

# ANNUAL REPORT AND ACCOUNTS 2022



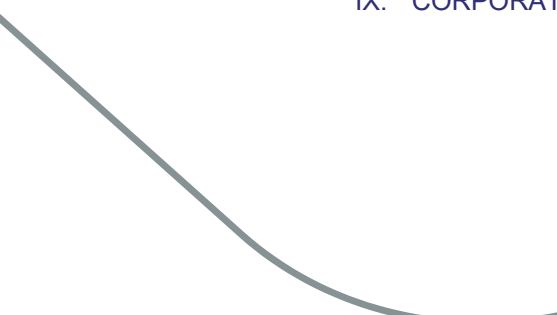

SIC - Sociedade Independente de Comunicação, S.A.  
Share Capital: 10,328,600 Euros

Head Office:  
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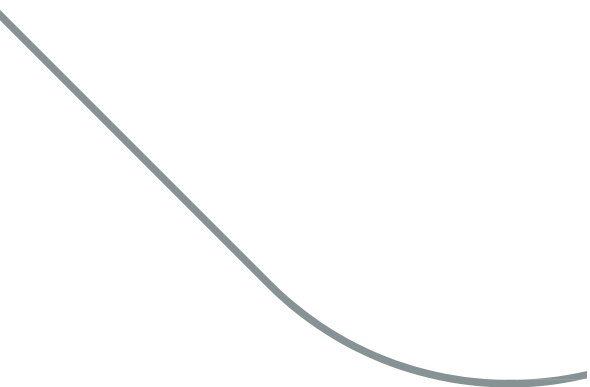
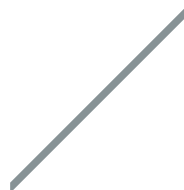
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I.

# MANAGEMENT REPORT

2022



# MANAGEMENT REPORT

## 2022

SIC's EBITDA, adjusted for restructuring costs, reached €18.1 M

Net Income was positive at €7.4 M

SIC celebrated its fourth consecutive year as audience leader with a 17.1% share

SIC represented 48.3% of the market share of advertising investment among generalist channels

## 1. CONSOLIDATED ACCOUNTS



(values in M€)	2022	2021	var %
Revenues	159.9	165.0	-3.1%
Operating Costs (1)	142.8	136.3	4.8%
EBITDA	17.1	28.7	-40.4%
EBITDA Margin (%)	10.7%	17.4%	
EBITDA (2)	18.1	28.7	-37.1%
EBITDA Margin (2) (%)	11.3%	17.4%	
Net Profit	7.4	16.5	-55.2%

**Notes:**

EBITDA = Operating Results + Amortisation and Depreciation + Provisions + Impairment in non-current assets.

(1) Does not consider Amortisation and Depreciation, Provisions and Impairment Losses on non-current assets.

(2) EBITDA adjusted for restructuring costs.

In 2022, SIC reached total revenues of €159.9 M, a decrease of 3.1%, even though this was the second-best result, in terms of turnover, since 2016.

SIC represented 48.3% of the market share of advertising investment among generalist channels.

Operating costs increased 4.8%, with this deviation being mostly justified by the costs of covering the war in Ukraine and the cyber attack that the IMPRESA Group was the target of at the beginning of the year. In addition, there is the increase in energy costs and those resulting from the increased competitiveness of the programming grid.

SIC's EBITDA, calculated in 2022, reached €17.1 M, while EBITDA adjusted for restructuring costs came to €18.1 M.

SIC's net income in 2022 was positive at €7.4 M.



## 2. AUDIENCES

SIC ended 2020 as audience leader in the universe of generalist channels, having reached an average share of 17.1% in terms of consolidated data. In the commercial targets – A/B C D 15/54 and A/B C D 25/54 – SIC also conquered the leading position in the universe of generalist channels, with shares of 13.1% and 13.0%, respectively.

In addition to leadership in the daily total, SIC maintained the first position in prime time and reached, in the universe of generalist channels, an average share of 19.5%, in terms of consolidated data.

The good performance of the various fiction products broadcast by SIC in prime time and the weekend entertainment programmes contributed to this result.

SIC remained unbeatable in the day time, leading in the morning period (between 8am and 2pm) with a 17.7% share. The programme “Casa Feliz” was the most watched on weekday mornings. The channel also stood out in the afternoon period (between 14h and 20h) with a 16.3% share.

In terms of information, “Primeiro Jornal” and “Jornal da Noite” were the most watched throughout the seven days of the week. This success is also attributed to the different items broadcast throughout the year, such as “Guerra Fria”, “Opinião de Luís Marques Mendes”, “Polígrafo SIC”, “Essencial”, “Grande Reportagem” and “Reportagem Especial”.

SIC’s generalist and thematic channels ended 2022 with a market share of 20.8%.

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In the commercial targets (A/B C D 15/54 and A/B C D 25/54), SIC's universe of channels was the most watched with a share of 17.6% and 17.8%, respectively.

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Subscription channels reached a market share of 3.8%, which represents an increase of 0.2 percentage points in relation to 2021.

SIC Notícias registered its best result since the implementation of the Gfk/CAEM audience measurement panel, reaching a market share of 2.3%, which translates into an increase of 0.2 percentage points in relation to 2021.

SIC Mulher ended the year with a share of 0.7%, SIC Radical of 0.3%, SIC Caras of 0.3% and SIC K of 0.2%.

In 2022, SIC brand websites achieved a new record with the best year ever with regard to the average monthly number of Unique Visitors: 3.2 million. This figure represents a year-on-year growth of 21.3% in terms of maximum coverage. It should be noted that both semesters of 2022 represented the best results ever achieved by the SIC brand in terms of digital formats.

### 3. SIC BONDS

On 11 July 2022, SIC made the final repayment of the SIC Bonds 2019-2022, which were admitted to trading on a regulated market (Euronext Lisbon) on 10 July 2019, thus concluding a first, pioneering operation in the media sector in Portugal.

The SIC Bonds 2021-2025, admitted to trading on a regulated market (Euronext Lisbon) on 11 June 2021, traded above par for most of the year, ranging between 99% and 102.98% throughout 2022.

### 4. PRÉMIOS

SIC, SIC Radical, SIC Mulher, SIC Caras and SIC K won the "Consumer Choice" award in 2022. SIC Notícias was distinguished with the Five Stars Award in the "Information Channel" category.

SIC received once again the Reputation Award attributed by the OnStrategy Consultancy. It was also awarded the Marketeer Award in the "TV - Media" category and the Media Partner of the Year Award for the coverage of the League Cup Final Four. SIC and SIC Notícias were distinguished in the M&P Creativity in Self-Promotion & Innovation in the Media Awards.

The Grand Award in Health Journalism from APIFARMA and the Journalists Club went to the news report "Estado Crítico", The Special Report "Os Maestros das Emoções" was awarded in the Television category, having also received, in 2022, the Prize for "Journalism in the Area of Pain" of the Portuguese Association for the Study of Pain and the Grunenthal Foundation, as well as the Prize in the Audiovisual area awarded by the Portuguese League Against Cancer.

The "A Saúde Mental das Crianças e dos Jovens" received the third Journalism Award of the Portuguese Society of Psychiatry and Mental Health. The "O Espaço Entre Nós" was the big winner of the Hearts Able to Build Communication Award, of the Hearts with a Crown Association.

"O Sol, Quando Nasce" received the Journalism Award "Children's Rights in the News", in the Television category. The report "Alentejo, Azeite e Água" won the Gazeta award, also in the Television category. The reports "Líbano" and "À Margem" received honourable mentions at the Human Rights & Integration Journalism Awards.

The soap opera "A Serra", was distinguished with the silver medal in the soap opera category of the 23rd World Media Festival, and received the bronze award in the "Entertainment Special" category of the New York Festivals - TV & Film Awards. The drama series "A Generala" and "O Clube," both from the streaming platform OPTO, took the silver in the "Streaming" category. The Fantastic 2022 Awards awarded the programme "Isto é Gozar com Quem Trabalha" with the Best Entertainment Programme Award.



## 5. OUTLOOK

The year 2022 marks the beginning of a new period of profound socio-economic transformations whose future consequences remain uncertain. The direct and indirect effects of the war in Ukraine, the changing social dynamics arising from years of confinement, technological developments and changing macroeconomic conditions continue to have an undeniable impact on consumption and organisations.

In strategic terms, last year IMPRESA concluded yet another cycle and, in October, set out to implement a new Plan, to be completed by the end of 2025, which will drive the Group to new heights of relevance, efficiency and profitability. The goal, for the end of 2025, is to achieve a growth of 15 to 20% in turnover. Until then, we intend, for example, to triple the weight of revenue generated by digital activity.

The IMPRESA brands lead and have conquered, year after year, the preference of their viewers and readers, now joined by their listeners. Since 2020, the Group has laid the foundations for its positioning in expanding areas such as streaming, branded content and audio.

