction with the business areas, ensuring, preventively, the protection of the Group's interests in scrupulous compliance with the legal provisions applicable to the business areas of the Society.

This consultancy is also supported at national and international level by external service providers that COFINA hires from firms of recognized reputation and in accordance with high criteria of competence, rigor and professionalism.

However, COFINA and its subsidiaries may be affected by legal changes occurring both in Portugal and in the European Union or in other countries where it carries out its activities. COFINA does not, of course, control such changes which, if they occur, could have an adverse impact on the Group's business and could, consequently, impair or impede the achievement of strategic objectives.

The Group's attitude is one of permanent collaboration with the authorities in the respect and observance of legal provisions.

Finally, the Group is also exposed to market risks in terms of competition and customers:

<u>a) Competition</u>

Risk related to the entry of new competitors or the repositioning of current competitors and the actions they may take to gain market shares (introduction of new products, services, etc.). The inability to compete in areas such as price, range of products, quality and service can have very adverse effects on the Group's financial results. In order to minimise this risk, COFINA carries out constant benchmarking of its competitors' actions and invests in new formats and products, in order to offer its clients proposals that are always innovative.

b) Clients

A key risk factor in the media sector is the propensity of consumers for varying their consumption patterns, depending mainly on social and economic factors.

Consumers frequently change their preferences and expectations, which requires continuous adaptation and optimisation of the product offer. In order to anticipate market and consumer trends, the Group regularly analyses information on reader behaviour, based on market research and the opinion of independent bodies with a good reputation in the market.

54. Description of the process of risk identification, evaluation, monitoring, control and management

As described in Point 52, the Board of Directors is the body responsible for defining the Group's general strategic policies, including the risk management policy, and is duly supported by the management teams of the subsidiaries, which ensure not only permanent monitoring, but also the reporting to the Board of Directors of COFINA, of the situations detected, in order to ensure permanent and effective risk control.

The operation of the process for identifying and assessing, monitoring, controlling and managing risks in COFINA is as follows:

The risks that the Group faces in the normal course of its business are identified. For all risks identified as material, the impact on the Group's financial performance and value is measured. Subsequently, a comparative study is made of the value at risk with the costs of the hedging instruments, if available, and, consequently, the evolution of the risks identified and the hedging instruments is monitored. This process is, more or less, according to the following methodology:

- Initially, internal and external risks which may materially affect the pursuit of the Group's strategic objectives are identified and prioritised;

- The operations managers of the Group's various operational units identify the risk factors and events that may affect the operations and activities of COFINA, as well as any processes and control mechanisms;

- Additionally, the impact and probability of occurrence of each risk factor are weighted and, depending on the level of exposure, the need to respond to the risk is assessed; and

- Risk mitigation actions are monitored and the level of exposure to critical factors is constantly monitored.

The Company has been implementing additional risk management strategies aimed at ensuring, essentially, that the control systems and procedures and the policies in place allow it to meet the expectations of management bodies, shareholders and other stakeholders.

Among these strategies, the following stand out:

- The control systems and procedures and the policies in place are in accordance with all applicable laws and regulations and are effectively applied;

- Financial and operational information is complete, reliable, safe and reported periodically and in a timely manner;

- COFINA's resources are used efficiently and rationally; and

• Shareholder value is maximised and operational management takes the necessary measures to correct aspects reported.

Once this process has been completed, the Board of Directors, in its capacity as executive body, is responsible for deciding on this matter, acting in accordance with the terms it believes best serve the interests of the Company and its Shareholders at all times.

55. Main elements of the internal control and risk management systems implemented in the company with regard to the financial information disclosure process

Regarding risk control in the financial information disclosure process, only a very restricted number of COFINA employees are involved in this process.

All those involved in the Company's financial analysis process are deemed to have access to privileged information and, in particular, they are formally notified of their obligations, as well as the penalties arising from the misuse of this information;

The internal rules applicable to the disclosure of financial information aim to ensure its timely disclosure and prevent asymmetric access to information by the market.

The internal control system for the areas of accounting and the preparation and disclosure of financial information is based on the following key elements:

• The use of accounting principles, which are detailed in the notes to the financial statements, is one of the bases of the control system;

• The plans, procedures and records of the Company and its subsidiaries provide reasonable assurance that only duly authorised transactions are recorded and that these transactions are recorded in accordance with the generally accepted accounting principles;

• The financial information is examined by the operational unit managers on a systematic and regular basis, thus providing for constant monitoring and budget control;

• During the process of preparing and reviewing the financial information, a schedule is first drawn up and shared with the different areas involved and all the documents are carefully reviewed;

• Regarding the separate financial statements of the various group companies, the accounting records and the preparation of the financial statements are ensured by the administrative and accounting services. The financial statements are prepared by the chartered accountants and reviewed by each subsidiary's financial management board. Following approval, the documents are sent to the External Auditor, who issues the Statutory Audit Report;

• The consolidated financial reports are prepared quarterly by the consolidation team. This process constitutes an additional element of control of the reliability of financial information, particularly by ensuring the uniform application of accounting principles and operation cut-off procedures, as well as the verification of balances and transactions between group companies;

• The annual consolidated financial statements are prepared under the supervision of the financial management board. The documents comprising the annual report are sent to the Board of Directors for review and approval. Following approval, the documents are sent to the External Auditor, who issues the Statutory Audit Report and the External Audit Report;

• The process of preparation of the separate and consolidated financial information and the Management Report is managed by the Board of Directors and supervised by the Supervisory Board. Quarterly, these bodies analyse the Company's consolidated financial statements.

With regard to the risk factors that may materially affect the accounting and financial reporting, we highlight the use of accounting estimates that are based on the best information available at the date of preparation of the financial statements, as well as knowledge and experience of past and/or present events. We also emphasize the balances and transactions with related parties: in the COFINA Group, balances and transactions with related parties refer essentially to the current operating activities of the group companies, as well as to the granting and obtaining of loans at market rates.

The Board of Directors, together with the Supervisory Board, regularly analyses and supervises the preparation and disclosure of financial information, in order to prevent undue or untimely access by third parties to relevant information.

IV. Investor Support

56. Service responsible for investor support, composition, duties, information made available by this service and contact information

In compliance with the applicable legal provisions, as well as the CMVM regulations on this matter, COFINA ensures, always at first hand, the disclosure to its shareholders and to the market in general of all the information related to the business of group companies that falls under the scope of privileged information.

In this way, COFINA has been able to ensure, on a permanent and timely basis, the disclosure of information to its shareholders and to the market in general, at the precise moment when it takes on the nature of privileged information.

The Company has an Investor Relations Office which includes the Group’s Market Liaison Officer and the Investor Relations.

Investors may obtain information through the following channels:

Rua Luciana Stegagno Picchio, no. 3
1549-023 Lisboa
Tel: + 351 21 049 42 46
Fax: + 351 21 049 31 55
Email: sede@cofina.pt

Through its official website (www.cofina.pt), COFINA provides financial information on its separate and consolidated activities and those of its subsidiaries. This website is also used by the company for issuing press releases with an indication of any facts relevant to company life, which are always subject to prior disclosure in the CMVM Information Disclosure System. This page also contains the Group's financial statements for the last few years. Most of the information is available on the Company's website in Portuguese and English.

57. Market Liaison Officer

The position of Market Liaison Officer is held by Miguel Valente and the position of Investor Relations by Ricardo Mendes Ferreira.

58. ***Information on the proportion and the deadline for replying to information requests received during the year or pending from previous years.***

Whenever necessary, the Market Liaison Officer ensures the provision of all relevant information regarding significant events, facts considered to be relevant, quarterly disclosure of results and responses to any requests for clarification by investors or the general public on public financial information. All information requests from investors are analysed and answered within a maximum period of five business days.

V. Website

59. Address(es):

COFINA has a website with information on the Company and the Group. The address is www.cofina.pt.

60. Place where information on the company's name, public company status, registered office and other information referred to in Article 171 of the Portuguese Companies Act is available

wwww.cofina.pt \ investors \ company profile

61. Place where the Articles of Association and the procedural rules of the company bodies and/or committees are available

www.cofina.pt \ investors \ articles of association

www.cofina.pt \ about cofina \ corporate governance \ archive

62. Place where information on the identity of members of the governing bodies, the market relations representative and the Investor Support Office, or its equivalent, their duties and means of access are available

www.cofina.pt \ about cofina \ corporate governance \ archive

www.cofina.pt \ investors \ IR contacts

www.cofina.pt \ investors \ investor support office

63. Place where the financial statements are made available, which must be accessible for at least five years, as well as the half-yearly calendar of company events, disclosed at the beginning of each half year, including general meetings, disclosure of annual, half-yearly and, if applicable, quarterly accounts

www.cofina.pt \ investors \ reports

www.cofina.pt \ investors \ financial calendar

64. Place where the notice for the General Meeting of Shareholders and all related preparatory and subsequent information are disclosed

www.cofina.pt \ investors \ annual meetings

65 .Place where the records of all the decisions made at Company General Meetings, the share capital represented and the voting results for the 3 previous years are available

www.cofina.pt \ investors \ annual meetings

D. REMUNERATION REPORT

The Board of Directors presents below a clear and understandable report that provides a comprehensive overview of the remuneration, including all benefits in whatever form, awarded or due during the last financial year to each member of the management and supervisory bodies, in accordance with the remuneration policy referred to in Article 26-A of the Portuguese Securities Code, including newly appointed and former members.

The information contained in this report complies with all applicable legal requirements, namely, but not limited to, Article 26-G of the Portuguese Securities Code.

The processing by the Company of the personal data included in this remuneration report aims to increase its level of transparency regarding the remuneration of the respective members of the management and supervisory bodies, in order to strengthen the level of accountability of the latter and the ability of shareholders to supervise the remuneration of the members of the Company's management and supervisory bodies.

This remuneration report is submitted for consideration at the annual general meeting following the financial year to which it relates and explains how the assessment made at the previous general meeting was taken into account.

After the general meeting, the remuneration report is published on www.cofina.pt and remains available for at least 10 years.

I. Decision-making powers

66. Indication of the powers for determining the remuneration of the governing bodies

The Remuneration Committee is the body responsible for approving the remuneration of the members of the Board of Directors and other governing bodies, in representation of the shareholders and in accordance with the remuneration policy approved by the Shareholders at the General Meeting.

II. Remuneration committee

67. Composition of the Remuneration Committee, including the identification of individuals or companies contracted to provide support and a declaration on the independence of each member and consultant

COFINA currently has a Remuneration Committee, elected at the General Meeting of Shareholders to serve a three-year term, starting in 2020 and ends in 2022, and whose composition is as follows:

- João da Silva Natária – Chairman
- André Seabra Ferreira Pinto – Member of the Board
- Pedro Nuno Fernandes de Sá Pessanha da Costa – Member of the Board

All members of the Remuneration Committee are independent from the members of the Board of Directors and of any other interest group.

With regard to the identification of natural or legal persons contracted to provide support to this Committee, it should be noted that its duties include the freedom to contract, at the Company's expense and in compliance with reasonable criteria in this regard, external service providers who may carry out independent evaluations, studies and prepare reports that may assist that committee in the full and complete exercise of its duties, as further explained in Point 68 below.

This committee should draw on benchmarking studies on remuneration policies, ensuring that the Declaration on the Remuneration and Compensation Policy for Governing Bodies is in line with the best practices in use in companies of equal importance and size.

In 2021, this committee did not consider it necessary to contract any persons or entities to support their decision making.

68. Knowledge and experience of the members of the remuneration committee with regard to the remuneration policy

The professional experience and qualifications of the members of the Remuneration Committee can be consulted in their background records available on the Company's website at www.cofina.pt, “Investors” tab, “General Meetings/2020/Background Records” section.

COFINA considers that the professional experience and career of the members of the Remuneration Committee are fully adequate for the performance of the duties assigned to them, allowing these members to perform them with the rigour and efficiency required. Without prejudice to the qualifications of the other members, it makes sense to single out João da Silva Natária, for his high level of experience and specific knowledge in evaluation and remuneration policy matters.

Furthermore, and in addition to what has already been mentioned in Point 67 above, whenever necessary, the committee uses specialised internal or external resources to support its deliberations.

In such cases, the Remuneration Committee freely decides, for COFINA, on the contracting of the consultancy services deemed necessary or appropriate, taking care to ensure that the services are provided independently and that the providers are not contracted to provide any other services to COFINA or its subsidiaries without the express authorisation of the Remuneration Committee.

III. Remuneration structure

69 .Description of the remuneration policy for the management and supervisory bodies referred to in Article 26-A of the Portuguese Securities Code

As established in Article 26-B of the Portuguese Securities Code, a statement on the remuneration policy of the management and supervisory bodies is submitted to the Shareholders’ General Meeting for approval.

The remuneration and compensation policy of COFINA governing bodies, approved at the Shareholders’ General Meeting of 30 April, 2021, complies with the following principles:

PRINCIPLES OF THE REMUNERATION POLICY OF THE CORPORATE BODIES OF COFINA

The Remuneration Policy of the Governing Bodies of COFINA is based on the assumption that competence, dedication, availability and performance are the determining elements of a good performance, and that only with a good performance is it possible to ensure the necessary alignment with the employees interests of the company and its shareholders.

In view of the interest, culture and long-term strategy of the Company, the Remuneration Policy of the Governing Bodies of COFINA aims to, as stated in Article 26-C(1) of the CVM, "*contribute to the company's business strategy, its long-term interests and sustainability*":

• Attract and retain the best professionals for the functions to be performed, providing the necessary conditions of stability in the exercise of the functions;

• Reward performance, by means of an adequate remuneration to the mechanisms for defending the interests of Shareholders, discouraging excessive risk taking, by providing mechanisms for deferring variable remuneration;

• Reward the focus on continuous improvement, productivity and the creation of long-term value for shareholders;

• Reward the environmental sustainability and energy efficiency of relevant activities of the Company.

The Policy is based on criteria aimed at the sustainability of the Company, is aligned with comparable benchmarking and, complying with legal requirements, is based on the following vectors:

Responsibility inherent to the functions performed

The functions performed and the responsibilities assumed by each member are, necessarily, taken into account in the definition of remuneration. Not all members are in the same position, which imposes a carefully case-by-case definition. In assessing the level of responsibility, the time of dedication, the requirement imposed by the areas under their supervision and the functions performed in the subsidiaries must be taken into account.

Company’s economic situation

The definition of remuneration must be compatible with the size and economic capacity of the Company, while ensuring adequate and fair remuneration.

Market standards

The observance of market rules, through a comparative exercise (“benchmark”), is essential to pay adequately and competitively, taking into account the practice of the reference market (nationally and internationally), the activity developed and the results obtained.

Alignment of management interests with the strategic objectives of the Company

The definition of compensation should be based on performance evaluation criteria and objectives of financial and non-financial nature, aligned with the Company's business strategy and that ensure the effective long-term sustainability of the Company.

ESG Commitment

The objectives associated with setting remuneration should be linked to the Company's performance on environmental, social and corporate governance (ESG) indicators, reflecting the Company's commitment to sustainable development, particularly in the area of environmental sustainability, as well as ongoing compliance with the Company's values and ethical principles, which are a cornerstone of the way it structures itself and relates to all stakeholders.

Conditions of employment and remuneration of employees

The defined remuneration must take into consideration the employment and remuneration conditions of the Company's employees, which is achieved through a benchmarking exercise with the reference market (at national and international level), with reference to equivalent functions, in order to ensure internal equity and a high competitive level.

COFINA Remuneration Committee believes that these principles are in line with the legislative and recommendatory framework in force, and also reflect the Company's vision on this matter.

BOARD OF DIRECTORS:

COFINA Remuneration Committee, in line with the Company's organizational model and the principles described above, has taken the following measures into consideration:

i. strengthening the need to maintain a process of objective setting and performance evaluation;

ii. ensuring consistency between quantitative and qualitative objectives;

iii. ensuring that the quantitative objectives of the Executive Directors are aligned with the quantitative objectives of the Company's senior management.

The total fixed remuneration of the Board of Directors, including the remuneration paid by subsidiaries to members of the Board of Directors, may not exceed EUR 100,000 per year.

1) <u>Non-Executive Directors</u>

The remuneration of the non-executive members of the Board of Directors corresponds to a fixed monthly fee, the amount of which is determined by the Remuneration Committee, having an exclusively fixed nature.

The individual remuneration of any non-executive director may not exceed EUR 80,000/year, and is exclusively fixed.

2) <u>Executive Directors</u>

The remuneration of the Executive Directors of COFINA comprises two components:

a) Fixed component, amount paid monthly.

b) Variable component, which includes a medium-term variable premium.

The variable component is intended to more closely align the interests of executive directors with those of shareholders and will be calculated covering the entire term of a term, corresponding to the period between 2020 and 2022, based on:

- Total shareholder return (appreciation of the share plus dividend distributed)

- Sum of net income for the 3 years (2020 to 2022)

- Performance of the Group's business

The total value of the medium-term component may not exceed 50% of the fixed remuneration earned during the 3-year period.

The variable component (short and medium term) is determined according to the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (of a financial and non-financial nature) and qualitative objectives;

Quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years;

Individual quantitative objectives should reflect the Company's financial performance, namely its growth and the return generated for shareholders. Financial indicators should take into account the strategic objectives of the company, in particular the evolution of the company's turnover and results and the financial and capital strength of the company;

Individual qualitative objectives should reflect the achievement of environmental, social and corporate governance indicators;

The individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to COFINA Remuneration Committee.

In view of the different business areas covered by the Company, it is considered appropriate that the payment of the fixed and/or variable component of the remuneration of executive directors may be divided between the Company and subsidiary companies whose management bodies comprise them, in accordance with the terms to be defined by the COFINA Remuneration Committee.

Thus, and based on the measures listed above, it is COFINA Remuneration Committee's understanding that the remuneration of executive directors (and also of non-executive directors) is adequate and, as established in Article 26-C(1) of the CVM, "*contributes to the company's business strategy, to its long-term interests and to its sustainability*".

STATUTORY AUDIT BOARD

The remuneration of the members of the Statutory Audit Board shall be based on fixed annual amounts, at levels considered adequate for similar functions.

GENERAL MEETING

The remuneration of the board of the General Meeting shall be fixed only and shall follow market practices.

STATUTORY AUDITOR

The Statutory Auditor will have a fixed remuneration appropriate to the performance of its duties and in accordance with market practice, under the supervision of the Statutory Audit Board.

NUMBER OF SHARES AND OPTIONS GRANTED

No form of remuneration is in force or foreseen in which there is a place for the attribution of shares or options, or any other system of incentives in shares or options.

COMPENSATION FOR TERMINATION OF FUNCTIONS BEFORE OR UNDER THEIR RESPECTIVE MANDATES AND RESTITUTION OF VARIABLE REMUNERATION

In the event of early termination of the term of office of the members of the Board of Directors, generally, there are no additional compensatory conditions to those legally established, except in the case of the existence of a management contract, which, on this matter, I may contemplate particular conditions.

There are no mechanisms in the Company that provide for the possibility of requesting the refund, from administrators, of variable remuneration.

SCOPE OF PRINCIPLES

The principles of the remuneration and compensation policies set out in this statement cover not only the remuneration paid by COFINA, but also the remuneration paid to the members of its Board of Directors by companies it directly or indirectly controls.

During the year of 2020, no director or member of the other corporate bodies received remuneration from companies directly or indirectly controlled by COFINA.

70. Information on how remuneration is structured in such a way as to align the interests of the members of the Board of Directors with the long-term interests of the company, as well as on how it is based on performance evaluation and how it discourages excessive risk-taking

The remuneration policy for executive directors aims to ensure adequate a rigorous compensation for the performance and contribution of each director to the success of the organisation, aligning the interests of the executive directors with those of the Shareholders and the Company. In addition, the remuneration policy provides for a medium-term variable component, indexed to the Company's performance, aimed at aligning the interests of executive directors more closely with those of shareholders and with the long-term interests of the Company.

The proposals for the remuneration of the executive directors are drawn up taking into account: (i) the duties performed in COFINA and in the different subsidiaries; (ii) responsibility and added value for individual performance; (iii) the knowledge and experience accumulated in the performance of their duties; (iv) the economic situation of the Company; (v) the remuneration earned in companies in the same sector and other companies listed on Euronext Lisbon. In relation to the last point, the Remuneration Committee takes into account, within the limits of the information available, all national companies of equivalent size, particularly those listed on Euronext Lisbon, and also companies in other international markets with characteristics equivalent to those of COFINA.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the directors, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

Annual Variation	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020
Remuneration of Executive Directors					
Paulo Jorge dos Santos Fernandes	(100.00)%	N/A	100.00%	—%	—%
João Manuel Matos Borges de Oliveira	(100.00)%	N/A	100.00%	—%	—%
Remuneration of Non-Executive Directors					
Domingos José Vieira de Matos	(100.00)%	N/A	100.00%	—%	—%
Pedro Miguel Matos Borges de Oliveira	(100.00)%	N/A	100.00%	—%	—%
Ana Rebelo de Carvalho Menéres de Mendonça	(100.00)%	N/A	100.00%	—%	—%
Laurentina da Silva Martins	N/A	N/A	N/A	N/A	N/A
Alda Maria Farinha dos Santos Delgado	N/A	N/A	N/A	N/A	N/A
Luís Manuel Castilho Godinho Santana	N/A	N/A	N/A	N/A	N/A
Company Performance					
EBITDA	(17.33)%	30.16%	18.72%	(40.13)%	38.01%
Revenues (1)	(8.87)%	(0.47)%	(1.42)%	(18.84)%	6.17%
Net Profit	16.94%	31.31%	7.46%	(77.78)%	165.87%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	15.96%	3.15%	(0.31)%	(1.21)%	5.49%

It should be recalled that in 2017, the members of the Board of Directors, given the adverse market conditions in which COFINA operated, stopped receiving any remuneration for the exercise of their positions in all companies of the Cofina Group.

71. Reference to the existence of a variable component of the remuneration and information on the possible impact of the performance assessment on this component

At the General Meeting of 30 April 2021, the remuneration policy was approved as detailed in Point 69 above, which provides for a short and medium-term variable component.

There are no mechanisms to prevent executive directors from entering into contracts that call into question the raison d'être of variable remuneration. However, the Remuneration Committee takes these factors into account in the criteria for determining the variable remuneration.

The Company has not entered into any contracts with members of the Board of the Board of Directors that have the effect of mitigating the risk inherent to the variability of remuneration, nor is it aware of any identical contracts entered into with third parties.

72. Deferred payment of the variable component of remuneration, mentioning the deferral period

The information on the deferment of the payment of the variable component of remuneration, mentioning the deferment period, is detailed in item 69 of this Report.

73. Criteria for attribution of the variable remuneration in shares

There is no provision for the award of variable remuneration in which shares or other share-based incentive systems are awarded, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

74. Criteria for attribution of the variable remuneration in options

There is no provision for the award of variable remuneration in which there is an award of options or another incentive system in options, thus complying with the provisions of article 26-G(2)(e) of the Portuguese Securities Code.

75. Main parameters and grounds for any annual bonus scheme and other non-cash benefits

COFINA does not have any system of annual bonuses or other non-cash benefits additional to the variable remuneration, as described above.

76. Main characteristics of the supplementary pension or early retirement schemes for the directors and date of their individual approval at the general meeting

COFINA has no supplementary pension or early retirement schemes in place for the members of management and supervisory bodies.

IV. Remuneration disclosure

77. Indication, on an aggregated and individual basis, of the annual amount of the remuneration received by the members of the company's management bodies, including fixed and variable remuneration and with reference to the different components giving rise to the variable remuneration

In compliance with the provisions of article 26-G(2)(a) of the Portuguese Securities Code, it is hereby explained that the remuneration earned by the members of COFINA's Board of Directors during 2021, in the performance of their duties, included only fixed remuneration and were paid directly by COFINA and not by any of its subsidiaries, with the exception of Alda Delgado and Luís Santana, who are or have been directors of the fully owned subsidiary company COFINA MEDIA, received fixed and variable remuneration exclusively from this subsidiary. The remuneration amounted to 272,000.00 Euros, distributed as follows: Paulo Fernandes - 80,000 Euros; João Borges de Oliveira - 80,000 Euros; Domingos Matos - 28,000 Euros; Pedro Borges de Oliveira - 28,000 Euros; Ana Mendonça - 28,000 Euros; Laurentina Martins - 28,000.00 Euros.

78. Any amounts paid by controlled or group companies or those under shared control

In compliance with the provisions of article 26-G(2)(d) of the Portuguese Securities Code, it is hereby explained that the remuneration earned by the members of the Board of Directors, Alda Delgado and Luís Santana, in the wholly owned subsidiary COFINA MEDIA, until the date of their resignation, included fixed and variable remuneration exclusively in this subsidiary, divided as follows: Alda Delgado - 186,501.80 Euros (of which 69.97% corresponds to fixed remuneration and 30.03% to variable remuneration); Luís Santana - 212,479 Euros (of which 63.76% corresponds to fixed remuneration and 36.24% to variable remuneration).

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for granting such bonuses and/or profit-sharing

During the financial year, no remuneration was paid as profit sharing or in the form of bonuses.

80. Payments made or owed to former executive directors as a result of Loss of Office during the financial year

During the financial year, no amounts were paid or are owed in respect of compensation to directors whose duties have ceased.

81. Indication, on an aggregated and individual basis, of the annual amount of the remuneration received by the members of the Company's supervisory bodies

In compliance with the provisions of article 26-G(2)(a) of the Portuguese Securities Code, it is hereby clarified that the remuneration of the members of the Supervisory Board is composed of a fixed annual amount based on COFINA's situation and current market practices in companies of equal size and importance. In the year ended December 31, 2021 the remuneration of the members of the Supervisory Board amounted to 28,620 Euros distributed as follows: António Pinho - 12,000 Euros; Pedro Pessanha - 8,310 Euros; Ana Paula Pinho - 8,310 Euros.

The remuneration received by the Statutory Auditor is detailed in point 47 above.

In compliance with Article 26-G(2)(c) of the Portuguese Securities Code, the annual variation in the remuneration of the Supervisory Board, the Company's performance and the average remuneration of full-time equivalent employees of the Company, excluding members of the board of directors and supervisory body, during the last five fiscal years, is presented as follows:

Annual Variation	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020
Remuneration of Supervisory Board Members					
Pedro Nuno Fernandes de Sá Pessanha da Costa	—%	20.00%	25.00%	(20.00)%	(30.75)%
António Luís Isidro de Pinho	N/A	N/A	—%	—%	44.40%
Ana Paula dos Santos Silva e Pinho	N/A	N/A	N/A	N/A	N/A
Guilherme Paulo Aires da Mota Correia Monteiro	N/A	N/A	—%	N/A	N/A
André Seabra Ferreira Pinto	N/A	N/A	N/A	N/A	N/A
José Guilherme Barros Silva	N/A	N/A	N/A	N/A	N/A
Company Performance					
EBITDA	(17.33)%	30.16%	18.72%	(40.13)%	38.01%
Revenues (1)	(8.87)%	(0.47)%	(1.42)%	(18.84)%	6.17%
Net Profit	16.94%	31.31%	7.46%	(77.78)%	165.87%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	15.96%	3.15%	(0.31)%	(1.21)%	5.49%

82. Indication of the remuneration of the chairman of the general meeting of shareholders in the year under review

The remuneration of the Chairman of the Board of the General Meeting of Shareholders for the year ending on 31 December 2021 amounted to 3,500 Euro and the remuneration of the secretary of the board of the general meeting amounted to 1,500 Euro.

V. Agreements with remuneration implications

83. Contractual restrictions on compensation payable for removal of a director without just cause and its relationship with the variable component of the remuneration

The remuneration policy maintains the principle of not including the granting of compensation to directors, or members of other governing bodies, associated with the early termination of their duties or at the end of their mandates, without prejudice to compliance by the Company with the legal provisions in force in this area.

84. Reference to the existence and description, with an indication of the amounts involved, of agreements between the company and the members of the board of directors and managers, under article 29-R(1) of the Portuguese Securities Code, which provide for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship, following a change in the control of the company

There are no agreements between the Company and the members of the board of directors of managers of COFINA, under article 29-R(1) of the Portuguese Securities Code, which provide for compensation in case of resignation, dismissal without just cause or termination of the employment relationship, following a change in the control of the

Company, nor are there any agreements with the directors to ensure any compensation in case of non-renewal of the mandate.

VI. Plans for attribution of shares or stock options

85. Identification of the plan and those it applies to

COFINA does not have a plan to attribute shares or stock options to members of the governing bodies or their employees, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

86. Description of the plan

COFINA does not have any plan to attribute shares or stock options.

87. Stock option rights attributed to company employees

No stock option rights are attributed to company employees, thus complying with the provisions of Article 26-G(2)(e) of the Portuguese Securities Code.

88. Control mechanisms included in any employee share scheme where the voting rights are not exercised directly by the employees

Not applicable as stated above.

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

Transactions with related parties, when they exist, and when they are materially relevant, comply with all legal requirements, including obtaining a prior favourable opinion from the Company's supervisory body.

The Company's supervisory body has access to the terms of the potential operation to be carried out, with a rigorous level of detail, and may also request any clarification and additional information it considers appropriate or necessary.

Its opinion is, naturally, binding.

On the other hand, the Company bases its performance, in all areas and especially in this one, on criteria of rigour and transparency.

The Company approved, by resolution of the Board of Directors on November 24, 2020, after a prior opinion of the Fiscal Council on November 18, 2020, the Regulation on Transactions with Related Parties and Conflicts of Interest, which is available at Society website (http://www.cofina.pt/about-cofina/corporate-governance/governance.aspx?sc_lang=pt-pt).

It should also be noted that the Company provides the Supervisory Board with all the information that it requests, at least quarterly, including, in particular, the reporting of transactions with related parties, and that there has never been a question of any transaction that could jeopardise the rigour and transparency of the Company's operations, without the procedure for requesting a prior opinion from the Supervisory Board having been followed.

90. Indication of the transactions subject to control in the year under review

In 2021, no other significant deals or commercial transactions were carried out between the Company and the holders of qualifying holdings or reported to the Company.

It should also be noted that no deals or transactions were made with members of the Supervisory Board.

The transactions carried out by the Company with companies in a control or Group relationship do not assume materiality worthy of note but were carried out under normal market conditions. All of these are within the scope of the Company's current activity and do not need to be disclosed separately.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of conducting a prior assessment of the transactions to be concluded between the company and holders of qualified holding or entities with whom they are in a relationship

Transactions with directors of COFINA or with companies that are in a group or control relationship with the company that party is a director of, regardless of the amount, are always subject to prior authorisation from the Board of Directors, on the assumption that a favourable opinion has been issued by the supervisory body, under the terms laid down by Article 397 of the CSC.

Transactions with related parties, when they exist, and when they are materially relevant, comply with all legal requirements, including obtaining a prior favourable opinion from the Company's supervisory body.

In 2021, it was not necessary for the Supervisory Board to issue any opinion given that there were no transactions that could be subject to assessment by that body.

II. Elements related to businesses

92. Indication of the place where the information on the accounting documents of related party business relationships is available

Information on business with related parties can be found in Note 29 of the Notes to the consolidated financial statements and Note 20 of the Notes to the separate financial statements of the Company.

PART II – ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the corporate governance code adopted

This corporate governance report presents a description of the corporate governance structure in force at COFINA, as well as the policies and practices whose adoption under this model is necessary and appropriate to ensure governance in line with the best practices in this area.

The assessment performed complies with the legal requirements of Article 29-H of the Portuguese Securities Code and also discloses, in light of the comply or explain principle, the degree of compliance with the IPCG Recommendations included in the IPCG Corporate Governance Code, as this is the Corporate Governance Code adopted by the Company.

The information duties required by Law No. 50/2020, of 25 August, as well as by article 447 of the CSC, by CMVM Regulation No. 5/2008, of 2 October 2008, and by the Regulation (EU) no. 596/2014, of the European Parliament and of the Council, of 16 April, are fully complied with.

All the legal provisions mentioned in this Report and the Recommendations contained in the IPCG Corporate Governance Code may be consulted at www.cmvm.pt and https://cam.cgov.pt/images/ficheiros/2020/revisao_codigo_pt_2018_ebook-05.11.2020.pdf, respectively.

This Report should be read as an integral part of the Annual Management Report and Individual and Consolidated Financial Statements for the fiscal year 2021, as well as with the Sustainability Report that complies with the provisions of Article 66-B of the CSC, as amended by Decree-Law No. 89/2017, of July 28.

2. Analysis of compliance with the Corporate Governance Code adopted

COFINA has been encouraging and promoting all actions aimed at the adoption of best Corporate Governance practices, basing its policy on high ethical standards and social and environmental responsibility and with decisions increasingly based on sustainability criteria.

The integrated and effective management of the group is the aim of COFINA's Board of Directors which, by stimulating transparency in the relationship with investors and the market, has been guided by the constant search for the creation of value and the promotion of the legitimate interests of shareholders, the Company's employees and other stakeholders.

For the purposes of compliance with the provisions of Article 29-H(1)(m) of the Portuguese Securities Code, the following are the Recommendations contained in the IPCG Corporate Governance Code which the Company proposes to comply with.

RECOMMENDATIONS	COMPLIANCE	REMARKS
Chapter I · GENERAL PROVISIONS		
General Principle Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.		
I.1. Company's relationship with investors and disclosure		
Principle: *Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information*		
Recommendation		
I.1.1. The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in generall	**Adopted**	Part 1, item 21, 22, 38, 59 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies		
Principles:		
I.2.A *Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders*		
I.2.B *Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions*		
I.2.C *The companies ensure that the functioning of their bodies and commissions is duly recorded, namely in minutes, which make it possible to know not only the meaning of the decisions taken, but also their reasons and the opinions expressed by their members.*		
Recommendations:		
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**	Part 1, item 16, 19, 26, 33 and 36
I.2.2. The company's managing 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 —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	**Adopted**	Part 1, item 22, 27, 29, 34 and 61
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	**Adopted**	Part 1, item 23 and 35

I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	**Adopted**	Part 1, item 49
I.3. Relationships between the company bodies		
***Principle**:* *Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.*		
Recommendations:		
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing 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 managing board, without impairing the access to any other documents or people that may be requested for information	**Adopted**	Part 1, item 18, 38 and 61
I.3.2. Each of the company's boards 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 bylaws, of each of the remaining boards and committees	**Adopted**	Part 1, item 18, 23, 28, 38
I.4. Conflicts of interest		
***Principle**:* *The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.*		
Recommendations:		
I.4.1. *The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.*	***Adopted***	Part 1, item 49
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***	Part 1, item 20

I.5. Related party transactions		
Principle: *Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.*		
Recommendations:		
I.5.1. *The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.*	***Adopted***	Part 1, item 89
I.5.2. *The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.*	***Adopted***	Part 1, item 89

Chapter II · SHAREHOLDERS AND GENERAL MEETINGS		
Principles:		
II.A *As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance*		
II.B *The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees, and for reflection about the company itself.*		
II.C *The company should implement adequate means for the participation and remote voting by shareholders in meetings.*		
Recommendations:		
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**	Part 1, item 12
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**	Part 1, item 14
II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	**Partially adopted**	Part 1, item 12 clarification on recommendations partially adopted below
II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	**Partially adopted**	Parte 1, item 12 clarification on recommendations partially adopted below
II.5. The bylaws, 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.	**Recommendation not applicable**	Clarification on recommendations not applicable below
II.6. 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 managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body	**Adopted**	Part 1, item 4 and 84
Chapter III · NON - EXECUTIVE MANAGEMEN T, MONITORING AND SUPERVISION		
Principles:		

III.A *The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance*		
III.B *The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.*		
III.C. *The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.*		
Recommendations:		
III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator 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 managing body, as established in recommendation V.1.1.	**Not adopted**	Clarification on recommendations not adopted below
III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	**Adopted**	Part 1, item 18
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**Adopted**	Part 1, item 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 other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been 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, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.	**Not adopted**	Clarification on recommendations not adopted below
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)..	**Recommendation not applicable**	Clarification on recommendations not applicable below
III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	**Adopted**	Part 1, item 15 and 38

III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	**Adopted**	Part 1, item 27 and 29
Chapter IV · EXECUTIVE MANAGEMENT		
Principles:		
IV.A *As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development*		
IV.B *In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread*		
Recommendations:		

IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group	**Adopted**	Clarification on recommendations adopt below
IV.2. The managing 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**	Part 1, item 21 and 28
IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	**Adopted**	Part 1, item 21, 50 and 54
Chapter V · EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		
V.1 Annual evaluation of performance		
Principle:		
The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees		
Recommendation:		
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive 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	**Adopted**	Clarification on recommendations adopted below

V.2 Remuneration		
Principles:		
***V.2.A** The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company*		
***V.2.B** Directors should receive compensation:* *i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company;* *ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and* *iii) that rewards performance.*		
Recommendations		
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	**Adopted**	Part 1, item 66, 67 and 68
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	**Adopted**	Part 1, item 66, 67 and 68
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve 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. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.2.4 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 boards and committees or, if such presence has been requested by the shareholders	**Adopted**	Part 1, item 24
V.2.5. 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	**Adopted**	Part 1, item 67
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	**Adopted**	Part 1, item 67

V.2.7. 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**	Part 1, item 69 and 76
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation	**Adopted**	Part 1, item 69
V.2.9. 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.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	**Adopted**	Clarification on recommendations adopted below
V.3 Appointments		
Principle:		
Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.		
Recommendations:		
V.3.1. 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**	Part 1, item 16, 19, 22, 29, 31 and 33
V.3.2. 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.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.3.3. This nomination committee includes a majority of non- executive, independent members.	**Recommendation not applicable**	Clarification on recommendations not applicable below
V.3.4. 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.	**Recommendation not applicable**	Clarification on recommendations not applicable below
Chapter VI · INTERNAL CONTROL		
Principle:		
Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.		

Recommendations:		
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking	**Adopted**	Part 1, item 21, 51 to 54
VI.2. The supervisory board 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 managing body	**Adopted**	Part 1, item 51
VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	**Adopted**	Part 1, item 27, 29, 38 and 50 to 55
VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.	**Adopted**	Part 1, item 37, 38 and 50
VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities	**Adopted**	Part 1, item 37, 38 and 50
VI.6. Based on its risk policy, the company should establish a risk management function, 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; and (iv) the monitoring procedures, aiming at their accompaniment.	**Adopted**	Part 1, item 50 to 55
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined	**Adopted**	Part 1, item 38 and 50 to 55
Chapter VII · FINANCIAL INFORMATION		
VII.1 Financial information		
Principles:		

VII.A. *The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit*		
VII.B. *The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts*		
Recommendation:		
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 managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form	**Adopted**	Part 1, item 34 and 38
VII.2 Statutory audit of accounts and supervision		
Principle:		
The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.		
Recommendations:		
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	**Adopted**	Part 1, item 34, 37, 38 and 42 to 47
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**	Part 1, item 37 and 38
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**	Part 1, item 37 and 38

- **Recommendation II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.**

As mentioned in Point 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by correspondence.

