

ANNUAL REPORT 2023

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This document is an unofficial and unaudited PDF version of the Annual Report 2023 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 approved on April 11, 2024. 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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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 2023. 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

After a year of 2022 marked by the start of the war in Ukraine and widespread inflation of variable costs, 2023 was a year of recovery. Internally, the Group maintained its record of seeking efficiency in the light of the sector's prospects and the negative effects of the war.

As disclosed to the market on 26 October 2023, the General Shareholders' Meeting of Cofina SGPS, S.A. approved the sale of all the shares representing the share capital and voting rights of Cofina Media S.A., under the terms of the final revised proposal signed by (i) members of the management team of Cofina Media, (ii) executives of such subsidiary and (iii) a group of investors, through the vehicle company Expressão Livre, SGPS, S.A.. Following the aforementioned approval decision, on 8 November 2023, the aforementioned transaction took place, under the terms set out in the proposal submitted. Thus, in the context of the completion of the transaction, ownership of Cofina Media's shares was transferred to Expressão Livre II, SGPS, S.A. (in completing the operation, Expressão Livre, SGPS, S.A. transferred its contractual position to Expressão Livre II, SGPS, S.A., which it wholly owns). As a result of the transaction, the group relationship that had existed between Cofina SGPS and Cofina Media ceased.

MACROECONOMIC FRAMEWORK

The year 2023 was marked by various challenges and inflation remained high, still reflecting the worsening of global economic conditions during the previous year. Economic growth was moderate, with the main global central banks raising benchmark interest rates, tightening monetary policy. It was a challenging year for families, who were faced with price and interest rate rises, but they benefited from the resilience of global employment. In geopolitical terms, the war in Ukraine continued throughout 2023, and there is still no prospect of a resolution in the short term. In early October, a new large-scale military conflict broke out, this time in the Middle East, after Hamas carried out an unexpected attack in Israel.

Inflation fell in almost all economies, easing pressures on household incomes, but underlying inflation remained relatively high. Financial conditions became increasingly restrictive, with real interest rates rising in the main advanced economies throughout the year.

Economic growth, compared to that previously estimated for the year 2023, was slightly more positive and can be considered moderate, as the impact of tighter financial conditions, weak international trade growth and lower business and consumer confidence was felt more intensely. Growth has slowed in many developed economies, especially in Europe, where the importance of bank financing is relatively high and the impact of rising energy costs has been particularly strong. Although unemployment rates have remained low, signs of a slowdown in the labor market have begun to emerge in several economies. Nominal wage growth began to slow in many economies, but unit labor cost growth remained high due to weak productivity growth.

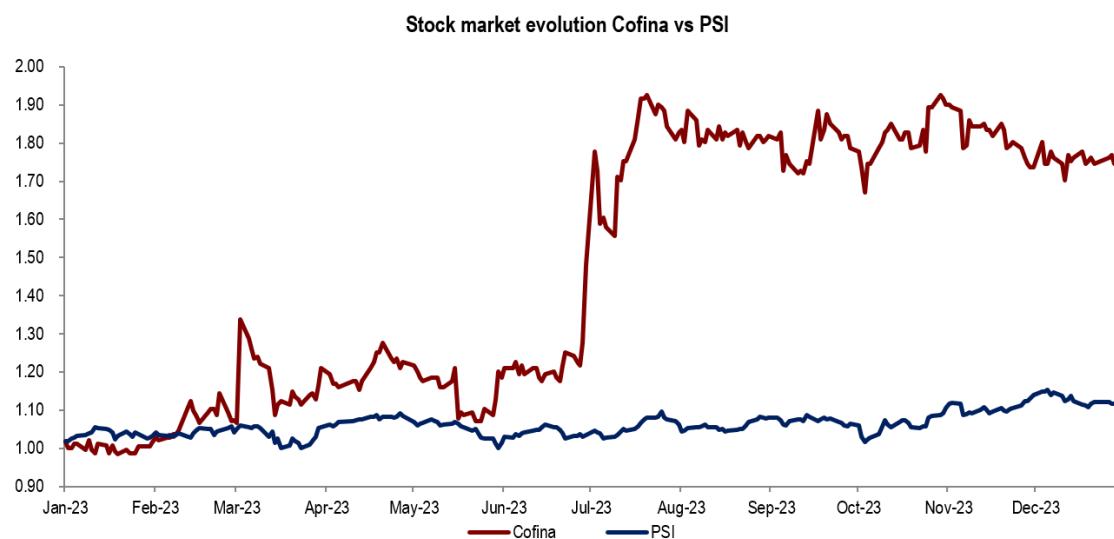
The world economy expanded at an annualized rate of 3.1% in the first half of 2023, compared to 2.8% in the second half of 2022. According to the latest OECD estimates, world GDP growth will have been 3.1% in 2023, slowing slightly from 3.3% the previous year. The OECD expects the slowdown to persist to a rate of 2.9% in 2024, with growth accelerating back to 3% in 2025, as real income growth recovers and interest rates at the main central banks begin to fall. The divergence in growth between different economies is expected to persist in the short term, with growth in emerging economies performing better than in advanced economies. The OECD expects European growth to be lower than that of the main North American and Asian economies. No contraction is expected for any of the main economies analyzed by the OECD.

Regarding inflation, according to the OECD, in the G20 group, which contains the world's 20 largest economies, inflation is expected to rise from an average of 6.3% in 2023 to around 6.6% in 2024 and 3.8% in 2025, as cost pressures continue to stabilize. By 2025, inflation is expected to be within central bank targets in the world's main economies.

Source: IMF - Financial Markets Information, Macroeconomic Framework Report 2023 and Scenario for 2024, 20 February 2024

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)



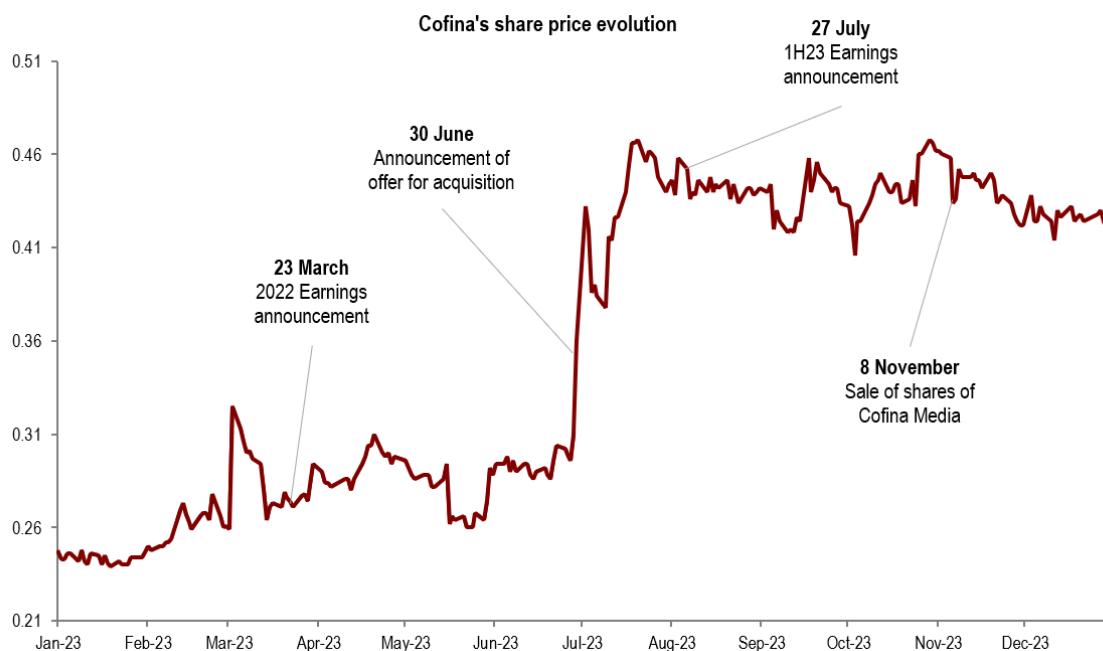
At the end of 2023, Cofina's share price closed at 0.424 Euro/share, and the corresponding market capitalisation was 43.5 million Euro.

In 2023, Cofina's shares were traded at a maximum price of 0.468 Euro and at a minimum price of 0.239 Euro. In total, 35.5 million shares were traded, equivalent to 34.6% of the issued capital.

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The main events that marked the evolution of Cofina's share price during 2023 can be described as follows:



- In the press release regarding the announcement of the Group's performance in fiscal year 2022, disclosed on 23 March 2023, Cofina presented a consolidated net profit of 10.5 million Euro. Operational revenue were 76.0 million Euro and EBITDA was 9.0 million Euro. The Group's EBITDA excluding goodwill impairment was approximately 13.6 million Euro. On that day, the shares closed at 0.274 Euro per share;
- On 30 June 2023, following a request from Comissão do Mercado de Valores Mobiliários ("CMVM"), motivated by news published in various media, Cofina has published a press release through the CMVM's Information Dissemination System (SDI) to clarify once again that, due to its nature as a holding company, it constantly assesses all business opportunities that could increase the value of its assets, from a buying or selling perspective. Cofina further clarified that it had received, on 27 and 28 June 2023, a binding offer and a revised binding offer, respectively, for the acquisition of all the shares representing the share capital of Cofina Media, S.A. ("Cofina Media"), signed by some of the members of the Board of Directors of Cofina Media and other General Directors, and a group of other investors;
- On 27 July 2023, the Group communicated to the market its results for the first half of 2023, having registered operational revenues of 36.9 million Euro. EBITDA reached 5.9 million Euro and the EBITDA margin was 16.1%. Net income was 2.2 million Euro and nominal net debt at 27.5 million Euro;
- On 26 October 2023, the general shareholders' meeting of Cofina SGPS, S.A. approved the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms of the final revised proposal signed by (i) members of the management team of Cofina Media, (ii) senior management of the same company and (iii) a group of investors, through the vehicle company Expressão Livre, SGPS, S.A.. Following the aforementioned approval decision, on 8 November 2023, the referred transaction took place, under the terms set out in the proposal submitted. As a result of the transaction, the existing group relationship between Cofina SGPS and Cofina Media has ended.

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GROUP'S ACTIVITY

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

Cofina Group, until 2023, held leading titles in the segments in which it operated (namely, Press and Television), editing 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".

As already mentioned, on 8 November 2023, all the shares representing the share capital and voting rights of Cofina Media S.A. were sold. As a result of this transaction, the group relationship that had existed between Cofina SGPS and Cofina Media ceased.

Thus, on 31 December 2023, the organisation chart of Cofina Group's holdings was as follows:



FINANCIAL REVIEW

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

	31.12.2023	31.12.2022 (Restated)
Sales	—	—
Services rendered	—	—
Other income	13,462	24,932
Cost of sales	—	—
External supplies and services	(740,776)	(535,673)
Payroll expenses	(359,477)	(362,085)
Amortisation and depreciation	—	—
Provisions and impairment losses	(13,200,000)	—
Other expenses	(43,395)	(54,032)
Results related to investments	(5,107)	3,526
Financial expenses	(266,666)	(743,763)
Financial income	258,277	235,672
Profit/(Loss) before income tax from continuing operations	(14,343,682)	(1,431,423)
Income tax	396,293	879,489
Consolidated net profit/(loss) from continuing operations	(13,947,389)	(551,934)
Profit after tax from discontinued operations	11,867,133	11,003,231
Consolidated net profit/(loss) for the period	(2,080,256)	10,451,297
Attributable to:		
Equity holders of the parent	(2,080,256)	10,451,297
Continued Operations	(13,947,389)	(551,934)
Discontinued Operations	11,867,133	11,003,231
Non-controlling interests	—	—
Continued Operations	—	—
Discontinued Operations	—	—

- Completion of the sale transaction of the subsidiary Cofina Media, S.A.

On 8 November 2023, Cofina Group informed the market about the completion of the sale transaction of the shares representing the entirety of the share capital and voting rights of Cofina Media, S.A., in accordance with the terms of the final revised proposal (Best and Final Offer), promptly disclosed to the market through an announcement dated 15 September 2023, subscribed by (i) members of the management team of Cofina Media, (ii) executives of such subsidiary and (iii) a group of investors, through the vehicle company Expressão Livre, SGPS, S.A., which assigned its contractual position in the share purchase agreement entered into in the context of the transaction to Expressão Livre II, SGPS, S.A., which acquired ownership of Cofina Media's shares.

As a result of the completion of the sale transaction, a gain was calculated as at 31 December 2023 in the consolidated financial statements of Cofina SGPS, S.A., taking into account the price, the costs associated with the transaction and the net assets of the subsidiary Cofina Media, in the amount of 8 million euros, which is presented under the caption "Profit after tax from discontinued operations".

In accordance with IFRS 5, all the operations of Cofina Media, S.A. and its subsidiary up to the date of the transaction were presented under the caption "Profit after tax from discontinued operations" in the consolidated income statement. In this way, the results of discontinued operations for 2023, up to the date of the transaction, amounted to 4 million euros, and the information for the year ended 31 December 2022 was also restated.

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To the extent that transactions between continued operations and discontinued operations, essentially the provision of corporate services, will not continue after the sale transaction, income and expenses have been eliminated in the continued operations.

The Group believes that this disclosure best represents the activity of continued operations after the sale transaction.

- **Non-current assets held for sale**

Prior to the sale transaction of Cofina Media, S.A., this subsidiary sold to Cofina SGPS, S.A. its 50% stake in Vasp - Distribuidora de Publicações, S.A. ("VASP") for the amount corresponding to the realisation value of the stake, as provided for in the shareholders agreement, to exercise the call option and put option. The process for exercising these options has already run its course and Cofina Group is currently waiting for a decision from the Competition Authority. Cofina Group expects the decision to be made during the first half of 2024. Accordingly, as at 31 December 2023, VASP is presented in this consolidated financial information as Non-current assets held for sale.

- **Prisa Arbitration Request**

On 24 February 2024, Cofina Group informed the market about the notification of the award issued in the context of the arbitration proceedings initiated on 15 April 2020 by Promotora de Informaciones, S.A. ("Prisa") before the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry. The award rendered by the Arbitral Tribunal rejected in full Prisa's request for Cofina to be ordered to compensate Prisa for the damages that Prisa claimed to have suffered in the amount of 87,377,049.30 euros and ordered the release to Prisa of the amount of 10,000,000 euros that had been deposited with the Escrow Agent (Banco BPI, S.A.), as down payment in the context of the Share Purchase Agreement entered into on 20 September 2019 between Cofina and Prisa for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which, on the date the SPA was signed, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A.

Given the outcome of the case, the Cofina Group believes that this is an adjusting event under IAS 10, to the extent as it materializes a contingency resulting from existing litigation as at 31 December 2023. As a result of this award, a provision was recognised on 31 December 2023 under the caption "Provisions and impairment losses" in the consolidated income statement for the year, corresponding to the amount to be delivered to Prisa.

Cofina is still analysing, together with its legal advisors, the lengthy award it has been notified of, and hence it is not, at this moment, in a position to inform about its possible reaction to the award in the part that was unfavourable to Cofina.

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

During the 2023 financial year, the Company's non-executive directors acted effectively in the duties of accompanying and monitoring the activity of the executive members.

In 2023, 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 2023 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.

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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

The General Shareholders' Meeting held on 26 October 2023 decided, by a majority, not to approve, on that date, the dissolution and liquidation of Cofina SGPS.

At the same General Shareholders' Meeting, it was also decided, by a majority, to delegate to the Board of Directors the decision on the opportunity and convenience of starting the process of looking for investment alternatives, and it is therefore up to this body to make this decision, when appropriate, taking into account developments in the arbitration or other processes underway within the company.

We also refer to the considerations disclosed in note 37 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 2023, in individual terms, the profit before income tax was negative, amounting to 16.7 million Euro, which compares with the positive profit before income tax of 13.2 million Euro, obtained in 2022.

As for financial expenses, they amounted to 0.3 million Euro in 2023, which compares with 0.7 million Euro obtained in 2022.

The net loss of the year in 2023, amounting to 16.3 million Euro, which compares to the net profit of the year obtained in 2022, amounting to 14.1 million Euro.

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE APPROPRIATION OF INDIVIDUAL NET PROFIT/(LOSS)

Cofina, SGPS, S.A., as holding company of the Group, has registered in its separate financial statements, as of 31 December 2023, prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards as adopted by the European Union, a net loss of 16,285,499 Euro, for which, under the legal and statutory terms, the Board of Directors proposes to the General Meeting that is fully transferred to Retained earnings.

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 2023, 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 2023, 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 2023, 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.

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Company's share capital participations

On 31 December 2023 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-2023	% 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-2023	% 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-2023	% 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-2023	% 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-2023	% 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.

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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.

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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 2023

STATEMENT PURSUANT TO ITEM C) OF NUMBER 1 OF ARTICLE 29 G 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, namely to Social Security.

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Annexes to the Management Report

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-2022	Acquisitions	Disposals	Shares held on 31-Dec-2023
Paulo Jorge dos Santos Fernandes (imputation through ACTIUM CAPITAL, S.A.)	14,235,474	—	—	14,235,474
João Manuel Matos Borges de Oliveira (imputation through CADERNO AZUL, S.A.)	15,400,000	—	—	15,400,000
Domingos José Vieira de Matos (imputation through LIVREFLUXO, S.A.)	12,395,257	—	—	12,395,257
Pedro Miguel Matos Borges de Oliveira (imputation through VALOR AUTÊNTICO, S.A.)	10,277,248	—	—	10,277,248
Ana Rebelo Mendonça (imputation through PROMENDO INVESTIMENTOS, S.A.)	20,488,760	—	—	20,488,760

CORPORATE GOVERNANCE REPORT

31 December 2023

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 2023 ("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, 2023, 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 2023.

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.

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.

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Corporate Governance Report

II. Shareholdings and Bonds

7. Qualified shareholdings

As of 31 December 2023, 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-2023	% 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-2023	% 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-2023	% 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-2023	% 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-2023	% 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:

- The maximum global amount of the capital increase (s) cannot exceed eighty-five million Euros and five cents;

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- 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.

In this regard, it is important to note that some holders of qualified holdings, not directly by themselves, but through a company (Expressão Livre, SGPS, S.A.) entered into a share purchase and sale agreement with the Company, with the purpose of purchasing the all shares representing the share capital and voting rights of the wholly-owned subsidiary, Cofina Media, S.A. (currently called MediaLivre, S.A.). The completion of this transaction was conditional on a favorable deliberation by the General Meeting, which resulted in the favorable and unanimous vote of the Company's Shareholders present at this General Assembly. It should be remembered that this process observed all legal rules applicable to situations of this nature and all its developments were regularly and timely communicated to the market.

Information on business between the Company and related parties can be found in Note 31 of the notes to the Consolidated Accounts and Note 17 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 2023, the Board of the General Meeting was composed of the following members for the first term of office:

Chairman: Rui Manuel Pinto Soares Pereira Dias
Secretary: Mafalda Luísa de Carvalho Patrão de Sá

The current mandate corresponds to the three-year period that began in 2023 and ends in 2025.

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, nor any type of shares with special right to plural voting.

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 continues to be 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.

In addition, COFINA published, during the year 2023, the Plan for Gender Equality, to be implemented during the year 2024, 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, shareholders or not, elected at the General Meeting, which may designate the respective Chairman.

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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 has 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 2023, 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 28 April 2023 for the 2023/2025 three-year period.

NAME	FIRST APPOINTMENT	END OF MANDATE
Paulo Jorge dos Santos Fernandes	1990	December 31, 2025
João Manuel Matos Borges de Oliveira	1990	December 31, 2025
Domingos José Vieira de Matos	1990	December 31, 2025
Pedro Miguel Matos Borges de Oliveira	May 2009	December 31, 2025
Ana Rebelo de Carvalho Menéres de Mendonça	May 2009	December 31, 2025
Laurentina da Silva Martins	April 2020	December 31, 2025

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 2023, 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 2023 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 2023 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 IV.2.4. 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 2023, 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.

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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, approved, for the new term, by the Board of Directors on May 31, 2023 having obtained the respective prior favorable opinion of the Company's Statutory Audit Board. There is also a Code of Ethics and Conduct.

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.

A conflict of interest exists when (i) the Administrator/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 Administrator/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, Administrators/Employees or Partners must:

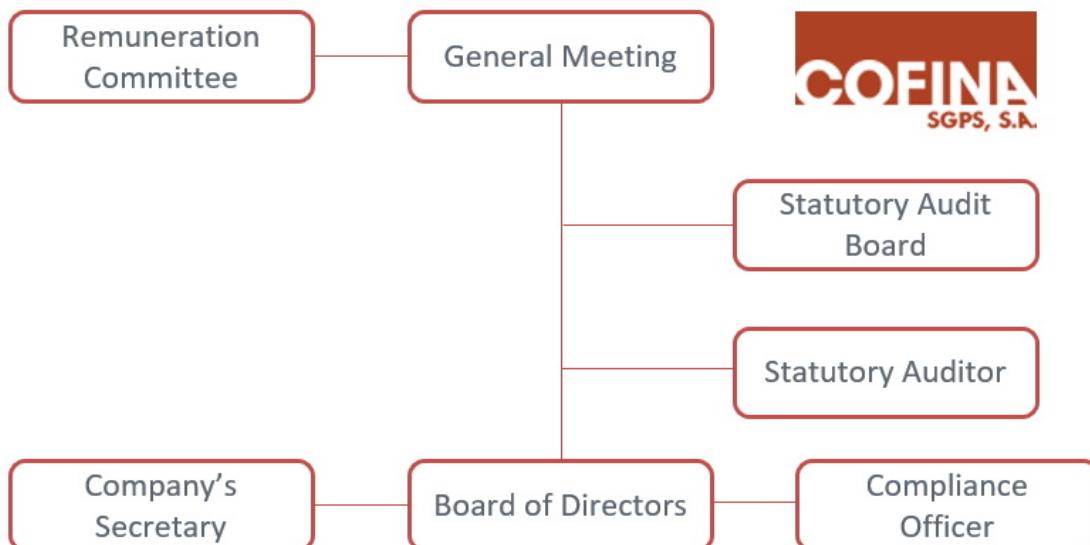
- a. inform their direct supervisors, in writing, of the conflict of interest in which they are or may be involved, before undertaking any transaction or concluding the business in question;
- b. abstain from (i) intervening or influencing, directly or indirectly, the taking of decisions that may affect 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 Administrator/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.

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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 and one independent.

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.

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 II.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.

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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 VI.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).

It is important to remember that, on 31.12.2023, the Company no longer owned the most relevant subsidiary, which concentrated within itself the areas described here and which was part of the group until October 2023.

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



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 2023, the Board of Directors met fifteen 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.