Specifically in 2023, IMPRESA will focus on accelerating the development of its activity in the digital environment and the transformation of its work processes and methods. It will respond to the objective of growth in turnover and improvement in the operating margin with new sources of income and continuous investment in efficiency and in quality, competitiveness and diversification of the offer of contents in its multiple channels.

The many challenges that the Group has faced have only been overcome through the excellence and commitment of its teams, together with the trust that IMPRESA's stakeholders continue to place in our work. We leave, especially this year, a word of thanks to all.

We believe that together we can drive our passion for the media business further.



## 7. INDIVIDUAL ACCOUNTS

### 7.1. Analysis of Individual Accounts

The Board of Directors of SIC has adopted, since 1 January 2016, the IAS/IFRS as endorsed by the European Union in the preparation of its individual financial statements, considering 1 January 2015 as the transition date for the calculation of conversion adjustments. Hence, the individual financial statements presented since then have been prepared in accordance with these accounting standards.

In 2022, in individual terms, the operating results were positive by 12,498 thousand euros, compared to the positive results of 24,193 thousand euros, obtained in 2021.

The financial results were negative by 2,454 thousand euros, compared to the negative results of 1,932 thousand euros obtained in 2021.

Accordingly, net income was positive by 7,443 thousand euros in 2022, compared to the positive value of 16,452 thousand euros obtained in 2021.

### 7.2. Proposal of allocation of year-end results

It is proposed that the net profit for the year of 7,443,057.40 euros, should be distributed as dividends to the sole shareholder.

## 8. ACKNOWLEDGEMENTS

The Board of Directors expresses its thanks to the employees for their committed effort and dedication during the year under analysis, which enabled the obtainment of these results.

The Board of Directors is also thankful to the Advertisers, the Central Offices, the Advertising Agencies, and the Distributors for their confidence in SIC's capacity.

Finally, the Board of Directors would like to thank the Supervisory Board, the Statutory Auditor, Deloitte & Associados, S.R.O.C., and the banks, Banco BPI, Caixa Geral de Depósitos, Caixa Banco de Investimento, Banco Comercial Português, Banco Santander Totta, Caixa Económica Montepio Geral, Banco BIC Português, Novo Banco, Caixa de Crédito Agrícola, BNP Paribas, Bankinter, Haitong Bank, Banco BIG, Banco Best, Banco L.J. Carregosa, Banco Finantia and Banco ActivoBank for all their collaboration provided during the previous year.

Paço de Arcos, 18 April 2022

The Board of Directors,

Francisco José Pereira Pinto de Balsemão

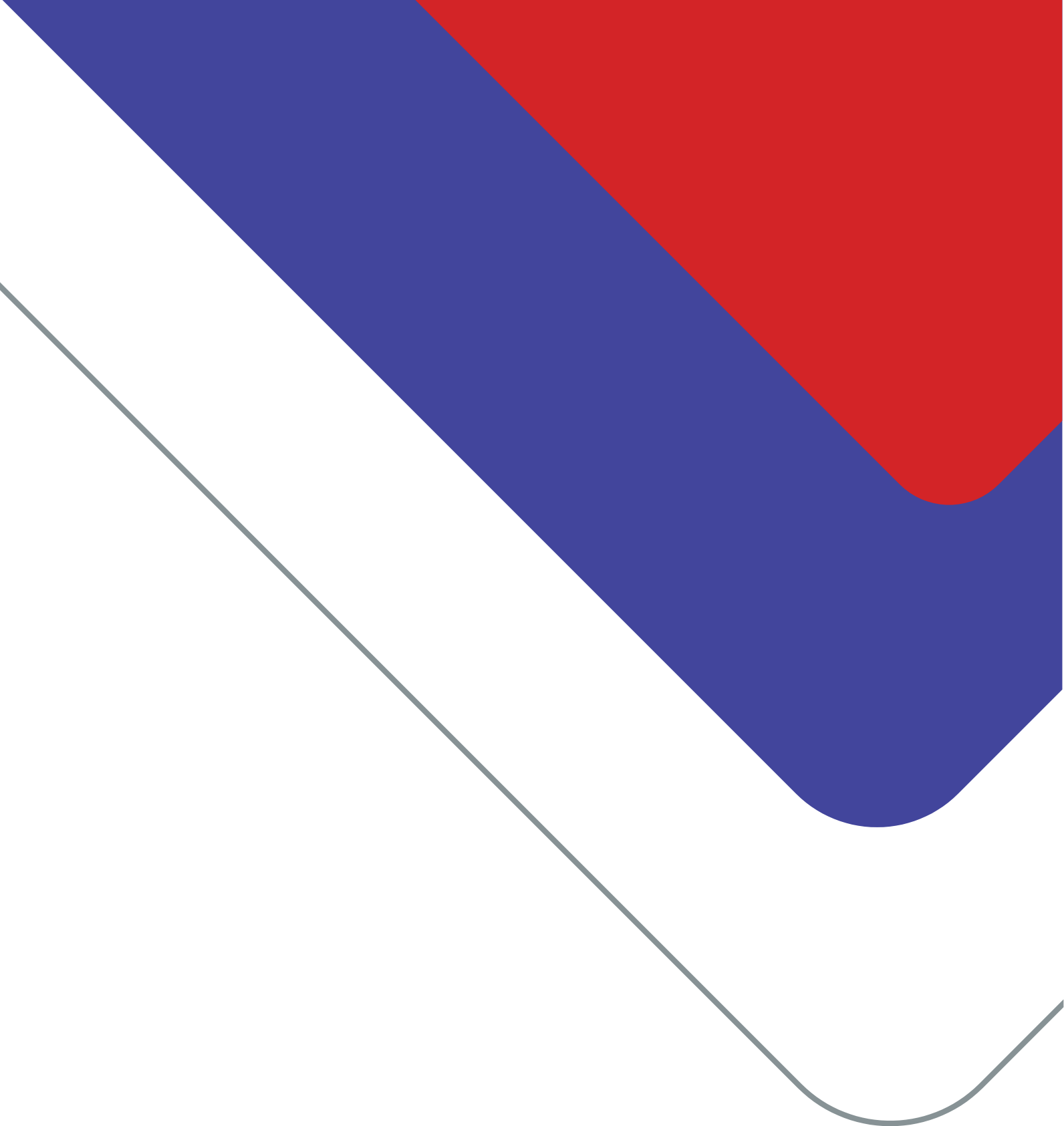
Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Rogério Paulo de Saldanha Pereira Vieira

Paulo Miguel Gaspar dos Reis

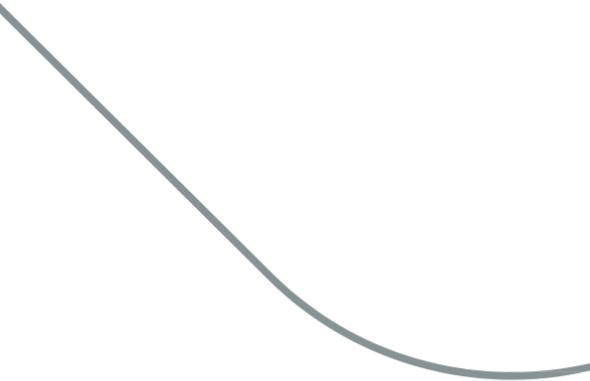
Nuno Miguel Pantoja Nazaret Almeida Conde





II.

INDIVIDUAL FINANCIAL  
STATEMENTS AND NOTES



2022

## STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 33)

ASSETS	Notes	31 December 2022	31 December 2021
<b>NON-CURRENT ASSETS:</b>			
Goodwill	12	17.324.797	17.324.797
Intangible assets	13	266.304	5.573
Tangible fixed assets	14	7.386.156	9.254.294
Investments	15	2.124.455	1.906.069
Program broadcasting rights	17	15.971.237	11.881.778
Other non-current assets	19	85.311.766	85.374.121
Deferred tax assets	10	602.533	881.173
Total non-current assets		128.987.248	126.627.805
<b>CURRENT ASSETS:</b>			
Program broadcasting rights	17	15.686.618	18.819.043
Trade and other receivables	18	16.588.581	24.964.293
Other current assets	19	4.398.546	7.603.443
Cash and cash equivalents	20	15.815.719	19.889.289
Total current assets		52.489.464	71.276.068
<b>TOTAL ASSETS</b>		<b>181.476.712</b>	<b>197.903.873</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	21	10.328.600	10.328.600
Legal reserve	21	2.065.720	2.065.720
Other reserves	21	269.361	269.361
Retained earnings		155.625	155.625
Net profit for the year		7.443.057	16.452.347
<b>TOTAL EQUITY</b>		<b>20.262.363</b>	<b>29.271.653</b>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Borrowings	22	64.505.506	52.468.678
Trade and other payables	24	-	238.452
Provisions	23	2.872.277	2.749.837
Total non-current liabilities		67.377.783	55.456.967
<b>CURRENT LIABILITIES:</b>			
Borrowings	22	7.910.337	43.531.577
Trade and other payables	24	29.228.717	25.601.038
Current tax liabilities	10	2.462.366	5.679.151
Other current liabilities	25	54.235.146	38.363.487
Total current liabilities		93.836.566	113.175.253
<b>TOTAL LIABILITIES</b>		<b>161.214.349</b>	<b>168.632.220</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>181.476.712</b>	<b>197.903.873</b>