With regard to electronic voting, the Company has not implemented the necessary mechanisms for its implementation (i) because this method has never been requested by any shareholder and (ii) because it considers that such circumstance does not constitute any constraint or restriction on the exercise of voting rights by shareholders, which the Company promotes and encourages.

COFINA has been promoting the physical participation of its shareholders, directly or through representatives, at its General Meetings, as it considers that these are excellent opportunities for contact between its Shareholders and the management team, taking advantage of the presence of the members of the other governing bodies, particularly the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This iteration has proved fruitful within the Company.

- **Recommendation II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.**

As mentioned in Point 12 of Part 1 of this Report, the Company has implemented the necessary means to ensure the right to vote by correspondence.

With regard to the possibility of holding the General Meeting by telematic means, the Company has not set in motion the mechanisms necessary for its implementation because (i) this facility has never been requested by any shareholder, (ii) the costs of implementing telematic means are high and (iii) such circumstance does not constitute any constraint or restriction on the exercise of voting rights by shareholders, an exercise which the Company promotes and encourages.

Referring to and reinforcing what has just been said in the previous point, COFINA has been promoting the physical participation of its shareholders, directly or through representatives, at its general meetings, as it considers that these are excellent opportunities for contact between its Shareholders and the management team, taking advantage of the presence of the members of the other governing bodies, particularly the Supervisory Board and the Statutory Auditor, as well as the members of the Remuneration Committee. This iteration has proved fruitful within the Company.

In this way, it is understood that all the necessary and appropriate means to ensure participation in the General Meeting are already in place.

- **Recommendation II.5. The bylaws, 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.**

The Articles of Association do not provide for any limit to the number of votes that may be held or exercised by a single shareholder, individually or in concert with other shareholders.

- **Recommendation III.1. Without prejudice to question the legal powers of the chair of the managing 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 managing body, as established in recommendation V.1.1.**

Given the size and structure of the Company, especially taking into account the concentration of its equity structure and the total number of directors that make up the Board, which is only six, and also taking into account the performance of the current Chairman of the Board, which has proven to be perfectly adequate and aligned with the interests of the Company and its shareholders, COFINA considers that the appointment of a Lead Independent Director solely for the purpose of complying with a merely formal criterion would not add relevant value.

- **Recommendation 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 12 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 other than the remuneration resulting from the exercise of a director's duties;

v. having lived in a non-marital partnership or having been 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, or

vi. having been a qualified holder or representative of a shareholder of qualifying holding.

The Board of Directors does not include one third of members who complies with the independence criteria, notwithstanding this circumstance, the Company has developed mechanisms to allow the non-executive directors to make independent and informed decisions, such as:

- Prior and timely notification to all members of the Board of Directors of meetings of that body, including the agenda, even if provisional, of the meeting, accompanied by other relevant information and documentation;

- Availability of executive directors to provide non-executive directors with all additional information deemed relevant or necessary, as well as for carrying out further studies and analyses in relation to all matters that are the subject of deliberation or that are in any way under consideration in the Company;

- Availability of the minutes books, records, documents and other information on operations carried out in the Company or its subsidiaries, for examination, as well as the availability and promotion of a direct channel for obtaining information from the directors and operations and financial managers of the various companies in the group, without requiring any intervention by executive directors in this process.

The Company weighed and reflected on this circumstance considering, on the one hand, the corporate model adopted and, on the other hand, the composition and operation of its governing bodies as a whole, (namely the Board of Directors as a collegiate body, the Supervisory Board and the Statutory Auditor, with their inherent independence) having concluded that the possible appointment, for merely formal reasons, of independent directors would not bring significant benefits to the performance of the Company, or to (possible) better functioning of the adopted model, considering that both this one and the other one have proven to be positive, relevant, adequate and efficient.

It should be added that the management report includes, in the chapter "Activities carried out by non- executive members of the Board of Directors", a description of the activity carried out by non-executive directors during the 2021 financial year.

- **Recommendation III.5. The provisions of (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).**

The Company does not have any director in the circumstances described.

- **Recommendation IV.1. The managing 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.**

Given its organisational structure and the small size of the Board of Directors, which is composed of six members, COFINA considers it unnecessary to formally appoint an Executive Committee within the Board of Directors.

However, as mentioned in point 28 of this Report, of the six members of the Board of Directors, two perform executive functions – more practical or operational. As decisions of the Board of Directors are made by all its members, executive and non-executive, in the normal course of their duties, as a collegiate body, in an enlightened and informed manner, the Company considers that the necessary conditions are guaranteed for decisions on strategic matters to be fully focused on the creation of value for shareholders.

- **Recommendation V.1.1. The managing 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**

The assessment of the performance of the Board of Directors is submitted to the General Meeting of Shareholders in accordance with the law, with reference to compliance with the Company's strategic plan and budget, its risk management, internal operation and its relations with the other bodies in the Company. The Board of Directors does not choose a time to formally carry out this self-assessment in a documented manner, but it is carried out regularly, by a body that meets at least once per quarter, and that carries out such close and regular monitoring of the company's activity that it reflects the fairness and adequacy of the performance of the body.

In addition, and as provided for in the CSC (Article 376), the General Meeting of Shareholders conducts an annual general appraisal of the management of the Company.

- **Recommendation V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve 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. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report**

The approved remuneration policy does not establish any scheme of retirement benefits or payment of compensation.

- **Recommendation V.2.9. 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**

The variable component of the Company's remuneration does not include the allocation of options or other instruments directly or indirectly dependent on the value of the shares.

- **Recommendation V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value**

The remuneration policy approved by the General Meeting following a proposal from the Remuneration Committee establishes that the individual remuneration of any non-executive director is exclusively fixed in nature.

- **Recommendation V.3.2. 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**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

- **Recommendation V.3.3. This nomination committee includes a majority of non-executive, independent members**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

- **Recommendation V.3.4. 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**

The Company does not have a nomination committee, for the reasons listed in points 27, 29 and 67 of Part I of this Report.

3. Further information

In line with what has been said, COFINA would like to note that of the sixty recommendations contained in the IPCG Corporate Governance Code, the number adopted is very significant, which materializes in a diligent and cautious management, absolutely focused on creating value for the Company and, consequently, for the shareholders.

SUSTAINABILITY REPORT

31 December 2021

Table of Contents

COFINA IN 2021

1 TV Channel
4 Newspapers
2 Magazines
12 Websites

679
Employees

75 849 m€
Revenue

42%
Women

1095 tCO_2e
GHG Emissions

Social Media
FB + 4 400 000
TW + 1 000 000
IG + 500 000

STATEMENT FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Paris Agreement, adopted in 2015, would enter into force 30 days after at least 55 countries, representing at least 55% of greenhouse gas emissions, ratified it. These conditions were met less than a year after the adoption of the Agreement.

Portugal was one of the first countries to ratify.

For the first time, a significant majority of the world's nations recognized the need to decarbonise their economies and committed to taking action to stop global warming. This global membership represented a paradigm shift in the way countries are aware of the seriousness of the problem and are committed to new ways of responding to the challenges of Climate Change.

This Agreement renews, on the one hand, the hope of all of us in the fight against the problem of climate change, but it points, on the other, to the need for a deep and urgent decarbonization of the world's economy.

It can be read in the Roadmap for Carbon Neutrality, approved by the Council of Ministers, that: "achieving carbon neutrality by 2050 implies, in addition to the reinforcement of the carbon sequestration capacity by forests and other land uses, the total decarbonization of the electricity production system and urban mobility, as well as profound changes in the way we use energy and resources, focusing on an economy that is based on renewable resources, uses resources efficiently and is based on circular economy models, valuing the territory and promoting territorial cohesion."

Companies, as a fundamental axis of society's development, have to assume direct responsibility for achieving this goal. Therefore, they must guide their decisions based on concerns about human, environmental, social rights and a transparent and healthy government of society – they truly have to develop their strategy based on sustainability criteria.

At the Cofina Group, we are fully aware of our responsibility in the fight against climate change and we believe that sustainability is not an option for companies and for each one of us. Sustainability is the way.

We hope that this Report will be able to convey a faithful portrait of the commitments we have assumed and the positive impact that we strive to have, on a daily basis, on people and on the community, contributing to the global desideratum that moves us all – ensuring the sustainability of the Planet.

Paulo Fernandes

ABOUT COFINA, SGPS, S.A.

History

Founded in 1990, with participation in several business areas, Cofina has been essentially dedicated *to media assets* since 2005, having since then acquired and launched several newspapers, magazines and, in 2013, a cable television channel.

Key Highlights:

1999	• Acquisition of Investec
2000	• Acquisition of "Correio da Manhã" (Daily Newspaper)
2002	• Acquisition of "TV Guia" (TV Magazine)
2004	• Launch of "Sábado" (Weekly Magazine)
2006	• Acquisition of "Destak" (Free Daily Newspaper)
2007	• Launch of "Destak São Paulo" (Free Daily Newspaper | Brazil)
2009	• Acquisition of the Portuguese edition of "Metro" (Free Daily Newspaper)
2009	• Launch of "Destak Rio de Janeiro" (Brazil)
2010	• Launch of "Destak Brasília" (Brazil)
2011	• Launch of "Destak Campinas" (Brazil)
2013	• Launch of "cmTV" (cable TV channel)

We are currently a solid business group, listed on Euronext Lisbon, whose portfolio covers all segments of the media market. The key subsidiary in this business area is Cofina Media, S.A., through which we publish the following products:

a. generalist daily newspaper "Correio da Manhã",
b. daily sports newspaper "Record",
c. economic newspaper "Negócios",
d. free newspaper "Destak",
e. weekly generalist magazine "Sábado",
f. weekly television magazine "TV Guia",
g. television channel distributed on all cable platforms "Correio da Manhã TV" (cmTV),
h. organization and management of events and
i. various products on digital platforms, as well as other digital products, such as "Flash" and "Máxima".

Cofina Media also owns Grafedisport, Impressão e Artes Gráficas, S.A. (100%).

Business Areas

TV

PRESS

TELEVISION

- **cmTV**

It began broadcasting in March 2013 with the aim of adding value to the Portuguese audiovisual market, diversifying the offer to the consumer.

PRESS

- **Correio da Manhã**

Founded in 1979 and acquired by Cofina in 2000, "Correio da Manhã" is the leading daily generalist newspaper in the Portuguese market.

- **Destaque**

Launched in 2001, "Destak" was the first free newspaper to be published in Portugal. Cofina acquired the majority capital (59%) in 2006, later becoming 100% in 2014.Today, Destak leads the free daily newspaper segment.

- **Record**

Acquired by Cofina in 1999, "Record" is a daily sports newspaper, with a special focus on football and a market leader in its segment.

- **Negócios**

With a sustained annual growth, the business and economics newspaper is a publishing reference in its segment.

- **Sábado**

Founded in May 2004, the weekly magazine is currently a global, multi-platform information and entertainment brand. Sábado has been the newsstand leader in its segment since 2007.

- **TV Guia**

Acquired in 2002, TV Guia began as a magazine dedicated exclusively to television topics. Currently, it is a more generalist magazine, dedicated to current affairs and information, but with the same attention to the big names in television and society.

Mission, Vision and Values

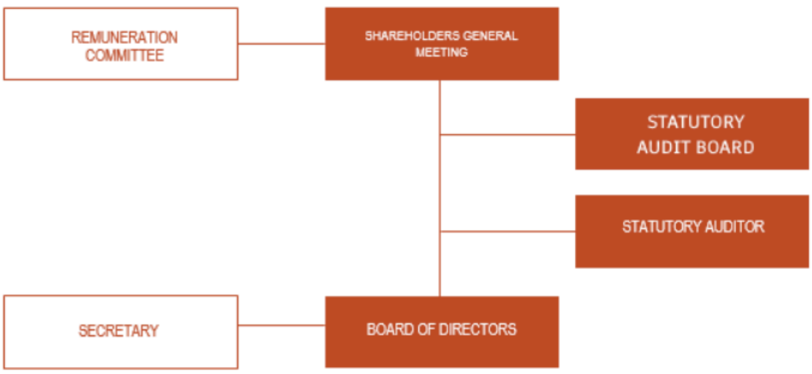
Leading the printed press segment in Portugal, Cofina aims to maintain its leadership through a development strategy based on organic growth and on the launch of innovative products in all segments, clearly assuming the commitment of having a positive impact on people and the community.
Under a perspective of creating value for all its stakeholders, Cofina guides its conduct by the following principles and values:

- Integrity, ethics, transparency and honesty in decision-making.
- Cooperation and professionalism in relations with Partners and with the local communities in which it operates.
- Conducting business within a framework of loyalty, rigor and good faith.

Governance and Ethics

Guiding its performance by high ethical standards, Cofina adopted an integrated management model, transparent in its relationship with the market and creating value for the stakeholders. The Board of Directors is responsible for implementing this model, in which decision-making is increasingly based on sustainability criteria, in the economic, social and environmental spheres.
In this context, the Board of Directors has permanent contact with the Statutory Audit Board and the Statutory Auditor, featuring also a specialized committee: the Remuneration Committee. In terms of corporate management, the following areas are of particular importance:

- **Corporate Finance** – Defining financial management strategies and policies, ensuring contact with capital, debt and banking markets;
- **Management Planning and Control** – Implementation of corporate and/or business strategies and policies, along with the preparation and analysis of management information, construction of business plans, technical studies and benchmarking;
- **Legal & Compliance** - Provides legal support, monitors and ensures the legality of the activities undertaken, monitors the corporate governance policy, among other activities, with a view to maximizing security and reducing legal risks;
- **Investor Relations** – Ensures the relationship with the financial community, supporting the management of institutional relations through permanent contact with investors, shareholders and analysts and participation in national and international forums;
- **Management Control | Subsidiaries** – The operating companies of the Cofina Group have their own bodies of management control, which prepare monthly reports for the respective Boards of Directors.



Cofina's Board of Directors determines that all departments and operational areas must create multidisciplinary teams, ensuring a holistic view of the organization. An agile and effective communication channel between operational areas, departments and the board of directors allows the creation of differentiating projects and, simultaneously, the identification of risks, while developing mechanisms for their mitigation. A perspective of transversality is also applicable to the way in which sustainability is lived within Cofina.

Cofina’s Code of Ethics and Conduct, implemented by the Board of Directors, guides this joint action, defining the common values to all employees, without exceptions, and, with the necessary adaptations, to partners. The Statutory Audit Board is responsible for receiving any questions, requests for clarification or reports of irregularities, having implemented a *whistleblowing* system to ensure appropriate means for communication and treatment of violations of ethical or legal nature with a significant impact in the fields of accounting, anti-corruption and banking and financial crime.

The Code of Ethics and Conduct regulates four core areas:

1. **Employee Relations:**
- Respect and promotion of Human Rights, as enshrined in the United Nations Universal Declaration of Human Rights, repudiating discrimination and any differential treatment based on race, gender, ethnic or social origin, sexual orientation, political or trade union membership or religious conviction;
- Gifts, Bribery and Corruption, requiring open and transparent conduct, free from corruption and bribery;
- Conflicts of Interest, prohibiting intervention in decisions in which there is an economic or personal interest.

2. Relations with Authorities, Institutions and Local Communities:
- Fair Competition;
- Promotion of the socio-economic development of local Communities;
- Cooperation with Public Authorities, Institutions and Communities.

3. Shareholder Relations:
- Value creation, promoting excellent professional performance and correct resource management, in line with social responsibility and sustainable development;

4. Partner Relations:
- Compliance with contractual obligations undertaken, through good commercial and ethical practices.

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complaints regarding irregularities related to the Code of Ethics and Conduct

100%

of employees receive and sign the Code of Ethics and Conduct at the moment of joining Cofina

In terms of **Human Rights**, we also highlight the safeguarding of national legislation by the Cofina Group. Taking into account the national legal framework and the type of activity carried out, where major human rights abuses are not expected, generic risks that are considered high in terms of the internal management of human resources are not typified - except in the event of a displacement of an employee to areas at risk of violation of these rights – and have not occurred.

Within the scope of promoting an ethical conduct throughout the Group, human rights are also closely linked to values such as editorial independence, objectivity, freedom of expression, privacy and protection of sources, promotion of cultural diversity, along with the representation of interests and protection of minority and vulnerable groups in the management and accessibility of content. Therefore, and for the purposes of implementing the accessibility plan defined by ERC – Regulatory Authority for the Media to serve audiences with special needs, cmTV carries out a partial translation of its contents into sign language. Thus, the community of deaf viewers can access quality information with the Correio da Manhã brand during prime time. Here again, Cofina Group ensures compliance with its legal obligations.

Along with an ethical alignment across the entire organization, Cofina has implemented a solid methodology for risk management, allowing a clear identification of situations that constitute a threat likely to affect business objectives. In this sense, four fundamental steps were implemented:

a. firstly, the **identification and prioritization of internal and external risks** likely to affect Cofina's strategic objectives;
b. secondly, the **identification of risk factors and events that may affect operations and activities**, as well as possible control processes and mechanisms;
c. this is followed by a **weighting of the impact and probability of occurrence of each risk factor**, according to the level of exposure, in order to assess the need for response;
d. and, finally, the **monitoring of mitigation actions and the level of exposure to critical factors**.

Risk management is a responsibility shared by all employees at the moment of the decision-making, which emanates from a Board of Directors that knows the most significant risks for the Group, ensuring compliance with all policies and procedures inherent to risk management.

Cofina carefully and continuously assesses market risks (interest and exchange rate), liquidity and credit risks, in addition to legal, tax and regulatory risks. Due to the specificity of its business, Cofina is also exposed to market risks related to:

- Competition, through the entry of new competitors or the repositioning of current ones, which may, among other actions, introduce new products and services on the market. A risk that Cofina seeks to minimize through permanent monitoring of competing entities and the launch of new and innovative products and formats.
- Clients, through the variation in viewing patterns. Cofina minimizes risk by permanently analyzing consumer behavior, through market research and independent entities' opinion.

Environmental management, together with social responsibility, assume an increasingly decisive role within Cofina, and the risks inherent to these areas are considered whenever necessary.

Although **corruption and bribery** constitute a risk inherent to any economic activity, ethical behavior is an assumption that Cofina Group projects in all employees, and the Code of Ethics and Conduct, delivered and signed at the time of hire, is assumed as an important instrument in this matter.

INFORMATION SECURITY

In the context of a digital transition that increasingly brings challenges to organizations, information security acquires an increased importance at a global level. For Cofina, this is also a central issue, having been identified the most relevant topics and defined the implementation of the respective solutions, in a perspective of continuous response to the risks and needs identified:

Theme	Implemented Solution
Protection of users when browsing the internet	EDR/Antivirus DNS level protection Internet browsing filtering
Access protection with dual authentication	Dual Factor Authentication Access protection | Applications and VPN
Cybersecurity training	Cybersecurity Awareness Platform Training contents
Identification of vulnerabilities	Scan of the corporate network with the flagging of vulnerabilities and respective mitigation
Data security	Critical data backups, including Server backups Replication of critical data for offsite storage

In this context, the treatment of personal data of clients and users plays a fundamental role. Therefore, Cofina has reinforced its commitment to safeguarding the privacy of personal data through its Privacy Policy, which aims to describe how the company treats personal data of individuals and informs about the rights enjoyed by the holders of such data, namely the rights to:

- information access,
- rectification and deletion of data,
- limitation of data processing,
- data portability,
- withdrawal of consent,
- opposition to the processing of personal data,
- not being subject to an automated individual decision and
- submission of complaints.

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Complaints regarding breaches of client privacy and loss of client data

COMMITMENTS AND INITIATIVES

Cofina has been reinforcing its commitment to social responsibility and sustainability. Internally, by joining Grace – Empresas Responsáveis, an association that aims to promote and develop a sustainable business culture among its associates. Externally, through the launch of initiatives that promote, within the Portuguese society, the theme of sustainability, sharing and recognizing good practices of reference organizations:

- **"Negócios Sustentabilidade 20|30"**

A cycle of *talks* and editorial content launched by the Negócios newspaper, which addresses sustainability issues, disclosing the challenges and best practices in the ESG domains: Environment, Social and Governance.
An initiative with the High Sponsorship of the Presidency of the Republic.

7 Talks | 34 Speakers:
Decarbonization | Circular Economy | Preservation of Natural Capital | Well-being and Sustainable Cities; Digital Transformation in Sustainability | Sustainable Finance | Equality and Diversity

- **National Sustainability Award**

An initiative launched by the Negócios newspaper that distinguishes organizations with good sustainability practices in the ESG domains: Environment, Social and Governance. An initiative with the High Sponsorship of the Presidency of the Republic.

9 Categories | 40 Jurors:
Environment: Preservation of Natural Capital | Decarbonization | Circular Economy
Social: Equality and Diversity | Well-being and Sustainable Cities
Governance: Sustainability Communication – Creativity; Sustainability Communication – Strategy; Sustainable Finance; Digital Transformation in Sustainability.

- **Sustainable Alentejo Tour**

The "Volta ao Alentejo" cycling tour covers the high, low, coastal and central Alentejo territories. The six-stage race starts in Reguengos de Monsaraz and, for the fifth consecutive time, will end in Évora after 819 kilometers spread over five days of competition. With the aim of inspiring citizens to adopt more sustainable behaviors, recycling was the official motto of "Alentejana".

STAKEHOLDERS

Our stakeholders: Engagement Model

For Cofina, the engagement with its stakeholders is crucial to its success. Knowing them and establishing regular forms of engagement allows to assess their needs and expectations, a factor of added importance for a Group that, due to the specificity of its activity, has a strong presence in the Portuguese society.

As such, Cofina identified its most relevant internal and external stakeholders and mapped the different engagement actions in a non-exhaustive way:

Main stakeholder groups	Engagement Model
Clients	Website | Email | Helpline | Complaints Book
Consumers	
Employees	Intranet | Support Meetings | Performance Appraisal | Training Sessions | Internal environment
Suppliers	Website | Business Meetings | Follow-up Visits | Direct Contacts
Business Partners	
Service Providers	
Official Bodies	Website | Email | Meetings

Cofina also uses market research and opinion polls to analyze the behavior of readers and viewers and anticipate trends, proceeding, in parallel, with a careful monitoring of complaint requests, in order to identify any problems and/or dissatisfactions regarding products and services. In this area, clients have at their disposal the Complaints Book, where they can describe the reasons for the complaint, so that it is forwarded to the competent market control entity or to the sector's regulatory entity.

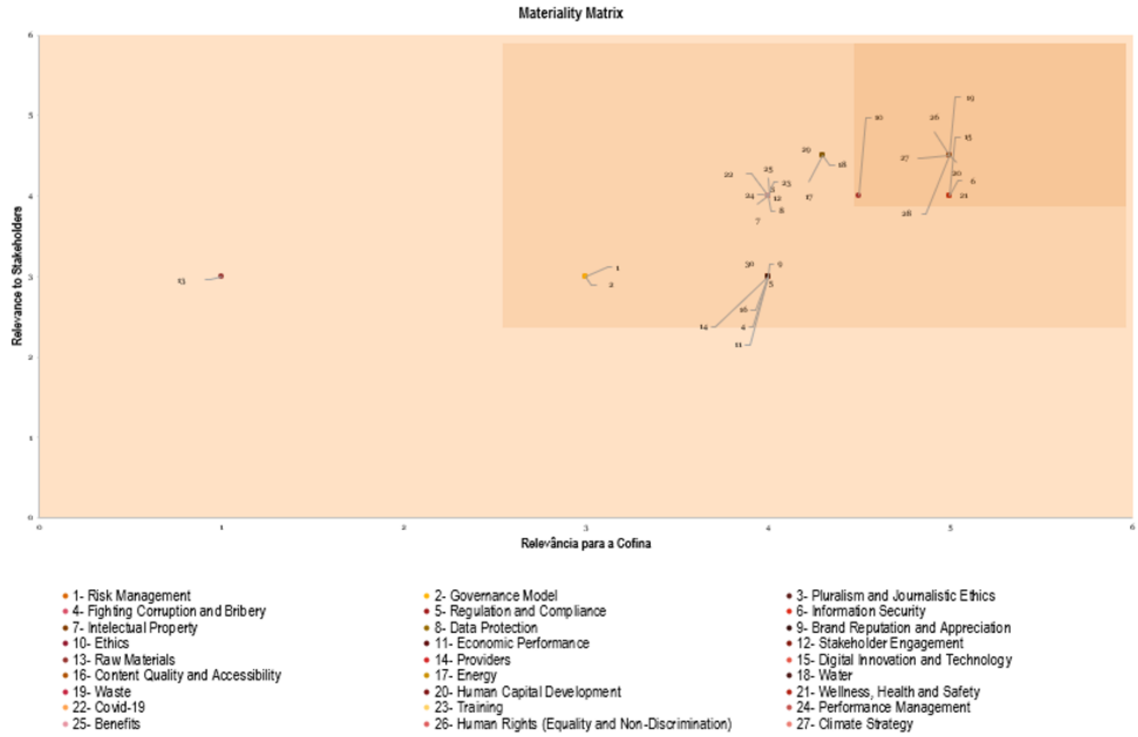
1

Formal complaint regarding the CM classifieds properly resolved

MATERIALITY

Matrix

The materiality matrix presented below results from the crossing of previously identified themes based on *benchmarking analysis* of several peers, as well as reference documentation for the sector and the importance given to the themes by Cofina.



Material Topics	SDGs
Ethics	
Innovation and Technology	
Information Security	
Climate Strategy	
Operational Eco-efficiency	
Waste	
Human Capital Development	
Wellbeing, Health and Safety	
Human Rights (Equal Opportunities, Diversity and Non-Discrimination	

By approaching material topics, Cofina seeks to contribute to the UN 2030 Agenda, having identified 4 Sustainable Development Goals as priorities.

VALUE CREATION

Economic Performance

Since 1990, the year it was founded, Cofina has ensured solid and structured growth. Owner of four newspapers, two magazines, a television channel and a strong online presence through multiple titles, Cofina assumes a leadership position in the press segment, which it intends to extend to the media.

The strategy of Cofina, listed on the stock exchange since 1998, is based on two fundamental axes: on the one hand, organic growth and, on the other, non-organic growth.

In terms of organic growth, Cofina is committed to reinforcing the profitability of its assets, measured through the growth of EBITDA and its margin:

- As for the top line, the strategy involves monetizing investments made in newspapers and magazines, but also focusing on the new media segment;
- In terms of the cost base, the strategy is based on optimizing the functional structure and controlling costs.

In terms of non-organic growth, the objective is to increase the size of the company, both in terms of EBITDA growth and in terms of financial strength. Main axes:

- Other media segments;
- Consolidation;
- Internationalization for natural markets.

A dual strategy supported by Cofina's operational efficiency, which allows, on the one hand, to strengthen its competitive position and, on the other, to generate value for its *stakeholders*.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	2021
DIRECT ECONOMIC VALUE GENERATED (€)	**75,849**
Revenue (1)	75,849
DISTRIBUTED ECONOMIC VALUE (€)	**65,986**
Operating Costs (2)	33.195
Employee Salaries and Benefits (3)	27,650
Payments to Investors (4)	-
Payments/(Receipts) to the State (5)	1,812
Donations and other community investments (6)	3,329
ACCUMULATED ECONOMIC VALUE (€)	**9,863**

(1) Sales + Services rendered + Other income (excluding intra-group transactions); (2) Cost of sales + Provision of external services + Other expenses (excluding intra-group transactions); (3) Personnel costs (excluding intra-group transactions); (4) Dividends distributed by Cofina, SGPS; (5) Payments/(Receipts) of Collective Income Tax; (6) Donations

DIGITAL INNOVATION & TECHNOLOGY

Aware of the market trends, Cofina continues to invest in the development of its digital strategy with a continuous increase in the 12 websites of the Group and respective native or webmobile applications, as well as in the backoffice systems and the support to the entire operation.

In terms of audiences, Cofina's digital properties include:

2021	Total Visitas	Total Page Views
Correio da Manhã	382 990 482	1 116 262 363
Correio da Manhã App	23 489 444	156 513 767
Record	308 280 439	1 388 281 792
Record App	17 681 446	139 953 373
Flash	162 677 170	457 591 425
Jornal de Negócios	80 188 188	164 854 984
Negócios App	3 671 451	10 933 214
Sábado	28 160 371	47 795 449
Máxima	15 689 142	24 077 197
Empregos Online	137 460	389 695
XL	45 475	126 832
Destak	220 927	652 580
Total	**1 023 231 995**	**3 507 432 671**

Source: Gemius - Marktest

In the December 2021 data from Netaudience's multiplatform coverage *ranking*, Cofina's sites lead in all segments, namely Correio da Manhã (Generalists), FLASH! (Society), Record (Sports), Jornal de Negócios (Economic) and SÁBADO (*newsmagazines*).
Pursuing the principle of "being where the user is", Cofina's presence on social networks is also very relevant, namely in terms of attracting new users to our native platforms and consolidating brands with both their consumers and the new Generation Z.
Cofina has more than six million followers on various social networks, from Facebook to Instagram, from Linkedin to TikTok.

FACEBOOK
> 4.000.000 followers

INSTAGRAM
> 500.000 followers

TWITTER
> 1.000.000 followers

We also highlight two axes in terms of Digital Innovation & Technology:

1 - Widespread adoption of Big Data / Automation and Artificial Intelligence (AI) in supporting business development.

- Audience Ratings

Following market trends in terms of news consumption, Cofina is committed to a strategy for the development of digital subscriptions. Therefore, in 2021 Cofina registered a 36% growth. In 2021, engagement metrics were massified, favoring a sustained and organic consumption of digital products. Audience evaluation is now based on loyalty and ARPU concepts and on a methodological principle supported by KPIs defined for each brand and for each area of business, with the goal of attracting, engaging and converting. Evaluation metrics were introduced at all touchpoints in order to actively promote a strategy based on first party data and audiences with higher engagement rates, promoting registration, browsing, newsletter subscription, push notifications, option to “follow” content, download apps, among others.

Reader knowledge was developed with a customer-centric approach and based on the consumer's journey using the consolidation of an analytics solution and a market-leading marketing automation solution. Additionally, investment was made in the area of UX Human Design and Research.

- Production

With an additional concern on production optimization with a focus on the effectiveness of news production increasingly oriented towards the attraction, engagement and retention of users, support dashboards were developed, providing in-depth reading consumption assessment metrics, formats, churn rates in multimedia formats, thematic trends, among others.

2 - Innovation and new features in Digital

Investment in a new data infrastructure that supports the widespread adoption of Big Data / Automation and Artificial Intelligence (AI). The use of AI-based tools allows the development of “news recommendation” and “comment management” solutions, offering a better user experience, in line with the best international practices. In 2021, new innovative features were made available, such as the *Dark Mode* option and *Listen to News*.

Audio Q project was also developed, financed by Google within the scope of the DNI, and which is based on the production, research and distribution of audio contents and personalized voice assistance.

Several Podcasts were launched with successful audiences, supported by internal and optimized production and distribution processes.

In June 2021, Negócios.pt launched the first NFT (Non Fungible Token) auction from the inaugural strip published by the author Luís Afonso and whose proceeds reverted to Aldeias SOS.

The *Liga Record* application, an offline initiative for 27 years, was transformed into a digital support, promoting greater engagement and audience renewal, with an extremely positive impact, reaching more than 10,000 downloads of the application.

The process of implementing an integrated subscription platform was also started, which will allow the adoption of automation and increase efficiency.

PRESERVING THE ENVIRONMENT

Climate Strategy and Operational Eco-efficiency

Widespread changes in weather patterns are perhaps one of the most decisive issues of our century, requiring concerted action to combat rising global temperatures, rising sea levels and extreme weather phenomena that, together, threaten ecosystems, place at risk food production systems and the well-being of communities around the world.

Cofina recognizes its role as a company with a potential contribution to combating climate change. In this sense, we monitor our environmental performance, particularly regarding the consumption of raw materials, water and energy and waste management, and we implement measures that allow us to eliminate or mitigate our environmental impacts, namely in the newspaper printing activity, identified as the activity that generates the most significant impacts. A transversal approach, which aims at operational eco-efficiency and which, through the progressive decrease of our emissions, will contribute to the important fight against climate change.

Influencing a positive internal environment

Cofina is committed to operational eco-efficiency in an effort to optimize the consumption of resources.

In order to engage employees in the relevance of environmental performance, efforts are made to raise awareness by posting warning messages and good practices, such as: turning off the lights or turning off the tap when they are no longer being used or separating waste properly.

Influencing a positive external environment

Cofina recognizes the impact of its companies in the community. Therefore, through the production and dissemination of educational and awareness raising content, it seeks to influence society, mobilizing it and increasing its knowledge regarding sustainability.

As part of its role as an influencer of a positive external environment, Cofina, through the initiative promoted by the Negócios newspaper "National Sustainability Award", distinguishes projects, products and/or services in three categories:

- **Preservation of Natural Capital:** Recognition of projects, initiatives, products and/or services that promote biodiversity and the integration of natural capital as a factor in the decision-making process of organizations;

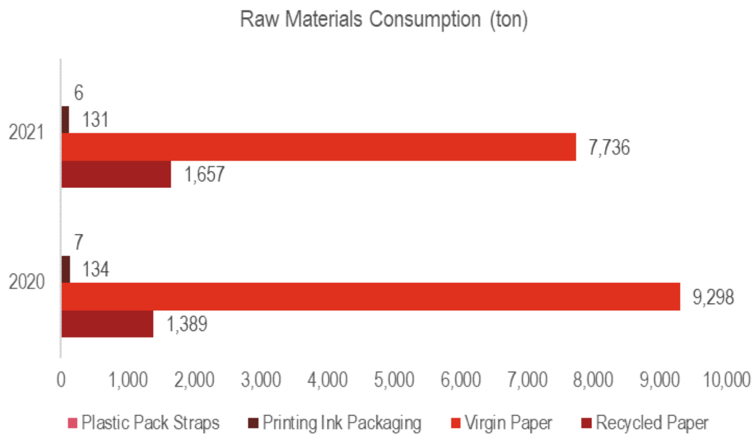
- **Decarbonization:** Recognition of initiatives, services or products that create a positive impact in terms of reducing GHG emissions and promoting the fight against climate change;
- **Circular Economy:** Recognition of initiatives, services or products that result in innovation in the areas of conception, design, production, distribution and consumption, through the application of circular economy principles throughout a product's life cycle, promoting collection, reuse, treatment/repair, upgrade, renovation, recycling and reuse.

Cofina, through the initiative of the Negócios newspaper "Negócios Sustentabilidade 20|30", also promotes a series of talks dedicated to challenges and good practices in the environmental sphere, with the participation of several specialists and thus contributing to its role in terms of a positive influence on the external environment.

Raw Materials Consumption

The main materials consumed at Cofina are recycled and virgin paper, printing inks packaging and plastic strapping from the bundles, representing in 2021 a total of 9.53 tons, a reduction of 12% compared to 2020.

Virgin paper represents 81% of the total materials consumed, with a reduction of 1.56 tons compared to consumption recorded in 2020. Recycled paper, which we increasingly seek to introduce in our production process, as an alternative to virgin paper, recorded an increase of around 19% compared to the previous year. The remaining materials consumed registered reductions of 2.4%, in the case of printing inks packaging, and 8.8% in terms of plastic used in the package straps.

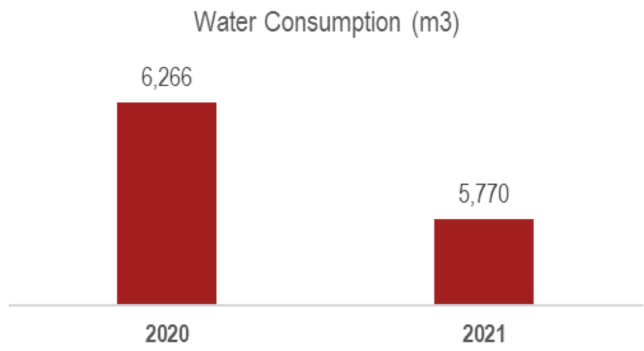


Regarding the consumption of paper used internally, in the administrative and editorial areas, the optimization of printing has been promoted, namely through the implementation of personalized authorisation, resulting in less waste and unnecessary printing or reprints.

Water Consumption

Although the sector in which Cofina operates is not identified as a water-intensive one, there are some stages of the printing process, namely the cleaning of the 'offset' printing, that represents a more significant consumption of this resource. All the water consumed at Cofina is captured and discharged exclusively in the public supply network, so the treatment of effluents is the responsibility of the responsible municipal entities.

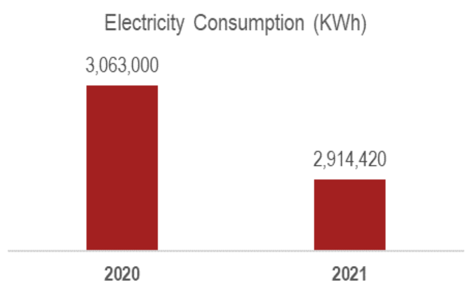
Notwithstanding the above, we monitored water consumption and a reduction of 7.9% was observed in total water consumption compared to 2020 values (6,266 m^3). The reduction in water consumption is justified by the implementation of several initiatives, an example of which is the adaptation of the volume of water used in toilet flushing.

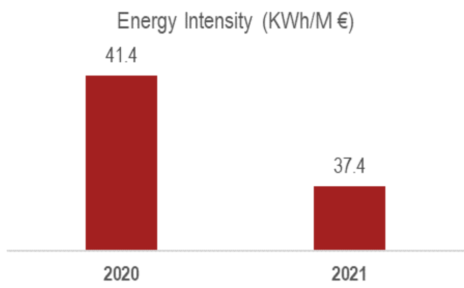


Energy Consumption

When monitoring energy consumption, only purchased energy was considered, as this represents the most relevant consumption within the scope of the Group's activities.

In 2021, there was a 4.9% reduction in electricity consumption compared to 2020, 148,580 KWh less, and a 9.8% reduction in energy intensity, showing the improvement in the energy efficiency of processes and consumption.





Over the last few years, we have adopted several measures to improve our performance, namely with regard to energy consumption, such as the replacement of traditional lamps with LED (*Light Emitting Diode*), the implementation of light sensors and raising awareness among employees to integrate best practices into their behavior, namely switching off appliances and lights when they are no longer being used.

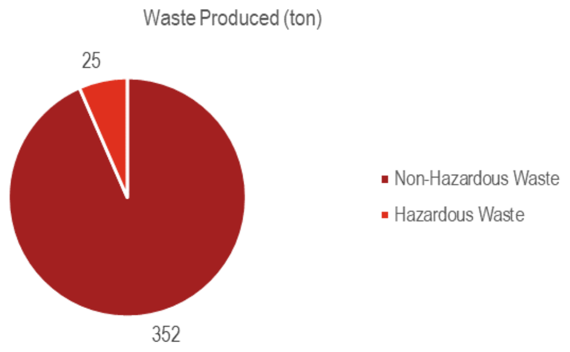
Waste Management

Within the scope of Cofina Group's waste management, we act in two fronts:

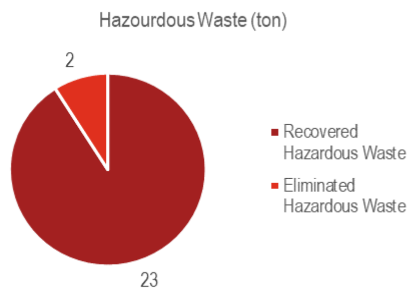
a. Implement measures to reduce the waste generated and
b. Ensure that the waste that we cannot avoid is sent to the most appropriate destination, namely recycling or other forms of recovery.