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It is up to this committee, in compliance with the provisions of Article 26-A of the CVM, and Recommendation VI.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 2023.

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 net results of the 5 years (2020 to 2025); and (iii) evolution of the Group's business.

The total value of the medium-term component cannot exceed 50% of the fixed remuneration earned during the 5-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 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 which began in 2023 and ended at 2025, 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

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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 VI.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.

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 2023, the Remuneration Committee met twice, with an attendance rate corresponding to 100%. The minutes of the aforementioned meetings are recorded in the Remuneration Committee minutes book, as required by law.

Company Secretary

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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 2023.

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 three years, and may be re-elected one or more times. It is composed for three members and one to two substitutes, to be decided by the General Meeting, 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 2023, this body was composed of the following members:

- Carlos Manuel Portela Enes Epifâniao – Chairman
- Jorge Manuel de Sousa Marrão – 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 President Carlos Manuel Portela Enes Epifâniao was elected, for the first time, in April 2023, for the term that began in 2023 and will end in 2025. The member Jorge Manuel de Sousa Marrão was equally elected, for the first time, in April 2023, for the three-year period that began in 2023 and will end in 2025. The 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 of two years, that began in 2021 and ended in 2022, having been re-elected again for a third term (2023-2025) which began in 2023 and will end in 2025. 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, in April 2021 and, also, in April 2023 he was elected alternate, for the new term that started in 2023 and will end in 2025.

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 Ana Paula dos Santos Silva e Pinho, who upon being re-elected for the third term (2023-2025) 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 2023, the Company's Statutory Audit Board met eight 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 the Company's website, (www.cofina.pt) "About Cofina" tab, "Corporate Governance" section, highlighting the following statutory and legally attributed competencies:

- a) Supervises the Company's management;
- b) Monitor compliance with the law and the articles of association;
- c) Report annually on its supervisory action and give an opinion on the report, accounts and proposals submitted by the management;
- d) Convene the General Meeting, when the chairman of the General Assembly does not convene, and shall do so;

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- e) Monitor the effectiveness of the risk management system, internal control system and internal audit system, if any;
- f) Receive reports of irregularities submitted by shareholders, employees of the company or others;
- g) Contract the provision of services of experts assisting one or more of its members in the performance of their duties, and the hiring and remuneration of experts shall take into account the importance of the matters committed to them and the economic situation of the company;
- h) Fulfil the other tasks laid down in the law or articles of association;
- i) Monitor the process of preparing and disseminating financial information;
- j) Propose to the General Assembly the appointment of the Statutory Auditor;
- k) Inspect the audit of the company's accounts;
- l) Monitor the independence of the Statutory Auditor, in particular with regard to the provision of additional services.

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 29-H 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 2023, 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 2023 financial year, which was included in the annual audit report that will be voted on by the Shareholders at the Annual General Meeting.

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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, for its second annual term at the General Meeting of Shareholders on April 29, 2022 and for its third term, corresponding to the three-year term 2023-2025, at the General Meeting of Shareholders on April 28, 2023.

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, served his second (one-year) term in 2022 and was re-elected for his third term, corresponding to the three-year term 2023-2025.

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

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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, for a second term corresponding to the year 2022 and for a third term corresponding to the three-year term 2023-2025.

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 the 2023 financial year, no services other than auditing were provided by the External Auditor.

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:

	31.12.2023		31.12.2022	
<u>Company</u>				
Annual audit services value (€)	51,650	54.7 %	33,000	24.4 %
Value of reliability assurance services (€)	—	0.0 %	—	0.0 %
<u>Group entities</u>				
Annual audit services value (€)	6,000	6.4 %	47,000	34.8 %
Value of reliability assurance services (€)	36,750	38.9 %	55,000	40.7 %
<u>Total</u>				
Audit and statutory audit (€)	57,650	61.1 %	80,000	59.3 %
Other assurance services (€)	36,750	38.9 %	55,000	40.7 %
	<u>94,400</u>		<u>135,000</u>	

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 II.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 2023 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 2023 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.

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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.

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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 every six months 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. Every six months, 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.

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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 Manuel Pinto de Azevedo, 818
4100-320 Porto
Tel: + 351 22 834 65 00
Fax: + 351 22 834 65 09
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.

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, every six months 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.

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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

[www.cofina.pt \ investors \ company profile](http://www.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](http://www.cofina.pt/investors/articles-of-association)

[www.cofina.pt \ about cofina \ corporate governance \ archive](http://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](http://www.cofina.pt/about-cofina/corporate-governance/archive)

[www.cofina.pt \ investors \ IR contacts](http://www.cofina.pt/investors/ir-contacts)

[www.cofina.pt \ investors \ investor support office](http://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](http://www.cofina.pt/investors/reports)

[www.cofina.pt \ investors \ financial calendar](http://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](http://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](http://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.

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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 2023 and ends in 2025, 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 2023, 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/2023/Annex: Résumés" 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

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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 2023), 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.

The remuneration and compensation policy of COFINA governing bodies, approved at the Shareholders' General Meeting of 28 April, 2023, in force during the three-year term 2023-2025, complies with the following principles:

PRINCIPLES OF THE REMUNERATION POLICY OF THE CORPORATE BODIES OF COFINA

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

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

In particular, the Remuneration Policy aims to:

- 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

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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.

Non-Executive Directors

iv. the remuneration of non-executive directors comprises only a fixed component, corresponding to a fixed monthly remuneration, the amount of which is determined by the remuneration Committee and reviewed, if necessary, on a periodic basis taking into account best practices and the responsibilities of each non-executive director; In line with market practices, the remuneration of non-executive directors may be differentiated (i) by the special functions of representing the Company that may be assigned to each one; (ii) by the experience and know-how in executive functions previously exercised in the Company, as well as (iii) by the business knowledge and know-how in the sector of activity in which the Company operates;

v. the non-executive directors, in function of the experience acquired over the years in executive functions and the profound knowledge and know-how of the Company's business that they are recognized for, may also receive a differentiated remuneration as a result of the value they contribute to the company under the terms referred to in the previous paragraph.

Executive Directors

vi. the remuneration of executive directors includes two components:

- a) fixed component, corresponding to an amount paid monthly;
- b) variable component, which includes a short-term variable premium and a medium-term variable premium.

Short-Term Variable Premium

The short term variable premium is paid annually and cannot be higher than the annual fixed remuneration.

Medium Term Variable Premium

The variable component is designed to align more closely the interests of the executive directors with those of the shareholders and will be calculated covering the full period of a mandate, corresponding to the period between 2020 and 2025, based on:

- Total shareholder return (share appreciation plus dividend distributed);
- Sum of the net results of the 5 years (2020 to 2025);
- Evolution of the Group's business.

The total value of the medium-term component cannot exceed 50% of the fixed remuneration earned over the 5-year period.

Variable Remuneration Allocation Criteria

i. the variable component (short and medium term) is determined in accordance with 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;

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

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

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- iv. individual qualitative objectives must reflect the achievement of environmental, social, corporate governance and team management capacity indicators;
- v. the individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to the COFINA's Remuneration Committee;
- vi. In addition to the variable component that may be attributed to the executive directors, no non-monetary benefits are attributed to the members of the management body, other than the means made available to them for the performance of their duties and a personal health and accident insurance policy in accordance with market practices.

Process for determining the variable remuneration:

- (i) An internal evaluation process is observed, always based on the criteria of the Remuneration Policy;
- (ii) In this internal evaluation process, non-executive directors may be invited to participate who may contribute, due to their experience and know-how in certain areas, to the evaluation process in question;
- (iii) The Remunerations Committee analyses the internal evaluation process carried out, in light of the current Corporate Body Remuneration Policy and finally confirms, in view of the available information, the adequacy and general coherence of the process, setting the variable remuneration.

Special Rules Applicable to the Remuneration of Directors

- The overall fixed remuneration of the Board of Directors, including remuneration paid by subsidiaries to members of the Board of Directors, shall not exceed 750,000 Euros per annum;
- The variable component of the remuneration, once determined, awarded and paid, cannot be refunded by the executive director who has received it, even in the event of early termination, for whatever reason, of his functions, without prejudice to the Company's general right to compensation in the event of damage caused by the actions of the executive directors, which includes the right to withhold amounts awarded, but not yet paid, as a variable component of remuneration;
- 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, or paid only by subsidiaries whose management bodies comprise them, in accordance with the terms to be defined by COFINA's Remuneration Committee;
- If contracts are signed with members of the management or supervisory bodies for contractual regulation, such contracts shall not exceed the term of office without prejudice to the principle of contract renewal concurrently with the renewal of the term of office, and without specifically applicable notice periods.

Thus, and based on the measures listed above, and the COFINA's Remuneration Committee's understanding, the remuneration of executive directors (and, well, non-executive directors) is adequate and, as established in article 26.-C, no. 1, of the CVM, "contributes to the company's corporate strategy, to its long-term interests and to its sustainability".

SUPERVISORY BOARD

The remuneration of the members of the Supervisory Board shall be based on fixed annual amounts considered appropriate for the function.

GENERAL SHAREHOLDERS' MEETING

The remuneration of the members of the Board of the Shareholders' General Meeting shall be exclusively fixed and shall respect market practices.

STATUTORY AUDITOR

The Statutory Auditor shall receive a fixed remuneration that is appropriate for the function benchmarked against the market, under the supervision of the Supervisory Board.

The remuneration will be established in the respective service agreement to be entered into for this purpose, under the supervision of the Supervisory Board.

SUPPLEMENTARY PENSION OR EARLY RETIREMENT SCHEMES:

There are no supplementary pension or early retirement schemes in place at the present date.

CONFLICTS OF INTEREST:

The Remuneration Committee shall be responsible for identifying and resolving any situations of conflict of interest that may be related to the Remuneration Policy and any of the persons or entities covered by it. A conflict of interest is considered to exist whenever: (i) the applicable law and regulations so determine, as well as when the private interest of any member of a corporate body interferes, in any way, with this Remuneration Policy and/or when (ii) the performance of the duties of any member of a corporate body may contradict or negatively impact the criteria for setting the remuneration of such member or of the other members of this corporate body.

Any situation of conflict of interest that is identified by the Remuneration Committee and that it cannot resolve within a reasonable time considering the circumstances, shall be submitted to the appreciation and decision of the General Meeting of the Company.

SCOPE OF APPLICATION:

This policy applies not only to remuneration paid directly by COFINA, but also to all remuneration that is paid by companies directly or indirectly controlled by COFINA, pursuant to Article 21 of the Securities Code, to members of COFINA's Governing Bodies.

POLICY APPROVAL, AMENDMENT AND REVISION:

Approval: The Company's Remuneration Policy is prepared by the Remuneration Committee and submitted to the General Meeting for approval.

Amendment: Any amendment to the Remuneration Policy must always be proposed by the Remuneration Committee to the General Meeting of the Company for approval. Any corporate body may request to the Remuneration Committee an amendment to the Remuneration Policy, and should submit a written request, duly substantiated. The Remuneration Committee will assess the relevance and adequacy of such request, and shall submit a written response, also duly substantiated, on the conclusions of its analysis and on the procedures to be adopted.

Review: The Remuneration Committee reviews the Remuneration Policy on a three-yearly basis at the end of each term of office, making any changes it deems appropriate in the light of best governance practices, the objectives underlying the remuneration of the members of the Company's governing bodies, the recommendations of the entities with powers in this area, with a view to adapting the policy to best market practices and the sustainable development objectives of the Company.

Procedure: Amendments and revisions to the Remuneration Policy should always be contained in a proposal prepared by the Remuneration Committee and submitted to the General Meeting, in which the reasons for such proposal should be explained and the proposed changes clearly identified. The amended or revised Remuneration Policy will come into force on the first working day following its approval by the General Meeting, and the consolidated version of the Remuneration Policy should be published as required by law.

POLICY DURATION

The Remuneration Policy is in force for periods of three years, coinciding with the Company's mandates, and comes into force on the first working day following its approval by the General Meeting.

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:

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Annual Variation	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022 ⁽²⁾
Remuneration of Executive Directors					
Paulo Jorge dos Santos Fernandes	100.00%	—%	—%	—%	—%
João Manuel Matos Borges de Oliveira	100.00%	—%	—%	—%	—%
Remuneration of Non-Executive Directors					
Domingos José Vieira de Matos	100.00%	—%	—%	—%	—%
Pedro Miguel Matos Borges de Oliveira	100.00%	—%	—%	—%	—%
Ana Rebelo de Carvalho Menéres de Mendonça	100.00%	—%	—%	—%	—%
Laurentina da Silva Martins	N/A	N/A	44.83% ⁽⁴⁾	—%	—%
Alda Maria Farinha dos Santos Delgado	N/A	N/A	(27.99%) ⁽⁴⁾	(100.00%) ⁽⁴⁾	N/A
Luís Manuel Castilho Godinho Santana	N/A	N/A	(26.09%) ⁽⁴⁾	(100.00%) ⁽⁴⁾	N/A
Company Performance					
EBITDA	18.72%	(40.13)%	38.01%	(35.41)%	1446.10%
Revenues ⁽¹⁾	(1.42)%	(18.84)%	6.17%	0.25%	(46.01)%
Net Profit	7.46%	(77.78)%	165.87%	147.40%	(119.90)%
Average Remuneration of Employees in Full-Time Equivalent Terms⁽³⁾					
Group Employees	(0.31)%	(1.21)%	5.49%	3.39%	(22.68)%

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

⁽²⁾ Restated. Reference to Consolidated Financial Statements and attached notes (Notes 5 and 6).

⁽³⁾ Values presented up to the date of the sale transaction of the subsidiary Cofina Media, S.A

⁽⁴⁾ The variations presented result from the fact that there is no remuneration for a complete calendar year in one of the reference years

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 28 April 2023, 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 2023, 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, 2023.

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, 2023 the remuneration of the members of the Statutory Audit Board amounted to 28,620 Euros

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distributed as follows: Carlos Epifânio: 8,000 Euros; Jorge Marrão: 5,540 Euros; Ana Paula Pinho: 8,310 Euros; António Pinho - 4,000 Euros; Pedro Pessanha - 2,770 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	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2022 vs. 2021	2023 vs. 2022 ⁽²⁾
Remuneration of Statutory Audit Board Members					
Carlos Manuel Portela Enes Epifânio	N/A	N/A	N/A	N/A	N/A ⁽⁴⁾
Jorge Manuel de Sousa Marrão	N/A	N/A	N/A	N/A	N/A ⁽⁴⁾
Pedro Nuno Fernandes de Sá Pessanha da Costa	25.00%	(20.00)%	(30.75)%	—%	(66.67%)
António Luís Isidro de Pinho	—%	—%	44.40%	—%	(66.67%) ⁽⁴⁾
Ana Paula dos Santos Silva e Pinho	N/A	N/A	50% ⁽⁴⁾	—%	—%
Guilherme Paulo Aires da Mota Correia Monteiro	—%	(66.67%) ⁽⁴⁾	(100%) ⁽⁴⁾	N/A	N/A
Company Performance					
EBITDA	18.72%	(40.13)%	38.01%	(35.41)%	1446.10%
Revenues ⁽¹⁾	(1.42)%	(18.84)%	6.17%	0.25%	(46.01)%
Net Profit	7.46%	(77.78)%	165.87%	147.40%	(119.90)%
Average Remuneration of Employees in Full-Time Equivalent Terms⁽³⁾					
Group Employees	(0.31)%	(1.21)%	5.49%	3.39%	(22.68)%

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

⁽²⁾ Restated. Reference to Consolidated Financial Statements and attached notes (Notes 5 and 6).

⁽³⁾ Values presented up to the date of the sale transaction of the subsidiary Cofina Media, S.A

⁽⁴⁾ The variations presented result from the fact that there is no remuneration for a complete calendar year in one of the reference years

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

The remuneration of the members of the General Meeting of Shareholders during the year 2023 amounted to 16,000 Euros distributed as follows:

- The President Manuel Eugénio Pimentel Cavaleiro Brandão and the Secretary Maria Conceição Henriques Fernandes Cabaços received 7,000 Euros and 3,000 Euros, respectively, relating to the holding of the Annual General Meeting of Shareholders in April 2023 and the holding of the Extraordinary General Meeting of Shareholders held in October 2023, having the mentioned members resigned from their positions in the last General Meeting of Shareholders;
- Following the resignation mentioned above, President Rui Manuel Pinto Soares Pereira Dias and Secretary Mafalda Luísa de Carvalho Patrão de Sá were elected for the current three-year term 2023-2025, who received 5,000 Euros and 1,000 Euros, respectively, relating to Extraordinary General Meeting held in October 2023.

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 May 31, 2023, following a favorable prior opinion from the Statutory Audit Board on May 22, 2023, the Regulation on Related Parties and Conflicts of Interest for the new three-year term 2023-2025, which is available on the Company's website, (www.cofina.pt) "About Cofina" tab, "Corporate Governance" section.

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 the 2023 financial year, the Board of Directors requested the Statutory Audit Board to issue an opinion in accordance with and for the purposes of the provisions of number 2 of article 397 of the CSC, and the provisions of number 3 of article 2 of the Regulation on Transactions with Related Parties and Conflict of Interest of the Company, regarding the potential sale of shares representing the entire share capital and voting rights of Cofina Media, S.A.

Considering that some of the potential investors were, indirectly and simultaneously, members of Cofina's Board of Directors, the Company initiated an internal process that ensured strict compliance with all applicable legal provisions regarding conflicts of interest and transactions with related parties which, among other actions, prevented such administrators from accessing information or participating or interfering in any deliberation related to this matter.

The Board of Directors made available to the Statutory Audit Board, during the aforementioned process, all documentation related to the potential sale of shares in Cofina Media, S.A., including, without limitation, the proposals presented and communications exchanged between the Company and the proponents, with the Board of Directors and its legal and financial advisors providing all the clarifications requested by the Statutory Audit Board, as well as a value study of Cofina Media, S.A. prepared by Ernst & Young Audit & Associados – SROC, S.A.

Cofina's Statutory Audit Board, under the terms and for the purposes of the provisions of articles 29.^º-S, no. 2, of the Securities Code, 397.^º, no. 2, of the Commercial Companies Code, and 3.^º of the Regulation on Transactions with Related Parties and Conflicts of Interest of the Company, assessed the potential sale of shares representing the entire share capital and voting rights of Cofina Media, S.A., to the extent that the transaction, to be completed in relation to any of the offers presented, would constitute a relevant transaction and, if the decision of the Board of Directors were to conclude a share purchase and sale contract with investors who are members of Cofina's Board of Directors, the transaction would constitute a "business with society" under the terms and for the purposes of the provisions of number 2 of article 396 of the CSC.

From the analysis carried out on all the documentation made available, the Statutory Audit Board concluded that:

- a. The acquisition process was conducted by the Board of Directors in compliance with the law and best practices in similar situations, in particular with regard to the situation of conflict of interests existing within the Board of Directors;
- b. The proposals presented, in terms of price and contractual conditions, are part of the assessment carried out by Ernst & Young Audit & Associados – SROC, S.A., therefore, if the process of aligning the shares is completed, it would be at market price and under contractual conditions that are advantageous to the interests of the Company and its shareholders.

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Terms in which the Statutory Audit Board concluded that the facts and reasons brought to its attention regarding the proposals and the competitive process within which they were presented do not raise questions regarding their full compliance with the provisions of applicable legislation, with nothing preventing the issuance of the requested opinion in terms favorable to the completion of any of the potential transactions.

The Statutory Audit Board then decided, unanimously, to issue a favorable opinion regarding the possible sale of the shares of Cofina Media, S.A., in accordance with the terms of the proposals, in the event that the Board of Directors were to decide to carry out the respective transaction.

Additionally, it is important to note 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 2023 it was necessary for the Statutory Audit Board to issue the opinion described in point 90 above.

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 31 of the Notes to the Consolidated Financial Statements and Note 17 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. 1/2023, of 26 April 2023, 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://cgov.pt/images/ficheiros/2023/cgs-revisao-de-2023-ebook.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 2023, 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.

