ANNUAL REPORT 2022

European single electronic reporting format (ESEF) and PDF version

This document is an unofficial and unaudited PDF version of the Annual Report 2022 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 6, 2023. 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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MANAGEMENT REPORT

31 December 2022

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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 2022. In accordance with Article 508(C),number 6, of the Portuguese Companies Act (*Código das Sociedades Comerciais*), the Board of Directors has 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 2022 was marked by the outbreak of war in Ukraine. In addition to the terrible devastation caused by the invasion of this country, perpetrated by the Russian Federation, this situation led to widespread inflation of variable costs.

Despite this framework, Cofina Group witnessed a recovery in activity compared to 2021, with an impact essentially on the evolution of the advertising market, continuing to invest in the development of new advertising formats, with an increasing focus in the digital aspect and events, through 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 war. In this way, the strategies for each brand were dynamically adjusted, considering the most appropriate size and format, cover price, editorial strategy, among others.

In the context of this search for efficiency, and with a view to reorganising an important business support area, the printing of publications, which has been outsourced, the subsidiary Cofina Media, S.A. decided on the dissolution (and liquidation) of its subsidiary Grafedisport – Impressão e Artes Gráficas, S.A.. The dissolution was deliberated on 1 September 2022 and duly registered in the Commercial Registry Office, the company being in liquidation since then, and the members of the Board of Directors have been appointed its Liquidators.

MACROECONOMIC FRAMEWORK

During the year 2022, the global macroeconomic environment was not constant and there were a number of challenges to business operations and people. At the beginning of the year we apparently saw an economic recovery, as most of the world's economies had already returned to pre-pandemic levels of activity. However, on 24 February 2022, Russia began its armed invasion of Ukraine, and this event interrupted the growth cycle that had been underway until then.

With the beginning of the war, there was a significant worsening of global economic conditions, marked by a sharp rise in prices as a result of serious constraints on supply chains, leading to inflation reaching levels above 10% in the Euro Area, the US and the United Kingdom. To counteract the rising trend of inflation, by slowing consumption, central banks announced several hikes in reference interest rates, which caused an increase in costs sensitive to interest rate variations, such as housing costs, increasing pressure on household disposable income. The European Central Bank (ECB) raised its reference rates for the first time in more than ten years, with four hikes during 2022, for a total of 250 basis points. In the labor market, wage increases have not kept pace with inflation, reducing real household incomes, even with the support of measures taken by governments to soften the impacts of rising prices.

Inflation is projected to drop to around 4% in the Advanced Economies. The forecasts of the annual variation of the global GDP at constant prices (in %) of the world economy are mostly in the range of 2% to 3% for 2023: 1.7% from the World Bank, 2.5% from the European Community, 2.9% from the International Monetary Fund and 2.2% from the OECD, values that fall below the expected growth rates before the pandemic.

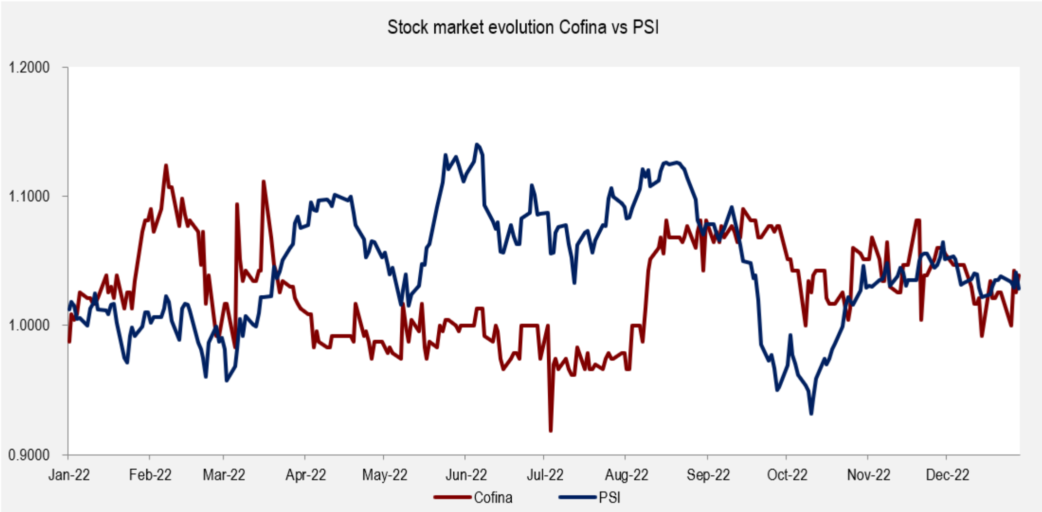
In the Euro Area, inflation averaged 8.4% in 2022 and is forecast to fall to around 6% to 7% in 2023 as tighter monetary policy takes effect and demand pressures ease. There are signs that the peak has already been reached, with favorable energy price developments taking place. As for the growth of the Euro Area economy, according to Eurostat data, there was a growth of 3.5%, a figure that appears to be quite positive. However, it was estimated that growth would have been much stronger had the war in Ukraine not started, as the economy was recovering after the pandemic. As for unemployment, the Euro Area unemployment rate is forecast to rise slightly to 7.1% in 2023 from 6.8% in 2022.

In Portugal, inflation reached figures above 10%, with average inflation in 2022 at 7.8%, the highest since 1992. This rise in prices contributed to a contraction in consumption, which was still recovering from the reduction felt in the years of the pandemic. According to the Bank of Portugal, by 2023, inflation is forecast to retract to 5.8% and 2.4% in 2024, as prices stabilize. As for growth, according to the OECD, it is expected to reach 1.0% in 2023 and 1.2% in 2024.

Source: IMF - Financial Markets Information, Macroeconomic Framework Report 2022 and Scenario for 2023, 27 February 2023

STOCK EXCHANGE EVOLUTION

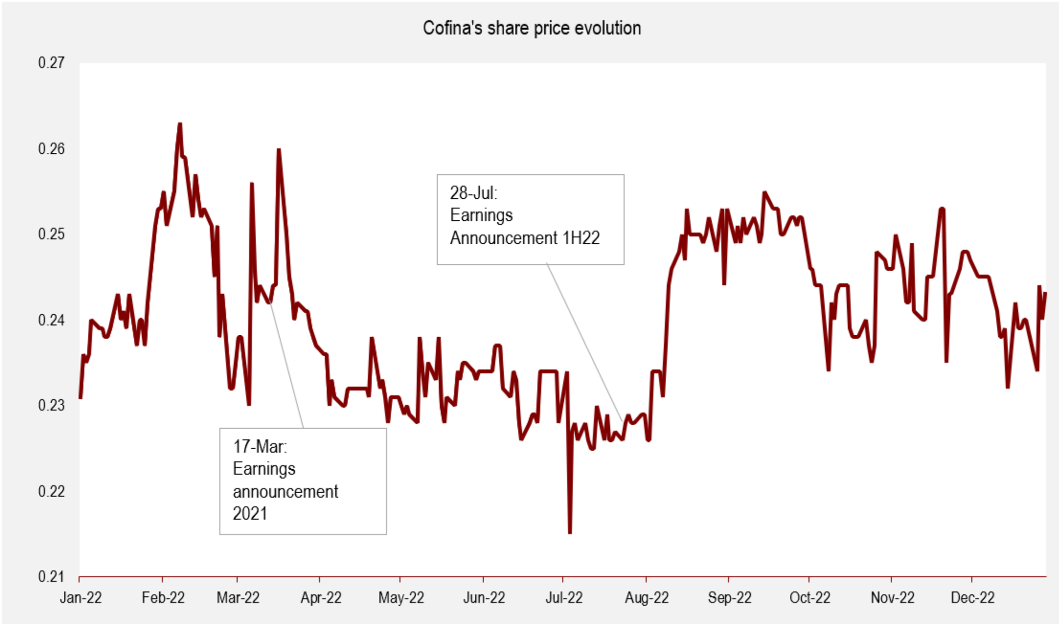
(Note: PSI was considered as an index with the same initial market value as the stocks under analysis in order to enable a better comparison of the price variations)



At the end of 2022, Cofina’s share price closed at 0.243 Euro/share, and the corresponding market capitalisation was 24.9 million Euro.

In 2022, Cofina's shares were traded at a maximum price of 0.263 Euro and at a minimum price of 0.215 Euro. In total, 10.6 million shares were traded, equivalent to 10.3% of the issued capital.

The main events that marked the evolution of Cofina's share price during 2022 can be described as follows:



- In the press release regarding the announcement of the Group's performance in fiscal year 2021, disclosed on 17 March 2022, Cofina presented a consolidated net profit of 4.2 million Euro. Operational revenue were 75.8 million Euro and EBITDA was 13.9 million Euro. On that day, the shares closed at 0.244 Euro per share;

- On 28 July 2022, the Group communicated to the market its results for the first half of 2022, having registered operational revenues of 37.6 million Euro. EBITDA reached 6.6 million Euro and the EBITDA margin was 17.6%. Net income was 3.3 million Euro and nominal net debt at 31.6 million Euro.

GROUP'S ACTIVITY

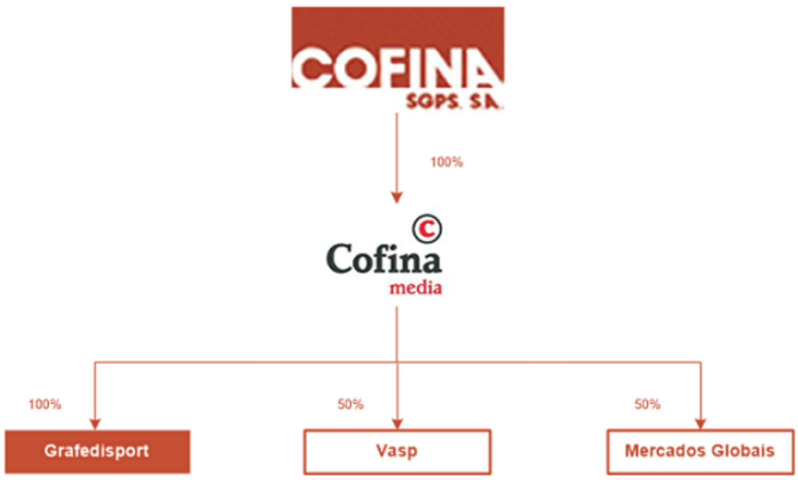
Cofina Group develops its activity in the media and contents business area. The key group company in this sector is Cofina Media, S.A..

Cofina Group, through its subsidiary, Cofina Media, owns/explores the following portfolio in paper products: 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.

Thus, on 31 December 2022, 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 2022 an average of 43 thousand printed copies per edition, reaching a share of 55% in the generalist daily newspaper.

TV Guia, a magazine in the television segment, obtained in 2022 the number of copies sold at around 30 thousand per edition, keeping its share in the television magazine of 39% in 2022.

Despite the adverse context that characterises the press industry, in terms of market share, Cofina Group continued to maintain its leadership in the various publications where its main products are included.

It should be highlighted the performance of the "CMTV" channel which, in 2022, recorded an average share of 4.84% (4.35% in 2021), 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)	2022	2021	Var (%) 2022/2021
Operational revenues	**76,037**	**75,849**	**0.2%**
Circulation	29,579	32,324	-8.5%
Advertising	28,164	26,812	5.0%
Alternative marketing products and others	18,294	16,713	9.5%
Revenues by segment	**76,037**	**75,849**	**0.2%**
Press	55,760	58,390	-4.5%
Television	20,277	17,459	16.1%
Operational costs	**(62,481)**	**(61,077)**	**2.3%**
Operational EBITDA	**13,556**	**14,772**	**-8.2%**
EBITDA margin	17.8%	19.5%	-1.6 p.p.
Operational EBITDA Press	8,622	9,854	-12.5%
EBITDA margin Press	15.5%	16.9%	-1.4 p.p.
Operational EBITDA Television	4,934	4,918	0.3%
EBITDA margin Television	24.3%	28.2%	-3.8 p.p.
Goodwill impairment and non-recurrent costs	(4,605)	(914)	403.8%
EBITDA	**8,951**	**13,858**	**-35.4%**
Amortizations and depreciations	(3,115)	(3,488)	-10.7%
EBIT	**5,836**	**10,370**	**-43.7%**
EBIT margin	7.7%	13.7%	-6.0 p.p.
Financial results	1,845	(3,194)	157.8%
Profit before income tax	**7,681**	**7,176**	**7.0%**
Income tax	2,770	(2,951)	-193.9%
Consolidated net profit for the period	**10,451**	**4,225**	**147.4%**

Cofina's total revenues amounted to 76.0 million Euro, which corresponds to a 0.2% increase in relation to the previous year. Advertising revenues increased by 5.0% and alternative marketing and other revenues increased by 9.5%, with circulation revenues decreasing by 8.5%.

At 31 December 2022 operational costs were higher than in the previous year, which is explained by the impact of the coverage of the war in Ukraine, as well as generalized price inflation, namely the price of paper, electricity and fuel.

During the period under review, the Group recorded goodwill impairment in the amount of 3.6 million Euro, as well as non-recurrent costs related to the dissolution (and liquidation) of Grafedisport – Impressão e Artes Gráficas, S.A. - In Liquidation, in the amount of 1 million Euro.

The Group's EBITDA, excluding goodwill impairment and non-recurrent costs, was 13.6 million Euro (-8.2%). Considering the impairment of goodwill and non-recurrent costs, EBITDA amounts to 9.0 million Euro.

Consolidated net profit reached 10.5 million Euro, a 147.4% increase over the previous year. At 31 December 2022, the effect of the reversal of the provision was recognised under the caption Income tax as a result of the favourable outcome of tax proceedings to the Group.

On 31 December 2022, Cofina's nominal net debt was 25.6 million Euro, which corresponds to a 8.3 million Euro decrease, comparatively to the nominal net debt recorded in 31 December 2021, which was 33.9 million Euro.

Free Cash Flow (FCF) (considering the reduction of net debt) yield of 2022 (FCF/market capitalization), based on the stock price as of 31 December 2022, amounted to 33.3%.

Some indicators of the main business segments are presented below:

Television Segment

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

(thousand Euro)	2022	2021	Var (%) 2022/2021
Operational revenues Television	**20,277**	**17,459**	**16.1 %**
Operational costs Television	(15,343)	(12,541)	22.3 %
Operational EBITDA Television	**4,934**	**4,918**	**0.3 %**
EBITDA margin Television	24.3%	28.2%	- 3.8 p.p.

CMTV total revenues reached 20.3 million Euro, which represents a 16.1% increase.

EBITDA Television recorded was 4.9 million Euro, in line with the previous year.

In 2022, CMTV recorded a daily average share of 4.84%, maintaining its outstanding leadership in cable channels and being the fourth channel most seen in Portugal.

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)	2022	2021	Var (%) 2022/2021
Operational revenues Press	**55,760**	**58,390**	**-4.5%**
Circulation	29,579	32,324	-8.5%
Advertising	16,274	17,534	-7.2%
Alternative marketing products and others	9,907	8,532	16.1%
Operational costs Press	(47,138)	(48,536)	-2.9%
Operational EBITDA Press	**8,622**	**9,854**	**-12.5%**
EBITDA margin Press	15.5%	16.9%	-1.4 p.p.

During 2022, total revenues of Press segment were 55.8 million Euro, representing a 4.5% decrease over the previous year. Circulation revenues recorded an 8.5% decrease and advertising revenues decreased 7.2%. Revenues from alternative marketing products and others recorded a 16.1% increase.

Operational costs were 47.1 million Euro, recording a decrease of 2.9% over the previous year, and the EBITDA of this segment recorded a 12.5% decrease, amounting to 8.6 million Euro.

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

During the 2022 financial year, the Company's non-executive directors acted effectively in the duties of accompanying and monitoring the activity of the executive members.

In 2022, 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 2022 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, Separate Financial Statements and accompanying notes, and Sustainability Report.

OUTLOOK

Despite the uncertainties presented by the international conjuncture, Cofina has managed to continue to show positive results and growth in the advertising market, asserting itself more and more in this market, and this growth is the result of its investment in the development of new formats and in maximizing the potential of the various brands and segments.

In view of the enormous challenges, both of the global economy and of the media sector in particular, the management of Cofina Group will continue to be particularly attentive to the signals and evolution of the market in order to be able to identify in the most agile and efficient way possible all forms of reaction so that the decisions to be taken represent a balance between economic interests, on the one hand, and the growing concerns for sustainability, on the other, which are today, more than ever, at the center of Cofina Group's concerns.

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

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 31 December 2022, in individual terms, the profit before income tax was positive, amounting to 13.2 million Euro, which compares with the positive restated profit before income tax of 4.9 million Euro, obtained in 2021.

As for financial expenses, they amounted to 0.7 million Euro in 2022, which compares with 0.8 million Euro obtained in 2021.

The net profit of the year in 2022 was positive, amounting to 14.1 million Euro, higher than the restated net profit of the year obtained in 2021, amounting to 5.1 million Euro.

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 2022, 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 14,052,100 Euro, for which, under the legal and statutory terms, the Board of Directors proposes to the General Meeting the following distribution:

Free Reserves	14,052,100

The Board of Directors of Cofina, SGPS, S.A. also proposes to the General Meeting the distribution of free reserves in the amount of 3,076,975 Euro, as dividends.

The proposed distribution of profits from free reserves will imply the payment of a gross dividend of 0.03 Euro per share.

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 2022, 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 2022, 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 2022, the Statutory Auditor, the members of the Statutory Audit Board and the Board of the General Meeting did not hold shares representing the share capital of Cofina.

Company's share capital participations

On 31 December 2022 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 (*Código de Valores Mobiliários*), 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:

Pedro Miguel Matos Borges de Oliveira	No of shares held on 31-Dec-2022	% 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-2022	% 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-2022	% 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-2022	% 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-2022	% 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.

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 these 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.

ANNEXES TO THE MANAGEMENT REPORT

31 December 2022

STATEMENT PURSUANT TO ITEM C) OF NUMBER 1 OF ARTICLE 29 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 businesses, 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.

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

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-2021	Acquisitions	Disposals	Shares held on 31-Dec-2022
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

GLOSSARY

Consolidated net profit: Profit before income tax - Income tax

EBIT: EBITDA + Amortizations and depreciations

EBIT margin: EBIT / Operational revenues

EBITDA: Operational EBITDA – Goodwill impairment and non-recurrent costs

EBITDA margin: Operational EBITDA / Operational revenues

EBITDA margin Press: Operational EBITDA Press / Operational revenues Press

EBITDA margin Television: Operational EBITDA Television / Operational revenues Television

Financial results: Results related to associated companies and joint ventures - Financial expenses + Financial income

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

Operational costs: Cost of sales + External supplies and services + Payroll expenses + Provisions and impairment losses (excluding Goodwill impairment and non-recurrent costs) + Other expenses

Operational costs Press: Operational costs from the Press segment

Operational costs Television: Operational costs from the Television segment

Operational EBITDA: Operational revenues – Operational costs

Operational EBITDA Press: Operational revenues Press – Operational costs Press

Operational EBITDA Television: Operational revenues Television – Operational costs Television

Operational revenues: Sales + Services rendered + Other income

Operational revenues Press: Operational revenues from the Press segment

Operational revenues Television: Operational revenues from the Television segment

Other operational revenues: Alternative marketing products and others + Transmission fees and others

Profit before income tax: EBIT – Financial results

CORPORATE GOVERNANCE REPORT

31 December 2022

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, 70.98% are, to the best of the Company's knowledge, as at December 31, 2022, 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 2022.

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 2022, 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 5%, 10%, 15%, 20%, 25%, 33%, 50%, 66% and 90% of the voting rights are as follows:

Pedro Miguel Matos Borges de Oliveira	No of shares held on 31-Dec-2022	% 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-2022	% 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-2022	% 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-2022	% 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-2022	% 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=en.

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 Statutory Audit Board, 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 18 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 Statutory Audit Board.

At 31 December 2022, 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 Statutory Audit 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 Statutory Audit Board, as provided for in Article 278(1)(a) of the CSC, and a Statutory Auditor, in compliance with Article 413(2)(b) 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 Statutory Audit 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, ensuring an adequate flow of information between the various company bodies.

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, where one third of the Company's management body is made up of women.

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 2022, the Plan for Gender Equality, to be implemented during the year 2023, 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, 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 2022, 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 2022, the Board of Directors, composed of six members, included two executive members: Paulo Jorge dos Santos Fernandes and João Manuel Matos Borges de Oliveira and 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.

The number of executive directors over the year 2022 corresponded to 33% of the members of the Board of Directors, and this number, when compared to the total number of members of the body, is appropriate and balanced in view of the nature and size of the Company.

This conclusion results, in particular, from the consideration of the experience, background, profile and knowledge of the executive directors, including the specific skills of each of the executive directors, considering that this number of members, in light of the risks and requirements inherent to their activity, is sufficient to ensure an effective, efficient and prudent management of the Company.

The activity of the executive directors is developed in articulation with the work of the other members of COFINA's Board of Directors (i.e., the non-executive directors), which, also considering their personal profile, career and professional experience, are sufficient in number, appropriate and balanced to the nature and size of the Company.

In fact, COFINA considers that the number of non-executive directors allows to ensure an effective monitoring, as well as a real supervision and inspection, of the activity developed by the executives, especially considering that the Company has developed mechanisms to allow the non-executive directors to make independent and informed decisions, 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 company’s management report includes, the “*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 2022 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 Governance 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 2022, 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.

COFINA has a policy of preventing situations of conflict of interest, which is enshrined in the Regulation on Transactions with Related Parties and Conflicts of Interest, initially approved by the Board of Directors on November 19, 2020 and revised on November 24, 2022, having obtained the respective prior favorable opinions of the Company's Statutory Audit Board. There is also a Code of Ethics and Conduct, which is also applicable to all levels of the organization, including members of the corporate bodies.

According to the Code of Ethics and Conduct, one of COFINA's values is integrity. Integrity implies total correctness in the relationship with others and with the company, presupposing loyalty and transparency in behavior. COFINA trusts in the integrity of all its employees and, therefore, demands loyalty and transparency from all of them.

Therefore, it does not allow situations of conflict of interest between any employee or partner and COFINA.

A conflict of interest exists when (i) the Employee's or Partner's private interest interferes, or appears to interfere, in any way, with the interests of the company as a whole and/or (ii) an Employee or Partner, or close family members or friends, receive an improper personal benefit as a result of the position that such Employee or Partner holds within the company.

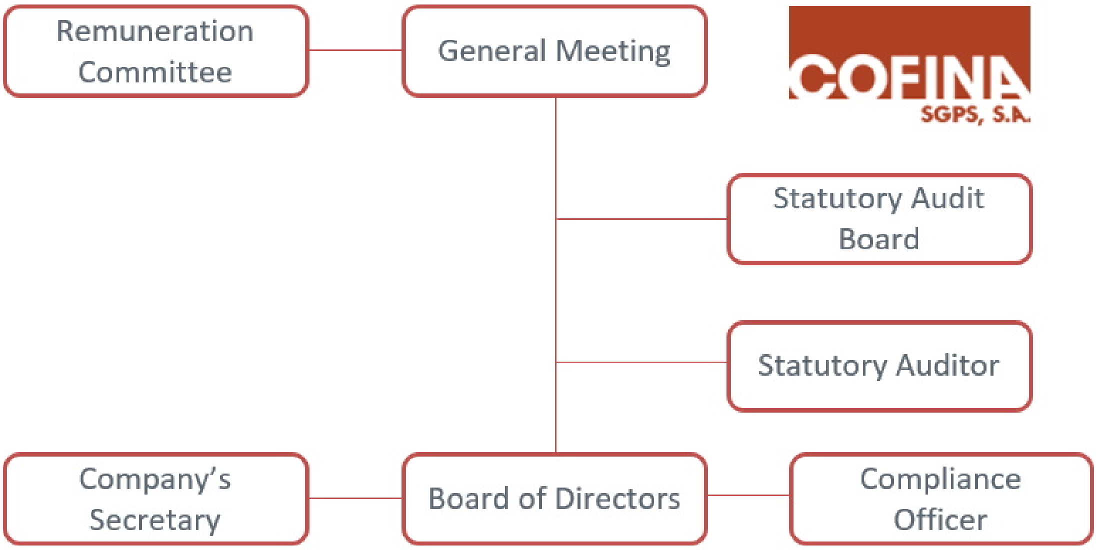
When faced with a potential conflict of interest situation, Employees or Partners must:

a. inform their direct supervisors, in writing, of the conflict of interest in which they are or may be involved, before undertaking any transaction or concluding the business in question;

b. abstain from (i) intervening or influencing, directly or indirectly, the taking of decisions that may affect the entities with which there may be a conflict of interest, and (ii) participating in meetings where such decisions are discussed or confidential information affecting such conflict is evaluated.

The Employee or the Partner must refrain from acting, at all times, on the basis of their own motivations, not giving priority to their own interests or those of third parties, whenever this may jeopardize COFINA's interests.

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 Statutory Audit 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 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 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.

Compliance Area

The Compliance area assumes the responsibilities provided for in the legislation and regulations in force, in order to ensure that the management and board of directors, as well as all employees, are aware of the applicable legal and regulatory rules, including codes, standards and policies, internal and external, relevant to the various areas of activity of the Cofina Group, in order to mitigate financial, economic, legal and reputational risks.

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:

COFINA, SGPS, S.A. Paulo Fernandes João Borges de Oliveira Domingos Matos Pedro Borges de Oliveira Ana Mendonça Laurentina Martins	
COFINA MEDIA Paulo Fernandes João Borges de Oliveira Luís Santana Ana Dias Fonseca	**GRAFEDISPORT** (in liquidation) Luís Santana Ana Dias Fonseca

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 2022, the Board of Directors met six 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 Statutory Audit 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 2022.

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 Governance 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.

During the year 2022, the Remuneration Committee met once, with an attendance rate corresponding to 100%. The minutes of the aforementioned meeting are recorded in the Remuneration Committee minutes book, as required by law.

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 2022.

III. SUPERVISION

a) Composition

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

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

31. Composition of the Statutory Audit 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 Statutory Audit 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 2022, 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 Statutory Audit 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 Statutory Audit 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.

The Company believes that the number of members of the Statutory Audit Board is fully aligned with the nature, size, risks and activity of the Company and allows ensuring that its (the Statutory Audit Board members') duties are performed in accordance with the powers and competences assigned.

This analysis also took into account the structure of COFINA and the articulation that exists between the members of this body and the other corporate bodies, especially the Statutory Auditor (identified in item 39 below) and the External Auditor (identified in item 42 below).

32. Identification of the members of the Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit Board and other relevant curricular elements

All the members of COFINA's Statutory Audit 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 Statutory Audit Board.

Annex I of the Governance Report presents the professional qualifications and other activities carried out by the members of the Statutory Audit Board.

b) Procedure

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

The procedural rules for the Statutory Audit 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 Statutory Audit Board

During 2022, the Company's Statutory Audit Board met five times, with an attendance rate of 100% relating to all its members. The corresponding minutes are recorded in the book of minutes of the Statutory Audit Board.

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

The members of the Statutory Audit 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 Statutory Audit Board is detailed in Annex I of the Governance 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit Board and the External Auditor.

38. Other duties of the supervisory bodies

The supervision of the Company is incumbent upon the Statutory Audit Board, which exercises these responsibilities in COFINA, as provided for in Article 420 of the CSC and its Regulations, (referred to in item 34 of this report and accessible on the Company's website at http://www.cofina.pt/about-cofina/corporate-governance/governance.aspx?sc_lang=pt-pt), highlighting the following statutory and legally attributed competencies:

a) Supervises the company's management;
b) Supervises the process of preparation and disclosure of financial information, issuing opinions on the documents of accountability and respective reports of the Board of Directors;
c) Monitors and supervises the effectiveness of the risk management system, internal control, making recommendations, where appropriate;
d) Receives communications of alleged irregularities;

e) Informs the Board of Directors of the verifications, inspections and steps it has taken and the results thereof.

The Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 2022, 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 Statutory Audit 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 2022 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, following a proposal by the Statutory Audit Board, and was elected for its first annual term at the General Meeting of Shareholders on April 30, 2021, and for its second annual term at the General Meeting of Shareholders on April 29, 2022.

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, as well as the partner who represents him, for a first annual term in 2021 and served his second (one-year) term in 2022.

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 Statutory Audit 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 a first term corresponding to the year 2021 and for a second term corresponding to the year 2022.