Most of the waste produced by the Group derives from the activity of distributing publications, namely the waste inherent to returned copies.

In terms of volume of waste produced, in 2021 there was a total of 377 tons of waste, of which 25 (7%) correspond to hazardous waste and 352 (93%) correspond to non-hazardous waste.



Regarding waste treatment operations, similarly to what was observed in 2020, 99% of total waste was sent to recovery and recycling operations and only 1% was eliminated.

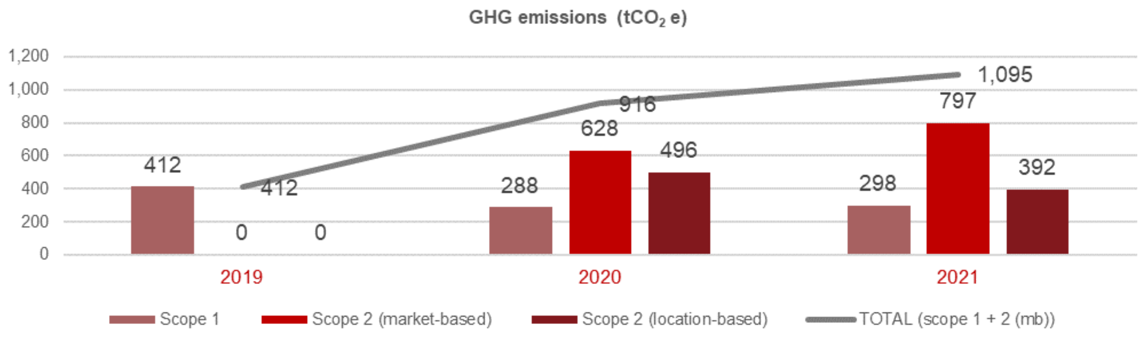


Within the scope of waste separation and recovery, containers were placed for the separation of waste from the use of the toilets, in order to ensure their correct separation.

Recycling/recovery of about 2,680 tons of paper from printed publications collected from points of sale.

GHG Emissions

Cofina is committed to reducing its carbon footprint, so it began monitoring its fuel and electricity consumption (fleet and non-fleet), in order to assess Scope 1 and Scope 2 emissions, and, as a result of the respective analysis, undertake the necessary actions so that it can increasingly contribute to what is established in the Paris Agreement.
The emissions associated with fuel consumption (scope 1) registered, in 2021, a decrease of 28% compared to 2019. Values that reflect, on the one hand, the adoption of important measures such as the acquisition of electric and *plug-in* vehicles and, on the other hand, the pandemic context experienced in the last two years, with the consequent reduction of employees performing their duties in person.
With the progressive resumption of activity in 2021, scope 1 emissions recorded a 3% increase compared to 2020. Regarding the emissions associated with electricity consumption (scope 2 - *market-based*), there was an increase of 27 % compared to 2020, given that consumption in 2020 was extremely reduced due to the months of confinement.
In order to increasingly reduce its GHG emissions, Cofina will continue to work towards the reduction of fossil fuels and the efficient use of electric energy.



GHG emissions (tCO_2e)			
	2019	2020	2021
Scope 1	412	288	298
Scope 2 *Market-based*	-	628	797
Scope 2 *Location-based*	-	496	392
TOTAL Scopes 1 + 2 (*market based*)	**412**	**916**	**1.095**

VALUING PEOPLE

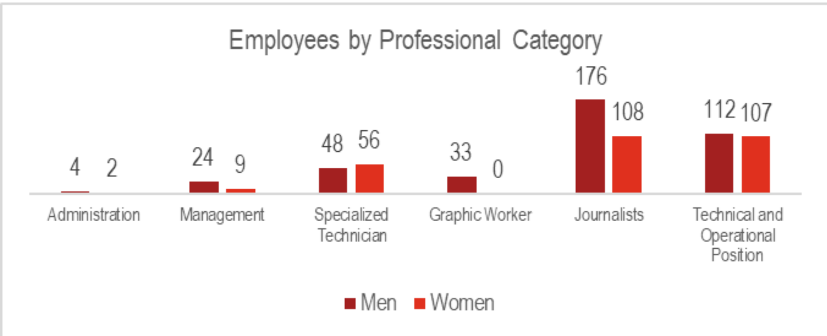
Our People

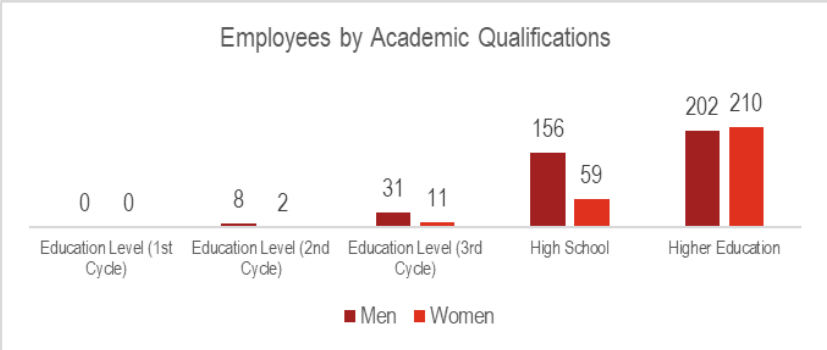
For Cofina, employees are one of its main assets, contributing daily to the success of the organization. Engaging, motivating them and promoting their continuous development are, therefore, main priorities for Cofina, which invests in an extensive benefits plan, in the development of training programs adjusted to their needs, but also in the promotion of equipment, services and initiatives that seek to increase the well-being of those who, on a daily basis, create value for the organization through their work.

Cofina Group has a universe of 679 employees - 58% men and 42% women - mostly between 30 and 54 years old (56%), with 28% up to 35 years old and 16% over 54 years old. A portrait of the gender diversity that prevails in the Cofina Group, also visible in the composition of the Board of Directors.
Women also make up the majority of employees with higher education.

Board of Directors: 6 Members

33% Women	67% Men
100% > 50 years old	100% > 50 years old





At the same time, Cofina maintains a series of protocols with Educational Institutions, fostering the attribution of internships aimed at promoting the daily contact of young people with the publisher's various areas and, thus, an initiative that constitutes an important source of external recruitment. In 2021, there were 66 internships (50% women and 50% men) in the areas of Editorial (58), Marketing (4), Online (1), Information Systems (1) and Image (2). Cofina's investment in these partnerships with training entities (where it established and continues to establish protocols with various educational institutions, whether undergraduate, professional schools and polytechnic institutes, among others) has been translated, therefore, in the identification of talent and, consequently, in the incorporation of that same talent in the organization, constituting an enormous added value for Cofina. In 2021, we hired 16 professionals who came to stand out for their talent, motivation to acquire new learnings and resilience, which transformed these young professionals into young people capable of already developing a professional job, and, for this reason, they were given an opportunity through their integration into our teams.

Characterization of Human Resources						
	2021 (n.º)			2021 (%)		
	Men	Women	**Total**	Homens	Mulheres	**Total**
Labor Indicators						
Employees	397	282	**679**	58%	42%	**100%**
Age Group						
Up to 35 years	107	83	**190**	27%	29%	**28%**
30-54 years	221	159	**380**	56%	56%	**56%**
Over 54 years	69	40	**109**	17%	14%	**16%**
Professional Category						
Administration	4	2	**6**	1%	1%	**1%**
Management	24	9	**33**	6%	3%	**5%**
Specialized Technician	48	56	**104**	12%	20%	**15%**
Graphic Worker	33	0	**33**	8%	0%	**5%**
Journalists	176	108	**284**	44%	38%	**42%**
Technical and Operational Position	112	107	**219**	28%	38%	**32%**
Contractual Bond						
No term	387	278	**665**	97%	99%	98%
Fixed Term	3	3	**6**	1%	1%	1%
Uncertain Term	7	1	**8**	2%	0%	1%
Education Level						
1st Cycle	0	0	**0**	0%	0%	**0%**
2nd Cycle	8	2	**10**	2%	1%	**1%**
3rd Cycle	31	11	**42**	8%	4%	**6%**
High School	156	59	**215**	39%	21%	**32%**
Higher Education	202	210	**412**	51%	74%	**61%**
Admissions and Departures						
Admissions	71	58	**129**	18%	21%	**19%**
Departures	91	87	**178**	23%	31%	**26%**

Equal Opportunities, Diversity and Non-Discrimination

Within the scope of its Human Resources strategy, Cofina aims to:

- attract and retain the best talent to ensure work excellence;
- prepare the organization for future challenges, providing it with effective management tools, such as people and their skills;
- develop the skills of the teams, granting them greater versatility and preparation for the future;
- create a culture of performance, capable of mobilizing teams to perform with excellence, in order to meet new and challenging goals.

To this end, Cofina ensures respect for the principles of equality and non-discrimination in the selection and recruitment processes; in the performance of the professional activity, in the evaluation and progression, in the remuneration policy, based on merit, in the protection of parenthood and in the promotion of work-life balance.

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Discrimination incidents

Performance Review

Cofina implemented the Performance Assessment Model in 2021, which will allow for an evolutionary plan to be drawn up, essential for the fulfillment of individual and organizational goals.

The process, which began in 2018, counted, from the outset, on the participation of professionals with management responsibilities in workshops and meetings to design a model aligned with the Group's goals and expectations, identifying, for each Department or Corporate Area, skills to be assessed. The model, comprising a practical component - concepts – and a software component, was presented to all professionals and tested by a pilot group, made up of elements from various areas, in order to identify possibilities for improvement.

The application of the final version of the model, with the incorporation of the focus group suggestions, was interrupted in 2020 due to the Covid-19 pandemic, but resumed in 2021 with the definition and presentation of the objectives for the year, making available to all employees a consultant from a partner company to, along with the Human Resources Department, clarify doubts and questions and provide new employees with all information regarding objectives and associated *timings*.

In addition to the performance assessment itself, Cofina considers the existence of a second goal - the identification of individual improvement plans - allowing for a more efficient human resources management, which aligns the individual objectives of the employees with the objectives of the organization.

It is expected that this new model will have an impact on the absenteeism rate, which, in 2021, decreased by 1.83% compared to the previous year, with a rate of 5.95%, corresponding to 68,690 hours not worked.

93%

of employees covered by the 2021 Performance Review

Training

Aware that knowledge plays a central role in achieving its mission, as a media reference in Portugal, Cofina has continuously invested in the training of its employees. To this end, it carries out a survey of training needs by department and, taking into account the budget approved for this purpose, provides an integrated offer, which combines internal training and external training of technical content, related, for example, to journalistic pieces and television rights, but also of a behavioral nature, focused on management and leadership. Thus, Cofina ensures the personal and professional development of its employees, amplifying the success of people and the organization.
The Group also maintains a partnership with Universidade Autónoma de Lisboa to carry out a Post-Graduate course in Television and Multiplatform Journalism, which addresses the interaction between the different journalistic platforms – press, television and *online* – preparing future professionals for the technological innovation that characterizes journalistic production today. A commitment to quality journalism, attentive to the main trends, able to respond to the needs and expectations of a sector in constant evolution.

	2021 (No.)		
Areas | Hours of Training	Men	Women	**Total**
Technical Area	10	0	10
Health, Safety and Environment Area	20	9	29
Information Technology Area	1	6	7
Personal and Professional Development Area	157	93	250

Wellbeing, Health and Safety

For Cofina, Health and Safety goes beyond legal compliance and embodies an area of action that is widely valued. Safe and healthy working environments are a guarantee of wellbeing for employees, with a direct impact on reducing absenteeism and increasing productivity.

To this end, Cofina has the support of an external company, which ensures the management of the risks associated with the main activities developed and promotes awareness sessions, with the resumption of the evacuation drills, interrupted in 2021 due to the pandemic situation, planned to 2022.

In parallel, Cofina maintains a group of first aiders made up of employees, who receive regular training to ensure, in case of need, basic life support, with an expected increase in the number of elements during 2022.

With regard to work accidents and frequency and severity rates, these show an increase compared to 2020, due to the return to the workplace, with most accidents being related to displacements (falls).

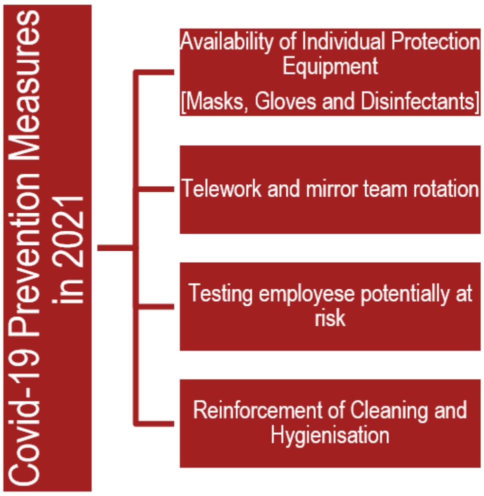
	2020	2021
Number of work accidents	2	11
Accident frequency index[1]	0.36	10
Accident severity index[2]	0.02	0.09

[1]Frequency index: Total number of accidents/Number of hours worked
[2]Severity index: (Number of days lost / Number of hours actually worked) x 1,000

In 2021, training was given on organizational matters for emergencies and firefighting at the North Delegation, having identified the Safety Delegates and the Assistant.

For a regular monitoring of all interventions on the ground, regular meetings are held to allow reporting of less correct situations and planning future actions, putting corrective and risk mitigation measures into practice, if necessary. From the analysis of employees' reports regarding health and safety at work, Cofina also took the initiative to acquire camera support equipment for image reporters, allowing for a better weight distribution and preventing musculoskeletal injuries.

In the context of the Covid-19 pandemic, since 2020 Cofina has implemented a Contingency Plan, which includes the distribution of individual protection equipment, such as masks, gloves, disinfectants, among others, as well as the testing of employees. In regard to the compliance with the legal regulations that make teleworking mandatory for parents with children under the age of 3, as well as the decree law that predicts telework for workers with associated illnesses. This analysis was always accompanied by a labour medicine doctor.



Benefits, Compensations and Initiatives

Attracting and retaining talent is, nowadays, one of the main challenges for organizations. As such, Cofina defined a set of benefits and compensations aimed at motivating employees and enhancing their development and wellbeing, in a perspective of continuity.

Health and Life Insurance
Employees have a health plan, which can be extended to direct family members, which provides access to medical services in health establishments in the contracted network. At the same time, the Group provides a medical office at its premises in Lisbon for occupational medicine consultations, as required by law, and curative medicine consultations. The Group also provides all employees with a Life Insurance, which ensures coverage of the risks of death and total and permanent disability.

Nutrition Consultations
As a result of a partnership with a company specialized in nutrition, employees have access to specialized consultations, aimed at defining nutritional plans and monitoring, at each cycle, a set of identified professionals.

Leisure Activities
Cofina promotes a series of sporting activities, individual and in groups, with the aim of encouraging the practice of sports, promoting the health and well-being of employees. The running group “Cofina Runners” is a clear example of this. Created with the motto “Run… Challenge yourself… and Discipline yourself. Immediately!”, the initiative promotes team spirit and knowledge among colleagues, with a view to continuous motivation and overcoming. Interrupted in 2021 due to the pandemic context, it is expected to resume in 2022.

Equipment and Services
Cofina has, in its facilities, several areas for complete or light meals, equipped with a fridge, microwave, *vending* and coffee/tea machines, among others. As a result of a partnership with a *catering company,* it is possible to access a varied and healthy offer of meals and *snacks* throughout the day through a service that, after interruption due to the pandemic, resumed in 2021.

Protocols
Cofina has established partnerships and protocols with entities from different sectors, including banking, insurance and communications, allowing access to special conditions for employees and their families to various services and products. The Galp Frota Business Card is one example, allowing employees to receive a discount at Galp Gas Stations.

Engagement and Motivation

- Anniversary of publications

Whenever publications celebrate another year of life, the Cofina Group meets to celebrate the date and promote team spirit, through the sharing of a birthday cake in the respective newsrooms.

- International Women's Day

Celebrated annually on March 8, Grupo Cofina marks the date with the offer of a souvenir to all women. A tradition interrupted in 2021 due to the Covid-19 pandemic.

- Easter

Cofina distributes to all employees a package of almonds, a chocolate egg or other product alluding to the festive season.

- Birthday

All employees are exempted on their birthday, without being reduced on vacation days

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- Christmas

Cofina marks the Christmas season with an annual meeting, together with the offer of a Bolo Rei, gifts for the children of employees (up to 12 years old) and a recreational activity (theater, cinema or circus), activities that, in 2021, were suspended due to restrictions imposed by the pandemic. As an alternative, employees were given a gift card and a Christmas basket with foodstuffs for the Supper.

- Blood Collection

Since 2013, in collaboration with the Instituto Português do Sangue e da Transplantação, IP, Cofina promotes, twice a year, a blood collection at its facilities. This initiative usually takes place in March and September and is a voluntary action.

IMPACTING THE COMMUNITY

Aware of its important role as an agent of mobilization and change, Cofina continued, in 2021, to contribute to the development of the community, through various initiatives:

- **Record Challenge Park**

An initiative inspired by the Olympic Games, which allows amateur athletes of all ages access to a series of outdoor sports activities, including football, athletics, basketball, golf, *rugby* and others, as well as recreational and musical activities for all the family. The Record Challenge Park thus promotes a healthy lifestyle in the community, along with important values such as *fair play.*

- **Remodeling of the Dining Space at Lar Madre Teresa de Saldanha**

The institution that welcomes children and young people with social problems had the support of Cofina in the middle of the Christmas season with the remodeling of the dining space, making it more pleasant and functional. An action with an impact on the lives of the young people sheltered by Lar Madre Teresa de Saldanha, but also on the Cofina employees who took part in the challenge in the certainty of its importance. A Christmas gift was also offered to each child/young person depending on their age.

- **IRS Consignment**

As a result of a partnership with Associação Salvador, Cofina proposes to Employees the consignment of 0.5% of the IRS in favor of this Institution, increasing its possibilities of action within the community.

- **Health Literacy**

The permanent monitoring of the Covid-19 pandemic was, hand in hand, assisted by a strong pedagogical action regarding the disease and the respective prevention and combat measures. An action particularly present in the programmatic content of cmTV with the aim of providing the community with clear and rigorous information on the subject.

- **Cultural Literacy**

Held in partnership with the Sociedade Portuguesa de Autores, the cmTV program “Língua Mãe”, with a presentation by Carlos Alberto Moniz, embodies the commitment to broad information on artistic production in Portuguese, in terms of music, literature, cinema and the plastic arts.

- **Special Conditions for Advertisements**

As in previous years, the Cofina Group continued to support and finance advertisements from social entities, through their insertion in various means of the Group, namely in the press, through Correio da Manhã, Sábado, TV Guia and Destak, and on television with cmTV, along with the various
Digital Channels. “APAV - Associação Portuguesa de Apoio à Vítima”, “Liga Portuguesa contra o Cancro”, “Make a Wish”, among many others, stand out for their importance in the community.

ABOUT THE REPORT

Scope, Period and Reporting Structure
Cofina, SGPS, S.A. publishes its first Sustainability Report on its performance in the period between January 1, 2021 and December 31, 2021, on an annual basis.
The Report includes consolidated information on Cofina, SGPS, S.A.
Cofina, SGPS, S.A. carried out the materiality analysis, in order to identify the most relevant topics and on which it seeks to focus its activities.

Global Reporting Initiative
The Report was prepared in accordance with the GRI Standadrs, in the option 'core' (see GRI Table).
Whenever possible and relevant, information regarding the previous year was presented in order to provide an overview of the evolution of its performance in terms of sustainability.

Taxonomy
Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a regime for the promotion of sustainable investment and amending Regulation (EU) 2019/2088 sets out the criteria for determining whether an economic activity is qualified as environmentally sustainable, with a view to establishing the degree to which an investment is environmentally sustainable. The regulation applies to Cofina, as a company subject to the obligation to publish a non-financial statement under the terms of Directive 2013/34/EU of the European Parliament and of the Council and Decree-Law No. 89/2017.
In this context, an initial analysis concluded that the main activities developed by Cofina will not be eligible according to the delegated act on the objectives of mitigation and adaptation to climate change, but Cofina will continue to monitor the topic and its developments and in 2022, a more in-depth analysis will be carried out, with a view to analyzing the eligibility and alignment of turnover, capital expenditures (CapEx) or operating expenses (OpEx).

Contacts
For any clarification related to this Report or to the sustainability performance of Cofina, SGPS, S.A., please contact the Human Resources Department through the email: njeronimo@cofina.pt.

METHODOLOGICAL NOTES

GHG Emissions - Scope 1

GHG Emissions - Scope 1

Year	Fuel	Fuel consumption (l)	Density (kg/l)	Fuel consumption (kg)	Fuel PCI (kJ/kg)	EF (t/TJ)			GWP			GHG emissions (tCO_2e)			
						CO_2	CH_4	N_2O	CO_2	CH_4	N_2O	CO_2	CH_4	N_2O	$CO_2$and
2021	Gasoline	34572.19	0.746	25790.85	43,806	72.38	0.0062	0.0004	1	25	298	81.77	0.18	0.13	82
2021	Diesel	79973.95	0.840	67178.12	42,600	74.56	0	0.0027	1	25	298	213.37	0.00	2.30	216
2020	Gasoline	6542.52	0.746	4880.72	43,806	72.38	0.0062	0.0004	1	25	298	15.48	0.03	0.03	16
2020	Diesel	101013.46	0.840	84851.31	42,600	74.56	0	0.0027	1	25	298	269.51	0.00	2.91	272
2019	Gasoline	6322.05	0.746	4716.25	43,806	72.38	0.0062	0.0004	1	25	298	14.95	0.03	0.02	15
2019	Diesel	147273.28	0.840	123709.56	42,600	74.56	0	0.0027	1	25	298	392.93	0.00	4.24	397
Total												**988**	**0**	**10**	**998**

To calculate scope 1 GHG emissions, the following emission factors were considered:

	LCI (Low Calorific Power)	
Gasoline	43 806	kJ/kg
Diesel	42 600	kJ/kg

Source: Direção-Geral de Energia e Geologia - Direção de Serviços de Planeamento Energético e Estatística - Balanço energético 2020

	Fuel	CO2	CH4	N20
Emission Factor (t/TJ)	Petrol	72,38	0,0062	0,0004
Emission Factor (t/TJ)	Diesel	74,56	0	0,0027

Density (kg/L)	2020
Diesel	0.840
95 Gasoline	0.746

Source: Direção-Geral de Energia e Geologia - Direção de Serviços de Planeamento Energético e Estatística - Densidades dos Produtos de Petróleo

GHG Emissions - Scope 2

For the calculation of scope 2 GHG emissions, the following emission factors were considered:

Emission Factors 2020	
Location Based ($kgCO_2$/ MWh)	162
Location Based ($kgCO_2$/kWh)	0.162
Market Based EDP (gCO_2/kWh)	205.16
Market Based ($kgCO_2$/kWh)	0.205

Source: https://www.apren.pt/pt/energias-renovaveis/outros

Source: https://www.edp.pt/origem-energia/

Emission Factors 2021	
Location Based ($kgCO_2$/ MWh)	134
Location Based ($kgCO_2$/kWh)	0.134
Market Based EDP (gCO_2/kWh)	273.05
Market Based ($kgCO_2$/kWh)	0.27305
Market Based AXPO ($kgCO_2$/MWh)	87
Market Based ($kgCO_2$/kWh)	0.087

Source: https://www.apren.pt/pt/energias-renovaveis/outros

Source: https://www.edp.pt/origem-energia/?sector=17026&year=2022&trimester=1

Source: Sustainability Report 2020/2021 - page 50 (download: https://www.axpo.com/content/dam/axpo19/master/files-master/about-us/investor-relations/publications---dates/AXPO_Nachhaltigkeitsbericht_EN.pdf)

GRI TABLE

Disclosures		Location/Omission
Organizational Profile		
102-1	Name of the organization	Cofina, SGPS, S.A.
102-2	Activities, brands, products and services	About Cofina, SGPS, S.A. > Business Areas.
102-3	Location of headquarters	Rua Manuel Pinto de Azevedo, 818, 4100-320 Porto, Portugal
102-4	Location of operations	Portugal
102-5	Ownership and legal form	SGPS, S.A.
102-6	Markets served	Cofina serves the national territory, including islands, working with all types of sectors for large clients and individual clients.
102-7	Scale of the organization	About Cofina, SGPS, S.A.
102-8	Information on employees and other workers	Valuing People > Our People See table bellow.

	2021		
	Male	**Female**	**Total**
Full-time employees	**397**	**278**	**675**
Part-time employees	**0**	**4**	**4**

102-9	Supply chain	As a result of its activity, Cofina SGPS, S.A. identifies, within its value chain, the paper and marketing product suppliers, along with the service providers, as the most relevant ones.
102-10	Significant changes to the organization and its supply chain	N.A.
102-11	Precautionary Principle or approach	About Cofina, SGPS, SA > Governance and Ethics
102-12	External initiatives	About Cofina, SGPS, SA > Commitments and Initiatives
102-13	Membership of associations	About Cofina, SGPS, SA > Commitments and Initiatives
Strategy		
102-14	Statement from senior decision-maker	Statement from the Chairman of the Board of Directors
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	About Cofina, SGPS, S.A. > Governance and Ethics
102-17	Mechanisms for advice and concerns about ethics	About Cofina, SGPS, S.A. > Governance and Ethics
Governance		
102-18	Governance structure	About Cofina, SGPS, S.A. > Governance and Ethics
Stakeholder Engagement		
102-40	List of stakeholder groups	Stakeholders > Our stakeholders: Engagement Model
102-41	Collective bargaining agreements	See table bellow.

	2021		
	Male	**Female**	**Total**
% of employees covered by collective bargaining agreements	6%	12%	8%
% of unionized employees	9%	10%	9%

102-42	Identifying and selecting stakeholders	Stakeholders > Our stakeholders: Engagement Model
102-43	Approach to stakeholder engagement	Stakeholders > Our stakeholders: Engagement Model
102-44	Key topics and concerns raised	Stakeholders > Our stakeholders: Engagement Model
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About Cofina SGPS, S.A. and About the Report
102-46	Defining report content and topic boundaries	Materiality
102-47	List of material topics	Materiality
102-48	Restatements of information	N.A.
102-49	Changes in reporting	N.A.
102-50	Reporting period	January 1, 2021 to December 31, 2021
102-51	Date of most recent report	This report is Cofina's first Sustainability Report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	About the Report
102-54	Claims of reporting in accordance with the GRI Standards	About the Report
102-55	GRI Content Index	Present table
102-56	External assurance	N.A.

GRI 200- ECONOMIC DISCLOSURES

Disclosures		**Location/Omission**
201- Economic Performance		
201-1	Direct Economic Value Generated and Distributed	Value Creation > Economic Performance

MANAGEMENT OF OTHER MATERIAL TOPICS OF ECONOMIC PERFORMANCE/GOVERNANCE		
Innovation and Technology		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Innovation and Technology was considered a topic of high materiality
103-2	The management approach and its components	Cofina has several initiatives related to the topic of Innovation and Technology, reporting them in this report, in the chapter Value Creation > Digital Innovation & Technology
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter Value Creation > Digital Innovation & Technology
Ethics		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Ethics was considered a topic of high materiality.
103-2	The management approach and its components	Cofina has several initiatives related to the topic of Ethics, which are reported in this report, in the chapter About Cofina, SGPS, S.A. > Governance and Ethics
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter About Cofina, SGPS, S.A. > Governance and Ethics
Complaints regarding irregularities related to the provisions of the Code of Ethics and Conduct		About Cofina, SGPS, SA > Governance and Ethics

GRI 300- ENVIRONMENTAL DISCLOSURES

Disclosures		Location/Omission
302- Energy		
302-3	Energy intensity	Preserving the Environment > Energy Consumption Note: Only the consumption of purchased electricity was considered for the calculation of this indicator.
303- Water and effluents		
303-1	Interactions with water as a shared resource	Preserving the Environment > Water Consumption
303-2	Management of water discharge-related impacts	Preserving the Environment > Water Consumption
303-3	Water withdrawal	Preserving the Environment > Water Consumption
305- Emissions		
305-1	Direct (Scope 1) GHG emissions	Preserving the Environment > GHG Emissions and Methodological Notes
305-2	Indirect (Scope 2) GHG emissions	Preserving the Environment > GHG Emissions and Methodological Notes
305-5	Reduction of GHG emissions	Preserving the Environment > GHG Emissions
306- Waste		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Waste was considered a topic of high materiality
103-2	The management approach and its components	Cofina promotes several initiatives related to the topic of Waste, reporting them in this report, in the chapter Preserving the Environment > Waste Management
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter Preserving the Environment > Waste Management
306-1	Waste generation and significant waste-related impacts	Preserving the Environment > Waste Management
306-2	Management of significant waste-related impacts	Preserving the Environment > Waste Management
306-3	Waste generated	Preserving the Environment > Waste Management
307- Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	In 2021, there were no sanctions related to non-compliance with environmental laws and regulations.

MANAGEMENT OF OTHER MATERIAL TOPICS OF ENVIRONMENTAL PERFORMANCE		
Climate Strategy		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Climate Strategy was considered a topic of high materiality
103-2	The management approach and its components	Cofina has several initiatives related to the Climate Strategy topic, reporting them in this report, in the chapter Preserving the Environment
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter Preserving the Environment
Operational Eco-efficiency		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Operational Eco-efficiency was considered a topic of high materiality
103-2	The management approach and its components	Cofina has several initiatives related to the topic of Operational Eco-efficiency, reporting them in this report, in the chapter Preserving the Environment
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter Preserving the Environment

GRI 400- SOCIAL DISCLOSURES

Disclosures		Location/Omission
401- Employment		
401-1	New employee hires and employee turnover	Valuing People > Our People See table bellow.

	2021		
	Male	Female	Total
Employees hired	71	58	129
Under 30 years old	29	35	64
30-50 years old	41	20	61
Over 50 years old	1	3	4
Colaboradores que saíram	91	87	178
Under 30 years old	25	34	59
30-50 years old	50	38	88
Over 50 years old	16	15	31
HIre and Turnover Rate			
Employees hired	17.9%	20.6%	19.0%
Under 30 years old	7.3%	12.4%	9.4%
30-50 years old	10.3%	7.1%	9.0%
Over 50 years old	0.3%	1.1%	0.6%
Colaboradores que saíram	22.09%	30.9%	26.2%
Under 30 years old	6.3%	12.1%	8.7%
30-50 years old	12.6%	13.5%	13.0%
Over 50 years old	4.0%	5.3%	4.6%

403- Occupational Health and Safety		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of occupational health and safety (disclosed as Wellbeing, Health and Safety) was considered a topic of high materiality.
103-2	The management approach and its components	Cofina promotes several initiatives related to the topic of occupational health and safety, reporting them in this report, in the chapters Wellbeing, Health and Safety; Benefits, Compensations and Initiatives
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the Wellbeing, Health and Safety chapter.
403-1	Occupational health and safety management system	N.A.
403-2	Hazard identification, risk assessment, and incident investigation	Valuing People > Wellbeing, Health and Safety
403-3	Occupational health services	Valuing People > Wellbeing, Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Valuing People > Wellbeing, Health and Safety
403-5	Worker training on occupational health and safety	Valuing People > Wellbeing, Health and Safety > Training
403-6	Promotion of worker health	Valuing People > Wellbeing, Health and Safety > Benefits, Compensations and Initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Valuing People > Wellbeing, Health and Safety
403-9	Work-related injuries	See table bellow.

	2021
Fatalities	0
Work-related injuries	11
High consequence work-related injuries (excluding fatalities)	0
Fatalities rate	0
Work-related injuries rate	10
High consequence work-related injuries (excluding fatalities) rate	0
Number of hours worked	1.155.345

404- Education and Training		
404-1	Average hours of training per year per employee	See table bellow.

	2021		
	Male	Female	Total
Average hours of training per employee	0.47	0.38	0.85

405- Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Valuing People > Our People

418- Customer Privacy		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of customer privacy (disclosed as Information Security) was considered a topic of high materiality
103-2	The management approach and its components	Cofina promotes several initiatives related to the topic of customer privacy (disclosed as Information Security), reporting them in this report, in the chapter About Cofina SGPS, SA > Information Security
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter About Cofina SGPS, SA > Information Security
418-1	Complaints regarding breaches of customer privacy and loss of customer data	About Cofina SGPS, SA > Information Security

419- Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	In 2021, there were no sanctions related to non-compliance with socio-economic laws and regulations.

MANAGEMENT OF OTHER MATERIAL TOPICS OF SOCIAL PERFORMANCE		
Human Capital Development		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Human Capital Development (disclosed as Valuing People) was considered a topic of high materiality
103-2	The management approach and its components	Cofina promotes several initiatives related to the topic of Human Capital Development (disclosed as Valuing People), reporting them in this report, in the chapter Valuing People
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter Valuing People
Human Rights		
103-1	Explanation of the material topic and its boundary	Cofina's material topics were defined as described in the Materiality chapter. The topic of Human Rights was considered a topic of high materiality.
103-2	The management approach and its components	Cofina promotes several initiatives related to the topic of Human Rights, reporting them in this report, in the chapter About Cofina SGPS, SA > Governance and Ethics
103-3	Evaluation of the management approach	Cofina monitors the indicators associated with this topic and reports them in this report, in the chapter About Cofina SGPS, SA > Governance and Ethics

CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

31 December 2021

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 36)
(Amounts expressed in euro)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENTS ASSETS			
Property, plant and equipment	6	1,555,739	2,079,102
Goodwill	5	81,168,721	82,083,180
Intangible assets	8	222,161	277,441
Right of use assets	7.1	8,265,070	9,117,036
Investments in joint ventures and associates	4	3,250,465	2,407,918
Other investments	4	10,005,510	10,005,510
Other non-current assets		106,465	85,638
Deferred tax assets	10	898,817	841,107
Total of non-current assets		105,472,948	106,896,932
CURRENT ASSETS			
Inventories	11	1,262,408	1,020,274
Trade receivables	12	6,961,368	5,238,047
Assets associated with contracts with customers	13	3,517,885	3,130,363
Other receivables	15	394,820	305,203
Other current assets	16	1,187,285	742,992
Cash and cash equivalents	17	18,000,234	15,347,683
Total current assets		31,324,000	25,784,562
TOTAL ASSETS		136,796,948	132,681,494
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	25,641,459	25,641,459
Share premiums	18	15,874,835	15,874,835
Legal reserve	18	5,409,144	5,409,144
Other reserves	18	(1,530,352)	(3,119,307)
Consolidated net profit for the year attributable to Equity holders of the parent		4,224,521	1,588,955
Total equity attributable to Equity holders of the parent		49,619,607	45,395,086
Non-controlling interests		—	—
TOTAL EQUITY		49,619,607	45,395,086
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	19	9,994,799	—
Lease liabilities	7.2	8,369,638	9,353,004
Provisions	20	1,245,700	959,000
Total non-current liabilities		19,610,137	10,312,004
CURRENT LIABILITIES			
Bank loans	19	5,949,874	3,432,605
Other loans	19	35,865,876	51,848,141
Lease liabilities	7.2	2,048,689	1,902,978
Trade payables	21	7,188,748	5,615,823
Liabilities associated with contracts with customers	22	3,913,711	2,257,761
Income tax	14	5,047,949	3,864,845
Other payables	23	2,730,486	2,615,729
Other current liabilities	24	4,821,871	5,436,522
Total current liabilities		67,567,204	76,974,404
TOTAL LIABILITIES		87,177,341	87,286,408
TOTAL LIABILITIES AND EQUITY		136,796,948	132,681,494

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant — The Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in euro)

	Notes	31.12.2021	31.12.2020
Sales	25, 29 and 32	32,323,728	33,275,818
Services rendered	25, 29 and 32	26,812,244	22,208,139
Other income	25, 29 and 32	16,712,780	15,960,038
Cost of sales	11	(5,127,428)	(6,075,087)
External supplies and services	26	(27,903,046)	(26,473,432)
Payroll expenses	27	(27,649,613)	(26,085,626)
Amortisation and depreciation	6, 7.1, 8 and 32	(3,487,718)	(3,414,659)
Provision and impairment losses	20	(1,146,326)	(2,084,000)
Other expenses		(164,661)	(684,483)
Results related to investments	28	(1,637,453)	(818,553)
Financial expenses	28	(1,556,975)	(2,125,140)
Financial income	28	—	—
Profit before income tax		7,175,532	3,683,015
Income tax	10	(2,951,011)	(2,094,060)
Consolidated net profit for the period		4,224,521	1,588,955
Attributable to:			
Equity holders of the parent	31	4,224,521	1,588,955
Non-controlling interests		—	—
		4,224,521	1,588,955
Earning per share:			
Basic	31	0.04	0.02
Diluted	31	0.04	0.02

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in euro)

	Notes	31.12.2021	31.12.2020
Consolidated net profit for the period	31	4,224,521	1,588,955
Other comprehensive income for the period		—	—
Total consolidated comprehensive income for the period		4,224,521	1,588,955
Attributable to:			
Equity holders of the parent		4,224,521	1,588,955
Non-controlling interests		—	—

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant | The Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in euro)

		Attributable to Equity holders of the parent							
	Notes	Share capital	Share premiums	Legal reserve	Other reserves	Net profit for the period	Total	Non-controlling interests	Total equity
Balance as at 1 January 2020		25,641,459	15,874,835	5,409,144	(10,268,757)	7,149,450	43,806,131	—	43,806,131
Appropriation of the consolidated result from 2019:									
Transfer to legal reserve and retained earnings		—	—	—	7,149,450	(7,149,450)	—	—	—
Other changes		—	—	—	—	—	—	—	—
Comprehensive income for the period		—	—	—	—	1,588,955	1,588,955	—	1,588,955
Balance as at 31 December 2020		25,641,459	15,874,835	5,409,144	(3,119,307)	1,588,955	45,395,086	—	45,395,086
Balance as at 1 January 2021		25,641,459	15,874,835	5,409,144	(3,119,307)	1,588,955	45,395,086	—	45,395,086
Appropriation of the consolidated result from 2020:									
Transfer to legal reserve and retained earnings		—	—	—	1,588,955	(1,588,955)	—	—	—
Other changes		—	—	—	—	—	—	—	—
Comprehensive income for the period		—	—	—	—	4,224,521	4,224,521	—	4,224,521
Balance as at 31 December 2021		25,641,459	15,874,835	5,409,144	(1,530,352)	4,224,521	49,619,607	—	49,619,607

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in euro)

	Notes	2021		2020	
Operating activities:					
Receipts from customers		80,055,613		77,790,526	
Payments to suppliers		(36,533,553)		(39,556,584)	
Payments to personnel		(27,950,662)		(25,583,166)	
Other receipts/payments relating to operating activities		(254,866)		(382,326)	
Income Tax (paid)/received		(1,812,332)	13,504,200	(2,060,507)	10,207,943
Cash flows generated by operating activities (1)			13,504,200		10,207,943
Investment activities:					
Receipts arising from:					
Property, plant and equipment		—	—	4,649	4,649
Payments relating to:					
Intangible assets		(424,928)		(393,371)	
Property, plant and equipment		(489,736)		(389,782)	
Investments	4.2	(1,050,000)		—	
Supplementary installments	4.2	(1,430,000)	(3,394,664)	—	(783,153)
Cash flows generated by investment activities (2)			(3,394,664)		(778,504)
Financing activities:					
Receipts arising from:					
Loans obtained	19.2	97,657,859	97,657,859	229,649,262	229,649,262
Payments relating to:					
Interest and similar expenses		(682,880)		(1,371,849)	
Lease liabilities	7.2	(2,774,652)		(2,658,807)	
Loans obtained	19.2	(104,174,581)	(107,632,113)	(230,242,667)	(234,273,323)
Cash flows generated by financing operations (3)			(9,974,254)		(4,624,061)
Cash and cash equivalents at the beginning of the period	17		11,915,078		7,109,700
Cash and cash equivalents variation: (1)+(2)+(3)			135,282		4,805,378
Cash and cash equivalents at the end of the period	17		12,050,360		11,915,078

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant — The Board of Directors

1. INTRODUCTORY NOTE

Cofina, SGPS, S.A. ("Cofina" or "the Company") is a public company, formed in 1990, in Portugal, whose headquarters is located at Rua Manuel Pinto de Azevedo, 818, in Porto, in Portugal, and is the Parent company of a group of companies disclosed in Note 4, designated as Cofina Group, whose main activity is in the Media sector, mostly in the written press and cable television, and has its shares listed on the Stock Exchange ("Euronext Lisbon").