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RECOMMENDATIONS	COMPLIANCE	REMARKS												
GENERAL PRINCIPLES														
<p>A. Corporate governance promotes and fosters the pursuit of the respective long-term interests, performance and sustained development, and is structured in order to allow the interests of shareholders and other investors, staff, clients, creditors, suppliers and other stakeholders to be weighed, contributing to the strengthening of confidence in the quality, transparency and ethical standards of administration and supervision, as well as to the sustainable development of the community the companies form part of and to the development of the capital market</p> <p>B. The Code is voluntary and compliance is based on the comply or explain principle, applicable to all Recommendations</p>														
Chapter I · COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY AT LARGE														
<p>Principles:</p> <p>I.A. In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size.</p> <p>I.B. The company periodically identifies, measures and seeks to prevent negative effects related to the environmental and social impact of the operation of its activity, in terms that are appropriate to the nature and size of the company.</p> <p>I.C. In its decision-making processes, the management body considers the interests of shareholders and other investors, employees, suppliers and other stakeholders in the activity of the company.</p>														
<p>Recommendations:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">I.1.(1) The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives</td> <td style="width: 20%;">Adopted</td> <td>Part 1, item 21, 50 and 54</td> </tr> <tr> <td>I.1.(2) and what are the main contributions resulting herefrom for the community at large.</td> <td>Adopted</td> <td>Part 1, item 21, 50 and 54</td> </tr> <tr> <td>I.2.(1) The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental objectives</td> <td>Adopted</td> <td>Clarification on adopted recommendation below</td> </tr> <tr> <td>I.2.(2) and for the fulfilment of its social objectives.</td> <td>Adopted</td> <td>Clarification on adopted recommendation below</td> </tr> </table>			I.1.(1) The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives	Adopted	Part 1, item 21, 50 and 54	I.1.(2) and what are the main contributions resulting herefrom for the community at large.	Adopted	Part 1, item 21, 50 and 54	I.2.(1) The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental objectives	Adopted	Clarification on adopted recommendation below	I.2.(2) and for the fulfilment of its social objectives.	Adopted	Clarification on adopted recommendation below
I.1.(1) The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives	Adopted	Part 1, item 21, 50 and 54												
I.1.(2) and what are the main contributions resulting herefrom for the community at large.	Adopted	Part 1, item 21, 50 and 54												
I.2.(1) The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental objectives	Adopted	Clarification on adopted recommendation below												
I.2.(2) and for the fulfilment of its social objectives.	Adopted	Clarification on adopted recommendation below												
Chapter II · COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES														
<p>II.1. Information</p> <p>Principle:</p> <p>II.1.A. Companies and, in particular, their Directors treat shareholders and other investors in an equitable manner, namely by ensuring mechanisms and procedures for the adequate treatment and disclosure of information.</p>														
<p>Recommendation:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">II.1.1. The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.</td> <td style="width: 20%;">Adopted</td> <td>Part 1, item 21, 29, 38, 56 to 65</td> </tr> </table>			II.1.1. The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	Part 1, item 21, 29, 38, 56 to 65									
II.1.1. The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Adopted	Part 1, item 21, 29, 38, 56 to 65												
II.2. Diversity in the Composition and Functioning of the Corporate Bodies														
<p>Principles:</p> <p>II.2.A. Companies have adequate and transparent decision-making structures, ensuring maximum efficiency in the functioning of their bodies and committees*.</p> <p>II.2.B. Companies ensure diversity in the composition of their management and supervisory bodies and the adoption of individual merit criteria in the respective appointment processes, which shall be the exclusive responsibility of shareholders.</p> <p>II.2.C. Companies ensure that the performance of their bodies and committees is duly recorded, namely in minutes of meetings, that allow for knowing not only the sense of the decisions taken but also their grounds and the opinions expressed by their members.</p>														
<p>Recommendations:</p>														

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II.2.1. Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Adopted	Part 1, item 15, 16, 17, 19, 26, 31, 33 and 36
II.2.2.(1) The management body is governed by regulations – notably regarding the exercise of its powers, chairmanship, the frequency of meetings, operation and the duties framework of its members - fully disclosed on the website of the company	Adopted	Part 1, item 22 and 61
II.2.2.(2) <i>Idem</i> for the supervisory body.	Adopted	Part 1, item 34 and 61
II.2.2.(3) <i>Idem</i> for internal committees.	Adopted	Part 1, item 27, 29 and 61
II.2.2.(4) Minutes of the meetings of the management body shall be drawn up.	Adopted	Part 1, item 22 and 61
II.2.2.(5) <i>Idem</i> for the supervisory body.	Adopted	Part 1, item 34 and 61
II.2.2.(6) <i>Idem</i> for internal committees.	Adopted	Part 1, item 27, 29 and 61
II.2.3.(1) The composition of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Part 1, item 17, 27 and 31
II.2.3.(2) The number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Adopted	Part 1, item 23, 29 and 35
II.2.4.(1) The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication.	Adopted	Part 1, item 38 and 49
II.2.4.(2) and an internal reporting channel that also includes access for non-employees, as set forth in the applicable law.	Adopted	Part 1, item 49
II.2.5.(1) The companies have specialised committees for matters of corporate governance.	Not Adopted	Part 1, item 27 and 28
II.2.5.(2) <i>Idem</i> on remuneration	Adopted	Part 1, item 21, 29 and 67
II.2.5.(3) <i>Idem</i> on the appointment of members of the corporate bodies	Not Adopted	Part 1, item 27 and 28
II.2.5.(4) <i>Idem</i> on performance assessment	Adopted	Part 1, item 21, 24 and 29
II.3. Relations between Corporate Bodies		
Principle:		
II.3.A. The corporate bodies create the conditions for them to act in a harmonious and articulated manner, within the scope of their responsibilities, and with information that is adequate for carrying out their functions.		
Recommendations:		

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II.3.1. The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Adopted	Part 1, item 18, 28, 38, 59 to 65
II.3.2. Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Adopted	Part 1, item 18, 23, 28 and 38
II.4. Conflicts of Interest		
Principle:		
II.4.A. <i>The existence of current or potential conflicts of interest between the members of bodies or committees and the company shall be prevented, ensuring that the conflicted member does not interfere in the decision-making process.</i>		
Recommendations:		
II.4.1. By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Adopted	Part 1, item 20
II.4.2. The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Adopted	Part 1, item 20
II.5. Transactions with Related Parties		
Principle:		
II.5.A. <i>Transactions with related parties shall be justified by the interest of the company and shall be carried out under market conditions, being subject to principles of transparency and adequate supervision.</i>		
Recommendation:		
II.5.1. The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Adopted	Part 1, item 89
Chapter III — SHAREHOLDERS AND GENERAL MEETING		
Principles:		
III.A. <i>The adequate involvement of shareholders in corporate governance constitutes a positive factor for the efficient functioning of the company and the achievement of its corporate objective.</i>		
III.B. <i>The company promotes the personal participation of shareholders at general meetings as a space for reflection on the company and for shareholders to communicate with the bodies and committees of the company.</i>		
III.C. <i>The company implements adequate means for shareholders to attend and vote at the general meeting without being present in person, including the possibility of sending in advance questions, requests for clarification or information on the matters to be decided on and the respective proposals.</i>		
Recommendations:		
III.1.(1) The company does not set an excessively large number of shares to be entitled to one vote,	Adopted	Part 1, item 12

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III.1.(2) and informs in the corporate governance report of its choice whenever each share does not carry one vote.	Adopted	Part 1, item 12
III.2. The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	Not applicable	Part 1, item 12
III.3. The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that required by law.	Adopted	Part 1, item 14
III.4. The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Partially adopted	Clarification on recommendation partially adopted below
III.5. The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically	Partially adopted	Clarification on recommendation partially adopted below
III.6. The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision - without quorum requirements greater than that provided for by law - and that in said resolution, all votes issued are to be counted, without applying said restriction.	Not applicable	Clarification on recommendation not applicable below
III.7. The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Adopted	Part 1, item 4 and 84
Chapter IV — MANAGEMENT		
IV.1. Management Body and Executive Directors		
Principles:		
IV.1.A. <i>The day-to-day management of the company shall be the responsibility of executive directors with the qualifications, skills, and experience appropriate for the position, pursuing the corporate goals and aiming to contribute to its sustainable development</i>		
IV.1.B. <i>The determination of the number of executive directors shall take into account the size of the company, the complexity and geographical dispersion of its activity and the costs, bearing in mind the desirable flexibility in the running of the executive management</i>		
Recommendations:		
IV.1.1.(1) The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company	Adopted	Part 1, item 21 and 28
IV.1.1.(2) ii) organisation and coordination of the corporate structure	Adopted	Part 1, item 21 and 28
IV.1.1.(3) iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved	Adopted	Part 1, item 21 and 28

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IV.1.2. The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group	Not applicable	Clarification on recommendation not applicable below
IV.2. Management Body and Non-Executive Directors		
Principles:		
IV.2.A. For the full achievement of the corporate objective, the non-executive directors shall exercise, in an effective and judicious manner, a function of general supervision and of challenging the executive management, whereby such performance shall be complemented by commissions in areas that are central to the governance of the company		
IV.2.B. The number and qualifications of the non-executive directors shall be adequate to provide the company with a balanced and appropriate diversity of professional skills, knowledge and experience		
Recommendations:		
IV.2.1. Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors - or, if there are not enough independent directors, the non-executive directors - shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination	Not applicable	Clarification on recommendation not applicable below
IV.2.2. The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report	Adopted	Part 1, item 18
IV.2.3. The number of non-executive directors is greater than the number of executive directors	Adopted	Part 1, item 17 and 18

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<p>IV.2.4. The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of:</p> <ul style="list-style-type: none"> i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii. Having been an employee of the company or of a company that is controlled by or in a 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 with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake. 	Not adopted	Clarification on recommendation not adopted below
<p>IV.2.5. The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period)</p>	Not applicable	Clarification on recommendation not applicable below
Chapter V — SUPERVISION		
<p>Principles:</p>		
<p>V.A. The supervisory body carries out permanent supervision activities of the administration of the company, including, also from a preventive perspective, the monitoring of the activity of the company and, in particular, the decisions of fundamental importance for the company and for the full achievement of its corporate object</p>		
<p>V.B. The composition of the supervisory body provides the company with a balanced and adequate diversity of professional skills, knowledge and experience</p>		
<p>Recommendations:</p>		
<p>V.1.(1) With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines, prior to its final approval by the administration body.</p>	Adopted	Part 1, item 38

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V.1.(2) With due regard for the competences conferred to it by law, the supervisory body evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body	Adopted	Part 1, item 38
V.2.(1) The number of members of the supervisory body shall be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement shall be included in the corporate governance report.	Adopted	Part 1, item 31
V.2.(2) <i>Idem</i> for the number of members of the financial matters committee	Not Adopted	Part 1, item 27 and 67
Chapter VI · PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
VI.1. Annual Performance Assessment		
Principle:		
VI.1.A. <i>The company promotes the assessment of performance of the executive body and its individual members as well as the overall performance of the management body and its specialised committees.</i>		
Recommendations:		
VI.1.1.(1) The management body - or committee with relevant powers, composed of a majority of non-executive members - evaluates its performance on an annual basis, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	Adopted	Clarification on recommendation adopted below
VI.1.1.(2) <i>Idem</i> for the performance of the executive committee / executive directors	Adopted	Clarification on recommendation adopted below
VI.1.1.(3) <i>Idem</i> for the performance of the company committees	Adopted	Clarification on recommendation adopted below
VI.2. Remunerations		
Principles:		
VI.2.A. <i>The remuneration policy for members of the management and supervisory bodies shall allow the company to attract qualified professionals at a cost that is economically justified by their situation, provide for the alignment with the interests of the shareholders – taking into consideration the wealth effectively created by the company, the economic situation and the market situation – and shall constitute a factor for developing a culture of professionalism, sustainability, merit promotion and transparency in the company</i>		
VI.2.B. <i>Taking into consideration that the position of directors is, by nature, a remunerated position, directors shall receive a remuneration</i>		
<i>i) that adequately rewards the responsibility undertaken, the availability and competence placed at the service of the company;</i>		
<i>ii) that ensures a performance aligned with the long-term interests of shareholders and promotes the sustainable performance of the company; and</i>		
<i>iii) that rewards performance.</i>		
Recommendations:		
VI.2.1. The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Companies Code.	Adopted	Part 1, item 66, 67 and 68
VI.2.2. The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Adopted	Part 1, item 66, 67 and 68

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VI.2.3. The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amount all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Adopted	Part 1, item 80
VI.2.4. In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by the shareholders.	Adopted	Part 1, item 24
VI.2.5. Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Adopted	Part 1, item 67
VI.2.6. The remuneration committee ensures that such services are provided independently	Adopted	Part 1, item 67 and 68
VI.2.7. The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee	Adopted	Part 1, item 67 and 68
VI.2.8. In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking	Adopted	Part 1, item 67 to 76
VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company	Not Adopted	Clarification on recommendation not adopted below
VI.2.10. When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years	Not Applicable	Clarification on recommendation not applicable below
VI.2.11. The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value	Adopted	Clarification on recommendation adopted below
VI.3. Appointments		
Principle:		
VI.3.A. Regardless of the method of appointment, the knowledge, experience, professional background, and availability of the members of the corporate bodies and of the senior management** shall be adequate for the job to be performed.		
Recommendations:		
VI.3.1. The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed	Adopted	Part 1, item 16, 19, 22, 29, 31 and 33

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VI.3.2. The committee for the appointment of members of corporate bodies includes a majority of independent directors	Not Applicable	Part 1, item 27 and 28
VI.3.3. Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee	Not Applicable	Part 1, item 27 and 28
VI.3.4. The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality	Not Applicable	Part 1, item 27 and 28
Chapter VI — INTERNAL CONTROL		
Principle:		
VII.A. Based on the medium and long-term strategy, the company shall establish a system of internal control, comprising the functions of risk management and control, compliance and internal audit, which allows for the anticipation and minimisation of the risks inherent to the activity developed.		
Recommendations:		
VII.1.(1) The management body discusses and approves the strategic plan	Adopted	Part 1, item 21
VII.1.(2) The management body discusses and approves the risk policy of the company, which includes setting limits in matters of risk-taking	Adopted	Part 1, item 21, 50 to 54
VII.2. The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body	Not Adopted	Part 1, item 50, 51 and 52
VII.3. The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body	Adopted	Part 1, item 51
VII.4. The internal control system, comprising the risk management, compliance and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary	Adopted	Part 1, item 38, 50 to 54
VII.5. The company establishes procedures for the supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework	Adopted	Part 1, item 38, 50 to 54
VII.6.(1) Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business	Adopted	Part 1, item 53
VII.6.(2) (ii) the probability of their occurrence and respective impact	Adopted	Part 1, item 50, 53 and 54
VII.6.(3) (iii) the instruments and measures to be adopted in order to mitigate such risks an	Adopted	Part 1, item 50 and 54
VII.6.(4) (iv) the monitoring procedures, aimed at following them up	Adopted	Part 1, item 50 and 54

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VII.7. The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation	Adopted	Part 1, item 50
VII.8. The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes	Adopted	Part 1, item 53 and 54
VII.9. The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies	Not Applicable	Clarification on recommendation not applicable below
VII.10. The supervisory body pronounces 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 adjustments as deemed necessary	Adopted	Part 1, item 37, 38 and 50
VII.11. The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned	Adopted	Part 1, item 37, 38, 49 and 50
Chapter VIII — INFORMATION AND STATUTORY AUDIT OF ACCOUNTS		
VIII.1 Information		
Principles:		
VIII.1.A. <i>The supervisory body, diligently and with independence, ensures that the management body observes its responsibilities in choosing policies and adopting appropriate accounting criteria and establishing adequate systems for financial and sustainability reporting, and for internal control, including risk management, compliance and internal audit</i>		
VIII.1.B. <i>The supervisory body promotes a proper articulation between the work of the internal audit and that of the statutory audit of accounts</i>		
Recommendation:		
VIII.1.1. The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner	Adopted	Part 1, item 34 and 38
VIII.2 Statutory Audit and Supervision		
Principle:		
VIII.2.A. <i>It is the responsibility of the supervisory body to establish and monitor formal, clear, and transparent procedures as to the relationship between the company and the statutory auditor and the supervision of compliance, by the statutory auditor, with the rules of independence imposed by law and by professional standards.</i>		
Recommendations:		
VIII.2.1. By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor	Adopted	Part 1, item 34, 37, 38, 42 to 47

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VIII.2.2.(1) The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports	Adopted	Part 1, item 37 and 38
VIII.2.2.(2) and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company	Adopted	Part 1, item 37 and 38
VIII.2.3. The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so	Adopted	Part 1, item 37, 38 and 45

- Recommendation I.2. The company identifies the main policies and measures adopted with regard to the fulfillment of its environmental objectives and for the fulfillment of its social objectives.**

On 31 May 2023, the Board of Directors of COFINA decided (i) to approve, during the mandate 2023/2025, (a) the Human Rights Policy, which aims to ensure respect for human and labor rights by the entire Cofina Group, formalising the commitments made in the meantime with a view to safeguarding human dignity, non-discrimination, equal rights, security and well-being, education, personal and professional development and freedom of conscience, religious, organization, association, opinion and expression, and (b) the Policy of Participation in the Communities, which aims to promote solutions that respond to the challenges that arise in the social, environmental and corporate governance seeking to align decision-making and the pursuit of the Cofina Group's activity with the internationally defined principles of sustainability, having also decided, at the same meeting, (ii) the renewal of the Code of Ethics and Conduct, which has as its primary objective to guide the personal and professional conduct of all its employees, regardless of the position or function they perform, based on common ethical principles.

Although the Human Rights Policy and the Policy of Participation in the Communities have already been formally approved at a meeting of the Board of Directors, the process of implementing such policies is still ongoing and is expected to be completed in the short term.

- Recommendation III.4. The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.**

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.

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- **Recommendation III.5.** The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.

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 III.6.** 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 IV.1.2.** The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.

COFINA, considering its organisational structure and the small size of the six-member Board of Directors, considers that a formal appointment of an Executive Board within the Board of Directors is unnecessary.

However, as mentioned in point 28 of this Report, out of the 6 members of the Board of Directors, 2 perform executive functions - more practical or operational -, therefore it is considered that the necessary conditions are guaranteed for decisions on strategic matters to be, as they are, taken by the Board of Directors as a collegial body composed of all its members, executive and non-executive, the normal performance of its functions, in an informed and informed manner, fully focused on creating value for shareholders.

- **Recommendation IV.2.1.** Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors - or, if there are not enough independent directors, the non-executive directors - shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration

body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.

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 IV.2.4. The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of:
 - i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate;
 - ii. Having been an employee of the company or of a company that is controlled by or in a 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 with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person;
 - iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director;
 - v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake;
 - vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.

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.

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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 2023 financial year.

- **Recommendation IV.2.5. The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).**

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

- **Recommendation VI.1.1. The management body - or committee with relevant powers, composed of a majority of non-executive members - evaluates its performance on an annual basis, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.**

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 VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.**

The Company's Remuneration Committee did not define a variable remuneration whose payment was deferred.

- **Recommendation V.2.10. 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 is 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.2.11. The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of 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 VII.9. The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.**

The Society has not implemented artificial intelligence mechanisms for decision-making, considering that (i) the creation of these mechanisms has never been requested by any social body, (ii) the costs of implementing these mechanisms are high and (iii) the non-use of artificial intelligence for decision-making does not lead to any restriction on the exercise of mandates by members of the governing bodies.

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.

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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

Paulo Fernandes is an entrepreneur and investor; he has actively participated in an intense activity of mergers and acquisitions, as well as in the creation of business projects in various areas and sectors.

Its involvement covers industry such as manufacturing, media, renewable energy, forestry, real estate and healthcare.

Throughout his career, started in 1982, he has played management and leadership roles, assuming a central role in several renowned Portuguese public companies, including Altri, Cofina, Ramada and Greenvolt.

He holds an MBA from the Nova School of Business and Economics.

As of 31 December 2023, 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)
- Elege Valor, Lda. (a)
- Expressão Livre, SGPS, S.A. (a)
- Expressão Livre II, SGPS, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- MediaLivre, 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 2023, 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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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
2023 - present date	Member of the General Council of the Porto Business School

As of 31 December 2023, 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)
- Cofihold, S.A. (a)
- Elege Valor, Lda. (a)
- F. Ramada II Imobiliária, S.A. (a)

ANNUAL REPORT 2023

Corporate Governance Report

- 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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 2023, 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)
- Expressão Livre, SGPS, S.A. (a)
- Expressão Livre II, SGPS, S.A. (a)
- F. Ramada II Imobiliária, S.A. (a)
- Greenvolt – Energias Renováveis, S.A. (a)
- Livrefluxo, S.A. (a)
- MediaLivre, 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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Corporate Governance Report

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 2023, 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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 2023, 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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Corporate Governance Report

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 Gafedisport – 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 2023, 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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Corporate Governance Report

2. Statutory Audit Board

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

Carlos Manuel Portela Enes Epifânio

Qualifications:

1976-1981	Degree in Economics from FEP, Eng. António de Almeida award for the best ranked student in 1980-1981
1981-1982	Partial attendance of the Master in Economics of the New University of Lisbon
1993	Curso Geral de Gestão Universidade do Porto ISEE (atual Porto Business School)
1996	The INSEAD Inter-Alpha Banking Program
2022	Advanced Program for Non-Executive Directors IPCG – Portuguese Institute of Corporate Governance

Professional Activity:

1981-1982	Intern Assistant at the Faculty of Economics of Universidade Nova de Lisboa
1982-1983	Intern Assistant at the Faculty of Economics Porto
1985-1988	National Development Bank Technician
1986-1990	Guest assistant at the Faculty of Economics of Porto
1988-1990	Deputy Director of the Northern Operations Department of Banco Espírito Santo
1990-1993	Director of the North Branch of Deutsche Bank
1993-2014	Deputy Director, Director and Coordinating Director of Banco Espírito Santo
1994-2004	Professor at the Higher Institute of Banking Management
2004-2007	Chairman of the Supervisory Board of PME Capital – Portuguese Venture Capital Society
2005-2015	Executive Director of Norgarante – Sociedade Portuguesa de Garantia Mútua, SA
2014-2018	Coordinating Director of Novo Banco, S.A.
2016-2019	Non-Executive Director of Banco Best – Banco Eletrônico Serviços Total SA

Other companies where he carries out functions:

Ramada Investimentos e Indústria, S.A. (President of the Statutory Audit Board) (a)
Non-Executive Director Banco Português de Fomento, S.A. (a)

(a) – companies, as of December 31, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

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Corporate Governance Report

Jorge Manuel de Sousa Marrão

Qualifications:

Graduated in Organization and Business Management from the Higher Institute of Economics (currently ISEG).

Professional Activity:

- He has a degree in Business Organization and Management from Instituto Superior de Economia (currently ISEG).
- Professional Activity:
- President of the Executive Board of the Civic Association - Mission Growth, since February 2019 - In process of extinction;
- Non-Executive Director of APIS Companhia, S.A., from December 2006 to April 2023;
- President of the Civic Association Executive Board - Farol Project, from March 2013 to May 2022;
- Partner in charge of Marketing, Communications, Business Development & Knowledge Management at Deloitte Consultores, S.A. (May 2012 - May 2022);
- Partner in charge of Acquisitions Mergers in the Real Estate & Tourism sector of Deloitte Corporate Finance, S.A (May 2012 - May 2022);
- Director of APIS Alimentar, S.A. (February 2008 to March 2023).

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. (Member of the Statutory Audit Board) (a)

Fidelidade Seguros, S.A. (Member of the Statutory Audit Board) (a)

Longrun, S.A. (Member of the Statutory Audit Board) (a)

Associação Cívica – Movimento Europa e Liberdade (President) (a)

(a) – companies, as of December 31, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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 of 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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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 Jannet / Frodermann, published by C.F. Müller Verlag

Other companies where he carries out functions:

Altri, S.G.P.S., S.A. (Member 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)

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)

Partner at Abreu Advogados – Sociedade de Advogados, SP, RL. (a)

Honorary Consul of Belgium in Porto (a)

Knight of the Order of the Crown by appointment of His Majesty the King of the Belgians (a)

(a) – companies, as of December 31, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

ANNUAL REPORT 2023

Corporate Governance Report

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, 2023, that cannot be considered as part of Cofina, S.G.P.S., S.A. Group

SUSTAINABILITY REPORT

31 December 2023

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About the Report

Scope, Period and Reporting Structure

Cofina, SGPS, S.A. publishes on an annual basis its Sustainability Report. The Report presents consolidated information of Cofina, SGPS, S.A. on its performance in the period between 1 January 2023 and 31 December 2023.

This chapter aims to meet the requirements for providing information on non-financial matters as required by Directive 2014/95/EU, transposed to national law by Decree-Law No. 89/2017, thus providing an overview of the environmental and socioeconomic dimension of the Cofina Group's activities.

It is believed that the information presented here is a balanced reflection of the reality of the Group in these areas, given the completion of the transaction to sell all the shares representing the share capital and voting rights of Cofina Media, S.A. in 2023, the main subsidiary of the Cofina Group, as well as the main impacts and risks of the activities carried out, and that it provides stakeholders with a more comprehensive view of the activity and performance. The Cofina Group's financial reporting also includes, VASP - Sociedade de Transportes e Distribuição, Lda. and Mercados Globais - Publicação de Conteúdos, Lda..