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 Statutory Audit 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 Statutory Audit 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 2022, services other than auditing were provided by the External Auditor, specifically, reliability assurance services were provided, namely, the limited interim review of a subsidiary. These services were approved by the Statutory Audit Board, which evaluated and concluded that the performance of such services did not affect the independence of the External Auditor, which is a primordial element for the consideration of the provision of these services. Safeguarding this first criterion, the Statutory Audit Board decided to authorize them because their provision corresponds to the interests of the Company, given the experience, specialization and quality of the provider in the matters at issue, the recognized quality of the services and knowledge of the various areas of the Company and its Group.

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:

	31.12.2022		31.12.2021	
Company				
Annual audit services value (€)	33,000	24.4 %	25,000	35.7 %
Value of reliability assurance services (€)	—	0.0 %	—	0.0 %
Group entities				
Annual audit services value (€)	47,000	34.8 %	45,000	62.3 %
Value of reliability assurance services (€)	55,000	40.7 %	—	0.0 %
Total				
Audit and statutory audit (€)	80,000	59.3 %	70,000	100.0 %
Other assurance services (€)	55,000	40.7 %	—	0.0 %
	135,000		70,000	

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 Statutory Audit Board, in compliance with the provisions of paragraph j) of number 1 of article 420 of the CSC.

The COFINA Group has a specific mechanism for reporting irregularities that, in line with the designs of Recommendation number I.2.4. of the IPCG Corporate Governance Code, 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 Statutory Audit Board.

Reports of any irregularity or indication of irregularity to the Statutory Audit 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 2022 financial year, no reports of irregularities were reported to the Company's Statutory Audit Board.

It is noteworthy in this context the fact that Cofina has also a channel for online complaints available on its website, for the purposes of the provisions of Decree-Law No. 109-E/2021 of 9 December, to which all and any complaints related to the scope of that law, anonymous or not, may be directed. The Company ensures and guarantees the necessary mechanisms for forwarding and processing these complaints, safeguarding strict confidentiality and protection of the complainant, in accordance with the applicable legal terms.

No complaints were received in 2022 for the purposes of the aforementioned law.

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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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:

a) Competition

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 Statutory Audit 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 Statutory Audit 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 2022, 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 governing bodies is submitted to the Shareholders’ General Meeting for approval.

According to Law no. 50/2020 of August 25 and the Recommendations of the Corporate Governance Code of the Portuguese Corporate Governance Institute 2018 (and revised in 2020), the annual approval of the Remuneration Policy for the Management and Supervisory bodies is no longer mandatory and is only required during the term of office if the Issuer so wishes or if it wishes to propose for the shareholders' consideration any changes to the policy in force.

Nevertheless, the Remuneration Committee conducts an annual analysis of the adequacy of the policy in force in order to propose to the General Meeting any adjustments or changes that may be deemed necessary.

After the evaluation of the remuneration and compensation policy of the governing bodies in force and the basic principles of this policy, approved by the Remuneration Committee in April 2021 and, subsequently, approved by the Annual General Meeting held also in 2021, remaining perfectly current and adequate and with no need to propose any changes, this Committee decided that the statement on the remuneration and compensation policy of the governing bodies of Cofina, SGPS, S.A. would remain in force until the end of the current mandate.

The remuneration and compensation policy of COFINA governing bodies, approved at the Shareholders' General Meeting of 30 April, 2021, in force during the year 2022, 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, "c*ontribute 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) Non-Executive Directors

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) Executive Directors

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 the Remuneration Committee of COFINA.

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 Remuneration Committee of COFINA.

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.

During the year of 2022, no director or member of the other corporate bodies received remuneration from companies directly or indirectly controlled by COFINA.

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.

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	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
Remuneration of Executive Directors					
Paulo Jorge dos Santos Fernandes	N/A	100.00%	—%	—%	—%
João Manuel Matos Borges de Oliveira	N/A	100.00%	—%	—%	—%
Remuneration of Non-Executive Directors					
Domingos José Vieira de Matos	N/A	100.00%	—%	—%	—%
Pedro Miguel Matos Borges de Oliveira	N/A	100.00%	—%	—%	—%
Ana Rebelo de Carvalho Menéres de Mendonça	N/A	100.00%	—%	—%	—%
Laurentina da Silva Martins	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	30.16%	18.72%	(40.13)%	38.01%	(35.41)%
Revenues [1]	(0.47)%	(1.42)%	(18.84)%	6.17%	0.25%
Net Profit	31.31%	7.46%	(77.78)%	165.87%	147.40%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	3.15%	(0.31)%	(1.21)%	5.49%	3.39%

[1] Revenues = Sales + Services Rendered + Other income

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 2022, in the performance of their duties, included only fixed remuneration and were paid directly by COFINA and not by any of its subsidiaries. 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

The remuneration received by the members of the Board of Directors was fully paid by COFINA, and there are no directors paid by other Group companies as of December 31, 2022.

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 Statutory Audit 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, 2022 the remuneration of the members of the Statutory Audit 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 Statutory Audit 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	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021
Remuneration of Statutory Audit 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	—%	—%	44.40%	—%
Ana Paula dos Santos Silva e Pinho	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	30.16%	18.72%	(40.13)%	38.01%	(35.41)%
Revenues (1)	(0.47)%	(1.42)%	(18.84)%	6.17%	0.25%
Net Profit	31.31%	7.46%	(77.78)%	165.87%	147.40%
Average Remuneration of Employees in Full-Time Equivalent Terms					
Group Employees	3.15%	(0.31)%	(1.21)%	5.49%	3.39%

(1) Revenues = Sales + Services Rendered + Other income

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 2022 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

The Company approved, by resolution of the Board of Directors on November 24, 2022, following a favorable prior opinion from the Statutory Audit Board on November 21, 2022, a revision of the Regulation on Related Parties and Conflicts of Interest, which is available on the Company's website (http://www.cofina.pt/about-cofina/corporate-governance/governance.aspx?sc_lang=pt-pt).

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.

It should also be noted that the Company provides the Statutory Audit 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 Statutory Audit Board having been followed.

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

In 2022, 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 Statutory Audit 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 2022, it was not necessary for the Statutory Audit 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 18 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 Separate and Consolidated Financial Statements for the fiscal year 2022, 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, 38, 56 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 15, 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, 29 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 38 and 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, 28, 38 and 59 to 65
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 20
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 and 31
III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**Adopted**	Part 1, item 17 and 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 and 68

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 Statutory Audit 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 Statutory Audit 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 Statutory Audit 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 the "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 2022 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.

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), having assumed executive functions in the construction of the group since its foundation and until 2020, 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 at the time, GREENVOLT, through a successful operation with unique contours in the Portuguese capital market. He is also a shareholder and non-executive 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:

1982/1994	Began his professional activity at CORTAL, becoming President in 1994
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 Statutory Audit Board of BCSD
Desde 2006	Advisory Board Member for Engineering and Management IST
2016/2020	Board Member of CELPA - Paper Industry Association

As of 31 December 2022, the other companies where he carries out management functions are as follows:

- Actium Capital, S.A. (a)
- Altri, S.G.P.S., S.A. (a)
- Articulado – Actividades Imobiliárias, S.A. (a)
- Cofihold, 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 2022, 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, 2022, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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), having assumed executive functions in the construction of the group since its foundation and until 2020, 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 at the time,GREENVOLT, through a 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 Statutory Audit 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 2022, 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)
- 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, 2022, 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 at the time, GREENVOLT, through a 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 2022, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, 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, 2022, 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 at the time, GREENVOLT, through a 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 2022, the other companies where he carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, 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, 2022, 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 at the time, GREENVOLT, through a 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 2022, the other companies where she carries out management functions are as follows:

- Altri, S.G.P.S., S.A. (a)
- Cofihold, 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, 2022, 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:

1965/1990	Finance Director Assessor of Companhia de Celulose do Caima, S.A.
1990/2011	Finance Director of Companhia de Celulose do Caima, S.A.
2001/2012	Director of Cofina Media, S.G.P.S., S.A.
2001/2011	Director of Caima Energia – Empresa de Gestão e Exploração de Energia, S.A.
2004/2012	Director of Grafedisport – Impressão e Artes Gráficas, S.A.
2005/2011	Director of Silvicaima – Sociedade Silvícola do Caima, S.A. (currently Altri Florestal, S.A.)
2006/2020	Director of EDP – Produção Bioeléctrica, S.A. / Bioelétrica da Foz, S.A.

As of 31 December 2022, 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, 2022, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

2. Statutory Audit Board

Qualifications, experience and positions held in other companies by members of the Statutory Audit 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 Board 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 Statutory Audit Board) (a)
Ramada Investimentos e Indústria, S.A. (Member of the Statutory Audit Board) (a)

(a) – companies, as of December 31, 2022, 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 Statutory Audit Board of a public company, from 1996 to 2010
Chairman of the Statutory Audit Board 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 Statutory Audit Board) (a)

Ramada Investimentos e Indústria, S.A. (President of the Statutory Audit 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)

Honorary Consul of Belgium in Porto (a)
Partner at Abreu Advogados – Sociedade de Advogados, SP, RL. (a)

(a) – companies, as of December 31, 2022, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

Ana 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. (initially as staff member and later as Manager)
	Between October 2010 and October 2019 Manager at the Corporate Centre of the Altri Group with responsibility for financial reporting, consolidation of accounts and tax
	Between November 2019 and February 2023 Head of accounting at MC Sonae's shared services center
	Since February 2023 Senior Head of financial accounting & controllership at Farfetch

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member of the Statutory Audit Board) (a)

Ramada Investimentos e Indústria, S.A. (Member of the Statutory Audit Board) (a)

(a) – companies, as of December 31, 2022, 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, financial director of the WireCoWorldGroup companies in Portugal (a)
Between April 2013 and February 2022, director (CFO) of the Mecwide Group
Since March 2022, became CEO of Mecwide Group (a)
Director of MWIDE, SGPS, S.A., as well as of the other companies comprising the Mecwide Group (a)

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 Statutory Audit Board (a)
Ramada Investimentos e Indústria, S.A. (Substitute Member of the Statutory Audit Board) (a)

(a) – companies, as of December 31, 2022, 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 Statutory Audit Board of 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, 2022, 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 Statutory Audit Board of a public company, from 1996 to 2010
Chairman of the Statutory Audit Board 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 Statutory Audit Board) (a)

Ramada Investimentos e Indústria, S.A. (President of the Statutory Audit Board) (a)
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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).
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Other companies where he carries out functions:

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Altri, S.G.P.S., S.A. (Substitute Member of the Statutory Audit Board) (a)
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(a) – companies, as of December 31, 2022, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

SUSTAINABILITY REPORT

31 December 2022

TABLE OF CONTENT

COFINA IN 2022

1 TV CHANNEL
4 NEWSPAPERS
2 MAGAZINES
12 WEBSITES

76,037 €
REVENUE

GHG EMISSIONS

290.6 ton CO2eq
Scope 1

752.4 ton CO2eq
Scope 2 (*market-based*)

22
CHARGERS FOR ELECTRIC VEHICLES

550
SOLAR PANELS

42,773 kWh
ELECTRICITY CONSUMPTION

Electric Chargers

2,740,562 kWh
ELECTRICITY CONSUMPTION

Buildings

692
EMPLOYEES

41%
WOMEN

Statement from the Chairman of the Board of Directors

The climate emergency situation we live in - which is a reality that is violently manifesting itself in the most diverse forms and geographies - was declared in Portugal through the Climate Framework Law approved by Law 98/2021 of December 31.

Cofina is a socially responsible company, concerned with the sustainability of the planet and seriously committed to adopting behaviors that reduce or mitigate the impacts of its action in order to contribute, actively and positively, to global sustainability.

In 2022, the Board of Directors developed and approved important policies aimed at promoting the so-called climate justice, contributing to the protection of the most vulnerable communities to the climate crisis, with the adoption of the Community Participation Policy, the respect for human rights, with the adoption of the Human Rights Policy, as well as the equality and collective rights over common goods with the adoption of the Policy to Prevent and Combat Money Laundering.

Cofina has, thus, taken decisive steps towards deepening a corporate culture of transparency and responsibility in terms of sustainability, which it intends to continuously and permanently improve - by being responsible itself and supporting the community - in building a more renewable world.

Paulo Fernandes

01
About Cofina

Mission, vision and values

Founded in 1990, Cofina, SGPS, S.A. develops its activity in the media sector, leading the press and cable TV segments in Portugal.

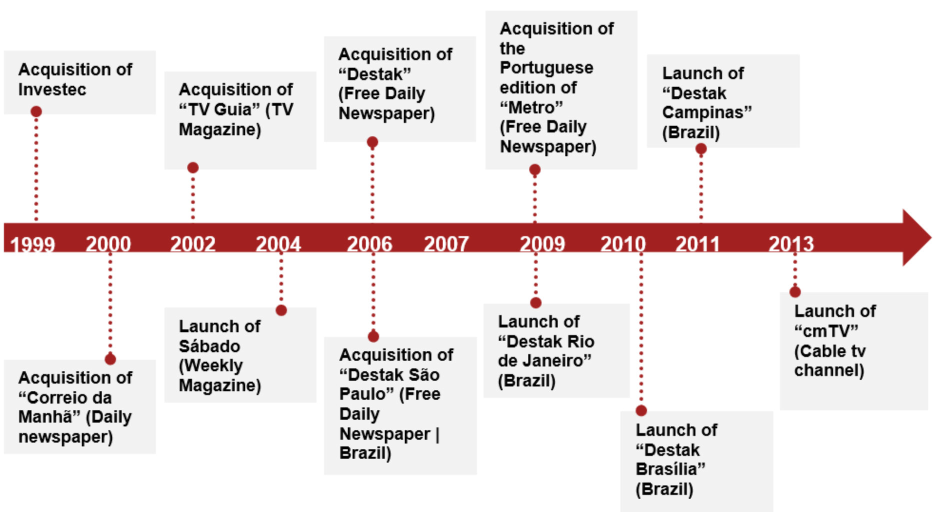
Cofina Group intends to maintain this leadership through a development strategy based on organic growth and the launch of innovative products, in all segments, assuming the commitment of having a positive impact on people and the community.

Aiming towards creating value for all its stakeholders, Cofina Group guides its conduct by the following principles and values:

Integrity Ethics Transparency Honesty	**Cooperation Professionalism**	**Loyalty Rigor Good Faith**
In decision making	**In the relationship with partners and communities where it operates**	**In conducting business**

History

With a focus on sustained growth, the Group operates, since its foundation, in several business areas, focusing mainly on media assets with the acquisition and launch of several newspapers and magazines since 2000, and the establishment of a cable television channel, in 2013. A journey guided by the ambition to consolidate, on a daily basis, its presence in all media segments at national level and in natural markets.



Business Areas | Products and Services

Cofina, SGPS, S.A. is listed on Euronext Lisbon with a securities portfolio that covers all segments of the media market. The subholding Cofina Media, S.A. publishes a diversified range of products, namely newspapers, magazines and a cable television channel, and also owns Grafedisport - Impressão e Artes Gráficas, S.A. - In Liquidation.

TV

CM TV

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

NEWSPAPERS

negocios

With sustained annual growth, the economics and business journal is an editorial reference in its 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.

CORREIO da manhã

Founded in 1979 and acquired by Cofina in 2000, “CM” is the leading daily generalist newspaper in the Portuguese market.

Destak

Founded in 2001, “Destak” was the first free newspaper to be published in Portugal. Cofina acquired the majority of the capital in 2006, holding 100% in 2014. It is currently the leading free daily newspaper in its segment.

MAGAZINES

SÁBADO

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

TV GUIA

Acquired in 2002, “TV Guia” is a generalist magazine dedicated to current affairs and information with a special focus on renowned television and society individuals.

ONLINE PUBLICATIONS	máxima	FLASH!
	Online publication that develops topics related to culture, fashion, beauty, health and well-being, travel and lifestyle.	Online publication that addresses the social current affairs of national and international public figures, as well as lifestyle , fashion and beauty topics.
	Cofina Group has other online publications, such as “Aquela Máquina”.	

Highlights CMTV ended 2022 leading the national information market for the sixth consecutive year with the best result ever: an average share of 4.84%, which represents a growth of more than 11% compared to 2021.

Cofina Group also analysed the data, based on different categories - Adults, Active Adults, Heads of Home Purchasing, ABCD 15-64 years and ABCD 25-54 years - and, comparing March with July 2022, CMTV, in the ABCD 25-54 years category, grew by 51%.

On average, CMTV has 2.6 million viewers per day and 6.7 million per month.

Source: Yumi/GFK Total Day for target Universe

Alongside the important journalistic work, in the television and press segments, Cofina Group also has multiple commercial solutions that communicate, in an effective and creative way, the information that brands and entities intend to convey.

Cofina Boost Solutions constitutes an integrated service, through the production of 360º content, which consolidates the Group's position in the media market, through three strategic axes:

Cofina BOOST SOLUTIONS	
	Cofina Boost Content Creating content that brings people closer to brands, which tell stories to be read and shared, communicating in an emotional and relevant way. In 2022, Cofina developed content in the most diverse areas, from health, society, sport and environment, among others.
	Cofina Boost Events Organization, promotion and dissemination of face-to-face and hybrid conferences with topics and top speakers in Portugal, along with initiatives that recognize organizations and projects, namely in terms of sustainability.
	Cofina Boost Definition of effective communication strategies, with work in the field, in order to enhance the experience of the participants. It is committed to activating brands, through sporting, musical or sustainability-related events.

Challenges and Opportunities

The media sector currently faces multiple challenges. From the digital transformation, to the acceleration of the pace of change - largely motivated by the effects of a pandemic on a global scale - through inflation and the fall in purchasing power, the war and the many constraints in supply chains, to the change in consumption habits and the fragmentation of audiences, without forgetting the growing concerns of consumers with sustainability, demanding from organizations the same degree of concern and commitment.

To the multiple market and geopolitics challenges, Cofina Group has responded with continuous reinvention, namely through a strong commitment to innovation and digitization, with differentiating technological solutions, and the production of multiplatform content for different audiences and consumption contexts, guaranteeing profitability with additional business models.

To the economic sustainability corresponds also a strategic commitment to environmental and social sustainability supported by a solid governance structure, in order to amplify the positive impacts of Cofina Group on society and the planet, mitigating or eliminating negative impacts and contributing to a more sustainable future for all, in line with the UN Sustainable Development Goals.

FOCUS AREAS ESG Material Themes	COFINA SGPS, S.A.
	ENVIRONMENT • Climate Strategy • Operational eco-efficiency • Waste
	SOCIAL • Human Capital Development • Well-being, Health and Safety • Human Rights (Equal Opportunities, Diversity and Non-Discrimination)
	GOVERNANCE • Ethics • Innovation and Technology • Information Security

Innovation and Technology

Cofina Group, by placing digital growth at the center of its strategy, adapted to consumer expectations and market needs, boosted audiences and diversified revenues, consolidating its positioning and performance at national level.

A bet supported by its areas of Information Technology and Digital, the latter very focused on Data, UX and Reader Revenue.

Innovation at Cofina Group is transversal. From the implementation of mechanisms aimed at dematerializing processes, namely through the electronic validation and signature of contracts, to the provision of new digital solutions, which offer an improved service and experience to the consumer, to the development of personalization projects based on content metadata.

In 2022, the **"Inovadora COTEC 2022" Statute** was awarded to Cofina Media, S.A., which recognizes its performance in terms of innovation, as an example of value creation for the country.

Innovation through infrastructures

Initiatives	Results
New CMTV studio	Increased potential for CMTV studio broadcasts
New CMTV regie	Increased potential for CMTV broadcasts
New AC system for the Cofina Media Data Center	Higher efficiency with lower power consumption and a n+2 level of redundancy
New air management system in the Cofina Media Data Center	Greater efficiency achieved with the segmentation of hot and cold air, through physical corridors in the Data Center, with an impact on energy consumption
New satellite internet service	Increased response potential to the specific needs of CMTV's directs, supported by the Starlink system E.g.: The adoption of satellite internet service allowed CMTV to have two teams in Ukraine

Innovation through projects

- ***Alfa Project***

The project, started in the second half of 2022 in collaboration with Innovation - Media Consulting Group, was developed to bring Cofina 3.0 to life. An initiative that combines the work of several areas of the company, such as IT and Digital and aims to reinvent the news production operation, consolidated through transformation and digital growth, ensuring the business sustainability.

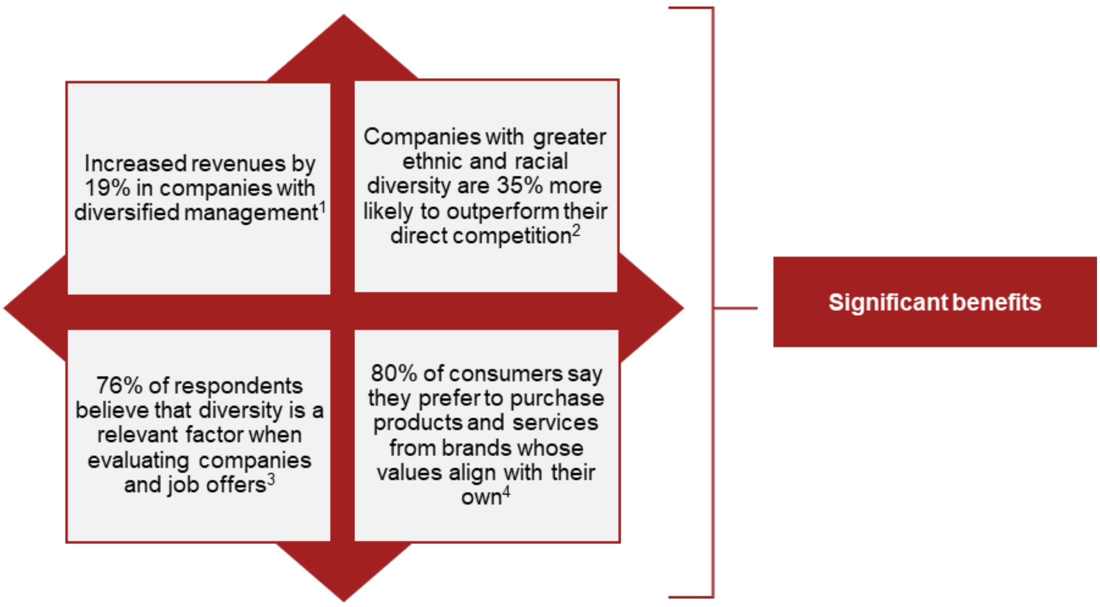
The Alfa project intends to reinforce the Group's leadership in the creation of relevant information and content, adapting the experience and distribution to the current and future requirements of an increasingly digital age. For this purpose, several interviews were carried out with various internal interlocutors to survey market risks and opportunities and, in 2023, it is expected that this work will have significant impacts, both on the organization's management and on the way of working and managing people.

Goals	**Be where the consumer is**	**Adapt the content to your preferences**
	Optimize resources and synergies	**Increase revenue per user**
	Conquer new audiences	
Mission	Reinforcing Cofina Media's position as a market leader in the creation of relevant information and content, providing an experience suited to the demands of current and future consumers, obtaining the highest share of time and, consequently, the highest share of wallet among customers.	
Scopes	The project encompasses both the newsroom and the business areas.	

- ***Audience Diversity Academy***

The promotion of diversity, both in terms of audiences and internally, among employees, is part of the Cofina Group's strategic priorities.

Studies prove that diversity in organizations creates the desired balance in which the public and employees feel motivated, aligned and represented by the organization's values. This impact is translated into numerical values:



1) Boston Consulting Group 2) Harvard Business Review 3) Glassdoor 4) The Drum

In order to diversify its readership (Women and Young People) and reach underrepresented segments of its audience, “Negócios” and “Record”, in partnership with “The Financial Times”, continued with the **Audience Diversity Academy** project, developed in 3 phases.

1. **Discovery Phase:** Through diagnostics and opportunity reports, strengths, internal and external challenges were assessed, in order to boost the female audience.

2. **Test phase: application of North Star (NS)**, a methodology designed to develop the Reader Revenue area, based on a common objective - to increase the diversity of the young audience - and to achieve tangible results, in line with the organization. North Star consists of a long-term approach (3-5 years) and the definition of all steps to reach the objective (outcomes, hypotheses and experiences). North Star has already been implemented at “Record”, through a training program and individual workshops/ consultancy sessions. The increase of the the younger audience was the idea that came up in the brainstorming, along with the focus on the “Record” long-term sustainability (future vision).

3. **Final report:** The last phase of the project is the systematization of the results in an impact evaluation.

02
Acting Responsibly

Value Creation for stakeholders

For Cofina Group, a regular and transparent communication with its stakeholders is extremely important, having defined and implemented several channels of involvement to ensure a close relationship with internal and external stakeholders. The design and implementation of a strategic plan that considers the creation of value for the stakeholders is essential to guarantee the success of the approach to business and sustainability, enhancing the positive impacts of the organization and mitigating/eliminating the negative ones, throughout the supply chain.

Therefore, Cofina Group identified its most relevant internal and external stakeholders and mapped the various involvement actions in a non-exhaustive manner:

Clients	Website | Email | Helpline | Complaint book
Consumers	
Employees	Intranet | Support Meetings | Performance Assessment | Training Actions | Internal environment
Suppliers [1]	Website | Business Meetings | Follow-up Visits | Direct Contacts
Business Partners	
Service Providers	
Official Bodies	Website | Email | Meetings

[1] As a result of its activity, Cofina Group identifies, within the scope of its value chain, suppliers of paper and marketing products, along with service providers, as the most relevant.

At the same time, Cofina Group uses various observation and listening instruments to analyze the behavior of readers and spectators and anticipate trends, continuously monitoring complaints to identify problems and/or dissatisfaction. The Complaints Book assumes, in this context, a fundamental role, registering the reasons for the complaint and forwarding it to the competent market control entity or to the regulatory authority of the sector. In 2022, four complaints related to customer service, consumer information, quality and dissemination of undue content were registered, to which the organization has ensured the due response.

Participation in associations

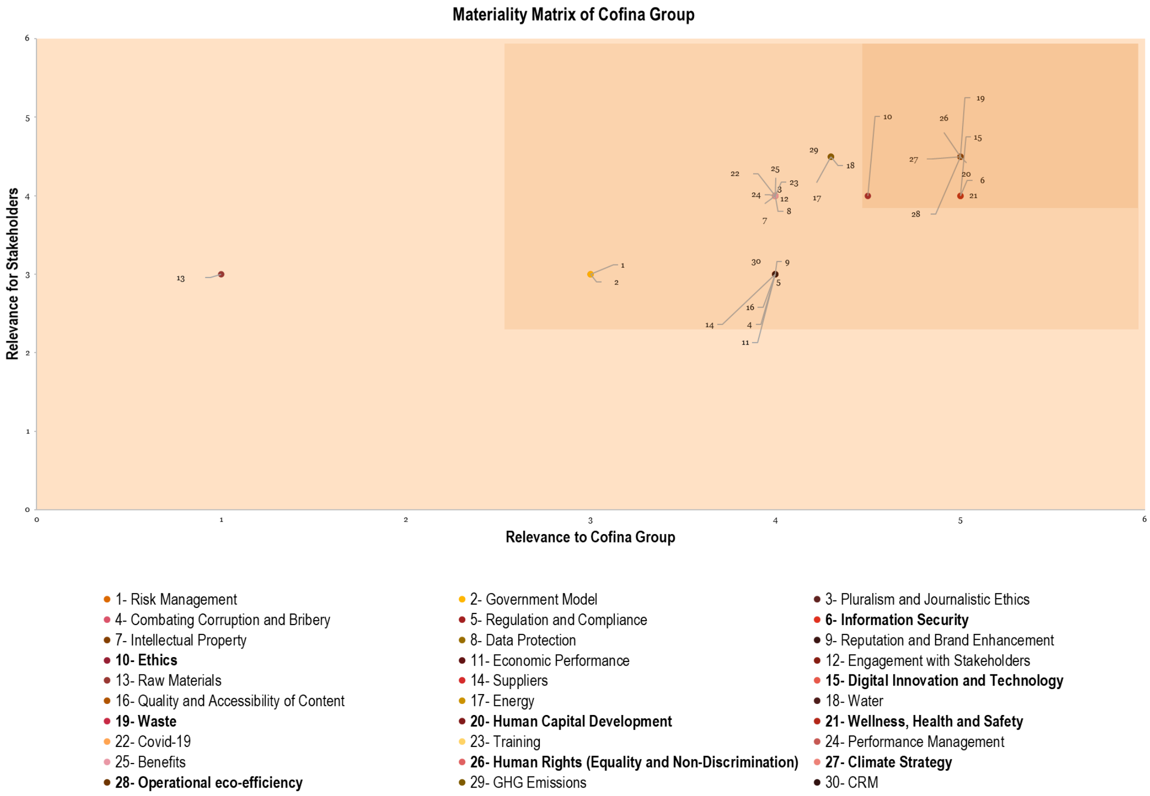
Cofina Group values a continues involvement with sectorial and social responsibility entities, actively monitoring its activities and recommendations.