The Cofina Group owns headings of reference in the segments in which it operates (namely, Press and Television), editing the newspapers "Correio da Manhã", "Record", "Negócios", "Destak", as well as the magazines "Sábado" and "TV Guia", and since 2013 the television channel distributed on all cable platforms "Correio da Manhã TV" (CMTV).

The accompanying financial statements are expressed in Euro (rounded up to the nearest whole number), which is the currency used by the Group in its operations and is, therefore, considered its functional currency.

The financial statements were approved by the Board of Directors and authorised for reporting on 7 April 2022. Its final approval is still subject to agreement from the Shareholders' General Meeting. The Group and the Board of Directors expect the same to be approved with no significant changes.

SIGNIFICANT EVENTS: COVID 19

Since the beginning of the pandemic, Cofina Group proceeded to the implementation of a set of measures for the prevention, control and surveillance, with prevention / contingency plans being developed that cover the entire organisation. During the year 2021, and in order to meet the demands arising from the pandemic COVID-19, the Group continued its process of monitoring and evaluation of the implemented actions, particularly at the level of risk factors that, in its understanding, are relevant and that may affect the business areas either in operational, investment or financial terms.

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

In the current context of the COVID-19 pandemic, the effectiveness of the mass vaccination process should also be mentioned, as well as the effectiveness of any additional containment measures defined by governments. The combination of these various factors means that the effects on the global economy and on consumption patterns will be under control, despite the existing imbalances and the need to take measures to allow the resumption of activity and the normal functioning of the various economic flows.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted when preparing the attached financial statements are described below. These policies were consistently applied to comparative periods.

In addition, there were no significant changes to the main estimates used by the Group in preparing the consolidated financial statements.

2.1 BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU") in force for the period ended beginning on 1 January 2021. These correspond to the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS - IC") or by the former Standing Interpretations Committee ("SIC"), which have been adopted by the European Union on the reporting date.

The Board of Directors assessed the capacity of the Group, its subsidiaries, joint ventures and associates to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the financial statements' reference date, as available regarding the future. As a result of the assessment conducted, the Board of Directors concluded that it has adequate resources to keep up its operations, which it does not intend to cease in the short term. Therefore, it was considered appropriate to use the going concern basis in preparing the financial statements.

The attached consolidated financial statements were prepared from the accounting books and records of the company, its subsidiaries, joint ventures and associates, adjusted in the consolidation process, in the assumption of going concern basis. When preparing the consolidated financial statements, the Group used historical cost as its basis, modified, when applicable, by measurement at fair value.

The preparation of financial statements under IFRS-EU requires the use of estimates, assumptions, and critical judgements in the process of determining accounting policies to be adopted by the Group, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period. Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are disclosed in Note 2.4.

In addition, for financial reporting purposes, fair-value measurement is categorized in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(Amounts expressed in euro)

(i) Adoption of new standards and interpretations, amendments or reviews

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2021:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 -Benchmark interest rate reform (IBOR Reform)	1-Jan-21	These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients: A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
Amendments to IFRS 16 - Leases - COVID-19 Related Concessions for Rentals Beyond June 30, 2021	1-Jan-21	On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification. Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16. Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021. In short, the practical expedient can be applied provided the following criteria are met: the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change; any reduction in lease payments only affects payments due on or before June 30, 2022; and there are no significant changes to other terms and conditions of the lease.

(Amounts expressed in euro)

There were no significant effects on the Group's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(ii) Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises.

On the approval date of these financial statements, the following accounting standards, and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.
Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income statement.
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.
Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.

(Amounts expressed in euro)

Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.
Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

(Amounts expressed in euro)

(iii) New, amended, or revised standards and interpretation not adopted by the European Union

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Group in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.2 CONSOLIDATION PRINCIPLES

The consolidation principles adopted by the Cofina Group in preparing its consolidated financial statements include the following:

a) Investments in subsidiaries included in consolidation

Companies controlled by the Group, i.e., in which it cumulatively fulfils the following conditions: i) has power over the investee; ii) is exposed to, or entitled to, variable results due to its relationship with the investee; and iii) has the ability to use its power over the investee to affect the amount of its results (control definition used by the Group), were included in the accompanying consolidated financial statements using the full consolidation method.

The equity and net profit of these companies corresponding to third-party shareholding therein are shown separately in the consolidated statement of financial position and in the consolidated income statement under line items 'Non-controlling interests.' The companies included in the financial statements using the full consolidation method are disclosed in Note 4.

The total comprehensive income is attributed to the owners of the parent company and of the interests they do not control, even if this results in a deficit balance in terms of the interests not controlled by them.

The results of the subsidiaries acquired or sold during the period are included in the income statements from the date when control was taken or until the date when control was loss.

Whenever necessary, adjustments are made to the financial statements of the subsidiaries in order to adapt their accounting policies to those used by the Group. Transactions, balances, cash flows and dividends distributed between Group companies, as well as unrealised gains on transactions between Group companies, are eliminated on the consolidation process. Unrealised losses are also eliminated when the transaction does not show evidence of impairment of a transferred asset.

b) Investments in joint ventures and associates

Financial investments in joint ventures are investments in entities that are the object of a joint agreement by all or by their holders, with the parties that have joint control of the agreement rights over the entity's net assets. Joint control is obtained by contractual provision and exists only when the associated decisions have to be taken unanimously by the parties that share control.

In situations where the investment or financial interest and the contract concluded between the parties allows the entity to have direct joint control over the rights to hold the asset or obligations inherent in the liabilities related to that agreement, it is considered that such a joint agreement does not corresponds to a joint venture, but to a jointly controlled operation.

Investments in associates are investments where the Group wields significant influence, but in which it does not hold control or joint control. Significant influence (presumed when voting rights are between 20% to 50%) is the power to participate in the entity's financial and operational policy decisions, without, however, exercising joint control or control of those policies.

Financial investments in joint ventures and associates are recorded using the equity method.

In accordance with the equity method, these financial investments are initially recorded at acquisition cost. Financial investments are subsequently adjusted by the amount corresponding to the Group's participation in the comprehensive income (including net income for the year) of the joint ventures and the associates, against other comprehensive income of the Group or of the gains or losses for the year, as applicable. In addition, the dividends of these companies are recorded as a decrease in the value of the investment, and the proportionate share in changes in equity is recorded as a change in the Group's equity.

The differences between the acquisition price and the fair value of the identifiable assets and liabilities of the joint ventures and the associates on the acquisition date, if positive, are recognized as Goodwill and maintained at the value of the financial investment in joint ventures and associates. If these differences are negative, they are recorded as income for the year under the item “Results related to investments”, after reconfirmation of the fair value attributed (Note 2.2.c)).

Investments in joint ventures and associates are evaluated when there is an indication that the asset might be impaired, as impairment losses are recorded as an expense when shown to exist. When impairment losses recognised in previous financial years no longer exist, are reversed.

When the Group's share in joint ventures and associates' accumulated losses exceeds the amount at which the investment is recorded, the investment is reported as nil value, except when the Group has shouldered commitments towards the joint venture and associate. In such cases, a provision is recorded in order to fulfil those obligations.

Unrealised gains in transactions with joint ventures and associates are proportionally eliminated from the Group interest in the associate against the investment in those entities. Unrealised losses are similarly eliminated, but only to the extent there is no evidence of impairment of the transferred asset.

The accounting policies of joint ventures and associates are changed, whenever necessary, in order to make sure they are consistently applied by every Group company.

Investments in joint ventures and associates are disclosed in Note 4.

c) Business combinations and Goodwill

The differences between the acquisition price of investments in subsidiary companies, plus the value of non-controlling interests, and the amount attributed to fair value of identifiable assets and liabilities of those companies on their acquisition date, when positive, are recorded as 'Goodwill' and, when negative, following a revaluation of the determination, are recorded directly in the income statements.

The differences between the acquisition price of financial investments in joint ventures and associates, and the amount attributed to fair value of identifiable assets and liabilities of those companies on their acquisition date, when positive, are recorded under the line item 'Investments in joint ventures and associates' and, when negative, following a reconfirmation of its fair value, are recorded directly in the income statements, under the line item 'Results related to investments'.

The differences between the acquisition cost of investments in foreign subsidiaries and the fair value of identifiable assets and liabilities of those subsidiaries on their acquisition date are recorded in the reporting currency of those subsidiaries, and are converted to the Group's reporting currency (Euro) at the applicable exchange rate on the date of the statement of financial position. The currency exchange differences generated in that conversion are recorded under the line item 'Currency translation reserves' included under the line item 'Other reserves.'

The Group, on a transaction-by-transaction basis (for each business combination), chooses to measure any non-controlling interest in the acquired company either at fair value or in the proportional part of non-controlling interests in the acquired company's identifiable net assets. Until 1 January 2010, non-controlling interests were valued solely in accordance with the fair-value proportion of acquired assets and liabilities.

The amount of future contingent payments is recognised as a liability when corporate combination occurs according to its fair value. Any change to the initially recognised amount is recorded against the amount of Goodwill, but only if this occurs within the measuring period (12 months after the acquisition date) and if this is related to facts and circumstances that existed on the acquisition date. Otherwise, it has to be recorded against the income statement, unless said contingent payment is categorised as equity, in which case it should not be remeasured, and only at the time of the settlement thereof will the impact on equity be recognised.

Transactions involving the purchase or sale of interests in entities already controlled, without this resulting in a loss of control, are treated as transactions between holders of capital affecting only the equity line items, without impacting the line item 'Goodwill' or the income statement.

When business is combined in stages, the fair value on the previous acquisition date of interests held is remeasured to fair value on the date when control is gained, against the results of the period when control is achieved, thus affecting the determining of Goodwill or purchase price allocation.

At the time when a sales transaction generates a loss of control, that entity's assets and liabilities have to be derecognised, and any interest withheld at the disposed entity shall be remeasured at fair value, and any loss or gain resulting from this disposal is recorded in the income statement.

The Group annually tests for the existence of Goodwill impairment. The recoverable amounts of the cash flow-generating units are determined based on the calculation of values in use. These calculations call for the use of assumptions that are based on estimates of future circumstances whose occurrence could be different from the estimate. Goodwill impairment losses cannot be reversed.

d) Conversion of financial statements of subsidiaries expressed in foreign currencies

Assets and liabilities in the financial statements of subsidiaries that use a currency other than the Euro included in the consolidation are translated into Euros at the official exchange rate at the balance sheet date. Expenses and revenues, as well as cash flows, are translated at the average exchange rate of the period. The resulting currency exchange difference is recorded under the 'Currency translation reserves' is included in the equity item “Other reserves”.

The Goodwill amount and fair-value adjustments resulting from the acquisition of entities that use a currency other than the Euro are treated as assets and liabilities of that entity and translated into Euros according to the applicable exchange rate at the balance sheet date.

Whenever a share in a of entity that use a currency other than the Euro is disposed of, the accumulated currency exchange difference is recognised in the income statement as a profit or loss in the disposal, if there is a loss of control, or transferred to non-controlling interests, if there is no loss of control.

As at 31 December 2021 and 2020, the Group had no entities that use a currency other than the Euro in the consolidation.

2.3 MAIN RECOGNITION AND MEASUREMENT CRITERIA

The main recognition and measurement criteria used by the Cofina Group in preparing its consolidated financial statements are as follows:

a) Intangible assets

Intangible assets are recorded at acquisition cost, net of amortisation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Group, if they can be controlled by the Group, and if their value can be reasonably measured.

When acquired individually, intangible assets are recognized at cost, which comprises: i) the purchase price, including intellectual rights costs and fees after deducting any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

Research expenses incurred with new technical knowledge are recognized in the income statement when incurred. Development expenses for which the Group demonstrates the ability to complete its development and initiate its commercialization and/or use and for which it is probable that the asset created will generate future economic benefits, are capitalized. Development expenses that do not fulfill these criteria are recorded as an expense in the period in which they are incurred.

Internal costs associated with software maintenance and development are recorded as expenses in the income statement when incurred, except when said costs are directly associated with projects for which future economic benefits are likely to be generated for the Group. In such situations, costs are capitalised as intangible assets.

After the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years).

b) Property, plant and equipment

Property, plant and equipment acquired until 1 January 2004 (date of transition to IFRS) are recorded at their 'deemed cost' which amounts to the acquisition cost, or revaluated acquisition cost in accordance with the accounting principles generally accepted in Portugal up to that date, net of accumulated amortisation and impairment losses.

Property, plant and equipment acquired after that date are recorded at acquisition cost, net of the corresponding depreciation as well as impairment losses.

The acquisition cost includes the purchase price of the asset, expenses directly attributable to its acquisition and costs incurred in preparing the asset to be ready for its intended use. Financial costs incurred on borrowings for the construction of qualifying tangible assets are recognized as part of the construction cost of the asset.

After the date when the assets are available for use, amortisation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Amortisation rates used correspond to the following estimated useful life periods:

	Years
Buildings and other edifications	10
Machinery and equipment	2 to 15
Vehicles	2 to 10
Office equipment	2 to 10
Other tangible assets	3 to 10

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of tangible fixed assets are recorded as an expense in the period when they are incurred.

Property, plant and equipment in progress represent property, plant and equipment still under construction, and are recorded at acquisition cost net of any impairment losses. These assets are depreciated from the moment the underlying assets are ready to be used.

Gains or losses resulting from the sale or write-off of property, plant or equipment are calculated as the difference between the selling price and the asset's net book value at the disposal or write-off date, and are recorded in the income statement under "Other income" or "Other expenses".

c) Right of use

At the start of every agreement, the Group assesses whether the agreement is, or contains, a lease. That is, whether the right of use of a specific asset or assets is being transferred for a certain period of time in exchange for a payment.

The Group as lessee

The Group applies the same recognition and measurement method to every lease, except for short-term leases and leases associated with low-value assets. The Group recognises a liability related to lease payments and an asset identified as a right of use of the underlying asset.

(i) Right of use assets

On the lease start date (i.e., the date from which the asset is available for use), the Group recognises an asset regarding the right of use. "Right of use assets" are measured at cost, net of depreciations and accumulated impairment losses, adjusted by remeasuring the lease liability. The cost comprises the initial value of the lease liability adjusted by any lease payments made on or prior to the start date, in addition to any initial direct costs incurred, as well as a cost estimate for dismantling and removing the underlying asset (if applicable), net of any incentive granted (if applicable).

The right of use asset is depreciated using the straight-line method, based on the lease term.

If ownership of the asset is transferred to the Group at the end of the lease period, or if the cost includes a purchase option, depreciation is calculated by taking into account the asset's estimated useful life.

Right of use assets are also subject to impairment losses.

(ii) Lease liabilities

On the lease start date, the Group recognises a liability measured at the present amount of the lease payments to be made throughout the agreement. Lease payments included in the measurement of lease liabilities include fixed payments, deducted from any incentives already received (if applicable) and variable payments associated with an index or rate. Where applicable, payments also include the cost of exercising a purchase option, which shall be exercised by the Group with reasonable certainty, and payments of penalties for ending the agreement, if the lease terms reflect the Group's exercising option.

The lease liability is measured at amortised cost, using the effective interest method, being remeasured when changes in future payments derived from a change in the rate or index are verified, as well as possible modifications of the lease agreements.

Variable payments not associated with any indexes or rates are recognised as expenses in the period when the event or condition leading to the payment occurs.

Since the interest rate implicit in the contract is not readily determinable, the Group, for the calculation of the present value of future lease payments, uses the incremental interest rate at the inception date of the lease. This rate is determined by observing market data from composite bond interest rate curves with reference to the lease commencement date for similar maturities to the lease term. Thereafter, the amount of the lease liability is increased by accrued interest and reduced by rent payments made. Additionally, the amount is remeasured if there is any change in the terms of the agreement, the amount of the lease payments (e.g., changes in future payments caused by a change in an index or rate used to determine those payments) or a change in the valuation of a call option associated with the underlying asset.

(iii) Short-term leases and low value leases

The Group applies the recognition exemption to its assets' short-term leases (i.e., leases lasting up to 12 months and not containing a purchase option). The Group also applies the recognition exemption to leases of assets deemed to be of low value. Payments of short-term and low value leases are recognised as an expense in the fiscal year, throughout the lease period.

d) Impairment of non-current assets, except Goodwill

The Group's asset impairment is assessed on the date of every statement of financial position and whenever there is an event or change in circumstances indicating that the amount for which the asset is recorded might not be recoverable.

Whenever the carrying amount for which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised and recorded in the income statement under the line item 'Provisions and impairment losses.'

The recoverable amount is either the net sales price or the value in use, whichever is higher. The net sales price is the amount that would be obtained from the asset's disposal, in a transaction between independent knowledgeable entities, net of the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows that are expected to arise from the continuous use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if not possible, for the cash-generating unit to which the asset belongs.

When impairment losses recognised in previous fiscal years no longer exist, they undergo a reversal. The reversal of impairment losses is recognised in the income statement under "Provisions and impairment losses". This reversal is made to the extent that the new carrying amount does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, if no impairment charge had been recognised.

e) Borrowing costs

Financial expenses related to loans are generally recognised as an expense in the income statement on an accrual basis.

Financial expenses on loans directly related to the acquisition, construction or production of property, plant and equipment are capitalised as part of the asset's cost. The capitalisation of these expenses starts after the beginning of the preparation of the asset's construction or development activities and is interrupted when those assets are available for use, at the end of the asset's construction or when the project in question is suspended.

There were no financial expenses capitalised on 31 December 2021 and 2020.

f) Inventories

The goods and raw materials, subsidiary and consumable, are valued at average acquisition cost, net of quantity discounts granted by suppliers, which is lower than the corresponding market value.

The Group records program broadcasting rights in Inventories. Program broadcasting rights correspond essentially to contracts or agreements entered into with third parties for the exhibition of films and other television programs, and are stated at specific acquisition cost. The cost of programs broadcasted on the channel is recorded in the consolidated statement of income at the time they are broadcasted, taking into consideration the estimated number of broadcasts and the estimated benefits of each broadcast.

Differences between the cost and the respective realisation value of the inventories, should it be lower than the cost, are recorded as expenses under "Provisions and impairment losses".

g) Provisions

Provisions are recognised when, and only when, the Group (i) has a present obligation (legal or implicit) obligation resulting from a past event, (ii) it is likely that, to resolve this obligation an outflow of resources occurs, and (iii) the obligation's amount might be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and adjusted to reflect the best estimate on that date.

Provisions for restructuring costs are recognised by the Group whenever a formal and detailed restructuring plan exists and has been communicated to the parties involved.

When a provision is determined taking into consideration the cash flows required to settle such an obligation, it is recorded at its present value.

h) Financial instruments

Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when it becomes part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at their fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (which are not financial assets and liabilities measured at fair value through income statement) are added to or deducted from the fair value of the financial asset or liability, as appropriate, in the initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through income statement are recognised immediately in the consolidated income account.

Financial assets

All purchases and sales of financial assets are recognised at the signature date of the respective purchase and sale contracts, regardless of the settlement date thereof. All recognised financial assets are subsequently measured at amortised cost or at their fair value, depending on the business model adopted by the Group and the characteristics of its contractual cash flows.

Initially, assets are classified and subsequently measured at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The initial classification of financial assets depends on the contractual characteristics of the cash flows and the business model adopted by the Group to manage them. Except for trade receivables that do not have a significant financial component and for which the Group adopts the practical expedient, the Group initially measures a financial asset at fair value plus transaction costs, if an asset is not classified at fair value through profit or loss.

Trade receivables that do not have a significant financial component and for which the Group adopts the practical expedient are measured at the transaction price calculated in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it must provide cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding. This assessment, known as the "cash flows that are solely payments of principal and interest" test, is performed for each financial instrument.

The business model established for managing financial assets concerns the way financial assets are managed by the Group with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets or both.

Classification of financial assets

(i) Financial assets measured at amortised cost (debt instruments and receivables)

Fixed income debt instruments and receivables that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held taking into account a business model whose objective is to preserve it in order to receive its contractual cash flows; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the corresponding interest during its life.

For financial assets that are not acquired or originated with impairment (i.e. assets impaired on initial recognition), the effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of principal repayments plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any impairment losses.

Interest-related revenue is recognised in the consolidated income statement under the line item 'Financial income', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through income statement. Interest revenue is calculated by applying the effective interest rate to the financial asset's gross carrying amount.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in the income account when the asset is derecognised, modified or becomes impaired.

(ii) Financial assets at fair value through other comprehensive income (debt instruments)

Debt instruments and receivables that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held taking into account a business model whose objective provides for both receiving its contractual cash flows and its disposal; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

In the case of debt instruments measured at fair value through other comprehensive income, the interest earned, exchange rate differences and impairment losses and reversals are recorded in the income account and calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recorded in other comprehensive income.

Upon derecognition, changes in fair value accumulated under other comprehensive income are transferred (recycled) to profit or loss.

There were no financial assets in these conditions as at 31 December 2021 and 2020.

(iii) Financial assets at fair value through other comprehensive income (capital instruments)

In the initial recognition, the Group can make an irrevocable choice (on a financial-instrument-by- financial-instrument basis) to state certain investments under equity instruments (shares) at fair value through other comprehensive income when these fulfil the definition of capital provided for under IAS 32 Financial instruments: Presentation and not held for trading. Classification is determined on an instrument-by- instrument basis.

The fair-value designation through other comprehensive income is not permitted if the investment is held for trading purposes or when resulting from a contingent consideration recognised as part of a business combination.

A capital instrument is held for trading if:

- it is acquired chiefly for the purpose of short-term disposal;
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction expenses. Subsequently, they are measured at their fair value with gains and losses arising from their change, as recognised under other comprehensive income. At the time of its disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the consolidated income statement, but, rather, merely transferred to the line item 'Retained Earnings'.

Dividends associated with investments in equity instruments recognised at fair value through other comprehensive income are recognised in the consolidated income statement when they are attributed / resolved on, unless the same clearly represent a recovery on the part of the investment cost. Dividends are recorded in the consolidated income statement under the line item 'Financial income.'

In the first application of IFRS 9, the Group designated investments in equity instruments that were not held for trading as stated at fair value through profit or loss.

(iv) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the income statement. These financial assets include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value.

Financial assets recorded at fair value through the income statement are measured at fair value obtained at the end of each reporting period. The corresponding gains or losses are recognised in the consolidated income statement, except if they are part of a hedging relationship.

<u>Financial asset impairment</u>

The Group recognises an adjustment for expected credit losses for all debt instruments not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due and all cash flows that the Group expects to receive, discounted at a rate close to that of the original effective interest rate. The expected cash flows include cash flows from the disposal of collateral held or any other credit guarantees that are an integral part of the contractual terms and conditions.

Expected cash losses are recognised in two stages: (i) for situations where there has not been a significant increase in credit risk since initial recognition, expected credit losses are those that could result from default events that may occur within the subsequent 12 months; (ii) for situations where there has been a significant increase in credit risk since initial recognition, an impairment loss is calculated for all expected credit losses throughout the asset's life, regardless of when default occurred.

For trade receivables and assets associated with contracts with customers, the Group applies a simplified approach when calculating expected credit losses.

The Group therefore does not monitor changes to credit risk, but instead recognises the impairment loss based on the expected credit loss throughout the asset's life, at each reporting date. The Group has established an impairment matrix based on the credits previously lost, adjusted for specific forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset to be in default when it is more than 180 days past due. In certain cases, the Group may also consider that a financial asset is in default when internal and external information indicates the Group is unlikely to receive the full amount it is owed without having to call its guarantees. In addition, the Group maintains impairments recognized in previous years as a result of specific past events and based on specific balances analyzed on a case-by-case basis.

A financial asset is derecognised when there is no reasonable expectation of recovering contractual cash flows.

Derecognition of financial assets

A financial asset (or, where applicable, a part of the financial asset or of a group of financial assets) is derecognised (i.e., removed from the Statement of Financial Position) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Group transferred its contractual rights to receive cash flows resulting from the financial asset or undertook an obligation to pay the cash flows received in full within a short period under an agreement in which the Group i) has no obligation to pay any amounts to final recipients unless it receives equivalent amounts resulting from the original asset; ii) is prohibited by the terms of the transfer agreement to sell or pledge the original asset other than as a guarantee to the final recipients due to the obligation to pay them cash flows; and iii) the Group has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays; and
- The Group substantially transferred all of the asset's risks and benefits, or the Group did not substantially transfer or retain all the assets and benefits of the asset but has transferred control over the asset.

When the Group transfers its rights to receive cash flows from an asset or is party to an agreement that may allow derecognition, it assesses whether, and to what extent, the risks and benefits associated with the ownership of the asset have been retained.

When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset has not been transferred, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Group also recognises the corresponding liability. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations retained by the Group.

If the Group's continuing involvement takes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lowest between the asset's original book value and the maximum amount of consideration received that the Group might pay.

Subsequently, customer balances represented by discounted bills but not due and receivables transferred in factoring at the date of each statement of financial position, except for "factoring without recourse" transactions (and for which the risks and benefits inherent to these receivables are unequivocally transferred), are recognised in the Group's financial statements up to the time they are received.

(v) Financial liabilities and equity instruments

Classification as financial liability or as equity instrument

Financial liabilities and equity instruments are classified as liability or as equity according to the transaction's contractual substance.

Equity

The Group considered equity instruments to be those where the transaction's contractual support shows that the Group holds a residual interest in a set of assets after deducting a set of liabilities.

The equity instruments issued by the Group are recognised at the amount received, net of costs directly attributable to their issue.

The repurchase of equity instruments issued by the Group (own shares) is accounted for at its acquisition cost as a deduction from equity. Gains or losses inherent to disposal of own shares are recorded under the line item 'Other reserves.'

Financial liabilities

After initial recognition, every financial liability is subsequently measured at amortised cost or at fair value through income statement.

Financial liabilities are recorded at fair value through profit or loss when:
- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated to be recorded at fair value through profit or loss.

A financial liability is classified as held for trading if:
- it is acquired chiefly for the purpose of short-term disposal; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Group jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Financial liabilities recorded at fair value through consolidated income statement are measured at their fair value with the corresponding gains or losses arising from their variation, as recognised in the consolidated income statement, except if assigned to hedging transactions.

Financial liabilities subsequently measured at amortised cost

Financial liabilities not designated for recording at fair value through income statement are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the corresponding interest during its life.

The effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are categorised as non-current liabilities when they are guaranteed to be placed for more than one year, and the Group's Board of Directors intends to use this source of funding also for more than one year.

Following their initial recognition, loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recorded in the income account when liabilities are derecognised and through amortisation resulting from the effective interest method. The amortised cost is calculated taking into account any acquisition discount or premium and the fees and other costs that are an integral part of the effective interest rate. The effect of effective interest is recorded under financial costs in the income account.

Other financial liabilities basically refer to factoring transactions and lease liabilities, which are initially recorded at their fair value. Following their initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are settled, cancelled or have expired.

The difference between the derecognised financial liability's carrying amount and the consideration paid or payable is recognised in the consolidated income statement.

When the Group and a given creditor exchange a debt instrument for another containing substantially different terms, said exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability.

Likewise, the Group accounts for substantial modifications to the terms of an existing liability, or to a part thereof, as an extinction of the original financial liability and the recognition of a new financial liability.

If the modification is not substantial, the difference between: (i) the liability's carrying amount prior to modification; and (ii) the present value of future cash flows after modification is recognised in the consolidated income statement as a modification gain or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the consolidated statement of financial position if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

Derivative instruments and hedging accounting

When deemed relevant, the Group uses financial derivative instruments, such as forward exchange rate contracts and interest rate swaps to hedge its foreign exchange and interest risks, respectively.

Such derivatives are initially recorded at fair value at the date they are contracted and are subsequently measured at fair value. Changes in the fair value of these instruments are recorded in equity under "Hedging reserves" and then recognised in the income account over the same period in which the hedged instrument affects profit or loss.

Derivatives are presented in assets when their fair value is positive, and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:
- Fair value hedge, when the purpose is to hedge exposure to changes in the fair value of a recorded asset or liability or an unrecorded Group commitment.
- Cash flow hedge, when the purpose is to hedge exposure to cash flow variability arising from a specific risk associated with a recorded asset or liability, in whole or in part, or a highly probable transaction or the foreign exchange risk associated with an unrecorded Group commitment.

At the beginning of the hedging relationship, the Group formally designates and documents the hedging relationship for which it intends to apply hedge accounting, as well as the managerial and strategic purpose of that hedge.

These documents include the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged, and how the Group assesses whether the hedging relationship complies with the hedge accounting requirements (including an analysis of the sources of hedging ineffectiveness and how it determines the hedge rate). The hedging relationship is eligible for hedge accounting if it meets all of the following hedge effectiveness requirements:

(i) There is an economic relationship between the hedged item and the hedging instrument;
(ii) The credit risk effect does not dominate the changes in value that result from this economic relationship; and
(iii) The hedge ratio of the hedging relationship is the same as that resulting from the portion of the hedged item that an entity is actually hedging and the portion of the hedging instrument that the entity actually uses to hedge that portion of the hedged item.

Hedging relationships that meet the above eligibility criteria are accounted for as follows:

Fair value hedge

The change in the fair value of the hedging instrument is recorded in the income account. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recorded in the income account.

To hedge the fair value of items measured at amortised cost, any adjustment to the book value is amortised in the income account over the remaining hedging period using the effective interest method. Amortisation using the effective interest method starts when there is an adjustment and never after the moment when the hedged item ceases to be adjusted by changes in fair value attributable to the risk that is being hedged.

If the hedged item is derecognised, the fair value to be amortised is immediately recorded in the income account.

When an unrecorded commitment is designated as a hedged item, subsequent accumulated changes in the fair value of the Group's commitment attributable to the hedged risk are recognised as an asset or liability and the corresponding gain or loss is recorded in the income account.

Cash flow hedge

The effective portion of the gain or loss on the hedging instrument is recognised as other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the values between the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

The Group uses forward exchange contracts to hedge exposure to foreign exchange risk in expected transactions and commitments undertaken. The ineffective portion related to exchange contracts is recognised in the income account.

The Group designates only the sight element of forward contracts as a hedging instrument. The forward element is recognised under other comprehensive income and accumulated in a separate equity component.

Cumulative amounts under other comprehensive income are accounted for based on the nature of the corresponding hedging relationship. If the hedging relationship subsequently results in the registration of a non-financial item, the cumulative amount is removed from the separate equity component and included in the initial cost or book value of the hedged asset or liability. This is not a reclassification adjustment and should not be recorded under other comprehensive income for the period. This also applies when an expected transaction covered by a non-financial asset or a non-financial liability becomes a Group commitment subject to hedge accounting.

For all other cash flow hedges, the cumulative amount under other comprehensive income is reclassified to the income account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income account.

If the cash flow hedge accounting is interrupted, the cumulative amount under other comprehensive income shall remain if hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is immediately reclassified to the income account as a reclassification adjustment. After the interruption, as soon as the hedged cash flows occur, any cumulative amounts remaining under other comprehensive income should be accounted for in accordance with the nature of the underlying transaction as described above.

During the 2021 and 2020 periods, no derivative financial instruments were contracted to hedge interest rate or exchange rate risks.

i) Cash and cash equivalents

The amounts included under the line item 'Cash and cash equivalents' correspond to cash amounts, bank deposits, term deposits, and other treasury applications, maturing in less than three months, and are subject to insignificant risk of change in value.

In terms of statement of cash-flows, the line item 'Cash and cash equivalents' also comprises bank overdrafts included under the current liability line item 'Bank loans.'

j) Statement of cash flows

The statement of cash-flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is categorised under operating (which include receipts from customers, payments to suppliers, payments to personnel and others related to operating activities), financing (which include payments and receipts related to borrowings, lease liabilities and dividend payments) and investment activities (which include acquisitions and disposals of investments in subsidiaries and receipts and payments arising from the purchase and sale of property, plant and equipment).

k) Contingent assets and liabilities

Contingent liabilities are defined by the Group as: (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not under full control of the Group, or (ii) present obligations arising from past events but that are not recognised because it is unlikely that a cash flow affecting economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Group's financial statements and are disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the Group.

Contingent assets are not recognised in the Group's financial statements being disclosed only when a future economic benefit is likely to occur.

l) Income tax

Income tax for the period is calculated based on the taxable results of the companies included in the consolidation and considers deferred taxation.

Current income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the tax regulations in force.

The subsidiaries included in the Cofina Group's scope of consolidation using the full consolidation method, and which are based in Portugal, are taxed under the special taxation regime for groups, pursuant to art. 69 of the Portuguese Corporate Income Tax Code. ("Código do Imposto sobre o Rendimento de Pessoas Coletivas").

The Group recognises the gain with tax incentives to investment in the form of tax breaks in accordance with the criteria set forth under 'IAS 12 – Income tax' for recognising gains with tax credits. This way, the gain is recognised at the time when the right to its use is obtained, while recognising a 'deferred tax asset' if all of those tax credits cannot be used in the period and if, in the future, the Group is expected to manage sufficient results to allow for their use.

Deferred taxes are calculated using the financial position statement liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or substantially in force at the expected date of reversal of temporary differences.

The measurement of deferred tax assets and liabilities:
- It is conducted in accordance with the expected rates to be applied in the period the asset is realised or the liability is settled, based on the tax rates approved on the date of the statement of financial position; and
- It reflects the tax consequences arising from the way the Group expects, on the date of the statement of financial position, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period, a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred taxes are not recognised in respect to temporary differences associated with investments in associates, since the following conditions are simultaneously considered to be met:
- The Group is able to control the timing of the temporary difference reversal; and
- It is likely that the temporary differences will not be reversed in the foreseeable future.

Deferred taxes are recorded as expenses or income for the period, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

In accordance with IFRIC 23 - Uncertainties in the treatment of income taxes, the Cofina Group presents uncertain tax positions related to income taxes under the line Current income taxes or Deferred taxes.

m) Revenue

Revenue is measured in accordance with the retribution specified in the agreements established with customers and excludes any third party amount received. This way, the Group recognises revenue when it transfers control over a given asset or service to the customer.

The Group's sources of revenue are detailed in Note 25. Sales, Services Rendered and Other Income.

The Group recognises revenue according to IFRS 15, which sets forth that an entity recognises revenue in order to reflect the transfer of goods and services contracted by customers, in the retribution amount to which the entity expects to be entitled to receive as consideration for delivery of said goods or services, based on the 5-step model below:

1. contract identification with a client;
2. performance obligation identification;
3. pricing of the transaction;
4. allocation of the transaction price to performance obligation; and
5. recognition of revenue when or as the entity meets a performance obligation.

Revenue is recognised net of bonuses, discounts and taxes (example: commercial discounts and quantity discounts) and refers to the consideration received or receivable of the goods and services sold in line with the Group's aforementioned types of business.

The sales of magazines and newspapers as well as of alternative marketing products incorporate a unique performance obligation that is fulfilled when publications are made available on newsstands or on the digital platform.

The revenue resulting from the subscription of magazines and newspapers is deferred over the subscription period (usually one year or less).

The services rendered related to the sale of advertising space in the Group's publications incorporates a single performance obligation that is fulfilled at the time of publication of the advertisement.

The performance obligation associated with television broadcasting rights is met in the broadcasting period by the operator, which is the criterion currently used by the Group to recognise the revenue.

Finally, the performance obligation associated with the graphic printing activity, exercised by one of the subsidiaries, is fully complied with at the time the service is provided.

For each contract, the Group assesses whether it contains other commitment that are separate performance obligations and to which a portion of the transaction price should be allocated (for example, guarantees and loyalty credits). When determining the transaction price, the Group takes into account possible variable remunerations, the existence or not of a significant financing component, non-monetary receivables and the possibility of there being remunerations payable to the customer.

(i) Variable remuneration

If the remuneration provided for in a contract includes a variable component, the Group estimates the amount that it considers to be entitled to receive in exchange for the transfer of the goods to the customer. The variable component is estimated at the beginning of the contract and is restricted in case of uncertainty until it is highly probable that a significant reversal of recognised revenue will not occur when the uncertainty associated with the variable remuneration component is finally resolved.

Right of return

Some contracts, namely the contract with the company VASP – Sociedade de Transportes e Distribuições, Lda., grant the customer the right to return the product within a certain period of time. Based on the historical information, the Group estimates the quantity of goods that will not be returned.

The requirements of IFRS 15 regarding the restriction of the estimated variable remuneration amounts are also applicable to determine the value of the returns to be considered in the transaction price.

Quantity discounts

The Group offers retrospective volume discounts to certain customers when a certain volume of advertisement investment made in a certain period of time exceeds a certain limit provided for in the contract. Discounts are recorded as credit in the customer's receivables. In order to estimate the variable remuneration associated with the expected amount of quantity discounts granted, the Group uses historical data relating to each customer.

IFRS 15 requirements regarding the restriction of the estimated variable remuneration amounts are also applicable, and the Group records a liability related to the amount of discounts to be granted.

(ii) Significant financial component

Using the practical expedient provided for in IFRS 15, the Group does not adjust the remuneration amount to the financial effect when it has the initial expectation that the period between the transfer of the good or service to the customer and the moment when the customer pays for that good or service is less than one year.

The same happens when the Group receives short-term advances from customers - in this case, the amount of the remuneration is also not adjusted to the financial effect.