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of profit and loss and comprehensive income originally issued in Portuguese - Note 33)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUE</u>			
Services rendered	4	157.648.092	162.300.319
Other operating revenue	5	576.947	1.035.356
Total operating revenue		<u>158.225.039</u>	<u>163.335.675</u>
<u>OPERATING EXPENSES</u>			
Cost of programs broadcast and goods sold	6	(79.693.876)	(74.584.090)
Supplies and services	7	(35.359.559)	(34.072.575)
Personnel costs	8	(27.089.243)	(26.837.100)
Amortization and depreciation	13 and 14	(2.883.698)	(3.250.414)
Provisions and impairment losses	23	(150.000)	(100.795)
Other operating expenses	5	(551.089)	(297.884)
Total operating expenses		<u>(145.727.465)</u>	<u>(139.142.858)</u>
Operating profit		<u>12.497.574</u>	<u>24.192.817</u>
<u>NET FINANCIAL EXPENSES</u>			
Gain / (loss) on associated companies	9	648.860	447.344
Interest and other financial costs	9	(5.620.741)	(5.183.374)
Other financial income	9	2.518.361	2.803.828
		<u>(2.453.520)</u>	<u>(1.932.202)</u>
Profit before taxes		10.044.054	22.260.615
Income tax expense	10	(2.600.997)	(5.808.268)
Net profit and comprehensive income for the year		<u>7.443.057</u>	<u>16.452.347</u>
Earnings per share:			
Basic	11	1,2395	2,7398
Diluted	11	1,2395	2,7398
Comprehensive income per share:			
Basic	11	1,2395	2,7398
Diluted	11	1,2395	2,7398

The accompanying notes form an integral part of the consolidated statement of profit and loss  
and other comprehensive income for the year ended 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 33)

	<u>Notes</u>	<u>Capital</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained Results</u>	<u>Net profit for the year</u>	<u>Total equity</u>
Balance at 1 January 2021		10.328.600	2.065.720	269.361	155.625	17.325.398	30.144.704
Appropriation of net result for the year ended 31 December 2020	21	-	-	-	-	(17.325.398)	(17.325.398)
Net profit for the year ended 31 December 2021		-	-	-	-	16.452.347	16.452.347
Balance at 31 December 2021		<u>10.328.600</u>	<u>2.065.720</u>	<u>269.361</u>	<u>155.625</u>	<u>16.452.347</u>	<u>29.271.653</u>
Application of net result for the year ended 31 December 2021	21	-	-	-	-	(16.452.347)	(16.452.347)
Net profit for the year ended 31 December 2022		-	-	-	-	7.443.057	7.443.057
Balance at 31 December 2022		<u>10.328.600</u>	<u>2.065.720</u>	<u>269.361</u>	<u>155.625</u>	<u>7.443.057</u>	<u>20.262.363</u>

The accompanying notes form an integral part of the statements of changes in equity for the year ended 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 33)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>OPERATING ACTIVITIES</u>			
Cash receipts from customers		180.046.158	163.549.995
Cash paid to suppliers		(108.606.338)	(111.737.725)
Cash paid to employees		<u>(27.504.042)</u>	<u>(25.847.410)</u>
Cash generated from operations		43.935.778	25.964.860
Payments relating to income taxes		(5.539.142)	(6.237.934)
Other cash paid/received relating to operating activities		<u>(1.672.769)</u>	<u>210.307</u>
Net cash from operating activities (1)		<u><u>36.723.867</u></u>	<u><u>19.937.233</u></u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Dividends	15	430.474	302.066
Loans to group companies	19	3.705.625	2.600.600
Interests		2.351.301	3.944.986
Current assets classified as held for sale	16	<u>-</u>	<u>233.279</u>
		<u>6.487.400</u>	<u>7.080.931</u>
Cash paid relating to:			
Tangible fixed assets		(1.122.337)	(1.215.497)
Intangibles Assets		(286.518)	-
Loans to group companies	19	<u>-</u>	<u>(3.705.625)</u>
		<u>(1.408.855)</u>	<u>(4.921.122)</u>
Net cash used in investing activities (2)		<u><u>5.078.545</u></u>	<u><u>2.159.809</u></u>
<u>FINANCING ACTIVITIES</u>			
Cash received relating to:			
Borrowings	22	<u>20.000.000</u>	<u>18.933.210</u>
		<u>20.000.000</u>	<u>18.933.210</u>
Cash paid relating to:			
Borrowings	22	(44.303.051)	(3.897.056)
Interests and similar costs		(5.120.584)	(6.289.419)
Dividends	21	<u>(16.452.347)</u>	<u>(17.325.396)</u>
		<u>(65.875.982)</u>	<u>(27.511.871)</u>
Net cash used in investing activities (3)		<u><u>(45.875.982)</u></u>	<u><u>(8.578.661)</u></u>
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		(4.073.570)	13.518.381
Cash and cash equivalents at the beginning of the year	20	19.889.289	6.370.908
Cash and cash equivalents at the end of the year	20	15.815.719	19.889.289

The accompanying notes form an integral part of the consolidated cash flow statement for the year ended 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

## 1. INTRODUCTORY NOTE

SIC - Sociedade Independente de Comunicação, S.A. ("Company" or "SIC") is a public limited liability company, with registered office in Paço de Arcos (up to 5 February 2019 in Carnaxide), that was incorporated on 23 July 1987 and started its activity on 6 October 1992, with its core business being the broadcasting of television programmes.

The Company belongs to the Impresa Group, with its financial statements being included in the consolidated financial statements of Impresa - Sociedade Gestora de Participações Sociais, S.A. ("Impresa"), with registered office in Lisbon.

The Company pursues its activity under broadcast licences and permits of various television channels (SIC Generalista, SIC Mulher, SIC Radical, SIC Caras, SIC K, SIC Notícias and SIC Internacional), granted by the Media Regulatory Entity ("ERC") and the streaming service OPTO.

The financial statements attached herewith are presented in euros, as this is the currency preferably used in the economic environment in which the Company operates. Transactions in foreign currency are included in the financial statements in conformity with the policy described in Note 2.16.

These financial statements were authorised for publication on 18 April 2023 by the Board of Directors of SIC.

The Company also prepared consolidated financial statements, under the legal terms.

## 2. MAIN ACCOUNTING POLICIES

### 2.1 Basis of presentation

The financial statements were prepared under the going concern assumption, in conformity with the provisions in the International Financial Reporting Standards as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and respective IFRIC and SIC interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). Hereinafter, the set of these standards and interpretations shall be referred to as "IFRS".

SIC adopted the IFRS for the first time in 2016; therefore, the transition date from the Portuguese accounting principles ("Accounting Standardisation System") to these standards for this purpose was established as 1 January 2015, pursuant to IFRS 1 – First-time adoption of the international financial reporting standards ("IFRS 1").

Consequently, in compliance with IAS 1, SIC declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for financial years beginning on 1 January 2022.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

The Board of Directors appraised the Company's capacity to operate as a going concern, based on all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events as at the reporting date of the financial statements, available about the future. As a result of the assessment carried out, the Board of Directors, considering the projections for the generation of cash flows for the year 2023, the available credit ceilings to be used and the amounts of existing renewable credit lines, concluded that the Company has adequate resources to maintain activities, with no intention of ceasing activities in the short-term, and therefore considered appropriate the use of the assumption of continuity of operations in the preparation of financial statements.

2.2 Adoption of new/revised IAS/IFRS

The accounting policies used in the year ended on 31 December 2022 are consistent with those used for the preparation of the financial statements of SIC for the year ended on 31 December 2021 and referred to in the respective notes.