To this end, and to assess the content of this chapter, the reporting requirements of the aforementioned directive were analysed, in line with the recommendations of the associated guide, focusing here on those considered most important, following an analysis that took sustainability references into consideration, with particular emphasis on sustainability standards, peer reporting and relevant internal reflections based on the level of impact. The information needs of investors and other interested parties were indirectly considered by this analysis through the sources consulted.

Along with the results of the above analysis, several indicators are also presented that reflect the performance of the Cofina Group in these areas.

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 2023 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.

COFINA IN 2023

During the year ended 31 December 2023, and as previously mentioned, the sale of the subsidiary Cofina Media, S.A. was completed. As a result of this sale transaction, the group relationship that had existed between Cofina SGPS and Cofina Media, the main subsidiary of the Cofina Group, ceased.

In view of the above, the non-financial information included in this 2023 report has been revised in the light of Cofina SGPS's current activity as a holding company.

Statement from the Chairman of the Board of Directors

We are living in a very demanding and difficult social context - wars, climate emergency, escalating social conflicts. These problems require effective, rapid and often difficult responses. Providing these responses is not just the responsibility of political agents. It is also up to economic and social agents. Everyone is called upon to rethink and redesign the way modern societies function.

At Cofina, we are aware of our role as an economic and social agent and that is why we remain focused on our commitment to sustainability, to the good and prudent use of resources, and to making decisions based on respect for the environment and human rights.

Cofina wants to continue to be an agent of change and thereby make its maximum contribution to building a better and more sustainable society.

Paulo Fernandes
Chairman of the Board of Directors

01

About Cofina

Mission, vision and values

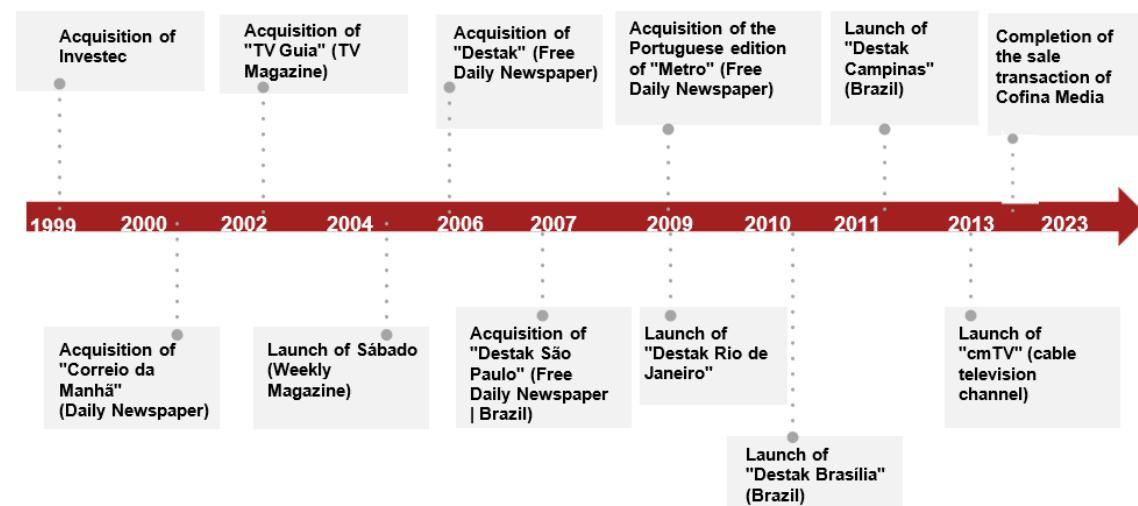
Founded in 1990, Cofina, SGPS, S.A. ("Cofina Group", "Group", "Cofina") developed its activity in the media sector until 2023, through the subsidiary Cofina Media, S.A., leading the press and cable TV segment in Portugal.

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



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.



On 8 November 2023, the Cofina Group informed the market of the completion of the transaction for the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms set out in the revised final offer (Best and Final Offer), timely disclosed to the market through a press release dated September 15, 2023, signed by (i) members of Cofina Media's management team; (ii) Cofina Media's senior management; and (iii) a group of investors, namely: Luís Santana, Ana Dias, Octávio Ribeiro, Isabel Rodrigues, Carlos Rodrigues, Luís Ferreira, Carlos Cruz, Cristiano Ronaldo, Domingos Vieira de Matos, Paulo Fernandes and João Borges de Oliveira, through the vehicle Expressão Livre, SGPS, S.A., which assigned its contractual position in the share purchase agreement entered into in the context of the transaction to Expressão Livre II, SGPS, S.A., which acquired ownership of the Cofina Media shares.

Business Areas | Products and Services

Cofina, SGPS, S.A. is listed on Euronext Lisbon. Through its then subsidiary Cofina Media, S.A., the Group published, until November 2023, a diversified range of products, including newspapers, magazines and a cable television channel.

 TV	 <p>It began regular broadcasting in 2013 with the aim of adding value to the Portuguese audiovisual market, diversifying the offer to the consumer.</p>
 NEWSPAPERS	<p>negocios</p> <p>With sustained annual growth, the economics and business journal is an editorial reference in its segment.</p> <p>CORREIO da manhã</p> <p>Founded in 1979 and acquired by Cofina in 2000, "CM" is the leading daily generalist newspaper in the Portuguese market.</p> <p>Record</p> <p>Acquired by Cofina in 1999, "Record" is a daily sports newspaper with a special focus on football and a market leader in its segment.</p> <p>Destak</p> <p>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.</p>
 MAGAZINES	<p>SÁBADO</p> <p>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.</p> <p>TV Guia</p> <p>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.</p>

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

FOCUS AREAS ESG

The market is currently faces multiple challenges, largely motivated by the effects of a pandemic on a global scale, the war and the many constraints in supply chains, not to mention inflation and the fall in purchasing power.

There are also 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, 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.

	
	ENVIRONMENT <ul style="list-style-type: none">• Climate Strategy• Operational eco-efficiency• Consumption Management
	SOCIAL <ul style="list-style-type: none">• Well-being, Health and Safety• Human Rights (Equal Opportunities, Diversity and Non-Discrimination)
	GOVERNANCE <ul style="list-style-type: none">• Ethics

02

Acting Responsibly

Value Creation for stakeholders

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

Suppliers	
Business Partners	Website Business Meetings Follow-up Visits Direct Contacts
Service Providers	
Official Bodies	Website Email Meetings

At the same time, the Cofina Group uses various observation and listening instruments, continuously monitoring complaints to identify problems and/or dissatisfaction.

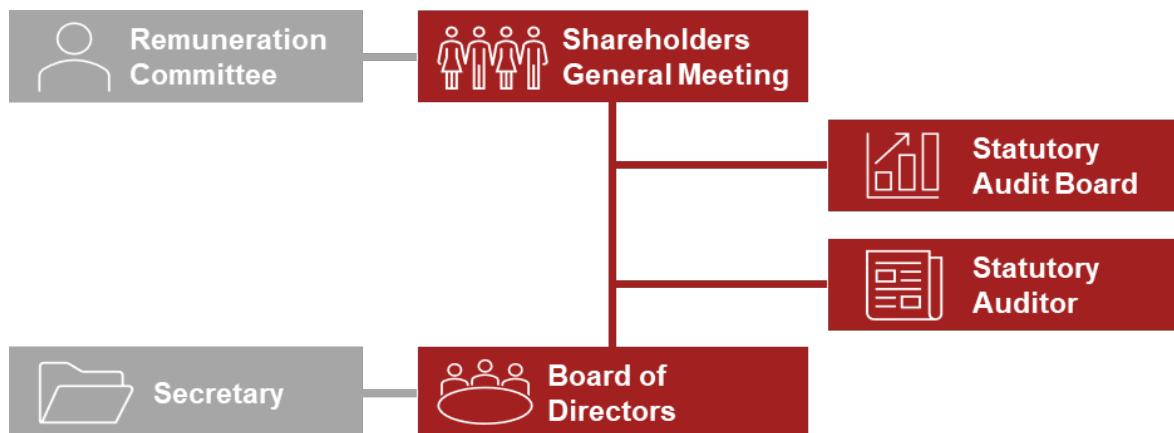
Participation in associations

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

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 ensure that remuneration policies are applied, monitoring their permanent suitability to the reality of the Group. 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.

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 IV.2.4. 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.

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	
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.	It assists in the management of the group's holdings and in defining its strategic lines.	

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 applied across the Group, 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:

<p>Relations with Employees</p> <ul style="list-style-type: none"> 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. 	<p>Relations with Authorities, Institutions and Local Communities</p> <ul style="list-style-type: none"> Fair Competition; Promotion of the socio-economic development of local communities; Cooperation with Public Authorities, Institutions and Communities.
<p>Shareholder Relations</p> <ul style="list-style-type: none"> Creation of value, promoting excellent professional performance and the correct management of resources, in line with social responsibility and sustainable development. 	<p>Relations with Partners</p> <ul style="list-style-type: none"> Fulfillment of contractual obligations assumed, through good commercial and deontological practices.

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
<p>It should be read in conjunction with the Code of Conduct for Preventing Corruption and Related Offenses.</p>	<p>It covers the entire organization and activities, including administration, direction, operational or support areas, and contains:</p> <ul style="list-style-type: none"> 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. 	<p>Internal training program for all employees, so that they know and understand the policies and procedures implemented to prevent corruption and related infractions.</p>	<p>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.</p>

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. 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 questions, 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 2023, no complaints were received or communications regarding irregularities, in view of the provisions of the Code of Ethics and Conduct.

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 across 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, denunciations 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 gender 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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, legal, fiscal, regulatory and market risks, which include interest and exchange rates.

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.

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 aligned with the Taxonomy and be considered environmentally sustainable, it must meet the following criteria:

1. Be eligible: it must appear on the list of activities in the Climate Delegated Act (Delegated Regulation (EU) 2021/2139), the Supplementary Delegated Act (Delegated Regulation (EU) 2022/1214) concerning certain activities in the energy sector or the Environmental Delegated Act (Delegated Regulation (EU) 2023/2486);
2. Contribute to at least one of the six environmental objectives: mitigation of climate change; adaptation to climate change; protection of water and water resources; transition to a circular economy; prevention and control of pollution; protection and restoration of biodiversity and ecosystems (currently only climate objectives are regulated);
3. It must not significantly harm any of the objectives to which it does not contribute; and
4. Comply with minimum social safeguards.

The list of activities that can contribute to the mitigation and adaptation objectives was the first to be published in the Climate Delegated Act and Complementary Delegated Act. In 2023, the Environmental Delegated Act was published, which describes the activities that can contribute to the remaining objectives. New activities were also introduced in the Climate Delegated Act (through Delegated Regulation (EU) 2023/2485). Regarding the new activities introduced in 2023, companies only need to analyze eligibility, alignment will be necessary next year.

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 the 2023 Taxonomy report, the Cofina Group carries out the eligibility analysis for all environmental objectives and the alignment analysis only for mitigation and adaptation objectives. In this section we describe the application of the taxonomy regulation in the Cofina Group in accordance with Delegated Act Article 8 (Delegated Regulation (EU) 2021/2178).

2. Eligibility Analysis

As at 31 December 2023, the Cofina Group analyzed the Climate Delegated Act and the Complementary Delegated Act and, taking into account the completion of the sale transaction of Cofina Media, S.A., did not identify eligible economic activities for the year 2023.

As at 31 December 2022, the Cofina Group analyzed the Climate Delegated Act and the Complementary Delegated Act and had identified the following eligible economic activities, which were reported in the Sustainability Report for the year ended 31 December 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 "No Significant Harm" of each of the activities identified as eligible. After analysis, and as mentioned above, no eligible economic activities were identified for the year 2023. It is therefore concluded that the amounts considered eligible will not be aligned with the taxonomy (turnover and capex).

b. Minimum Safeguards

Article 18 of the Taxonomy states that companies must comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights in order to meet the Minimum Safeguards. To help meet the necessary requirements, the European Commission's Sustainable Finance Platform published the Final Report on Minimum Safeguards in October 2022. In this document, four crucial areas are indicated that companies must address to ensure compliance with the Minimum Safeguards: Human Rights, Corruption, Taxation and Fair Competition. The European Commission, in its Communication on the interpretation of the Minimum Safeguards of June 2023, highlights this report as an example of good practice.

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 2023, 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

As at 31 December 2023, as mentioned above, no eligible economic activities were identified. As at 31 December 2022, the Cofina Group reported information on its KPIs (Turnover, Capital Expenditure and Operating Expenditure) in accordance with the Delegated Act of Article 8 of the Taxonomy, which were reported in the Sustainability Report for the year ended December 31, 2022.

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

During 2024, the Cofina Group will continue to develop actions, to the extent applicable, to adequately respond to the requirements of the taxonomy regulation and the application of the alignment criteria of the Climate Delegated Act and the Environmental Delegated Act.

The Cofina Group will also monitor updates to the Taxonomy and possible extensions to other economic activities and implementation of European Commission guidelines that may have a significant impact on the Cofina Group'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 the consumption of materials, water and energy, 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.

Consumption Management

As a result of the aforementioned sale transaction, the consumption of materials, water and energy is not significant compared to the current context.

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.

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

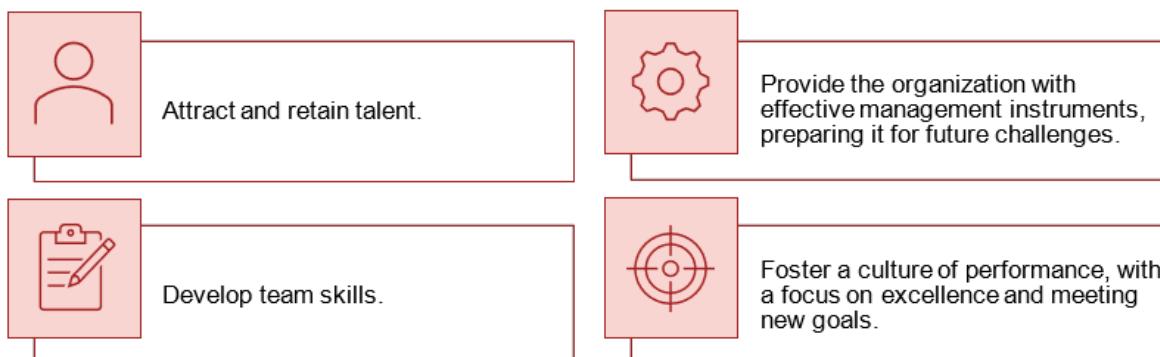


Risks and Opportunities

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.

Equal Opportunities, Diversity and Non-Discrimination

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



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%
30-50 years	0%	0%	0%
over 50 years old	66.67%	33.33%	100%

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.

Attracting, Retaining and Developing Talent

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

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 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.

Training and developing the potential of employees are a priority for Cofina Group. 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.

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.

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.

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.

In terms of accidents at work, Cofina Group carries out annual monitoring and evaluations, applying appropriate corrective measures whenever necessary.

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.

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
Main associated risks and how these risks are managed	Protecting the Planet > Climate Strategy and Environmental Eco-efficiency
Key performance indicators	Cofina in 2023 Protecting the Planet > Consumption Management
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 2023 Valuing People
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 2023 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 2023

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(Amounts expressed in Euro)

COFINA SGPS, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 38)

(Amounts expressed in Euro)

ASSETS	Notes	31.12.2023	31.12.2022
NON-CURRENT ASSETS			
Property, plant and equipment	8	—	1,417,894
Goodwill	7	—	77,568,721
Intangible assets	10	—	305,912
Right of use assets	9.1	—	6,846,579
Investments in joint ventures and associates	4.2	1,969	7,076
Other investments	4.3	510	10,005,510
Other non-current assets		—	104,149
Deferred tax assets	12	—	1,390,604
Total of non-current assets		2,479	97,646,445
CURRENT ASSETS			
Inventories	13	—	1,751,401
Trade receivables	14	—	7,054,920
Assets associated with contracts with customers	15	—	3,406,633
Income tax	16	63,394	—
Other receivables	17	—	1,020,876
Other current assets	18	70,536	731,121
Other investments	4.3	10,000,000	—
Cash and cash equivalents	19	54,550,498	21,267,815
Total current assets		64,684,428	35,232,766
Non-current assets held for sale	4.4	3,634,599	3,598,266
TOTAL ASSETS		68,321,506	136,477,477
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	25,641,459	25,641,459
Share premiums	20	15,874,835	15,874,835
Legal reserve	20	5,409,144	5,409,144
Other reserves	20	10,065,056	2,694,169
Consolidated net profit/(loss) for the period attributable to Equity holders of the parent		(2,080,256)	10,451,297
Total equity attributable to Equity holders of the parent		54,910,238	60,070,904
Non-controlling interests		—	—
TOTAL EQUITY		54,910,238	60,070,904
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	21	—	—
Lease liabilities	9.2	—	6,851,417
Provisions	22	—	1,632,250
Total non-current liabilities		—	8,483,667
CURRENT LIABILITIES			
Bank loans	21	—	645,060
Other loans	21	—	46,219,279
Lease liabilities	9.2	—	1,879,333
Provisions	4.3. and 22	13,200,000	315,000
Trade payables	23	85,296	5,972,209
Liabilities associated with contracts with customers	24	—	4,074,394
Income tax	16	—	283,484
Other payables	25	47,758	2,748,475
Other current liabilities	26	78,214	5,785,672
Total current liabilities		13,411,268	67,922,906
TOTAL LIABILITIES		13,411,268	76,406,573
TOTAL EQUITY AND LIABILITIES		68,321,506	136,477,477

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

The Board of Directors

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(Amounts expressed in Euro)

COFINA SGPS, S.A.

CONSOLIDATED INCOME STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 38)

(Amounts expressed in Euro)

	Notes	31.12.2023	31.12.2022 (Restated Note 5)
Sales	27	—	—
Services rendered	27	—	—
Other income	27	13,462	24,932
Cost of sales		—	—
External supplies and services	28	(740,776)	(535,673)
Payroll expenses	29	(359,477)	(362,085)
Amortisation and depreciation	8, 9.1 and 10	—	—
Provision and impairment losses	22	(13,200,000)	—
Other expenses		(43,395)	(54,032)
Results related to investments	30	(5,107)	3,526
Financial expenses	30	(266,666)	(743,763)
Financial income	30	258,277	235,672
Profit/(loss) before income tax from continuing operations		(14,343,682)	(1,431,423)
Income tax	12	396,293	879,489
Consolidated net profit/(loss) from continuing operations		(13,947,389)	(551,934)
Profit after tax from discontinued operations	6	11,867,133	11,003,231
Consolidated net profit/(loss) for the period		(2,080,256)	10,451,297

Attributable to:

Equity holders of the parent			
Continued Operations		(13,947,389)	(551,934)
Discontinued Operations		11,867,133	11,003,231
Non-controlling interests			
Continued Operations		—	—
Discontinued Operations		—	—
		(2,080,256)	10,451,297

Earning per share:

From continuing operations			
Basic	33	(0.14)	(0.01)
Diluted	33	(0.14)	(0.01)
From discontinued operations			
Basic	33	0.12	0.11
Diluted	33	0.12	0.11

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The Chartered Accountant

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COFINA SGPS, S.A.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 38)

	(Amounts expressed in Euro)	Notes	31.12.2023	31.12.2022
Consolidated net profit/(loss) for the period		33	(2,080,256)	10,451,297
Other comprehensive income for the period			—	—
Total consolidated comprehensive income for the period			<u>(2,080,256)</u>	<u>10,451,297</u>
Attributable to:				
Equity holders of the parent			(2,080,256)	10,451,297
Non-controlling interests			—	—

The accompanying notes are an integral part of the consolidated financial statements.

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COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 38)

(Amounts expressed in Euro)

Notes	Attributable to Equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Share premiums	Legal reserve	Other reserves	Net profit/(loss) for the period	Total		
Balance as at 1 January 2022	20	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	20	25,641,459	15,874,835	5,409,144	2,694,169	10,451,297	60,070,904	— 60,070,904
Balance as at 1 January 2023	20	25,641,459	15,874,835	5,409,144	2,694,169	10,451,297	60,070,904	— 60,070,904
Appropriation of the consolidated result from 2022:								
Transfer to retained earnings		—	—	—	10,451,297	(10,451,297)	—	—
Dividends distributed		—	—	—	(3,076,975)	—	(3,076,975)	— (3,076,975)
Other changes		—	—	—	(3,435)	—	(3,435)	— (3,435)
Comprehensive income for the period		—	—	—	—	(2,080,256)	(2,080,256)	— (2,080,256)
Balance as at 31 December 2023	20	25,641,459	15,874,835	5,409,144	10,065,056	(2,080,256)	54,910,238	— 54,910,238

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

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COFINA, SGPS, S.A.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 38)

	Notes	2023	2022
(Amounts expressed in Euro)			
Operating activities:			
Receipts from customers		67,111,809	84,712,037
Payments to suppliers		(34,356,128)	(44,238,225)
Payments to personnel		(21,790,011)	(26,675,049)
Other receipts/payments relating to operating activities		(615,692)	(766,120)
Income Tax (paid)/received		(1,275,077)	9,074,901
<i>Cash flows generated by operating activities (1)</i>		<u>9,074,901</u>	<u>10,343,778</u>
Investment activities:			
Receipts arising from:			
Property, plant and equipment		2,209	—
Investments	6	<u>45,866,774</u>	<u>45,868,983</u>
Payments relating to:			
Intangible assets		(499,814)	(833,278)
Property, plant and equipment		(724,237)	(576,857)
<i>Cash flows generated by investment activities (2)</i>		<u>44,644,932</u>	<u>1,507,865</u>
Financing activities:			
Receipts arising from:			
Loans obtained	21.2	33,688,022	101,913,098
Interest and similar gains		<u>273,718</u>	<u>33,961,740</u>
Payments relating to:			
Interest and similar expenses		(421,827)	(502,069)
Lease liabilities	9.2	(2,344,520)	(2,823,309)
Dividends		(3,076,975)	—
Loans obtained	21.2	(47,910,508)	(53,753,830)
<i>Cash flows generated by financing operations (3)</i>		<u>(19,792,090)</u>	<u>(102,102,742)</u>
Cash and cash equivalents at the beginning of the period	19	20,622,755	12,050,360
Cash and cash equivalents variation: (1)+(2)+(3)		<u>33,927,743</u>	<u>8,572,395</u>
Cash and cash equivalents at the end of the period	19	<u>54,550,498</u>	<u>20,622,755</u>

The accompanying notes are an integral part of the consolidated financial statements.