Engagement with Associations & Entities

- *Grace - Empresas Responsáveis*
- *CAEM - Comissão de Análise de Estudos de Meios*
- *Auto-Regulação Publicitária*
- *VISAPRESS – Gestão de Conteúdo dos Media, CRL*

Materiality

The Materiality Matrix is the result of crossing themes previously identified, through peer benchmarking analysis, reference documentation for the sector and the importance given to the themes by Cofina.



9 material themes were identified:

Ethics	**Information Security**	**Operational Eco-Efficiency**	**Human Capital Development**	**Human Rights** (Equal Opportunities, Diversity and Non-Discrimination)
Innovation and Technology	**Climate Strategy**	**Waste**	**Well-being, Health and Safety**	

Cofina Group also seeks to contribute to the UN 2030 Agenda, committing to the Sustainable Development Goals (SDGs) that define priorities and goals to support sustainable and inclusive growth, combat climate change and social inequalities. Through the analysis of the material themes, 4 priority SDGs were identified.

SDG 4
Ensure inclusive and equitable quality educaton and promote lifelong learning opportunities for all

Cofina Group is committed to the development of its human capital, promoting career-long learning opportunities and enhancing people's success within the organization.

SDG 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Through the diversification of activities, technological updating and innovation, Cofina Group boosts its economic growth and ensures the creation of full, dignified and productive jobs.

SDG 9
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Cofina Group is committed to innovation and technological development to enhance its resilience and competitiveness.

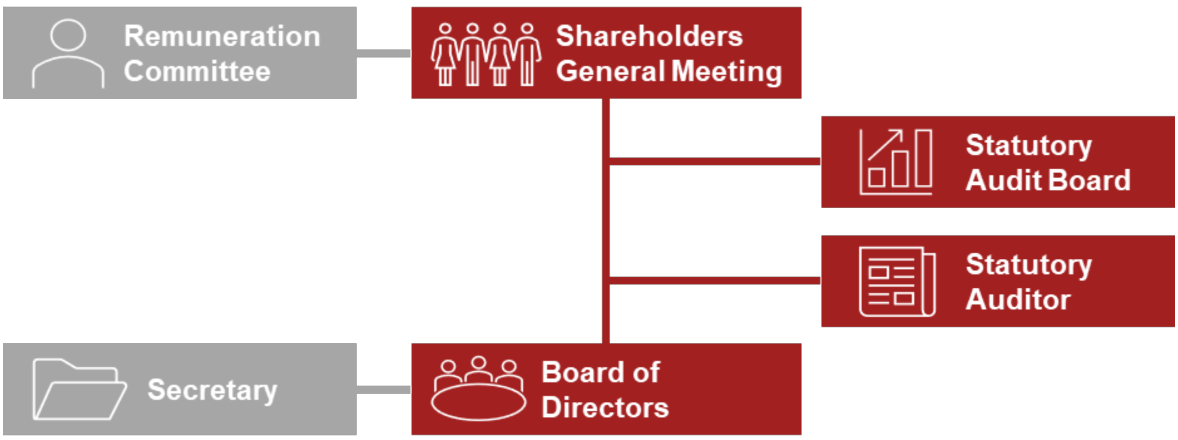
SDG 13
Take urgent action to combat climate change and its impacts

Cofina Group monitors its environmental performance, implementing actions and measures to combat climate change, which strengthen its resilience and mobilization ability as an active agent of change.

Governance, Risk Management and Compliance

Cofina Group is committed to transparency and ethics in the development of its activities, applying an integrated management model, based on sustainability criteria and focused on creating value for its stakeholders.

The current governance model - which counts with General Assembly, Board of Directors, Statutory Audit Board and Statutory Auditors, in parallel with the Remuneration Committee - has demonstrated a high communication efficiency between the governing bodies and in responding to day-to-day challenges.



The **Remuneration Committee**, elected by the shareholders at the General Meeting, prepares and proposes the remuneration policies of the governing bodies, in compliance with the legal requirements imposed by the Portuguese Securities Code and the IPCG Corporate Governance Code. It is also in line with the policies of Cofina Group's peers and with the best market practices. It is up to this Committee to fight for the application of the remuneration policies, monitoring their permanent suitability to the reality of the Company. The preparation of the Declaration on the Remuneration and Compensation Policy of the Governing Bodies is subject to approval at the General Meeting. Furthermore, the Annual General Meeting always counts with the presence of a Remuneration Committee member when the Policy is included in the Agenda.

The **Board of Directors** of Cofina Group, chaired by the Chairman of the Board of Directors, who is also the CEO, is the body responsible for defining the management model and for taking the Group's strategic and operational decisions, with a view to implementing this model. Through this body, and in constant articulation with the other management teams, control mechanisms are defined and risks and mitigation measures are identified in an impact management process, guaranteeing the commitment to the well-being of employees.
It is also up to the Board of Directors to define and implement codes and policies that not only comply with the legal requirements that are constantly increasing, but also allow the Group to take a qualitative leap in terms of compliance.
Today, Cofina Group voluntarily adopts a Code of Ethics and Conduct, applicable across all levels of the organization, as well as some policies on matters it considers essential, such as the Human Rights Policy, the Policy to Prevent and Combat Money Laundering and Financing of Terrorism and Community Participation Policy.
Cofina Group also has in force a Plan for Gender Equality, a Code of Conduct for the Prevention of Corruption and Related Infractions, as well as a Regulation for Transactions with Related Parties and Conflicts of Interest, all in compliance with the best practices of governance. The documents listed here are available and can be consulted on the Cofina, SGPS, S.A. website.
It should also be noted that the Board of Directors is made up of elements with a high level of seniority and experience, one of which is independent under the terms and for the purposes of article 414, number 5 of the Commercial Companies Code and of Recommendation III.4 of the IPCG Corporate Governance Code. The election of the members of this governing body is made by the Company's shareholders and its mandate lasts for three years, renewable for one or more times.
The definition of remuneration is based on criteria for evaluating performance and objectives, of a financial and non-financial nature, in line with Cofina Group's business strategy, in order to ensure its effective sustainability in the long term. The objectives associated with defining remuneration are related to the Group's performance in environmental, social and corporate governance (ESG) indicators, reflecting the commitment to sustainable development, as well as compliance with the Group's ethical values and principles.

The remuneration policy for the executive members of the Board of Directors includes a variable component that is intended to align, in a more pronounced way, the interests of the executive directors with those of the shareholders, based on objective and predetermined criteria, with a view to raising awareness about the importance of their performance to global success.
The performance assessment of executive directors is based on predetermined criteria, built on objectively established performance indicators for each term of office, in line with the Company's performance strategy and business growth.

Cofina Group is concerned with the impact of its activities, adopting sustainable, environmentally responsible and socially positive behaviors, which is why the Board of Directors is responsible for ensuring the continuous fulfillment of its ESG objectives, substantiated by the annual sustainability report. An evidence of the top management important commitment to these matters.

The multidisciplinary teams, created at the various departments and operational areas of the Group, work in permanent interaction with the top management aiming to guarantee a global vision of the organization and continuously promoting an agile, effective and transversal communication channel, which enhances the generation of ideas and the development of innovative projects.

With regard to corporate management, Cofina Group highlights 5 areas, namely Corporate Finance, Planning and Management Control, Legal & Compliance, Investor Relations and Management Control of Subsidiaries.

Corporate Finance	Management Planning and Control	Legal & Compliance
Defines financial management strategies and policies, ensuring contact with the capital, debt and banking markets.	Implements corporate and/or business strategies and policies, along with the preparation and analysis of management information, construction of business plans, technical studies and benchmark.	It provides legal support, monitors and guarantees the legality of the activities carried out and monitors the corporate governance policy. The goal is to maximize security and reduce legal risks.

Relationship with investors	Management Control | Subsidiaries
Ensures the relationship with the financial community, assisting in the management of institutional relations, through permanent contact with investors, shareholders and analysts and participation in national and international forums.	The Group's operating companies have their own management control bodies, which prepare monthly reports for the respective Boards of Directors.

Ethical Approach, Promoting Human Rights and Combating Corruption and Bribery

The Board of Directors of Cofina Group implemented the **Code of Ethics and Conduct**, which reflects the ethical and behavioral principles common to all Group companies, and their respective employees without exception, and to all those who represent the Group Cofina, as well as for the relationship with its stakeholders.

The Code of Ethics and Conduct regulates 4 fundamental areas:

Relations with Employees	Relations with Authorities, Institutions and Local Communities
• Respect and promotion of Human Rights, in accordance with the Universal Declaration of Human Rights of the United Nations, repudiating discrimination and different treatment based on race, gender, ethnic or social origin, sexual orientation, politics, trade union association or religious conviction; • Gifts, Bribery and Corruption, establishing an open and transparent conduct, without corruption or bribery; • Conflicts of Interest, prohibiting intervention in decisions in which there is an economic or personal interest.	• Fair Competition; • Promotion of the socio-economic development of local communities; • Cooperation with Public Authorities, Institutions and Communities.

Shareholder Relations	Relations with Partners
• Creation of value, promoting excellent professional performance and the correct management of resources, in line with social responsibility and sustainable development.	• Fulfillment of contractual obligations assumed, through good commercial and deontological practices.

Journalistic Ethics

Respect for the Code of Ethics for Journalists and the Editorial Statutes of the different media titles guides the conduct of the teams that, every day, carry out their mission of reporting with commitment, impartiality and ethics.

Within the scope of the **Code of Conduct for the Prevention of Corruption and Related Infractions**, in compliance with the RGPC – General Regime for the Prevention of Corruption, Cofina Group adopted the **Code of Conduct for the Prevention of Corruption and Related Infractions,** appointed a **Compliance Regulation Officer** and has a **Reporting Channel** available on its website for the purposes of Law number 109 E/2021 of December 9, and is currently implementing a Regulatory Compliance Plan with the aim of preventing, detecting and sanctioning acts of corruption and related infractions, being subjected to evaluations to analyze its effectiveness and ensure improvements. The Program integrates:

Code of Ethics and Conduct	Risk Prevention Plan for Corruption and Related Infractions	Training Program	Internal Reporting Channel
It should be read in conjunction with the Code of Conduct for Preventing Corruption and Related Offenses.	It covers the entire organization and activities, including administration, direction, operational or support areas, and contains: • The identification, analysis and classification of risks and situations that could expose the Group to acts of corruption and related infractions, considering the reality of the sector and the geographic areas in which the entity operates; • Preventive and corrective measures to reduce the probability of occurrence and the impact of risks and identified situations.	Internal training program for all employees, so that they know and understand the policies and procedures implemented to prevent corruption and related infractions.	In conjunction with the supervisory body, it ensures the receipt, processing and treatment of complaints, in accordance with the legal provisions and regulations in force and with the principles and rules established in the Code of Ethics and Conduct.

Under the terms of the RGPC, the Board of Directors appointed a Regulatory Compliance Officer (RCO), who guarantees and controls the implementation of the regulatory compliance program, exercising his functions independently, permanently and autonomously. As established in the Code of Ethics and Conduct, all Group employees must act with integrity, honesty and transparency and comply with applicable national and international standards for combating corruption. Non-compliance with the rules set out in the Code of Conduct for the Prevention of Corruption and Related Infractions may have serious consequences for the Group and may constitute a disciplinary offense and/or a breach of contract, acts in relation to which Cofina will have to withdraw the applicable legal consequences. These legal consequences may include changes in internal procedures, training needs, contract resolutions and the initiation of disciplinary proceedings, appropriate and proportionate to the seriousness of the offense committed and the culpability of the offender, or the civil and/or criminal liability of each employee, before Cofina Group companies or third parties. For each infraction, a report is drawn up with the rules violated, the sanction applied and the measures adopted. The Code of Ethics and Conduct is reviewed every three years or whenever changes are necessary in the attributions or in the organic or corporate structure of the Group, which justify its revision.

The **Policy for Preventing and Combating Money Laundering and Terrorism Financing** is essential for preserving the sustainability, soundness, integrity, reputation and trust of Cofina Group. As such, it establishes a set of ethical standards and values to prevent and combat money laundering and terrorist financing, in order to ensure a common basis for Cofina Media and other companies of the Group. The guidelines adopted follow the Group's risk management model, which applies a preventive approach based on the implementation of Know Your Client, Know Your Provider, Know Your Business Partner procedures before the start of the business relationship, complemented by the monitoring of possible future risks and encouraging the sharing and transparency of information between all member companies. This policy is applicable to the respective members of the management and supervisory bodies, employees and service providers.

Additionally, Cofina Group has a **Regulation for Transactions with Related Parties and Conflicts of Interest** in force, implemented by the Board of Directors, which defines the rules associated with transactions with interested parties, with no situations of conflict of interest having been verified so far.

The Statutory Audit Board makes it possible to receive doubts, requests for clarification and communication of irregularities, having developed a whistleblowing system to ensure the appropriate means for communicating and dealing with ethical or legal violations, which significantly impact the fields of accounting, fight against corruption and banking and financial crime. The whistleblowing channel thus establishes a link with the supervisory body to ensure that any complaint or irregularity that is reported has the appropriate treatment in itself, but also with the necessary impact on the supervisory activity of the Group's supervisory body.

Allied to these mechanisms, Cofina Group also provides its employees with an open channel of communication with the Human Resources for advice on the policies in force.

Cofina Group promotes, moreover, constant monitoring by its highest governance body, in order to guarantee the monitoring and reporting of critical concerns, which require immediate responses, and in 2022, no complaints were received or communications.

0	Complaints regarding irregularities, in view of the provisions of the Code of Ethics and Conduct
100%	Of employees receive and sign the Code of Ethics and Conduct upon hiring

In the sphere of Human Rights, Cofina Group implements the **Human Rights Policy**, ensuring respect for human and labor rights, established in its Code of Ethics and Conduct, Code of Conduct for Suppliers and Plan for Gender Equality. Thus, the Group undertakes to safeguard the principles of human dignity, non-discrimination, equal rights, safety and well-being, education, personal and professional development and freedom of religious conscience, organization, association, opinion and expression. These principles are in line with the rules put forward by various national and international institutions, namely the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the Due Diligence Guidance for Responsible Business Conduct (OECD) and the Directive of the European Parliament and of the Council on Business Due Diligence and Corporate Responsibility. Human Rights are constitutionally enshrined rights inherent to everyone,reason why the Policy applies to all companies and employees of Cofina Group and is intended to be extended to all its stakeholders. In this context, the Group has a Complaints Channel accessible to all, internal and externally, who may be adversely affected by Cofina Group and wish to submit complaints, denouncements or clarifications. The teams in the areas of sustainability and human resources are responsible for implementing and monitoring the Human Rights Policy and for promoting human and labor rights. The Human Rights Policy is communicated directly to employees via email and it is also available at Cofina Group website and reviewed periodically based on information disclosed in the annual reports, with changes being communicated to employees whenever necessary.

Cofina Group's **Plan for Gender Equality** aims to contribute to achieving equal treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and encouraging reconciliation between personal, family and professional life. The Plan operates in 5 dimensions:

Equal access to employment	**Goal**	Ensure compliance with the principles of equality and non-discrimination in selection and recruitment processes and procedures.
	Measures	• Continue to ensure that recruitment processes always present lists of potential employees, sufficiently representative of both genders. • Foster and promote balance between teams, especially in areas where traditionally one gender predominates. • Reinforce the principles of equality and non-discrimination within the scope of the training plan.
Equality in working conditions	**Goal**	Ensure that all employees perform their activity under equal conditions and that assessment and progression fully respect the principles of equality and non-discrimination.
	Measures	• Continue to ensure that career progression and performance assessment policies are defined based on concerns to promote diversity for the same functions. • Continue to ensure that progression does not depend on criteria related to the availability of employees or their family responsibilities. • Strengthen gender equality within the plans for developing management and leadership skills.
Equal remuneration	**Goal**	Ensure a remuneration management policy based on merit and on the principles of equality and non-discrimination.
	Measures	• Continue to ensure that the rules on equality and non-discrimination are observed in the definition of functional contents. • Continue to ensure equality and non-discrimination in the attribution of benefits, which must be associated with objective criteria.
Parenting protection	**Goal**	Guarantee the protection of parenting and full respect for the principles of equality and non-discrimination in parenting.
	Measures	• Promote the enjoyment of rights related to parenting in different dimensions. • Continue to ensure equality and non-discrimination in the attribution of benefits related to parenting, which must be associated with objective criteria. • Continue to ensure the dissemination of information on legislation relating to the protection of parenthood.
Work-Life Balance	**Goal**	Ensure the promotion of ways of balancing the professional activity with family and personal life.
	Measures	• Encourage employees to participate in their children's school initiatives. • Enable, whenever necessary and proven to be possible and compatible with the activity performed, work from home. • Use non-discriminatory and gender-inclusive language and image in the promotion and dissemination of policies and practices in terms of balancing professional, family and personal life.

Guiding decisions based on ethical principles and criteria of social responsibility is, for Cofina Group, the basis of a true complementarity and interdependence between its activity and the community in which it operates, enhancing the continuous improvement of its performance, promoting social growth and quality of life in the localities in which it operates and contributing to its sustainability. In this way, Cofina Group implements the **Participation in Communities Policy** to encourage the development of solutions to ESG challenges, such as cultural, educational or social initiatives and health/well-being services.

Risk Management

In terms of risk management and mitigation, the methodology implemented by Cofina Group makes it possible to identify threatening situations that could jeopardize the fulfillment of the Group's objectives through 4 fundamental steps:

1st	2nd	3rd	4th
Identification and prioritization of internal and external risks, capable of affecting the Group's strategic objectives.	Identification of risk factors likely to affect operations and activities, as well as possible processes and control mechanisms.	Weighting of the impact and probability of occurrence of each risk factor, according to the level of exposure, to assess the need for a response.	Monitoring mitigation actions and the level of exposure to critical factors.

Despite the Board of Directors identifying the most significant risks and ensuring compliance with the policies and procedures that integrate risk management, it is also the responsibility of all Cofina Group employees to cooperate in this activity at each decision-making. The Group rigorously and continuously analyzes the specific business risks to which it is exposed, namely liquidity, credit, legal, fiscal, regulatory and market risks, which include interest and exchange rates, and risks related to:

Competition	Customers
This risk is related to the entry of new competitors into the market or the repositioning of the current ones. Cofina Group works to minimize this risk through continuous monitoring of competing entities and the launch of innovative solutions.	This risk, associated with changing consumption patterns, is minimized through permanent analysis of consumer behavior, using market studies and opinions from independent entities.

At the same time, Cofina Group also considers the risks related to environmental management and social responsibility, corruption and bribery, in accordance with the Code of Ethics and Conduct. Thus, with the aim of mitigating the risks inherent to its activities and making employees aware of ethical principles and Human Rights promotion, the Group makes its policies and regulations available, such as the Code of Ethics and Conduct and the Charter of Risk at the time of hiring and also discloses the social actions carried out in the community, by email, to its employees.

Cofina Group's policies are thus known to the organization, which observes them in day-to-day performance .

Information security

The adaptation of companies to the digital transition brings challenges, and the protection and security of information against threats acquires an added importance. For Cofina Group, mitigating risks and ensuring the continuity of operations requires identifying pressing issues and implementing effective initiatives:

Initiatives	• Training of employees in Cybersecurity • Implementation of MFA (Multifactor Authentication) in remote access to the systems
Mechanisms	• EDR Solutions (Cisco Secure Endpoint) • DNS Security (Cisco Umbrella) • MFA (Cisco Duo) • Backup (Veeam)
Results	Greater awareness on the part of employees to cybersecurity issues, having become more aware of the dangers for the Group, as well as the behaviors they must adopt to minimize risks.

In this context, the customer and user data processing assumes a fundamental role, which is why the Group, in a perspective of continuous response to needs, reinforced its commitment by joining efforts to assess and monitor risks and their impacts on the company. In 2022, there were no proven complaints regarding breaches of privacy and loss of customer data.

Economic Performance

Since 1990, the year it was founded, Cofina Group has ensured a solid and structured growth. Owner of newspapers, magazines, a television channel and with a strong online presence through multiple titles, the Group assumes a leading position in the press segment, which it intends to extend to other segments. Cofina Group's strategy, listed on stock exchange since 1998, is based on two fundamental axes:

Organic growth	Non-organic growth
Focus on reinforcing the profitability of assets, measured through growth in 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 functional structure and cost control.	It aims to increase the size of the company, both in terms of EBITDA growth and in terms of financial solidity, encompassing the axes: • Other media segments; • Consolidation; • Internationalization for natural markets.

A double strategy supported by Cofina Group's operational efficiency, which allows it to simultaneously strengthen its competitive position and generate value for stakeholders.

Direct economic value generated and distributed		
	2022	**2021**
Direct economic value generated (€)	**76,037**	**75,849**
Revenues (1)	76,037	75,849
Distributed economic value (€)	**68,088**	**65,986**
Operating costs (2)	36,255	33,195
Employee salaries and benefits (3)	27,455	27,650
Payments to investors (4)	—	—
Payments/(Receipts) to the State (5)	2,689	1,812
Donations and other investments in the community (6)	1,689	3,329
Accumulated economic value (€)	**7,949**	**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) Collective Income Tax Payments/(Receipts); (6) Donations

European Taxonomy

1. Framework for the European Environmental Taxonomy

In line with the implementation of the European Green Deal and with the objective of achieving carbon neutrality by 2050, the European Union (EU) introduced, in 2020, Regulation 852/2020 for the EU Environmental Taxonomy. The Taxonomy is a classification system of economic activities whose main objective is to direct investments towards environmentally sustainable projects and activities, being one of the main tools of the European Commission to promote the development of sustainable finance. For an activity to be considered environmentally sustainable:

- It must substantially contribute to 1 of the 6 environmental objectives defined in the Regulation: climate change mitigation; climate change adaptation; protection of water and marine resources; transition to a circular economy; pollution prevention and control; protection and restoration of biodiversity and ecosystems;
- It must not significantly harm any of the other environmental objectives;
- Comply with minimum social safeguards.

Of the six environmental objectives, only those relating to mitigation and adaptation to climate change are regulated (through the Climate Delegated Act). For a given economic activity to be considered eligible for the taxonomy, it must be part of the Climate Delegated Act or the Complementary Delegated Act that complements the Climate Delegated Act with certain fossil gas and nuclear energy activities. For the activity to be considered in line with the taxonomy, it must: i) comply with the technical criteria that allow assessing whether the activity presents "a substantial contribution" to an environmental objective; ii) comply with the technical criteria that assess whether the activity "does not cause significant damage" in relation to other environmental objectives; iii) comply with minimum social safeguard criteria.

The Taxonomy applies to the Cofina Group, since it is subject to non-financial reporting obligations and in accordance with the Taxonomy Regulation ((EU) 2020/852). This regulation requires non-financial companies to disclose information regarding certain indicators, including turnover, capital expenditures (CapEx) and operating expenses (OpEx) of their activities that are eligible and/or aligned with the Taxonomy. In this 2022 taxonomy report, Cofina Group had the opportunity to develop its eligibility analysis in greater depth and, therefore, eligible economic activities were identified in the Climate Delegated Act that were not reported in the 2021. In the sections below we elaborate on the eligibility and the alignment analysis carried out (the latter as an additional requirement in the 2022 taxonomy report).

2. Eligibility Analysis

Cofina Group analysed the Climate Delegate Act and the Complementary Delegate Act and identified the following eligible economic activities for the year 2022:

Activity	Description	Environmental objective
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Within the scope of its activity, Cofina Group has operating expenses related to its mobile fleet (gasoline, diesel, hybrid and electric vehicles).	Mitigation
8.3 - Programming and broadcasting activities	Programming and broadcasting activities include the creation of content or the acquisition of the right to distribute content and, subsequently, its dissemination. The company currently owns a portfolio of 4 newspapers, 2 magazines and a cable television channel.	Adaptation

3. Alignment Analysis

a. Technical criteria: "Substantial contribution" and "Do not significant harm"

The Climate Delegated Act requires verification of compliance with the technical criteria of “Substantial Contribution” and “Do no significant harm” for each of the activities identified as eligible. After a detailed analysis, Cofina Group considers that it does not yet have all the information necessary to assess and validate the technical alignment of its activities. Thus, it is concluded that there will be no alignment of the amounts that were considered eligible for the taxonomy (turnover and capex).

b. Minimum Safeguards

Article 18 of the Taxonomy stipulates that companies must comply with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights to be in line with the Minimum Safeguards. Subsequently, the Sustainable Finance Platform published the “Final Report on Minimum Safeguards”, which identifies the main topics to be addressed in this matter: Human Rights, Corruption, Taxation and Fair Competition.

Human rights
Cofina Group's Human Rights Policy (DH) stipulates the principles of respect for human and labor rights established in the Code of Ethics and Conduct and in the Plan for Gender Equality. This Policy represents Cofina Group's commitment to respect all human and labor rights recognized by European and international entities, such as the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct, and the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence. It is applicable to all employees of Cofina Group, including members of governing bodies

and workers. The group of recipients of the Human Rights Policy also includes all entities that have an economic, institutional or social relationship with Cofina Group, who are required to adhere to the principles established therein, insofar as they are applicable.

Corruption, Taxation and Fair Competition
The Code of Conduct for the Prevention of Corruption and Related Infractions, together with the Code of Ethics and Conduct, establishes the set of principles, values and rules of action for all Cofina Group's employees, as well as for those who represent or are related to Cofina Group in terms of professional ethics. Additionally, it encompasses the national and international rules applicable in terms of competition, ensuring that competition between Cofina Group and companies operating in the same market is healthy and fair. It takes into account the respective criminal rules regarding Corruption and Related Offenses and the risks of exposure of the entity to these crimes. Cofina Group also has a Money Laundering Prevention and Combat Policy which establishes standard rules to prevent and combat money laundering and terrorist financing, which is applicable to members of management and supervisory bodies, employees and all service providers. In terms of taxation, Cofina Group continually assesses the various risks to which it is subject: market, liquidity and credit risks, as well as legal, tax and regulatory risks.

During 2022, there were no material convictions in the aforementioned matters. Cofina Group provides, on its website, a Complaint Reporting Channel accessible to all who wish to complain, denounce, clarify or expose any situation. The sustainability and human resources teams are also responsible for implementing and monitoring the Human Rights Policy, as well as any other related issues. Cofina Group thus reinforces respect for human dignity and strict compliance with all applicable legislation in this matter.

4. Disclosure of KPIs

Cofina Group reports information regarding its KPIs (Turnover, Capital Expenditure and Operating Expenses) in accordance with Delegated Act of Article 8 of the Taxonomy, in the following tables:

4.1 Turnover

				Substantial contribution criteria*		**DNSH Criteria (Do Not Significantly Harm)**									
Economic activities	Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum Safeguards	Taxonomy-aligned turnover ratio, year N	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy-eligible activities															
A1. Environmentally sustainable activities (aligned with taxonomy)															
Turnover from environmentally sustainable activities (aligned by taxonomy) (A.1)		0 €	0%										0%		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with taxonomy) (A2)															
8.3 - Programming and broadcasting activities	60.1	11,889,849	16%												

Turnover of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		11,889,849	16%				
Total (A.1 + A.2)		11,889,849	16%		0%		
Turnover of activities not eligible for the taxonomy (B)		45,853,225	79%				
Total (A+B)		57,743,074	100%				

Definition and reconciliation

The turnover ratio is calculated as the portion of the annual net turnover resulting from products or services, including intangibles, associated with economic activities in line with the taxonomy (numerator) divided by the net turnover (denominator) within the meaning of the Article 2, point 5, of Directive 2013/34/EU. Net turnover includes income recognized under International Accounting Standard (IAS) 1, paragraph 82, point a), as adopted by Commission Regulation (EC) No. 1126/2008. In 2022, the denominator of the proportion of turnover corresponds to the sum of sales and services provided as presented in the respective headings of the consolidated income statements. Information on sales and provision of services is included in Notes 25, 29 and 32 annexed to the consolidated financial statements, with the respective accounting policy detailed in Note 2.3, paragraph m). The numerator corresponds to the amount of the denominator resulting from economic activities aligned with the taxonomy.