In cases where the Group receives long-term advances from its customers, the transaction price of those contracts is discounted using a rate that reflects what would happen in the autonomous financing transaction between the Group and its customers at the beginning of the contract, in order to take into account the significant financial component.

Assets associated with contracts with customers

A customer agreement asset is a right to receive a remuneration in exchange for goods or services transferred to the customer. If the Group delivers the goods or provides the services to a customer before the customer pays the remuneration or prior to the remuneration falling due, the contractual asset corresponds to the conditional remuneration amount.

Trade receivables

A receivable represents the Group's unconditional right (i.e., it depends only on the passing of time until the remuneration falls due) to receive the remuneration.

Liabilities associated with contracts with customers

A customer agreement liability is the obligation to transfer goods or services for which the Group has received (or is entitled to receive) remuneration from a customer. If the customer pays the remuneration before the Group transfers the goods or services, a contractual liability is recorded when payment is made or when it falls due (whichever happens first). Contractual liabilities are recognised as revenue when the Group fulfils its contractual performance obligations.

Assets and liabilities related to rights of return

Assets related to the right to return correspond to the Group's right to recover the goods estimated to be returned by its customers. The asset is measured at its previous inventory cost, net of estimated costs to recover the assets, including potential losses in value of the returned assets. The Group regularly updates the measurement of assets in these circumstances, reviewing the estimated value of returns as well as additional devaluations of returned goods.

A liability related to the right to return is the obligation to fully or partially reimburse the remuneration received (or receivable) from the customer and is measured at the amount that the Group expects to reimburse the customer.

The Group updates the estimate of liabilities to be reimbursed (and the corresponding change in transaction prices) at the end of each reporting period - see considerations on variable remuneration above.

n) Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the line items 'Other current assets', 'Other current liabilities', 'Other non-current assets', and 'Other non-current liabilities.'.

o) Balances and transactions expressed in foreign currency

All assets and liabilities expressed in foreign currency were converted to Euros using official currency exchange rates in force on the date of the statement of financial position.

Favourable and unfavourable currency exchange differences originated by the differences between currency exchange rates applicable on the transaction date and those applicable on the collection date, payments or on the date of the statement of financial position, of those same transactions, are recorded as income and expenses in the consolidated income statement for the period, except those regarding non-monetary amounts whose change in fair value is recorded directly in equity.

p) Subsequent events

The events occurring after the date of the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the Group's financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the Notes to the financial statements.

q) Information by segments

In each period, the Group identifies the most adequate segment division taking into consideration the business areas in which the Group is present. Operating segment is a group of assets and operations of the Group whose financial information is used in the decision-making process developed by Group management.

The operating segments are presented in these financial statements in the same way as they are presented internally in the analysis of the evolution of the Group's activity.

The report’s accounting policies by segments are those consistently used within the Group. Intersegmental sales and service provisions are all shown at market prices, and all these are eliminated on the consolidation process.

The Cofina Group's activities currently focus on the Press and Television segments. Information on revenue from the identified business segments is disclosed in Note 32.

r) Assets held for sale and discontinued operations

This category includes assets or groups of assets whose corresponding value is realisable through a sale transaction or, jointly, as a group in a single transaction, and liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at either the corresponding book value or the fair value net of selling costs, whichever is lower.

In order for this situation to occur, the sale needs to be highly likely (expected to be completed within 12 months), and the asset needs to be available for immediate sale under current conditions; moreover, the Group needs to have committed to said sale.

Amortization of assets under these conditions ceases from the moment when they are categorised as held for sale and are shown as current in appropriate lines for assets, liabilities and equity. A discontinued operating facility is a component (operating facilities and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, of the rest of the entity) of an entity that either was disposed of or is categorised as held for sale, and:

(i) represents a major business line or separate geographical area of operations;
(ii) it is an integral part of a single coordinated plan for disposing of an important business line or separate geographical area of operations; or
(iii) it is a subsidiary acquired solely for resale purposes.

The results of discontinued operating facilities are given as a single amount in the income statement, comprising gains or losses after taxes of the discontinued operating facilities, plus gains or losses after taxes recognised in the fair-value measurement net of selling costs or in the disposal of assets or of one or more group for disposal that constitute the discontinued operating facility.

Balances and transactions between continued operations and discontinued operations are eliminated to the extent they represent operations no longer to be carried out by the Group.

As of 31 December, 2021 and 2020, there were no assets held for sale and discontinued operations.

2.4 JUDGEMENTS AND ESTIMATES

In preparing the consolidated financial statements, in accordance with the accounting standards in force (Note 2.1), the Group's Board of Directors adopted certain assumptions and estimates affecting assets and liabilities, as well as income and expenses incurred in relation to the reported periods. All of the estimates and assumptions by the Board of Directors were carried out based on their existing best knowledge, on the date of approval of financial statements, events, and ongoing transactions.

The main value judgements and most significant estimates conducted and used in preparing consolidated financial statements include:

a) Impairment tests on Goodwill, property, plant and equipment and intangible fixed assets, as well as financial investments
Impairment analyses require determining fair value and / or the use value of the assets in question (or of some cash-generating units). This process calls for a high number of relevant judgements, namely estimating future cash flows associated with assets or with the corresponding cash-generating units and determining an appropriate discount rate for obtaining the present value of the aforementioned cash flows. In this regard, the Group once again established the requirement calling for use of the maximum possible amount of observable market data. It further established calculation monitoring mechanisms based on the critical challenge of reasonability of assumptions used, their coherence and consistency (in similar situations).
As of 31 December 2021 and 2020, an analysis was also carried out regarding the recoverability of the collateral included in the item "Other financial investments". For this analysis, the Board of Directors took into account all the information available, current and known at the time, as well as the support of Grupo Cofina's legal advisors.

b) Provisions
The outcome of ongoing legal and tax proceedings, as well as the respective need to set up provisions, is estimated based on the opinion of the Group's lawyers/legal advisors. The Group's lawyers/legal advisors have the technical skills and detailed knowledge of the proceedings that allow them to deal with the uncertainty inherent to the outcome of proceedings of this nature.

c) Calculation of the incremental interest rate in the lease agreements
As mentioned in Note 2.3 c), the Group uses its interest rate incremental to the lease start date, since the interest rate implicit in the contract is not readily determinable. Changes in this assumption may imply valuations / devaluations of these assets and liabilities.

d) Determining impairment losses in receivables
Impairment losses in receivables are determined as shown under Note 2.3 h). This way, determining impairment through individual analysis amounts to the Group's judgement regarding the economic and financial situation of its customers and to its estimate on the value attributed to any existing guarantees, with the subsequent impact on expected future cash flows. On the other hand, expected impairment losses in credit granted are determined considering a set of historical information and assumptions, which might not be representative of the future uncollectability from the Group's debtors.

e) Useful life of property, plant and equipment and of intangible fixed assets
The Group revises the estimated useful lives of its tangible and intangible assets on each reporting date. Assets' useful lives depend on several factors related both to their use and to the Group's strategic decisions, and even to the economic environment of the various companies included in the scope of consolidation.

Estimates and assumptions were determined based on the best available information on the date when consolidated financial statements are prepared and on the basis of the best knowledge and on experience with past and/or current events. However, there are situations that could occur in subsequent periods which, while not foreseeable on that date, were not considered in those estimates. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates. Changes to those estimates, which occur subsequent to the date of the consolidated financial statements, will be corrected in the profit-and-loss statement on a prospective basis, as provided for under IAS 8 – Accounting Policies, Changes to Accounting Estimates and Errors.

2.5 CHANGES IN ACCOUNTING POLICIES AND ERROR CORRECTION

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the period, there were no voluntary changes in accounting policies. Likewise, no material errors were recognised in relation to previous periods.

3. FINANCIAL RISK MANAGEMENT

The Cofina Group is basically exposed to: (a) market risk; (b) liquidity risk; (c) credit risk; and (d) capital risk. The main objective of the Board of Directors in terms of risk management consists of reducing these risks to a level deemed acceptable for carrying on the Group's business. The risk management policy's guiding principles are outlined by Cofina's Board of Directors, which determines acceptable risk limits. The operational implementation of the risk management policy is carried out by the Board of Directors and by the Management at each participated company.

a) Market risk

Exchange rate risk and interest rate risk are of particular importance in market risk management.

a. Exchange rate

The impact of changes in exchange rates on the financial statements is reduced, as most of the operating flows are contracted in Euros. Accordingly, the Group's Board of Directors believes that any changes in the exchange rate will not have a significant effect on the consolidated financial statements.

Occasionally and whenever necessary, the Group seeks to hedge its exposure to exchange rate variability by using derivative financial instruments, considering possible transactions with non-resident entities and established in a currency other than the Euro, in which exchange rate variations may have a relevant impact on the Group's performance, whenever applicable and considered necessary to reduce the volatility of its results.

No derivatives instruments were contracted to hedge exchange rate risks during the 2021 and 2020 periods.

b. Interest rate risk

Interest rate risk is essentially related to the Group's debt level indexed to variable rates, which could expose the cost of debt to a volatility risk.

The Group, whenever necessary, uses derivative instruments or similar transactions for the purpose of hedging interest rate risks deemed significant. Three principles are used in selecting and determining interest rate hedging instruments:

- For every derivative or hedging instrument used for protecting against risk associated with a given financing, there was an overlap of the dates of interest flows paid in the hedged financing and the settlement dates under the hedging instruments;

- Perfect equivalence between the basic rates: the indexing used in the derivative or hedging instrument should be the same as that which applies to the financing/transaction being hedged; and

- Since the start of the transaction, the maximum indebtedness cost, resulting from the hedging operation performed, is known and limited, even in scenarios of extreme changes in market interest rates, so that the resulting interest rates are within the cost of the funds considered in the Group's business plan.

Since the Cofina Group's overall indebtedness is indexed at variable rates, interest rate swaps are used, when such is deemed necessary, as a way to protect against future cash flow changes associated with interest payments. The economic effect of the interest rate swaps put under contract consists of taking the corresponding loans associated with variable rates and converting them to fixed rates. Under these agreements, the Group agrees with third parties (Banks) on the exchange, in pre-set time periods, of the difference between the amount of interest calculated at the fixed rate under contract and at the variable rate of the reset time, in reference to the corresponding notional amounts agreed upon.

(Amounts expressed in euro)

The hedging instrument counterparties are limited to credit institutions of high credit quality. It is the Group's policy to favour putting these instruments under contract with banking entities that are part of its financing operations. For the purpose of determining the counterparty in one-time operations, the Cofina Group asks for propositions and indicative prices to be submitted to a representative number of banks so as to ensure adequate competitiveness for these operations.

In determining fair value of hedging operations, the Cofina Group uses certain methods, such as option assessment models and future cash-flow updating models, while using certain assumptions based on the conditions of prevailing market interest rates on the date of the consolidated statement of financial position. Comparative quotes from financial institutions, for specific or similar instruments, are used as an assessment benchmark.

The Cofina Group's Board of Directors approves the terms and conditions of financing deemed material for the Group. As such, it examines the debt structure, the inherent risks and the different existing options in the market, namely regarding the type of interest rate (fixed/variable).

During the 2021 and 2020 periods, no derivatives were contracted to hedge interest rate risks.

In the periods ended 31 December 2021 and 2020, the Group's sensitivity to changes in the interest rate benchmark of 1 percentage point more or less, measured as the change in the financial results, is detailed as follows:

	31.12.2021	31.12.2020
Interest expenses and bank commissions (Note 28)	918,417	1,419,207
A 1 p.p. decrease in the interest rate applied to the entire debt	(519,499)	(554,326)
A 1 p.p. increase in the interest rate applied to the entire debt	519,499	554,326

The sensitivity analysis above was calculated based on the exposure to the existing interest rate on the date ending each period. This analysis' basic assumption was that the financing structure (remunerated assets and liabilities) remained stable throughout the year and similar to that shown at the end of every period, with the rest remaining constant.

b) Liquidity Risk

The main objective of the liquidity risk management policy is to ensure that the Group has the capacity to settle or meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties within the stipulated time frame.

The Group defines as an active policy (i) to maintain a sufficient level of free and immediately available resources to meet the necessary payments upon maturity, (ii) to limit the probability of default on the repayment of all its investments and loans by negotiating the extent of the contractual clauses, and (iii) to minimise the opportunity cost of holding excess liquidity in the short term.

The Group also seeks to make the due dates of assets and liabilities compatible, by streamlining the management of their maturities.

As at 31 December 2021, the consolidated financial statements show that current assets are approximately EUR 36 million lower than current liabilities (EUR 51 million as at 31 December 2020). However, the Group's Board of Directors believes that, based on the available credit lines (Note 19) in the amount of approximately EUR 12.6 million (EUR 15.1 million as at 31 December 2020), the renewal of bank overdrafts and commercial paper programs, as well as on an expected release of operating cash flows in the next period, this imbalance is duly mitigated.

(Amounts expressed in euro)

We refer to information included in note 19. Bank loans and Other loans.

c) Credit risk

The Group's exposure to credit risk is mostly associated with accounts receivable arising from its operating and treasury activity. Credit risk refers to the risk of a counterparty defaulting on its contractual obligations, resulting in a loss for the Group.

The credit risk assessment is carried out on a regular basis, taking into account the economic conditions at any given time and the specific credit position of each of the companies, adopting corrective procedures where appropriate.

The Group has no significant credit risk concentrated on any particular customer or group of customers or with similar characteristics, as accounts receivable are divided between a large number of customers.

d) Capital risk

Cofina Group's capital structure, determined by the proportion between equity and net debt, is managed so as to make sure its operating activities continue and it carries on its business, while maximising shareholder return and optimising financing expenses.

The Group periodically monitors its capital structure, identifying risks, opportunities and necessary adjustment measures aimed at achieving the aforementioned goals.

As at 31 December 2021 and 2020, the Cofina Group presented a gearing ratio of 112% and 89%, respectively.

Gearing ratio = total equity / net debt, where net debt is the algebraic sum of the following items of the consolidated statement of financial position: other loans; bank loans; refundable incentives; lease liability and (-) Cash and cash equivalents.

4. INVESTMENTS

4.1 SUBSIDIARIES INCLUDED IN CONSOLIDATION

The companies included in the consolidation by the full consolidation method, respective registered offices, proportion of capital held and main activity as at 31 December 2021 and 2020 are detailed as follows:

Designation	Headquarters	Percentage participation held		Activity
		2021	2020	
Parent company:				
Cofina, SGPS, S.A.	Porto			Investment management
Cofina Media Group				
Cofina Media, S.A. ("Cofina Media")	Lisboa	100.00%	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")	Lisboa	100.00%	100.00%	Newspapers print

These companies were included in Cofina Group's consolidated financial statements using the full consolidation method, as disclosed in Note 2.2 a).

4.2 IINVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Joint ventures and associates, corresponding registered offices, proportion of capital held, business conducted and financial position as at 31 December 2021 and 2020 are detailed as follows:

(Amounts expressed in euro)

Designation	Headquarters	Percentage participation held		Activity
		2021	2020	
VASP – Sociedade de Transportes e Distribuições, Lda. ("VASP")	Lisboa	50%	33.33%	Publications distribution
Mercados Globais – Publicação de Conteúdos, Lda. ("Mercados Globais").	V.N. Gaia	50%	50%	Management services and promotion of a financial forum on the internet
A Nossa Aposta – Jogos e Apostas Online, S.A. ("A Nossa Aposta").	Lisboa	40%	40%	Online gambling and betting activity

In the joint venture investments presented above, decisions at the General Meeting are taken unanimously, and in the Board of Directors the number of members is equal, decisions are taken unanimously, and the parties have joint control. Joint ventures and associates were included in Cofina Group's consolidated financial statements using the equity method, as disclosed in Note 2.2 b).

As at 31 December 2021 and 2020, the summarised financial information of the Group's joint ventures and associates is detailed as follows:

	31.12.2021			31.12.2020		
	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)
Non-current assets	15,810,443	31,776	—	15,393,274	153,560	—
Current assets	23,697,890	1,664,780	12,056	25,149,316	986,819	10,358
Non-current liabilities	2,002,713	—	—	2,200,142	—	—
Current liabilities	31,857,924	1,068,916	4,955	31,609,369	741,128	2,643
Equity	5,647,696	627,640	7,101	6,733,079	399,251	7,715

	31.12.2021			31.12.2020		
	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)
Turnover	189,221,197	3,072,580	38,400	185,237,931	4,518,956	38,400
Other operating income	347,825	—	—	281,841	—	—
Operating expenses	(187,066,283)	(4,653,781)	(39,014)	(187,138,508)	(4,535,079)	(38,656)
Depreciation and amortisation expenses	(3,301,694)	(120,327)	—	(1,092,646)	(126,496)	—
Financial expenses	(227,191)	(84)	—	(196,094)	(408)	—
Income tax	137,252	—	—	551,133	—	—
Net income for the year	(888,894)	(1,701,612)	(614)	(2,356,343)	(143,027)	(256)

(a) The indicators presented are based on unaudited provisional financial statements.

During the periods ended 31 December 2021 and 2020, changes in the amount of the investments in joint ventures and associates were as follows:

	31.12.2021				31.12.2020			
	VASP	A Nossa Aposta	Mercados Globais	Total	VASP	A Nossa Aposta	Mercados Globais	Total
Investments in joint ventures and associates								
Balance as at 1 January	2,244,360	159,700	3,858	2,407,918	3,003,681	216,911	5,879	3,226,471
Acquisitions in the year	1,050,000	—	—	1,050,000	—	—	—	—
Supplementary installments	—	1,430,000	—	1,430,000	—	—	—	—
Equity method								
Effect on gains and losses regarding joint ventures and associates (Note 28)	(298,501)	(1,338,644)	(308)	(1,637,453)	(759,321)	(57,211)	(2,021)	(818,553)
Other				—	—	—	—	—
Closing balance	2,995,859	251,056	3,550	3,250,465	2,244,360	159,700	3,858	2,407,918

(Amounts expressed in euro)

Among the preliminary financial statements considered in determining the effect of applying the equity method and the approved and audited financial statements of the associate VASP with reference to December 31, 2020, it was determined in the Group's share in the associate's net results, a negative differential in the amount of 65,497 (positive 26,126 euros with reference to December 31, 2019), which, given its immateriality, was recognized in the income statement for the year 2021 and 2020, respectively.

On February 14th, Cofina Group informed the market that its subsidiary Cofina Media, S.A. agreed to acquire, on February 12th 2021, 111,000 shares representing 16.67% of the share capital of Vasp - Distribuidora de Publicações, S.A. ("VASP"), in partial exercise of its preemptive right as an existing shareholder of VASP. As a result of this transaction, Cofina Media now holds 50% of VASP's share capital.

As at 31 December 2021 and 2020, the net book value of the Group's investment in joint ventures and associates is detailed as follows:

	31.12.2021			31.12.2020		
	VASP	A Nossa Aposta	Mercados Globais	VASP	A Nossa Aposta	Mercados Globais
Equity	5,647,696	627,640	7,101	6,733,079	399,251	7,715
Percentage of share capital held	50.00 %	40.00 %	50.00 %	33.33 %	40.00 %	50.00 %
Group's share in equity	1,945,859	251,056	3,550	2,244,360	159,700	3,858
Acquisitions in the year	1,050,000	—	—			
Goodwill included in the net book value of the investment	—	—	—	—	—	—
	2,995,859	251,056	3,550	2,244,360	159,700	3,858

4.3 OTHER FINANCIAL INVESTMENTS

As at 31 December 2021 and 2020, the Group had other financial investments corresponding to minority shareholdings in unlisted companies for which impairment losses were recorded on those dates, in the amount of EUR 5,510. As at 31 December 2021 and 2020, the total amount of financial investments for which impairment losses were recorded amounted to EUR 171,754 (Note 20).

At December 31, 2021 and 2020, "Other financial investments" also includes the guarantee of an amount of 10 million euros in the context of the Share Purchase and Sale Agreement ("SPA") entered into on September 20, 2019 with Promotora de Informaciones, S.A. for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A. ("Vertix"), which, as of the date of execution of the SPA, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A. ("Media Capital"), the SPA was subject to (i) the verification of a number of Conditions Precedent and (ii) the payment by Cofina to Prisa of a Down Payment in the amount of Euro 10,000,000.00 (ten million Euros). This escrow account is deposited in a financial institution.

On April 15, 2020, Cofina Group informed the market that it had been notified of a Request for Arbitration ("Request"), filed by Promotora de Informaciones, S.A. ("Prisa") before the Câmara do Comércio e Indústria Portuguesa (CCIP), claiming the right to be paid by the Escrow Agent (Banco BPI, S.A.) the amount of 10 million Euros deposited therein as down payment. Additionally, Prisa makes a claim for damages in which it claims that Cofina should be condemned to pay the damages it considers it has suffered.

Cofina, supported by its legal advisors, considers that Prisa's claims lack any basis and presented the appropriate answer, contesting each argument presented with the proper justification.

It is, therefore, the understanding of the Board of Directors of Cofina, based on available information, current and known to date, supported by its legal advisors, that the amount will be returned to the Group, reason why it did not proceed to the registration of any adjustment on the balance presented in the assets of the Group, and will not be condemned to pay any amount to Prisa in any way.

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

(Amounts expressed in euro)

5. GOODWILL

As at 31 December 2021 and 2020, the net value of the "Goodwill" caption was detailed as follows:

	31.12.2021	31.12.2020
Newspapers	80,981,916	80,981,916
Newspapers - Portugal	80,067,457	80,067,457
Graphic printing	—	914,459
Magazines	1,101,264	1,101,264
	81,168,721	82,083,180

From the year ended December 31, 2014, and following an internal reorganization process of Cofina Group that culminated with the mergers completed in the year 2015, several subsidiaries were subject to incorporation by merger in Cofina Media, S.A. Goodwill is allocated to cash generating units. These cash generating units are the smallest identifiable group of assets generating cash inflows and are largely independent from the cash inflows of other assets or groups of assets.

Therefore, on 31 December 2021 and 2020, Goodwill is detailed as follows:

i. Magazines: constituted mainly by the subsidiary, meantime merged with Cofina Media, S.A. - Edirevistas – Sociedade Editorial, S.A. whose main publication refers to "TV Guia";

ii. Newspapers-Portugal: Constituted mainly by the companies, meantime merged with Cofina Media, S.A. - Presselivre – Imprensa Livre, S.A., whose main publications refer to the newspapers “Correio da Manhã”, and magazine “Sábado”;

iii. Graphic printing: constituted by "Grafedisport – Impressão e Artes Gráficas, S.A.", which provides graphic printing services for the media sector.

During the periods ended 31 December 2021 and 2020, the movement that occurred in Goodwill and corresponding impairment losses were detailed as follows:

	31.12.2021	31.12.2020
Gross value:		
Opening balance	91,972,490	91,972,490
Closing balance	91,972,490	91,972,490
Accumulated impairment losses:		
Opening balance	9,889,310	7,995,310
Impairment losses (Note 20)	914,459	1,894,000
Closing balance	10,803,769	9,889,310
Net value	81,168,721	82,083,180

During the year ended December 31, 2021 the variation in "Goodwill" is due to the impairment loss recorded in the Graphic printing, amounting to 914,459 Euros, respectively (Note 20).

Goodwill impairment tests are performed annually and whenever an event or a change in circumstances is identified as showing that the amount at which the asset is recorded may not be recovered. Whenever the amount at which the asset is recorded is higher than its recoverable amount, an impairment loss is recognised.

Goodwill impairment tests are performed using the discounted cash flow method, considering five-year financial cash flow projections for each cash-generating unit and the year of perpetuity from the fifth year onward.

Financial projections are prepared based on 'cash-generating units' activity development assumptions which the Board of Directors believes to be consistent with historical data and market trends, reasonable and prudent, and reflect their outlook. Additionally, when possible, market data from external entities was also taken into account and was compared with the Group's historical data and Group’s experience.

As disclosed in Note 2.4 a), the relevant assumption relates to determining the discount rate. The discount rate used reflects Cofina Group's level of indebtedness and cost of debt capital (considering that it is common), as well as the level of risk and profitability expected by the market. In determining the discount rate it is also important to note that the interest rate for Portuguese 10-year bonds is used as a reference for the component relating to the interest rate of a risk-free asset. The discount rates used also include a market premium risk.

Inflation and perpetuity growth rates are estimated based on an analysis of the market potential of each cash-generating unit and on the Group's expectations for future price and business development.

Compared to 31 December 2020, the main changes in the assumptions used in determining the recoverable value of the various cash-generating units are related to the discount rate, which went from 7.35% on 31 December 2020 to 7.34 % on 31 December 2021, and on the perpetuity growth rate, which went from 1.5% on 31 December 2020 to 1.3% on 31 December 2021. Regarding the assumptions of activity, we continue to project a reduction in circulation revenue and a gradual resumption of pre-covid activity over the projection periods.

Impairment tests for the period ended 31 December 2021:

Newspapers - Portugal:

The recoverable value of this cash-generating unit was determined considering the financial projections of newspapers sold in Portugal for a period of five years, a discount rate of 7.34% (7.35% on 31 December 2020) and a perpetuity growth rate of 1.3% (1.5% on 31 December 2020).

The main activity assumptions considered were:

– Circulation: a negative 5.6% compound growth rate in newspaper circulation (number of units sold) was estimated;

– Sales: a negative 3.5% compound growth rate was considered;

– Services rendered of advertising and alternative marketing revenue: a 2.1% compound growth rate was considered;

– *Portfolio*: current newspaper publications (Correio da Manhã and Sábado magazine) are expected to be maintained.

According to the sensitivity analysis performed, (i) a 0.2 p.p. increase in the discount rate assumption throughout the years of the projections; (ii) a 0.2 p.p. reduction in the perpetuity growth rate assumption, would imply the recording of an additional impairment loss. A reduction of 0.5 p.p. in the compound sales growth rate, would not imply the recognition of impairment losses to be recognized.

Graphic printing:

The recoverable value of this cash-generating unit was determined considering the financial projections of newspapers sold in Portugal for a period of five years, a discount rate of 7.34% (7.35% on 31 December 2020) and a perpetuity growth rate of 1.3% (1.5% on 31 December 2020).

The main activity assumptions considered were:

– Turnover: a 3.2% negative sales and service provision compound growth rate was estimated.

Sensitivity analyses were not performed as there is no goodwill recognized as of December 31, 2021.

Magazines:

The recoverable value of this cash-generating unit was determined considering the financial projections of magazines sold in Portugal for a period of five years, a discount rate of 7.34% (7.35% on 31 December 2020) and a perpetuity growth rate of 1.3% (1.5% on 31 December 2020).

The main activity assumptions considered were:

– Circulation: a negative 1.3% compound growth rate in newspaper circulation (number of units sold) was estimated;

- Sales: a 1.6% compound growth rate was considered;

- Services rendered of advertising and alternative marketing revenue: a 5.2% compound growth rate was considered;

- *Portfolio:* current magazine publications (TV Guia, Máxima and Flash, the last two currently only digital) are expected to be maintained.

From the analysis performed, the Group concluded that there was a comfortable margin in relation to the point at which Goodwill would be at risk of impairment.

The aforementioned assumptions were quantified based on historical data as well as on the experience of the Group's Board of Directors. However, unforeseeable political, economic or legal phenomena may impact these assumptions.

As a result of the impairment analysis carried out, based on the aforementioned methodologies and assumptions, the Board of Directors concluded that there are no additional impairment losses to be recognised. The Board of Directors believes that the effect of possible deviations that may occur in the main assumptions underlying the recoverable amount of cash-generating units will not, in all materially relevant aspects, lead to an impairment of the corresponding Goodwill.

(Amounts expressed in euro)

6. PROPERTY, PLANT AND EQUIPMENT

During the periods ended 31 December 2021 and 2020, the movement occurred in the value of property, plant and equipment, as well as in the corresponding amortisation and accumulated impairment losses, are detailed as follows:

	2021							
	Asset gross value							
	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Total
Opening balance	32,032	4,956,175	24,438,930	648,386	8,711,423	1,473,745	194,331	40,455,022
Additions	—	23,126	276,799	24,395	15,678	44,422	15,389	399,809
Disposals	—	—	—	(51,011)	—	—	—	(51,011)
Transfers and write-offs	—	—	206,917	—	—	2,803	(209,720)	—
Closing balance	32,032	4,979,301	24,922,646	621,770	8,727,101	1,520,970	—	40,803,820

	2021							
	Accumulated amortisation and impairment losses							
	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Total
Opening balance	—	4,312,615	23,446,826	591,312	8,568,669	1,456,498	—	38,375,920
Additions	—	153,719	670,702	33,551	35,204	29,996	—	923,172
Disposals	—	—	—	(51,011)	—	—	—	(51,011)
Transfers and write-offs	—	—	—	—	—	—	—	—
Closing balance	—	4,466,334	24,117,528	573,852	8,603,873	1,486,494	—	39,248,081
	32,032	512,967	805,118	47,918	123,228	34,476	—	1,555,739

	2020							
	Asset gross value							
	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Total
Opening balance	32,032	4,954,314	23,964,460	676,924	8,642,810	1,499,145	136,199	39,905,884
Additions	—	—	336,040	38,075	68,868	—	59,993	502,976
Disposals	—	—	(8,902)	(66,613)	(255)	(25,400)	—	(101,170)
Transfers and write-offs	—	1,861	147,332	—	—	—	(1,861)	147,332
Closing balance	32,032	4,956,175	24,438,930	648,386	8,711,423	1,473,745	194,331	40,455,022

	2020							
	Accumulated amortisation and impairment losses							
	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets	Property, plant and equipment in progress	Total
Opening balance	—	3,854,262	22,824,099	630,473	8,515,007	1,453,786	—	37,277,627
Additions	—	458,353	479,550	27,452	53,917	28,112	—	1,047,384
Disposals	—	—	(4,155)	(66,613)	(255)	(25,400)	—	(96,423)
Transfers and write-offs	—	—	147,332	—	—	—	—	147,332
Closing balance	—	4,312,615	23,446,826	591,312	8,568,669	1,456,498	—	38,375,920
	32,032	643,560	992,104	57,074	142,754	17,247	194,331	2,079,102

Equipment disposals in the period basically concern assets that were entirely depreciated.

There were no property, plant and equipment pledged as collateral for loans nor were there any capitalised financial expenses as at 31 December 2021 and 2020.

(Amounts expressed in euro)

7. RIGHT OF USE

7.1. RIGHT OF USE ASSETS

During the period ended 31 December 2021 and 2020, the movement that occurred in the amount of right of use assets, as well as the corresponding amortisation, was detailed as follows:

	2021			
	Asset gross value			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	12,876,091	832,393	551,873	14,260,357
Additions	282,594	455,452	577,744	1,315,790
Reductions	(165,783)	(285,202)	—	(450,985)
Closing balance	12,992,902	1,002,643	1,129,617	15,125,162

	2021			
	Accumulated amortisation			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	4,298,329	477,076	367,916	5,143,321
Additions	1,526,169	263,922	376,509	2,166,600
Reductions	(165,783)	(284,046)	—	(449,829)
Closing balance	5,658,715	456,952	744,425	6,860,092
	7,334,187	545,691	385,192	8,265,070

	2020			
	Asset gross value			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	12,861,090	736,544	885,287	14,482,921
Additions	70,534	135,223	—	205,757
Reclassifications	—	—	(186,082)	(186,082)
Reductions	(55,533)	(39,374)	(147,332)	(242,239)
Closing balance	12,876,091	832,393	551,873	14,260,357

	2020			
	Accumulated amortisation			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	2,717,690	248,449	331,289	3,297,428
Additions	1,580,639	266,276	183,959	2,030,874
Reclassifications	—	—	—	—
Reductions	—	(37,649)	(147,332)	(184,981)
Closing balance	4,298,329	477,076	367,916	5,143,321
	8,577,762	355,317	183,957	9,117,036

(Amounts expressed in euro)

The line item "Buildings and other edifications" basically concerns lease agreements for the head office building of Cofina Media, S.A., in Lisbon.

The line item "Vehicles" concerns vehicle lease agreements for periods ranging between 4 and 5 years.

7.2. LEASE LIABILITIES

During the period ended 31 December 2021 and 2020, the movement that occurred in lease liabilities was detailed as follows:

	31.12.2021	31.12.2020
Opening balance as at 1 January	11,255,982	13,080,367
Additions	1,315,790	205,757
Decreases	—	(57,259)
Accrued interest	621,207	685,923
Payments	(2,774,652)	(2,658,807)
Closing balance as at 31 December	10,418,327	11,255,981

In addition, the following amounts were recognised in 2021 and 2020 as expenses related to right of use assets:

	31.12.2021	31.12.2020
Depreciation of right of use assets	2,166,600	2,030,874
Interest expenses related to lease liabilities (Note 28)	621,207	685,923
Expenses related to short-term liabilities	83,160	84,480
Total amount recognised in the income statement	2,870,967	2,801,277

The maturity of the Lease Liabilities is detailed as follows:

	31.12.2021					
	2022	2023	2024	2025	>2025	Total
Lease liabilities	2,048,689	1,901,512	1,570,980	1,570,223	3,326,923	10,418,327
	2,048,689	1,901,512	1,570,980	1,570,223	3,326,923	10,418,327

	31.12.2020					
	2021	2022	2023	2024	>2024	Total
Lease liabilities	1,902,978	1,652,235	1,405,277	1,447,581	4,847,911	11,255,982
	1,902,978	1,652,235	1,405,277	1,447,581	4,847,911	11,255,982

(Amounts expressed in euro)

8. INTANGIBLE ASSETS

During the periods ended 31 December 2021 and 2020, the movements that occurred in the value of intangible assets, as well as in the corresponding depreciation and accumulated impairment losses, were detailed as follows:

2021 – Asset gross value	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	6,251,860	102,813	7,485,362
Additions	—	—	189,257	153,409	342,666
Transfers and write-offs	—	—	246,222	(246,222)	—
Closing balance	760,599	370,090	6,687,339	10,000	7,828,028

2021 – Accumulated depreciation	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	6,077,232	—	7,207,921
Additions	—	—	397,946	—	397,946
Transfers and write-offs	—	—	—	—	—
Closing balance	760,599	370,090	6,475,178	—	7,605,867
	—	—	212,161	10,000	222,161

2020 – Asset gross value	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	5,955,463	79,395	7,165,547
Additions	—	—	170,629	149,186	319,815
Transfers and write-offs	—	—	125,768	(125,768)	—
Closing balance	760,599	370,090	6,251,860	102,813	7,485,362

2020 – Accumulated depreciation	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	5,740,831	—	6,871,520
Additions	—	—	336,401	—	336,401
Transfers and write-offs	—	—	—	—	—
Closing balance	760,599	370,090	6,077,232	—	7,207,921
	—	—	174,628	102,813	277,441

The main investments made during the periods ended 31 December 2021 and 2020 are related to licenses and other computer applications used by the Group.

(Amounts expressed in euro)

9. CLASSES OF FINANCIAL INSTRUMENTS

In accordance with the policies disclosed in Note 2.3 h), financial instruments were detailed as follows:

Financial assets

31 December 2021	Financial assets recorded at amortised cost	Total
Non-current assets		
Other non-current assets	106,465	106,465
	106,465	106,465
Current assets		
Trade receivables	6,961,368	6,961,368
Assets associated with contracts with customers	3,517,885	3,517,885
Other receivables	56,128	56,128
Other current assets	12,493	12,493
Cash and cash equivalents	18,000,234	18,000,234
	28,548,108	28,548,108
	28,654,573	28,654,573

31 December 2020	Financial assets recorded at amortised cost	Total
Non-current assets		
Other non-current assets	85,638	85,638
	85,638	85,638
Current assets		
Trade receivables	5,238,047	5,238,047
Assets associated with contracts with customers	3,130,363	3,130,363
Other receivables	62,977	62,977
Other current assets	4,443	4,443
Cash and cash equivalents	15,347,683	15,347,683
	23,783,513	23,783,513
	23,869,151	23,869,151

(Amounts expressed in euro)

Financial liabilities

31 December 2021	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	9,994,799	9,994,799
Lease liabilities	8,369,638	8,369,638
	18,364,437	18,364,437
Currents liabilities		
Bank loans	5,949,874	5,949,874
Other loans	35,865,876	35,865,876
Lease liabilities	2,048,689	2,048,689
Trade payables	7,188,748	7,188,748
Liabilities associated with contracts with customers	3,913,711	3,913,711
Other payables	653,109	653,109
Other current liabilities	4,570,192	4,570,192
	60,190,199	60,190,199
	78,554,636	78,554,636

31 December 2020	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Lease liabilities	9,353,004	9,353,004
	9,353,004	9,353,004
Currents liabilities		
Bank loans	3,432,605	3,432,605
Other loans	51,848,141	51,848,141
Lease liabilities	1,902,978	1,902,978
Trade payables	5,615,823	5,615,823
Liabilities associated with contracts with customers	2,257,761	2,257,761
Other payables	729,104	729,104
Other current liabilities	5,220,504	5,220,504
	71,006,916	71,006,916
	80,359,920	80,359,920

10. CURRENT AND DEFERRED TAXES

According to 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 when there have been tax losses, tax benefits granted, or when inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Group’s tax returns since 2018 may still be subject to review.

The Group's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the financial statements as at 31 December 2021 and 2020.

(Amounts expressed in euro)

Cofina SGPS, S.A. is the dominant company of the special taxation regime for groups. These companies are taxed under the special taxation regime for groups, which include Cofina, Cofina Media and Grafedisport.

As of 31 December, 2021, the tax rate to be used by companies in Portugal for calculating deferred tax assets relating to tax losses is 21%. In the case of positive or negative temporary differences originating in Portuguese companies, the rate to be used is 22.5%, plus the municipal surtax rate in the companies where payment is expected in the expected reversal periods of the associated deferred taxes. Additionally, in accordance with the legislation in force in Portugal during the period ended 31 December 2021, the state surtax corresponded to the application of an additional 3% rate on taxable income between EUR 1.5 and 7.5 million, 5% on taxable income between EUR 7.5 and 35 million and 9% on taxable income above EUR 35 million.

Deferred taxes

The changes occurred in deferred tax assets and liabilities in the periods ended 31 December 2021 and 2020 were detailed as follows:

	Deferred tax assets	
	2021	2020
Opening balance	841,107	763,981
Effects on the income statement:		
Increase/(Reduction) of provisions not accepted for tax purposes	57,710	77,126
Closing balance	898,817	841,107

As at 31 December 2021 and 2020, there are no situations generating deferred tax liabilities.