The Chartered Accountant

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(Amounts expressed in Euro)

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", which in recent years has developed its activity in the Media area, and has its shares listed on the Stock Exchange ("Euronext Lisbon").

The Cofina Group, until November 2023, held headings of reference in the segments in which it operated (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).

As disclosed to the market on 26 October 2023, the General Shareholders' Meeting of Cofina SGPS, S.A. approved the sale of all the shares representing the share capital and voting rights of Cofina Media S.A., under the terms of the final revised proposal signed by (i) members of the management team of Cofina Media, (ii) executives of such subsidiary and (iii) a group of investors, through the vehicle company Expressão Livre, SGPS, S.A.. Following the aforementioned approval decision, on 8 November 2023, the aforementioned transaction took place, under the terms set out in the proposal submitted. Thus, in the context of the completion of the transaction, ownership of Cofina Media's shares was transferred to Expressão Livre II, SGPS, S.A. (in completing the operation, Expressão Livre, SGPS, S.A. transferred its contractual position to Expressão Livre II, SGPS, S.A., which it wholly owns). As a result of the transaction, the group relationship that had existed between Cofina SGPS and Cofina Media ceased.

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 11 April 2024. 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. MATERIAL ACCOUNTING POLICIES

The material 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 2023. 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.

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The preparation of financial statements under IFRS-EU requires the use of estimates, assumptions, and critical judgements in the process of determining accounting policies to be adopted by the Group, with significant impact on the book value of assets and liabilities, as well as on income and expenses for the period. Although these estimates are based on the best experience of the Board of Directors and on its best expectations regarding current and future events and actions, current and future results may differ from these estimates. Areas involving a higher degree of judgement or complexity, or areas with significant assumptions and estimates are disclosed in Note 2.4.

In addition, for financial reporting purposes, fair-value measurement is categorized in three levels (Level 1, 2 and 3), taking into account, among others, whether the data used are observable in an active market, as well as their meaning in terms of valuing assets / liabilities or disclosing them.

Fair value is the amount for which an asset can be exchanged or a liability can be settled, between knowledgeable and willing parties, in a transaction not involving a relationship between them, regardless whether this price can be directly observable or estimated, using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the features that market participants would also take into account when valuing the asset or liability on the measurement date.

Assets measured at fair value following initial recognition are grouped into 3 levels according to the possibility of observing their fair value in the market:

Level 1: fair value is determined based on active market prices for identical assets/liabilities;

Level 2: fair value is determined based on evaluation techniques. The assessment models' main inputs are observable in the market; and

Level 3: fair value is determined based on assessment models, whose main inputs are not observable in the market.

(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 2023:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
IFRS 17 - Insurance Contracts (including amendments to IFRS 17)	1-Jan-23	IFRS 17 replaces IFRS 4 and applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as some guarantees and some financial instruments with discretionary participation characteristics. In general terms, IFRS 17 provides a more useful and consistent accounting model for insurance contracts 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.

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Amendments to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2 - 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 - Accounting policies, changes in accounting estimates and errors - Definition of 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 - Income taxes - Deferred taxes related to assets and liabilities arising from a single transaction	1-Jan-23	IAS 12 now requires an entity to recognize deferred tax when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. However, it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or to the related asset. This is particularly important when determining the existence of temporary differences on initial recognition of the asset or liability, as the initial recognition exception does not apply to transactions that give rise to equal taxable and deductible temporary differences. Among the applicable transactions are the recording of (i) right-of-use assets and lease liabilities; (ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognized as part of the cost of the related asset, when on the date of initial recognition they are not relevant for tax purposes. This amendment applies retrospectively.
Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	Immediately and 1-Jan-23 ¹	These changes come as part of the implementation of the OECD's Global Anti-Base Erosion ("Globe") rules, which may have significant impacts on the calculation of deferred taxes that are difficult to estimate at the time these amendments were issued. These amendments introduce a temporary exception to the accounting of deferred taxes arising from the application of the model rules of the pillar two of the OECD, and additionally establish new specific disclosure requirements for the affected entities.

¹ Companies should apply the exception immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023.

There were no significant effects on the Group's financial statements for the year ended 31 December 2023, from the adoption of the above standards, interpretations, amendments and revisions.

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(ii) Standards, interpretations, amendments, and revisions that will have mandatory application in the future economic exercises.

On the approval date of these financial statements, the following accounting standards, and interpretations, to be mandatorily applied in future financial years, were endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-24	<p>This amendment aims to clarify the classification of liabilities as current or non-current balances according to the rights an entity has to defer its payment at the end of each reporting period.</p> <p>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.</p> <p>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.</p> <p>This amendment also includes a new definition of "settlement" of a liability, and it is of retrospective application.</p>
Amendments to IFRS 16 - Leases - Lease liabilities in sale and leaseback transactions	1-Jan-24	<p>This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" according to the principles of IFRS 15, with a greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate.</p> <p>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.</p> <p>This amendment is of retrospective application.</p>

These amendments, although endorsed by the European Union, were not adopted by the Group in 2023, 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.

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(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 7 and IFRS 7 - Disclosures: Supplier financing arrangements	1-Jan-24	<p>These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.</p> <p>The disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments come into force for the period beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.</p>
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1-Jan-25	<p>This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period.</p> <p>The amendment specifies that a currency should be considered exchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange or market mechanism in which an exchange transaction creates enforceable rights and obligations.</p> <p>If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction. The objective is to determine the exchange rate that would be applicable on the measurement date for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustment.</p> <p>The amendments come into force for the period beginning on or after 1 January 2025. Early adoption is permitted, however the transition requirements applied must be disclosed.</p>

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 2023.

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.

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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 correspond to a joint venture, but to a jointly controlled operation.

Investments in associates are investments where the Group holds 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.

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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 business 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.

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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 an entity that uses 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 2023 and 2022, 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 date when 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).

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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:

	<u>Years</u>
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.

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(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.

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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 as at 31 December 2023 and 2022.

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.

Until November 2023, the Group recorded 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.

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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.

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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 2023 and 2022.

(iii) Financial assets at fair value through other comprehensive income (equity 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 equity 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 equity 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
- 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.

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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

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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;
- the liability is held for trading; or
- the liability is designated to be recorded at fair value through the income statement.

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
- 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.

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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.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the corresponding net amount is shown under the consolidated statement of financial position if there is a present right of mandatory fulfilment to offset the recognised amounts and with the intention of either settling on a net basis or realising the asset and simultaneously settling the liability.

Derivative instruments and hedging accounting

When deemed relevant, the Group uses financial derivative instruments, such as forward exchange rate contracts and interest rate swaps to hedge its foreign exchange and interest risks, respectively.

Such derivatives are initially recorded at fair value at the date they are contracted and are subsequently measured at fair value. Changes in the fair value of these instruments are recorded in equity under "Hedging reserves" and then recognised in the income 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.

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At the beginning of the hedging relationship, the Group formally designates and documents the hedging relationship for which it intends to apply hedge accounting, as well as the managerial and strategic purpose of that hedge.

These documents include the identification of the hedging instrument, the hedged item or transaction, the nature of the risk to be hedged, and how the Group assesses whether the hedging relationship complies with the hedge accounting requirements (including an analysis of the sources of hedging ineffectiveness and how it determines the hedge rate). The hedging relationship is eligible for hedge accounting if it meets all of the following hedge effectiveness requirements:

- (i) There is an economic relationship between the hedged item and the hedging instrument;
- (ii) The credit risk effect does not dominate the changes in value that result from this economic relationship; and
- (iii) The hedge ratio of the hedging relationship is the same as that resulting from the portion of the hedged item that an entity is actually hedging and the portion of the hedging instrument that the entity actually uses to hedge that portion of the hedged item.

Hedging relationships that meet the above eligibility criteria are accounted for as follows:

Fair value hedge

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

When it is considered relevant, 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.

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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 2023 and 2022 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.

As at 31 December 2023, as a result of the completion of the sale transaction of the subsidiary Cofina Media, S.A., both Cofina SGPS and the aforementioned subsidiary began to be taxed individually, since, after that date, the group relationship ceased. Until 31 December 2022, Cofina SGPS, S.A. was the dominant company in the perimeter of the special taxation regime for groups of companies. These companies were taxed under the special taxation regime for groups of companies, in accordance with article 69 of the Corporate Income Tax Code ("RETGS"), which included Cofina SGPS and Cofina Media.

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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:

- 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
- 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 27. 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).

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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.

The natures mentioned above only existed until November 2023.

Finally, the performance obligation associated with the graphic printing activity, carried out until 2022 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 the 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.

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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.

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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.

As at 31 December 2023, as a result of the sale of the subsidiary Cofina Media, only the parent company, Cofina SGPS, will contribute (using the full consolidation method). Until 31 December 2022, the Cofina Group's activities were focused on the Press and Television segment. Information on revenue for the identified business segments is presented in Note 34.

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 value in use 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

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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).

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 macroeconomic environment, marked by continued high interest rates, geopolitical risks and uncertainties regarding its future evolution, as a result of the combination of several effects, namely the current armed conflicts, poses significant challenges to the businesses and their operations.

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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 2023 and 2022 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.

When the debt 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.

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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 2023 and 2022 periods, no derivatives were contracted to hedge interest rate risks.

In addition, as at 31 December 2023, the Cofina Group has not contracted any bank loans.

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.

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.

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4. INVESTMENTS

4.1 SUBSIDIARIES INCLUDED IN CONSOLIDATION

The subsidiary companies included in the consolidation by the full consolidation method, respective registered offices, proportion of capital held and main activity as at 31 December 2023 and 2022 are detailed as follows:

Designation	Headquarters	Percentage participation held		Activity
		2023	2022	
<u>Parent company:</u>				
Cofina, SGPS, S.A.	Porto			Investment management
<u>Cofina Media Group</u>				
Cofina Media, S.A. ("Cofina Media") (a)	Lisboa	—%	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%	Newspapers printing

(a) On 8 November 2023, the sale of all the shares representing the share capital and voting rights of Cofina Media was completed. Grafedisport, as a subsidiary of Cofina Media, was also sold as part of the transaction (Note 6).

These companies were included in Cofina Group's consolidated financial statements using the full consolidation method until the date of loss of control, 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 2023 and 2022 are detailed as follows:

Designation	Headquarters	Percentage participation held		Activity
		2023	2022	
Mercados Globais – Publicação de Conteúdos, Lda. ("Mercados Globais")	V.N. Gaia	50%	50%	Management services and promotion of a financial forum on the internet

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).

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As at 31 December 2023 and 2022, the summarised financial information of the Group's joint ventures and associates is detailed as follows:

	31.12.2023	31.12.2022	
	Mercados Globais (a)	VASP (a)	Mercados Globais (a)
Non-current assets		15,230,520	—
Current assets	7,625	26,516,749	14,912
Non-current liabilities	—	2,218,234	—
Current liabilities	3,688	32,752,724	761
Equity	3,937	6,776,311	14,151
	<hr/> 31.12.2023	<hr/> 31.12.2022	
	Mercados Globais (a)	VASP (a)	Mercados Globais (a)
Turnover	36,500	199,713,016	38,400
Other operating income	—	651,612	—
Operating expenses	(44,134)	(195,305,858)	(31,350)
Depreciation and amortisation expenses	—	(3,222,131)	—
Financial expenses	—	(255,149)	—
Income tax	—	(436,428)	—
Net income for the year	<hr/> (7,634)	<hr/> 1,145,062	<hr/> 7,050

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

During the periods ended 31 December 2023 and 2022, changes in the amount of the investments in joint ventures and associates were as follows:

	31.12.2023		31.12.2022		
	Mercados Globais	Total	VASP (b)	A Nossa Apostila	Mercados Globais
Investments in joint ventures and associates					
Balance as at 1 January	7,076	7,076	2,995,859	251,056	3,550
Acquisitions in the year	—	—	—	—	—
Equity method					
Effect on gains and losses regarding joint ventures and associates (Note 30)	(5,107)	(5,107)	564,306	(119,362)	3,526
Transfer to Non-current assets held for sale	—	—	(3,560,165)	(131,694)	— (3,691,859)
Other	—	—	—	—	—
Closing balance	<hr/> 1,969	<hr/> 1,969	<hr/> —	<hr/> —	<hr/> 7,076
					7,076

(b) Financial interest classified as non-current assets held for sale as at 31 December 2023 and 2022 (Note 4.4).

Cofina Group, through its fully owned subsidiary, Cofina Media, S.A., entered during 2022 an agreement for the sale of A Nossa Apostila - Jogos e Apostas On-line, S.A. ("A Nossa Apostila"), owner of an online gaming platform, based on innovation, entertainment and social responsibility. Accordingly, A Nossa Apostila 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.

As at 31 December 2023 and 2022, the net book value of the Group's investment in joint ventures and associates is detailed as follows:

	31.12.2023		31.12.2022	
	Mercados Globais	VASP (b)	Mercados Globais	VASP (b)
Equity	3,937	6,776,311	14,151	—
Percentage interest	50.00 %	50.00 %	50.00 %	—
Group's share in equity	1,969	3,388,156	7,076	—
Acquisitions in the year	—	—	—	—
Goodwill included in the net book value of the investment	—	—	—	—
Other effects	—	172,009	—	—
	<hr/> 1,969	<hr/> 3,560,165	<hr/> 7,076	

(b) Investment classified as Non-current assets held for sale as at 31 December 2023 and 2022 (Note 4.4)

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4.3 OTHER FINANCIAL INVESTMENTS

As at 31 December 2023, 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 510 Euro (5,510 Euro as at 31 December 2022). As at 31 December 2023 and 2022, the total amount of financial investments for which impairment losses were recorded amounted to 156,400 Euro (171,754 Euro as at 31 December 2022) (Note 22).

At 31 December 2023 and 2022, "Other financial investments" (shown under current assets and non-current assets, respectively) 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"), which 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 was 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 presented a claim for damages in which it claims that Cofina should be condemned to pay the damages it considered it has suffered.

On 24 February 2024, Cofina Group informed the market about the notification of the award issued in the context of the arbitration proceedings initiated on 15 April 2020 by Promotora de Informaciones, S.A. ("Prisa") before the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry. The award rendered by the Arbitral Tribunal rejected in full Prisa's request for Cofina to be ordered to compensate Prisa for the damages that Prisa claimed to have suffered in the amount of 87,377,049.30 euros and ordered the release to Prisa of the amount of 10,000,000 euros that had been deposited with the Escrow Agent (Banco BPI, S.A.), as down payment in the context of the Share Purchase Agreement entered into on 20 September 2019 between Cofina and Prisa for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which, on the date the SPA was signed, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A.

Given the outcome of the case, the Cofina Group believes that this is an adjusting event under IAS 10 (Note 2.3 p), to the extent as it materializes a contingency resulting from existing litigation as at 31 December 2023. As a result of this award, a provision was recognised on 31 December 2023 under the caption "Provisions and impairment losses" in the consolidated income statement for the year, corresponding to the amount to be delivered to Prisa (Note 22).

Cofina is still analysing, together with its legal advisors, the lengthy award it has been notified of, and hence it is not, at this moment, in a position to inform about its possible reaction to the award in the part that was unfavourable to Cofina.

4.4 NON-CURRENT ASSETS HELD FOR SALE

Prior to the completion of the sale transaction of Cofina Media, S.A., this subsidiary sold to Cofina SGPS, S.A. its 50% stake in Vasp - Distribuidora de Publicações, S.A. ("VASP") for the amount corresponding to the realisation value of the stake, as provided for in the shareholders agreement, to exercise the call option and put option. The account payable on the Cofina SGPS side was regularised through a non-cash transaction when the sale of Cofina Media was completed (Note 6). The process for exercising these options has already run its course and Cofina Group is currently waiting for a decision from the Competition Authority. Cofina Group expects the decision to be made during the first half of 2024. Accordingly, as at 31 December 2023 and 2022, VASP is presented in this consolidated financial information as Non-current assets held for sale.

5. RESTATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated income statement for the year ending 31 December 2022 has been restated, in accordance with IFRS 5, as a result of the completion of the transaction to sell all the shares representing the share capital and voting rights of Cofina Media, S.A..

Therefore, the impacts on the consolidated income statement for the year ending 2022 are related to the reclassification of its transactions to the item "Profit after tax from discontinued operations".

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As at 31 December 2022, the impact of the restatement of the consolidated income statement is as follows:

	31.12.2022 (Before restatement)	Discontinued operations	31.12.2022 (After restatement)
Sales	29,578,990	(29,578,990)	—
Services rendered	28,164,084	(28,164,084)	—
Other income	18,293,441	(18,268,509)	24,932
Cost of sales	(6,321,434)	6,321,434	—
External supplies and services	(29,678,782)	29,143,109	(535,673)
Payroll expenses	(27,454,897)	27,092,812	(362,085)
Amortisation and depreciation	(3,115,002)	3,115,002	—
Provision and impairment losses	(3,376,264)	3,376,264	—
Other expenses	(254,580)	200,548	(54,032)
Results related to investments	3,245,144	(3,241,618)	3,526
Financial expenses	(1,648,504)	904,741	(743,763)
Financial income	249,078	(13,406)	235,672
Profit/(loss) before income tax from continuing operations	7,681,274	(9,112,697)	(1,431,423)
Income tax	2,770,023	(1,890,534)	879,489
Consolidated net profit/(loss) from continuing operations	10,451,297	(11,003,231)	(551,934)
Profit after tax from discontinued operations	—	11,003,231	11,003,231
Consolidated net profit/(loss) for the period	10,451,297	—	10,451,297

6. CHANGES IN THE CONSOLIDATION PERIMETER

During the period ended 31 December 2023, the detail of the disposals of subsidiaries can be analysed as follows:

Designation	Headquarters	Percentage participation held		Activity
		At the date of disposal		
Cofina Media, S.A. ("Cofina Media")	Lisboa	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. – in liquidation ("Grafedisport")	Lisboa	100.00%		Newspapers printing

On 8 November 2023, the Cofina Group informed the market of the completion of the transaction for the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms of the revised final proposal (Best and Final Offer), timely disclosed to the market in a press release dated 15 September 2023, signed by (i) members of the management team of Cofina Media, (ii) executives of such subsidiary and (iii) a group of investors, namely: Luís Santana, Ana Dias, Octávio Ribeiro, Isabel Rodrigues, Carlos Rodrigues, Luís Ferreira, Carlos Cruz, Cristiano Ronaldo, Domingos Vieira de Matos, Paulo Fernandes and João Borges de Oliveira, through the vehicle company Expressão Livre, SGPS, S.A., which assigned its contractual position in the share purchase agreement entered into in the context of the transaction to Expressão Livre II, SGPS, S.A., which acquired ownership of the Cofina Media shares.

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The effects of these disposals on the consolidated financial statements as at 31 December 2023 can be analysed as follows:

	At the date of disposal
Net assets	
Goodwill (Note 7)	77,568,721
Right of use assets (Note 9.1)	5,986,691
Assets associated with contracts with customers	3,049,842
Trade receivables and Other assets	15,547,931
Cash and cash equivalents	2,727,270
Lease liabilities (Note 9.2)	(7,417,442)
Bank loans and Other loans (Note 21.2)	(33,252,526)
Liabilities associated with contracts with customers	(4,323,490)
Trade payables and Other liabilities	(15,324,131)
	<hr/>
Total net assets disposed	44,562,866
Gain/(Loss) on disposal	8,880,179
Costs associated with the transaction	(961,377)
	<hr/>
Gain/(Loss) on disposal after deduction of costs associated with the transaction	7,918,802

Disposal price	53,443,044
Amounts received	48,594,044
Non-cash transaction (Note 4.4)	4,849,000

Net cash flow from disposal	
Amounts received	48,594,044
Cash and cash equivalents disposed	(2,727,270)
	<hr/>
	45,866,774

	Until the date of disposal
Sales	23,144,261
Services rendered	31,539,667
Other income	6,800,362
Cost of sales	(4,877,556)
External supplies and services	(25,100,783)
Payroll expenses	(21,762,114)
Amortisation and depreciation	(2,674,454)
Provision and impairment losses	578,644
Other expenses	(192,992)
Results related to investments	74,434
Financial expenses	(1,661,349)
Financial income	111,182
	<hr/>
Profit before income tax from discontinued operations	5,979,302
Income tax	(2,030,971)
	<hr/>
Profit after tax from discontinued operations	3,948,331

As at 31 December 2023, the cash flows from discontinued operations are as follows:

	31.12.2023
Cash flows generated by operating activities	10,363,799
Cash flows generated by investment activities	(1,221,842)
Cash flows generated by financing activities	(1,568,750)

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7. GOODWILL

As at 31 December 2023 and 2022, the net value of the "Goodwill" caption was detailed as follows:

	31.12.2023	31.12.2022
Newspapers	—	76,467,457
Newspapers - Portugal	—	76,467,457
Magazines	—	1,101,264
	<hr/>	<hr/>
	—	77,568,721
	<hr/>	<hr/>

During the periods ended 31 December 2023 and 2022, the movement that occurred in Goodwill and corresponding impairment losses were detailed as follows:

	31.12.2023	31.12.2022
Gross value:		
Opening balance	91,972,490	91,972,490
Disposals of subsidiaries (Note 6)	(91,972,490)	—
Closing balance	—	91,972,490
Accumulated impairment losses:		
Opening balance	14,403,769	10,803,769
Impairment losses (Note 22)	—	3,600,000
Disposals of subsidiaries (Note 6)	(14,403,769)	—
Closing balance	—	14,403,769
Net value	—	77,568,721
	<hr/>	<hr/>

During the year ended 31 December 2023, the change in the "Goodwill" item is due to the completion of the sale of the subsidiary Cofina Media (Note 6).