During the year ended on 31 December 2022, the following standards, interpretations, amendments and improvements were endorsed, with mandatory application in the current financial year:

Standard / Interpretation	Applicable in the European Union in the financial years started on or after	Brief description
Amendment to IFRS 3	01-jan-22	This amendment corresponds to the update of the reference to the 2018 conceptual framework; additional requirements for analysis of obligations under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination.
Amendment to IAS 16 - "Proceeds before intended use"	01-jan-22	This amendment corresponds to an amendment to IAS 16 for the prohibition of deduction from the cost of a tangible asset of income related to the sale of products before the asset is available for use.
Amendment to IAS 37 - Onerous Contracts	01-jan-22	This amendment corresponds to the clarification that costs of fulfilling a contract correspond to costs directly related to the contract.
Annual improvements 2018-2020	01-jan-22	They essentially correspond to amendments to the following standards: - IFRS 1 – practical expedient that allows a subsidiary that adopts IFRS for the first time at a later date than its parent company to choose to measure the cumulative translation differences in relation to all foreign operating units by the amount that would be included in the company's financial statements parent, based on the parent company's transition date to IFRS; - IFRS 9 – clarifies the fees that must be included in the 10% test for the purposes of derecognition of a financial liability; - IAS 41 – removes the requirement to exclude tax-related cash flows in the measurement at fair value.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

The following standards, interpretations, amendments and revisions, of mandatory application in future financial years had been, by the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started on or after	Brief description
IFRS 17 - Insurance Contracts	01-jan-23	This standard establishes, for insurance contracts within its scope of application, the principles for their recognition, measurement, presentation and disclosure. This standard replaces standard IFRS 4 - Insurance Contracts.
Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	01-jan-23	This amendment published by the IASB in February 2021 changes the definition of an accounting estimate for a monetary amount in the financial statements subject to measurement uncertainty.
Amendment to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01-jan-23	This amendment published by the IASB in February 2021 clarifies that material accounting policies should be disclosed, rather than significant accounting policies, having introduced examples for identifying material accounting policy.
Amendment to IAS 12 Income Taxes - Deferred Taxes	01-jan-23	This amendment published by the IASB in May 2021 clarifies that the exemption from initial recognition of deferred taxes does not apply in transactions that produce equal amounts of taxable and deductible temporary differences
Amendment to IFRS 17 - Insurance contracts - initial application of IFRS 17 and IFRS 9 - comparative information	01-jan-23	This amendment published by the IASB in December 2021 introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 simultaneously.

The Company did not proceed with the early application of any of these standards in the financial statements of the year ended on 31 December 2022. The Company believes that the adoption of the standards referred to above will not lead to significant changes in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

The following standards, interpretations, amendments and revisions that may be applicable to the Company's operations, but are of mandatory application in future financial years, had not been endorsed by the European Union, by the date of approval of these financial statements:

Standard / Interpretation	Applicable in the European Union in the financial years started on or after	Brief description
Amendments to IAS 1 Standard Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants	01-jan-24	These amendments published by the IASB clarify the classification of liabilities as current and non-current by analyzing the existing contractual conditions at the reporting date. The amendment relating to non-current liabilities with covenants clarified that only the conditions that must be fulfilled before or on the reference date of the financial statements are relevant for the purposes of classification as current/non-current, further postponing the date of application to January 1, 2024
Amendment to IFRS 16 - Leases - Lease liability in a sale and leaseback transaction	01-jan-24	This amendment published by the IASB in September 2022 clarifies how a lessee seller accounts for a sale and leaseback transaction that meets the criteria of IFRS 15 to be classified as a sale.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Company in the year ended on 31 December 2022. The Company believes that the adoption of the standards referred to above will not lead to significant changes in its financial statements.

### 2.3 Goodwill

Goodwill corresponds to the excess of acquisition cost over the fair value of the identifiable assets and liabilities of a subsidiary on its acquisition date. Where the acquisition cost is lower than the fair value of the identified net assets, the difference is recorded as a gain in the statement of profit or loss and other comprehensive income for the period in which the acquisition occurs.

Following the exception established in IFRS 1, the Company did not retrospectively apply the provisions of IFRS 3 to the acquisitions that occurred before 1 January 2015. Therefore, the goodwill generated on acquisitions prior to the date of transition to IFRS (1 January 2015) was maintained at the net book values presented, on that date, pursuant to the accounting principles generally accepted in Portugal.

Goodwill is recorded as an asset and is not amortised, being presented separately in the statement of financial position. Goodwill is tested for impairment annually, or whenever there are indications of a possible loss of value. Any impairment loss is recorded immediately as a cost in the statement of profit or loss and other comprehensive income for the period and cannot be reversed subsequently (Note 12).

Upon the divestment of a subsidiary, the corresponding goodwill is included in the determination of the capital gain or loss.

#### 2.4 Intangible assets

Intangible assets, which are essentially composed of software (excluding that related to tangible fixed assets), licenses and other rights of use, are recorded at acquisition cost minus amortisation and any accumulated impairment losses. Intangible assets are only recognised when it is probable that they will generate future economic benefits for the Company, they are controllable and can be reliably measured.

Internal costs related to maintenance and development of software are recorded as costs in the statement of profit or loss and other comprehensive income for the year, except where the development costs are directly related to projects which are expected to generate future economic benefits for the Company. In these situations, these costs are capitalised as intangible assets.

Intangible assets are amortised on a straight-line basis over their estimated useful lives, from the moment that the assets are available for use, in conformity with the period of estimated useful life, which varies from three to six years.

#### 2.5 Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost minus the corresponding accumulated depreciation.

From this date onwards, the tangible fixed assets are recorded at acquisition cost minus the accumulated depreciation and accumulated impairment losses. Acquisition cost is defined as the purchase price plus related purchase costs.

Estimated losses arising from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognised as a decrease in the corresponding asset by corresponding entry to the statement of profit or loss and other comprehensive income.

Current maintenance and repair costs are recorded as incurred. Improvements and upgrades are only recognised as assets when they correspond to the replacement of assets which are written off, and lead to increased future economic benefits.

Tangible fixed assets are depreciated from the time when they become available for their intended use. Their depreciation is calculated on their acquisition cost minus their residual value (if significant), on a straight-line basis, from the month that the asset becomes available for use, over the period of expected useful life of the assets, as follows:

Homogeneous Class	Years
Building and other constructions	13-14
Basic Equipment	3-10
Transport Equipment	4-8
Office Equipment	3-10

## 2.6 Financial instruments

Financial investments essentially include equity stakes in subsidiaries recorded by the equity method, except when they are classified as held for sale. In this case, the equity stakes are initially recorded at acquisition cost, which is increased or decreased by the difference between this cost and the proportion of equity held in these companies, reported as at the acquisition date or the date that the equity method is applied for the first time.

Pursuant to the equity method, financial holdings are periodically adjusted by the value corresponding to the share in the net income of the Group companies, through other changes in their equity and the recognition of impairment losses, against financial gains or losses.

In addition, dividends received from these companies are recorded as reduction of the value of the investments in subsidiaries.

## 2.7 Leases

The Company assesses whether a contract contains a right-of-use asset or not at the beginning of the contract. The Company recognises a right-of-use asset and the corresponding liability due to the right-of-use in relation to all lease contracts in which it is the lessee, except short-term leases (lease period of 12 months or less) and low value leases. For these contracts, the Company recognises the lease expenses on a straight-line basis as an operating cost.

The right-of-use liability is initially measured by the present value of the future payments of each lease, discounted based on the implicit interest rate of the lease. If this implicit interest rate is not immediately determinable, the Company uses its incremental interest rate.

The lease payments included in the measurement of the right-of-use liability include:

- In-substance fixed payments, net of any incentives associated with the lease;
- Variable payments based on indices or rates;
- Expected payments related to guarantees of residual value;
- Price of the exercise of the purchase option, if it is reasonably certain that the Company will exercise the option in the future; and
- Penalty of the clauses of termination or renovations that are unilaterally exercisable, if it is reasonably certain that the Company will exercise the option of terminating or renovating the lease period in the future.

The right-of-use liability is subsequently measured, increased on account of accrued interest (recognised in the income statement) and reduced by the lease payments made.

Its book value is remeasured to reflect a possible reassessment, when there is a modification or review of the in-substance fixed payments.

The right-of-use liability is remeasured, with the corresponding adjustment being made in the related right-of-use asset whenever:

- There are significant events or changes that are under the control of the lessee, to the lease period or right to exercise the purchase option as a result of a significant event or change in the circumstances. In this case, the right-of-use liability is remeasured based on the present payments of the lease, using a new discount rate;
- The lease payments are modified due to changes in an index or rate or a change in the expected payment of a guaranteed residual value, in which case the lessee's liability is remeasured, discounting the new lease liability by using an unchanged discount rate (unless the change of the lease payments is due to a change based on floating interest rates, in which case a new discount rate is used);
- A lease contract is modified and the modification of the lease is not recorded as a separate lease. In this case, the right-of-use liability is remeasured based on the modified lease period, discounting the new payments by using a discount rate ascertained on the effective date of the modification.

Lease liabilities are presented in the statement of financial position on the line of loans received and are properly identified in the notes to the financial statements.

Right-of-use assets correspond to the initial measurement of the corresponding lease liability, plus lease payments before or on the starting date of the lease, plus any initial direct expenses and minus any amounts received. Right-of-use assets are subsequently measured at cost minus accumulated depreciation and impairment.