4.2 CapEx

				Substantial contribution criteria*		DNSH Criteria (Do Not Significantly Harm)									
Economic activities	Code	Absolute capex	Capex proportion	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum Safeguards	Proportion of Capex aligned by taxonomy, year N	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (aligned with taxonomy)															
Capex of environmentally sustainable activities (aligned by taxonomy) (A.1)		0 €	0%										0%		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with taxonomy) (A2)															
6.5. Transport by motorcycles, light passenger vehicles and commercial vehicles	49.3	315,435	18%												

Capex of activities eligible for the taxonomy, but not environmentally sustainable (activities not aligned with the taxonomy) (A.2)		315,435	18%				
Total (A.1 + A.2)		315,435	18%		0%		
Capex of activities not eligible for the taxonomy (B)		1,418,396	82%				
Total (A+B)		1,733,831	100%				

Definition and reconciliation

The capital expenditure ratio is defined as taxonomy-aligned Capex (numerator) divided by total Capex (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, total Capex consists of the value of additions to tangible and intangible assets during the year, including business combinations, before considering depreciation, amortization and any remeasurements, namely resulting from revaluations and impairments, and excluding changes in fair value. Additions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), assets under right of use (IFRS 16), investment properties (IAS 40) and biological assets (IAS 41) are included. Goodwill additions are not included.

The numerator corresponds to the portion of capital expenditure included in the denominator that:

- is related to assets or processes associated with economic activities aligned with the taxonomy;
- is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or
- is related to the acquisition of production from economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are applied and are operational within 18 months.

In 2022, the Capex KPI denominator consists of the annual total additions to property, plant and equipment, intangible assets and assets under right of use. The denominator can be reconciled with the total increases presented in Notes 6, 8 and 7.1 attached to the consolidated financial statements, with the respective accounting policies detailed in Note 2.3 subparagraphs b), a) and c), respectively. In 2022, the numerator corresponds to the part of the denominator associated with economic activities aligned with the taxonomy, including activities intended for the Group's internal consumption, and also the acquisition of output from economic activities aligned with the taxonomy.

4.3 OpEx

				Substantial contribution criteria*		**DNSH Criteria (Do Not Significantly Harm)**									
Economic activities	Code	Absolute opex	Opex Ratio	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Biodiversity and ecosystems	Minimum Safeguards	Opex ratio aligned by taxonomy, year N	Category (enabling activity)	Category (transition activity)
		(euros)	(%)	(%)	(%)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	(%)	(E)	(T)
A. Taxonomy-eligible activities															
A.1. Environmentally sustainable activities (aligned with taxonomy)															
Opex of environmentally sustainable activities (aligned by taxonomy) (A.1)		0 €	0%										0%		
A.2. Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with taxonomy) (A2)															

Opex of activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the		0 €	0%				
Total (A.1 + A.2)		0 €	0%		0%		
B. Taxonomy-non-eligible activities							
Opex of activities not eligible for the taxonomy (B)		1,080,911	100%				
Total (A + B)		1,080,911	100%				

Definition and reconciliation

The operating expense ratio is defined as taxonomy-aligned Opex (numerator) divided by total Opex (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, total Opex consists of direct costs not capitalized during the year related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenses related to the daily maintenance of tangible fixed assets necessary to ensure their operation.

The numerator corresponds to the portion of operating expenses included in the denominator that:

- is related to assets or processes associated with economic activities aligned by the taxonomy, including training needs and other adaptation needs of human resources;
- is part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or
- is related to the acquisition of production from economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are applied and are operational within 18 months.

In 2022, the Opex KPI denominator includes 378,783 Euros of expenses with rents and leases and 702,128 Euros in maintenance and repair expenses (shown under the caption “Other costs”), recognized in accordance with the accounting policies detailed in Note 2.3, subparagraphs c) (iii) and b), respectively, attached to the consolidated financial statements. The above amounts are included in the consolidated income statement under the caption “Supplies and external services” (Note 26 annexed to the consolidated financial statements). Amounts under the heading “Personnel costs” are not included, as they do not include expenses of a nature that meet the definition of total Opex in the taxonomy.

Total Opex, as shown in the table above, is not considered material to Cofina Group's business model since it represents only 1.5% of its total operating expenses in 2022, due to the fact that the Group does not incur significant expenditure on research and development within the scope of IAS 38, nor are expenditure on maintenance and repair of assets and short-term leases material. In this sense, Cofina Group chose to apply the exemption available in the Delegated Act of Article 8 of the Taxonomy, and not calculate the numerator for the Opex KPI.

5. Future developments by Cofina Group in the application of the Taxonomy

During 2023, Cofina Group will continue to develop actions to adequately respond to the requirements of the taxonomy regulation and application of the alignment criteria of the Climate Delegated Act. Cofina Group will also monitor updates regarding the remaining four environmental objectives, possible extensions to other economic activities and the implementation of European Commission guidelines that may have a significant impact on the company's eligibility classification and alignment.

03
Protecting the Planet

Climate Strategy and Operational Eco-efficiency

Nature preservation and resource management stand out as an emergency to combat climate change. Widespread changes in weather patterns require immediate action and a joint effort 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.

Cofina Group is aware of the risks it faces and the impacts produced and, therefore, acts with knowledge of its role as an organization with the potential to contribute to the fight against climate change.

For this reason, it monitors its environmental performance, particularly regarding GHG emissions, consumption of materials, water and energy, and waste management, implementing measures aimed at eliminating or mitigating its negative impacts.

Cofina Group adopts an approach that aims at the eco-efficiency of its operations, with a progressive reduction in emissions, promoting the fight against climate change.

Influencing a positive external environment

Cofina Group recognizes its impact on the community, which is why, through the production and dissemination of educational and awareness-raising content, it seeks to influence, mobilize and increase society's understanding of sustainability issues.

Influencing a positive internal environment

Cofina Group is committed to operational eco-efficiency with the aim of optimizing resource consumption. 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.

Monitoring Mechanisms

The headquarters building of Cofina Group has a centralized technical management system, which manages, among other aspects, the air conditioning system and lighting, in addition to monitoring the general functioning of the building, identifying potential anomalies.

At Grafedisport there are basins for retaining liquids that are harmful to the environment, and the main risks identified are fire and spillage into the ground, situations avoided by internal instruments and procedures, such as fire extinguishers and specific training for employees.

In addition to constant monitoring, Cofina Group considers it essential to implement initiatives that reduce negative environmental impacts and enhance positive impacts, of which the following stand out:

- Separation of containers with forwarding of waste
- Application of motion sensors in the lighting system
- Replacement of incandescent light bulbs for LED
- Placement of cisterns with higher/lower flush option
- smart prints
- Flow reduction in taps
- Turning off air conditioning
- Partnership with Greenvolt *Comunidades*

Other initiatives to combat climate change:

Acquisition of electric and plug-in vehicles, replacing vehicles that consume fossil fuels
Installation of electrical chargers in the building

Results

Water and energy saving

Reduction in fossil fuel consumption
Decrease in GHG emissions

Cofina | Solar Energy Community

As part of its Climate Strategy, Cofina Group became the anchor producer of one of the first energy communities in Portugal with **Greenvolt *Comunidades***, having installed 550 photovoltaic panels on the roof of its headquarters building.

The producer consumes the energy produced and distributes the rest to the community.

The initiative was prepared by the Cofina Group throughout 2022 and, in 2023, it will start producing renewable energy.

The initiative contributes to the reduction of costs for all stakeholders and to a more sustainable energy consumption model, based on clean and 100% renewable energy.

The Energy Community will make it possible to reduce the consumption of electricity by Cofina Group and the building's common services by around 35% of its daytime consumption, in line with its objective of reducing the carbon footprint.

The estimated production for the first year of operation is approximately 403 MWh, avoiding the emission of around 105 tons of CO_2/year.

Consumption Management

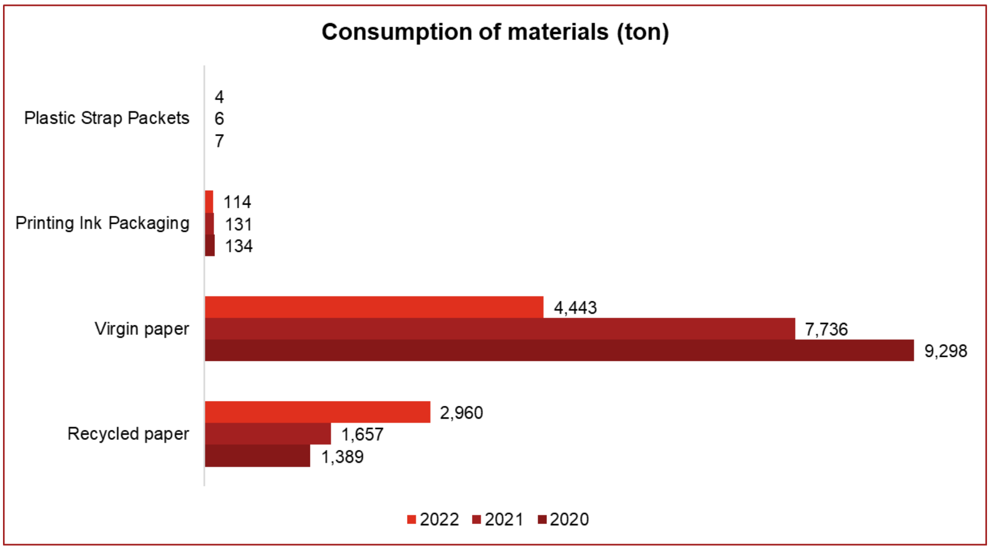
Materials

The main materials consumed by Cofina Group are paper, recycled and virgin, in addition to printing inks packaging and plastic strapping from the bundles, representing a total of 7.52 tons in 2022, a reduction of 21.1% compared to 2021.

Virgin paper accounts for 59% of all materials consumed, with a reduction of 2.3 tons compared to consumption in 2021. Recycled paper, whose consumption the Group intends to progressively increase within the scope of the production process as a substitute for virgin paper, recorded an increase of 78,6% over the previous year, representing 39% of all materials consumed by the organization. As for other materials, there were reductions in consumption of 12.8%, in the case of printing inks packaging, and 33.8%, with regard to the plastic used in the package straps.

During 2021, in the administrative and editorial areas, the optimization of printing has been promoted, namely through the implementation of personalized authorization, resulting in a reduction of the impressions. In 2022, the Group maintained this improvement measure.

Over the past 3 years, consumption of recycled paper has increased by 1,571 tons and the consumption of printing inks packaging has decreased by around 20 tons.

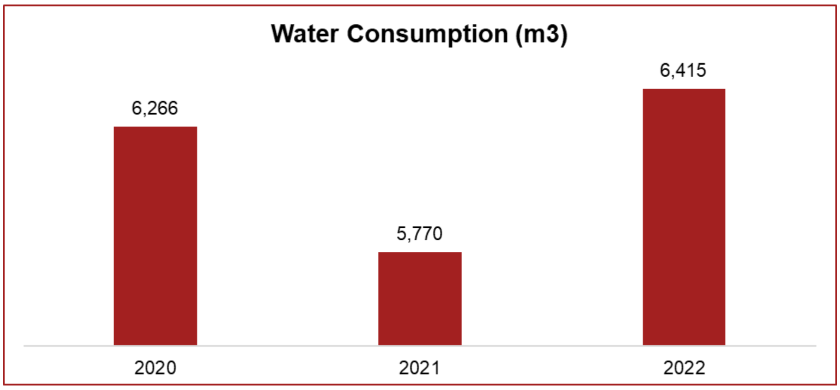


Water

Not being identified as one of the most significant consumption by Cofina Group, water consumption is particularly evident within the scope of the printing process, namely in the cleaning phase of the offset printing.

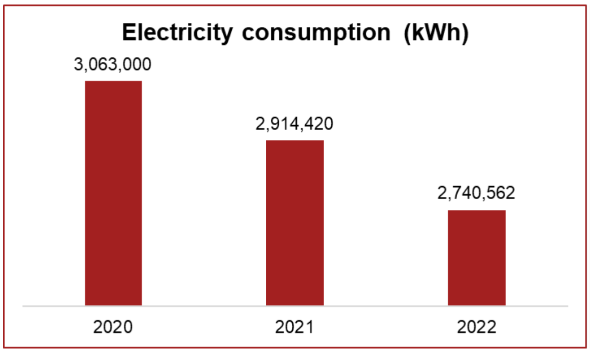
All water consumed by Cofina Group is captured and discharged in the public supply network, so the treatment of effluents is the responsibility of municipal authorities.

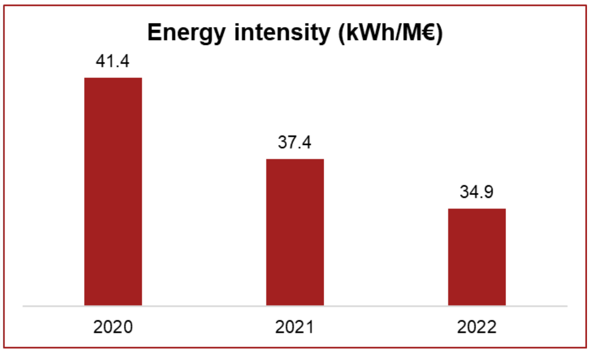
Consumption is monitored and, in the last year, the increase was 0.645m^3, that is, 11.2%, justified by the return of employees to the facilities after the end of the restrictions related to Covid-19.



Energy

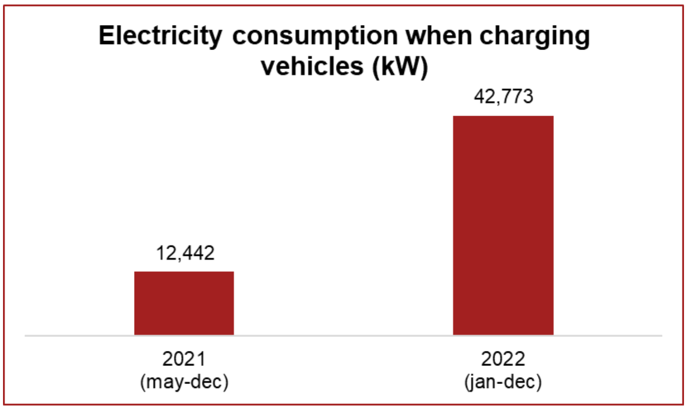
In 2022, there was a 6% reduction in electricity consumption (buildings) compared to 2021, 173,858 kWh less, and a 6.7% reduction in energy intensity.





Over the last few years, the Group has implemented and developed various measures to reduce energy consumption at its buildings, such as the application of motion sensors in the lighting system, the replacement of incandescent light bulbs for LED and a more efficient control of the air conditioning, along with raising awareness for the theme among employees, has contributed to a better performance in this area.

In 2022, Cofina Group increased the number of electric vehicle chargers, acquired 1 more electric vehicle and 13 more plug-in vehicles, compared to 2021, which led to an increase in electricity consumption at this level.



Waste Management

The reduction in waste production is an objective of the Group, supported by:

- Implementation of measures to reduce the waste generated;
- Forwarding of waste produced for recycling or other forms of recovery.

Most of the waste produced by the Group stems from the distribution of publications, namely the returned copies.

Quantifying the waste produced in 2022, there was a total of 270 tons, 28% less than in 2021, of which 17 (6.3%) correspond to hazardous waste and 253 (93.7%) correspond to non-hazardous waste.

Regarding waste treatment operations, in 2022, 99% of the total waste was sent to recovery and recycling operations.

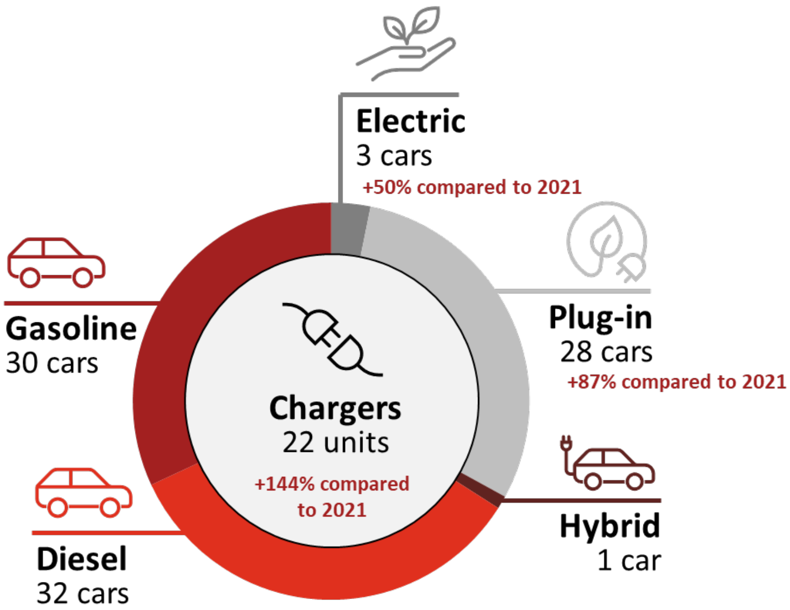
In 2022, 2,227 tons of unsold printed articles were collected and sent for recycling.

GHG Emissions

Cofina Group is committed to reducing greenhouse gas (GHG) emissions, contributing to the mitigation of climate change and the implementation of the Paris Agreement. Knowing and calculating GHG emissions is the first step to implement reduction measures. The Group monitors consumption and calculates scope 1 and 2 emissions.

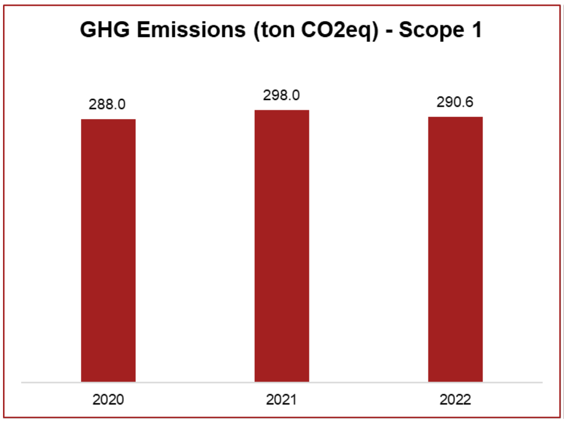
Direct Emissions (Scope 1)	Indirect Emissions (Scope 2)
Correspond to the emissions produced or directly controlled by the organization, and for Cofina Group they represent fuel consumption related to the vehicle fleet.	Correspond to emissions arising from the consumption of electricity by the organization in its operations.

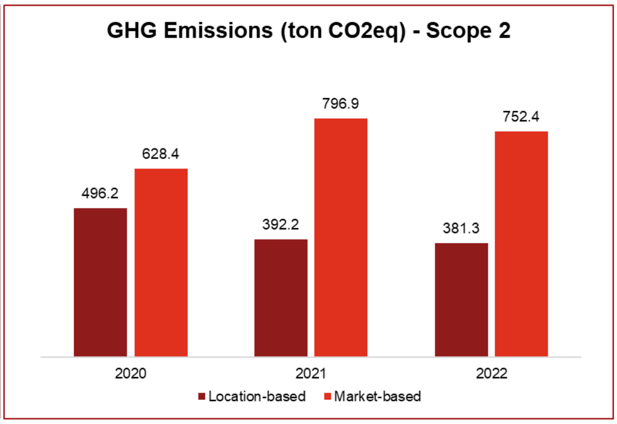
Emissions associated with fuel consumption (scope 1) registered, in 2022, a decrease of 2.5% compared to 2021, even considering the increase in employee travel in view of the pandemic context experienced in previous years, during which the number of employees performing functions in person was lower. These values reflect the actions implemented, such as the increase in the number of electric and plug-in vehicles.



Regarding emissions associated with electricity consumption (scope 2 | market-based), there was a decrease of 5.6% compared to 2021, which resulted from a decrease in electricity consumption in operations, balancing the consequent increase in electricity consumption from the company's electric fleet.

The results obtained in 2022 show the actions that have been implemented by the Group, and the objective will be to work on maintaining and optimizing these measures, so that the results are intensified in the coming years.





04
Valuing People

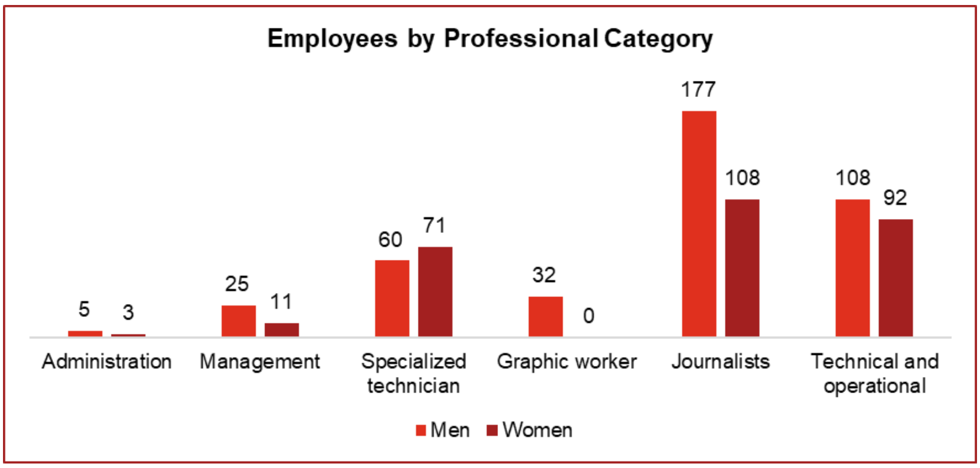
Our people

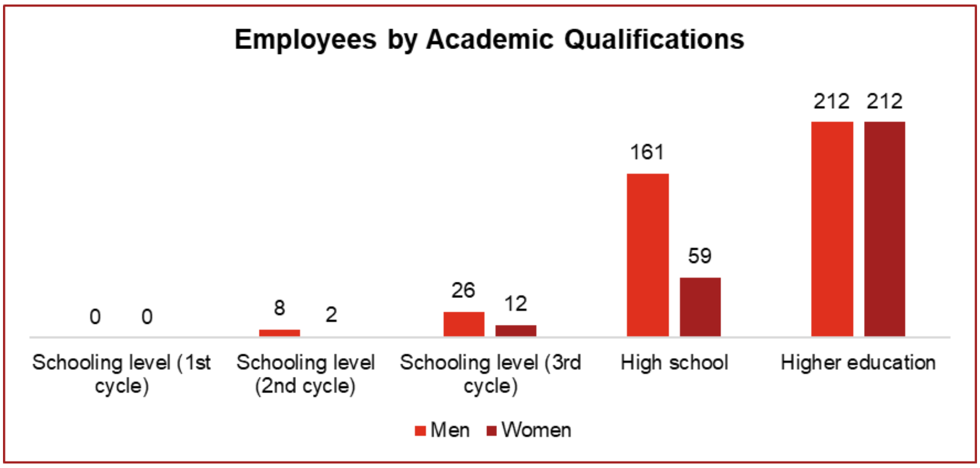
Cofina Group believes that employees are fundamental to its success.

The Group is committed to promoting a healthy and inclusive work environment on a daily basis, offering everyone the opportunity to develop their skills, involving and motivating each of its employees. For Cofina Group, people are a priority and, therefore, benefits plans, training programs and various initiatives and services focused on health, safety and well-being are made available.

At the end of 2022, Cofina Group had 692 employees. Of this total, 41% are women, with 61% of all employees having higher education, 52% of employees are between 30 and 54 years old and 32% are under 35 years old. Women continue to represent the majority of employees with higher education.

The Board of Directors of Cofina, SGPS, S.A., holding company of Cofina Group, is composed of 6 members, all aged ≥ 53 years.





Characterization of Human Resources						
	2022 (No.)			2022 (%)		
	Men	Women	**Total**	Men	Women	**Total**
Labor Indicators						
Employees	407	285	**692**	58.8%	41.2%	**100.0%**
Age Group						
up to 35 years	129	91	**220**	31.7%	31.9%	**31.8%**
30-54 years	209	153	**362**	51.4%	53.7%	**52.3%**
over 54 years old	64	38	**102**	15.7%	13.3%	**14.7%**
Professional Category						
Administration of Cofina SGPS, S.A.	4	2	**6**	1.0%	0.7%	**0.9%**
Administration of Cofina Media, S.A.	1	1	**2**	0.2%	0.4%	**0.3%**
Management	25	11	**36**	6.1%	3.9%	**5.2%**
Specialized technician	60	71	**131**	14.7%	24.9%	**18.9%**
Graphic worker	32	0	**32**	7.9%	0.0%	**4.6%**
Journalists	177	108	**285**	43.5%	37.9%	**41.2%**
Technical and Operational Position	108	92	**200**	26.5%	32.3%	**28.9%**
Contractual Bond						
No term	400	272	**672**	98.3%	95.4%	**97.1%**
Fixed term	6	8	**14**	1.5%	2.8%	**2.0%**
Uncertain term	1	5	**6**	0.2%	1.8%	**0.9%**
Educational Level						
1st cycle	0	0	**0**	0.0%	0.0%	**0.0%**
2nd cycle	8	2	**10**	2.0%	0.7%	**1.4%**
3rd cycle	26	12	**38**	6.4%	4.2%	**5.5%**
High School	161	59	**220**	39.6%	20.7%	**31.8%**
Higher Education	212	212	**424**	52.1%	74.4%	**61.3%**
Admissions and Departures						
Admissions	102	64	**166**	25.1%	22.5%	**24.0%**
Departures	118	67	**185**	29.0%	23.5%	**26.7%**

Risks and Opportunities

Cofina Group identifies risks and opportunities related to social aspects, for which it applies improvement and monitoring solutions, with a view to sustained growth, the well-being of its employees and the development of the communities in which it operates.

Main Risks	Improvement Opportunities | Mechanisms and Processes
Physical working conditions	Cofina Group recognizes the importance of the physical conditions of the work environment for the well-being of its employees. For this reason, it regularly carries out Risk Assessments by Function, along with Lighting and Thermal Environment Assessments. The risk factors that may be identified are adequately treated/minimized/eliminated. Changes proposed in the reports are validated with the responsible teams.
High turnover rate	Some areas of the Group have higher turnover rates, particularly in roles that work in shifts. As such, the turnover rate is monitored and measures are taken to minimize the impact of this turnover. In one of the teams where a high rate was verified, new elements were reinforced in order to reduce the constraints caused by the departure of employees.
Social problems in the local community	Aware of the social problems that affect our society, and in order to make the Group more active within the local community, a social responsibility group was created in 2022 – We Together – which organizes various actions to support the community.
Accidents in the workplace	The Group monitors accidents in the workplace, through the platform of a partner in the area of Health and Safety at Work, which analyzes and reports, among other aspects, the Incidence, Frequency and Severity indices.
Gaps in leadership and team management	Specific training is given, followed by the respective assessment and certification by training bodies.
Poor knowledge in Excel	

Equal Opportunities, Diversity and Non-Discrimination

In terms of managing its human resources, Cofina Group establishes 4 major objectives:

Attract and retain talent.

Provide the organization with effective management instruments, preparing it for future challenges.

Develop team skills.

Foster a culture of performance, with a focus on excellence and meeting new goals.

To achieve these, the Group is guided by the principles of Equality, Diversity and Non-Discrimination in all its processes, believing that people should be valued and that their potential should be enriched, guaranteeing respect for Human Rights. This vision is reflected in its conduct, recruitment, access to training and the decent working conditions it ensures through a safe and healthy environment, fair and equitable remuneration, prevention of harassment, respect for freedom of expression and opinion, career advancement policies and salary upgrades based on performance assessment, protection of parenting and work-life balance, which the Group offers through remote work and the possibility of assigning an additional 3 vacation days, implemented in 2022.

Diversity in governance bodies and employees			
	Men	**Women**	**Total**
Administration of Cofina SGPS, S.A.			
up to 35 years	0%	0%	0%
30-54 years	67%	17%	83%
over 54 years old	0%	17%	17%
Administration of Cofina Media, S.A.			
up to 35 years	0%	0%	0%
30-54 years	0%	50%	50%
over 54 years old	50%	0%	50%
Employees			
up to 35 years	19%	13%	32%
30-54 years	31%	22%	53%
over 54 years old	9%	6%	15%

0 Incidents of discrimination

As it is a topic of extreme relevance for Cofina Group, there is also a focus on the development and participation in initiatives that promote principles of Equality and Diversity.

In March 2022, another edition of the Executive Program Sustainability: A Corporate Journey took place, promoted by ISEG, with the participation of the Human Resources Director. This training addressed the integration of the social dimension in the companies' strategy, towards business sustainability, with the objective of broadening the vision of the role of companies in society, stimulating reflection on the challenges facing today's society.