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8. PROPERTY, PLANT AND EQUIPMENT

During the periods ended 31 December 2023 and 2022, 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:

2023							
	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
Opening balance	32,032	4,691,028	10,409,527	638,024	8,524,287	764,566	284,431
Additions	—	—	306,068	17,000	28,715	10,620	40,981
Disposals	—	—	—	(49,078)	(38,179)	—	—
Transfers and write-offs	—	—	—	—	—	—	—
Disposals of subsidiaries	(32,032)	(4,691,028)	(10,715,595)	(566,446)	(8,312,531)	(724,792)	(325,412)
Closing balance	—	—	—	39,500	202,292	50,394	—
2023							
	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	—	4,281,221	9,835,584	607,128	8,446,275	755,793	23,926,001
Additions	—	78,996	704,625	19,943	34,884	4,621	843,069
Disposals	—	—	—	(49,078)	(38,179)	—	(87,257)
Transfers and write-offs	—	—	—	—	—	—	—
Disposals of subsidiaries	—	(4,360,217)	(10,540,209)	(538,493)	(8,240,688)	(710,020)	(24,389,627)
Closing balance	—	—	—	39,500	202,292	50,394	292,186
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
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
Opening balance	32,032	4,979,301	24,922,646	621,770	8,727,101	1,520,970	—
Additions	—	34,421	171,181	16,254	59,766	—	384,999
Disposals	—	—	(467,887)	—	(46,892)	(149,838)	—
Transfers and write-offs	—	(322,694)	(14,216,413)	—	(215,688)	(606,566)	(100,568)
Closing balance	32,032	4,691,028	10,409,527	638,024	8,524,287	764,566	284,431
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

As at 31 December 2023 and 2022, the depreciation shown under "Additions", as a result of the sale of the subsidiary Cofina Media, was reclassified to the caption "Profit after tax from discontinued operations" (Notes 5 and 6).

As at 31 December 2022, as a result of the deliberation in the General Assembly of the dissolution and liquidation of the subsidiary Gрафedisport - 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.

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There were no property, plant and equipment pledged as collateral for loans nor were there any capitalised financial expenses as at 31 December 2023 and 2022.

9. RIGHT OF USE

9.1. RIGHT OF USE ASSETS

During the periods ended 31 December 2023 and 2022, the movement that occurred in the amount of right of use assets, as well as the corresponding amortisation, was detailed as follows:

	2023			
	Asset gross value			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	12,300,369	975,713	577,745	13,853,827
Additions	154,464	148,826	360,564	663,854
Reductions	—	(104,670)	—	(104,670)
Disposals of subsidiaries (Note 6)	(12,454,833)	(1,019,869)	(938,309)	(14,413,011)
Closing balance	—	—	—	—
	2023			
	Accumulated amortisation			
	Buildings and other edifications	Vehicles	Plant and equipment	Total
Opening balance as at 1 January	6,213,476	408,669	385,103	7,007,248
Additions	1,092,658	220,547	210,537	1,523,742
Reductions	—	(104,670)	—	(104,670)
Disposals of subsidiaries (Note 6)	(7,306,134)	(524,546)	(595,640)	(8,426,320)
Closing balance	—	—	—	—
	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

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	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

As at 31 December 2023 and 2022, the amortisations presented under "Additions", as a result of the sale of the subsidiary Cofina Media, were reclassified to the caption "Profit after tax from discontinued operations" (Notes 5 and 6).

9.2. LEASE LIABILITIES

During the periods ended 31 December 2023 and 2022, the movement that occurred in lease liabilities was detailed as follows:

	31.12.2023	31.12.2022
Opening balance as at 1 January	8,730,750	10,418,327
Additions	663,854	598,221
Accrued interest	367,358	547,591
Payments	(2,344,520)	(2,823,309)
Other effects	—	(10,080)
Disposals of subsidiaries (Note 6)	(7,417,442)	—
Closing balance as at 31 December	—	8,730,750

The maturity of the Lease Liabilities is detailed as follows:

	31.12.2023					
	2024	2025	2026	2027	>2027	Total
	—	—	—	—	—	—
Lease liabilities	—	—	—	—	—	—
	—	—	—	—	—	—

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

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10. INTANGIBLE ASSETS

During the periods ended 31 December 2023 and 2022, 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:

2023					
Asset gross value					
	Industrial property and other rights	Other intangible assets	Software	Intangible assets in progress	Total
Opening balance	760,599	370,090	7,076,241	90,087	8,297,017
Additions	—	—	152,657	78,557	231,214
Transfers and write-offs	—	—	—	—	—
Disposals of subsidiaries	(739,308)	(370,090)	(7,203,743)	(168,644)	(8,481,785)
Closing balance	21,291	—	25,155	—	46,446

2023					
Accumulated amortisation					
	Industrial property and other rights	Other intangible assets	Software		Total
Opening balance	760,599	370,090	6,860,416		7,991,105
Additions	—	—	307,643		307,643
Transfers and write-offs	—	—	—		—
Disposals of subsidiaries	(739,308)	(370,090)	(7,142,904)		(8,252,302)
Closing balance	21,291	—	25,155		46,446
	—	—	—		—
	—	—	—		—

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

As at 31 December 2023 and 2022, the amortisations presented under "Additions", as a result of the sale of the subsidiary Cofina Media, were reclassified to the caption "Profit after tax from discontinued operations" (Notes 5 and 6).

The main investments made during the periods ended 31 December 2023 and 2022 are related to licenses and other computer applications used by the Group.

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11. 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 2023

Non-current assets

Other non-current assets

	Financial assets recorded at amortised cost	Total
	—	—
	—	—
	—	—
	70,536	70,536
Cash and cash equivalents	54,550,498	54,550,498
	54,621,034	54,621,034
	54,621,034	54,621,034

Current assets

Trade receivables

Assets associated with contracts with customers

Other receivables

Other current assets

Cash and cash equivalents

31 December 2022

Non-current assets

Other non-current assets

	Financial assets recorded at amortised cost	Total
	104,149	104,149
	104,149	104,149
	7,054,920	7,054,920
Current assets	3,406,633	3,406,633
Trade receivables	29,817	29,817
Assets associated with contracts with customers	27,800	27,800
Other receivables	21,267,815	21,267,815
Other current assets	31,786,985	31,786,985
Cash and cash equivalents	31,891,134	31,891,134

Other non-current assets

Other receivables

Other current assets

Cash and cash equivalents

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Financial liabilities

<u>31 December 2023</u>	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	—	—
Lease liabilities	—	—
	—	—
Currents liabilities		
Bank loans	—	—
Other loans	—	—
Lease liabilities	—	—
Trade payables	85,296	85,296
Liabilities associated with contracts with customers	—	—
Other payables	—	—
Other current liabilities	78,214	78,214
	163,510	163,510
	163,510	163,510

<u>31 December 2022</u>	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

12. 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 2020 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 2023 and 2022.

As at 31 December 2023, as a result of the completion of the sale transaction of the subsidiary Cofina Media, S.A., both Cofina SGPS and said subsidiary will be taxed individually, as the percentage held by the Cofina Group is, as a result of said operation, less than 75%. Until 31 December 2022, Cofina SGPS, S.A. was the dominant company in the perimeter of the special taxation

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regime for groups of companies. These companies were taxed under the special taxation regime for groups of companies, in accordance with article 69 of the Corporate Income Tax Code ("RETGS"), which included Cofina SGPS and Cofina Media.

As of 31 December 2023, 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 2023, 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 2023 and 2022 were detailed as follows:

	Deferred tax assets	
	2023	2022
Opening balance	1,390,604	898,817
Effects on the income statement:		
Increase/(Reduction) of provisions not accepted for tax purposes	(114,258)	494,707
Other effects	—	(2,920)
Disposals of subsidiaries	(1,276,346)	—
Closing balance	—	1,390,604

As at 31 December 2023 and 2022, there are no situations generating deferred tax liabilities.

Deferred tax assets as at 31 December 2023 and 2022, according to the temporary differences generating them, are detailed as follows:

	31.12.2023	31.12.2022
Provisions and impairment losses of assets not accepted for tax purposes	—	969,049
Right of use assets	—	421,555
	—	1,390,604

Current taxes

Income tax recognised in the income statement for the periods ended 31 December 2023 and 2022 are detailed as follows:

	31.12.2023	31.12.2022 (Restated Note 5)
Current tax	396,293	879,489
Deferred tax	—	—
	396,293	879,489

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The reconciliation of the profit before income tax for the periods ended 31 December 2023 and 2022 is detailed as follows:

	31.12.2023	31.12.2022 (Restated Note 5)
Profit/(loss) before income tax from continuing operations	(14,343,682)	(1,431,423)
Theoretical tax rate	21.00%	21.00%
	<u>3,012,173</u>	<u>300,599</u>
Results related to investments	(1,072)	740
Provisions and adjustments not deductible or in excess of legal limits	(2,772,000)	—
Recognition of tax losses that have not originated deferred tax assets	(686,758)	—
Under/(over) Income tax estimates	—	(20)
Autonomous taxes	(1,174)	(274)
Carryover of net financing costs from previous tax periods	208,579	—
Other effects	636,545	578,444
Income tax	<u>396,293</u>	<u>879,489</u>

As at 31 December 2023 and 2022, the amount included under the caption "Other effects" results, essentially, from the favorable outcome to the Group of tax lawsuits.

13. INVENTORIES

As at 31 December 2023 and 2022, the amount recorded under the line item 'Inventories' is detailed as follows:

	31.12.2023	31.12.2022
Raw materials, subsidiaries and consumables	—	1,638,001
Broadcasting Rights	—	161,437
Accumulated impairment losses in inventories (Note 22)	<u>—</u>	<u>(48,037)</u>
	<u>—</u>	<u>1,751,401</u>

Inventories corresponded mostly to paper that was used for printing newspapers and magazines.

As at 31 December 2023 and 2022, the amount recorded under "Cost of sales", as a result of the sale of the subsidiary Cofina Media, was reclassified to the caption "Profit after tax from discontinued operations" (Notes 5 and 6).

14. TRADE RECEIVABLES

As at 31 December 2023 and 2022, this line item was composed of the following:

	31.12.2023	31.12.2022
Trade receivables, current account	—	7,146,592
Trade receivables, bad debt	<u>—</u>	<u>106,578</u>
	<u>—</u>	<u>7,253,170</u>
Accumulated impairment losses in trade receivables (Note 22)	<u>—</u>	<u>(198,250)</u>
	<u>—</u>	<u>7,054,920</u>

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.

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As of 31 December 2022, the ageing of gross impairment trade receivables can be detailed (by segments) as follows:

	Trade receivables		
	31.12.2022		
	Press	Television	Total
Not overdue	3,869,049	1,545,838	5,414,887
Overdue			
0 - 90 days	1,355,023	205,121	1,560,144
90 - 180 days	42,828	6,888	49,716
180 - 360 days	4,563	—	4,563
+ 360 days	193,687	—	193,687
	1,596,101	212,009	1,808,110
Barter balances			
Without impairment	29,993	180	30,173
Total	5,495,143	1,758,027	7,253,170

As at 31 December 2022, the "Barter balances" caption corresponded to amounts receivable under the barter regime, for which there are also payables recorded in the "Trade payables" caption (Note 23).

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 2022 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.

15. ASSETS ASSOCIATED WITH CONTRACTS WITH CUSTOMERS

This line item was detailed as follows as at 31 December 2023 and 2022:

	31.12.2023	31.12.2022
Assets associated with contracts with customers		
Publications (newspapers and magazines) to be invoiced	—	3,406,633
	—	3,406,633

As at 31 December 2022, sales of magazines and newspapers were 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 were recorded under the "Publications (newspapers and magazines) to be invoiced" caption.

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16. STATE AND OTHER PUBLIC ENTITIES

Asset and liabilities balances with the State and Other Public Entities as at 31 December 2023 and 2022 were detailed as follows:

	31.12.2023	31.12.2022
Debit balances:		
Income tax	63,394	—
Total income tax	<u><u>63,394</u></u>	<u><u>—</u></u>
Value Added Tax	—	101,349
Other taxes	—	2,939
Total other taxes (Note 17)	<u><u>—</u></u>	<u><u>104,288</u></u>
Credit balances:		
Income tax	—	283,484
Total income tax	<u><u>—</u></u>	<u><u>283,484</u></u>
Value Added Tax	40,594	987,758
Personal income tax	3,428	445,075
Social security contributions	3,736	541,226
Television exhibition tax	—	48,073
Stamp tax - bonuses	—	1,370
Other taxes	—	10,573
Total other taxes (Note 25)	<u><u>47,758</u></u>	<u><u>2,034,075</u></u>

As at 31 December 2023, the current asset item "Income tax" is related to withholding taxes, in the amount of 63,394 euros.

As at 31 December 2022, the current liability item "Income tax" included the estimated income tax (Note 12), net of payments on account and additional payments on account made by the Group, in the amount of 438,551 Euros.

17. OTHER RECEIVABLES

As at 31 December 2023 and 2022, this line item is detailed as follows:

	31.12.2023		31.12.2022	
	Current	Non-current	Current	Non-current
Advances to suppliers	—	—	886,771	—
Receivables from the State and other public entities (Note 16)	—	—	104,288	—
Others	—	—	29,817	93,587
Accumulated impairment losses on other receivables (Note 22)	—	—	1,020,876	93,587
	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>(93,587)</u></u>
	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>1,020,876</u></u>	<u><u>—</u></u>

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As at 31 December 2023 and 2022, the ageing of "Other receivables" balances, net of impairment losses is detailed as follows:

	31.12.2023			31.12.2022		
	Advances to suppliers	Other debtors	Total	Advances to suppliers	Other debtors	Total
Not overdue	—	—	—	886,771	134,105	1,020,876
Overdue						
0 - 90 days	—	—	—	—	—	—
90 - 180 days	—	—	—	—	—	—
180 - 360 days	—	—	—	—	—	—
+ 360 days	—	—	—	—	—	—
Total	—	—	—	886,771	134,105	1,020,876
	—	—	—	—	—	—

The amounts presented in the consolidated statement of financial position are net of accumulated impairment losses estimated by the Group.

18. OTHER CURRENT ASSETS

As at 31 December 2023 and 2022, the line item "Other current assets" caption is detailed as follows:

	31.12.2023	31.12.2022
Accrued income:		
Interest receivable	—	13,405
Other accrued income	70,536	9,967
Deferred costs:		
Operating expenses paid in advance	—	525,702
Charges related to subsequent year editions and advertising	—	166,972
Other deferred costs	—	10,647
Other current assets	—	4,428
	70,536	731,121

19. CASH AND CASH EQUIVALENTS

As at 31 December 2023 and 2022, the line item "Cash and cash equivalents" was detailed as follows:

	31.12.2023	31.12.2022
Cash	46	48,852
Bank deposits immediately available	54,550,452	21,218,963
Cash and bank balances on the statement of financial position	54,550,498	21,267,815
Bank overdrafts (Note 21)	—	(645,060)
Cash and bank balances in the statement of cash flows	54,550,498	20,622,755

20. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2023, 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.

As at 31 December 2023 and 2022 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.

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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 2023 and 2022 the "Other reserves" caption corresponds mainly to retained earnings from the Group's previous periods.

Appropriation of Net Profit

Regarding the 2023 period, the Board of Directors proposed, in its annual report, that the individual net loss of Cofina, SGPS, S.A., in the amount of 16,285,499 Euro be fully transferred to Retained Earnings.

21. BANK LOANS AND OTHER LOANS

As at 31 December 2023 and 2022, the line item line "Bank loans" and "Other loans" is detailed as follows:

	31.12.2023				31.12.2022			
	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	—
Confirming	—	—	—	—	1,213,385	—	1,213,385	—
	—	—	—	—	46,219,279	—	46,213,385	—
31.12.2023								
Bank overdrafts (Note 19)	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
	—	—	—	—	645,060	—	645,060	—
	—	—	—	—	645,060	—	645,060	—

21.1 Commercial paper

As at 31 December 2023, the Cofina Group does not have any bank loans contracted.

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

Nature	Maturity	31.12.2022		
		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

During the periods ended 31 December 2023 and 2022, the Group did not enter into default with any of the obtained loans.

21.2 Change in indebtedness and maturities

As at 31 December 2023 and 2022, reconciliation of the change in gross debt with cash flows is detailed as follows:

	31.12.2023	31.12.2022
Balance as at 1 January	46,864,339	51,810,549
Payments of loans obtained	(47,910,508)	(102,102,742)
Receipts of loans obtained	33,688,022	101,913,098
Bank overdrafts	284,011	(3,162,330)
Changes of loan issuance expenses	326,662	(1,594,236)
Disposals of subsidiaries (Note 6)	(33,252,526)	—
Change in debt	(46,864,339)	(4,946,210)
Balance as at 31 December	—	46,864,339

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22. PROVISIONS AND IMPAIRMENT LOSSES

The movement occurring under provisions and impairment losses during the periods ended 31 December 2023 and 2022 is detailed as follows:

	31.12.2023				
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in Goodwill (Note 7)	Impairment losses in inventories (Note 13)	Impairment losses in other receivables (Notes 14 and 17)
Opening balance	1,947,250	171,754	14,403,769	48,037	291,837
Additions	13,200,000	—	—	—	—
Reversals	—	—	—	—	—
Reclassifications	—	—	—	—	—
Utilisations and transfers	—	—	—	—	—
Disposals of subsidiaries (Note 6)	(1,947,250)	(15,354)	(14,403,769)	(48,037)	(291,837)
Closing balance	13,200,000	156,400	—	—	—

	31.12.2022				
	Provisions	Impairment losses in investments (Note 4)	Impairment losses in Goodwill (Note 7)	Impairment losses in inventories (Note 13)	Impairment losses in other receivables (Notes 14 and 17)
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

As at 31 December 2023 and 2022, 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:

	31.12.2023				31.12.2022 (Restated Note 5)			
	Provisions	Goodwill	Receivables	Total	Provisions	Goodwill	Receivables	Total
Provisions and impairment losses	13,200,000	—	—	13,200,000	—	—	—	—
Payroll expenses	—	—	—	—	—	—	—	—
Total	13,200,000	—	—	13,200,000	—	—	—	—

As at 31 December 2023 and 2022, the "Provisions" caption can be detailed as follows:

	31.12.2023	31.12.2022
Provisions for indemnities and legal proceedings	—	1,632,250
Provision for liquidation	—	315,000
Other provisions (Note 4.3)	13,200,000	—
	13,200,000	1,947,250

As at 31 December 2022, the "Provisions for indemnities and legal proceedings" caption included provisions for indemnities and ongoing legal proceedings against the Group for which the outcome was uncertain, which corresponded to the best estimate made by the Board of Directors, supported by its legal advisors, of the impacts that may arise from the outcome of the proceedings then in progress. The item "Provisions for liquidation" related to provisions recorded under the liquidation process of the subsidiary Grafedisport. As a result of the completion of the Cofina Media sale transaction, the aforementioned natures ceased to exist on 31 December 2023 (Notes 5 and 6).

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23. TRADE PAYABLES

As at 31 December 2023 and 2022, this caption is presented, taking into account its maturity, as follows:

	31.12.2023	Payable in		
		No due date ^(a)	Less than 3 months	Between 3 and 6 months
Trade payables	85,296	85,296	—	—
	85,296	85,296	—	—
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	—

^(a) Amounts included in the caption "No due date" relate to barter transactions with entities that are also customers (Note 14). As such, there is no pre-determined settlement date.

24. LIABILITIES ASSOCIATED WITH CONTRACTS WITH CUSTOMERS

As at 31 December 2023 and 2022, this line item is detailed as follows:

	31.12.2023	31.12.2022
Discounts to be granted	—	2,569,194
Commissions to be settled	—	681,378
Deferred income from advertising	—	823,822
	—	4,074,394

25. OTHER PAYABLES

As at 31 December 2023 and 2022, the line item 'Other payables' can be detailed as follows:

	31.12.2023	31.12.2022
Payables to the State and other public entities (Note 16)	47,758	2,034,075
Other debts:		
Payroll	—	229,251
Barter with public entities	—	252,907
Other debts	—	232,242
	47,758	2,748,475

26. OTHER CURRENT LIABILITIES

As at 31 December 2023 and 2022, the line item 'Other current liabilities' is detailed as follows

	31.12.2023	31.12.2022
Expense accruals:		
Wages and salaries payable	34,924	3,613,305
External supplies and services	—	562,063
Other accrued expenses	43,290	465,564
Deferred income:		
Other deferred income	—	1,144,740
	78,214	5,785,672

27. SALES, SERVICES RENDERED AND OTHER INCOME

For the periods ended 31 December 2023 and 2022, "Sales" correspond mainly to newspapers and magazines sales, also including a small portion of income related to the sale of printing paper.

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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.

As a result of the completion of the Cofina Media sale transaction, all of the above items were reclassified to the caption "Profit after tax from discontinued operations" on 31 December 2023 and 2022 (Notes 5 and 6).

28. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2023 and 2022 the line item "External supplies and services" is detailed as follows:

	31.12.2022	
	31.12.2023	(Restated Note 5)
Service fees	682,684	399,759
Other costs	58,092	135,914
	<u>740,776</u>	<u>535,673</u>

29. PAYROLL EXPENSES

As at 31 December 2023 and 2022, the line item "Payroll expenses" is detailed as follows:

	31.12.2023	31.12.2022
		(Restated Note 5)
Remunerations	316,620	312,810
Charges on wages	41,437	47,920
Other payroll expenses	1,420	1,355
	<u>359,477</u>	<u>362,085</u>

During the fiscal year ended 31 December 2022, the average number of staff employed in the companies included in the consolidation using the full consolidation method was 668.

30. FINANCIAL RESULTS AND RESULTS RELATED TO INVESTMENTS

The results related to investments, financial expenses and income for the periods ended 31 December 2023 and 2022 are detailed as follows:

	31.12.2022	
	31.12.2023	(Restated Note 5)
Results related to investments		
Application of the equity method - Mercados Globais (Note 4)	(5,107)	3,526
	<u>(5,107)</u>	<u>3,526</u>
Financial expenses		
Interest paid	168,067	454,717
Bank commissions	56,230	266,767
Other financial expenses and losses	42,369	22,279
	<u>266,666</u>	<u>743,763</u>
Financial Income		
Interest income	258,277	—
Other financial income	—	235,673
	<u>258,277</u>	<u>235,673</u>

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31. 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 of discontinued operations with related parties as of the date of disposal (Notes 5 and 6) and 31 December 2022 and the main transactions carried out during the period ended at said date are detailed as follows:

Transactions:

	Until the date of disposal		
	Sales and Services rendered (Note 27)	Other income (Note 27)	External supplies and services (Note 28)
VASP	22,282,582	2,996,977	311,620
Mercados Globais, S.A.	—	—	32,000
Other related parties	—	—	—
	22,282,582	2,996,977	343,620
	31.12.2022		
	Sales and Services rendered (Note 27)	Other income (Note 27)	External supplies and services (Note 28)
VASP	29,123,610	5,067,191	770,496
Mercados Globais, S.A.	—	—	38,400
Other related parties	60,446	538,905	—
	29,184,056	5,606,096	808,896

Balances:

	At the date of disposal		
	Trade receivables (Note 14)	Trade payables (Note 23)	Assets associated with contracts with customers (Note 15)
VASP	—	—	—
Mercados Globais, S.A.	—	—	—
Other related parties	—	—	—
	—	—	—
	31.12.2022		
	Trade receivables (Note 14)	Trade payables (Note 23)	Assets associated with contracts with customers (Note 15)
VASP	50,424	147,245	2,823,250
Mercados Globais, S.A.	—	11,808	—
Other related parties	163,439	—	—
	213,863	159,053	2,823,250

Sales to VASP during the periods ended 31 December 2023 and 2022 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.