Whenever the Company expects to incur dismantlement costs of the right-of-use asset, or expenses related to the restoration of the site where this right-of-use asset or the asset underlying the lease is installed via requirements established in the terms and conditions of the lease contract, a provision is recognised and measured pursuant to IAS 37. These expenses are included in the related right-of-use asset, in the proportion to which the expenses are related to it.

Right-of-use assets are depreciated over the lowest period between the lease period and useful of the underlying asset.

If a lease transfers the ownership of the underlying asset or the price of the right-of-use reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated during the useful life of the underlying asset. Depreciation begins on the starting date of the lease contract.

Right-of-use assets are presented on the same line of items under which the respective underlying assets would be presented if they were owned by the Company and are properly identified in the notes to the financial statements. The Company applies IAS 36 to determine the recoverable value of the underlying asset, whenever necessary.

The portions of variable lease payments that do not depend on an index or rate are not included in the measurement of the liability or asset due to the right-of-use. The respective payments are recognised as an operating cost, in the income statement, in the period to which they refer.

IFRS 16, through a practical option, allows the lessee, by class of asset, not to separate the lease components from those that are not lease components which might established in the same contract and, alternatively, consider them as a single component of the contract. The Company uses this practical option in vehicle lease contracts. For contracts that contain a lease component and one or more components that are not related to the lease, the Company allocates a consideration in the contract to each lease component based on the price regardless of each component and in the price regardless of the non-lease components.

## 2.8 Financial instruments

### 2.8.1 Customer debt and other receivables

Customer debt and other receivables are classified as current assets are recorded at their nominal value, which is deemed to correspond to amortised cost, as they are expected to be received in the short-term and this does not differ significantly from their fair value at the date they were contracted, minus any impairment losses.

The Company recognises an expected credit loss on financial instruments that are measured at amortised cost. The values of expected credit losses are updated on each reporting date to reflect changes in credit risk from the initial recognition of the respective financial instrument.

Expected credit losses on these financial assets are estimated based on the historical experience of impairment losses of accounts receivable of the Company by type of transactions, adjusted for specific factors of the debtors, general economic conditions, and an assessment both of the current conditions and the forecast conditions on the reporting date, including the time value of money, when appropriate.

Impairment losses on customer debt and other receivables classified as current assets essentially correspond to the difference between the value initially recognised and the value that the Company estimates that it will receive from the debtor. In addition to the expected losses of accounts receivable, the Company estimates impairment losses based on the age of balances of the entities in question, any guarantees that may exist for each entity, relative to their financial situation and any reasons that may exist for payments in arrears.

Customer debt and other receivables are classified as non-current assets and are recorded at amortised cost minus any impairment losses. The effective interest rate method was used in the measurement of amortised cost, imputing the interest income during the expected life of the respective financial instruments, considering their contractual terms.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income for the period in which they were estimated.

### 2.8.2 Other current assets

Other current assets are initially recognised at their nominal value and are stated deducted by any impairment losses. An impairment loss of these assets is recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms initially established for the settlement of the receivables. The amount of the loss corresponds to the difference between the nominal value and the estimated recoverable value and is recognised in the statement of profit or loss and other comprehensive income for the year.

### 2.8.3 Cash and cash equivalents

Cash and cash equivalents comprise cash, term deposits and other treasury applications which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

### 2.8.4 Loans received

Loans are initially recognised at the value received net of expenses related to their issuance. In subsequent periods, the loans are recorded at amortised cost. Any difference between the amount received (net of issue costs) and the amount payable is recognised in the statement of profit or loss and other comprehensive income over the term of the loan using the effective interest rate method.

Loans that mature in less than twelve months are classified as current liabilities, unless the Company has the unconditional right to defer their settlement for more than twelve months after the date of the statement of financial position.

Loans exchanged without derecognising the previous liability, in accordance with IFRS 9, are accounted for as the same as the previous liability and therefore maintain the original effective interest rate.

#### 2.8.5 Suppliers, accounts payable and other current liabilities

Accounts payable are recorded at amortised cost and, when applicable, at their value discounting any interest calculated in accordance with the effective interest rate method.

In order to ensure faster access to the credit of its suppliers and facilitate the early payment of its invoices the Company has concluded reverse factoring agreements with financial institution. The values in debt of these transactions are presented in the heading "Suppliers and accounts payable", except when settled outside the normal operating cycle, in which case they are presented in the heading "Other current liabilities – Supplier credit guaranteed by third parties".

#### 2.8.6 Derecognition of financial assets and liabilities

The Company derecognises financial assets only when the contractual rights to their cash flows expire, or when it transfers to another entity the financial assets and all the significant risks and rewards associated with their ownership. Transferred financial assets relative to which the Company has retained some significant risks and rewards are derecognised, provided that control over them has been transferred. The Company derecognises financial liabilities only when the corresponding obligation is settled, cancelled or expires.

#### 2.9 Programme broadcasting rights

The Company follows the policy of recording the rights acquired from third parties to broadcast programmes under the heading "Programme broadcasting rights", with corresponding entry in the heading "Suppliers and other accounts payable" from the date of entry into force of these rights and whenever the following conditions are simultaneously met:

- The cost of the broadcasting rights is known or can be reasonably determined;
- The programme contents have been accepted in accordance with the contractually established conditions;  
and
- The programmes are available for broadcasting without restriction.

Programme broadcasting rights essentially correspond to contracts or agreements concluded with third parties for broadcasting soap operas, films, series and other television programmes, and are stated at their specific acquisition cost. The cost of programmes for broadcasting on the generalist and thematic channels is recorded in the statement of profit or loss and other comprehensive income when they are broadcast, taking into consideration the number of estimated broadcasts and estimated benefit of each broadcast. The cost of programmes for broadcasting on the OPTO streaming platform is recognised on a straight-line basis over 4 years.

In addition, advances made for the purchase of contents are recorded under the heading "Programme broadcasting rights" with corresponding entry in the heading "Suppliers and other accounts payable".

Costs incurred associated to the broadcasting of programmes, both the costs related to broadcasting rights purchased from producers and the costs related to programmes produced in-house, are recorded in the statement of profit or loss and other comprehensive income under the heading "Cost of programmes broadcast".

Information on future financial commitments for the acquisition of programmes is presented in Note 27.

Impairment losses (Note and 17) are recorded whenever the book value of the programme broadcasting rights is higher than its estimated recoverable amount.

#### 2.10 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or implicit) arising from a past event, the resolution of which will probably require spending internal resources, the amount of which can be reasonably estimated.

Provisions for restructuring costs are only recognised when a detailed formal plan exists identifying the main characteristics of the plan, after the plan has been communicated to the entities involved.

The amount of provisions is reviewed and adjusted on the date of each statement of financial position so as to reflect the best estimate at that time.

When any of the conditions described above are not met, the corresponding contingent liability is not recorded but only disclosed (Note 27), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

#### 2.11 Income tax

Income tax for the year consists of the sum of current tax and deferred tax and is recognised in accordance with the provisions of IAS 12. Current taxes and deferred taxes are recorded through profit or loss, except when the deferred taxes refer to items recorded directly through equity. In these cases, the deferred taxes are likewise recorded in equity.

The Company is covered by the system of taxation through consolidated profit (currently referred to as the Special Regime for the Taxation of Groups of Companies ("RETGS")) which covers all the companies in which Impresa has a direct or indirect stake of at least 75% of the share capital and comply with all the other conditions of this system.

The measurement of the income tax cost for the year, in addition to current tax, also considers the effect of deferred tax, calculated based on the variation between the years of the difference between the book value of the assets and liabilities at the end of each year and their corresponding value for tax purposes.

As established in the aforesaid standard, deferred tax assets are only recognised when there is reasonable assurance that they can be recovered in the future. At the end of each year an assessment is made of deferred tax assets, and they are reduced whenever their future recovery is no longer probable.

#### 2.12 Revenue

Income from services rendered (essentially the sale of advertising space on television and the internet) is recognised in the statement of profit or loss and other comprehensive income when the advertising is broadcast. It should also be noted that a significant part of the sale of advertising space on free-to-air television channels arises from the broadcasting of advertisements, for which the revenue generated is dependent on the audiences reached, considering the profile of the respective commercial target contracted by the advertiser. Services rendered are recognised net of taxes, discounts and other costs related to their accomplishment. The main commercial discounts granted to the Company's key customers are dependent on the level of advertising investment made by these customers on an annual basis, as well as other conditions agreed between the parties.

Income related to the assignment of broadcasting rights on generalist and theme channels, essentially to cable television operators, is recognised in the statement of profit or loss and other comprehensive income during the period that they are assigned.