Diversity, Equity and Inclusion (DEI) are increasingly relevant topics for the sustainable growth of an organization. Therefore, Cofina Group, through “Negócios” and “Record”, in partnership with the “Financial Times”, continued the **Audience Diversity Academy** project. This program, centered on audiences diversity (Women and Young People), aimed at developing means to enhance greater representation in the audiences, namely through more impactful communication with the defined targets.

CMTV, as established in the multiannual plan in force, fully complies with the broadcast of programs with sign language interpretation aimed at audiences with special needs.

Attracting, Retaining and Developing Talent

Cofina Group has a holistic approach to attracting and developing talent, embodied in multiple internal and partnership initiatives.

An example of this is the partnership with the Autonomous University, within the scope of the Post-Graduation in Television and Multiplatform Journalism, which addresses the various journalistic platforms – press, television and online – with a focus on technological innovation and the evolution of trends, providing tools to deal with a sector in constant evolution. Cofina Group provides professionals to teach at the Post-Graduation and welcomes the two best students on a paid professional internship.

The Group also maintains partnership protocols with other educational institutions, providing internships to young students in different areas to foster a closer relationship between the academic and business worlds. Cofina Group's investment in these academic partnerships allows external talent to be recognized and integrated into the organization.

In 2022, **Cofina Group welcomed 78 interns** (62% of whom were women) in the areas of Editorial, Marketing, Online and Information Systems, with 10 young people being integrated in the Editorial area.

In order to boost the levels of retention and progression, Cofina Group has a Performance Management Model that makes it possible to know the skills and identify the needs for improvement and investment, aligning the performance of employees with the business strategy, with a view to the fulfillment of the objectives set by the Group. The model also makes it possible to perceive the strengths and aspects to be improved in each employee, enabling human resources management based on professional development and recognition, motivating and encouraging the development of professional potential and communication between managers and employees.

The Performance Management Model makes it possible to draw up an evolutionary plan, necessary to achieve individual and organizational objectives, based on 4 principles.

Focus on the future and continuous feedback	**Objectivity and perception of justice and equity**
Team training with a view to individual and continuous development	**Increased performance of teams and organization**

The development of the Model relied on the involvement of the Cofina Group's management team, namely the Board and Directors, along with professionals with management responsibilities, in workshops and meetings, in order to identify the skills to be assessed in each Department or Corporate Area, aligned with the expectations of the organization. The Model consists of a practical component (concepts) and an application component (support software), having been presented to all professionals and tested by a focus group to identify aspects to be improved. The performance evaluation is applicable to all employees with more than 6 months of contract. Employees with less than 6 months of contract can carry out their self-assessment, optionally, to obtain feedback from management and align objectives.

As a result of applying the model, training needs were identified at the level of leadership, team management and knowledge in Excel.

90% of employees covered by the Performance Assessment in 2022

Training and developing the potential of employees are a priority for Cofina Group. Therefore, it continuously invests in training, both in terms of technical concepts relating to, for example, journalistic pieces and television rights, as well as in terms of management and leadership. The Training Plan, aimed at employees according to their functions, is based on the identification of the training needs of each department, on the information provided by the Performance Management Model and in accordance with the defined budget. In 2022, the Group began training in software, namely Excel, which covered 131 people.

In 2022, a leadership training action of great importance for the Group began – **“Ser Cofina, Talent DNA”** – aimed at employees in leadership positions. The objective of this initiative is to train the Group's leaders with more effective people management tools so that they have a greater impact on the efficiency of the organization and on the performance of the teams.

Thus, by investing in the personal and professional development of its employees, Cofina Group ensures the sustainability of its DNA and increases the success of people and the organization.

Training Hours						
	2021 (No.)[1]			2022 (No.)		
	Men	Women	**Total**	Men	Women	**Total**
Technical	270	0	**270**	171	0	**171**
Safety, health and environment	78	30	**108**	18	25	**43**
Information technologies	7	42	**49**	406	521	**927**
Foreign languages	0	0	**0**	0	25	**25**
Personal and professional development	1,230	1,060	**2,290**	416	129	**545**

Currently, one of the biggest challenges for business agents is attracting and retaining talent. For this reason, Cofina Group focuses on motivating its people and boosting their development, preparing various initiatives throughout the year, in addition to granting benefits and compensation for the promotion of health, safety and well-being.

Engagement and Motivation

Anniversary of Publications
Cofina Group celebrates the anniversary of the publications with its employees, through a moment of conviviality among all and sharing a birthday cake in the respective newsrooms.

International Women's Day
In 2022, the Group celebrated this day differently. Instead of offering a souvenir to women, this day was combined with a social solidarity action. Thus, the amount usually spent on offers was used to purchase goods from the list of the *Associação Médicos do Mundo,* intended for women in Ukraine who are experiencing particularly difficult times after leaving their country with their children, leaving behind family members who find themselves in the confrontation of war. At the same time, the Group publicized this initiative internally and appealed to its employees for their spirit of solidarity, so that they could join the offer of goods.

Easter
On this day, Cofina Group offers all employees a package of almonds alluding to the festive season.

Saint Martin's Day
On Saint Martin's Day, Cofina Group hired a chestnut roaster service and offered a dozen chestnuts to each employee.

Birthday
Cofina Group offers the day off as a birthday gift.

Christmas
In 2022, Cofina Group once again celebrated Christmas season with several special moments. In addition to offering employees a cake and a basket with products for Christmas Dinner, the Group offered gifts and invitations to the Christmas Theater at *Politeama* to all employees' children (up to 12 years old), engaging them in the Christmas office decorations by sending a ball or a star to be personalized and placed on the Cofina Christmas Tree.

Blood Collection
Since 2013, in cooperation with *Instituto Português do Sangue e da Transplantação*, Cofina Group promotes twice a year a blood collection, on a voluntary basis, at its facilities.

[1] The number of training hours has been updated, in view of the availability of complementary information.

Well-being, Health and Safety

The physical and mental health and safety of its employees are extremely important for Cofina Group, a concern that is reflected in the way it operates.

To ensure safety in the work environment, the Group has the support of an external company, provider of hygiene, safety and occupational health services, for the management of risks related to the main activities, which include the promotion of awareness sessions and the carrying out of evacuation drills. Additionally, the Group maintains an in-house first aid team, qualified by the Portuguese Red Cross through regular training and, in some cases, trained in AED – Automated External Defibrillators, enabling basic life support to be provided in emergency situations. In 2022, the Group increased this team with 2 more trained elements.

Cofina Group also promotes regular meetings to share and report interventions and situations to be improved, discuss ideas and plan future actions, along with risk assessments by function and lighting and thermal environment assessment. In this context, in 2022, a questionnaire was developed for Employee Consultation, with implementation scheduled for 2023. At the same time, Cofina Group created a Risk Charter, with a view to alerting employees to the various dangers and risks they may face in their day-to-day work, both inside and outside the facilities. This information was made available on the intranet .

In terms of accidents at work, Cofina Group carries out annual monitoring and evaluations, applying appropriate corrective measures whenever necessary, such as the non-slip treadmill, placed at the entrance of the building to prevent falls, and the camera support equipment for image reporters, which allow a better weight distribution and prevent musculoskeletal injuries.

In 2022, Cofina Group developed and implemented the **Health and Safety at Work Procedures Manual**, which aims to establish and standardize the main practices and procedures of a technical and organizational nature of the existing health services for the management of the health and safety of employees of the Group. The Manual is based on the legal norms in force and its management responsibility belongs to the Human Resources Department.

In 2022, the number of accidents at work and the frequency and severity indices reduced, compared to 2021, although there was one fatality due to work travel.

Health and safety at work		
	2021	**2022**
Fatalities as a result of work-related injuries	0	**1**
Number of recordable work-related injuries	11	**8**
Work-related injuries frequency rate	10	**7**
Work-related injuries severity rate	0.09	**0.07**

Since, for Cofina Group, People are a priority, in 2022 continuity was given to a wide range of benefits and initiatives in the field of Well-Being, Health and Safety.

Health and Life Insurance

Cofina Group offers health insurance to its employees, with the possibility of extension to direct family members, for access to medical services in health establishments of the contracted network and home assistance. It also offers a Life Insurance that covers risks of death and total and permanent disability.

Equipment and Services

So that its employees have the opportunity to prepare their meals in a peaceful and healthy way, the Group provides, in its facilities, its own areas equipped for full meals or light meals. It also offers a varied and healthy range of meals and snacks on a daily basis, in partnership with a catering company.

Protocols

Cofina Group establishes partnerships and protocols with several institutions that allow access to special conditions for employees and their families, namely dental clinics and Health Clubs.

Medical and Nursing Services

A service highly valued by the Group's employees is the medical office at the facilities in Lisbon for legally provided occupational medicine and curative medicine consultations.

From the pandemic until November 2022, the Group had a health professional at its facilities on a daily basis to support us in testing employees and in situations of suspected cases of Covid-19.

It also has a service of curative medicine, hygiene and safety at work where risks are assessed by function, lighting and air quality.

Employees can also count on the first aid team for any situation during their working day.

Leisure activities

To promote the health and well-being of its employees, the Group encourages the practice of sports through various individual and group activities at weekends. One of the initiatives is Cofina Runners, created in 2015, whose motto is “Corre… Desafia-te… e Disciplina-te. Imediatamente!”. This activity promotes team spirit and the will to run in a group, with a view to motivation and overcoming difficulties.

Additionally, Cofina Group disseminates and participates in other activities, such as the "Um dia a pedalar, porque não?" initiative, which aims to raise employee awareness on the reduction of the environmental impacts of urban mobility, encouraging them to opt for cycling commuting to work on the first day of the European Mobility Week. On that day, Cofina Group provided all employees with access to parking for bicycles at the Lisbon facilities.

05
Impacting Society

Community Support

For Cofina Group, supporting the community is not just a responsibility, but rather a purpose that stems from its action as a change influencer agent. The Group intends to create a positive impact on society and the planet, far beyond its business operations, which is why, over the years, it has supported numerous causes and initiatives.

In 2022, the Group continued to contribute to the development of the community through a wide range of initiatives:

Bottle cap collection	Recycling	Ukraine Women's Day Mission
Collecting bottle caps for Constança is an activity that Cofina Group maintains to help a girl with Rett syndrome, who uses them as a "currency" in exchange for her therapies.	With the aim of encouraging the habit of recycling, we equipped the building with recycling bins (cardboard, packaging and pestle), with a view to recycling various types of materials.	In 2022, International Women's Day was marked in a different way: A social solidarity action was organized, reversing the amount the Group usually invest on this day in the purchase of goods identified on the list of the *Associação Médicos do Mundo*, whose destination is the women of Ukraine who are going through particularly difficult times and who have had to leave their country with their children, leaving behind family members who were caught up in the war. At the same time, the initiative was publicized internally and an appeal was made to the spirit of solidarity of all employees to join in offering these goods.

Heroes of *Missão Continente*

Cofina Group has joined up with *Missão Continente*, an initiative whose objective is to participate in various social actions, promoting a set of solidary, healthy and sustainable behaviors with a view to promoting good.

The Group invited its employees and their families to sign up for one of the initiatives available on *missao.continente.pt* website. For each participation, Cofina Group offered a vacation day.

All these initiatives are very simple to implement and make a difference!

Let's Walk I Walking to school or work	**One light at a time** Replace incandescent bulbs with LED bulbs	**Volunteer teacher** Teach someone something
A bag for every day Opt for reusable bags when shopping	**(Re)use ripened fruit I** Recipes with pieces of fruit about to spoil	**Recycling is easy I** Create a domestic waste separation area
A meal from the heart I Deliver a meal to someone who needs support	**A meal from the heart II** Deliver a meal to someone in need	**A Cause for Every Hero** Contribute by donating time or goods to a cause of your choice

Liga Portuguesa Contra o Cancro	***Médicos do Mundo* Campaign "Sarar cá dentro as feridas de lá"**	**EDP Foundation**
The Human Resources team actively participates in the collection for *Liga Portuguesa Contra o Cancro*, walking through the headquarters building to collect donations for this cause.	At the beginning of March 2022, Cofina Group joined forces with *Associação Médicos do Mundo* to collect, at the end of the year, warm socks and large sizes clothes to donate to those in need.	During Christmas, Cofina Group joined the EDP Foundation, an entity whose mission is to contribute to improving people's quality of life through social, cultural and scientific initiatives. Sharing the values of this entity, the Group offered, together with EDP Foundation, a Christmas present to around 4.400 children and young people in foster care through Social Security, spread across 285 institutions throughout the country. Alongside offering gifts, Cofina Group challenged its employees to make a little of their time available to help others, wrapping presents at *Fábrica do Pai Natal*.

In addition to these initiatives, Cofina Group feels the need to intervene more actively in the development of the community, on a regular and sustained basis. Therefore, in November 2022, the We Together group was created with the aim of encouraging employees to become more involved in social responsibility projects, either by presenting ideas or actively participating in supporting the community, also promoting teamwork. Through this program, in 2022, two initiatives were developed:

Refood Gaia	**ASMAL**
Through Refood Gaia, some elements of the Porto Delegation and Human Resources cooked, prepared and packed 120 meals to offer to families at risk and families in need.	Teams from Algarve, Faro and Portimão got together to remodel a space for users of ASMAL, a mental health association, making it more pleasant and adapted to their needs. The teams also participated in the construction of flower pots for planting vegetables.

Rewarding Sustainability

Within the scope of its responsible business performance, Cofina Group, through the initiative promoted by "Negócios" - National Sustainability Award - presents sustainability as a central theme for Portuguese society. The Award, in line with the UN Sustainable Development Goals, distinguishes organizations that stand out for their commitment to adopting, discussing and developing sustainability initiatives in the areas of Environment, Social and Governance. The initiative, planned for 10 years, has the High Sponsorship of the Presidency of the Republic and Deloitte as a Knowledge Partner and, over the various editions, several conferences have been held to raise the important debate on sustainability in the current business context.

In 2022, the 3rd edition of the National Sustainability Award was launched, which, in 2023, will distinguish projects, products and/or services in three main axes:

Social

Well-being and Sustainable Cities: Promoting affordable and sustainable housing and community well-being. Creating a positive impact, through integration, communication and interaction with citizens and the improvement of infrastructure (e.g. transport, waste management, green spaces), public services, buildings and housing conditions.

Equality, Diversity and Equity: Contribution to inclusion, creation of generational balances, development and social empowerment, reduction of inequalities and combating social isolation, eliminating any type of discrimination based on ancestry, disability, age, gender identity, nationality, sexual orientation, ethnic origin or race, religion or family and economic situation.

Health and Well-Being in Companies/Organizations: Contribution to the well-being of internal and external employees, promoting balance between personal and professional life, occupational health, mental well-being, support in situations of illness/ family need, opportunities for career growth, team spirit and mutual help and improvement of work spaces.

Environmental

Circular Economy: Innovation in the areas of conception, design, production, distribution and consumption, through the application of circular economy principles throughout the life cycle of a product, promoting the collection, treatment/ repair, upgrade, renovation, recycling and reuse.

Decarbonization: Creating a positive impact in terms of reducing GHG emissions and promoting the fight against climate change.

Sustainable Mobility: Promoting an increase in sustainable and collaborative transport options and improving the quality of life of the population, by reducing transport time, providing equal and equitable access and promoting organized, safe and accessible spaces and infrastructures to all, as well as intermodal transport networks.

Preservation of Natural Capital: Promotion of biodiversity and the integration of natural capital in the decision-making process of organizations.

Economic/*Governance*

Communication on Sustainability: Conception of effective, impactful, educational communication solutions that allow for increased transparency and the reduction of misinformation and, at the same time, promote awareness and the transition to sustainable behaviors in line with the UN Sustainable Development Goals (UN SDGs).

Sustainable Finance: Initiatives, services, projects or products that include sustainability criteria and aim to contribute to greater innovation, transparency, growth, development and alignment with the SDGs, also valuing innovations, such as ESG risk assessment models and respective application to granting and allocating funding.

Digital transformation into sustainability: Innovative technological and digital solutions that promote access to information and contribute to social well-being, public health or the environment (e.g. eradicating hunger and poverty, promoting health and preserving natural resources), increasing of productivity and reduction of waiting times, optimization of processes and manual procedures. E.g.: apps, websites or other disruptive platforms in interaction with citizens, artificial intelligence, robotics, augmented and virtual reality, machine learning.

The National Sustainability Prize also distinguishes, in each edition, a Personality and an NGO that have stood out for their conduct and action in favor of sustainability, at an economic, social and environmental level.

The 2022 Edition featured

€12.5 million awarded in prizes	73 applications	Prestigious Jury
(in advertising | Cofina titles)	in 8 categories	with 62 elements

Raising awareness for the future

To substantiate the work carried out within the scope of the National Sustainability Award, Cofina Group, through "Negócios", also promotes *Negócios Sustentabilidade 20|30*, a set of talks dedicated to the main challenges and good practices in sustainability. The 2021 edition featured, in this context, 7 Talks on Sustainability, with more than 48 speakers, including European commissioners and other government officials, CEOs and ESG specialists, with the media visibility of more than 200 news and 4 million views of the various contents.

For the 2022 edition, Cofina Group has prepared a Cycle of 3 Major Conferences with the participation of leading sustainability specialists, in addition to the usual Final Prize-Giving Event, which will take place in 2023.

Under the motto "Tomorrow is debated today", two conferences were held in 2022:

The **Environment Conference | *Combate para o Futuro*** took place on the 21st of October in an online format, promoting the debate around topics such as the preservation of natural capital, the decarbonization of industry, mobility and circular economy. The initiative had the participation of expert speakers, such as Duarte Cordeiro, Minister of Environment and Climate Action, and Goran Carstedt, Adviser to former US President Bill Clinton for Climate Affairs.

The **Social Conference | *Os desafios da igualdade em tempos de crise*** took place on the 9th of November in an online format, promoting a debate on the threat of poverty, diversity and equality, friendlier homes and cities and well-being in companies, with the participation of expert speakers, such as Guy Verhofstadt, former Prime Minister of Belgium and European deputy, and Victor do Prado, former Director of the World Trade Organization (WTO).

The 2022 edition will run until 2023, with the **Governance Conference** taking place in January.

About the Report

Scope, Period and Reporting Structure

Cofina, SGPS, S.A. publishes its second Sustainability Report on its performance in the period between January 1, 2022 and December 31, 2022, on an annual basis.

The Report includes consolidated information on Cofina, SGPS, S.A. (Cofina Media, S.A. and Grafedisport - Impressão e Artes Gráficas, S.A. - In Liquidation). The reporting of Cofina Group's financial information includes, in addition to the aforementioned companies, VASP - Sociedade de Transportes e Distribuição, Lda. and Mercados Globais - Publicação de Conteúdos, Lda..

Global Reporting Initiative (GRI)

The Report was prepared in accordance with the GRI Standards (see GRI Table).

Whenever possible and relevant, information regarding the previous year was presented in order to provide an overview of the evolution of the Group's performance in terms of sustainability.

Non-financial information

As stipulated by Directive 2014/95/EU of the European Parliament and of the Council, transposed into the domestic legal system by Decree-Law no. 89/2017 of 28 July, Group Cofina must provide information on non-financial matters. Such information should be sufficient for an understanding of the evolution, performance, position and impact of its activities, referring, at least, to environmental, social and employee-related issues, equality between women and men, non-discrimination, respect for human rights, combating corruption and attempted bribery.

The non-financial information provided for in Decree-Law No. 89/2017 for the 2022 period is included in this report, and is included in the Correspondence Table with the requirements defined in this diploma.

EU Taxonomy Regulation

This report is also prepared in accordance with the legal requirements laid down in the EU Taxonomy Regulation, namely the disclosure of specific Key Performance Indicators on the eligibility and alignment of environmental activities.

External Verification

This Report is not subject to verification by an external entity.

Contacts

For any clarification related to this Report or to the performance of Cofina, SGPS, S.A. in matters of sustainability, please contact the Human Resources Department through the email: njeronimo@cofina.pt.

Additional Information

GRI 2-7 Employees | GRI 2-8 Workers who are not employees

Employee Information						
	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Employees with an indefinite contract	387	278	**665**	400	272	**672**
Employees with a fixed-term contract	3	3	**6**	6	8	**14**
Employees with an uncertain-term contract	7	1	**8**	1	5	**6**
Internships	33	33	**66**	30	48	**78**
Subcontractors	0	0	**0**	45	13	**58**
Full-time	397	278	**675**	406	280	**686**
Part-time	0	4	**4**	1	5	**6**

GRI 2-16 Communication of critical concerns to the highest governance body

Communication of critical concerns to the highest governance body	
	2022
Number of critical concerns communicated to the highest governance body	0

GRI 2-27 Compliance with laws and regulations

Compliance with laws and regulations	
	2022
Total number of significant cases of non-compliance with laws and regulations	0
Total number and monetary value of fines for instances of significant noncompliance	0

GRI 2-30 Collective bargaining agreements

Collective bargaining agreements						
	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Percentage of total employees covered by collective bargaining agreements	6%	12%	**8%**	9%	1%	**6%**
Percentage of unionized employees	9%	10%	**9%**	9%	10%	**9%**

GRI 401-1 New employee hires and employee turnover

New employee hires and employee turnover						
	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Number of hires and departures (turnover)						
Employee hires	**71**	**58**	**129**	**102**	**64**	**166**
up to 30 years old	29	35	**64**	78	44	**122**
30-50 years old	41	20	**61**	2	2	**4**
over 50 years old	1	3	**4**	22	18	**40**
Employee departures	**91**	**87**	**178**	**118**	**67**	**185**
up to 30 years old	25	34	**59**	52	38	**90**
30-50 years old	50	38	**88**	20	1	**21**
over 50 years old	16	15	**31**	46	28	**74**
Employee hires and employee turnover rate						
Employee hires	**17.9%**	**20.6%**	**19.0%**	**25.1%**	**22.5%**	**24.0%**
up to 30 years old	7.3%	12.4%	**9.4%**	19.2%	15.4%	**17.6%**
30-50 years old	10.3%	7.1%	**9.0%**	0.5%	0.7%	**0.6%**
over 50 years old	0.3%	1.1%	**0.6%**	5.4%	6.3%	**5.8%**
Employee departures	**22.9%**	**30.9%**	**26.2%**	**29.0%**	**23.5%**	**26.7%**
up to 30 years old	6.3%	12.1%	**8.7%**	12.8%	13.3%	**13.0%**
30-50 years old	12.6%	13.5%	**13.0%**	4.9%	0.4%	**3.0%**
over 50 years old	4.0%	5.3%	**4.6%**	11.3%	9.8%	**10.7%**

GRI 403-9 Work-related injuries

Work-related injuries		
	2021	2022
Fatalities as a result of work-related injuries	0	1
Number of work-related injuries	11	8
Number of high-consequence work-related injuries, excluding fatalities	0	0
Work-related injuries frequency rate	10.0	7.0
Work-related injuries severity rate	0.1	0.1
Rate of fatalities as a result of work-related injuries	0.0	0.1
Rate of recordable work-related injuries	9.5	7.0
Rate of high-consequence work-related injuries, excluding fatalities	0.0	0.0
Number of hours worked	1,155,345	1,179,178

GRI 404-1 Average hours of training per year per employee

Average hours of training per year per employee						
	2021			2022		
	Men	Women	**Total**	Men	Women	**Total**
Average hours of training that the employees have undertaken	3.99	4.01	**4.00**	2.48	2.46	**2.47**

Methodological Notes

GHG Emissions - Scope 1

GHG Emissions - Scope 1

Year	Fuel	Unit	Fuel consumption (l)	Density (kg/l)	Fuel consumption (Kg)	Fuel consumption (GJ)	GHG EMISSIONS (ton eq)			
							CO2	CH4	N2O	CO2eq
2022	Gasoline	Grafedisport	989.91	0.748	732.56	32.23	2.33	0.007	0.009	2.347
2022	Gasoline	Cofina Media	62,532.24	0.748	46275,42	2036,12	147.29	0.442	0.546	148.281
2022	Diesel	Grafedisport	813.19	0.833	670.21	2,887.00	2.15	0.000	0.028	2.180
2022	Diesel	Cofina Media	51,386.07	0.833	42,351.11	1824,06	135.95	0.009	1.794	137.750
Total			**115,721.41**		**90,029.30**	**3921,28**	**287.72**	**0.459**	**2.377**	**290.559**

For the calculation of scope 1 GHG emissions, the following emission factors were considered:

	Density (kg/l)	PCI (GJ/ton)	Sources
Gasoline	0.748	44.000	APA - Comércio Europeu de Licenças de Emissão (CELE) 2013-2020 Lower Calorific Value, Emission Factor and Oxidation Factor; Decree-Law No. 152-C/2017, December 11
Diesel	0.833	43.070	

	Oxidation factor	CO2 (t/TJ)	CH4 (t/TJ)	N02 (t/TJ)	Source
Gasoline	0.990	72.340	0.009	0.001	NIR 2022
Diesel	0.990	74.530	0.000	0.003	

GHG Emissions - Scope 2

For the calculation of scope 2 GHG emissions, the following emission factors were considered:

	(g CO2/kWh)	(Kg CO2/kWh)	Sources
Market-based	273.050	0.273	EDP - Clientes empresariais 2022 https://www.edp.pt/origem-energia/
Location-based	137.000	0.137	Apren 2022 https://www.apren.pt/pt/energias-renovaveis/outros
Market-based	95.000	0.095	AXPO (2021/2022) Sustainability Report 2021/22 - AXPO (pág.3)

GRI Table

Declaration of use	Cofina, SGPS, S.A. reported in accordance with the GRI Standards for the period between January 1, 2022 and December 31, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable industry standard	N/A

GRI 2 - GENERAL DISCLOSURES

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 2: General Disclosures	**ORGANIZATIONAL PROFILE**				
	2-1 Organizational details	Cofina, SGPS, S.A. Rua Manuel Pinto de Azevedo, n.º 818, 4100-320 Porto, Portugal	-	-	-
	2-2 Entities included in the organization's sustainability reporting	About the Report	-	-	-
	2-3 Reporting period, frequency and contact point	About the Report	-	-	-
	2-4 Restatements of information	Whenever there were changes, that was duly noted next to the respective indicator.	-	-	-
	2-5 External assurance	About the Report	-	-	-
	ACTIVITIES AND WORKERS				
	2-6 Activities, value chain and other business relationships	About Cofina > Business Areas | Products and services	-	-	-
	2-7 Employees	Valuing People > Our people	-	-	-
	2-8 Workers who are not employees	Additional Information	-	-	-
	GOVERNANCE				
	2-9 Governance structure and composition	Acting responsibly > Governance, Risk Management and Compliance Valuing People > Our people	-	-	-
	2-10 Nomination and selection of the highest governance body	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-11 Chair of the highest governance body	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-12 Role of the highest governance body in overseeing the management of impacts	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-13 Delegation of responsibility for managing impacts	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-14 Role of the highest governance body in sustainability reporting	Acting responsibly > Governance, Risk Management and Compliance	-	-	-

GRI 2: General Disclosures	2-15 Conflicts of interest	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-16 Communication of critical concerns	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-17 Collective knowledge of the highest governance body	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-19 Remuneration policies	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-20 Process to determine remuneration	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-21 Annual total compensation ratio		Annual total compensation ratio	At the time of publication of the Report, it was not possible to collect the information in accordance with the indicator's requirements. The organization will seek to present the information in the next reporting exercise.	-
	STRATEGY, POLICIES AND PRACTICES				
	2-22 Statement on sustainable development strategy	Statement from the Chairman of the Board of Directors	-	-	-
	2-23 Policy commitments	Acting responsibly > Governance, Risk Management and Compliance			
	2-24 Embedding policy commitments	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-25 Processes to remediate negative impacts	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	2-27 Compliance with laws and regulations	Additional Information	-	-	-
	APPROACH TO STAKEHOLDER ENGAGEMENT				
	2-28 Membership associations	Acting responsibly > Participation in associations	-	-	-
	2-29 Approach to stakeholder engagement	Acting responsibly > Create value for stakeholders	-	-	-
	2-30 Collective bargaining agreements	Additional Information	-	-	-