As mentioned in Note 6, during the year ended 31 December 2023, Cofina SGPS completed the transaction for the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms of the revised final proposal

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(Amounts expressed in Euro)

(Best and Final Offer). The transaction was signed by members of the Board of Directors of Cofina SGPS, namely Domingos Vieira de Matos, Paulo Fernandes and João Borges de Oliveira. It should be noted that the Board of Directors requested prior approval from the Supervisory Board, which issued a favourable opinion on 21 September 2023.

During the periods ended 31 December 2023 and 2022, there were no transactions with Group Directors, besides the matter referred to above, nor were they granted loans.

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 2023 and 2022, are as follows:

	Board of Directors	
	31.12.2023	31.12.2022
Fixed compensation	272,000	272,000
Variable compensation	—	—
	<u>272,000</u>	<u>272,000</u>

As at 31 December 2023 and 2022, 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.

32. RESPONSIBILITIES FOR GUARANTEES PROVIDED

As at 31 December 2022, the Group had assumed responsibilities for guarantees granted amounting to 635,000 Euro (of which the amount of 398,000 Euro is mostly related with its advertising activity, and the amount of 237,000 Euro is related with ongoing tax proceedings (Note 22)).

33. EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2023 and 2022 were calculated based on the following amounts:

	31.12.2022	
	31.12.2023	(Restated Note 5)
Earnings of continued operations for the purpose of calculating earnings per share	(13,947,389)	(551,934)
Earnings of discontinued operations for the purpose of calculating earnings per share	11,867,133	11,003,231
Weighted average number of shares used to compute the basic and diluted earnings per share	102,565,836	102,565,836
Earnings per share:		
From continued operations		
Basic	(0.14)	(0.01)
Diluted	(0.14)	(0.01)
From discontinued operations		
Basic	0.12	0.11
Diluted	0.12	0.11

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34. INFORMATION BY SEGMENTS

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

	31.12.2022		
	Press	Television	Total
Operating income:			
Sales	29,578,990	—	29,578,990
Sales - intersegmental	—	—	—
Services rendered	16,274,235	11,889,849	28,164,084
Services rendered - intersegmental	—	—	—
Other income	9,906,317	8,387,124	18,293,441
Other income - intersegmental	—	—	—
Total operating income	<u>55,759,542</u>	<u>20,276,973</u>	<u>76,036,515</u>
Operating expenses			
Cost of sales	(6,321,434)	—	(6,321,434)
External supplies and services	(19,963,621)	(9,715,161)	(29,678,782)
Payroll expenses	(21,827,244)	(5,627,653)	(27,454,897)
Amortisation and depreciation	(2,884,942)	(230,060)	(3,115,002)
Provisions and impairment losses	(3,376,264)	—	(3,376,264)
Other expenses	(254,580)	—	(254,580)
Total operating expenses	<u>(54,628,085)</u>	<u>(15,572,874)</u>	<u>(70,200,959)</u>
Operating results	<u>1,131,457</u>	<u>4,704,099</u>	<u>5,835,556</u>
Results related to investments			3,245,144
Financial results			<u>(1,399,426)</u>
Profit before income tax			<u>7,681,274</u>
Income tax			2,770,023
Consolidated net profit for the period			<u>10,451,297</u>
Attributable to:			
Equity holders of the parent			10,451,297
Non-controlling interests			—
			<u>10,451,297</u>

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

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

Total net investment – regards the acquisition of property, plant and equipment and intangible assets related with the Television and Press segments in the period.

35. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2023 and 2022 there were no contingent assets. As at 31 December 2023 and 2022, the main contingent liabilities were related to the ongoing proceedings disclosed in Note 22 and the guarantees provided as disclosed in Note 32.

36. STATUTORY AUDITOR FEES

As at 31 December 2023, the total fees paid by Cofina Group for services provided by companies in the Deloitte & Associados, SROC S.A. universe, came to 94,400 Euro. These fees pertain to auditing and statutory audit services, and include the amount of 36,750 Euro, relating to other assurance services.

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.

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37. SUBSEQUENT EVENTS

On 24 February 2024, Cofina Group informed the market about the notification of the award issued in the context of the arbitration proceedings initiated on 15 April 2020 by Promotora de Informaciones, S.A. ("Prisa") before the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry. The award rendered by the Arbitral Tribunal rejected in full Prisa's request for Cofina to be ordered to compensate Prisa for the damages that Prisa claimed to have suffered in the amount of 87,377,049.30 Euro and ordered the release to Prisa of the amount of 10,000,000 Euro that had been deposited with the Escrow Agent (Banco BPI, S.A.), as down payment in the context of the Share Purchase Agreement entered into on 20 September 2019 between Cofina and Prisa for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which, on the date the SPA was signed, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A. (Note 4.3).

From 31 December 2023 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.

38. 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 2023

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(Amounts expressed in Euro)

Cofina SGPS, S.A

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

ASSETS	Notes	31.12.2023	31.12.2022
NON-CURRENT ASSETS			
Investments in subsidiaries and joint ventures	4	1,969	68,432,782
Other financial investments	4	510	10,000,510
Total of non-current assets		2,479	78,433,292
CURRENT ASSETS			
Trade receivables	17	—	1,152,645
Income tax	5 and 7	63,394	—
Other receivables	8 and 17	—	101,534
Other current assets		70,536	5,154
Other financial investments	4	10,000,000	—
Cash and cash equivalents	9	54,550,498	10,463,956
Total current assets		64,684,428	11,723,289
Non-current assets held for sale	4	3,634,599	—
TOTAL ASSETS		68,321,506	90,156,581
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	25,641,459	25,641,459
Share premiums	10	15,874,835	15,874,835
Legal reserve	10	5,409,144	5,409,144
Other reserves	10	24,270,299	13,295,174
Net profit/(loss) for the year		(16,285,499)	14,052,100
TOTAL EQUITY		54,910,238	74,272,712
LIABILITIES			
NON-CURRENT LIABILITIES			
Other loans	11	—	—
Total non-current liabilities		—	—
CURRENT LIABILITIES			
Provisions	4	13,200,000	—
Other loans	11	—	14,991,582
Trade payables		85,296	2,392
Income tax	5 and 7	—	283,484
Other payables	12 and 17	47,758	418,216
Other current liabilities	13	78,214	188,195
Total current liabilities		13,411,268	15,883,869
TOTAL LIABILITIES		13,411,268	15,883,869
TOTAL EQUITY AND LIABILITIES		68,321,506	90,156,581

The accompanying notes are an integral part of the separate financial statements.

The Chartered Accountant

The Board of Directors

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Cofina SGPS, S.A

INCOME STATEMENTS BY NATURE FOR THE PERIODS

ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

	Notes	31.12.2023	31.12.2022
Services rendered	17	611,420	758,500
Other income		13,462	24,932
External supplies and services	14	(740,776)	(535,673)
Payroll expenses	15	(359,477)	(362,085)
Provision and impairment losses	4	(13,200,000)	—
Other expenses		(43,395)	(54,032)
Results related to investments	4	(2,954,637)	13,849,060
Financial expenses	16	(266,666)	(743,763)
Financial income	16	258,277	235,672
Profit/(Loss) before income tax		(16,681,792)	13,172,611
Income tax	5	396,293	879,489
Net profit/(Loss) for the period		(16,285,499)	14,052,100

The accompanying notes are an integral part of the separate financial statements.

The Chartered Accountant

The Board of Directors

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Cofina SGPS, S.A

STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	<u>31.12.2023</u>	<u>31.12.2022</u>
Net profit/(loss) for the period	(16,285,499)	14,052,100
Total comprehensive income for the period	<u>(16,285,499)</u>	<u>14,052,100</u>

The accompanying notes are an integral part of the separate financial statements.

The Chartered Accountant

The Board of Directors

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Cofina SGPS, S.A

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 19)

(Amounts expressed in Euro)

Notes	Share capital	Share premium	Legal reserve	Other reserves	Net profit/(Loss) for the period	Total equity
	25,641,459	15,874,835	5,409,144	8,157,041	5,138,133	60,220,612
Balance as at 1 January 2022						
Appropriation of the result from 2021:						
Transfer to other reserves	10	—	—	5,138,133	(5,138,133)	—
Comprehensive income for the period		—	—	—	14,052,100	14,052,100
Balance as at 31 December 2022		<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>13,295,174</u>	<u>14,052,100</u>
Balance as at 1 January 2023		25,641,459	15,874,835	5,409,144	13,295,174	14,052,100
Appropriation of the result from 2022:						
Transfer to other reserves	10	—	—	14,052,100	(14,052,100)	—
Dividends distribution		—	—	(3,076,975)	—	(3,076,975)
Comprehensive income for the period		—	—	—	(16,285,499)	(16,285,499)
Balance as at 31 December 2023		<u>25,641,459</u>	<u>15,874,835</u>	<u>5,409,144</u>	<u>24,270,299</u>	<u>(16,285,499)</u>

The accompanying notes are an integral part of the separate financial statements.

The Chartered Accountant

The Board of Directors

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(Amounts expressed in Euro)

Cofina SGPS, S.A.

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 2022

(Translation of financial statements originally issued in Portuguese - Note 19)
(Amounts expressed in Euro)

	Notes	2023		2022	
Operating activities:					
Receipts from customers		1,904,692		—	
Payments to suppliers		(2,497,911)		(627,170)	
Payments to personnel		(359,288)		(356,273)	
Other receipts/payments relating to operating activities		(652,746)		(84,558)	
Income tax (paid)/received		309,279	(1,295,974)	725,165	(342,836)
<i>Cash flows generated by operating activities (1)</i>			(1,295,974)		(342,836)
Investment activities:					
Receipts arising from:					
Financial investments	4.1	48,594,044		—	
Dividends	17	15,004,736	63,598,780	44,695,615	44,695,615
Payments relating to:					
Financial investments	4.1	7,076	7,076	—	—
<i>Cash flows generated by investment activities (2)</i>			63,605,856		44,695,615
Financing activities:					
Receipts arising from:					
Loans obtained	11	17,334,172		70,857,310	
Interest and similar gains		193,709	17,527,881	235,672	71,092,982
Payments relating to:					
Interest and similar expenses		(174,246)		(360,147)	
Loans obtained	11	(32,500,000)		(102,102,742)	
Dividends		(3,076,975)	(35,751,221)	—	(102,462,889)
<i>Cash flows generated by financing operations (3)</i>			(18,223,340)		(31,369,907)
Cash and cash equivalents at the beginning of the period	9		10,463,956		(2,518,916)
Cash and cash equivalents variation: (1)+(2)+(3)			44,086,542		12,982,872
Cash and cash equivalents at the end of the period	9		54,550,498		10,463,956

The accompanying notes are an integral part of the separate financial statements.

The Chartered Accountant

The Board of Directors

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1. INTRODUCTORY NOTE

Cofina, SGPS, S.A. ("Cofina" or "the Company") is a public company, whose headquarters are located at Rua Manuel Pinto de Azevedo, 818, in Porto. In recent years it has developed its activity in the management of investments in the media sector, operating in this sector until November 2023 mainly through Cofina Media, S.A. (Note 4), and its shares 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 11 April 2024. 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. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted when preparing the attached financial statements are described below. These policies were consistently applied to comparative periods.

In addition, there were no significant changes to the main estimates used by the Company in preparing the financial statements.

2.1 BASIS OF PRESENTATION

The attached financial statements were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("IFRS-EU") in force for the period ended beginning on 1 January 2023. 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.

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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, mandatory applied to the financial year beginning on 1 January 2023:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
IFRS 17 - Insurance Contracts (including amendments to IFRS 17)	1-Jan-23	IFRS 17 replaces IFRS 4 and applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as some guarantees and some financial instruments with discretionary participation characteristics. In general terms, IFRS 17 provides a more useful and consistent accounting model for insurance contracts 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 - Presentation of financial statements and IFRS Practice Statement 2 - 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 - Accounting policies, changes in accounting estimates and errors - Definition of 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.

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Amendments to IAS 12 - Income taxes - Deferred taxes related to assets and liabilities arising from a single transaction	1-Jan-23	IAS 12 now requires an entity to recognize deferred tax when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. However, it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or to the related asset. This is particularly important when determining the existence of temporary differences on initial recognition of the asset or liability, as the initial recognition exception does not apply to transactions that give rise to equal taxable and deductible temporary differences. Among the applicable transactions are the recording of (i) right-of-use assets and lease liabilities; (ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognized as part of the cost of the related asset, when on the date of initial recognition they are not relevant for tax purposes. This amendment applies retrospectively.
Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	Immediately and 1-Jan-23 ¹	These changes come as part of the implementation of the OECD's Global Anti-Base Erosion ("Globe") rules, which may have significant impacts on the calculation of deferred taxes that are difficult to estimate at the time these amendments were issued. These amendments introduce a temporary exception to the accounting of deferred taxes arising from the application of the model rules of the pillar two of the OECD, and additionally establish new specific disclosure requirements for the affected entities.

¹ Companies should apply the exception immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023.

There were no significant effects on the Company's financial statements for the year ended 31 December 2023, 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	
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 according to the rights 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.

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Amendments to IFRS 16 - Leases - Lease liabilities in sale and leaseback transactions	1-Jan-24	<p>This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" according to the principles of IFRS 15, with a greater impact when some or all of the lease payments are variable lease payments that do not depend on an index or a rate.</p> <p>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.</p> <p>This amendment is of retrospective application.</p>
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These amendments, although endorsed by the European Union, were not adopted by the Company in 2023, 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 7 and IFRS 7 - Disclosures: Supplier financing arrangements	1-Jan-24	<p>These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.</p> <p>The disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments come into force for the period beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.</p>
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1-Jan-25	<p>This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period.</p> <p>The amendment specifies that a currency should be considered exchangeable when an entity is able to obtain the other currency within a period that allows for normal administrative management, and through an exchange or market mechanism in which an exchange transaction creates enforceable rights and obligations.</p> <p>If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction. The objective is to determine the exchange rate that would be applicable on the measurement date for a similar transaction between market participants. The amendments also state that an entity may use an observable exchange rate without making any adjustment.</p> <p>The amendments come into force for the period beginning on or after 1 January 2025. Early adoption is permitted, however the transition requirements applied must be disclosed.</p>

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 2023.

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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 MATERIAL ACCOUNTING POLICIES

The material 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 holds 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.

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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 instruments

Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's 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 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.

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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 2023 and 2022.

(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
- it is a derivative financial instrument (except if attributed to a hedging transaction).

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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 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 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

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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;
- the liability is held for trading; or
- the liability is designated to be recorded at fair value through the income statement.

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

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- 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

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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.

As at 31 December 2023, as a result of the sale of the subsidiary Cofina Media, S.A., Cofina SGPS began to be taxed individually, as the group relationship ceased after that date.

Until 31 December 2022, the Company was 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

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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 2023 and 2022 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.

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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).

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.

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 macroeconomic environment, marked by continued high interest rates, geopolitical risks and uncertainties regarding its future evolution, as a result of the combination of several effects, namely the current armed conflicts, poses significant challenges to the businesses 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;

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- 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.

When debt 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 2023 and 2022 period, no derivatives were contracted to hedge interest rate or foreign exchange rate risks.

In addition, as at 31 December 2023, Cofina has not contracted any bank loans.

(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.

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4. INVESTMENTS IN SUBSIDIARIES AND OTHER FINANCIAL INVESTMENTS

4.1 Investments in subsidiaries and joint ventures

During the years ended 31 December 2023 and 2022, the movement in the value of investments in subsidiaries and joint ventures was as follows:

	31.12.2023			31.12.2022
	Cofina Media	Mercados Globais	Total	Cofina Media
Investments in subsidiaries and joint ventures				
Opening balance as at 1 January	68,432,782	—	68,432,782	99,279,337
Acquisitions in the year	—	7,076	7,076	—
Equity method				
Effect on gains and losses related to subsidiaries	4,125,663	(5,107)	4,120,556	13,849,060
Dividends distributed (Note 17)	(15,004,736)	—	(15,004,736)	(44,695,615)
Disposals of subsidiaries	(57,553,709)	—	(57,553,709)	—
Others	—	—	—	—
Closing balance	—	1,969	1,969	68,432,782

On 8 November 2023, the Cofina Group informed the market of the completion of the transaction for the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms of the revised final proposal (Best and Final Offer), timely disclosed to the market in a press release dated 15 September 2023, signed by (i) members of the management team of Cofina Media, (ii) executives of such subsidiary and (iii) a group of investors, namely: Luís Santana, Ana Dias, Octávio Ribeiro, Isabel Rodrigues, Carlos Rodrigues, Luís Ferreira, Carlos Cruz, Cristiano Ronaldo, Domingos Vieira de Matos, Paulo Fernandes and João Borges de Oliveira, through the vehicle company Expressão Livre, SGPS, S.A., which assigned its contractual position in the share purchase agreement entered into in the context of the transaction to Expressão Livre II, SGPS, S.A., which acquired ownership of the Cofina Media shares. As a result of this transaction, Cofina SGPS recognized in the separate financial statements a loss of 7,075,193 Euro, including transaction costs.

As of 31 December 2023 and 2022, the main financial indicators, are as follows:

Description	%	31 December 2023			31 December 2022				
		Total assets	Total equity	Total revenue (a)	Net profit for the period	Total assets	Total equity	Total revenue (a)	Net profit for the period
Cofina Media, S.A. ("Cofina Media")	100 %	—	—	—	—	104,802,982	40,721,055	74,954,669	11,665,109
Mercados Globais – Publicação de Conteúdos, Lda. ("Mercados Globais")	50 %	7,625	3,938	36,500	(7,634)	—	—	—	—
		<u>7,625</u>	<u>3,938</u>	<u>36,500</u>	<u>(7,634)</u>	<u>104,802,982</u>	<u>40,721,055</u>	<u>74,954,669</u>	<u>11,665,109</u>

(a) Total revenue = Sales, Services rendered and Other income

As of 31 December 2023 and 2022, the net book value of the Company's investment in the joint venture Mercados Globais and in the then subsidiary Cofina Media reconciles as follows:

	31.12.2023	31.12.2022
	Mercados Globais	Cofina Media
Equity	3,937	40,721,055
Percentage interest	100.00 %	100.00 %
Company's share in equity	3,937	40,721,055
Write-off of Goodwill recognized in the share of net assets	—	(62,775,224)
Goodwill included in the net book value of the investment	—	91,755,222
Effect of the homogenization of accounting policies	—	(1,268,271)
	<u>3,937</u>	<u>68,432,782</u>

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4.2 Other financial investments

As at 31 December 2023 and 2022, 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 2023 and 2022, the total amount of financial investments for which impairment losses were recorded amounted to 156,400 Euro.

At 31 December 2023 and 2022, "Other financial investments" (shown under current assets and non-current assets, respectively) 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"), which 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 10,000,000.00 Euro (ten million Euro). This escrow account was 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 presented a claim for damages in which it claims that Cofina should be condemned to pay the damages it considered it has suffered.

On 24 February 2024, Cofina Group informed the market about the notification of the award issued in the context of the arbitration proceedings initiated on 15 April 2020 by Promotora de Informaciones, S.A. ("Prisa") before the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry. The award rendered by the Arbitral Tribunal rejected in full Prisa's request for Cofina to be ordered to compensate Prisa for the damages that Prisa claimed to have suffered in the amount of 87,377,049.30 euros and ordered the release to Prisa of the amount of 10,000,000 euros that had been deposited with the Escrow Agent (Banco BPI, S.A.), as down payment in the context of the Share Purchase Agreement entered into on 20 September 2019 between Cofina and Prisa for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which, on the date the SPA was signed, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A.

Given the outcome of the case, Cofina believes that this is an adjusting event under IAS 10 (Note 2.3 j)), to the extent as it materializes a contingency resulting from existing litigation as at 31 December 2023. As a result of this award, a provision was recognised on 31 December 2023 under the caption "Provisions and impairment losses" in the income statement for the period, corresponding to the amount to be delivered to Prisa.

Cofina is still analysing, together with its legal advisors, the lengthy award it has been notified of, and hence it is not, at this moment, in a position to inform about its possible reaction to the award in the part that was unfavourable to Cofina.

4.3 Non-current assets held for sale

Prior to the completion of the sale transaction of Cofina Media, S.A., this subsidiary sold to Cofina SGPS, S.A. its 50% stake in Vasp - Distribuidora de Publicações, S.A. ("VASP") for the amount corresponding to the realisation value of the stake, as provided for in the shareholders agreement, to exercise the call option and put option. The account payable on the Cofina SGPS side was regularised through a non-cash transaction when the sale of Cofina Media was completed. The process for exercising these options has already run its course and Cofina is currently waiting for a decision from the Competition Authority. Cofina expects the decision to be made during the first half of 2024. Accordingly, as at 31 December 2023, VASP is presented in this financial information as Non-current assets held for sale.

5. CURRENT AND DEFERRED TAXES

The Company pays Corporate Tax (CIT) at a rate of 21%, plus a surtax of 1.5% on taxable profit.

On 31 December 2023, as a result of the completion of the sale transaction of the subsidiary Cofina Media, S.A., Cofina SGPS began to be taxed individually, since, after that date, the group relationship ceased.

Until 31 December 2022, Cofina SGPS, S.A. was the dominant company under the special taxation regime for groups, and each of the companies encompassed by this arrangement recorded income tax in its separate financial statements under "Group Companies". Where subsidiaries contributed with losses, in the separate financial statements, the tax amount corresponding to losses that would be offset by the profits of the other companies under this arrangement was recorded in the separate accounts.

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If deferred tax assets were recorded for tax losses generated, the amount was recorded in the subsidiary as a receivable account from the parent company of the tax Group.

Additionally, in accordance with the legislation in force in Portugal during the period ended 31 December 2023 and 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 2020 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 2023 and 2022.

Deferred taxes

As at 31 December 2023 and 2022, there are no situations where deferred tax liabilities are generated.

As at 31 December 2023 and 2022, 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 2023 and 2022 is detailed as follows:

Current tax:	31.12.2023	31.12.2022
Tax estimate for the year	(1,174)	139,285
Under/(over) Income tax estimates	—	(20)
Other effects	397,467	740,224
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	396,293	879,489

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

	31.12.2023	31.12.2022
Profit/(Loss) before income tax	(16,681,792)	13,172,611
Theoretical tax rate	21.00 %	21.00 %
	<hr/> <hr/> <hr/>	<hr/> <hr/> <hr/>
Results related to investments	(252,947)	2,908,303
Provisions and adjustments not deductible or in excess of legal limits	(2,772,000)	—
Recognition of tax losses that have not originated deferred tax assets	(686,758)	—
Under/(over) Income tax estimates	—	(20)
Autonomous taxes	(1,174)	(274)
Carryover of net financing costs from previous tax periods	208,579	—
Other effects	397,417	737,728
Income tax	<hr/> <hr/> <hr/> <hr/> <hr/>	879,489

On 31 December 2023 and 2022, the amount included in the caption "Other effects" results, essentially, from the favorable outcome to the Company of tax lawsuits.