Deferred tax assets as at 31 December 2021 and 2020, according to the temporary differences generating them, are detailed as follows:

	31.12.2021	31.12.2020
Provisions and impairment losses of assets not accepted for tax purposes	474,341	416,631
Right of use assets	424,476	424,476
	898,817	841,107

Current taxes

Income tax recognised in the income statement for the periods ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Current tax	3,008,721	2,171,186
Deferred tax	(57,710)	(77,126)
	2,951,011	2,094,060

(Amounts expressed in euro)

The reconciliation of the profit before income tax for the periods ended 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Profit before income tax	7,175,532	3,683,015
Tax rate	22.50%	22.50%
	1,614,495	828,678
Under/(over) Income tax estimates	3,859	(96,350)
Provisions for tax claims	200,000	200,000
State surtax	349,935	264,227
Autonomous taxes	189,372	175,871
Results related to investments	368,427	184,174
Goodwill impairment	205,753	426,150
Provision constitution/reversal	62,523	122,216
Other effects	(43,353)	(10,906)
Income tax	2,951,011	2,094,060

11. INVENTORIES

As at 31 December 2021 and 2020, the amount recorded under the line item 'Inventories' is detailed as follows:

	31.12.2021	31.12.2020
Raw materials, subsidiaries and consumables	1,158,827	1,068,311
Broadcasting Rights	151,618	—
Accumulated impairment losses in inventories (Note 20)	(48,037)	(48,037)
	1,262,408	1,020,274

Inventories correspond mostly to paper used for printing newspapers and magazines.

The cost of sales of the periods ended 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Initial inventories	1,068,311	1,498,111
Purchases	5,369,562	5,645,287
Final inventories	(1,310,445)	(1,068,311)
	5,127,428	6,075,087

12. TRADE RECEIVABELS

As at 31 December 2021 and 2020, this line item was composed of the following:

	31.12.2021	31.12.2020
Trade receivables, current account	7,073,213	5,238,047
Trade receivables, bad debt	196,983	314,214
	7,270,196	5,552,261
Accumulated impairment losses (Note 20)	(308,828)	(314,214)
	6,961,368	5,238,047

The Group's exposure to credit risk is firstly attributable to accounts receivable from its operating activity. The amounts shown in the consolidated statement of financial position are net of the accumulated impairment losses that were estimated by the Group.

The Board of Directors believes that the book values receivable are close to their fair value, since these accounts' receivable do not pay interests and the discount effect is deemed immaterial.

(Amounts expressed in euro)

As of 31 December 2021 and 2020, the age of gross impairment trade receivables can be detailed (by segments) as follows:

	Trade receivables					
	31.12.2021			31.12.2020		
	Press	TV	Total	Press	TV	Total
Not overdue	3,931,970	1,664,857	5,596,827	3,220,192	894,030	4,114,222
Overdue						
0 - 90 days	1,025,836	277,380	1,303,216	840,751	163,441	1,004,192
90 - 180 days	13,684	23,259	36,943	7,145	6,214	13,359
180 - 360 days	91,970	—	91,970	142,615	23,814	166,429
+ 360 days	143,869	3,499	147,368	182,272	—	182,272
	1,275,359	304,138	1,579,497	1,172,783	193,469	1,366,252
Barter balances						
Without impairment	93,692	180	93,872	71,607	180	71,787
Total	5,301,021	1,969,175	7,270,196	4,464,582	1,087,679	5,552,261

The "Barter balances" caption corresponds to amounts receivable under the barter regime, for which there are also payables recorded in the "Trade payables" caption (Note 21).

The Board of Directors considers that overdue accounts receivable without impairment shall be realised in their entirety, considering the history of uncollectability and the characteristics of the counterparties. The Group calculate the expected impairment losses for its accounts receivable in accordance with the criteria disclosed in Note 2.3. h).

The average term of credit granted to customers varies according to the type of sale / service rendered. In accordance with the procedure agreed upon with the distribution company, amounts regarding the distribution of publications are collected upon the invoice date. Regarding the services rendered (mostly advertising) a credit period of between 15 and 60 days is granted (these terms remained unchanged when compared to the 2020 period). The Group does not charge any interest while set payment terms are being complied with. Upon expiry of said terms, contractually set interest is charged, in accordance with the legislation in force and as applicable to each situation. This will tend to occur only in extreme situations.

13. ASSETS ASSOCIATED WITH CONTRACTS WITH CUSTOMERS

This line item is detailed as follows as at 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Assets associated with contracts with customers		
Publications (newspapers and magazines) to be invoiced	3,515,910	3,124,548
CMTV	1,975	5,815
	3,517,885	3,130,363

Sales of magazines and newspapers are recorded in the period in which the publications are distributed, newspapers being daily, with the exception of "Destak" which is biweekly, and magazines weekly. Amounts not yet invoiced are recorded under the "Publications (newspapers and magazines) to be invoiced" caption.

The "CMTV" caption regards the amount to be invoiced associated with broadcasting rights of the CMTV television channel.

(Amounts expressed in euro)

14. STATE AND OTHER PUBLIC ENTITIES

Asset and liabilities balances with the State and Other Public Entities as at 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Debit balances:		
Value Added Tax	—	—
Other taxes	160,249	240,692
Total other taxes (Note 15)	160,249	240,692
Credit balances:		
Income tax	5,047,949	3,864,845
Total income tax	5,047,949	3,864,845
Value Added Tax	1,042,635	810,066
Personal income tax	415,298	526,871
Social security contributions	511,938	479,785
TV exhibition tax	98,103	62,332
Stamp duty	3,102	1,629
Other taxes	6,301	5,942
Total other taxes (Note 23)	2,077,377	1,886,625

As at 31 December 2021 and 2020, the credit balances "Income tax" caption includes the estimated income tax (Note 10), net of payments on account and additional payments on account made by the Group, in the amounts of EUR 1,147,949 Euros and 164,845 Euros, respectively. At 31 December 2021 and 2020, and following the adoption of IFRIC 23, the caption "Income Tax" also includes the amount of 3.9 million Euros (2020: 3.7 million Euros). The amount recorded corresponds to the best estimate of the Board of Directors, supported by its legal advisors, to meet the losses to be incurred with the processes currently in progress.

2007 Corporate income tax proceedings

As at 31 December 2021 and 2020, disputes were ongoing with the Portuguese Tax and Customs Authorities (AT) as a result of an inspection of the 2007 period concerning Corporate Income Tax, the amount of which initially disputed by the tax authorities was EUR 17.9 million. These amounts are the result of two corrections made by the AT: one concerning non-acceptance of a capital loss generated with the liquidation of a subsidiary, and another concerning non-acceptance of the deduction of part of the dividends paid out by a subsidiary.

Under the Special Arrangement for the Settlement of Tax and Social Security Debts ("RERD"), approved by Decree-Law 151-A/2013, of 31 October, in the period ended 31 December 2013 the Group voluntarily paid an amount of EUR 2 million with the corresponding waiver of interest on arrears, compensatory interest and legal costs associated with the tax enforcement proceedings. Under the same arrangement, the Group asked the Portuguese Tax and Customs Authorities to offset part of the enforced amounts relating to said audit with credits the AT owes to the Group (related to administrative claims and legal challenges associated with corporate income tax). During the 2014 period, this request was approved in the amount of approximately EUR 5.7 million, of which EUR 2,346,895 were allocated to said settlement.

As part of the acceptance of the Special Programme for Reducing Indebtedness to the State ("PERES"), approved by Decree-Law 67/2016 of 3 November, in the period ended 31 December 2016, the Group paid an additional amount of EUR 3,614,561 with the corresponding reduction of interest on arrears, compensatory interest and legal costs associated with tax enforcement proceedings.

Therefore, the contingency amount carried forward relating to the aforementioned tax enforcement proceedings, as at 31 December 2021 and 2020, is of approximately EUR 13.5 million, of which around EUR 3 million are related to the correction of the aforementioned capital loss and EUR 10.5 million are related to the correction of dividends paid.

(Amounts expressed in euro)

Within the scope of the reassessment of tax contingencies, the Board of Directors, advised by its legal and tax advisers, considers it likely that (i) a favourable decision will be taken on the "Dividends" component and (ii) the "Capital loss" component will be rejected. As such, a provision was recorded in the amount of approximately EUR 3 million for said component in the proceedings.

During the last quarter of 2019, the Group received notice from the Constitutional Court regarding the aforementioned capital loss generated from the liquidation of a subsidiary, informing it that the claim filed by the Group had been denied, confirming the court's decision against the Cofina Group. By decision dated November 2021, the appeal was upheld in the part concerning the "Dividends" component, and the tax authorities were acquitted as to the remainder. The Group is making efforts with the Tax Authority, supported by its legal advisors, in order to carry out the necessary procedures for the conclusion of this process, and also to release the pledge of shares (Note 30).

15. OTHER RECEIVABLES

As at 31 December 2021 and 2020, this line item is detailed as follows:

	31.12.2021		31.12.2020	
	Current	Non-current	Current	Non-current
Advances payments to suppliers	178,443	96,110	1,534	96,110
Receivables from the State and other public entities (Note 14)	160,249	—	240,692	—
Others	656,128	—	662,977	—
	994,820	96,110	905,203	96,110
Accumulated impairment losses and other receivables (Note 20)	(600,000)	(96,110)	(600,000)	(96,110)
	394,820	—	305,203	—

The non-current amount recorded under the "Advances payments to suppliers" caption refers to advances on account of printing services to be provided in future periods, whose maturity is extended until 2022. Since the Board of Directors considers that there is a risk of recovery of that amount, an impairment loss of that same amount was recorded in previous periods.

As at 31 December 2021 and 2020, the ageing of "Other receivables" balances net of impairment losses is detailed as follows:

	31.12.2021			31.12.2020		
	Advances to suppliers	Other debtors	Total	Advances to suppliers	Other debtors	Total
Not overdue	178,443	216,377	394,820	1,534	303,669	305,203
Overdue						
0 - 90 days	—	—	—	—	—	—
90 - 180 days	—	—	—	—	—	—
180 - 360 days	—	—	—	—	—	—
+ 360 days	—	—	—	—	—	—
	—	—	—	—	—	—
Total	178,443	216,377	394,820	1,534	303,669	305,203

The amounts presented in the consolidated statement of financial position are net of accumulated impairment losses estimated by the Group.

16. OTHER CURRENT ASSETS

As at 31 December 2021 and 2020, the line item "Other current assets" caption is detailed as follows:

	31.12.2021	31.12.2020
Accrued income:		
Other accrued income	12,493	4,443
Deferred costs:		
Operating expenses paid in advance	471,266	272,746
Charges related to subsequent year editions	692,880	450,215
Other deferred costs	10,646	15,588
	1,187,285	742,992

(Amounts expressed in euro)

17. CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 2020, the line item "Cash and cash equivalents" was detailed as follows:

	31.12.2021	31.12.2020
Cash	47,595	47,945
Bank deposits	17,952,639	15,299,738
Cash and bank balances on the statement of financial position	18,000,234	15,347,683
Bank overdrafts (Note 19)	(5,949,874)	(3,432,605)
Cash and bank balances in the statement of cash flows	12,050,360	11,915,078

18. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2021, the Group's share capital was fully subscribed and paid up and consisted of 102,565,836 shares without nominal value. As of that date, Cofina, SGPS, S.A. and the Group's companies did not hold own shares of Cofina SGPS, S.A.

On 31 December 2021 and 2020 there were no legal entities with a stake in the subscribed capital of at least 20%.

Share premiums

Share premiums correspond to amounts received from issuance or increases in capital. In accordance with the Portuguese commercial legislation, the amounts included in this caption follow the same regime as the "Legal reserve", i.e., the amounts are not distributable, unless in situations of insolvency, but can be used to absorb losses after the other reserves have been used, and for inclusion in the issued capital.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'Legal reserve' until it represents at least 20% of the share capital. This reserve may not be distributed among shareholders, except in the event of liquidation of the Group but can be used for absorbing losses after the other reserves have been exhausted, or incorporated in capital.

Pursuant to Portuguese legislation, the amount of distributable reserves is determined based on the non-consolidated financial statements of Cofina SGPS, S.A., prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

Other reserves

As at 31 December 2021 and 2020 the "Other reserves" caption corresponds mainly to retained earnings from the Group's previous periods.

Appropriation of Net Profits

Regarding the 2021 period, the Board of Directors proposed, in its annual report, that the individual net profit of Cofina, SGPS, S.A., in the amount of EUR 1,652,669 be fully transferred to Free Reserves.

(Amounts expressed in euro)

19. BANK LOANS AND OTHER LOANS

As at 31 December 2021 and 2020, the line item line "Bank loans" and "Other loans" is detailed as follows:

	31.12.2021				31.12.2020			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Commercial paper	35,865,876	9,994,799	36,000,000	10,000,000	51,848,141	—	52,000,000	—
	35,865,876	9,994,799	36,000,000	10,000,000	51,848,141	—	52,000,000	—

	31.12.2021				31.12.2020			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bank overdrafts (Note 17)	5,949,874	—	—	—	3,432,605	—	3,432,605	—
	5,949,874	—	—	—	3,432,605	—	3,432,605	—

19.1 Commercial paper

The liability caption "Commercial paper" corresponds to six commercial paper programmes with guaranteed subscription by the issuing banks, up to the maximum amounts of EUR 15,000,000, EUR 10.000.000, EUR 6,000,000, EUR 5,000,000, EUR 5,000,000, EUR 5,000,000, which bear interest at market rates. These programmes mature in July 2022, September 2026, November 2025, May 2022, September 2022 and September 2024, respectively.

As at 31 December 2021, the Cofina Group had Commercial Paper Programmes with Guaranteed Underwriting classified as a current liability, however, the maturity of most of the contracts underlying them extends beyond 31 December 2022 and, as such, the Group may renew the subscriptions, as it has done in recent periods. With the exception of one Program of 15 million euros, which matures on July, 2022, and another Program of 5 million, which matures on May, 2022, and another Program of 5 million, which matures on September, 2022, and which are currently being renewed.

Regarding the EUR 6 million Program, it presents an amortization profile that includes 3 successive annual amortizations of EUR 1 million (each, occurring on the last business day of November 2022, 2023 and 2024) and a final amortization of EUR 3 million to take place on November 2025.

During the period ended 31 December 2021, these loans paid interest at Euribor-indexed rates plus spreads ranging between 0.910% and 1.750% (0.825% and 1,750% in 31 December 2020), according to the nature and maturity thereof.

(Amounts expressed in euro)

As at 31 December 2021 and 2020, credit facilities used by the Group and the maximum amounts authorised were detailed as follows:

		31.12.2021		
Nature	Maturity	Balance authorised	Nominal balance used	Balance available
Cash pooling / Overdraft	n/a	10,500,000	2,957,981	7,542,019
Current account facility	n/a	8,000,000	2,991,893	5,008,107
Commercial paper	07/07/2022	15,000,000	15,000,000	—
Commercial paper	09/27/2026	10,000,000	10,000,000	—
Commercial paper	09/12/2024	5,000,000	5,000,000	—
Commercial paper	11/28/2025	6,000,000	6,000,000	—
Commercial paper	05/30/2022	5,000,000	5,000,000	—
Commercial paper	09/03/2022	5,000,000	5,000,000	—
		64,500,000	51,949,874	12,550,126

		31.12.2020		
Nature	Maturity	Balance authorised	Nominal balance used	Balance available
Cash pooling / Overdraft	n/a	10,500,000	3,432,605	7,067,395
Current account facility	n/a	8,000,000	—	8,000,000
Commercial paper	07/07/2022	15,000,000	15,000,000	—
Commercial paper	30/09/2021	15,000,000	15,000,000	—
Commercial paper	12/09/2024	5,000,000	5,000,000	—
Commercial paper	11/28/2025	7,000,000	7,000,000	—
Commercial paper	30/11/2021	5,000,000	5,000,000	—
Commercial paper	09/03/2022	5,000,000	5,000,000	—
		70,500,000	55,432,605	15,067,395

During the periods ended 31 December 2021 and 2020, the Group did not enter into default with any of the obtained loans.

19.2 Change in indebtedness and maturities

As at 31 December 2021 and 2020, reconciliation of the change in gross debt with cash flows is detailed as follows:

	31.12.2021	31.12.2020
Balance as at 1 January	55,280,746	52,074,236
Payments of loans obtained	(104,174,581)	(230,242,667)
Receipts of loans obtained	97,657,859	229,649,262
Bank overdrafts	2,517,269	3,432,605
Changes of loan issuance expenses	529,256	367,310
Change in debt	(3,470,197)	3,206,510
Balance as at 31 December	51,810,549	55,280,746

(Amounts expressed in euro)

20. PROVISIONS AND IMPAIRMENT LOSSES

The movements occurring under provisions and impairment losses during the periods ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021				
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in Goodwill (Note 5)	Impairment losses in inventories (Note 11)	Impairment losses in other receivables (Notes 12 and 15)
Opening balance	959,000	171,754	9,889,310	48,037	1,010,324
Additions	659,208	—	914,459	—	51,725
Reversals	—	—	—	—	(33,366)
Reclassifications	—	—	—	—	—
Utilisations and transfers	(372,508)	—	—	—	(23,745)
Closing balance	1,245,700	171,754	10,803,769	48,037	1,004,938

	31.12.2020				
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in Goodwill (Note 5)	Impairment losses in inventories (Note 11)	Impairment losses in other receivables (Notes 12 and 15)
Opening balance	650,000	171,754	7,995,310	48,037	1,031,944
Additions	509,000	—	1,894,000	—	—
Reversals	(200,000)	—	—	—	—
Reclassifications	—	—	—	—	—
Utilisations and transfers	—	—	—	—	(21,620)
Closing balance	959,000	171,754	9,889,310	48,037	1,010,324

As at 31 December 2021 and 2020, the reconciliation between the values recognised in the statement of financial position and in the income statement captions relating with provisions and impairment losses can be detailed as follows:

	31.12.2021				31.12.2020		
	Provisions	Goodwill	Receivables	Total	Provisions	Goodwill	Total
Provisions and impairment losses	213,508	914,459	18,359	1,146,326	190,000	1,894,000	2,084,000
Payroll expenses	445,700	—	—	445,700	119,000	—	119,000
Total	659,208	914,459	18,359	1,592,026	309,000	1,894,000	2,203,000

As at 31 December 2021 and 2020, the "Provisions" caption can be detailed as follows:

	31.12.2021	31.12.2020
Provisions for indemnities and legal proceedings	1,245,700	959,000
	1,245,700	959,000

The "Provisions" caption includes provisions for indemnities and ongoing legal proceedings against the Group for which the outcome is uncertain, which corresponds to the best estimate made by the Board of Directors, supported by its legal advisors, of the impacts that might result from the currently ongoing legal proceedings.

21. TRADE PAYABLES

As at 31 December 2021 and 2020, this caption could be presented, taking into account its maturity, as follows:

		Payable in			
	31.12.2021	No due date (a)	Less than 3 months	Between 3 and 6	More than 6 months
Trade payables	7,188,748	168,416	7,020,332	—	—
	7,188,748	168,416	7,020,332	—	—

		Payable in			
	31.12.2020	No due date (a)	Less than 3 months	Between 3 and 6	More than 6 months
Trade payables	5,615,823	163,393	5,452,430	—	—
	5,615,823	163,393	5,452,430	—	—

(Amounts expressed in euro)

(a) Amounts included in the caption "No due date" relate to barter transactions with entities that are also customers (Note 12). As such, there is no pre-determined settlement date.

22. LIABILITIES ASSOCIATED WITH CONTRACTS WITH CUSTOMERS

As at December 2021 and 2020, this line item is detailed as follows:

	31.12.2021	31.12.2020
Discounts granted	2,111,577	1,148,350
Commissions	834,526	644,559
Deferred income from advertising	967,608	464,852
	3,913,711	2,257,761

23. OTHER PAYABLES

As at December 2021 and 2020, the line item 'Other payables' can be detailed as follows

	31.12.2020	31.12.2020
Payables to the State and other public entities (Note 14)	2,077,377	1,886,625
Other debts:		
Payroll	63,148	52,703
Barter with public entities	252,907	252,907
Other debts	337,054	423,494
	2,730,486	2,615,729

24. OTHER CURRENT LIABILITIES

As at December 2021 and 2020, the line item 'Other current liabilities' is detailed as follows

	31.12.2021	31.12.2020
Expense accruals:		
Wages and salaries payable	3,385,487	3,857,351
External suppliers and services	867,648	978,702
Other accrued expenses	317,057	384,451
Deferred income:		
Other deferred income	251,679	216,018
	4,821,871	5,436,522

25. SALES, SERVICES RENDERED AND OTHER INCOME

For the periods ended 31 December 2021 and 2020, "Sales" correspond mainly to newspapers and magazines sales, also including a small portion of income related to the sale of printing paper.

The "Services rendered" corresponds basically to the sale of advertising spaces in the Group’s publications, net of the discounts granted.

The "Other income" refers mostly to the sale of alternative marketing products, which are sold with the publications of the Cofina Group and broadcasting rights of CMTV TV channel.

(Amounts expressed in euro)

26. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2021 and 2020 the line item "External supplies and services" is detailed as follows:

	31.12.2021	31.12.2020
Advertising	9,242,318	8,130,322
Subcontracts	2,656,404	2,874,188
Specialised services	8,185,658	7,396,374
Travel and accommodation	843,771	719,085
Rents and leases	287,407	244,471
Fuel	355,830	132,579
Communication	361,143	661,482
Fees	3,128,435	3,806,976
Royalties	473,455	469,967
Representation costs	213,124	225,248
Other costs	2,155,501	1,812,740
	27,903,046	26,473,432

27. PAYROLL EXPENSES

As at 31 December 2021 and 2020, the line item "Payroll expenses" is detailed as follows:

	31.12.2021	31.12.2020
Remunerations	20,282,916	20,094,283
Indemnities	2,466,425	1,096,807
Payroll expenses	4,395,384	4,333,931
Insurance	288,714	317,567
Social security contributions	31,108	56,882
Other payroll expenses	185,066	186,156
	27,649,613	26,085,626

During the fiscal years ended 31 December 2021 and 2020, the average number of staff employed in the companies included in the consolidation using the full consolidation method was 718 and 713, respectively.

28. FINANCIAL RESULTS AND RESULTS RELATED TO INVESTMENTS

The financial income and expenses and the results related to investments, for the periods ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Results related to investments		
Application of the equity method - VASP (Note 4)	(298,501)	(759,321)
Application of the equity method - A Nossa Aposta (Note 4)	(1,338,644)	(57,211)
Application of the equity method - Mercados Globais (Note 4)	(308)	(2,021)
	(1,637,453)	(818,553)
Financial expenses		
Interest paid	604,200	624,979
Interest expenses related to lease liabilities (Note 7.2)	621,207	685,923
Bank commissions	314,217	794,228
Other financial expenses and losses	17,351	20,010
	1,556,975	2,125,140

(Amounts expressed in euro)

29. RELATED PARTIES

Commercial transactions

Subsidiary companies have relations with each other that are qualified as transactions with related parties. All these transactions are carried out at market prices.

During consolidation procedures, these transactions are eliminated since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as one single company.

The main balances with related parties as at 31 December 2021 and 2020 and the main transactions carried out during the periods ended at said date are detailed as follows:

Transactions:

	31.12.2021		
	Sales and Services rendered (Note 25)	Other income (Note 25)	External supplies and services (Note 26)
VASP	31,108,795	5,750,899	214,223
A Nossa Aposta	8,069	—	—
Mercados Globais, S.A.	—	—	38,400
Other related parties	105,134	—	—
	31,221,998	5,750,899	252,623

	31.12.2020		
	Sales and Services rendered (Note 25)	Other income (Note 25)	External supplies and services (Note 26)
VASP	32,080,469	5,544,474	223,371
A Nossa Aposta	3,347	—	—
Mercados Globais, S.A.	—	—	38,400
Other related parties	167,550	—	—
	32,251,366	5,544,474	261,771

Balances:

	31.12.2021		
	Trade receivables (Note 12)	Trade payables (Note 21)	Assets associated with contracts with customers (Note 13)
VASP	68,130	173,317	3,012,069
A Nossa Aposta	7,872	—	—
Mercados Globais, S.A.	—	7,872	—
Other related parties	24,842	—	—
	100,844	181,189	3,012,069

	31.12.2020		
	Trade receivables (Note 12)	Trade payables (Note 21)	Assets associated with contracts with customers (Note 13)
VASP	75,918	104,498	3,018,692
A Nossa Aposta	6,831	—	—
Mercados Globais, S.A.	—	7,872	—
Other related parties	11,559	7,800	—
	94,308	120,170	3,018,692

(Amounts expressed in euro)

Sales to VASP during the periods ended 31 December 2021 and 2020 correspond to sales of publications (newspapers and magazines) and alternative marketing products to that company, which handles the corresponding distribution to the points of sale. These transactions are carried throughout the normal activity of the Group.

During the periods ended 31 December 2021 and 2020, there were no transactions with Group Directors, nor were they granted loans.

Related parties

In "Other related parties" are included the subsidiaries of Ramada Group, Altri Group, shareholders and other related entities.

Compensation of Key Management

The compensations given to key management, which, given the Group's governance model, corresponds to Cofina's Board of Directors members, during the periods ended 31 December 2021 and 2020, are as follows:

	Board of Directors	
	31.12.2021	31.12.2020
Fixed compensation	537,981	676,815
Variable compensation	133,000	133,000
	670,981	809,815

As at 31 December 2021 and 2020, there were no: (i) incentive plans or schemes with regard to granting shares to members of the Board of Directors; (ii) supplementary pension or early retirement schemes for directors; (iii) compensations paid or owed to former directors regarding the suspension of duties during the period; or (iv) non-monetary benefits considered remuneration.

Cofina, SGPS, S.A. does not have any plan for the attribution of shares or stock options to the members of the governing bodies, nor to its employees.

30. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As at 31 December 2021 and 2020, the Cofina Group had provided guarantees related to the pledge of 20,000,000 shares of Cofina Media, S.A. in favour of the Portuguese Tax Authority ("Autoridade Tributária e Aduaneira") as guarantee for ongoing income tax claims (Note 14).

As at 31 December 2021, the Group had assumed responsibilities for guarantees granted amounting to EUR 345,000 (EUR 504,000 as of 31 December 2020), mostly related with its advertising activity EUR 28,000 (EUR 180,000 as of 31 December 2020) and with ongoing tax proceedings EUR 317,000 (EUR 324,000 as of 31 December 2020) (Note 20).

31. EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2021 and 2020 were calculated based on the following amounts:

	31.12.2021	31.12.2020
Net income taken into account to determinate basic and diluted earnings per share	4,224,521	1,588,955
Weighted average number of shares used to compute the basic and diluted earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.04	0.02
Diluted	0.04	0.02

32. INFORMATION BY SEGMENTS

The contribution of the main business segments to the consolidated income statement for the periods ended 31 December 2021 and 2020 is detailed as follows:

	31.12.2021			31.12.2020		
	Press	TV	Total	Press	TV	Total
Operating income:						
Sales	32,323,728	—	32,323,728	33,275,818	—	33,275,818
Sales - intersegmental	—	—	—	—	—	—
Services rendered	17,533,955	9,278,289	26,812,244	15,172,439	7,035,700	22,208,139
Services rendered - intersegmental	—	—	—	—	—	—
Other income	8,532,150	8,180,630	16,712,780	7,462,622	8,497,416	15,960,038
Other income - intersegmental	—	—	—	—	—	—
Total operating income	58,389,833	17,458,919	75,848,752	55,910,879	15,533,116	71,443,995
Operating expenses						
Cost of sales	(5,127,428)	—	(5,127,428)	(6,075,087)	—	(6,075,087)
External supplies and services	(19,219,663)	(8,683,383)	(27,903,046)	(19,289,973)	(7,183,459)	(26,473,432)
Payroll expenses	(23,791,908)	(3,857,705)	(27,649,613)	(22,451,425)	(3,634,201)	(26,085,626)
Amortisation and depreciation	(3,259,973)	(227,745)	(3,487,718)	(3,063,888)	(350,771)	(3,414,659)
Provisions and impairment losses	(1,146,326)	—	(1,146,326)	(2,084,000)	—	(2,084,000)
Other expenses	(164,661)	—	(164,661)	(684,483)	—	(684,483)
Total operating expenses	(52,709,959)	(12,768,833)	(65,478,792)	(53,648,856)	(11,168,431)	(64,817,287)
Operating results	**5,679,874**	**4,690,086**	**10,369,960**	**2,262,023**	**4,364,685**	**6,626,708**
Results related to investments			(1,637,453)			(818,553)
Financial results			(1,556,975)			(2,125,140)
Profit before income tax			**7,175,532**			**3,683,015**
Income tax			(2,951,011)			(2,094,060)
Consolidated net profit for the period			4,224,521			1,588,955
Attributable to:						
Equity holders of the parent			4,224,521			1,588,955
Non-controlling interests			—			—
			4,224,521			1,588,955

The total net investment of the business segments in the period ended 31 December 2021 and 2020 is detailed as follows:

(thousand euros)	Press	TV	31.12.2021
Total net investment	742	—	742

(thousand euros)	Press	TV	31.12.2020
Total net investment	786	37	823

Total net investment – regards the acquisition of property, plant and equipment related with the Television and Press segments in the period.

33. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2021 and 2020 there were no contingent assets. As at 31 December 2021 and 2020, the main contingent liabilities were related to the ongoing proceedings disclosed in Note 20 and the guarantees provided as disclosed in Note 30.

34. STATUTORY AUDITOR FEES

In 2021, the total fees paid by Cofina Group for services provided by companies in the Deloitte & Associados, SROC S.A. universe, came to EUR 70,000. These fees pertain to auditing and statutory audit services.

In 2020, the total fees paid by Cofina Group for services provided by companies in the EY Audit & Associados - SROC, S.A. universe, came to EUR 94,750. These fees pertain to auditing and statutory audit services and include, EUR 33,750 relating to other reliability assurance services.

35. SUBSEQUENT EVENTS

On February 24, 2022, a conflict started in Europe with the Russian Federation armed forces in Ukrainian territory. Although Cofina's operations are not directly exposed to these countries and no impacts are expected on the financial performance of Cofina, at this date it is not possible to estimate the effects, if any, of the socio-economic impact that this conflict may originate in the Portuguese economy, particularly as a result of the increase in fuel prices and a set of goods and services that has caused an increase in inflation, as well as impacts on financial markets, including increase in interest rates.

From 31 December 2021 to the date of issue of this report, there were no other relevant facts that could materially affect the financial position and future results of the Cofina Group and its subsidiary, joint ventures and associates included in the consolidation.

36. TRANSLATION NOTE

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU), some of which may notconform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

The Chartered Accountant

The Board of Directors

Paulo Jorge dos Santos Fernandes

João Manuel Matos Borges de Oliveira

Domingos José Vieira de Matos

Pedro Miguel Matos Borges de Oliveira

Ana Rebelo de Carvalho Menéres de Mendonça

Laurentina da Silva Martins

SEPARATE FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

31 December 2021

Cofina SGPS, S.A

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 25)
(Amounts expressed in Euros)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENTS ASSETS			
Property, plant and equipment	4	—	—
Intangible assets	5	—	—
Investments in subsidiaries	6	142,321,953	142,321,953
Other financial investments	6	10,000,510	10,000,510
Total of non-current assets		152,322,463	152,322,463
CURRENT ASSETS			
Trade receivables	20	219,690	2,177,395
Other receivables	10 and 20	743,189	532,211
Other current assets		5,154	5,148
Cash and cash equivalents	11	472,977	6,045,044
Total current assets		1,441,010	8,759,798
TOTAL ASSETS		153,763,473	161,082,261
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	25,641,459	25,641,459
Share premiums	12	15,874,835	15,874,835
Legal reserve	12	5,409,144	5,409,144
Other reserves	12	54,685,121	48,505,919
Net profit for the year		1,652,669	6,179,202
TOTAL EQUITY		103,263,228	101,610,559
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	13	9,994,799	—
Total non-current liabilities		9,994,799	—
CURRENT LIABILITIES			
Other loans	13	38,857,769	51,848,141
Trade payables		222,336	11,081
Income tax	7 and 9	1,147,949	164,845
Other payables	14 and 20	11,362	7,396,784
Other current liabilities	15	266,030	50,851
Total current liabilities		40,505,446	59,471,702
TOTAL LIABILITIES		50,500,245	59,471,702
TOTAL LIABILITIES AND EQUITY		153,763,473	161,082,261

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

Cofina SGPS, S.A

INCOME STATEMENTS FOR THE PERIODS
ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 25)
(Amounts expressed in Euros)

	Notes	31.12.2021	31.12.2020
Services rendered	20	714,440	880,240
External supplies and services	17	(629,184)	(1,514,648)
Payroll expenses	18	(348,569)	(335,789)
Amortisation and depreciation	4 and 5	—	—
Provision and impairment losses	6 and 16	—	—
Other expenses		(37,550)	(34,428)
Results related to investments	20	2,528,668	7,866,968
Financial expenses	19	(807,384)	(1,313,503)
Financial income	19	—	—
Profit before income tax		1,420,421	5,548,840
Income tax	7	232,248	630,362
Net profit for the year		1,652,669	6,179,202
Earning per share:			
Basic	23	0.02	0.06
Diluted	23	0.02	0.06

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

Cofina SGPS, S.A

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 25)
(Amounts expressed in Euros)

	Notas	Share capital	Share premium	Legal reserve	Other reserves	Net profit for the period	Total equity
Balance as at 1 January 2020		25,641,459	15,874,835	5,409,144	44,206,390	4,299,529	95,431,357
Appropriation of the result from 2019:							
Transfer to legal reserve and retained earnings	12	—	—	—	4,299,529	(4,299,529)	—
Comprehensive income for the period		—	—	—	—	6,179,202	6,179,202
Balance as at 31 December 2020		25,641,459	15,874,835	5,409,144	48,505,919	6,179,202	101,610,559
Balance as at 1 January 2021		25,641,459	15,874,835	5,409,144	48,505,919	6,179,202	101,610,559
Appropriation of the result from 2020:							
Transfer to legal reserve and retained earnings	12	—	—	—	6,179,202	(6,179,202)	—
Comprehensive income for the period		—	—	—	—	1,652,669	1,652,669
Balance as at 31 December 2021		25,641,459	15,874,835	5,409,144	54,685,121	1,652,669	103,263,228

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant | The Board of Directors

Cofina SGPS, S.A

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 25)
(Amounts expressed in Euros)

	31.12.2021	31.12.2020
Net profit for the period	1,652,669	6,179,202
Total comprehensive income for the period	1,652,669	6,179,202

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

Cofina SGPS, S.A

STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2021 AND 2020

(Translation of financial statements originally issued in Portuguese - Note 25)
(Amounts expressed in Euros)

	Notes	2021		2020	
Operating activities:					
Receipts from customers		2,836,466		—	
Payments to suppliers		(434,842)		(1,774,256)	
Payments to personnel		(348,569)		(342,432)	
Other receipts/payments relating to operating activities		(6,328,901)		(257,089)	
Income tax (paid)/received		293,812	(3,982,034)	279,146	(2,094,631)
Cash flows generated by operating activities (1)			(3,982,034)		(2,094,631)
Investment activities:					
Receipts arising from:					
Dividends	20	2,528,668	2,528,668	7,866,968	7,866,968
Payments relating to:					
Financial investments		—	—	—	—
Cash flows generated by investment activities (2)			2,528,668		7,866,968
Financing activities:					
Receipts arising from:					
Loans obtained	13	97,657,859	97,657,859	229,649,262	229,649,262
Payments relating to:					
Interest and similar expenses		(593,872)		(1,283,182)	
Loans obtained	13	(104,174,581)	(104,768,453)	(230,242,667)	(231,525,849)
Cash flows generated by financing operations (3)			(7,110,594)		(1,876,587)
Cash and cash equivalents at the beginning of the period	11		6,045,044		2,149,294
Cash and cash equivalents variation: (1)+(2)+(3)			(8,563,960)		3,895,750
Cash and cash equivalents at the end of the period	11		(2,518,916)		6,045,044

The accompanying notes are an integral part of the financial statements.

The Chartered Accountant

The Board of Directors

1. INTRODUCTORY NOTE

Cofina, SGPS, S.A. ("Cofina" or "the Company") is a public company, whose headquarters is located at Rua Manuel Pinto de Azevedo, 818, in Porto. Its main activity is the management of investments in the media sector, operating mainly through Cofina Media, S.A., a company wholly owned by Cofina (Note 6), and its share are listed on the Euronext Lisbon stock exchange.

The accompanying financial statements are expressed in Euro (rounded up to the nearest whole number), which is the currency used by the Company in its operations and is, therefore, considered its functional currency.

The financial statements were approved by the Board of Directors and authorised for reporting on 7 April 2022. Its final approval is still subject to agreement from the Shareholders' General Meeting. The Company and the Board of Directors expect the same to be approved with no significant changes.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted when preparing the attached financial statements are described below. These policies were consistently applied to comparative periods.

In addition, there were no significant changes to the main estimates used by the Company in preparing the financial statements.

2.1 BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU") in force for the period ended beginning on 1 January 2021. These correspond to the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS - IC") or by the former Standing Interpretations Committee ("SIC"), which have been adopted by the European Union on the reporting date.

The Board of Directors assessed the capacity of the Company to operate on a going concern basis, based on the entire relevant information, facts and circumstances, of a financial, commercial or other nature, including events subsequent to the financial statements' reference date, as available regarding the future. As a result of the assessment conducted, the Board of Directors concluded that it has adequate resources to keep up its operations, which it does not intend to cease in the short term; therefore, it was considered appropriate to use the going concern basis in preparing the financial statements.

The attached financial statements were prepared from the accounting books and records of the company, in the assumption of going concern basis. The attached financial statements have been prepared on a historical cost basis.

The preparation of financial statements under IFRS-EU requires the use of estimates, assumptions and critical judgments in the process of determining the accounting policies to be adopted by the Company, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period. Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are disclosed in Note 2.3.

In addition, for financial reporting purposes, fair-value measurement is categorised in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Company considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(i) Adoption of new standards and interpretations, amendments or reviews

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2021:

(Amounts expressed in Euro)

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendment to IFRS 4 Insurance Contracts - deferral of application of IFRS 9	1-Jan-21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts. Specifically, the amendment made to IFRS 4 postpones until January 1, 2023 the expiry date of the temporary exemption from the application of IFRS 9 in order to align the effective date of the latter with that of the new IFRS 17. This temporary exemption is optional to apply and is only available to entities whose activities are predominantly insurance related.
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 -Benchmark interest rate reform (IBOR Reform)	1-Jan-21	These amendments are part of the second phase of the IASB's "IBOR reform" project and allows for exemptions related to reforming the benchmark for reference interest rates by an alternative interest rate (Risk Free Rate (RFR)). The amendments include the following practical expedients: A practical expedient that requires contractual changes, or changes in cash flows that are directly required by the reform, to be treated the same as a floating interest rate change, equivalent to a movement in the market interest rate; Allow changes required by the reform to be made to hedge designations and hedge documentation without discontinuing the hedging relationship; Provide temporary operational relief to entities that must comply with the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.
Amendments to IFRS 16 - Leases - COVID-19 Related Concessions for Rentals Beyond June 30, 2021	1-Jan-21	On May 28, 2020, the amendment to IFRS 16 entitled 'Covid-19 Related Concessions' was issued, and introduced the following practical expedient: a lessee may elect not to assess whether a Covid-19 related concession of rent is a lease modification. Lessees that choose to apply this expedient, account for the change to rental payments resulting from a Covid-19 related concession in the same way as they account for a change that is not a lease modification under IFRS 16. Initially, the practical expedient applied to payments originally due by June 30, 2021, however, due to the extended impact of the pandemic, on March 31, 2021, it was extended to payments originally due by June 30, 2022. The change applies to annual reporting periods beginning on or after April 1, 2021. In short, the practical expedient can be applied provided the following criteria are met: the change in lease payments results in a revised consideration for the lease that is substantially equal to, or less than, the consideration immediately prior to the change; any reduction in lease payments only affects payments due on or before June 30, 2022; and there are no significant changes to other terms and conditions of the lease.