Income related to the assignment of programme broadcasting rights or rights of the respective formats to third parties is recognised in the statement of profit or loss and other comprehensive income when the control is transferred, this revenue can be reliably estimated and it is probable. The revenue of this transaction is allocated to a series of costs belonging to the same performance obligation.

Income relating to the provision of value-added services regarding competitions and initiatives with telephone participation is recognised in the consolidated statement of profit or loss and other comprehensive income at the time of its provision.

#### 2.13 Accruals basis

Costs and income are recorded in the period to which they refer, regardless of when they are paid or received. Where the real value of costs and revenue is not known it is determined based on estimates.

Interest and financial income are recognised on an accruals basis in accordance with the applicable effective interest rate.

#### 2.14 Impairment of assets, excluding goodwill

The Company conducts impairment tests of tangible and intangible fixed assets whenever events or changes in circumstances are identified that indicate that the amount of an asset may be impaired. Where such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.

The recoverable amount is the higher of net selling price and value in use. The net selling price is the amount that could be obtained from the divestment of the asset in a transaction between independent and knowledgeable entities, minus the costs directly attributable to the divestment. The value in use is the present value of the estimated future cash flows updated based on discount rates that reflect the present value of the principal and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit or loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognised had no impairment loss been recognised for the asset, net of amortisation or depreciation, in previous years. The reversal of impairment losses is recognised immediately in the statement of profit or loss and other comprehensive income.

#### 2.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their book value is essentially recovered via a sale transaction and not through continuous use. This condition is considered to be fulfilled only when the asset (or group of assets to be divested) is available for immediate sale in its current condition, subject only to terms that are usual for sale of this asset (or group of assets to be divested) and their sale is highly probable. It is considered that a non-current asset is held for sale when the Board of Directors expects that the sale of these assets will be completed within one year of the date of classification.

Non-current assets (or group of assets to be divested) classified as held for sale are measured at the lowest value between their book value and fair value minus the divestment costs.

#### 2.16 Foreign currency balances and transactions

Assets and liabilities expressed in foreign currency are converted into euros at the exchange rates prevailing on the date of the statement of financial position, published by financial institutions. Foreign exchange gains and losses arising from differences between the exchange rates prevailing on the transaction date and those prevailing on the date collection, payment or of the statement of financial position are recorded as income or costs in the statement of profit or loss and other comprehensive income for the year.

#### 2.17 Classification of the statement of financial position

Assets that are realisable and liabilities that are payable in less than one year from the statement of financial position date are classified as current assets and liabilities, respectively.

#### 2.18 Subsequent events

Events that occur after closing of the year which provide additional information of the conditions that existed on that date are reflected in the financial statements.

Events that occur after the closing date of the year which provide additional information on the conditions that existed after that date are disclosed in the notes to the financial statements, if material.

### 3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

No changes to the accounting policies were made during the year ended on 31 December 2022.

The most relevant accounting estimates reflected in the financial statements for the years ended on 31 December 2022 and 2021 include:

a) Goodwill impairment tests:

Impairment tests require the determination of the fair value and/or value in use of the assets (or cash generating units) under review. This process requires a high number of judgements, in particular the projection of future cash flows associated with the assets or their cash generating units and the determination of a suitable discount rate to ascertain the present value of these cash flows. The Entity employs the services of an external entity to prepare the assessment of the assets/cash generating units, establishing the requirement that the maximum quantity possible of observable data should be used.

b) Recording of provisions:

The expected outcome of lawsuits and tax proceedings underway is estimated by the Company, as well as the corresponding assessment of the need to constitute provisions, based on the opinion of SIC's lawyers / legal consultants. SIC's lawyers / legal consultants have the technical skills and detailed knowledge of the procedures that enable them to mitigate the uncertainty inherent to the outcome of lawsuits and proceedings of this nature.

c) Useful lives of tangible fixed assets:

SIC revises the estimated useful lives of its tangible and intangible assets on each reporting date. The useful lives of the assets depend on diverse factors related to their use, the economic and technological environment, and the Entity's strategic decisions.

d) Broadcasting dates of the programme broadcasting rights:

Based on its strategic and operational decisions, the Entity projects the broadcasting dates of each programme on its grid. The broadcasting of the contents depends on factors related to the Company's strategy for the television grid of its channels, the licensing period of each content, and factors related to market demand.

e) Impairment losses of accounts receivable:

Impairment losses of accounts receivable are calculated as indicated in Note 2.8.1. Accordingly, the determination of impairment through case-by-case analysis corresponds to the Company's judgement of the economic and financial situation of its customers and the Group's estimate of the value allocated to any existing guarantees, with the consequent impact on expected future cash flows. On the other hand, the expected impairment losses for loans granted are calculated taking into account a set of historical information and assumptions, which may not actually be representative of the future bad debt of the Entity's debtors.

f) Commercial discounts granted to key customers:

As mentioned in Note 2.12, the measurement of the advertising revenue depends on the conditions agreed with the customers and the discounts to be given according to the advertising investment made by the customers.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)g) Cost of broadcast programs

As mentioned in Note 2.9, programme broadcasting rights essentially correspond to contracts or agreements concluded with third parties for broadcasting soap operas, films, series and other television programmes, and are stated at their specific acquisition cost. The cost of the programmes is recorded in the statement of profit or loss and other comprehensive income when they are broadcast, taking into consideration the number of estimated broadcasts and estimated benefit of each broadcast. The Group estimated a new imputation criterion, based on historical analyses, for costs associated with the broadcasting of nationally produced soap operas. This estimation takes into account criteria of audience level of the first broadcast, probability of occurrence of a second broadcast, the historical record of advertising revenues generated by the first and second broadcasts of nationally produced soap operas, and the time frame for the second broadcast.

The revision of an estimate of a previous period is not considered as an error. Changes in estimates are only recognised prospectively in results and are subject to disclosure when the effect is materially relevant. Estimates are determined based on the best information available at the time of preparing the financial statements.

4. SERVICES RENDERED BY ACTIVITY

The services rendered for the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021
Services rendered:		
Advertising	107,792,609	108,758,179
Subscription to channels	30,946,396	32,888,848
Multimedia	14,700,464	17,592,228
Others	4,208,623	3,061,064
	<u>157,648,092</u>	<u>162,300,319</u>

5. OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue for the years ended on 31 December 2022 and 2021 was as follows:

	2022	2021
Reversal of impairment losses (Note 23)	27,651	178,250
Supplementary income	288,786	205,888
Subsidies	41,771	132,669
Other	218,739	518,549
	<u>576,947</u>	<u>1,035,356</u>

Other operating expenses for the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021
Taxes	237,954	257,382
Reversal of impairment losses (Note 23)	68,000	-
Other	245,135	40,502
	<u>551,089</u>	<u>297,884</u>

6. COSTS OF PROGRAMMES BROADCAST

As at 31 December 2022 and 2021, the cost of programs broadcast was detailed as follows:

	<u>2022</u>	<u>2021</u>
Generalist channel:		
In-house production	24,591,234	21,962,694
Soaps	25,071,515	22,707,148
Entertainment programmes	17,192,175	15,520,591
Sports	2,681,316	3,118,070
Films	1,061,426	1,415,747
Series	190,759	489,174
Other	2,495,050	2,789,281
Thematic channels (a)	4,680,003	5,275,567
OPTO (b)	1,730,398	1,305,817
	<u>79,693,876</u>	<u>74,584,090</u>

(a) The costs of broadcasting television programmes on the thematic channels are recognised in this heading.

(b) This heading records the costs related to the provision of audiovisual contents on the streaming platform (OPTO).

In the year ended on 31 December 2022 and 2021, 24,591,234 euros and 21,962,694 euros of costs of programmes produced in-house were recorded, whose cost classification falls under External supplies and services.

7. EXTERNAL SUPPLIES AND SERVICES

During the years ended on 31 December 2022 and 2021, this heading was detailed as follows:

	<u>2022</u>	<u>2021</u>
Specialized works	15,412,911	11,588,932
Communication	5,657,428	6,586,107
Prizes to be given	5,494,326	5,392,433
Maintenance and repair	2,818,608	3,060,048
Subcontracts	2,159,441	2,159,441
Other	3,816,845	5,285,615
	<u>35,359,559</u>	<u>34,072,575</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)8. STAFF COSTS

Staff costs for the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021
Salaries	20,903,267	21,458,414
Charges on remuneration	4,628,486	4,572,028
Indemnities	1,022,719	704
Other personnel costs	534,771	805,954
	<u>27,089,243</u>	<u>26,837,100</u>

During the years ended on 31 December 2022 and 2021, the average number of employees of the Company was 600 and 584 employees, respectively.