GRI 3 - MATERIAL TOPICS

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 3: Material Topics	3-1 Process to determine material topics	Acting responsibly > Materiality	-	-	-
	3-2 List of material topics	Acting responsibly > Materiality	-	-	-
	ETHIC				
	3-3 Management of material topics	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	Complaints regarding irregularities, in view of the provisions of the Code of Ethics and Conduct	Acting responsibly > Ethical Approach, Promoting Human Rights and Combating Corruption and Bribery	-	-	-
	INNOVATION AND TECHNOLOGY				
	3-3 Management of material topics	About Cofina > Innovation and Technology	-	-	-
	INFORMATION SECURITY				
	3-3 Management of material topics	Acting responsibly > Information Security	-	-	-
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Acting responsibly > Information Security	-	-	-
	CLIMATE STRATEGY				
	3-3 Management of material topics	Protecting the Planet > Climate Strategy & Operational Eco-efficiency	-	-	-
	305-1 Direct (Scope 1) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	OPERATIONAL ECO-EFFICIENCY				
	3-3 Management of material topics	Protecting the Planet > Climate Strategy & Operational Eco-efficiency	-	-	-
	302-3 Energy intensity	Protecting the Planet > Consumption Management	-	-	-
	303-1 Interactions with water as a shared resource	Protecting the Planet > Consumption Management	-	-	-
	303-2 Management of water discharge-related impacts	Protecting the Planet > Consumption Management	-	-	-
	303-3 Water withdrawal	Protecting the Planet > Consumption Management	-	-	-
	WASTE				
	3-3 Management of material topics	Protecting the Planet > Waste Management			

GRI 3: Material Topics	306-1 Waste generation and significant waste-related impacts	Protecting the Planet > Waste Management	-	-	-
	306-2 Management of significant waste-related impacts	Protecting the Planet > Waste Management	-	-	-
	306-3 Waste generated	Protecting the Planet > Waste Management	-	-	-
	HUMAN CAPITAL DEVELOPMENT				
	3-3 Management of material topics	Valuing People > Attracting, Retaining and Developing Talent	-	-	-
	404-1 Average hours of training per year per employee	Additional Information	-	-	-
	WELL-BEING, HEALTH AND SAFETY				
	3-3 Management of material topics	Well-being, Health and Safety	-	-	-
	403-1 Occupational health and safety management system	Valuing people > Well-being, Health and Safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Valuing people > Well-being, Health and Safety	-	-	-
	403-3 Occupational health services	Valuing people > Well-being, Health and Safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Valuing people > Well-being, Health and Safety	-	-	-
	403-5 Worker training on occupational health and safety	Valuing people > Well-being, Health and Safety	-	-	-
	403-6 Promotion of worker health	Valuing people > Well-being, Health and Safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Valuing people > Well-being, Health and Safety	-	-	-
	403-9 Work-related injuries	Valuing people > Well-being, Health and Safety Additional Information	-	-	-
	HUMAN RIGHTS (EQUAL OPPORTUNITIES, DIVERSITY AND NON-DISCRIMINATION)				
	3-3 Management of material topics	Acting responsibly > Governance, Risk Management and Compliance	-	-	-
	405-1 Diversity of governance bodies and employees	Valuing people > Our People; Equal Opportunities, Diversity and Non-Discrimination	-	-	-

GRI 200 - ECONOMIC DISCLOSURES

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 200: Economic Disclosures	201-1 Direct Economic Value Generated and Distributed	Acting responsibly > Economic Performance	-	-	-

GRI 300 - ENVIRONMENTAL DISCLOSURES

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 300: Environmental Disclosures	**MATERIALS**				
	301-2 Recycled input materials used	Protecting the Planet > Consumption Management	-	-	-
	ENERGY				
	302-3 Energy intensity	Protecting the Planet > Consumption Management	-	-	-
	WATER AND EFFLUENTS				
	303-1 Interactions with water as a shared resource	Protecting the Planet > Consumption Management	-	-	-
	303-2 Management of water discharge-related impacts	Protecting the Planet > Consumption Management	-	-	-
	303-3 Water withdrawal	Protecting the Planet > Consumption Management	-	-	-
	EMISSIONS				
	305-1 Direct (Scope 1) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Protecting the Planet > GHG Emissions Methodological Notes	-	-	-
	WASTE				
	306-1 Waste generation and significant waste-related impacts	Protecting the Planet > Waste Management	-	-	-
	306-2 Management of significant waste-related impacts	Protecting the Planet > Waste Management	-	-	-
	306-3 Waste generated	Protecting the Planet > Waste Management	-	-	-

GRI 400 - SOCIAL DISCLOSURES

GRI	Disclosures	Location	Omission		
			Omitted requirements	Reason	Explanation
GRI 400 Social Disclosures	**JOB**				
	401-1 New employee hires and employee turnover	Valuing people > Our People Additional Information	-	-	-
	OCCUPATIONAL HEALTH AND SAFETY				
	403-1 Occupational health and safety management system	Valuing people > Well-being, Health and Safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Valuing people > Well-being, Health and Safety	-	-	-
	403-3 Occupational health services	Valuing people > Well-being, Health and Safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Valuing people > Well-being, Health and Safety	-	-	-
	403-5 Worker training on occupational health and safety	Valuing people > Well-being, Health and Safety	-	-	-
	403-6 Promotion of worker health	Valuing people > Well-being, Health and Safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Valuing people > Well-being, Health and Safety	-	-	-
	403-9 Work-related injuries	Valuing people > Well-being, Health and Safety Additional Information	-	-	-
	TRAINING AND EDUCATION				
	404-1 Average hours of training per year per employee	Additional Information	-	-	-
	DIVERSITY AND EQUAL OPPORTUNITIES				
	405-1 Diversity of governance bodies and employees	Valuing people > Our People; Equal Opportunities, Diversity and Non-Discrimination	-	-	-
	CUSTOMER PRIVACY				
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Acting responsibly > Information Security	-	-	-

Table of Correspondence with the requirements of Decree of Law No. 89/2017

Requirement	Response
BUSINESS MODEL	
DL 89/2017 - Article 3 (Referred to the No. 2 of Art. 508 - G of the CCC) - Directive 2014/95/EU- Art. 19a (1)(a)	
Company Business Model	About Cofina > Business Areas | Products and Services
DIVERSITY IN GOVERNMENT BODIES	
DL 89/2017 - Article 4 (Referred to the Art. 245 - No. 1 r) and No. 2 of the SMC) - Directive 2014/95/EU - Art. 20 (1)(g)	
Diversity policy applied by the company in relation to its management and supervisory bodies	Acting responsibly > Governance, Risk Management and Compliance Valuing People
ENVIRONMENTAL ISSUES	
DL 89/2017 - No. 2 of Art. 3 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1) (a-e)	
Specific policies related to environmental issues	Protecting the Planet > Climate Strategy and Environmental Eco-efficiency
Results of policy application	Protecting the Planet > Consumption Management; Waste Management; GHG Emissions
Main associated risks and how these risks are managed	Protecting the Planet > Consumption Management; Waste Management; GHG Emissions
Key performance indicators	Cofina in 2022 Protecting the Planet > Consumption Management; Waste Management; GHG Emissions
SOCIAL AND OTHER EMPLOYEE-RELATED ISSUES	
DL 89/2017 - No. 2 of Art. 3 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1) (a-e)	
Specific policies related to social and employees' issues	Acting with Responsibility > Governance, Risk Management and Compliance Valuing People
Results of policy application	Valuing People
Main associated risks and how these risks are managed	Valuing People
Key performance indicators	Cofina in 2022 Valuing People Additional Information
EQUALITY BETWEEN WOMEN AND MEN AND NON-DISCRIMINATION	
No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to issues of equality between women and men and non-discrimination	Acting with Responsibility > Governance, Risk Management and Compliance Valuing People
Results of policy application	Valuing People > Our People; Equal Opportunities, Diversity and Non-Discrimination
Main associated risks and how these risks are managed	Valuing People > Our People; Equal Opportunities, Diversity and Non-Discrimination
Key performance indicators	Cofina in 2022 Valuing People > Our People; Equal Opportunities, Diversity and Non-Discrimination Additional Information
RESPECT FOR HUMAN RIGHTS	
No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to respect for Human Rights	Acting with Responsibility > Governance, Risk Management and Compliance
Results of policy application	Acting with Responsibility > Governance, Risk Management and Compliance Valuing People
Main associated risks and how these risks are managed	Acting with Responsibility > Governance, Risk Management and Compliance Valuing People
FIGHTING CORRUPTION AND BRIBERY ATTEMPTS	

No. 2 of Art. 3 of DL 89/2017 (Referred to the No. 2 of Art. 508 of the CCC) - Directive 2014/95/EU - Art. 19a (1)(a-e)	
Specific policies related to combating corruption and bribery attempts	Acting with Responsibility > Governance, Risk Management and Compliance
Results of the application of policies	Acting with Responsibility > Governance, Risk Management and Compliance
Main associated risks and how these risks are managed	Acting with Responsibility > Governance, Risk Management and Compliance

CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

31 December 2022

COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 36)
(Amounts expressed in Euro)

ASSETS	Notes	31.12.2022	31.12.2021
NON-CURRENTS ASSETS			
Property, plant and equipment	6	1,417,894	1,555,739
Goodwill	5	77,568,721	81,168,721
Intangible assets	8	305,912	222,161
Right of use assets	7.1	6,846,579	8,265,070
Investments in joint ventures and associates	4.2	7,076	3,250,465
Other investments	4.3	10,005,510	10,005,510
Other non-current assets		104,149	106,465
Deferred tax assets	10	1,390,604	898,817
Total of non-current assets		97,646,445	105,472,948
CURRENT ASSETS			
Inventories	11	1,751,401	1,262,408
Trade receivables	12	7,054,920	6,961,368
Assets associated with contracts with customers	13	3,406,633	3,517,885
Other receivables	15	1,020,876	394,820
Other current assets	16	731,121	1,187,285
Cash and cash equivalents	17	21,267,815	18,000,234
Total current assets		35,232,766	31,324,000
Non-current assets held for sale	4 and 6	3,598,266	—
TOTAL ASSETS		136,477,477	136,796,948
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	2,694,169	(1,530,352)
Consolidated net profit for the period attributable to Equity holders of the parent		10,451,297	4,224,521
Total equity attributable to Equity holders of the parent		60,070,904	49,619,607
Non-controlling interests		—	—
TOTAL EQUITY		60,070,904	49,619,607
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	19	—	9,994,799
Lease liabilities	7.2	6,851,417	8,369,638
Provisions	20	1,632,250	1,245,700
Total non-current liabilities		8,483,667	19,610,137
CURRENT LIABILITIES			
Bank loans	19	645,060	5,949,874
Other loans	19	46,219,279	35,865,876
Lease liabilities	7.2	1,879,333	2,048,689
Provisions	20	315,000	—
Trade payables	21	5,972,209	7,188,748
Liabilities associated with contracts with customers	22	4,074,394	3,913,711
Income tax	14	283,484	5,047,949
Other payables	23	2,748,475	2,730,486
Other current liabilities	24	5,785,672	4,821,871
Total current liabilities		67,922,906	67,567,204
TOTAL LIABILITIES		76,406,573	87,177,341
TOTAL LIABILITIES AND EQUITY		136,477,477	136,796,948

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in Euro)

	Notes	31.12.2022	31.12.2021
Sales	25, 29 and 32	29,578,990	32,323,728
Services rendered	25, 29 and 32	28,164,084	26,812,244
Other income	25, 29 and 32	18,293,441	16,712,780
Cost of sales	11	(6,321,434)	(5,127,428)
External supplies and services	26	(29,678,782)	(27,903,046)
Payroll expenses	27	(27,454,897)	(27,649,613)
Amortisation and depreciation	6, 7.1, 8 and 32	(3,115,002)	(3,487,718)
Provision and impairment losses	20	(3,376,264)	(1,146,326)
Other expenses		(254,580)	(164,661)
Results related to investments	28	3,245,144	(1,637,453)
Financial expenses	28	(1,648,504)	(1,556,975)
Financial income	28	249,078	—
Profit before income tax		7,681,274	7,175,532
Income tax	10	2,770,023	(2,951,011)
Consolidated net profit for the period		10,451,297	4,224,521
Attributable to:			
Equity holders of the parent	31	10,451,297	4,224,521
Non-controlling interests		—	—
		10,451,297	4,224,521
Earning per share:			
Basic	31	0.10	0.04
Diluted	31	0.10	0.04

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in Euro)

	Notes	31.12.2022	31.12.2021
Consolidated net profit for the period	31	10,451,297	4,224,521
Other comprehensive income for the period		—	—
Total consolidated comprehensive income for the period		10,451,297	4,224,521
Attributable to:			
Equity holders of the parent		10,451,297	4,224,521
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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in Euro)

	Notes	Attributable to Equity holders of the parent: Share capital	Share premiums	Legal reserve	Other reserves	Net profit for the period	Total	Non-controlling interests	Total equity
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 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
Balance as at 1 January 2022		25,641,459	15,874,835	5,409,144	(1,530,352)	4,224,521	49,619,607	—	49,619,607
Appropriation of the consolidated result from 2021:									
Transfer to retained earnings		—	—	—	4,224,521	(4,224,521)	—	—	—
Other changes		—	—	—	—	—	—	—	—
Comprehensive income for the period		—	—	—	—	10,451,297	10,451,297	—	10,451,297
Balance as at 31 December 2022		25,641,459	15,874,835	5,409,144	2,694,169	10,451,297	60,070,904	—	60,070,904

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 36)

(Amounts expressed in Euro)

	Notes	2022		2021	
Operating activities:					
Receipts from customers		84,712,037		80,055,613	
Payments to suppliers		(44,238,225)		(36,533,553)	
Payments to personnel		(26,675,049)		(27,950,662)	
Other receipts/payments relating to operating activities		(766,120)		(254,866)	
Income Tax (paid)/received		(2,688,865)	10,343,778	(1,812,332)	13,504,200
Cash flows generated by operating activities (1)			10,343,778		13,504,200
Investment activities:					
Receipts arising from:					
Property, plant and equipment		—		—	
Investments	4.2	2,918,000	2,918,000	—	—
Payments relating to:					
Intangible assets		(833,278)		(424,928)	
Property, plant and equipment		(576,857)		(489,736)	
Investments	4.2	—		(1,050,000)	
Supplementary installments	4.2	—	(1,410,135)	(1,430,000)	(3,394,664)
Cash flows generated by investment activities (2)			1,507,865		(3,394,664)
Financing activities:					
Receipts arising from:					
Loans obtained	19.2	101,913,098		97,657,859	
Interest and similar gains		235,774	102,148,872	—	97,657,859
Payments relating to:					
Interest and similar expenses		(502,069)		(682,880)	
Lease liabilities	7.2	(2,823,309)		(2,774,652)	
Loans obtained	19.2	(102,102,742)	(105,428,120)	(104,174,581)	(107,632,113)
Cash flows generated by financing operations (3)			(3,279,248)		(9,974,254)
Cash and cash equivalents at the beginning of the period	17		12,050,360		11,915,078
Cash and cash equivalents variation: (1)+(2)+(3)			8,572,395		135,282
Cash and cash equivalents at the end of the period	17		20,622,755		12,050,360

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 are 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 consolidated 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 6 April 2023. 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.

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 consolidated 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 2022. 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 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.

(Amounts expressed in Euro)

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 2022:

Standard / Interpretation	Applicable in the European Union in the financial years begun on 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. Thus, in the scope of derecognition tests performed 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 in paragraph 22 of IAS 41 to exclude cash flows related to income taxes from the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13.

There were no significant effects on the Group's financial statements for the year ended 31 December 2022, 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	
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17	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 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.
Amendments to IAS 1 - Disclosure 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.

(Amounts expressed in Euro)

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 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. Thus, 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.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2022, 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.

(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-24	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 IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment specifies the requirements regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sale" under the principles of IFRS 15, with a focus on variable lease payments that do not depend on an index or rate. On subsequent measurement, seller-lessees should determine "lease payments" and "revised lease payments" In subsequently measuring lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" in a manner that does not recognize any gain or loss related to the retained right-of-use. The application of these requirements does not prevent the seller-lessee from recognizing, in the income statement, any gain or loss related to the partial or total "sale" as required by paragraph 46(a) of IFRS 16. This amendment is of retrospective application.

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 31 December 2022.

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 lost.

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, except from the moment they are classified as non-current assets held for sale (Note 2.3 r)).

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 in 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 detailed 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 statement.

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 statement, 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.

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 Euro 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 Euro 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 2022 and 2021, 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 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, depreciation is calculated using the straight-line method in accordance with the estimated useful life period for each group of assets.

Depreciation 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 value in use 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 2022 and 2021.

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 Board of Directors' 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 statement.

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 statement 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 statement 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 2022 and 2021.

(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 are 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 mainly 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.

Financial asset impairment

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 credit 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 mainly 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 statement 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 statement.

Other financial liabilities basically refer to 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.

Confirming

The Group contracts confirming transactions with financial institutions. The Group uses these agreements as a way to manage its liquidity needs. Subsequently, and considering that these agreements give rise to a financial expense for the Group, the amounts of the invoices advanced to suppliers that sign on to these agreements are presented in liabilities under the line item 'Other loans'. The liability is derecognised only when the underlying obligations are terminated through payment, are cancelled or expire.

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.

<u>Offsetting financial instruments</u>

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.

<u>Derivative instruments and hedging accounting</u>

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 statement 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:

<u>Fair value hedge</u>

The change in the fair value of the hedging instrument is recorded in the income statement. 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 statement.

To hedge the fair value of items measured at amortised cost, any adjustment to the book value is amortised in the income statement 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 statement.

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 statement.

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 statement.

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 statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the income statement.

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 statement 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 2022 and 2021 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.

Cofina SGPS, S.A. is the dominant company of the perimeter of the special regime for the taxation of groups of companies. These companies are taxed under the special regime for the taxation of groups of companies, in accordance with article 69 of the Corporate Income Tax Code ("RETGS"), of which Cofina SGPS and Cofina Media are part. On 31 December 2022, Cofina SGPS, S.A., through its subsidiary Cofina Media, as the sole shareholder of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., decided in the General Meeting the dissolution and liquidation of this entity. As a result of the dissolution (and liquidation) on 1 September 2022 of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., this subsidiary is now taxed individually with reference to 1 January 2022.

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 amount received on behalf of third parties. 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 Euro 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 itself to its 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 unit is a component (operating units 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 presented 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.

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 2022 and 2021, 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 risk related to sustainability, ESG (Environmental, Social and Governance) and climate change is addressed in the Group's Sustainability Report. 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 subsidiary.

a) Market risk

The current unfavourable macroeconomic environment, marked by widespread cost inflation, rising interest rates, geopolitical risks and uncertainties regarding its future evolution, as a result of the combination of several effects, namely the pandemic and the armed conflict between Ukraine and Russia, poses significant challenges to the businesses and their operations.

The Board of Directors is monitoring the impacts of the current macroeconomic environment on the Group's chain of operations, ensuring that mitigating measures are applied to minimize, whenever possible, the negative effects and the uncertainty that threatens the global economic stability.

Additionally, the Group, whenever it deems necessary, uses derivative instruments in the management of its market risks to which it is exposed as a way of ensuring their hedging, and derivative instruments are not used for trading or speculative purposes.

Exchange rate risk and interest rate risk are also 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 Euro. 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 2022 and 2021 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.

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 proposals 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 2022 and 2021 periods, no derivatives were contracted to hedge interest rate risks.

In the periods ended 31 December 2022 and 2021, 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:

(Amounts expressed in Euro)

	31.12.2022	31.12.2021
Interest expenses and bank commissions (Note 28)	1,078,634	918,417
A 1 p.p. decrease in the interest rate applied to the entire debt	(456,451)	(519,499)
A 1 p.p. increase in the interest rate applied to the entire debt	456,451	519,499

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 2022, the consolidated financial statements show that current assets are approximately 33 million Euro lower than current liabilities (36 million Euro as at 31 December 2021). However, the Group's Board of Directors believes that, based on the available credit lines (Note 19) in the amount of approximately 17.9 million Euro (12.6 million Euro as at 31 December 2021), 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.

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 2022 and 2021, the Cofina Group presented a gearing ratio of 175% and 112%, respectively.

(Amounts expressed in Euro)

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 2022 and 2021 are detailed as follows:

Designation	Headquarters	Percentage participation held		Activity
		2022	2021	
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. – em liquidação ("Grafedisport") [a]	Lisboa	100.00%	100.00%	Newspapers print

[a] On 1 September 2022, the Cofina Group, through its subsidiary Cofina Media, as the sole shareholder of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., decided in the General Meeting the dissolution and liquidation of this entity

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 INVESTMENTS 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 2022 and 2021 are detailed as follows:

Designation	Headquarters	Percentage participation held		Activity
		2022	2021	
VASP – Sociedade de Transportes e Distribuições, Lda. ("VASP") [a]	Lisboa	50%	50%	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") [b]	Lisboa	—%	40%	Online gambling and betting activity

[a] Investment classified as Non-current assets held for sale in 31 December 2022
[b] Investment sold in 2022

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).

(Amounts expressed in Euro)

As at 31 December 2022 and 2021, the summarised financial information of the Group's joint ventures and associates is detailed as follows:

	31.12.2022		31.12.2021		
	VASP (a)	Mercados Globais (a)	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)
Non-current assets	15,230,520	—	15,810,443	31,776	—
Current assets	26,516,749	14,912	23,697,890	1,664,780	12,056
Non-current liabilities	2,218,234	—	2,002,713	—	—
Current liabilities	32,752,724	761	31,857,924	1,068,916	4,955
Equity	6,776,311	14,151	5,647,696	627,640	7,101

	31.12.2022		31.12.2021		
	VASP (a)	Mercados Globais (a)	VASP (a)	A Nossa Aposta (a)	Mercados Globais (a)
Turnover	199,713,016	38,400	189,221,197	3,072,580	38,400
Other operating income	651,612	—	347,825	—	—
Operating expenses	(195,305,858)	(31,350)	(187,066,283)	(4,653,781)	(39,014)
Depreciation and amortisation expenses	(3,222,131)	—	(3,301,694)	(120,327)	—
Financial expenses	(255,149)	—	(227,191)	(84)	—
Income tax	(436,428)	—	137,252	—	—
Net income for the year	1,145,062	7,050	(888,894)	(1,701,612)	(614)

(a) The indicators presented are based on unaudited provisional financial statements.

During the periods ended 31 December 2022 and 2021, changes in the amount of the investments in joint ventures and associates were as follows:

	31.12.2022				**31.12.2021**			
	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	2,995,859	251,056	3,550	3,250,465	2,244,360	159,700	3,858	2,407,918
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)	564,306	(119,362)	3,526	448,470	(298,501)	(1,338,644)	(308)	(1,637,453)
Transfer to Non-current assets held for sale	(3,560,165)	(131,694)	—	(3,691,859)	—	—	—	—
Other	—	—	—	—	—	—	—	—
Closing balance	—	—	7,076	7,076	2,995,859	251,056	3,550	3,250,465

Among the preliminary financial statements considered in determining the effect of applying the equity method and the approved and audited financial statements of VASP with reference to 31 December 2021, it was determined in the Group's share in the net results, a negative differential in the amount of 8,294 Euro (negative 65,497 Euro with reference to 31 December 2020), which, given its immateriality, was recognized in the income statement for the year 2022 and 2021, respectively.

Cofina Group, through its fully owned subsidiary, Cofina Media, S.A., entered during 2022 an agreement for the sale of A Nossa Aposta - Jogos e Apostas On-line, S.A. ("A Nossa Aposta"), owner of an online gaming platform, based on innovation, entertainment and social responsibility. Accordingly, A Nossa Aposta was, with reference to 30 June 2022, presented as Non-current assets held for sale. The completion of the agreement was subject to the verification of a set of conditions precedent customary in transactions of this nature, which were verified, and the agreement was concluded by 31 December 2022. As a result of this transaction the Group recognized a gain in the amount of 2,786,307 Euro (Note 28).

Cofina Group, through its wholly owned subsidiary Cofina Media, S.A., entered into a shareholders' agreement where it has a call option and a put option for the sale of its participation in Vasp - Distribuidora de Publicações, S.A. ("VASP"). The exercise of said options will take place, expectably, in a period of less than 12 months after 31 December 2022. Accordingly, VASP is presented in this consolidated financial information as Non-current assets held for sale as of 31 December 2022.

(Amounts expressed in Euro)

On 14 February 2021, Cofina Group informed the market that its subsidiary Cofina Media, S.A. agreed to acquire, on 12 February 2021, 111,000 shares representing 16.67% of the share capital of 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 2022 and 2021, the net book value of the Group's investment in joint ventures and associates is detailed as follows:

	31.12.2022		31.12.2021		
	VASP (a)	Mercados Globais	VASP	A Nossa Aposta	Mercados Globais
Equity	6,776,311	14,151	5,647,696	627,640	7,101
Percentage interest	50.00 %	50.00 %	50.00 %	40.00 %	50.00 %
Group's share in equity	3,388,156	7,076	1,945,859	251,056	3,550
Acquisitions in the year	—	—	1,050,000	—	—
Goodwill included in the net book value of the investment	—	—	—	—	—
Other effects	172,009	—	—	—	—
	3,560,165	7,076	2,995,859	251,056	3,550

[a] Investment classified as Non-current assets held for sale on 31 December 2022

4.3 OTHER FINANCIAL INVESTMENTS

As at 31 December 2022 and 2021, 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 5,510 Euro. As at 31 December 2022 and 2021, the total amount of financial investments for which impairment losses were recorded amounted to 171,754 Euro (Note 20).

At 31 December 2022 and 2021, "Other financial investments" also includes the guarantee of an amount of 10 million Euro in the context of the Share Purchase and Sale Agreement ("SPA") entered into on 20 September 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 Euro). This escrow account is deposited in a financial institution.

On 15 April 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 Euro 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 2022 and 2021, the net value of the "Goodwill" caption was detailed as follows:

	31.12.2022	31.12.2021
Newspapers	76,467,457	80,067,457
Newspapers - Portugal	76,467,457	80,067,457
Magazines	1,101,264	1,101,264
	77,568,721	81,168,721

From the year ended 31 December 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 2022 and 2021, 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”.

During the periods ended 31 December 2022 and 2021, the movement that occurred in Goodwill and corresponding impairment losses were detailed as follows:

	31.12.2022	31.12.2021
Gross value:		
Opening balance	91,972,490	91,972,490
Closing balance	91,972,490	91,972,490
Accumulated impairment losses:		
Opening balance	10,803,769	9,889,310
Impairment losses (Note 20)	3,600,000	914,459
Closing balance	14,403,769	10,803,769
Net value	77,568,721	81,168,721

During the year ended 31 December 2022 the variation in "Goodwill" is due to the impairment loss recorded in the Newspapers - Portugal, amounting to 3,600,000 Euro (Note 20). At 31 December 2021 the variation in "Goodwill" is due to the impairment loss recorded in the Graphic printing, amounting to 914,459 Euro (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 2021, 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 7.34% on 31 December 2021 to 9.52 % on 31 December 2022, and on the perpetuity growth rate, which went from 1.3% on 31 December 2021 to 2.1% on 31 December 2022. Regarding the assumptions of activity, we continue to project a reduction in circulation revenue.

Impairment tests for the period ended 31 December 2022:

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 9.52% (7.34% on 31 December 2021) and a perpetuity growth rate of 2.1% (1.3% on 31 December 2021).

The main activity assumptions considered were:

– Circulation: a negative 4.4% compound growth rate in newspaper circulation (number of units sold) was estimated;

– Sales: a negative 2.1% compound growth rate was considered;

– Services rendered of advertising and alternative marketing revenue: a 0.1% 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; (iii) a reduction of 0.5 p.p. in the compound sales growth rate, would imply the recognition of an additional impairment loss.

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 9.52% (7.34% on 31 December 2021) and a perpetuity growth rate of 2.1% (1.3% on 31 December 2021).

The main activity assumptions considered were:

– Circulation: a negative 0.8% compound growth rate in newspaper circulation (number of units sold) was estimated;

– Sales: a 0.7% compound growth rate was considered;

– Services rendered of advertising and alternative marketing revenue: a 2.6% 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.

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; (iii) a reduction of 0.5 p.p. in the compound sales growth rate, would not imply the recognition of impairment loss.

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.

(Amounts expressed in Euro)

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.