There were no significant effects on the Company's financial statements for the year ended December 31, 2021, from the adoption of the above standards, interpretations, amendments and revisions.

(Amounts expressed in Euro)

(ii) Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises

On the approval date of these financial statements, the following accounting standards, and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IFRS 3 - References to the Framework for Financial Reporting	1-Jan-22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations. It also clarifies the accounting treatment to be adopted in respect of liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination. The amendment is of prospective application.
Amendments to IAS 16 - Income Earned Before Start of Operation	1-Jan-22	Clarifies the accounting treatment given to the consideration obtained with the sale of products that result from the production in test phase of tangible fixed assets, prohibiting their deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in the income statement.
Amendments to IAS 37 - Onerous Contracts - costs of fulfilling a contract	1-Jan-22	This amendment specifies that in assessing whether or not a contract is onerous, only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labor and materials and the allocation of other directly related expenses such as the allocation of depreciation expenses for tangible assets used to perform the contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly charged to the counterparty in accordance with the contract. This amendment should be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without restating the comparative.
Amendments to IFRS 1 - Subsidiary as a first-time adopter of IFRS (included in the annual improvements for the 2018-2020 cycle))	1-Jan-22	This improvement clarifies that when the subsidiary elects to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (assuming no adjustment to the consolidation process has occurred), the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements based on the parent company's date of transition to IFRS.

(Amounts expressed in Euro)

Amendments to IFRS 9 - Derecognition of Financial Liabilities - Fees to be included in the '10 percent' change test (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement clarifies which fees an entity should include when assessing whether the terms of a financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that, when performing derecognition tests on renegotiated liabilities, only fees paid or received between the debtor and the creditor should be included, including fees paid or received by the debtor or the creditor on behalf of the other.
Amendments to IAS 41 - Taxation and fair value measurement (included in the annual improvements for the 2018-2020 cycle)	1-Jan-22	This improvement eliminates the requirement to exclude tax cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13 - Fair Value.
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17 (some of which not approved)	1-Jan-23	IFRS 17 applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as some guarantees and some financial instruments with discretionary participation features. In general terms, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.
Amendments to IAS 1 - Disclosures of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements. In assessing the materiality of accounting policies, the entity has to consider not only the size of the transactions but also other events or conditions and the nature of these.

These amendments, although endorsed by the European Union, were not adopted by the Company in 2021, because its application is not yet mandatory. It is not expected that the future adoption of these amendments will have significant impacts on the financial statements.

(Amounts expressed in Euro)

(iii) New, amended, or revised standards and interpretation not adopted by the European Union

The following accounting standards and interpretations were issued by IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-23	This amendment aims to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer its payment, at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least twelve months is subject to certain conditions being met after the reporting date, those criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current. This amendment also includes a new definition of "settlement" of a liability and it is of retrospective application.
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	The amendments clarify that payments that settle a liability are tax deductible, however it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or the related asset. This is important in determining whether there are temporary differences in the initial recognition of the asset or liability. According to these amendments, the initial recognition exception is not applicable to transactions that have given rise to equal taxable and deductible temporary differences. It only applies if the recognition of a leasing asset and a leasing liability gives rise to taxable and deductible temporary differences that are not equal.
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

These standards are yet to be endorsed by the European Union. As such, they were not applied by the Company in the fiscal year ended December 31, 2021.

Regarding these standards and interpretations, as issued by the IASB but yet to be endorsed by the European Union, it is not believed that their future adoption will entail significant impacts on the attached financial statements.

2.2 ACCOUNTING POLICIES

As principais políticas contabilísticas utilizadas pela Empresa na preparação das suas demonstrações financeiras são as seguintes:

a) Intangible assets

Intangible assets are recorded at acquisition cost, net of depreciation and accumulated impairment losses. Intangible assets are recognised only if they are likely to result in future economic benefits for the Company, if they can be controlled by the Company, and if their value can be reasonably measured.

When acquired individually, intangible assets are recognized at cost, which comprises: i) the purchase price, including intellectual rights costs and fees after deducting any discounts; and ii) any cost directly attributable to preparing the asset for its intended use.

Research expenses incurred with new technical knowledge are recognized in the income statement when incurred. Development expenses for which the Company demonstrates the ability to complete its development and initiate its commercialization and/or use and for which it is probable that the asset created will generate future economic benefits, are capitalized. Development expenses that do not fulfill these criteria are recorded as an expense in the period in which they are incurred.

Internal costs associated with software maintenance and development are recorded as expenses in the income statement when incurred, except when said costs are directly associated with projects for which future economic benefits are likely to be generated for the Company. In such situations, costs are capitalised as intangible assets.

After the assets are available for use, amortisation are calculated using the straight-line method in accordance with the estimated useful life period (generally 3 to 5 years).

b) Property, plant and equipment

Property, plant and equipment acquired until 1 January 2009 (date of the transition to International Financial Reporting Standards, as adopted by the European Union) are recorded at "deemed cost", which corresponds to the acquisition cost or the revaluated acquisition cost in accordance with the accounting principles generally accepted in Portugal until that date, net of accumulated amortisation and impairment losses.

Property, plant and equipment acquired after that date are recorded at acquisition cost, net of the corresponding accumulated amortisation and impairment losses.

Depreciation is calculated using the straight-line method from the date the assets start being used, in accordance with the expected useful life of each group of assets.

Amortisation rates used correspond to the following estimated useful life periods:

	Years
Vehicles	4
Office equipment	3 to 10
Other tangible assets	4 to 10

Maintenance and repair expenses that do not increase the assets' useful life or result in significant upgrades or improvements to components of property, plant and equipment are recorded as an expense in the period when they are incurred.

Property, Plant and Equipment in progress represent fixed assets still under construction and are recorded at acquisition cost net of any impairment losses. These fixed assets are depreciated from the moment the underlying assets are ready to be used.

Gains or losses resulting from the sale or write-off of property, plant and equipment are determined as the difference between the sales price and the net book value on the disposal or write-off date. They are recorded in the income statement under 'Other income' or 'Other expenses'.

c) Provisions

Provisions are recognised when, and only when, the Company (i) has a present obligation (legal or implicit) obligation resulting from a past event, (ii) it is likely that, to resolve this obligation an outflow of resources occurs, and (iii) the obligation's amount might be reasonably estimated. Provisions are reviewed on the date of each statement of financial position and adjusted to reflect the best estimate on that date.

Provisions for restructuring costs are recognised whenever a formal and detailed restructuring plan exists and has been communicated to the parties involved.

When a provision is determined taking into consideration the cash flows required to settle such an obligation, it is recorded at its present value.

d) Investments in subsidiaries

Investments in equity holdings in subsidiaries are measured in accordance with "IAS 27 - Separate Financial Statements", at acquisition cost, net of any impairment losses.

Subsidiaries are all entities over which Cofina has control. That is, it has the power to control its financial and operating policies, in such a way that they are able to influence, as a result of their involvement, the return on the activities of the detained entity and the ability to affect that return (definition of control used by the Company).

Cofina conducts impairment tests to financial investments in subsidiaries whenever events or changes in the surrounding conditions indicate that the amount for which they are recorded in the separate financial statements might not be recoverable.

The impairment analysis is based on the evaluation of the financial investments, using the 'discounted cash-flow' method, based on the financial projections of cash-flow at five years of each, the year of perpetuity starting from the fifth year, deducted from the fair value of the liabilities of the subsidiaries.

The Board of Directors believes that the methodology described above leads to reliable results on the existence of any impairment of the investments under analysis, as they take into consideration the best information available at the time of preparation of the financial statements.

Dividends received from these investments are recorded as investment income, when attributed. Dividends are recorded in the income statement under 'Results related to investments'.

e) Financial instrumentss

Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's balance sheet when it becomes part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at their fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets or liabilities measured at fair value through income statement) are added to, or deducted from, the fair value of the financial asset or liability, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through profit or loss are recognised immediately in the income statement.

Financial assets

All purchases and sales of financial assets are recognised on the date of signature of the respective purchase and sale contracts, regardless of the date of their financial settlement. All recognised financial assets are subsequently measured at amortised cost or at their fair value, depending on the business model adopted by the Company and the characteristics of its contractual cash flows.

Initially, assets are classified and subsequently measured at amortised cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The initial classification of financial assets depends on the contractual characteristics of the cash flows and the business model adopted by the Company to manage them. Except for Trade receivables that do not have a significant financial component and for which the Company adopts the practical expedient, the Company initially measures a financial asset at fair value plus transaction costs if an asset is not classified at fair value through profit or loss.

Trade receivables that do not have a significant financial component and for which the Company adopts the practical expedient are measured at the transaction price calculated in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or at fair value through other comprehensive income, it must provide cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding. This assessment, known as the "cash flows that are solely payments of principal and interest" test, is performed for each financial instrument.

The business model established for managing financial assets concerns the way financial assets are managed by the Company with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets or both.

Classificação de ativos financeiros

(i) Financial assets measured at amortised cost (debt instruments and receivables)

Fixed income debt instruments and receivables that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held taking into account a business model whose objective is to preserve it in order to receive its contractual cash flows; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the corresponding interest during its life.

For financial assets that are not acquired or originated with impairment (i.e. assets impaired on initial recognition), the effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of principal repayments plus the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any impairment losses.

Interest-related revenue is recognised in the income statement under the line item 'Financial income', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through the income statement. Interest revenue is calculated by applying the effective interest rate to the financial asset's gross carrying amount.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in the income account when the asset is derecognised, modified or becomes impaired.

(ii) Financial assets at fair value through other comprehensive income (debt instruments)

Debt instruments and receivables that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held taking into account a business model whose objective provides for both receiving its contractual cash flows and its disposal; and
- the contractual terms of the financial asset generate, on specific dates, cash flows that are solely payments of principal and interest on the amount of principal outstanding.

In the case of debt instruments measured at fair value through other comprehensive income, the interest income, exchange rate differences and impairment losses and reversals are recorded in the income account and calculated in the same way as financial assets measured at amortised cost. The remaining changes in fair value are recorded in other comprehensive income.

Upon derecognition, changes in fair value accumulated under other comprehensive income are transferred (recycled) to profit or loss.

There were no financial instruments in these conditions as at 31 December 2021 and 2020.

(iii) Financial assets at fair value through other comprehensive income (equity instruments)

In the initial recognition, the Company can make an irrevocable choice (on a financial instrument by financial instrument basis) to state certain investments under equity instruments (shares) at fair value through other comprehensive income when these fulfil the definition of capital provided for under IAS 32 Financial Instruments: Presentation and not held for trading. Classification is determined on an instrument-by- instrument basis.

The fair-value designation through other comprehensive income is not permitted if the investment is held for trading purposes or when resulting from a contingent consideration recognised as part of a business combination.

A equity instrument is held for trading if:

- it is acquired primarily for the purpose of short-term disposal;
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction expenses. Subsequently, they are measured at their fair value with gains and losses arising from their change, as recognised under other comprehensive income. At the time of its disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the income statement, but, rather, merely transferred to the line item “Retained Earnings.”

Dividends associated with investments in equity instruments recognised at fair value through other comprehensive income are recognised in the income account when they are attributed/resolved on unless they clearly represent a recovery of part of the investment cost. Dividends are recorded in the income account under "Financial income".

In the application of IFRS 9, the Company designated investments in equity instruments that were not held for trading as valued at fair value through profit or loss.

(iv) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the income statement. These financial assets include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that are mandatorily measured at fair value.

Financial assets recorded at fair value through profit or loss are measured at fair value obtained at the end of each reporting period. The corresponding gains or losses are recognised in the income statement, except if they are part of a hedging relationship.

Financial assets impairment

The Company recognises an adjustment for expected credit losses for all debt instruments not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due and all cash flows that the Company expects to receive, discounted at a rate close to that of the original effective interest rate. The expected cash flows include cash flows from the disposal of collateral held or any other credit guarantees that are an integral part of the contractual terms and conditions.

Expected cash losses are recognised in two stages: (i) for situations where there has not been a significant increase in credit risk since initial recognition, expected credit losses are those that could result from default events that may occur within the subsequent 12 months; (ii) for situations where there has been a significant increase in credit risk since initial recognition, an impairment loss is calculated for all expected credit losses throughout the asset's life, regardless of when default occurred.

For trade receivables and assets associated with contracts with customers, the Company applies a simplified approach when calculating expected credit losses.

The Company therefore does not monitor changes to credit risk, but instead recognises the impairment loss based on the expected credit loss throughout the asset's life, at each reporting date. The Company has established an impairment matrix based on the credits previously lost, adjusted for specific forward-looking factors specific to debtors and the economic environment.

The Company considers a financial asset to be in default when it is more than 180 days past due. In certain cases, the Company may also consider that a financial asset is in default when internal and external information indicates the Company is unlikely to receive the full amount it is owed without having to call its guarantees. A financial asset is derecognised when there is no reasonable expectation of recovering contractual cash flows.

Derecognition of financial assets

A financial asset (or, where applicable, a part of the financial asset or of a group of financial assets) is derecognised (i.e., removed from the Statement of Financial Position) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Company transferred its contractual rights to receive cash flows resulting from the financial asset or undertook an obligation to pay the cash flows received in full within a short period under an agreement in which the Company i) has no obligation to pay any amounts to final recipients unless it receives equivalent amounts resulting from the original asset; ii) is prohibited by the terms of the transfer agreement to sell or pledge the original asset other than as a guarantee to the final recipients due to the obligation to pay them cash flows; and iii) the Company has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays; and
- The Company substantially transferred all of the asset's risks and benefits, or the Company did not substantially transfer or retain all the assets and benefits of the asset, but has transferred control over the asset.

When the Company transfers its rights to receive cash flows from an asset or is party to an agreement that may allow derecognition, it assesses whether, and to what extent, the risks and benefits associated with the ownership of the asset have been retained.

When substantially every risk and benefit arising from ownership of an asset is neither transferred nor retained, or control over the asset has not been transferred, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In this case, the Company also recognises the corresponding liability. The transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations retained by the Company.

If the Company's continuing involvement takes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lowest between the asset's original book value and the maximum amount of consideration received that the Company might pay.

Subsequently, customer balances represented by discounted bills but not due and receivables transferred in factoring at the date of each statement of financial position, except for "factoring without recourse" transactions (and for which the risks and benefits inherent to these receivables are unequivocally transferred), are recognised in the Company's financial statements up to the time they are received.

(v) Financial liabilities and equity instruments

Classification as financial liability or as an equity instrument

Financial liabilities and equity instruments are classified as a liability or as equity according to the transaction's contractual substance.

Equity

The Company considered equity instruments to be those where the transaction's contractual support shows that the Company holds a residual interest in a set of assets after deducting a set of liabilities.

The equity instruments issued by the Company are recognised at the amount received, net of costs directly attributable to their issue.

The repurchase of equity instruments issued by the Company (own shares) is accounted for at its acquisition cost as a deduction from equity. Gains or losses inherent to disposal of own shares are recorded under the line item 'Other reserves.'

Financial liabilities

After initial recognition, every financial liability is subsequently measured at amortised cost or at fair value through income statement.

Financial liabilities are recorded at fair value through profit or loss when:

- the financial liability results from a contingent consideration arising from a business combination;
- when the liability is held for trading; or
- when the liability is designated to be recorded at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it is acquired primarily for the purpose of short-term disposal; or
- in the initial recognition, it is part of a portfolio of identified financial instruments that the Company jointly manages and which shows an actual recent pattern of obtaining short-term gains; or
- if it is a derivative financial instrument (except if attributed to a hedging transaction).

Financial liabilities recorded at fair value through income statement are measured at their fair value with the corresponding gains or losses arising from their change, as recognised in the income statement, except if assigned to hedging transactions.

Financial liabilities subsequently measured at amortised cost

Financial liabilities not designated for recording at fair value through income statement are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the corresponding interest during its life.

The effective interest rate is the one that accurately discounts estimated future cash flows (including fees and commissions paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the instrument in its gross carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for more than one year, and the Company's Board of Directors intends to use this source of funding also for more than one.

Following their initial recognition, loans are subsequently measured at amortised cost using the effective interest method. Gains and losses are recorded in the income account when liabilities are derecognised and through amortisation resulting from the effective interest method. The amortised cost is calculated taking into account any acquisition discount or premium and the fees and other costs that are an integral part of the effective interest rate. The effect of effective interest is recorded under financial costs in the income account.

The other financial liabilities basically refer to factoring transactions and lease liabilities, which are initially recorded at their fair value. Following their initial recognition, these financial liabilities are measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are settled, cancelled or have expired.

The difference between the derecognised financial liability's carrying amount and the consideration paid or payable is recognised in the income statement.

When the Company and a given creditor exchange a debt instrument for another containing substantially different terms, said exchange is accounted for as an extinction of the original financial liability and the recognition of a new financial liability.

Likewise, the Company accounts for substantial modifications to the terms of an existing liability, or to a part thereof, as an extinction of the original financial liability and the recognition of a new financial liability.

If the modification is not substantial, the difference between: (i) the liability's carrying amount prior to modification; and (ii) the present value of future cash flows after modification is recognised in the income statement as a modification gain or loss.

Derivatives instruments

When deemed necessary, the Company uses derivatives, such as forward exchange contracts and currency swap contracts, to hedge risk and interest, respectively.

Such derivatives are initially recorded at fair value at the date they are contracted and are subsequently measured at fair value. Changes in the fair value of these instruments are recorded in equity under "Hedging reserves" and then recognised in the income account over the same period in which the hedged instrument affects profit or loss.

Derivatives are presented in assets when their fair value is positive, and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:

- Fair value hedge, when the purpose is to hedge exposure to changes in the fair value of a recorded asset or liability or an unrecorded Company commitment.
- Cash flow hedge, when the purpose is to hedge exposure to cash flow variability arising from a specific risk associated with a recorded asset or liability, in whole or in part, or a highly probable transaction or the foreign exchange risk associated with an unrecorded Company commitment.

At the beginning of the hedging relationship, the Company formally designates and documents the hedging relationship for which it intends to apply hedge accounting, as well as the managerial and strategic purpose of that hedge.

These documents include the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged, and how the Company assesses whether the hedging relationship complies with the hedge accounting requirements (including an analysis of the sources of hedging ineffectiveness and how it determines the hedge rate). The hedging relationship is eligible for hedge accounting if it meets all of the following hedge effectiveness requirements:

(i) There is an economic relationship between the hedged item and the hedging instrument;
(ii) The credit risk effect does not dominate the changes in value that result from this economic relationship; and
(iii) The hedge ratio of the hedging relationship is the same as that resulting from the portion of the hedged item that an entity is actually hedging and the portion of the hedging instrument that the entity actually uses to hedge that portion of the hedged item.

Hedging relationships that meet the above eligibility criteria are accounted for as follows:

<u>Fair value hedge</u>

The change in the fair value of the hedging instrument is recorded in the income account. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the book value of the hedged item and is also recorded in the income account.

To hedge the fair value of items measured at amortised cost, any adjustment to the book value is amortised in the income account over the remaining hedging period using the effective interest method. Amortisation using the effective interest method starts when there is an adjustment and never after the moment when the hedged item ceases to be adjusted by changes in fair value attributable to the risk that is being hedged.

If the hedged item is derecognised, the fair value to be amortised is immediately recorded in the income account.

When an unrecorded commitment is designated as a hedged item, subsequent accumulated changes in the fair value of the Company's commitment attributable to the hedged risk are recognised as an asset or liability and the corresponding gain or loss is recorded in the income account.

<u>Cash flow hedge</u>

The effective portion of the gain or loss on the hedging instrument is recognised as other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised immediately in the income account. The cash flow hedge reserve is adjusted to the lower of the values between the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

The Company uses forward exchange contracts to hedge exposure to foreign exchange risk in expected transactions and commitments undertaken. The ineffective portion related to exchange contracts is recognised in the income account.

The Company designates only the sight element of forward contracts as a hedging instrument. The forward element is recognised under other comprehensive income and accumulated in a separate equity component.

Cumulative amounts under other comprehensive income are accounted for based on the nature of the corresponding hedging relationship. If the hedging relationship subsequently results in the registration of a non-financial item, the cumulative amount is removed from the separate equity component and included in the initial cost or book value of the hedged asset or liability. This is not a reclassification adjustment and should not be recorded under other comprehensive income for the period. This also applies when an expected transaction covered by a non-financial asset or a non-financial liability becomes a Company commitment subject to hedge accounting.

For all other cash flow hedges, the cumulative amount under other comprehensive income is reclassified to the income account as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income account.

If the cash flow hedge accounting is interrupted, the cumulative amount under other comprehensive income shall remain if hedged future cash flows are still expected to occur. Otherwise, the cumulative amount is immediately reclassified to the income account as a reclassification adjustment. After the interruption, as soon as the hedged cash flows occur, any cumulative amounts remaining under other comprehensive income should be accounted for in accordance with the nature of the underlying transaction as described above.

During the 2021 and 2020 periods, no derivative financial instruments were contracted to hedge interest rate or exchange rate risks.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the balance sheet if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

f) Cash and cash equivalents

The amounts included under "Cash and cash equivalents" correspond to cash on hand, bank deposits, term deposits and other cash investments, maturing in less than three months and which can be immediately available without significant risk of change in value.

In the statement of cash flows, "Cash and cash equivalents" also comprises bank overdrafts included under the current liability item "Bank loans".

g) Statement of cash flows

The statement of cash flows is prepared according to IAS 7, using the direct method.

The statement of cash flows is categorised under operating activities (which include Receipts from customers, Payments to suppliers, Payments to personnel and other items related to operating activities), financing activities (which include cash receipts and payments related to loans, leasing contracts and dividend payments) and investment activities (which include the acquisition and disposal of investments in subsidiaries and cash receipts and payments resulting from the purchase and sale of property, plant and equipment).

h) Contingent assets and liabilities

Contingent liabilities are defined by the Company as (i) possible obligations arising from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not under full control of the Company, or (ii) present obligations arising from past events but that are not recognised because it is unlikely that a cash flow affecting economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the Company's financial statements and are actually disclosed unless the possibility of a cash outflow affecting future economic benefits is remote, in which case they are not disclosed at all.

Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not fully under the control of the Company.

Contingent assets are not recognised in the Company's financial statements, being disclosed only when future economic benefits are likely to occur.

i) Income tax

Income tax for the period ended is calculated based on the taxable results of the Company in accordance with the tax regulations in force and considers deferred taxation.

The Company is taxed under the special taxation regime for groups, according to article 69 of the Corporate Income Tax Code, being the dominant company in the Tax Group.

Deferred taxes are calculated using the statement of financial position liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force or announced as coming into force at the expected date of reversal of temporary differences.

The measurement of deferred tax assets and liabilities:

– It is conducted in accordance with the expected rates to be applied in the period the asset is realised or the liability is settled, based on the tax rates approved on the date of the statement of financial position; and

– It reflects the tax consequences arising from the way the Company expects, on the date of the statement of financial position, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only when there are reasonable expectations of sufficient future tax profits for their use, or in situations where there are taxable temporary differences that offset the temporary differences deductible in the period of their reversal. At the end of each period a review is made of these deferred taxes, which are reduced whenever their future use is no longer likely.

Deferred taxes are not recognised in respect to temporary differences associated with investments in subsidiaries and associates, since the following conditions are simultaneously considered to be met:

– The Company is able to control the timing of the temporary reversal; and
– It is likely that the temporary differences will not be reversed in the foreseeable future.

Deferred taxes are recorded as expenses or income for the period ended, except if they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same line item.

j) Revenue

Cofina recognises revenue in accordance with IFRS 15, which sets forth that an entity recognises revenue in order to reflect the transfer of goods and services contracted by customers, in the retribution amount to which the entity expects to be entitled to receive as consideration for delivery of said goods or services, based on the 5-step model below:

- contract identification with a client;
- performance obligation identification;
- pricing of the transaction;
- allocation of the transaction price to performance obligation; and
- recognition of revenue when or as the entity meets a performance obligation.

Cofina's revenue as at 31 December 2021 and 2020 refers to corporate services rendered to the subsidiaries of the Group, the same being billed quarterly and the invoice issued at the end of the quarter, for the services provided in that quarter.

Revenue is recognised net of bonuses, discounts and taxes (e.g.: trade discounts), and refers to the consideration received or receivable for services provided in line with the type of business identified.

Revenue is recognised in the amount of the performance obligation fulfilled. The transaction price is a fixed component.

The Company considers the facts and circumstances when analysing the terms of each contract with clients, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, when dealing with contracts with similar characteristics and circumstances.

k) Accrual accounting basis

The remaining income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are recorded under the line items 'Other current assets', 'Other current liabilities', 'Other non-current assets', and 'Other non-current liabilities.'

l) Subsequent events

The events occurring after the statement of financial position providing additional evidence or information regarding conditions that existed on the date of the statement of financial position (adjusting events) are reflected in the Company’s financial statement. Events after the date of the statement of financial position that are indicative of the conditions that arose after the date of the statement of financial position (non-adjusting events), when material, are disclosed in the Notes to the financial statements.

2.3 JUDGEMENTS AND ESTIMATES

In preparing the financial statements, in accordance with the accounting standards in force (Note 2.1), the Company's Board of Directors adopted certain assumptions and estimates affecting assets and liabilities, as well as income and expenses incurred in relation to the reported periods. All of the estimates and assumptions by the Board of Directors were made based on the best information available, on the date of approval of financial statements, events and ongoing transactions.

The main value judgements and most significant estimates conducted and used in preparing financial statements include:

- Impairment tests of financial investments
  Impairment analyses require determining fair value and / or the use value of the assets in question (or of some cash-generating units). This process calls for a high number of relevant judgements, namely estimating future cash flows associated with assets or with the corresponding cash-generating units, and determining an appropriate discount rate for obtaining the present value of the aforementioned cash flows. In this regard, the Company once again established the requirement calling for use of the maximum possible amount of observable market data. It further established calculation monitoring mechanisms based on the critical challenge of reasonability of assumptions used, their coherence and consistency (in similar situations).
  As of 31 December 2021 and 2020, an analysis was also carried out regarding the recoverability of the collateral included in the item “Other financial investments”. For this analysis, the Board of Directors took into account all the information available, current and known at the time, as well as the support of Grupo Cofina's legal advisors.

The estimates and underlying assumptions were determined based on the best information available at the date of preparation of the financial statements and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods that, not being predictable at the time, were not considered in these estimates. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates. Changes to these estimates, which occur after the date of the financial statements, will be corrected prospectively in the income statement, as provided by IAS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

2.4 CHANGES IN ACCOUNTING POLICIES AND ERROR CORRECTION

Regarding new standards, interpretations, amendments and revisions to IFRS, see Note 2.1.

During the period ended, there were no voluntary changes in accounting policies. Likewise, no material errors were recognised in relation to previous periods.

3. FINANCIAL RISK MANAGEMENT

The Company is basically exposed to (a) market risk and (b) liquidity risk. The main purpose of risk management is to reduce these risks to a level considered acceptable.

The general principles of risk management are approved by the Board of Directors, and their implementation and monitoring are overseen by the administrators and directors.

(i) Market risk

Interest rate risk is of particular importance in market risk management.

a. Interest rate

Interest rate risk is essentially related to the Company's debt indexed to variable interest rates, which could expose the cost of debt to a volatility risk.

When deemed relevant, the Company uses derivatives or similar transactions to hedge significant interest rate risks. Three principles are used in selecting and determining interest rate hedging instruments:

- For each derivative or hedging instrument used to protect against the risk associated with a particular credit facility, the dates of interest paid on loans to be hedged and the settlement dates of the instruments under hedging match;

(Amounts expressed in Euro)

- Perfect correspondence between the basic rates: the indexing used for the derivative or hedging instrument should be the same as that which applies to the credit facility/transaction being hedged; and

- Since the start of the transaction, the maximum cost of debt, resulting from the hedging transaction performed, is known and limited, even in scenarios of extreme changes in market interest rates, such that the resulting interest rates are within the cost of the funds considered in the Company's business plan.

Since Cofina's overall indebtedness is indexed to variable rates, interest rate swaps are used, when such is deemed necessary, as a way to protect against future cash flow changes associated with interest payments. The economic effect of the agreed interest rate swaps consists of taking the corresponding loans associated with variable rates and converting them to fixed rates. Under interest rate swap contracts, the Company agrees with third parties (Banks) on the exchange, in pre-set time periods, of the difference between the amount of interest calculated at the agreed fixed rate and at the variable rate of the reset time, with reference to the corresponding notional amounts agreed upon.

The hedging instrument counterparties are limited to credit institutions of high credit quality. It is the Company's policy to favour putting these instruments under contract with banking entities that are part of its financing operations. For the purpose of determining the counterparty in one-off transactions, Cofina asks a representative number of banks to submit proposals and indicative prices so as to ensure adequate competitiveness for these transactions.

In determining the fair value of hedging transactions, Cofina uses certain methods, such as option assessment models and future cash flow updating models, while using certain assumptions based on the conditions of prevailing market interest rates at the date of the statement of financial position. Comparative quotes from financial institutions, for specific or similar instruments, are used as an assessment benchmark.

The Board of Directors approves the terms and conditions of financing deemed material for the Company. As such, it examines the debt structure, the inherent risks and the different options available in the market, namely regarding the type of interest rate (fixed/variable).

During the 2021 and 2020 period, no derivatives were contracted to hedge interest rate or foreign exchange rate risks.

In the period ended 31 December 2021 and 2020, the Company's sensitivity to changes in the interest rate benchmark of approximately one percentage point, measured as the change in financial results, are detailed as follows:

	31.12.2021	31.12.2020
Interest expenses and bank commissions (Note 19)	807,384	1,313,503
A 1 p.p. decrease in the interest rate applied to the entire debt	(490,000)	(520,000)
A 1 p.p. increase in the interest rate applied to the entire debt	490,000	520,000

The sensitivity analysis above was calculated based on the exposure to the existing interest rate on the date ending each period. This analysis' basic assumption was that the financing structure (remunerated assets and liabilities) remained stable throughout the year and similar to that shown at the end of every period, with the rest remaining constant.

(ii) Liquidity Risk

The main objective of the liquidity risk management policy is to ensure that the Company has the capacity to liquidate or meet its responsibilities and to pursue the strategies outlined in compliance with all its commitments to third parties within the stipulated time frame.

The Company defines as an active policy (i) to maintain a sufficient level of free and immediately available resources to meet the necessary payments on maturity, (ii) to limit the probability of default on the repayment of all its investments and loans by negotiating the extent of the contractual clauses, and (iii) to minimise the opportunity cost of holding excess liquidity in the short term.

It also seeks to make the due dates of assets and liabilities compatible, through a streamlined management of their maturities.

We refer to information included in note 13. Other loans.

(Amounts expressed in Euro)

4. PROPERTY, PLANT AND EQUIPMENT

During the years ended 31 December 2021 and 2020 there were no movements in the value of tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses.

5. INTANGIBLE ASSETS

During the period ended 31 December 2021 and 2020, there were no changes in the value of intangible assets, nor in the corresponding accumulated amortisation and impairment losses.

6. INVESTMENTS IN SUBSIDIARIES AND OTHER INVESTMENTS

6.1 Investments in subsidiaries

"Investments in subsidiaries" and the main financial indicators as at 31 December 2021 and 2020 are detailed as follows:

31 December 2021

Description	%	Acquisition cost	Impairment losses	Statement of Financial Position	Total assets	Total equity	Total revenue (a)	Net profit for the year
Cofina Media, S.A. ("Cofina Media")	100 %	222,091,213	79,769,260	142,321,953	115,667,350	76,251,560	74,770,227	7,642,444
		222,091,213	79,769,260	142,321,953				

31 December 2020

Description	%	Acquisition cost	Impairment losses	Statement of Financial Position	Total assets	Total equity	Total revenue (a)	Net profit for the year
Cofina Media, S.A. ("Cofina Media")	100 %	222,091,213	79,769,260	142,321,953	111,063,688	71,137,784	70,756,521	2,542,354
		222,091,213	79,769,260	142,321,953				

(a) Total income = sales, services rendered and other income

In the 2021 and 2020 period, the methods and assumptions used in the impairment analysis of investments in subsidiaries (Cofina Media), which the Board of Directors deemed appropriate in the current climate, are detailed as follows:

	31.12.2021	31.12.2020
	Free cash flow	Free cash flow
Method used	Discounted cash flows	Discounted cash flows
Basis used	Business plan	Business plan
Explicit forecast period	5 years	5 years
Weighted average cost of capital Portugal	7.34% - 7.54%	7.35%
Perpetuity growth rate Portugal	1.30%	1.50%

Cofina Media, S.A. was assessed using discounted cash flow methods and based on five-year business plans comprising the newspaper, magazine and television segments, and a perpetuity from the fifth year, prepared by those who manage the subsidiary and duly approved by the Board of Directors.

Financial projections are prepared based on the assumptions made of the development of the subsidiary's business activity (and its respective cash-generating units), which the Board of Directors believes are consistent with historical data and market trends, are reasonable and prudent, and reflect their outlook. When possible, market data from external entities were also taken into account, which were compared with the Company's historical data and experience.

The operating assumptions used generally follow those used for goodwill impairment tests, which are disclosed in the financial statements.

As disclosed in Note 2.3, the relevant assumption relates to determining the discount rate. The discount rate used reflects the Cofina Group's level of indebtedness and cost of debt capital, as well as the level of risk and profitability expected by the market. In determining the discount rate, it is also important to note that the interest rate for Portuguese 10-year bonds is used as a reference for the component relating to the interest rate of a risk-free asset. The discount rates used also include a market premium risk.

Inflation and perpetuity growth rates are estimated based on an analysis of the market potential of each cash-generating unit and on the Company's expectations for price and business development.

The assumptions were quantified based on historical data and the Board's experience. However, unforeseeable political, economic or legal phenomena may impact these assumptions.

On 31 December 2021 and 2020, as a result of the impairment analyses performed, based on the above mentioned methodologies and assumptions, and taking into consideration the amounts of dividends distributed by the subsidiary in that year, no impairment losses were recognized.

The Board of Directors believes that the effect of possible deviations that may occur in the main assumptions underlying the recoverable amount of its investment will not, in all material aspects, lead to additional impairment on investments.

6.2 Other investments

As at 31 December 2021 and 2020, the Company had other financial investments corresponding to a minority interest in unlisted companies for which impairment losses were recorded at said dates in the amount of EUR 510. As at 31 December 2021 and 2020, the total amount of financial investments for which impairment losses were recorded amounted to EUR 156,400.

At December 31, 2021 and 2020, "Other financial investments" also includes the guarantee of an amount of 10 million euros in the context of the Share Purchase and Sale Agreement ("SPA") entered into on September 20, 2019 with Promotora de Informaciones, S.A. for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A. ("Vertix"), which, as of the date of execution of the SPA, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A. ("Media Capital"), the SPA was subject to (i) the verification of a number of Conditions Precedent and (ii) the payment by Cofina to Prisa of a Down Payment in the amount of Euro 10,000,000.00 (ten million Euros). This escrow account is deposited in a financial institution.

On April 15, 2020, Cofina informed the market that it had been notified of a Request for Arbitration ("Request"), filed by Promotora de Informaciones, S.A. ("Prisa") before the Câmara do Comércio e Indústria Portuguesa (CCIP), claiming the right to be paid by the Escrow Agent (Banco BPI, S.A.) the amount of 10 million Euros deposited therein as down payment. Additionally, Prisa makes a claim for damages in which it claims that Cofina should be condemned to pay the damages it considers it has suffered.

Cofina, supported by its legal advisors, considers that Prisa's claims lack any basis and presented the appropriate answer, contesting each argument presented with the proper justification.

It is, therefore, the understanding of the Board of Directors of Cofina, based on available information, current and known to date, supported by its legal advisors, that the amount will be returned to the Group, reason why it did not proceed to the registration of any adjustment on the balance presented in the assets of the Company, and will not be condemned to pay any amount to Prisa in any way.

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

7. CURRENT AND DEFERRED TAXES

The Company pays Corporate Tax (IRC) at a rate of 21%, plus a surtax of 1.5% on taxable profit. Cofina SGPS, S.A. is a controlling company under the special taxation regime for groups. Each of the companies encompassed by this arrangement records income tax in its separate financial statements under "Group Companies". Where subsidiaries contribute with losses, in the separate financial statements, the tax amount corresponding to losses that will be offset by the profits of the other companies under this arrangement is recorded in the separate accounts. If deferred tax assets are recorded for tax losses generated, the amount is recorded in the Company against a payable account to the entities of the Group.

Additionally, in accordance with the legislation in force in Portugal during the period ended 31 December 2021, the state surtax corresponded to the application of an additional 3% rate on taxable income between EUR 1.5 and 7.5 million, 5% on taxable income between EUR 7.5 and 35 million and 9% on taxable income above EUR 35 million.

(Amounts expressed in Euro)

According to 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 when there have been tax losses, tax benefits granted, or when inspections, complaints or challenges are in progress, in which cases, depending on the circumstances, the deadlines are extended or suspended. Thus, the Company's tax returns since 2018 may still be subject to review.

The Company's Board of Directors considers that any corrections resulting from reviews/inspections by the tax authorities to those tax returns will not have a material effect on the financial statements as of 31 December 2021 and 2020.

The Company is under the special taxation regime for groups, Cofina being the dominant company of the tax group, which consists of the following entities:

- Grafedisport – Impressão e Artes Gráficas, S.A.;
- Cofina Media, S.A..

Deferred taxes

As at 31 December 2021 and 2020, there are no situations where deferred tax liabilities are generated.

As at 31 December 2021 and 2020, and according to the Company's tax returns, no tax losses were carried forward.