9. FINANCIAL RESULTS

The financial results for the years ended on 31 December 2022 and 2021 are detailed as follows:

	2022	2021
Gain and loss on associated companies (Note 15)	<u>648,860</u>	<u>447,344</u>
Interest and other financial costs:		
Interest	(3,590,743)	(3,650,942)
Other financial costs (a)	(1,139,879)	(1,379,830)
Lease liabilities	(141,308)	(146,234)
Exchange rate differences	(404,152)	(6,368)
Other financial expenses	<u>(344,659)</u>	<u>-</u>
	<u>(5,620,741)</u>	<u>(5,183,374)</u>
Other financial income:		
Shareholder and companies of the Group (Notes 19 and 28)	2,491,125	2,337,500
Interest (Note 28)	13,801	1,486
Other financial income	<u>13,435</u>	<u>464,842</u>
	<u>2,518,361</u>	<u>2,803,828</u>
Net financial expenses	<u>(2,453,520)</u>	<u>(1,932,202)</u>

(a) This heading essentially corresponds to commissions and bank charges.

10. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Company is subject to corporate income tax ("IRC") under the RETGS, as it is part of the tax group headed by Impresa. Consequently, the values of estimated corporate income tax, tax deductions at source made by third parties and payments on account are recorded in the statement of financial position as accounts payable or receivable by Impresa, as applicable, as the controlling company. The Company is subject to corporate income tax at the rate of 21% for the tax base, plus a 1.5% municipal surcharge on taxable profit, resulting in a maximum aggregate tax rate of 22.5%.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

The state surcharge rates for taxable profit in excess of 1,500,000 euros are as follows:

- 3% for taxable profit between 1,500,000 euros and 7,500,000 euros;
- 5% for taxable profit between 7,500,000 euros and 35,000,000 euros;
- 9% for taxable profit above 35,000,000 euros.

The deduction of the net financial costs in the determination of taxable profit on a consolidated basis is limited to the highest of the following thresholds:

- 1,000,000 euros;
- 30%.

Pursuant to article 88 of the Corporate Income Tax Code the Company is subject to autonomous taxation on certain charges at the rates established in that article.

Pursuant to the current legislation, tax returns are subject to review and correction by the tax authorities during four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or objections have been made, in which case, depending on the circumstances, this period can be extended or suspended. Therefore, the tax returns for the years of 2019 to 2022, inclusively, may still be subject to review.

The Board of Directors believes that any corrections arising from reviews/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as at 31 December 2022 and 2021.

As at 31 December 2022 and 2021, the current tax liabilities are detailed as follows (Note 28):

	2022	2021
Adjustments to corporate income tax	2,390,630	5,819,531
Withholding Taxes	71,736	(140,380)
	<u>2,462,366</u>	<u>5,679,151</u>

a) Movements in deferred tax assets

The movement occurred in deferred tax assets, according to the temporary differences that generated them, in the years ended on 31 December 2022 and 2021, was as follows:

31 December 2022			
Temporary differences	Opening balance	Increase/ (decrease)	Closing balance
Impairment losses on receivable	92,829	2,811	95,640
Indemnities	55,192	178,558	233,750
Bonus	216,838	(206,006)	10,832
Provisions for other risks and charges	516,315	(254,004)	262,311
	<u>881,173</u>	<u>(278,641)</u>	<u>602,533</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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31 December 2021

Temporary differences	Opening balance	Increase/ (decrease)	Closing balance
Impairment losses on receivable	177,428	(84,599)	92,829
Indemnities	67,734	(12,542)	55,192
Bonus	193,589	23,249	216,838
Provisions for other risks and charges	529,847	(13,532)	516,315
	<u>968,597</u>	<u>(87,424)</u>	<u>881,173</u>

b) Reconciliation of the tax rate:

	2022	2021
Pre-tax result	10,044,054	22,260,615
Nominal tax rate	22.5%	22.5%
	<u>2,259,912</u>	<u>5,008,638</u>
Effect of the application of state surcharge	428,664	876,656
State Surcharge	<u>2,688,576</u>	<u>5,885,294</u>
Permanent differences (i)	(220,360)	(183,361)
Adjustments to corporate income tax (ii)	201,055	205,022
(Excess) / insufficiency of corporate income tax estimate	(68,273)	(98,687)
Corporate income tax	<u>2,600,998</u>	<u>5,808,268</u>
Effective tax rate	<u>27%</u>	<u>26%</u>
Current tax	2,390,630	5,819,531
(Excess) / insufficiency estimate for prior period income tax	(68,273)	(98,687)
Deferred tax for the year	<u>278,641</u>	<u>87,424</u>
	<u>2,600,998</u>	<u>5,808,268</u>

(i) As at 31 December 2022 and 2021, this value was detailed as follows:

	2022	2021
Effect of the application of the equity method (Note 9)	(648,860)	(430,473)
Other	<u>(330,518)</u>	<u>(384,463)</u>
	<u>(979,378)</u>	<u>(814,936)</u>
Tax rate	22.5%	22.5%
	<u>(220,360)</u>	<u>(183,361)</u>

(ii) This amount consists mainly of the portion of corporate income tax that is taxed autonomously.

11. EARNINGS PER SHARE

The calculation of the earnings per basic and diluted share, as at 31 December 2022 and 2021, was based on the following information:

	<u>2022</u>	<u>2021</u>
<u>Number of shares</u>		
Weighted average number of shares for purposes of computing basic earnings per share (Note 21)	<u>6,005,000</u>	<u>6,005,000</u>
<u>Earnings</u>		
Earnings for purposes of computing basic earnings per share (net profit for the year)	<u>7,443,057</u>	<u>16,452,347</u>
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	<u>7,443,057</u>	<u>16,452,347</u>
<u>Earnings per share:</u>		
Basic	1.2395	2.7398
Diluted	1.2395	2.7398
<u>Comprehensive income for the year per share:</u>		
Basic	1.2395	2.7398
Diluted	1.2395	2.7398

As at 31 December 2022 and 2021, there are no dilutive effects; therefore, the earnings per basic and diluted share are identical.

12. GOODWILL

During the years ended on 31 December 2022 and 2021 there were no movements in the book value of goodwill.

On 27 February 2009, the Company acquired, for 20,000,000 euros, an additional stake of 40% of the capital of Lisboa TV - Informação e Multimédia, S.A. ("Lisboa TV" or "SIC Notícias"), recording goodwill of the value of 17,324,797 euros and henceforth holding 100% of the capital of this participated company. Reported as at 1 January 2009 for accounting purposes, the Company carried out the merger, by incorporation, of the net worth of Lisboa TV in its financial statements. In the recording of this merger, the financial holding in this subsidiary was annulled in consideration of the identifiable assets and liabilities of the participated company.

Approach used to determine the amounts attributed to key assumptions

As at 31 December 2022 and 2021, the Company used a specialised external company to carry out the impairment test on the goodwill relative to Television.

Impairment tests on goodwill are conducted using the discounted cash flow method, based on the financial projections of cash flow for five years for each cash generating unit, with the first year corresponding to the annual budget of the cash generating unit, and considering a perpetuity from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the operations of the cash generating units, which the Board of Directors believes are coherent with past historical experience and the markets trends, reasonable and prudent, and reflect the vision of the Board of Directors and consultants involved in their preparation. Furthermore, whenever possible data obtained from external entities were used, which were compared with historical data and SIC's experience.

In the Television cash generating unit, specific key assumptions were used corresponding to the advertising revenue and cost of the programmes broadcast. These variables were projected in order to reflect past experience, the Board of Directors' knowledge of the operations, and the forecast performance of that variable, which were complemented with external sources whenever possible.

The rest of the key assumptions of the impairment tests correspond to the discount rate and growth rate, which are determined through external sources, as they are calculated by external consultants. The discount rates used reflect the debt level and the cost of capital borrowed from outside the cash generating unit, as well as the level of risk and profitability expected by the market. It should also be noted that, in determining the discount rates, an interest rate applicable to assets without risk was used based on the rates of interest of ten-year German bonds plus a country risk premium, corresponding to the average spread between the Portuguese and German bonds at 10 years. The discount rates used also include a market risk premium, estimated by the external consultants that carried out the impairment studies.

The perpetuity growth rate is estimated based on an analysis of the potential market of each cash generating unit, based on the expectations of the Board of Directors and the external consultants involved in the valuations. For this purpose, the external consultants considered a sample of companies of the sector.

During the years ended on 31 December 2022 and 2021, the Company assessed the recoverable value of the goodwill, not having identified impairment losses.

For purposes of the impairment test, the goodwill is allocated to the Television cash generating unit, with the recoverable value of this cash generating unit having been determined considering the financial projections of SIC for a period of five years, using a discount rate of 8.7% (7.6% as at 31 December 2021) and a perpetuity growth rate of 1% (unchanged in relation to 2021).