6. PROPERTY, PLANT AND EQUIPMENT

During the periods ended 31 December 2022 and 2021, 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:

2022

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	4,979,301	24,922,646	621,770	8,727,101	1,520,970	—	40,803,820
Additions	—	34,421	171,181	16,254	59,766	—	384,999	666,621
Disposals	—	—	(467,887)	—	(46,892)	(149,838)	—	(664,617)
Transfers and write-offs	—	(322,694)	(14,216,413)	—	(215,688)	(606,566)	(100,568)	(15,461,929)
Closing balance	32,032	4,691,028	10,409,527	638,024	8,524,287	764,566	284,431	25,343,895

2022

Accumulated depreciation and impairment losses

	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets		Total
Opening balance	—	4,466,334	24,117,528	573,852	8,603,873	1,486,494		39,248,081
Additions	—	142,521	479,414	33,276	40,420	57,370		753,001
Disposals	—	—	(466,637)	—	(42,736)	(141,881)		(651,254)
Transfers and write-offs	—	(327,634)	(14,294,721)	—	(155,282)	(646,190)		(15,423,827)
Closing balance	—	4,281,221	9,835,584	607,128	8,446,275	755,793		23,926,001
	32,032	409,807	573,943	30,896	78,012	8,773	284,431	1,417,894

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 depreciation and impairment losses

	Land and natural resources	Building and other edifications	Machinery and equipment	Vehicles	Office equipment	Other tangible assets		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

On 31 December 2022, as a result of the deliberation in the General Assembly of the dissolution and liquidation of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A, the net amount of 38,102 Euro was transferred to the item "Non-current assets held for sale".

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 2022 and 2021.

(Amounts expressed in Euro)

7. RIGHT OF USE

7.1. RIGHT OF USE ASSETS

During the period ended 31 December 2022 and 2021, the movement that occurred in the amount of right of use assets, as well as the corresponding amortisation, was detailed as follows:

	2022			
	Asset gross value			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	12,992,902	1,002,643	1,129,617	15,125,162
Additions	296,738	301,483	—	598,221
Reductions	(989,271)	(328,413)	(551,872)	(1,869,556)
Closing balance	12,300,369	975,713	577,745	13,853,827
	2022			
	Accumulated amortisation			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	5,658,715	456,952	744,425	6,860,092
Additions	1,523,718	260,495	192,550	1,976,763
Reductions	(968,957)	(308,778)	(551,872)	(1,829,607)
Closing balance	6,213,476	408,669	385,103	7,007,248
	6,086,893	567,044	192,642	6,846,579

	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

(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 2022 and 2021, the movement that occurred in lease liabilities was detailed as follows:

	31.12.2022	31.12.2021
Opening balance as at 1 January	10,418,327	11,255,982
Additions	598,221	1,315,790
Accrued interest	547,591	621,207
Payments	(2,823,309)	(2,774,652)
Other effects	(10,080)	—
Closing balance as at 31 December	8,730,750	10,418,327

In addition, the following amounts were recognised in 2022 and 2021 as expenses related to right of use assets:

	31.12.2022	31.12.2021
Depreciation of right of use assets	1,976,763	2,166,600
Interest expenses related to lease liabilities (Note 28)	547,591	621,207
Expenses related to short-term liabilities	70,343	83,160
Total amount recognised in the income statement	2,594,697	2,870,967

The maturity of the Lease Liabilities is detailed as follows:

	31.12.2022					
	2023	2024	2025	2026	>2026	Total
Lease liabilities	1,879,333	1,806,238	1,663,580	1,661,381	1,720,218	8,730,750
	1,879,333	1,806,238	1,663,580	1,661,381	1,720,218	8,730,750

	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

(Amounts expressed in Euro)

8. INTANGIBLE ASSETS

During the periods ended 31 December 2022 and 2021, the movements that occurred in the value of intangible assets, as well as in the corresponding amortisation and accumulated impairment losses, were detailed as follows:

	2022				
	Asset gross value				
	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	6,687,339	10,000	7,828,028
Additions	—	—	218,537	250,452	468,989
Transfers and write-offs	—	—	170,365	(170,365)	—
Closing balance	760,599	370,090	7,076,241	90,087	8,297,017

	2022				
	Accumulated amortisation				
	Industrial property and other rights	Other intangible assets	Software		Total
Opening balance	760,599	370,090	6,475,178		7,605,867
Additions	—	—	385,238		385,238
Transfers and write-offs	—	—	—		—
Closing balance	760,599	370,090	6,860,416		7,991,105
	—	—	215,825	90,087	305,912

	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 amortisation				
	Industrial property and other rights	Other intangible assets	Software		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

The main investments made during the periods ended 31 December 2022 and 2021 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 2022	Financial assets recorded at amortised cost	Total
Non-current assets		
Other non-current assets	104,149	104,149
	104,149	104,149
Current assets		
Trade receivables	7,054,920	7,054,920
Assets associated with contracts with customers	3,406,633	3,406,633
Other receivables	29,817	29,817
Other current assets	27,800	27,800
Cash and cash equivalents	21,267,815	21,267,815
	31,786,985	31,786,985
	31,891,134	31,891,134

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

(Amounts expressed in Euro)

Financial liabilities

31 December 2022	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	—	—
Lease liabilities	6,851,417	6,851,417
	6,851,417	6,851,417
Currents liabilities		
Bank loans	645,060	645,060
Other loans	46,219,279	46,219,279
Lease liabilities	1,879,333	1,879,333
Trade payables	5,972,209	5,972,209
Liabilities associated with contracts with customers	4,074,394	4,074,394
Other payables	714,400	714,400
Other current liabilities	4,640,932	4,640,932
	64,145,607	64,145,607
	70,997,024	70,997,024

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

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 2019 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 2022 and 2021.

(Amounts expressed in Euro)

Cofina SGPS, S.A. is the dominant company in the perimeter of the special regime for the taxation of groups of companies. These companies are taxed in accordance with the Special Regime for Taxation of Groups of Companies ("RETGS"), of which Cofina SGPS and Cofina Media are part. On December 31, 2022, Cofina SGPS, S.A., through its subsidiary Cofina Media, as the sole shareholder of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., decided in the General Meeting the dissolution and liquidation of this entity. As a result of the dissolution (and liquidation) on 1 September 2022 of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., this subsidiary is now taxed individually with reference to 1 January 2022.

As of 31 December 2022, 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 2022, the state surtax corresponded to the application of an additional 3% rate on taxable income between 1.5 and 7.5 million Euro, 5% on taxable income between 7.5 and 35 million Euro and 9% on taxable income above 35 million Euro.

Deferred taxes

The changes occurred in deferred tax assets and liabilities in the periods ended 31 December 2022 and 2021 were detailed as follows:

	Deferred tax assets	
	2022	2021
Opening balance	898,817	841,107
Effects on the income statement:		
Increase/(Reduction) of provisions not accepted for tax purposes	494,707	57,710
Other effects	(2,920)	—
Closing balance	1,390,604	898,817

As at 31 December 2022 and 2021, there are no situations generating deferred tax liabilities.

Deferred tax assets as at 31 December 2022 and 2021, according to the temporary differences generating them, are detailed as follows:

	31.12.2022	31.12.2021
Provisions and impairment losses of assets not accepted for tax purposes	969,049	474,341
Right of use assets	421,555	424,476
	1,390,604	898,817

Current taxes

Income tax recognised in the income statement for the periods ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Current tax	2,278,235	(3,008,721)
Deferred tax	491,788	57,710
	2,770,023	(2,951,011)

(Amounts expressed in Euro)

The reconciliation of the profit before income tax for the periods ended 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Profit before income tax	7,681,274	7,175,532
Theoretical tax rate	22.50%	22.50%
	(1,728,287)	(1,614,495)
Under/(over) Income tax estimates	11,446	(3,859)
Provisions for tax claims	3,900,000	(200,000)
State surtax	(306,510)	(349,935)
Autonomous taxes	(168,665)	(189,372)
Results related to investments	730,157	(368,427)
Goodwill impairment	(810,000)	(205,753)
Provision constitution/reversal	318,094	(62,523)
Other effects	823,788	43,353
Income tax	2,770,023	(2,951,011)

On 31 December 2022, the amount included under the caption "Other effects" results, essentially, from the favorable outcome to the Company of tax lawsuits (approximately 0.9 million Euro).

11. INVENTORIES

As at 31 December 2022 and 2021, the amount recorded under the line item 'Inventories' is detailed as follows:

	31.12.2022	31.12.2021
Raw materials, subsidiaries and consumables	1,638,001	1,158,827
Broadcasting Rights	161,437	151,618
Accumulated impairment losses in inventories (Note 20)	(48,037)	(48,037)
	1,751,401	1,262,408

Inventories correspond mostly to paper used for printing newspapers and magazines.

The cost of sales of the periods ended 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Initial inventories	1,310,445	1,068,311
Purchases	6,810,427	5,369,562
Final inventories	(1,799,438)	(1,310,445)
	6,321,434	5,127,428

12. TRADE RECEIVABELS

As at 31 December 2022 and 2021, this line item was composed of the following:

	31.12.2022	31.12.2021
Trade receivables, current account	7,146,592	7,073,213
Trade receivables, bad debt	106,578	196,983
	7,253,170	7,270,196
Accumulated impairment losses (Note 20)	(198,250)	(308,828)
	7,054,920	6,961,368

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 2022 and 2021, the ageing of gross impairment trade receivables can be detailed (by segments) as follows:

	Trade receivables					
	31.12.2022			31.12.2021		
	Press	Television	Total	Press	Television	Total
Not overdue	3,869,049	1,545,838	5,414,887	3,931,970	1,664,857	5,596,827
Overdue						
0 - 90 days	1,355,023	205,121	1,560,144	1,025,836	277,380	1,303,216
90 - 180 days	42,828	6,888	49,716	13,684	23,259	36,943
180 - 360 days	4,563	—	4,563	91,970	—	91,970
+ 360 days	193,687	—	193,687	143,869	3,499	147,368
	1,596,101	212,009	1,808,110	1,275,359	304,138	1,579,497
Barter balances						
Without impairment	29,993	180	30,173	93,692	180	93,872
Total	5,495,143	1,758,027	7,253,170	5,301,021	1,969,175	7,270,196

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 will be realised in their entirety, considering the history of uncollectability and the characteristics of the counterparties. The Group calculates 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 2021 period). The Group does not charge any interest while set payment terms are being complied with. Upon expiry of said terms, contractually set interest might be 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 2022 and 2021:

	31.12.2022	31.12.2021
Assets associated with contracts with customers		
Publications (newspapers and magazines) to be invoiced	3,406,633	3,515,910
CMTV	—	1,975
	3,406,633	3,517,885

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 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Debit balances:		
Value Added Tax	101,349	148,485
Other taxes	2,939	11,764
Total other taxes (Note 15)	104,288	160,249
Credit balances:		
Income tax	283,484	5,047,949
Total income tax	283,484	5,047,949
Value Added Tax	987,758	1,042,635
Personal income tax	445,075	415,298
Social security contributions	541,226	511,938
Television exhibition tax	48,073	98,103
Stamp tax - bonuses	1,370	3,102
Other taxes	10,573	6,301
Total other taxes (Note 23)	2,034,075	2,077,377

As at 31 December 2022 and 2021, 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 438,551 Euro and 1,147,949 Euro, respectively. At 31 December 2021, and following the adoption of IFRIC 23, the caption "Income Tax" also included the amount of 3.9 million Euro.

Regarding the disputes with the Portuguese Tax and Customs Authorities (AT) as a result of an inspection of the 2007 period concerning Corporate Income Tax, 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 made efforts with the Tax Authority, and supported by its legal advisors, realized the necessary procedures for the conclusion and release the pledge of shares of this process. The Board of Directors from the analysis carried out to the impacts of these procedural developments and to the closure of these processes, concluded for the reversal of the provision. Therefore, the variation in the caption "Income tax" is essentially explained by the recognition of the reversal of the provision in the amount of 3.9 million Euro, as a result of the outcome, in part, favorable to the Group of tax processes.

15. OTHER RECEIVABLES

As at 31 December 2022 and 2021, this line item is detailed as follows:

	31.12.2022		31.12.2021	
	Current	Non-current	Current	Non-current
Advances to suppliers	886,771	—	178,443	
Receivables from the State and other public entities (Note 14)	104,288	—	160,249	—
Others	29,817	93,587	656,128	96,110
	1,020,876	93,587	994,820	96,110
Accumulated impairment losses and other receivables (Note 20)	—	(93,587)	(600,000)	(96,110)
	1,020,876	—	394,820	—

The non-current amount recorded under the "Advances to suppliers" caption refers to advances on account of printing services to be provided in future periods.

As at 31 December 2022 and 2021, the ageing of "Other receivables" balances, net of impairment losses is detailed as follows:

(Amounts expressed in Euro)

	31.12.2022			31.12.2021		
	Advances to suppliers	Other debtors	Total	Advances to suppliers	Other debtors	Total
Not overdue	886,771	134,105	1,020,876	178,443	216,377	394,820
Overdue						
0 - 90 days	—	—	—	—	—	—
90 - 180 days	—	—	—	—	—	—
180 - 360 days	—	—	—	—	—	—
+ 360 days	—	—	—	—	—	—
	—	—	—	—	—	—
Total	886,771	134,105	1,020,876	178,443	216,377	394,820

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 2022 and 2021, the line item "Other current assets" caption is detailed as follows:

	31.12.2022	31.12.2021
Accrued income:		
Interest receivable	13,405	—
Other accrued income	9,967	12,493
Deferred costs:		
Operating expenses paid in advance	525,702	471,266
Charges related to subsequent year editions and advertising	166,972	692,880
Other deferred costs	10,647	10,646
Other current assets	4,428	—
	731,121	1,187,285

17. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 2021, the line item "Cash and cash equivalents" was detailed as follows:

	31.12.2022	31.12.2021
Cash	48,852	47,595
Bank deposits immediately available	21,218,963	17,952,639
Cash and bank balances on the statement of financial position	21,267,815	18,000,234
Bank overdrafts (Note 19)	(645,060)	(5,949,874)
Cash and bank balances in the statement of cash flows	20,622,755	12,050,360

18. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2022, 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 2022 and 2021 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 liquidation, but can be used to absorb losses after the other reserves have been used, and for inclusion in the issued capital.

(Amounts expressed in Euro)

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 Company 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 2022 and 2021 the "Other reserves" caption corresponds mainly to retained earnings from the Group's previous periods.

Appropriation of Net Profit

Regarding the 2022 period, the Board of Directors proposed, in its annual report, that the individual net profit of Cofina, SGPS, S.A., in the amount of 14,052,100 Euro be fully transferred to Free Reserves.

The Board of Directors of Cofina, SGPS, S.A. has also proposed to the General Meeting the distribution of free reserves in the amount of 3,076,975 Euro, in the form of dividends. The proposed distribution of earnings from free reserves will imply the payment of a gross dividend of 0.03 Euro per share.

19. BANK LOANS AND OTHER LOANS

As at 31 December 2022 and 2021, the line item line "Bank loans" and "Other loans" is detailed as follows:

	31.12.2022				31.12.2021			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Commercial paper	45,005,894	—	45,000,000	—	35,865,876	9,994,799	36,000,000	10,000,000
Confirming	1,213,385	—	1,213,385	—	—	—	—	—
	46,219,279	—	46,213,385	—	35,865,876	9,994,799	36,000,000	10,000,000

	31.12.2022				31.12.2021			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bank overdrafts (Note 17)	645,060	—	645,060	—	5,949,874	—	—	—
	645,060	—	645,060	—	5,949,874	—	—	—

19.1 Commercial paper

The liability caption "Commercial paper" corresponds to six commercial paper programs with guaranteed subscription by the issuing banks, up to the maximum amounts of 15,000,000 Euro, 10.000.000 Euro, 5,000,000 Euro, 5,000,000 Euro, 5,000,000 Euro, 5,000,000 Euro, which bear interest at market rates. These programs mature in January 2023, September 2026, September 2024, November 2025, May 2025 and March 2023, respectively.

As at 31 December 2022, the Cofina Group had Commercial Paper Programs with guaranteed subscription classified as a current liability, however, the maturity of most of the contracts underlying them extends beyond 31 December 2023 and, as such, the Group may renew the subscriptions, as it has done in recent periods.

Regarding the 5 million Euro Program, it presents an amortization profile that includes 2 successive annual amortizations of 1 million Euro (each, occurring on the last business day of November 2023 and 2024) and a final amortization of 3 million Euro to take place on November 2025.

(Amounts expressed in Euro)

During the period ended 31 December 2022, these loans paid interest at Euribor-indexed rates plus spreads ranging between 1.050% and 2.250% (0.910% and 1.750% in 31 December 2021), according to the nature and maturity thereof.

As at 31 December 2022 and 2021, credit facilities used by the Group and the maximum amounts authorised were detailed as follows:

	31.12.2022			
Nature	Maturity	Balance authorised	Nominal balance used	Balance available
Cash pooling / Overdraft	n/a	10,500,000	645,061	9,854,939
Current account facility	n/a	8,000,000	—	8,000,000
Commercial paper	03/01/2023	15,000,000	15,000,000	—
Commercial paper	27/09/2026	10,000,000	10,000,000	—
Commercial paper	12/09/2024	5,000,000	5,000,000	—
Commercial paper	28/11/2025	5,000,000	5,000,000	—
Commercial paper	30/05/2025	5,000,000	5,000,000	—
Commercial paper	10/03/2023	5,000,000	5,000,000	—
		63,500,000	45,645,061	17,854,939

	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	27/09/2026	10,000,000	10,000,000	—
Commercial paper	12/09/2024	5,000,000	5,000,000	—
Commercial paper	28/11/2025	6,000,000	6,000,000	—
Commercial paper	30/05/2022	5,000,000	5,000,000	—
Commercial paper	03/09/2022	5,000,000	5,000,000	—
		64,500,000	51,949,874	12,550,126

During the periods ended 31 December 2022 and 2021, the Group did not enter into default with any of the obtained loans.

19.2 Change in indebtedness and maturities

As at 31 December 2022 and 2021, reconciliation of the change in gross debt with cash flows is detailed as follows:

	31.12.2022	31.12.2021
Balance as at 1 January	51,810,549	55,280,746
Payments of loans obtained	(102,102,742)	(104,174,581)
Receipts of loans obtained	101,913,098	97,657,859
Bank overdrafts	(3,162,330)	2,517,269
Changes of loan issuance expenses	(1,594,236)	529,256
Change in debt	(4,946,210)	(3,470,197)
Balance as at 31 December	46,864,339	51,810,549

(Amounts expressed in Euro)

20. PROVISIONS AND IMPAIRMENT LOSSES

The movements occurring under provisions and impairment losses during the periods ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022				
	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	1,245,700	171,754	10,803,769	48,037	1,004,938
Additions	1,368,839	—	3,600,000	—	3,919
Reversals	(453,814)	—	—	—	(117,020)
Reclassifications	—	—	—	—	—
Utilisations and transfers	(213,475)	—	—	—	(600,000)
Closing balance	1,947,250	171,754	14,403,769	48,037	291,837

	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

As at 31 December 2022 and 2021, 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:

	31.12.2022				31.12.2021			
	Provisions	Goodwill	Receivables	Total	Provisions	Goodwill	Receivables	Total
Provisions and impairment losses	(110,635)	3,600,000	(113,101)	3,376,264	213,508	914,459	18,359	1,146,326
Payroll expenses	1,025,660	—	—	1,025,660	445,700	—	—	445,700
Total	915,025	3,600,000	(113,101)	4,401,924	659,208	914,459	18,359	1,592,026

As at 31 December 2022 and 2021, the "Provisions" caption can be detailed as follows:

	31.12.2022	31.12.2021
Provisions for indemnities and legal proceedings	1,632,250	1,245,700
Provision for liquidation	315,000	—
	1,947,250	1,245,700

The "Provisions for indemnities and legal proceedings" 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. The item "Provisions for liquidation" relates to provisions recorded under the liquidation process of the subsidiary Grafedisport.

(Amounts expressed in Euro)

21. TRADE PAYABLES

As at 31 December 2022 and 2021, this caption could be presented, taking into account its maturity, as follows:

		Payable in			
	31.12.2022	No due date (a)	Less than 3 months	Between 3 and 6 months	More than 6 months
Trade payables	5,972,209	207,226	5,764,983	—	—
	5,972,209	207,226	5,764,983	—	—
		Payable in			
	31.12.2021	No due date (a)	Less than 3 months	Between 3 and 6 months	More than 6 months
Trade payables	7,188,748	168,416	7,020,332	—	—
	7,188,748	168,416	7,020,332	—	—

[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 31 December 2022 and 2021, this line item is detailed as follows:

	31.12.2022	31.12.2021
Discounts to be granted	2,569,194	2,111,577
Commissions to be settled	681,378	834,526
Deferred income from advertising	823,822	967,608
	4,074,394	3,913,711

23. OTHER PAYABLES

As at 31 December 2022 and 2021, the line item 'Other payables' can be detailed as follows:

	31.12.2022	31.12.2021
Payables to the State and other public entities (Note 14)	2,034,075	2,077,377
Other debts:		
Payroll	229,251	63,148
Barter with public entities	252,907	252,907
Other debts	232,242	337,054
	2,748,475	2,730,486

24. OTHER CURRENT LIABILITIES

As at 31 December 2022 and 2021, the line item 'Other current liabilities' is detailed as follows

	31.12.2022	31.12.2021
Expense accruals:		
Wages and salaries payable	3,613,305	3,385,487
External supplies and services	562,063	867,648
Other accrued expenses	465,564	317,057
Deferred income:		
Other deferred income	1,144,740	251,679
	5,785,672	4,821,871

25. SALES, SERVICES RENDERED AND OTHER INCOME

For the periods ended 31 December 2022 and 2021, "Sales" correspond mainly to newspapers and magazines sales, also including a small portion of income related to the sale of printing paper.

(Amounts expressed in Euro)

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.

26. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2022 and 2021 the line item "External supplies and services" is detailed as follows:

	31.12.2022	31.12.2021
Advertising	9,542,731	9,242,318
Subcontracts	2,514,501	2,656,404
Specialised services	8,112,800	8,185,658
Travel and accommodation	1,352,407	843,771
Rents and leases	378,783	287,407
Fuel	236,184	355,830
Communication	375,099	361,143
Fees	3,503,444	3,128,435
Royalties	382,850	473,455
Representation costs	316,964	213,124
Other costs	2,963,019	2,155,501
	29,678,782	27,903,046

27. PAYROLL EXPENSES

As at 31 December 2022 and 2021, the line item "Payroll expenses" is detailed as follows:

	31.12.2022	31.12.2021
Remunerations	21,339,140	20,282,916
Indemnities	1,120,066	2,466,425
Social security	4,432,394	4,395,384
Insurance	319,495	288,714
Social activity expenses	29,627	31,108
Other payroll expenses	214,175	185,066
	27,454,897	27,649,613

During the fiscal years ended 31 December 2022 and 2021, the average number of staff employed in the companies included in the consolidation using the full consolidation method was 668 and 718, respectively.

(Amounts expressed in Euro)

28. FINANCIAL RESULTS AND RESULTS RELATED TO INVESTMENTS

The results related to investments, financial expenses and income for the periods ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Results related to investments		
Application of the equity method - VASP (Note 4)	564,306	(298,501)
Application of the equity method - A Nossa Aposta (Note 4)	(119,362)	(1,338,644)
Application of the equity method - Mercados Globais (Note 4)	3,526	(308)
Capital gain from the sale of the investment - A Nossa Aposta (Note 4)	2,786,307	—
Other	10,367	—
	3,245,144	(1,637,453)
Financial expenses		
Interest paid	720,449	604,200
Interest expenses related to lease liabilities (Note 7.2)	547,591	621,207
Bank commissions	358,185	314,217
Other financial expenses and losses	22,279	17,351
	1,648,504	1,556,975

	31.12.2022	31.12.2021
Financial Income		
Interest income	13,405	—
Other financial income	235,673	—
	249,078	—

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 2022 and 2021 and the main transactions carried out during the periods ended at said date are detailed as follows:

Transactions:

(Amounts expressed in Euro)

	31.12.2022		
	Sales and Services rendered (Note 25)	Other income (Note 25)	External supplies and services (Note 26)
VASP	29,123,610	5,067,191	770,496
A Nossa Aposta	—	—	—
Mercados Globais, S.A.	—	—	38,400
Other related parties	60,446	538,905	—
	29,184,056	5,606,096	808,896

	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	135,438	—
	31,221,998	5,886,337	252,623

Balances:

	31.12.2022		
	Trade receivables (Note 12)	Trade payables (Note 21)	Assets associated with contracts with customers (Note 13)
VASP	50,424	147,245	2,823,250
A Nossa Aposta	—	—	—
Mercados Globais, S.A.	—	11,808	—
Other related parties	163,439	—	—
	213,863	159,053	2,823,250

	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	39,469	—	—
	115,471	181,189	3,012,069

Sales to VASP during the periods ended 31 December 2022 and 2021 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 2022 and 2021, there were no transactions with Group Directors, nor were they granted loans.

(Amounts expressed in Euro)

Related parties

In "Other related parties" are included the subsidiaries of Ramada Group, Altri Group, Greenvolt 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 2022 and 2021, are as follows:

	Board of Directors	
	31.12.2022	31.12.2021
Fixed compensation	272,000	537,981
Variable compensation	—	133,000
	272,000	670,981

As at 31 December 2022 and 2021, 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 2022, the Group had assumed responsibilities for guarantees granted amounting to 635,000 Euro (345,000 Euro as of 31 December 2021), mostly related with its advertising activity 398,000 Euro (28,000 Euro as of 31 December 2021) and with ongoing tax proceedings 237,000 Euro (317,000 Euro as of 31 December 2021) (Note 20).

31. EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2022 and 2021 were calculated based on the following amounts:

	31.12.2022	31.12.2021
Net income taken into account to determinate basic and diluted earnings per share	10,451,297	4,224,521
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	0.10	0.04
Diluted	0.10	0.04

32. INFORMATION BY SEGMENTS

The contribution of the main business segments to the consolidated income statement for the periods ended 31 December 2022 and 2021 is detailed as follows:

	31.12.2022			31.12.2021		
	Press	Television	Total	Press	Television	Total
Operating income:						
Sales	29,578,990	—	29,578,990	32,323,728	—	32,323,728
Sales - intersegmental	—	—	—	—	—	—
Services rendered	16,274,235	11,889,849	28,164,084	17,533,955	9,278,289	26,812,244
Services rendered - intersegmental	—	—	—	—	—	—
Other income	9,906,317	8,387,124	18,293,441	8,532,150	8,180,630	16,712,780
Other income - intersegmental	—	—	—	—	—	—
Total operating income	55,759,542	20,276,973	76,036,515	58,389,833	17,458,919	75,848,752
Operating expenses						
Cost of sales	(6,321,434)	—	(6,321,434)	(5,127,428)	—	(5,127,428)
External supplies and services	(19,963,621)	(9,715,161)	(29,678,782)	(19,219,663)	(8,683,383)	(27,903,046)
Payroll expenses	(21,827,244)	(5,627,653)	(27,454,897)	(23,791,908)	(3,857,705)	(27,649,613)
Amortisation and depreciation	(2,884,942)	(230,060)	(3,115,002)	(3,259,973)	(227,745)	(3,487,718)
Provisions and impairment losses	(3,376,264)	—	(3,376,264)	(1,146,326)	—	(1,146,326)
Other expenses	(254,580)	—	(254,580)	(164,661)	—	(164,661)
Total operating expenses	(54,628,085)	(15,572,874)	(70,200,959)	(52,709,959)	(12,768,833)	(65,478,792)
Operating results	**1,131,457**	**4,704,099**	**5,835,556**	**5,679,874**	**4,690,086**	**10,369,960**
Results related to investments			3,245,144			(1,637,453)
Financial results			(1,399,426)			(1,556,975)
Profit before income tax			**7,681,274**			**7,175,532**
Income tax			2,770,023			(2,951,011)
Consolidated net profit for the period			10,451,297			4,224,521
Attributable to:						
Equity holders of the parent			10,451,297			4,224,521
Non-controlling interests			—			—
			10,451,297			4,224,521

The total net investment of the business segments in the period ended 31 December 2022 and 2021 is detailed as follows:

(thousand Euro)	Press	Television	31.12.2022
Total net investment	650	486	1,136

(thousand Euro)	Press	Television	31.12.2021
Total net investment	742	—	742

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 2022 and 2021 there were no contingent assets. As at 31 December 2022 and 2021, 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

As at 31 December 2022, the total fees paid by Cofina Group for services provided by companies in the Deloitte & Associados, SROC S.A. universe, came to 135,000 Euro. These fees pertain to auditing and statutory audit services, and include the amount of 55,000 Euro, relating to other assurance services.

As at 31 December 2021, the total fees paid by Cofina Group for services provided by companies in the Deloitte & Associados, SROC S.A. universe, came to 70,000 Euro. These fees pertain to auditing and statutory audit services.