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6. CLASSES OF FINANCIAL INSTRUMENTS

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

Financial assets

31 December 2023	Financial assets recorded at amortised cost	Total
Current assets		
Trade receivables	—	—
Other receivables	—	—
Other current assets	70,536	70,536
Cash and cash equivalents	54,550,498	54,550,498
	<u>54,621,034</u>	<u>54,621,034</u>
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
	<u>11,616,786</u>	<u>11,616,786</u>

Financial liabilities

31 December 2023	Financial liabilities recorded at amortised cost	Total
Non-current liabilities		
Other loans	—	—
	<u>—</u>	<u>—</u>
Current liabilities		
Other loans	—	—
Trade payables	85,296	85,296
Other payables	—	—
Other current liabilities	78,214	78,214
	<u>163,510</u>	<u>163,510</u>
	<u>163,510</u>	<u>163,510</u>

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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

7. STATE AND OTHER PUBLIC ENTITIES

As at 31 December 2023 and 2022, these assets and liabilities were detailed as follows:

	31.12.2023	31.12.2022
Debit balances:		
Income tax	63,394	—
Total income tax	63,394	—
Value Added Tax	—	101,349
Total other taxes (Note 8)	—	101,349
Credit balances:		
Income tax	—	283,484
Total income tax	—	283,484
Value Added Tax	40,594	—
Personal income tax	3,428	3,238
Social security contributions	3,736	3,736
Other taxes	—	3,638
Total other taxes (Note 12)	47,758	10,612

8. OTHER RECEIVABLES

"Other receivables" as at 31 December 2023 and 2022 are detailed as follows:

	31.12.2023	31.12.2022
Group Companies (Note 17)	—	185
Accounts receivable from the State and other public entities (Note 7)	—	101,349
	—	101,534

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9. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" as at 31 December 2023 and 2022 are detailed as follows:

	31.12.2023	31.12.2022
Cash	46	51
Bank deposits immediately available	54,550,452	10,463,905
Cash and bank balances on the statement of financial position	54,550,498	10,463,956
Bank overdrafts (Note 11)	—	—
Cash and bank balances in the statement of cash flows	54,550,498	10,463,956

10. SHARE CAPITAL AND RESERVES

Share capital

As at 31 December 2023 and 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 2023 and 2022, "Other reserves" corresponds to retained earnings from the Company's previous periods.

Appropriation of Net Profit

With regard to the year 2023, the Board of Directors proposed in its annual report that the net loss for the year of Cofina, SGPS, S.A. in the amount of 16,285,499 Euro, be fully transferred to Retained Earnings.

With regard to the year 2022, the Board of Directors proposed in its annual report, which was approved at the General Meeting held on 28 April 2023, 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.

11. OTHER LOANS

As at 31 December 2023 and 2022, the detail of 'Other loans' was detailed as follows:

	31.12.2023				31.12.2022			
	Book value		Nominal value		Book value		Nominal value	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
Bank overdrafts	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	14,991,582	—	15,000,000	—
	—	—	—	—	14,991,582	—	15,000,000	—

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Commercial paper

As of 31 December 2023, Cofina SGPS does not have any bank loans contracted.

Reconciliation of the change in gross debt with cash flows as at 31 December 2023 and 2022 is detailed as follows:

	31.12.2023	31.12.2022
Balance as at 1 January	14,991,582	48,852,568
Payments of loans obtained	(32,500,000)	(102,102,742)
Receipts of loans obtained	17,334,172	70,857,310
Bank overdrafts	—	(2,991,893)
Changes of loan issuance expenses	174,246	376,339
Change in debt	(14,991,582)	(33,860,986)
Balance as at 31 December	—	14,991,582

12. OTHER PAYABLES

In the period ended 31 December 2023 and 2022 the line item 'Other payables' was detailed as follows:

	31.12.2023	31.12.2022
Payables to the State and other public entities (Note 7)	47,758	10,612
Group Companies (Note 17)	—	407,604
	<u>47,758</u>	<u>418,216</u>

13. OTHER CURRENT LIABILITIES

As at 31 December 2023 and 2022, the line item 'Other current liabilities' is detailed as follows:

	31.12.2023	31.12.2022
Expense accruals:		
Wages and salaries payable	34,924	34,924
Other accrued expenses	<u>43,290</u>	<u>153,271</u>
	<u>78,214</u>	<u>188,195</u>

14. EXTERNAL SUPPLIES AND SERVICES

As at 31 December 2023 and 2022, the line item 'External supplies and services' is detailed as follows:

	31.12.2023	31.12.2022
Service fees	682,684	399,759
Other expenses	<u>58,092</u>	<u>135,914</u>
	<u>740,776</u>	<u>535,673</u>

15. PAYROLL EXPENSES

As at 31 December 2023 and 2022, the line item 'Payroll Expenses' is detailed as follows:

	31.12.2023	31.12.2022
Payroll expenses	316,620	312,810
Social security contributions	41,437	47,920
Other payroll expenses	<u>1,420</u>	<u>1,355</u>
	<u>359,477</u>	<u>362,085</u>

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16. FINANCIAL RESULTS

The financial expenses and income for the period ended 31 December 2023 and 2022 are detailed as follows:

	31.12.2023	31.12.2022
Interest expenses (Note 11)		
Bank interest	(168,067)	(454,717)
Financing fees	(56,230)	(266,767)
Stamp duty	(779)	(1,500)
Other financial costs	(41,590)	(20,779)
	(266,666)	(743,763)
Financial income		
Interest income	258,277	—
Other financial income	—	235,672
	258,277	235,672

17. 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 2023 and 2022 and the main transactions carried out during the period ended at said date are detailed as follows:

Transactions:

	31.12.2023		31.12.2022	
	Services rendered	Dividends distributed (Note 4)	Services rendered	Dividends distributed (Note 4)
Cofina Media, S.A.	611,420	15,004,736	744,944	44,695,615
Grafedisport - Impressão e Artes Gráficas, S.A.	—	—	13,556	—
	611,420	15,004,736	758,500	44,695,615

Balances:

	31.12.2023			31.12.2022		
	Trade receivables	Other receivables	Other payables	Trade receivables	Other receivables	Other payables
Cofina Media, S.A.	—	—	—	1,132,509	—	366,652
Grafedisport - Impressão e Artes Gráficas, S.A.	—	—	—	20,136	185	40,952
	—	—	—	1,152,645	185	407,604

As mentioned in Note 4.1, during the year ended 31 December 2023, Cofina SGPS completed the transaction for the sale of all the shares representing the share capital and voting rights of Cofina Media, S.A., under the terms of the revised final proposal (Best and Final Offer). The transaction was signed by members of the Board of Directors of Cofina SGPS, namely Domingos Vieira de Matos, Paulo Fernandes and João Borges de Oliveira. It should be noted that the Board of Directors requested prior approval from the Supervisory Board, which issued a favorable opinion on 21 September 2023.

During the years ended 31 December 2023 and 2022, there were no transactions with the Group's Directors other than the above, nor were any loans granted to them.

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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 2023 and 2022, amounted to 272,000 Euro and 272,000 Euro, respectively, and only include a fixed pay component.

As at 31 December 2023 and 2022, 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.

18. SUBSEQUENT EVENTS

On 24 February 2024, Cofina informed the market about the notification of the award issued in the context of the arbitration proceedings initiated on 15 April 2020 by Promotora de Informaciones, S.A. ("Prisa") before the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry. The award rendered by the Arbitral Tribunal rejected in full Prisa's request for Cofina to be ordered to compensate Prisa for the damages that Prisa claimed to have suffered in the amount of 87,377,049.30 euros and ordered the release to Prisa of the amount of 10,000,000 euros that had been deposited with the Escrow Agent (Banco BPI, S.A.), as down payment in the context of the Share Purchase Agreement entered into on 20 September 2019 between Cofina and Prisa for the acquisition of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which, on the date the SPA was signed, held shares representing 94.69% of the voting rights of Grupo Media Capital, S.A. (Note 4.2).

From 31 December 2023 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.

19. 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.

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(Amounts expressed in Euro)

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

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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 2023 (which shows a total of Euro 68,321,506 and total equity of Euro 54,910,238, including a consolidated net loss of Euro 2,080,256), 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 material information on the accounting policy.

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 2023, 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
<p><u>Completed disposal of Cofina Media, S.A. and planned disposal of Vasp - Distribuidora de Publicações, Lda. and respective impact on the going concern basis</u></p> <p>(Referred to in Notes 1, 2.1, 4.4 and 6 to the consolidated financial statements)</p> <p>As mentioned in Note 6 of the notes to the consolidated financial statements, during the year ended 31 December 2023 the Group performed the disposal of the subsidiary Cofina Media, S.A. ("Cofina Media"). In addition, as mentioned in Note 4.4 to the consolidated financial statements, the Group presents as a non-current asset held for sale the 50% participation in Vasp - Distribuidora de Publicações, Lda ("VASP"), due to the perspective of selling this participation in the short term.</p> <p>Considering the magnitude of the amounts involved in the disposal of Cofina Media and that, when the disposal of the investment in VASP occurs, the Group will no longer have any relevant operational activity, we consider the disposal of Cofina Media and VASP and the respective implications in terms of the Group's going concern to be a key audit matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> - Review of the internal procedures implemented for analysing and making decisions regarding the disposal of Cofina Media; - Inquiry to the Supervisory Board and the Group's legal department about the procedures implemented for analysing the transaction prior to its submission for deliberation by the General Meeting; - Attendance at the General Meeting where the disposal of Cofina Media was deliberated; - Obtaining and analysing the contract for the disposal of the investment in Cofina Media; - Verification of the arithmetical accuracy of the result of the disposal of Cofina Media, as well as its accounting treatment; - Reading the minutes of the meetings of the governing bodies; - Reading of the documentation obtained in relation to the ongoing process of selling the 50% financial investment in VASP, and analysis of the accounting treatment given to this investment on 31 December 2023; - Analysis of the Group's financial position as at 31 December 2023, namely its ability to continue as a going concern for a period of twelve months from the date of the consolidated financial statements; and - An enquiry to the management body about the Group's prospects for future operations and going concern. <p>We also assessed the adequacy of the applicable disclosures included in Notes 1, 2.1, 4.4 and 6 to the consolidated financial statements.</p>

Description of the most significant risks of material distortion identified	Summary of the response to the most significant risks of material distortion identified
<p>Prisa lawsuit- Escrow account – Provisions and other financial investments (Referred to in Note 4.3 to the consolidated financial statements)</p> <p>At 31 December 2023, 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.</p> <p>Said acquisition was not completed, the parties having been involved in arbitral procedures, whose decision was issued on 24 February 2024.</p> <p>Within this process, Prisa Group claimed the right to receive the amount deposited by the Group in the escrow account, and also claimed for indemnities for compensation of damages that allegedly considered have suffered.</p> <p>The management, based on the opinion of the legal advisors of the Group, understood that Prisa Group would have no right over the amounts deposited in the escrow account, being the management's understanding that the right to that deposit would belong exclusively to Cofina, and also that Cofina would not have to pay any indemnity as a result of this process.</p> <p>However, by ruling of 24 February 2024, Cofina was condemned to hand over to Prisa the amount deposited in the escrow account, plus interest from 11 March 2020 until the date of payment, but was absolved of the part relating to the compensation claim. As a result of this decision, Cofina recognised in the 2023 financial year, a provision corresponding to the estimated amount of the responsibilities arising therefrom.</p> <p>Given the significance of the amounts involved in this lawsuit, this is considered a Key Audit Matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> – Reading the information obtained on this matter in previous financial years; – 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 for the legal area within the Group; – Reading the minutes of the management body meetings; – Reading of the ruling issued by the Arbitration Court on 24 February 2024; – Test of the amount of the provision recorded for this liability; and – Analysis of the accounting treatment given by Cofina as a result of the ruling, both in terms of maintaining the recognition of the amount deposited in the escrow account as an asset and in terms of recognising the amount payable to Prisa under "Provisions". <p>We also assessed the adequacy of the applicable disclosures (IFRS 9 and IAS 37) included in Note 4.3 to the consolidated financial statements.</p>

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 single 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 single 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 2023 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 single 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 single management report was prepared in accordance with the applicable law and regulations and the information included therein is in agreement with the audited consolidated financial statements, and considering our knowledge and appreciation of the Group, we did not identify material misstatements. As referred to in article 451, paragraph 7 of the Portuguese Companies' Code, this opinion is not applicable to the consolidated non-financial statement included in the single management report.

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 article 29-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 number 1 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 single 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 single 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' Meetings held on April 30, 2021 and April 28, 2022, respectively. We were appointed at the General Shareholders' Meeting held on 28 April 2023 for a third term running from 2023 to 2025;
- 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 article 5, number 1, of the Regulation (UE) number 537/2014 of April 16, 2014 and we have remained independent from the Group in conducting the audit.

Lisbon, April 24, 2024

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 2023 (showing a total of Euros 68,321,506 and equity of Euros 54,910,238, including a net loss of Euros 16,285,499), 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 material informations on the accounting policy.

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 2023 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
<p><u>Completed disposal of Cofina Media, S.A. and planned disposal of Vasp - Distribuidora de Publicações, Lda. and respective impact on the going concern basis</u></p> <p>(Referred to in Notes 2.1, 4.1 and 4.3 to the financial statements)</p> <p>As mentioned in Note 4.1 of the notes to the financial statements, during the year ended 31 December 2023 the Entity performed the disposal of the subsidiary Cofina Media, S.A. ("Cofina Media"). In addition, as mentioned in Note 4.3 to the financial statements, the Entity presents as a non-current asset held for sale the 50% participation in Vasp - Distribuidora de Publicações, Lda ("VASP"), due to the perspective of selling this participation in the short term.</p> <p>Considering the magnitude of the amounts involved in the disposal of Cofina Media and that, when the disposal of the investment in VASP occurs, the Entity will no longer have any relevant operational activity, we consider the disposal of Cofina Media and VASP and the respective implications in terms of the Entity's going concern to be a key audit matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> - Review of the internal procedures implemented for analysing and making decisions regarding the disposal of Cofina Media; - Inquiry to the Supervisory Board and the Entity's legal department about the procedures implemented for analysing the transaction prior to its submission for deliberation by the General Meeting; - Attendance at the General Meeting where the disposal of Cofina Media was deliberated; - Obtaining and analysing the contract for the disposal of the investment in Cofina Media; - Verification of the arithmetical accuracy of the result of the disposal of Cofina Media, as well as its accounting treatment; - Reading the minutes of the meetings of the governing bodies; - Reading of the documentation obtained in relation to the ongoing process of selling the 50% financial investment in VASP, and analysis of the accounting treatment given to this investment on 31 December 2023; - Analysis of the Entity's financial position as at 31 December 2023, namely its ability to continue as a going concern for a period of twelve months from the date of the financial statements; and - An enquiry to the management body about the Entity's prospects for future operations and going concern. <p>We also assessed the adequacy of the applicable disclosures included in Notes 2.1, 4.1 and 4.3 to the financial statements.</p>

Description of the most significant risks of material distortion identified	Summary of the response to the most significant risks of material distortion identified
<p><u>Prisa lawsuit- Escrow account – Provisions and other financial investments</u> (Referred to in Note 4.2 to the financial statements)</p> <p>At 31 December 2023, 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 4.2 to the financial statements.</p> <p>Said acquisition was not completed, the parties having been involved in arbitral procedures, whose decision was issued on 24 February 2024.</p> <p>Within this process, Prisa Group claimed the right to receive the amount deposited by the Entity in the escrow account, and also claimed for indemnities for compensation of damages that allegedly considered have suffered.</p> <p>The management, based on the opinion of the legal advisors of the Entity, understood that Prisa Group would have no right over the amounts deposited in the escrow account, being the management's understanding that the right to that deposit would belong exclusively to Cofina, and also that Cofina would not have to pay any indemnity as a result of this process.</p> <p>However, by ruling of 24 February 2024, Cofina was condemned to hand over to Prisa the amount deposited in the escrow account, plus interest from 11 March 2020 until the date of payment, but was absolved of the part relating to the compensation claim. As a result of this decision, Cofina recognised in the 2023 financial year, a provision corresponding to the estimated amount of the responsibilities arising therefrom.</p> <p>Given the significance of the amounts involved in this lawsuit, this is considered a Key Audit Matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> - Reading the information obtained on this matter in previous financial years; - 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 Entity; - Reading the minutes of the management body meetings; - Reading of the ruling issued down by the Arbitration Court on 24 February 2024; - Test of the amount of the provision recorded for this liability; and - Analysis of the accounting treatment given by Cofina as a result of the ruling, both in terms of maintaining the recognition of the amount deposited in the escrow account as an asset and in terms of recognising the amount payable to Prisa under "Provisions". <p>We also assessed the adequacy of the applicable disclosures (IFRS 9 and IAS 37) included in Note 4.2 to the financial statements.</p>

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 was accounted for at equity method until its classification as noncurrent asset held for sale. 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 single 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 single 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 2023 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 an 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 single management report

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies' Code, it is our opinion that the sole single 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. As referred to in article 451, paragraph 7 of the Portuguese Companies' Code, this opinion is not applicable to the consolidated non-financial statement included in the single management report.

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 number 1 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 single 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 single management report.

On the report on remunerations

In Compliance with article 26.º-G, nº 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' Meetings held on April 30, 2021 and April 28, 2022, respectively. We were appointed at the General Shareholders' Meetings held on 28 April 2023 for a third term running from 2023 to 2025;
- 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 article 5, number 1, of the Regulation (UE) number 537/2014 and we have remained independent from the Entity in conducting the audit.

Lisbon, April 24, 2024

Deloitte & Associados, SROC S.A.
Represented by Tiago Nuno Proença Esgalhado, ROC
Registration in OROC nº 1150
Registration in CMVM nº 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 in fulfilment of the mandate entrusted to us, we hereby submit for your consideration the Report and Opinion of the Statutory Audit Board, on its analysis of 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 2023, the preparation of which is the responsibility of the Board of Directors.

1. Report over the developed activity

During the year 2023, the Statutory Audit Board accompanied regularly the operations of the Company and its subsidiaries. It analysed with the necessary detail the activity of the Board of Directors, including the evolution of the business, the quality of the process of preparation and disclosure of financial information, the accounting policies and the measurement criteria, and monitored the regularity of accounting records, the compliance with statutory and legal requirements and the effectiveness and integrity of the risk management and internal control systems.

During the year of 2023, the Statutory Audit Board, has held eight meetings. The meetings of the Statutory Audit Board were held in person and by telematic means, with previously defined agendas and information circulated in advance. Whenever deemed necessary, other members of the Company's Board of Directors or subsidiaries, directors or other Company members were present, in order to obtain all the information necessary for enlightened debates and informed decisions.

The Statutory Audit Board developed its activity in permanent interaction with the other governing bodies and departments of the Company, in compliance with the applicable legal rules and recommendations. The Statutory Audit Board has not received any reports from the Statutory External Auditor regarding irregularities or difficulties in carrying out its duties. In particular, within the scope of its powers, the Statutory Audit Board has obtained the necessary information from the Board of Directors to carry out its supervisory duties and has carried out the necessary iterations in order to be able to fully exercise the powers assigned to it by law.

Opinions issued

Regulation on Transactions with Related Parties and Conflicts of Interest

In compliance with article 29º-S, paragraph 1 of the Portuguese Securities Code, in its current version, on 22 May 2023, the Statutory Audit Board issued a binding and favourable prior opinion on the internal regulation on Transactions with Related Parties and Conflicts of Interest, which, based on this favourable prior opinion, was subsequently approved by the Board of Directors at a meeting held on 31 May 2023 and it is currently in force in the Company.

Business with Directors

In the 2023 financial year, the Board of Directors asked the Supervisory Board to issue an opinion under the terms and for the purposes of Article 397(2) of the Portuguese Companies Code and Article 2(3) of the Company's Regulation on Transactions with Related Parties and Conflicts of Interest, regarding the potential sale of shares representing the entire share capital and voting rights of Cofina Media, S.A., and a favourable opinion was issued on 21 September 2023.

During the year, transactions with related parties or qualified shareholders were within the scope of the Company's current activity, were carried out under market conditions, complying with the applicable legal and regulatory requirements.

Relationship with the Statutory External Auditor

In the exercise of its competences, the Statutory Audit Board held regular meetings with the Statutory External Auditor's representatives in order to monitor the audit work carried out and its conclusions, and also to assess its independence. In this matter, that Statutory Audit Board also analysed the proposals submitted to it for the provision of services other than auditing by the Statutory External Auditor, having approved them, first and foremost because (i) they respect to permitted services, (ii) do not affect in any way the independence of the respective Statutory External Auditor and (iii) comply with other legal requirements.

Annual Financial Information

As part of its duties, the Statutory Audit Board examined the Management Report, the Sustainability Report (which includes the Non-Financial Information Report), the Corporate Governance Report (which includes the Remuneration Report) and the other documents of the separate and consolidated accounts, namely the Separate and Consolidated Financial Statements of the Financial Position, Income Statements, Statements of Comprehensive Income, Changes in Equity and Cash Flows for the period ended 31 December 2023 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 Code, having analysed that they contain the elements referred to in article 29º-H of the Portuguese Securities Code.

In the meeting held on 11 April 2024, the Company's Board of Directors approved the annual report for the year and the other documents that comprise it. The Statutory Audit Board had access to all the information it deemed necessary or merely useful for carrying out its supervisory duties.

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 their knowledge and conviction, the documents of the separate and consolidated accounts 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 Group it leads, 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, the Statutory Audit Board is of the opinion that the conditions are fulfilled 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 period ended 31 December 2023;
- e) The proposal of net profit/(loss) appropriation presented by the Board of Directors.

The Statutory Audit Board would like to express appreciation to the Board of Directors and the various departments and teams of the Company and its subsidiaries for all their collaboration.

Oporto, 24 April 2024

The Statutory Audit Board

Carlos Manuel Portela Enes Epifâniao
Statutory Audit Board President

Jorge Manuel de Sousa Marrão
Statutory Audit Board Member

Ana Paula dos Santos Silva e Pinho
Statutory Audit Board Member



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