Current taxes

Income tax recognised in the income statement for the period ended 31 December 2021 and 2020 are detailed as follows:

Current tax:	31.12.2021	31.12.2020
Tax estimate for the year	(232,307)	(485,671)
Under/(over) Income tax estimates	59	(144,691)
	(232,248)	(630,362)

Reconciliation of profit before income tax with income tax is detailed as follows:

	31.12.2021	31.12.2020
Profit before income tax	1,420,421	5,548,840
Tax rate	21.00 %	21.00 %
	298,288	1,165,256
Dividends received	(531,020)	(1,652,063)
Under/(over) Income tax estimates	59	(144,691)
Autonomous taxes	473	1,533
Other effects	(48)	(397)
Income tax	(232,248)	(630,362)

(Amounts expressed in Euro)

8. CLASSES OF FINANCIAL INSTRUMENTS

In accordance with the accounting policies described under Note 2.2.h), financial instruments were detailed as follows:

Financial assets

31 December 2021	Financial assets recorded at amortised cost	Total
Current assets		
Trade receivables	219,690	219,690
Other receivables	594,704	594,704
Other current assets	—	—
Cash and cash equivalents	472,977	472,977
	1,287,371	1,287,371

31 December 2020	Financial assets recorded at amortised cost	Total
Current assets		
Trade receivables	2,177,395	2,177,395
Other receivables	297,897	297,897
Other current assets	—	—
Cash and cash equivalents	6,045,044	6,045,044
	8,520,336	8,520,336

Financial liabilities

31 December 2021	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	9,994,799	9,994,799
	9,994,799	9,994,799
Currents liabilities		
Other loans	38,857,769	38,857,769
Trade payables	222,335	222,335
Other payables	—	—
Other current liabilities	266,030	266,030
	39,346,134	39,346,134
	49,340,933	49,340,933

(Amounts expressed in Euro)

31 December 2020	Financial liabilities recorded at amortised cost	Total
Currents liabilities		
Other loans	51,848,141	51,848,141
Trade payables	11,081	11,081
Other payables	7,386,422	7,386,422
Other current liabilities	50,851	50,851
	59,296,495	59,296,495

9. STATE AND OTHER PUBLIC ENTITIES

As at December 2021 and 2020 these assets and liabilities were detailed as follows:

	31.12.2021	31.12.2020
Debit balances:		
Value Added Tax	148,485	234,314
Total other taxes (Note 10)	148,485	234,314
Credit balances:		
Income tax	1,147,949	164,845
Total income tax	1,147,949	164,845
Value Added Tax	—	—
Personal income tax	3,988	2,988
Social security contributions	3,736	3,736
Other taxes	3,638	3,638
Total other taxes (Note 14)	11,362	10,362

10. OTHER RECEIVABLES

"Other receivables" as at 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Group Companies (Note 20)	594,704	297,897
Accounts receivable from the State and other public entities (Note 9)	148,485	234,314
	743,189	532,211

11. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" as at 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Cash	3	197
Bank deposits	472,974	6,044,847
Cash and bank balances on the statement of financial position	472,977	6,045,044
Bank overdrafts (Note 19)	(2,991,893)	—
Cash and bank balances in the statement of cash flows	(2,518,916)	6,045,044

(Amounts expressed in Euro)

12. SHARE CAPITAL AND RESERVES

Share capital

As at December 2021, the Company's share capital was fully subscribed and paid up and consisted of 102,565,836 nominatives shares with no par value. At said date, Cofina, SGPS, S.A. and its subsidiaries did not hold own shares.

Share premiums

Share premiums correspond to amounts received from issuance or increases in capital. In accordance with the Portuguese commercial legislation, the amounts included in this caption follow the same regime as the "Legal reserve", i.e., the amounts are not distributable, unless in situations of insolvency, but can be used to absorb losses after the other reserves have been used, and for inclusion in the issued capital.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be allocated to the 'legal reserve' until it represents at least 20% of the share capital. This reserve is not distributable, except in the event of liquidation of the Company, but may be used to absorb losses, after all other reserves have been exhausted, and for incorporation into capital.

With regard to the 2020 period ended, in its annual report, which was approved by the Shareholders' General Meeting on 30 April 2021, the Board of Directors proposed that Cofina, SGPS, S.A.'s individual net profit, in the amount of EUR 6,179,202 to be transferred to Free Reserves.

With regard to the 2019 period ended, in its annual report, which was approved by the Shareholders' General Meeting on 30 April 2020, the Board of Directors proposed that Cofina, SGPS, S.A.'s individual net profit, in the amount of EUR 4,299,529 to be transferred to Free Reserves.

Other reserves

As at 31 December 2021 and 2020, "Other reserves" corresponds to retained earnings from the Company's previous periods.

13. OTHER LOANS

As at December 2021 and 2020, the detail of 'Other loans' was detailed as follows:

	31.12.2021				31.12.2020			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bank overdrafts	2,991,893	—	2,991,893	—	—	—	—	—
Commercial paper	35,865,876	9,994,799	36,000,000	10,000,000	51,848,141	—	52,000,000	—
	38,857,769	9,994,799	38,991,893	10,000,000	51,848,141	—	52,000,000	—

Commercial paper

The liability caption "Commercial paper" corresponds to six commercial paper programmes with guaranteed subscription by the issuing banks, up to the maximum amounts of EUR 15,000,000, EUR 10,000,000, EUR 6,000,000, EUR 5,000,000, EUR 5,000,000, EUR 5,000,000 which bear interest at market rates. These programmes mature in July 2022, September 2026, November 2025, May 2022, September 2022 and September 2024, respectively.

As at 31 December 2021, the Company had Commercial Paper Programmes with Guaranteed Underwriting classified as a current liability. However, the maturity of most of the contracts underlying them extends beyond 31 December 2022 and, as such, the Company may renew the subscriptions, as it has done in recent periods. With the exception of one Program of 15 million euros, which matures on July, 2022, and another Program of 5 million, which matures on May, 2022, and another Program of 5 million, which matures on September, 2022, and which are currently being renewed.

(Amounts expressed in Euro)

Regarding the EUR 6 million Program, it presents an amortization profile that includes 3 successive annual amortizations of EUR 1 million (each, occurring on the last business day of November 2022, 2023 and 2024) and a final amortization of EUR 3 million to take place on November 2025.

During the period ended 31 December 2021, these loans paid interest at Euribor-indexed rates plus spreads ranging between 0.910% and 1.750% (0.825% and 1,750% in 31 December 2020), according to the nature and maturity thereof.

Credit facilities used by the Company and the maximum authorised amounts thereof as at 31 December 2021 and 2020 are detailed as follows:

	31.12.2021			
Nature	Maturity	Balance authorised	Nominal balance used	Balance available
Cash pooling / Overdraft	n/a	3,000,000	—	3,000,000
Current account facility	n/a	4,000,000	2,991,893	1,008,107
Commercial paper	07/07/2022	15,000,000	15,000,000	—
Commercial paper	09/27/2026	10,000,000	10,000,000	—
Commercial paper	09/12/2024	5,000,000	5,000,000	—
Commercial paper	11/28/2025	6,000,000	6,000,000	—
Commercial paper	05/30/2022	5,000,000	5,000,000	—
Commercial paper	09/03/2022	5,000,000	5,000,000	—
		53,000,000	48,991,893	4,008,107

	31.12.2020			
Nature	Maturity	Balance authorised	Nominal balance used	Balance available
Cash pooling / Overdraft	n/a	3,000,000	—	3,000,000
Current account facility	n/a	200,000	—	200,000
Commercial paper	07/07/2022	15,000,000	15,000,000	—
Commercial paper	30/09/2021	15,000,000	15,000,000	—
Commercial paper	09/12/2024	5,000,000	5,000,000	—
Commercial paper	11/28/2025	7,000,000	7,000,000	—
Commercial paper	30/11/2021	5,000,000	5,000,000	—
Commercial paper	09/03/2022	5,000,000	5,000,000	—
		55,200,000	52,000,000	3,200,000

Reconciliation of the change in gross debt with cash flows as at 31 December 2021 and 2020 is detailed as follows:

	31.12.2021	31.12.2020
Balance as at 1 January	51,848,141	52,074,236
Payments of loans obtained	(104,174,581)	(230,242,667)
Receipts of loans obtained	97,657,859	229,649,262
Bank overdrafts	2,991,893	—
Changes of loan issuance expenses	529,256	367,310
Change in debt	(2,995,573)	(226,095)
Balance as at 31 December	48,852,568	51,848,141

14. OTHER PAYABLES

In the period ended 31 December 2021 and 2020 the line item 'Other payables' was detailed as follows:

	31.12.2021	31.12.2020
Payables to the State and other public entities (Note 9)	11,362	10,362
Group Companies (Note 20)	—	7,386,422
	11,362	7,396,784

(Amounts expressed in Euro)

15. OTHER CURRENT LIABILITIES

As at December 2021 and 2020, the line item 'Other current liabilities' is detailed as follows:

	31.12.2021	31.12.2020
Expense accruals:		
Wages and salaries payable	29,112	29,112
Other accrued expenses	236,918	21,739
	266,030	50,851

16. PROVISIONS AND IMPAIRMENT LOSSES

During the years ended December 31, 2021 and 2020 there were no movements in the value of provisions and impairment losses.

17. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2021 and 2020, the line item 'External supplies and services' is detailed as follows:

	31.12.2021	31.12.2020
Fees	524,572	1,488,109
Fuel	—	146
Other expenses	104,612	26,393
	629,184	1,514,648

As of 31 December, 2020, the variation in the item “Fees” refers essentially to the expenses incurred by the Company in the process of acquiring 100% of the share capital and voting rights of Vertix, SGPS, S.A. and indirectly of 94.69 % of the share capital and voting rights of the Media Capital Group, SGPS, S.A..

18. PAYROLL EXPENSES

As at 31 December 2021 and 2020, the line item 'Payroll Expenses' is detailed as follows:

	31.12.2021	31.12.2020
Payroll expenses	305,620	305,759
Social security contributions	41,594	28,219
Other payroll expenses	1,355	1,811
	348,569	335,789

(Amounts expressed in Euro)

19. FINANCIAL RESULTS

The financial expenses and income for the period ended 31 December 2021 and 2020 are detailed as follows:

	31.12.2021	31.12.2020
Interest expenses (Note 13)		
Bank interest	(550,144)	(558,797)
Financing fees	(239,890)	(734,696)
Stamp duty	(1,500)	(1,500)
Other financial costs	(15,850)	(18,510)
	(807,384)	(1,313,503)
Financial income		
Bank interest	—	—
	—	—

20. RELATED PARTIES

Cofina Group companies have relationships with each other that qualify as related party transactions. All these transactions are carried out at market prices.

The main balances with related parties as at 31 December 2021 and 2020 and the main transactions carried out during the period ended at said date are detailed as follows:

Transactions:

	31.12.2021		31.12.2020	
	Services rendered	Results related to investments	Services rendered	Results related to investments
Cofina Media, S.A.	703,180	2,528,668	864,628	7,866,968
Grafedisport - Impressão e Artes Gráficas, S.A.	11,260	—	15,612	—
	714,440	2,528,668	880,240	7,866,968

Balances:

	31.12.2021			31.12.2020		
	Trade receivables	Other receivables	Other payables	Trade receivables	Other receivables	Other payables
Cofina Media, S.A.	216,228	588,475	—	2,139,742	297,887	7,311,520
Grafedisport	3,462	6,229	—	37,653	10	74,902
	219,690	594,704	—	2,177,395	297,897	7,386,422

Compensation to Key Management

Remuneration paid to key managers who, based on the Group's governance model, were members of the parent company's Board of Directors, earned directly through the parent company, during the period ended 31 December 2021 and 2020, amounted to EUR 272,000 and EUR 263,333, respectively, and only include the fixed pay component.

As at 31 December 2021 and 2020, there were no: (i) incentive plans or schemes with regard to granting shares to members of the Board of Directors; (ii) supplementary pension or early retirement schemes for directors; (iii) compensations paid or owed to former directors regarding the suspension of duties during the period; or (iv) non-monetary benefits considered remuneration.

Cofina, SGPS, S.A. does not have any plan for the attribution of shares or stock options to the members of the governing bodies, nor to its employees.

21. LIABILITIES FOR GUARANTEES PROVIDED AND OTHER CONTINGENCIES

As at 31 December 2020, guarantees provided by Cofina are detailed as follows:

a) Pledge of 20,000,000 Cofina Media, S.A. shares to the Portuguese Tax and Customs Authorities as a guarantee in tax enforcement proceedings.

As at 31 December 2021 and 2020, disputes were ongoing with the Portuguese Tax and Customs Authorities (AT) as a result of an inspection of the 2007 period concerning Corporate Income Tax, the amount of which initially disputed by the tax authorities was EUR 17.9 million. These amounts are the result of two corrections made by the AT: one concerning non-acceptance of a capital loss generated with the liquidation of a subsidiary, and another concerning non-acceptance of the deduction of part of the dividends paid out by a subsidiary.

Under the Special Arrangement for the Settlement of Tax and Social Security Debts ("RERD"), approved by Decree-Law 151-A/2013, of 31 October, in the period ended 31 December 2013 Cofina voluntarily paid an amount of EUR 2 million with the corresponding waiver of interest on arrears, compensatory interest and legal costs associated with the tax enforcement proceedings. Under the same arrangement, Cofina asked the Portuguese Tax and Customs Authorities to offset part of the enforced amounts relating to said audit with credits the AT owes to Cofina (related to administrative claims and legal challenges associated with corporate income tax). During the 2014 period, this request was approved in the amount of approximately EUR 5.7 million, of which EUR 2,346,895 were allocated to said settlement.

As part of the acceptance of the Special Programme for Reducing Indebtedness to the State ("PERES"), approved by Decree-Law 67/2016 of 3 November, in the period ended 31 December 2016, Cofina paid an additional amount of EUR 3,614,561 with the corresponding reduction of interest on arrears, compensatory interest and legal costs associated with tax enforcement proceedings.

Therefore, the contingency amount carried forward relating to the aforementioned tax enforcement proceedings, as at 31 December 2021 and 2020, is of approximately EUR 13.5 million, of which around EUR 3 million are related to the correction of the aforementioned capital loss and EUR 10.5 million are related to the correction of dividends paid.

Within the scope of the reassessment of tax contingencies, the Board of Directors, advised by its legal and tax advisers, considers it likely that (i) a favourable decision will be taken on the "Dividends" component and (ii) the "Capital loss" component will be rejected. As such, a provision was recorded in the amount of approximately EUR 3 million for said component in the proceedings.

During the last quarter of 2019, the Company received notice from the Constitutional Court regarding the aforementioned capital loss generated from the liquidation of a subsidiary, informing it that the claim filed by Cofina had been denied, confirming the court's decision against the Cofina. By decision dated November 2021, the appeal was upheld in the part concerning the "Dividends" component, and the tax authorities were acquitted as to the remainder. Cofina is making efforts with the Tax Authority, supported by its legal advisors, in order to carry out the necessary procedures for the conclusion of this process, and also to release the pledge of shares.

22. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2021 and 2020 there were no contingent assets.

As at 31 December 2021 and 2020, the main contingent liabilities were related to ongoing proceedings and the guarantees provided as disclosed in Note 21.

(Amounts expressed in Euro)

23. EARNINGS PER SHARE

Earnings per share for the period ended 31 December 2021 and 2020 were detailed as follows::

	31.12.2021	31.12.2020
Net income taken into account to determinate basic and diluted earnings per share	1,652,669	6,179,202
Weighted average number of shares used to compute the basic and diluted earnings per share	102,565,836	102,565,836
Earnings per share:		
Basic	0.02	0.06
Diluted	0.02	0.06

24. SUBSEQUENT EVENTS

On February 24, 2022, a conflict started in Europe with the Russian Federation armed forces in Ukrainian territory. Although Cofina's operations are not directly exposed to these countries and no impacts are expected on the financial performance of Cofina, at this date it is not possible to estimate the effects, if any, of the socio-economic impact that this conflict may originate in the Portuguese economy, particularly as a result of the increase in fuel prices and a set of goods and services that has caused an increase in inflation, as well as impacts on financial markets, including increase in interest rates.

From 31 December 2021 to the date of issue of this report, there were no other relevant facts that could materially affect the financial position and future results of the Company.

25. TRANSLATION NOTE

These financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the 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.

The Chartered Accountant	The Board of Directors
	Paulo Jorge dos Santos Fernandes
	João Manuel Matos Borges de Oliveira
	Domingos José Vieira de Matos
	Pedro Miguel Matos Borges de Oliveira
	Ana Rebelo de Carvalho Menéres de Mendonça
	Laurentina da Silva Martins

STATUTORY AND AUDITOR'S REPORT

STATUTORY AUDITOR'S REPORT

(Translation of a report originally issued in Portuguese – in the event of discrepancies, the original version in Portuguese prevails)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Cofina SGPS, S.A. (the "Entity" or "Cofina") and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 (which shows a total of Euro 136.796,948 and total equity of Euro 49,619,607, including a consolidated net profit of Euro 4,224,521), the consolidated statement of profit and loss, the consolidated statement of comprehensive income and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash-flows for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present true and fairly, in all material respects, the consolidated financial position of Cofina SGPS, S.A. as at 31 December 2021, its consolidated financial performance and cash-flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by 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 from the entities that constitute the Group in accordance with the law and we have fulfilled our 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of goodwill (referred to in Notes 2.5 and 5 to the consolidated financial statements) The consolidated statement of financial position as of 31 December 2021 includes in the caption Goodwill the amount of Euro 81,168,721, generated in business combinations occurred in previous years, related, essentially, to the press cash generating units (newspapers and magazines). The realization of goodwill depends on the future cash-flows to be generated by the corresponding cash generating units, thus, there is the risk that these may not be sufficient to realize the amount of the corresponding goodwill. As referred to in Note 5 to the consolidated financial statements, the Group performs impairment analysis annually, or whenever there are indicators of impairment, using the discounted cash-flows method, based on five years projections for each business, considering a perpetuity from the fifth year onwards, which include several assumptions related to several variables which are detailed in Note 5 to the consolidated financial statements. Considering the amount of this caption, as well as the significant number of the judgements and estimates involved in the impairment tests, the impairment analysis of goodwill is a key audit matter.	Our main procedures to mitigate this risk included: – Tests to internal controls deemed relevant related to the impairment analyses; – Obtaining the impairment analyses carried out by the Management with the support of an external expert and performing several audit procedures, namely: (i) analysis of the method used by the management; (ii) analysis of the reasonableness of Information used in the projections and of the assumptions used, considering the economic environment and the current market, as well as the expected future performance of the corresponding cash generating units; (iii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets prepared by the Group; (iv) performance of retrospective tests, comparing the mounts projected in the previous year, with the actual figures for the current year; and (v) verification of their arithmetical accuracy. We also assessed the adequacy of the applicable disclosures (IAS 36), included in Note 6 to the financial statements.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
<u>Revenue recognition of advertising</u> (Referred to in Notes 2.3 and 25 to the consolidated financial statements) Revenues generated through the exhibition of advertisements in television, newspapers and magazines are the main source of revenues of the Group. These revenues result, essentially, from advertising campaigns made by clients in the Group media through a high number of transactions, the respective audiences (in television) and the conditions agreed with clients. As mentioned in Note 2.3 to the consolidated financial statements, the measurement of such revenues depend conditions agreed with clients and the discounts to be granted subject to the advertising investment made by the customers (volume bonuses). Considering that there is the risk that the revenues be incorrectly recorded, namely the accurate application of the discounts to be granted which may be negociated and the remaining conditions agreed, we consider this to be a key audit matter.	Our main procedures included: – Understanding the processing of the advertising revenue cycle by the relevant supporting billing systems until recognition. In this procedure we involved our internal experts. Test to the operating effectiveness of the internal control procedures deemed relevant for measuring and recording advertising revenues; – Evaluation of the advertising revenue recognition policy adopted by the Group, considering the applicable accounting standards; – For a sample of advertising order, recompute the revenue generated, by reference to the commercial conditions agreed, related insertion and/or audience reached in the corresponding time frame (when applicable); – For a sample of daily advertising inserts, we verified that they were displayed, billed and recorded in the accounts; – Reconciling the accounting records with the billing modules, and of these with the detail of advertising insertions extracted from the advertising management modules; – Substantive analytical review of the amount of discounts granted, considering the advertising investment in the Group media, the commercial conditions applicable, and comparing with the amount recorded; – Analysis of the reliability of the estimates made by the management, with reference to the comparison between the discounts granted during the year with the estimates recorded in previous years; – Confirmation of balances, advertising investment and responsibilities as of 31 December 2021 with the main clients. We also assessed the adequacy of the applicable disclosures (IFRS 15), included in Nots 2.3 and 25 to the consolidated financial statements.

Description of the most significant risks of material distortion identified	Summary of the response to the most significant risks of material distortion identified
Prisa lawsuit- Escrow account – Arbitral process and other financial investments (Referred to in Note 4.3 to the consolidated financial statements) At 31 December 2021, the caption Other financial investments – non current includes a balance of 10,000,000 Euros, corresponding the amount transferred to an escrow account pursuant to the sale and purchase contract signed at 20 September 2019, and subsequent amendment signed on 23 December 2019, with Prisa Group, for the acquisition of a majority stake in Grupo Media Capital, as referred to in Note 4.3 to the consolidated financial statements. Said acquisition was not completed, the parties being involved in arbitral procedures, whose result is uncertain. Within this process, Prisa Group claims the right to receive the amount deposited by the Group in the escrow account, and also claims for indemnities for compensation of damages that allegedly considers have suffered. Management, based on the opinion of the legal advisors of the Group, understands that Prisa Group has no right over the amounts deposited in the escrow account, being the management's understanding that the right to that deposit belongs exclusively to the Cofina, and also that the Cofina will not have to pay any indemnity as a result of this process. Considering the relevance of the amounts included in this arbitral process, as well as the uncertaintiy as to the outcome of this litigation, this matter is considered a key audit matter.	Our main procedures to mitigate this risk included: – Reading of the sale and purchase contract signed at 20 September 2019, and subsequent amendment signed on 23 December 2019; – Reading of the Information disclosed to the market within the Public Offer of Common Shares and Admission to Trade of the Entity in Euronext Lisbon; – Reading of the Initial Petition submitted by Prisa to the Arbitral Court dated 1 October 2021; – Reading of the contestation and reconvention filed by the Entity to the Arbitral Court dated 21 December 2021; – Reading of the main correspondence exchanged between the Group and Prisa Group related to the projected acquisition of Grupo Media Capital by the Group, namely related to the negotiations between the parties, the divergences between the parties, and ultimately, to the litigation between the parties; – Understanding and evaluation of the arguments of both parties, as a result of the analysis of the documentation described above; – Inquiry to the management and to responsible form the legal area within the Group, and obtaining a written position on the grounds for the management's position; – Inquiry to the external legal advisors of the Group who accompany this process, in relation to the arguments of both parties, the grounds of the Group's position, and risk analysis and success probability made by them; – Obtaining Information from the Group's external legal counsel, on the existing lawsuits, as well as their understanding of the probability of outcome; – Reading of management minutes; – Analysis of the reply from the agent bank to the request for release of the funds in favour of the seller, as well as the Group's position on this matter; We also assessed the adequacy of the applicable disclosures (IFRS 9 and IAS 37) included in Note 6 to the financial statements.

Other matters

The Group's financial statements as of 31 December 2020 were audited by another audit firm, whose Legal Certification of Accounts and Audit Report, dated 7 April 2021, includes an unqualified opinion.

Responsibilities of management and supervisory body for the consolidated financial statements

The management body is responsible for:

- 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;
- the preparation of the management report, corporate governance report, consolidated non-financial statement and report on remunerations in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- 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 consists in obtaining a reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatements, 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 judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement 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, misrepresentations, or the override of internal control;
- 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain the sole responsible for our audit opinion;
- 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;
- 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 public disclosure about the matter;
- 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 includes also the verification of the agreement between the information included in the Management report with the consolidated financial statements, and the verifications required in article 451, numbers 4 and 5, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), as well as that the consolidated non-financial statement and report on remuneration has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The Group's consolidated financial statements as of 31 December 2021 must comply with the requirements established in the Delegated Regulation (UE) 2019/815 of the Commission, of 17 December 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in conformity with the ESEF Regulation.

Our responsibility consists in obtaining reasonable assurance whether the consolidated financial statements, included in the annual report, are presented in conformity with the requirements established in the ESEF Regulation.

Our procedures considered the Guia de Aplicação Técnica da Ordem dos Revisores Oficiais de Contas (OROC) on the Reporting under ESEF and included, among others:

- obtaining an understanding of the financial Reporting process, including the presentation of the annual report in the valid XHTML format, and
- identification and evaluation of the risks of material misstatement associated to the tagging of the information of the consolidated financial statements in XBRL format, using the iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, consolidated the financial statements included in the annual report are presented, in all material aspects, in conformity with the requirements established in the ESEF Regulation.

On the Management report

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), in our opinion, the Management report was prepared in accordance with the applicable law and regulations and the information included therein is in agreement with the audited consolidated financial statements, and considering our knowledge and appreciation of the Group, we did not identify material misstatements.

On the corporate governance report

In compliance with article 451, n.º 4, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Group under the terms of article29-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements in the information disclosed in such report, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of that article.

On the consolidated non-financial statement

In compliance with article 451, n.º 6, of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), we inform that the Group has prepared a separate report from the management report, named Sustainability Report, that includes the non-financial information, as provided for in Article 508-G of Portuguese Companies' Code ("Código das Sociedades Comerciais"), and it has been published together with the management report.

On the report on remunerations

In Compliance with article 26.º-G, n.º 6, of the Portuguese Securities Code, we inform that the Group as included, in an autonomous chapter, in the corporate governance report, the information required under nº2 of the said article.

On the additional elements included in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16th, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed Statutory Auditor of the Entity, at the General Shareholders' Meeting held on 30 April 2021 for the year 2021.
- The Supervisory Body confirmed to us that is unaware of the occurrence of any fraud or suspected fraud with a material effect in the financial statements. As part of the planning and execution of our audit in accordance with ISAs, we kept professional scepticism and designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's Supervisory Body on this date.

- We declare that we have not provided any prohibited services as described in the former article 77, number 8, of the Estatuto da Ordem dos Revisores Oficiais de Contas (Legal Regime of the Portuguese Statutory Auditors), that was revoked, and of article 5, number 1, of the Regulation (UE) number 537/2014 and we have remained independent from the Group in conducting the audit.

Lisbon, 7 April 2022

Deloitte & Associados, SROC S.A.
Represented by Tiago Nuno Proença Esgalhado, ROC
Registration in OROC n.º 1150
Registration in CMVM n.º 20160762

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of discrepancies the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Cofina SGPS, S.A. ("Entity" or "Cofina"), which comprise the statement of financial position as at 31 December 2021 (showing a total of Euros 153,763,473 and equity of Euros 103,263,228, including a net profit of Euros 1,652,669), the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for to the year then ended, and the accompanying notes to the financial statements that include a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material aspects, of the financial position of Cofina SGPS, S.A., S.A. as at 31 December 2021 and its financial performance and cash flows relative to the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for our 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 from the Entity 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 that we obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Description of the most significant risks of material distortion identified	**Summary of the response to the most significant risks of material distortion identified**
<u>Impairment of investments in group companies:</u> (Referred to in Notes 2.2 and 6 to the financial statements) The statement of financial position as of 31 December 2021 includes the investment in the group company amounting to 142,321,953 Euros, recorded at cost less impairment losses, which results from acquisitions in prior years, the company which controls the press and television segments. The realization of this investment is dependent on the future cash flows to be generated by the subsidiary; therefore, there is the risk that these are not sufficient to recover the amount invested. As referred to in Note 2.2 to the financial statements, the Entity performs analysis of this investment whenever there are impairment indicators. The impairment analyses are performed using discounted cash flows, based on the future projections of each business for a five year period, considering a perpetuity from the fifth year onwards, which include several assumptions on a set of variables that are disclosed in Note 6 to the financial statements. Considering the amount of this caption, as well as the existence of a significant number of judgements and assumptions that are entailed in the impairment tests, we consider that the impairment analysis of investments in group companies is a key audit matter.	Our main procedures to mitigate this risk included: – Tests to internal controls deemed relevant related to the impairment analyses; – Obtaining the impairment analyses carried out by the Management with the support of an external expert and performing several audit procedures, namely: (i) analysis of the method used by the management; (ii) analysis of the reasonableness of Information used in the projections and of the assumptions used, considering the economic environment and the current market, as well as the expected future performance of the corresponding cash generating units (iii) comparison of the cash-flows projected in the analyses, including the main assumptions considered, with the historical performance of the cash generating units and corresponding budgets prepared by the Entity; (iv) performance of retrospective tests, comparing the amounts projected in the previous year, with the actual figures for the current year; and (v) verification of their arithmetical accuracy. We also assessed the adequacy of the applicable disclosures (IAS 36), included in Note 6 to the financial statements.

Description of the most significant risks of material distortion identified	Summary of the response to the most significant risks of material distortion identified
Prisa lawsuit- Escrow account – Litigation and other financial investments (Referred to in Note 6 to the financial statements) At 31 December 2021, the caption Other financial investments – non current includes a balance of 10,000,000 Euros, corresponding the amount transferred to an escrow account pursuant to the sale and purchase contract signed at 20 September 2019, and subsequent amendment signed on 23 December 2019, with Prisa Group, for the acquisition of a majority stake in Grupo Media Capital, as referred to in Note 6 to the financial statements. Said acquisition was not completed, the parties being involved in arbitral procedures, whose result is uncertain. Within this process, Prisa Group claims the right to receive the amount deposited by the Entity in the escrow account, and also claims for indemnities for compensation of damages that allegedly considers have suffered. Management, based oh the opinion of the legal advisors of the Entity, understand that Prisa Group has no right over the amounts deposited in the escrow account, being the management's understanding that the right to that deposit belongs exclusively to the Entity, and also that the Entity will not have to pay any indemnity as a result of this process. Considering the relevance of the amounts included in this arbitral process, as well as the uncertainty as to the outcome of this litigation, this matter is considered a key audit matter.	Our main procedures to mitigate this risk included: – Reading of the sale and purchase contract signed at 20 September 2019, and subsequent amendment signed on 23 December 2019; – Reading of the Information disclosed to the market within the Public Offer of Common Shares and Admission to Trade of the Entity in Euronext Lisbon; – Reading of the Initial Petition submitted by Prisa to the Arbitral Court dated 1 October 2021; – Reading of the contestation and reconvention filed by the Entity to the Arbitral Court dated 21 December 2021; – Reading of the main correspondence exchanged between the Entity and Prisa Group related to the projected acquisition of Grupo Media Capital by the Group, namely related to the negotiations between the parties, the divergences between the parties, and ultimately, to the litigation between the parties; – Understanding and evaluation of the arguments of both parties, as a result of the analysis of the documentation described above; – Inquiry to the management and to responsible form the legal area within the Group, and obtaining a written position on the grounds for the managements' position; – Inquiry to the external legal advisors who accompany this process, in relation to the arguments of both parties, the grounds of the Entity's position, and risk analysis and success probability made by them; – Obtaining Information from the Entity's external legal counsel, on the existing lawsuits, as well as their understanding of the probability of outcome; – Reading of management minutes; – Analysis of the reply from the agent bank to the request for release of the funds in favour of the seller, as well as the Group's position on this matter; We also assessed the adequacy of the applicable disclosures (IFRS 9 and IAS 37) included in Note 6 to the financial statements.

Other matters

The above mentioned financial statements refer to the activity of the Entity at an individual level and were prepared for approval and publication in accordance with the legislation in force. As provided for under IFRS and indicated in Note 2.2, the financial holding in the subsidiary is accounted for at cost less impairment losses. Therefore, the financial statements attached herewith do not include the full consolidation effect, which will be included in consolidated financial statements to be approved separately.

The Entity's financial statements as of 31 December 2020 were audited by another audit firm, whose Legal Certification of Accounts and Audit Report, dated 7 April 2021, includes an unqualified opinion.

Responsibilities of management and supervisory body for the financial statements

The management body is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial statement and report on remunerations in accordance with applicable laws and regulations;
- 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;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity'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 misstatements, 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 judgment and maintain professional scepticism throughout the audit. We also:

- 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;
- 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 Entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 Entity'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 report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- 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;
- 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;
- 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 public disclosure about the matter;
- 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 threaten on our independence, and where applicable, related safeguards.

Our responsibility also includes verification that the information contained in the management report is consistent with the financial statements, and the verifications established in numbers 4 and 5 of article 451 of the Commercial Companies Code ("Código das Sociedades Comerciais") in what relates to corporate governance, as well as the verification that the non-financial statement and report on remunerations have been presented.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The Entity's financial statements as of 31 December 2021 must comply with the requirements established in the Delegated Regulation (UE) 2019/815 of the Commission, of 17 December 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in conformity with the ESEF Regulation.

Our responsibility consists in obtaining reasonable assurance whether the financial statements, included in the annual report, are presented in conformity with the requirements established in the ESEF Regulation.

Our procedures considered the Guia de Aplicação Técnica da Ordem dos Revisores Oficiais de Contas (OROC) on the Reporting under ESEF and included, among others, obtaining na understanding of the financial Reporting process, including the presentation of the annual report in the valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material aspects, in conformity with the requirements established in the ESEF Regulation.

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 sole 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 the Entity, we have not identified any material misstatements.

On the corporate governance report

Pursuant to article 451.º, n.º 4, of the Portuguese Company's Code, we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of that article.

On the non-financial statement

In compliance with article 451º, n.º 6, of the Commercial Companies Code, we inform that the Entity has prepared a report separate from the management report called sustainability Report, that includes the consolidated non-financial statement, as provided for in article 508-G of the Commercial Companies Code, which was disclosed together with the management report.

On the report on remunerations

In Compliance with article 26.º-G, n.º 6, of the Portuguese Securities Code, we inform that the Entity as included, in an autonomous chapter, in the corporate governance report, the information required under nº2 of the said article.

On the additional elements provided in article 10 of Regulation (EU) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April, 2014, in addition to the key audit matter mentioned above, we also report on the following:

- Deloitte & Associados, SROC, S.A. was appointed Statutory Auditor of the Entity, at the General Shareholders' Meeting held on 30 April 2021 for the year 2021.
- 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 risk of material misstatements 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 submitted to the Entity's supervisory body on this date.

- We declare that we have not provided any prohibited services as described in the former article 77, number 8, of the Estatuto da Ordem dos Revisores Oficiais de Contas (Legal Regime of the Portuguese Statutory Auditors), that was revoked, and of article 5, number 1, of the Regulation (UE) number 537/2014 and we have remained independent from the Entity in conducting the audit.

Lisbon, 7 April 2022

Deloitte & Associados, SROC S.A.
Represented by Tiago Nuno Proença Esgalhado, ROC
Registration in OROC n.º 1150
Registration in CMVM n.º 20160762

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

Report and Opinion of the Statutory Audit Board
(Translation of a Report and Opinion originally issued in Portuguese.
In case of discrepancy the Portuguese version prevails)

To the Shareholders of
COFINA, SGPS, S.A.

In compliance with the applicable legislation and our mandate, we hereby submit our Report and Opinion of the Statutory Audit Board, which covers the Management Report and the others documents in the separate and consolidated annual report of COFINA, SGPS, S.A. ("Company") for the year ended 31 December 2021, which are the responsibility of the Company's Board of Directors.

1. Report over the developed activity

During the year under analysis, in accordance with its legal competence and as established in the Regulation of the Statutory Audit Board, the Statutory Audit Board accompanied regularly the operations of the Company and its affiliates, analysed, to the extent advisable, the activity of the Board of Directors and respective committees, namely the evolution of the business, the quality of the process of preparation and disclosure of financial information, accounting policies and measurement criteria, and monitored the regularity of accounting records, the compliance with statutory and legal requirements and the effectiveness of the risk management and internal control systems, has held meetings, in person or by telematic means, with the periodicity and length considered appropriate, having met seven times in 2021, in which, according to the nature of the matters to be dealt with, other members of the Company's bodies or directorates were present, such as members of the Board of Directors of the Company, and having obtained, from Management and personnel of the Company and its affiliates, all the information and explanations required.

The Statutory Audit Board developed its powers and interrelations with the other governing bodies and services of the Company, in accordance with the principles and conduct recommended in the legal and recommended provisions, not having received from the Statutory External Auditor any report regarding irregularities or difficulties in the exercise of their respective functions. In particular, and within the scope of its powers, the Statutory Audit Board obtained from the Board of Directors the information necessary for the exercise of the respective supervisory activity and carried out the interactions necessary to fulfil the powers listed in the law and in the respective Regulations of the Statutory Audit Board.

In compliance with article 29º-S, paragraph 1 of the Portuguese Securities Code, in the version introduced by Law no. 99-A/2021, of 31 December, at its meeting of 18 November 2020, the Statutory Audit Board issued a binding prior opinion regarding the review of the internal transaction policy with related parties, a policy that has been approved by the Board of Directors in 24 November 2020. During the year, transactions with related parties or qualified shareholders that are within the scope of the Company´s current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements, with no conflicts of interest identified.

In the exercise of its competences, the Statutory Audit Board held regularly meetings with Statutory External Auditor's representatives in order to monitor the audit work carried out and its conclusions, and also to assessing its independence. In this matter, the Statutory Audit Board also analysed the proposals that were presented to it for the provision of services other than auditing by the Statutory External Auditor, having approved them, since they respect the permitted services, do not affect the independence of the respective Statutory External Auditor and comply with other legal requirements.

As part of its duties, the Statutory Audit Board examined the Management Report, including the Corporate Governance Report and the other separate and consolidated accounts, namely the Separate and Consolidated Financial Statements of the Financial Position, Income Statement, Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31 December 2021 and the corresponding Notes, prepared by the Board of Directors, considering that the information disclosed meets the applicable legal standards, is appropriate for understanding the financial position and results of the company and the consolidation perimeter, and also proceeded to the assessment of the respective Statutory and Auditor's Report, issued by the Statutory External Auditor, documents which were issued with an unmodified opinion and which deserve their agreement.

The Statutory Audit Board also appreciated the Corporate Governance Report and the Sustainability Report (which complies with the reporting of non-financial information), attached to the Management Report on the Consolidated financial statements, under the terms and for the purposes of article 420 (5) of the Portuguese Companies Act, having analysed that it contains the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on April 7, 2022, the Company's Board of Directors approved the Annual report for the year. The Statutory Audit Board had access to the entire documental or personal information that appeared to be adequate for the exercise of its supervisory action.

The Statutory Audit Board also analysed the Additional Report to the Statutory Audit Board and other documentation issued by the representative of Deloitte & Associados – SROC, S.A., Statutory External Auditor of the Company.

2. Declaration of Responsibility

In accordance with the provisions of subparagraph c) of number 29-G of the Portuguese Securities Code, the Statutory Audit Board declares that, to its knowledge and conviction, the documents of the annual report above mentioned, were prepared in accordance with applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and the results of COFINA, SGPS, S.A. and the companies included in the consolidation. And that the Management Report adequately describes the business, performance and financial position of the Group, containing an adequate description of the major risks and uncertainties it faces.

3. Opinion

Considering the above, in the opinion of the Statutory Audit Board, that all the necessary conditions are fulfilled in order for the Shareholders' General Meeting to approve:

a) The Management Report;

b) The separate and consolidated financial statements and the corresponding notes, for the year ended 31 December 2021;

c) The proposal of net profit appropriation presented by the Board of Directors.

We wish to express our appreciation to the Board of Directors and to the various services of the Company and of its affiliates for their collaboration.

Oporto, 7 April 2022

The Statutory Audit Board

António Pinho
Statutory Audit Board President

Pedro Pessanha
Statutory Audit Board Member

Ana Paula dos Santos Silva e Pinho
Statutory Audit Board Member

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