35. SUBSEQUENT EVENTS

From 31 December 2022 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 subsidiaries, 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 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

SEPARATE FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

31 December 2022

Cofina SGPS, S.A

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 2021
(Translation of financial statements originally issued in Portuguese - Note 21)
(Amounts expressed in Euro)

ASSETS	**Notes**	**31.12.2022**	**31.12.2021 (Restated in Note 4)**
NON-CURRENTS ASSETS			
Investments in subsidiaries	5	68,432,782	99,279,337
Other financial investments	5	10,000,510	10,000,510
Total of non-current assets		78,433,292	109,279,847
CURRENT ASSETS			
Trade receivables	18	1,152,645	219,690
Other receivables	9 and 18	101,534	743,189
Other current assets		5,154	5,154
Cash and cash equivalents	10	10,463,956	472,977
Total current assets		11,723,289	1,441,010
TOTAL ASSETS		90,156,581	110,720,857
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	25,641,459	25,641,459
Share premiums	11	15,874,835	15,874,835
Legal reserve	11	5,409,144	5,409,144
Other reserves	11	13,295,174	8,157,041
Net profit for the year		14,052,100	5,138,133
TOTAL EQUITY		74,272,712	60,220,612
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	12	—	9,994,799
Total non-current liabilities		—	9,994,799
CURRENT LIABILITIES			
Other loans	12	14,991,582	38,857,769
Trade payables		2,392	222,336
Income tax	6 and 8	283,484	1,147,949
Other payables	13 and 18	418,216	11,362
Other current liabilities	14	188,195	266,030
Total current liabilities		15,883,869	40,505,446
TOTAL LIABILITIES		15,883,869	50,500,245
TOTAL LIABILITIES AND EQUITY		90,156,581	110,720,857

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 21)
(Amounts expressed in Euro)

	Notes	31.12.2022	31.12.2021 (Restated in Note 4)
Services rendered	18	758,500	714,440
Other income		24,932	—
External supplies and services	15	(535,673)	(629,184)
Payroll expenses	16	(362,085)	(348,569)
Other expenses		(54,032)	(37,550)
Results related to investments	5	13,849,060	6,014,132
Financial expenses	17	(743,763)	(807,384)
Financial income	17	235,672	—
Profit before income tax		13,172,611	4,905,885
Income tax	6	879,489	232,248
Net profit for the year		14,052,100	5,138,133

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 21)
(Amounts expressed in Euro)

	31.12.2022	31.12.2021 (Restated in Note 4)
Net profit for the period	14,052,100	5,138,133
Total comprehensive income for the period	14,052,100	5,138,133

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 21)
(Amounts expressed in Euro)

	Notes	Share capital	Share premium	Legal reserve	Other reserves	Net profit for the period	Total equity
Balance as at 1 January 2021		25,641,459	15,874,835	5,409,144	48,505,919	6,179,202	101,610,559
Effect of the change in the accounting policy for recognition of financial investments	4	—	—	—	(46,528,080)	—	(46,528,080)
Balance as at 1 January 2021 - Restated		25,641,459	15,874,835	5,409,144	1,977,839	6,179,202	55,082,479
Appropriation of the result from 2020:							
Transfer to other reserves	11	—	—	—	6,179,202	(6,179,202)	—
Comprehensive income for the period		—	—	—	—	5,138,133	5,138,133
Balance as at 31 December 2021		25,641,459	15,874,835	5,409,144	8,157,041	5,138,133	60,220,612
Balance as at 1 January 2022		25,641,459	15,874,835	5,409,144	8,157,041	5,138,133	60,220,612
Appropriation of the result from 2021:							
Transfer to other reserves	11	—	—	—	5,138,133	(5,138,133)	—
Comprehensive income for the period		—	—	—	—	14,052,100	14,052,100
Balance as at 31 December 2022		25,641,459	15,874,835	5,409,144	13,295,174	14,052,100	74,272,712

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 2022 AND 2021

(Translation of financial statements originally issued in Portuguese - Note 21)
(Amounts expressed in Euro)

	Notes	2022		2021	
Operating activities:					
Receipts from customers		—		2,836,466	
Payments to suppliers		(627,170)		(434,842)	
Payments to personnel		(356,273)		(348,569)	
Other receipts/payments relating to operating activities		(84,558)		(6,328,901)	
Income tax (paid)/received		725,165	(342,836)	293,812	(3,982,034)
Cash flows generated by operating activities (1)			(342,836)		(3,982,034)
Investment activities:					
Receipts arising from:					
Dividends	18	44,695,615	44,695,615	2,528,668	2,528,668
Payments relating to:					
Financial investments		—	—	—	—
Cash flows generated by investment activities (2)			44,695,615		2,528,668
Financing activities:					
Receipts arising from:					
Loans obtained	12	70,857,310		97,657,859	
Interest and similar gains		235,672	71,092,982	—	97,657,859
Payments relating to:					
Interest and similar expenses		(360,147)		(593,872)	
Loans obtained	12	(102,102,742)	(102,462,889)	(104,174,581)	(104,768,453)
Cash flows generated by financing operations (3)			(31,369,907)		(7,110,594)
Cash and cash equivalents at the beginning of the period	10		(2,518,916)		6,045,044
Cash and cash equivalents variation: (1)+(2)+(3)			12,982,872		(8,563,960)
Cash and cash equivalents at the end of the period	10		10,463,956		(2,518,916)

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 5), 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 6 April 2023. 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, with the exception of the accounting policy for recognition and measurement of financial investments in subsidiaries, joint ventures and associates (Note 4).

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 2022. 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, 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 financial statements were prepared from the accounting books and records of the Company, its subsidiaries, joint ventures and associates, 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;

(Amounts expressed in Euro)

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, mandatory applied to the financial year beginning on 1 January 2022:

Standard / Interpretation	Applicable in the European Union in the financial years begun on 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.
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. Thus, in the scope of derecognition tests performed 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.

(Amounts expressed in Euro)

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 in paragraph 22 of IAS 41 to exclude cash flows related to income taxes from the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13.

There were no significant effects on the Company's financial statements for the year ended 31 December 2022, 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 mandatory 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	
IFRS 17 - Insurance Contracts; includes amendments to IFRS 17	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 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.
Amendments to IAS 1 - Disclosure 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.
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.

(Amounts expressed in Euro)

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. Thus, 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.

These amendments, although endorsed by the European Union, were not adopted by the Company in 2022, 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.

(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-24	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 IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment specifies the requirements regarding the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sale" under the principles of IFRS 15, with a focus on variable lease payments that do not depend on an index or rate. On subsequent measurement, seller-lessees should determine "lease payments" and "revised lease payments" In subsequently measuring lease liabilities, seller-lessees shall determine "lease payments" and "revised lease payments" in a manner that does not recognize any gain or loss related to the retained right-of-use. The application of these requirements does not prevent the seller-lessee from recognizing, in the income statement, any gain or loss related to the partial or total "sale" as required by paragraph 46(a) of IFRS 16. This amendment is of retrospective application.

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 31 December 2022.

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

The main accounting policies used by the Company in the preparation of its financial statements are as follows:

a) Investments in subsidiaries, joint ventures and associates

Investments in equity holdings in subsidiaries, joint ventures and associates are recorded using the equity method.

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 it is able to influence, as a result of their involvement, the return on the activities of the held entity and the ability to affect that return (definition of control used by the Company).

Financial investments in joint ventures are investments in entities that are the object of a joint agreement by all or by part of their holders, and the parties that have joint control of the agreement have 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 of the liabilities related to that agreement, it is considered that such joint agreement does not correspond to a joint venture, but to a jointly controlled operation.

Investments in associates are investments where the Company 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.

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 Company's participation in the comprehensive income (including net income for the year) of the subsidiaries, joint ventures and the associates, against other comprehensive income of the Company 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 Company’s equity.

When the Company’s share in subsidiaries, 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 Company has shouldered commitments towards the subsidiaries, joint venture and associate. In such cases, a provision is recorded in order to fulfil those obligations.

The accounting policies of subsidiaries, joint ventures and associates are changed, whenever necessary, in order to make sure they are consistently applied.

The differences between the acquisition price and the fair value of the identifiable assets and liabilities of the subsidiaries, joint ventures and the associates on the acquisition date, if positive, are recognized as Goodwill and maintained at the value of the financial investment. 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.

Cofina conducts impairment tests to financial investments 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, and impairment losses are recorded as an expense when shown to exist. When impairment losses recognised in previous financial years no longer exist, are reversed.

The impairment analysis is based on the evaluation of the cash-generating units, 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.

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.

b) 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.

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 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 statement 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 statement 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 2022 and 2021.

(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;
- on 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 statement when they are attributed/resolved on unless they clearly represent a recovery of part of the investment cost. Dividends are recorded in the income statement 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 statement 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 statement.

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.

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.

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) 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".

e) 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).

f) 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.

g) 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.

h) 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 2022 and 2021 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.

i) 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.'

j) 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 2022 and 2021, 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 Group 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.

With the exception of that referred to in Note 4, no additional voluntary changes in accounting policies, and no material errors were recognised in relation to previous periods.

3. FINANCIAL RISK MANAGEMENT

The Company is 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

The current unfavorable macroeconomic environment, guided by widespread cost inflation, rising interest rates, geopolitical risks and uncertainties regarding its future evolution, as a result of the combination of several effects, including the pandemic and the armed conflict between Ukraine and Russia, poses significant challenges to the companies and their operations.

The Board of Directors is monitoring the impacts of the current macroeconomic environment in Cofina's chain of operations, ensuring that mitigating measures are applied to minimize, where possible, the negative effects and the uncertainty that threatens the global economic stability.

Interest rate risk is also 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 2022 and 2021 period, no derivatives were contracted to hedge interest rate or foreign exchange rate risks.

In the period ended 31 December 2022 and 2021, 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:

	31.12.2022	31.12.2021
Interest expenses and bank commissions (Note 17)	743,763	807,384
A 1 p.p. decrease in the interest rate applied to the entire debt	(150,000)	(490,000)
A 1 p.p. increase in the interest rate applied to the entire debt	150,000	490,000

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 31 December 2022, 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 12. Other loans.

(Amounts expressed in Euro)

4. RESTATEMENT OF FINANCIAL STATEMENTS

The restatement of the financial statements for the year ended 31 December 2021 results from the change in the accounting policy on the recognition and measurement of financial investments in subsidiaries, joint ventures and associates.

Investments in equity investments in subsidiaries were measured in accordance with "IAS 27 - Separate Financial Statements", at acquisition cost less any impairment losses. However, it is the Board of Directors' understanding that the recognition and measurement of financial investments in subsidiaries by the equity method is more appropriate, as it represents a more appropriate reflection of the net assets held in the subsidiary, in the Company's financial statements .

The impacts of the restatement on the financial statements at 1 December 2021 and 31 December 2021 are as follows:

	31.12.2021	01.01.2021
Income Statement		
Results related to investments	3,485,464	—
Increase/(Decrease) in net profit for the year	3,485,464	—
Statement of Financial Position		
NON-CURRENT ASSETS		
Investments in subsidiaries	(43,042,616)	(46,528,080)
Increase/(Decrease) in net assets	(43,042,616)	(46,528,080)

5. INVESTMENTS IN SUBSIDIARIES AND OTHER INVESTMENTS

5.1 Investments in subsidiaries

During the years ended 31 December 2022 and 2021, the movement in the value of the investment in the subsidiary Cofina Media, S.A. ("Cofina Media"), was as follows:

	31.12.2022	31.12.2021 (Restated in Note 4)
	Cofina Media	Cofina Media
Investments in subsidiaries		
Opening balance as at 1 January	99,279,337	95,793,873
Equity method		
Effect on gains and losses related to subsidiaries	13,849,060	6,014,132
Dividends distributed (Note 18)	(44,695,615)	(2,528,668)
Others	—	—
Closing balance	68,432,782	99,279,337

As of 31 December 2022 and 2021, the main financial indicators, are as follows:

		31 December 2022				31 December 2021			
Description	%	Total assets	Total equity	Total revenue (a)	Net profit for the year	Total assets	Total equity	Total revenue (a)	Net profit for the year
Cofina Media, S.A. ("Cofina Media")	100 %	104,802,982	40,721,055	74,954,669	11,665,109	113,167,350	73,751,560	74,770,227	5,142,444
		104,802,982	40,721,055	74,954,669	11,665,109	113,167,350	73,751,560	74,770,227	5,142,444

(a) Total revenue = sales, services rendered and other income

As of 31 December 2022 and 2021, the net book value of the Company's investment in the subsidiary Cofina Media reconciles as follows:

(Amounts expressed in Euro)

	31.12.2022	31.12.2021
	Cofina Media	Cofina Media
Equity	40,721,055	73,751,560
Percentage interest	100.00 %	100.00 %
Company's share in equity	40,721,055	73,751,560
Write-off of Goodwill recognized in the share of net assets	(62,775,224)	(62,775,224)
Goodwill included in the net book value of the investment	91,755,222	91,755,222
Effect of the homogenization of accounting policies	(1,268,271)	(3,452,221)
	68,432,782	99,279,337

In the 2022 and 2021 period, the methods and assumptions used in the impairment analysis of investments in subsidiaries, which the Board of Directors deemed appropriate in the current climate, are detailed as follows:

	31.12.2022	31.12.2021
	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	9.52% - 10.56%	7.34% - 7.54%
Perpetuity growth rate Portugal	2.10%	1.30%

Cofina Media, S.A. was assessed using discounted free cash flow methods and based on five-year business plans comprising the newspaper, magazine and television business areas, 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 consolidated 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 2022 and 2021, 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.

5.2 Other investments

As at 31 December 2022 and 2021, 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 510 Euro. As at 31 December 2022 and 2021, the total amount of financial investments for which impairment losses were recorded amounted to 156,400 Euro.

At 31 December 2022 and 2021, "Other financial investments" also includes the guarantee of an amount of 10 million Euro in the context of the Share Purchase and Sale Agreement ("SPA") entered into on 20 September 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 Euro). This escrow account is deposited in a financial institution.

On 15 April 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 Euro 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.

6. 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 the dominant 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 2022, the state surtax corresponded to the application of an additional 3% rate on taxable income between 1.5 and 7.5 million Euro, 5% on taxable income between 7.5 and 35 million Euro and 9% on taxable income above 35 million 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 2019 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 2022 and 2021.

The Company is under the special taxation regime for groups, Cofina being the dominant company of the tax group, which is constituted by Cofina Media, S.A..

On 31 December 2022, Cofina, through the subsidiary Cofina Media, as the sole shareholder of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., decided in the General Meeting the dissolution and liquidation of this entity. As a result of the dissolution (and liquidation) on 1 September 2022 of the subsidiary Grafedisport - Impressão e Artes Gráficas, S.A., this subsidiary is now taxed individually with reference to 1 January 2022.

(Amounts expressed in Euro)

Deferred taxes

As at 31 December 2022 and 2021, there are no situations where deferred tax liabilities are generated.

As at 31 December 2022 and 2021, 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 2022 and 2021 is detailed as follows:

Current tax:	31.12.2022	31.12.2021
Tax estimate for the year	139,285	232,307
Under/(over) Income tax estimates	(20)	(59)
Other effects	740,224	—
	879,489	232,248

Reconciliation of profit before income tax with income tax is detailed as follows:

	31.12.2022	31.12.2021 (Restated Note 4)
Profit before income tax	13,172,611	4,905,885
Theoretical tax rate	21.00 %	21.00 %
	(2,766,248)	(1,030,236)
Dividends received	2,908,303	1,262,968
Under/(over) Income tax estimates	(20)	(59)
Autonomous taxes	274	(473)
Other effects	737,180	48
Income tax	879,489	232,248

On 31 December 2022, the amount included in the caption "Other effects" results, essentially, from the favorable outcome to the Company of tax lawsuits.

7. CLASSES OF FINANCIAL INSTRUMENTS

In accordance with the accounting policies described under Note 2.2.b), financial instruments were detailed as follows:

(Amounts expressed in Euro)

Financial assets

31 December 2022	Financial assets recorded at amortised cost	Total
Current assets		
Trade receivables	1,152,645	1,152,645
Other receivables	185	185
Other current assets	—	—
Cash and cash equivalents	10,463,956	10,463,956
	11,616,786	11,616,786

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

Financial liabilities

31 December 2022	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	—	—
	—	—
Currents liabilities		
Other loans	14,991,582	14,991,582
Trade payables	2,392	2,392
Other payables	407,604	407,604
Other current liabilities	188,195	188,195
	15,589,773	15,589,773
	15,589,773	15,589,773

(Amounts expressed in Euro)

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	222,336	222,336
Other payables	—	—
Other current liabilities	266,030	266,030
	39,346,135	39,346,135
	49,340,934	49,340,934

8. STATE AND OTHER PUBLIC ENTITIES

As at December 2022 and 2021 these assets and liabilities were detailed as follows:

	31.12.2022	31.12.2021
Debit balances:		
Value Added Tax	101,349	148,485
Total other taxes (Note 9)	101,349	148,485
Credit balances:		
Income tax	283,484	1,147,949
Total income tax	283,484	1,147,949
Value Added Tax	—	—
Personal income tax	3,238	3,988
Social security contributions	3,736	3,736
Other taxes	3,638	3,638
Total other taxes (Note 13)	10,612	11,362

9. OTHER RECEIVABLES

"Other receivables" as at 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Group Companies (Note 18)	185	594,704
Accounts receivable from the State and other public entities (Note 8)	101,349	148,485
	101,534	743,189

(Amounts expressed in Euro)

10. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" as at 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Cash	51	3
Bank deposits immediately available	10,463,905	472,974
Cash and bank balances on the statement of financial position	10,463,956	472,977
Bank overdrafts (Note 12)	—	(2,991,893)
Cash and bank balances in the statement of cash flows	10,463,956	(2,518,916)

11. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2022, the Company's share capital was fully subscribed and paid up and consisted of 102,565,836 nominative 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.

Other reserves

As at 31 December 2022 and 2021, "Other reserves" corresponds to retained earnings from the Company's previous periods.

Appropriation of Net Profit

With regard to the year 2022, the Board of Directors proposed in its annual report that the net profit for the year of Cofina, SGPS, S.A. in the amount of 14,052,100 Euro, be fully transferred to Free Reserves.

The Board of Directors of Cofina, SGPS, S.A. has also proposed to the General Meeting the distribution of free reserves in the amount of 3,076,975 Euro, as dividends. The proposed distribution of earnings from free reserves will imply the payment of a gross dividend of 0.03 Euro per share.

With regard to the year 2021, the Board of Directors proposed in its annual report, which was approved by the Shareholders' General Meeting on 29 April 2022, that Cofina, SGPS, S.A.'s net profit for the year, in the amount of 1,652,669 Euro (net profit for the year of Cofina, SGPS, S.A. after restatement is 5,138,133 Euro Note 4) to be transferred to Free Reserves.

(Amounts expressed in Euro)

12. OTHER LOANS

As at 31 December 2022 and 2021, the detail of 'Other loans' was detailed as follows:

	31.12.2022				31.12.2021			
	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	14,991,582	—	15,000,000	—	35,865,876	9,994,799	36,000,000	10,000,000
	14,991,582	—	15,000,000	—	38,857,769	9,994,799	38,991,893	10,000,000

Commercial paper

The liability caption "Commercial paper" corresponds to one commercial paper program with guaranteed subscription by the issuing banks, up to the maximum amounts of 15,000,000 Euro which bear interest at market rates. This program matures in January 2023.

As at 31 December 2022, the Company had Commercial Paper Programs with guaranteed subscription classified as a current liability. However, the maturity of most of the contracts underlying them extends beyond 31 December 2023 and, as such, the Company may renew the subscriptions, as it has done in recent periods.

During the period ended 31 December 2022, these loans paid interest at Euribor-indexed rates plus spreads ranging between 1.050% and 2.250% (0.910% and 1,750% in 31 December 2021), according to the nature and maturity thereof.

Credit facilities used by the Company and the maximum authorised amounts thereof as at 31 December 2021 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	27/09/2026	10,000,000	10,000,000	—
Commercial paper	12/09/2024	5,000,000	5,000,000	—
Commercial paper	28/11/2025	6,000,000	6,000,000	—
Commercial paper	30/05/2022	5,000,000	5,000,000	—
Commercial paper	03/09/2022	5,000,000	5,000,000	—
		53,000,000	48,991,893	4,008,107

Reconciliation of the change in gross debt with cash flows as at 31 December 2022 and 2021 is detailed as follows:

	31.12.2022	31.12.2021
Balance as at 1 January	48,852,568	51,848,141
Payments of loans obtained	(102,102,742)	(104,174,581)
Receipts of loans obtained	70,857,310	97,657,859
Bank overdrafts	(2,991,893)	2,991,893
Changes of loan issuance expenses	376,339	529,256
Change in debt	(33,860,986)	(2,995,573)
Balance as at 31 December	14,991,582	48,852,568

(Amounts expressed in Euro)

13. OTHER PAYABLES

In the period ended 31 December 2022 and 2021 the line item 'Other payables' was detailed as follows:

	31.12.2022	31.12.2021
Payables to the State and other public entities (Note 8)	10,612	11,362
Group Companies (Note 18)	407,604	—
	418,216	11,362

14. OTHER CURRENT LIABILITIES

As at 31 December 2022 and 2021, the line item 'Other current liabilities' is detailed as follows:

	31.12.2022	31.12.2021
Expense accruals:		
Wages and salaries payable	34,924	29,112
Other accrued expenses	153,271	236,918
	188,195	266,030

15. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2022 and 2021, the line item 'External supplies and services' is detailed as follows:

	31.12.2022	31.12.2021
Fees	399,759	524,572
Other expenses	135,914	104,612
	535,673	629,184

16. PAYROLL EXPENSES

As at 31 December 2022 and 2021, the line item 'Payroll Expenses' is detailed as follows:

	31.12.2022	31.12.2021
Payroll expenses	312,810	305,620
Social security contributions	47,920	41,594
Other payroll expenses	1,355	1,355
	362,085	348,569

(Amounts expressed in Euro)

17. FINANCIAL RESULTS

The financial expenses and income for the period ended 31 December 2022 and 2021 are detailed as follows:

	31.12.2022	31.12.2021
Interest expenses (Note 12)		
Bank interest	(454,717)	(550,144)
Financing fees	(266,767)	(239,890)
Stamp duty	(1,500)	(1,500)
Other financial costs	(20,779)	(15,850)
	(743,763)	(807,384)
Financial income		
Other financial income	235,672	—
	235,672	—

18. 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 2022 and 2021 and the main transactions carried out during the period ended at said date are detailed as follows:

Transactions:

	31.12.2022		31.12.2021	
	Services rendered	Dividends distributed (Note 5)	Services rendered	Dividends distributed (Note 5)
Cofina Media, S.A.	744,944	44,695,615	703,180	2,528,668
Grafedisport - Impressão e Artes Gráficas, S.A.	13,556	—	11,260	—
	758,500	44,695,615	714,440	2,528,668

Balances:

	31.12.2022			31.12.2021		
	Trade receivables	Other receivables	Other payables	Trade receivables	Other receivables	Other payables
Cofina Media, S.A.	1,132,509	—	366,652	216,228	588,475	—
Grafedisport	20,136	185	40,952	3,462	6,229	—
	1,152,645	185	407,604	219,690	594,704	—

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 2022 and 2021, amounted to 272,000 Euro and 272,000 Euro, respectively, and only include the fixed pay component.

As at 31 December 2022 and 2021, 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.

19. LIABILITIES FOR GUARANTEES PROVIDED AND OTHER CONTINGENCIES

On 31 December 2022, as a result of the outcome of the tax process, the pledge of Cofina Media, S.A. shares was released, so there were no guarantees provided. At 31 December 2021, Cofina had pledged 20,000,000 shares of Cofina Media, S.A., in favour of Autoridade Tributária e Aduaneira as collateral for tax foreclosures.

20. SUBSEQUENT EVENTS

From 31 December 2022 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.

21. 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 AUDIT CERTIFICATION / AUDIT 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 2022 (which shows a total of Euro 136,477,477 and total equity of Euro 60,070,904, including a consolidated net profit of Euro 10,451,297), the consolidated statement of profit and loss, the consolidated statement of 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 2022, 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 response to the most significant risks of material distortion identified
<u>Impairment of goodwill</u> (referred to in Notes 2.2 and 5 to the consolidated financial statements) The consolidated statement of financial position as of 31 December 2022 includes in the caption Goodwill the amount of Euro 77,568,721, 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 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 5 to the consolidated financial statements.

Description of the most significant risks of material misstatement identified	Summary of the response to the most significant risks of material distortion identified
Revenue recognition of advertising (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 one very relevant 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 on the 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 have been negotiated 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 made 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; and – Confirmation of balances, advertising investment and responsibilities as of 31 December 2022 with the main clients. We also assessed the adequacy of the applicable disclosures (IFRS 15), included in Note 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
<u>Prisa lawsuit- Escrow account – Arbitral process and other financial investments</u> (Referred to in Note 4.3 to the consolidated financial statements) At 31 December 2022, 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, being the parties 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 Group, and also that the Group 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 Group 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 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; and – 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 4.3 to the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

The management 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; and
- 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 2022 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 Group to tag the information.

In our opinion, the consolidated 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 anagement 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, number 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, number 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 consolidated 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 as Statutory Auditors of the Group for the term of 2021 and for the term of 2022 at the Shareholders' Meeting held on April 30, 2021 and April 28, 2022, respectively;
- 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; and
- 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, 6 April 2023

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 AUDIT CERTIFICATION / AUDIT 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 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 2022 (showing a total of Euros 90,156,581 and equity of Euros 74,272,712, including a net profit of Euros 14,052,100), 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. as at 31 December 2022 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
Measurement and impairment of investments in group companies (Referred to in Notes 2.2 and 5 to the financial statements) As mentioned in Notes 2.2 and 4 of the financial statements, the Entity changed in 2022 the measurement criteria of investments in group companies, starting to record them by the equity method. The statement of financial position as of December 31, 2022 includes the financial investment in the subsidiary by the amount of Euros 68,432,782, recorded by the equity method added by the goodwill generated in the acquisition of this participation that occurred in previous years. The realization of the value of the financial investment in group companies, including goodwill is dependent on future cash flows to be generated by the cash generating units of this entity, so there is the risk of these not being sufficient to recover the value of the respective investment, including goodwill. As mentioned in Note 5 of the notes to the financial statements, the Company performs annual impairment tests of that investment on when there are indications of impairment, using the discounted cash flow method, based on five-year future projections of each business and considering a perpetuity from the fifth year, which include several assumptions concerning a set of variables that are detailed in Note 5 of the notes to the financial statements. Considering the balance of the caption "Investments in subsidiaries", as well as the existence of a high number of judgments and estimates that impairment tests involve, and the respective complexity, the analysis of the impairment of the financial investment is a relevant audit matter.	Our main procedures to mitigate this risk included: – Test of the impacts arising from the change in the measurement criterion of financial investments to the equity method, verification of the reasonableness of the management explanation for the change in the recognition and measurement policy of financial investments, verification of their arithmetic correction, and verification of the restatement of the financial statements as of December 31, 2021 presented for comparative purposes; – 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 8 and 36), included in Notes 4 and 5 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 5.2 to the financial statements) At 31 December 2022, the caption Other financial investments – noncurrent includes a balance of Euros 10,000,000, 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 5.2 to the financial statements. Said acquisition was not completed, being the parties 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 claims for indemnities for compensation of damages that allegedly considers have suffered. Management, based on 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 Cofina, and also that 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 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 the responsible for 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; and – 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 5.2 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 equity method. 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.

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; and
- 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 2022 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, number 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, nº 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:

- We were appointed as Statutory Auditors of the Entity for the term of 2021 and for the term of 2022 at the Shareholders' Meeting held on April 30, 2021 and April 28, 2022, respectively;
- 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; and
- 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, 6 April 2023

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 2022, 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, 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 five times in 2022, 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 its subsidiary, 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 and its subsidiary, 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, initially approved at its meeting of 18 November 2020 and revised on 21 November 2022, 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 initially approved by the Board of Directors in 24 November 2020 and revised on 24 November 2022. 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, the Sustainability Report (which includes the Non-Financial Information), the Corporate Governance Report (which includes the Remuneration 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 2022 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 Non-Financial Information Report (integrated in the Sustainability Report), under the terms and for the purposes of article 420 (5) of the Portuguese Companies Act, having analysed that they contain the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on April 6, 2023, 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 Sustainability Report;
c) The Corporate Governance Report;
d) The Separate and Consolidated Financial Statements and the corresponding notes, for the year ended 31 December 2022;
e) 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, April 6, 2023

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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