The main assumptions of activity considered were as follows:

- Advertising market: a composite annual average growth rate throughout the projection period of 3% was considered for the market allocated to generalist channels, paid channels and online;
- Increase in revenues related to the transfer of program transmission rights to third parties;
- Market share of advertising and audiences: these variables were considered constant and similar to those observed in 2022, for the five-year period of the projections;
- Automatic renewal of the television operating licenses at the end of their term;
- Maintenance of the current costs associated with the free-to-air broadcasting of the SIC generalist channel, as well as operating continuity of the current theme channels.
- Grid costs: an average annual growth rate of zero over the projection period was considered;

The impairment tests carried out assume the maintenance of the current number of television channels with free-to-air broadcasting, as well as the current limit of advertising space in each channel and other sector regulations.

The Company conducted the following sensitivity tests:

- a 1% decrease in advertising revenues of the cash generating unit throughout the projection period would not imply the need to record an impairment loss as at 31 December 2022;
- a 1% increase in the costs of the programmes broadcast over the projection period would not imply the need to record an impairment loss as at 31 December 2022;
- a 0.5% increase in the discount rate assumption throughout the projection years would not imply the need to record an impairment loss as at 31 December 2022;

The Company believes that the variations considered in the sensitivity tests are reasonable, considering the current evolution and outlook of the market, the performance of SIC, the evolution of the different parameters considered in the projections and the current Portuguese economic circumstances.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)13. INTANGIBLE ASSETS

During the years ended on 31 December 2022 and 2021, the movements occurred in the intangible assets and their accumulated amortisation and impairment losses were as follows:

	31 December 2022		
	Software	Industrial property and other rights	Total
<u>Gross:</u>			
Balance at 31 December 2021	2,246,100	128,800	2,374,900
Acquisitions	-	286,518	286,518
Balance at 31 December 2022	2,246,100	415,318	2,661,418
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2021	2,246,100	123,227	2,369,327
Depreciation	-	25,787	25,787
Balance at 31 December 2022	2,246,100	149,014	2,395,114
Net balance at 31 December 2022	-	266,304	266,304

	31 December 2021		
	Software	Industrial property and other rights	Total
<u>Gross:</u>			
Balance at 31 December 2020	2,244,580	128,800	2,373,380
Regularizations	1,520	-	1,520
Balance at 31 December 2021	2,246,100	128,800	2,374,900
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2020	2,244,580	121,316	2,365,896
Increases	-	1,911	1,911
Regularizations	1,520	-	1,520
Balance at 31 December 2021	2,246,100	123,227	2,369,327
Net balance at 31 December 2021	-	5,573	5,573

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)14. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2022 and 2021, the movements occurred in the tangible fixed assets and their accumulated depreciation and impairment losses were as follows:

31 December 2022					
	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Total
<u>Gross:</u>					
Balance at 31 December 2021:	876,082	84,408,976	891,547	16,060,470	102,237,075
Acquisitions	-	501,787	378,290	121,624	1,001,701
Sales and write-offs	-	(21,491)	(223,584)	-	(245,075)
Balance at 31 December 2022	876,082	84,889,272	1,046,253	16,182,094	102,993,701
<u>Accumulated depreciation and impairment losses</u>					
Balance at 31 December 2021:	383,095	76,521,508	474,676	15,603,502	92,982,781
Increases	143,199	2,288,689	263,228	162,795	2,857,911
Sales and write-offs	-	(11,114)	(222,033)	-	(233,147)
Balance at 31 December 2022	526,294	78,799,083	515,871	15,766,297	95,607,545
Net balance at 31 December 2022	349,788	6,090,189	530,382	415,797	7,386,156

31 December 2021					
	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Total
<u>Gross:</u>					
Balance at 31 December 2020:	876,082	83,881,570	877,435	15,891,458	101,526,545
Acquisitions	-	527,406	123,945	169,012	820,363
Sales and write-offs	-	-	(109,833)	-	(109,833)
Balance at 31 December 2021	876,082	84,408,976	891,547	16,060,470	102,237,075
<u>Accumulated depreciation and impairment losses</u>					
Balance at 31 December 2020:	239,896	74,139,979	350,326	15,108,162	89,838,363
Increases	143,199	2,381,529	228,435	495,340	3,248,503
Sales and write-offs	-	-	(104,085)	-	(104,085)
Balance at 31 December 2021	383,095	76,521,508	474,676	15,603,502	92,982,781
Net balance at 31 December 2021	492,988	7,887,468	416,871	456,968	9,254,294

During the years ended on 31 December 2022 and 2021, the movements occurred in the right-of-use assets, included in the Tangible fixed assets, and their accumulated depreciation and impairment losses were as follows:

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

	31 December 2022				
	Buildings and other constructions	Machinery and equipment	Administrative equipment	Transport equipment	Total
Gross:					
Balance at 31 December 2021	869,415	7,069,484	869,327	1,321,858	10,130,084
New contracts	-	-	378,290	-	378,290
Regularizations	-	(205,100)	-	(23,476)	(228,576)
Sales and write-offs	-	-	(223,584)	-	(223,584)
Balance at 31 December 2022	869,415	6,864,384	1,024,033	1,298,382	10,056,214
<u>Accumulated depreciation and impairment losses</u>					
Balance at 31 December 2021	379,966	2,786,460	452,456	1,050,747	4,669,629
Increases	142,532	938,602	263,227	69,233	1,413,594
Sales and write-offs	-	84,327	-	(4,913)	79,414
Balance at 31 December 2022	-	-	(222,032)	-	(222,032)
	522,498	3,809,389	493,651	1,115,067	5,940,605
Net balance at 31 December 2022	346,917	3,054,995	530,382	183,315	4,115,609

	31 December 2021				
	Buildings and other constructions	Machinery and equipment	Administrative equipment	Transport equipment	Total
Gross:					
Balance at 31 December 2020	869,415	7,107,517	1,219,261	855,215	10,051,408
New contracts	-	-	102,597	123,945	226,542
Sales and write-offs	-	(38,034)	-	(109,833)	(147,867)
Balance at 31 December 2021	869,415	7,069,483	1,321,858	869,327	10,130,083
<u>Accumulated depreciation and impairment losses</u>					
Balance at 31 December 2020	237,434	1,856,561	547,735	454,372	3,096,102
Increases	142,532	967,933	503,012	102,204	1,715,681
Sales and write-offs	-	(38,034)	-	(104,120)	(142,154)
Balance at 31 December 2021	379,966	2,786,460	1,050,747	452,456	4,669,629
Net balance at 31 December 2021	489,449	4,283,024	271,111	416,871	5,460,454

Furthermore, the following expenses were recognised in the year ended on 31 December 2022 and 2021 relative to right-of-use assets:

	2022	2021
Depreciation	1,413,594	1,715,681
Short term leases	104,824	93,035
Interest	141,308	193,023
	1,659,726	2,001,739

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)15. FINANCIAL INVESTMENTS

The changes in investments in the years ended on 31 December 2022 and 2021 were as follows:

31 December 2022			
	Investments in subsidiaries companies	Investments in other companies	Total
Balance at 31 December 2021	1,899,834	6,235	1,906,069
Application of the equity method (Note 9)	648,860	-	648,860
Dividend distributed	(430,474)	-	(430,474)
Balance at 31 December 2022	<u>2,118,220</u>	<u>6,235</u>	<u>2,124,455</u>

31 December 2021			
	Investments in subsidiaries companies	Investments in other companies	Total
Balance at 31 December 2020	1,771,427	6,235	1,777,662
Application of the equity method (Note 9)	430,473	-	430,473
Dividend distributed	(302,066)	-	(302,066)
Balance at 31 December 2021	<u>1,899,834</u>	<u>6,235</u>	<u>1,906,069</u>

As at 31 December 2022 and 2021, the financial investments in subsidiaries are detailed as follows:

31 December 2022							
Company	Head office	Effective participation	Total assets	Equity	Total revenue	Net result	Amount of participation
GMTS (Global Media Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Oeiras	100%	6,597,691	2,118,220	9,370,217	648,860	<u>2,118,220</u>

31 December 2021							
Company	Head office	Effective participation	Total assets	Equity	Total revenue	Net result	Amount of participation
GMTS (Global Media Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Oeiras	100%	6,020,950	1,899,834	8,643,425	430,473	<u>1,899,834</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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As at 31 December 2022 and 2021, the financial investments in other financial holdings are detailed as follows:

Company	Head office	Effective participation	2022	2021
			Amount of the participation	Amount of the participation
NP - Notícias de Portugal, S.A.	Lisboa	3.57%	6,235	6,235
			<u>6,235</u>	<u>6,235</u>

16. NON-CURRENT ASSETS HELD FOR SALE

During the year ended on 31 December 2022, the movement that occurred in the assets held for sale was as follows:

	2022	2021
Opening Balance	-	233,279
Increases	-	(233,279)
Final Balance	<u>-</u>	<u>-</u>

During the year ended on 31 December 2022, the Company reached an agreement with a third party for the disposal of its 5.50% stake in Youngstories, S.A. for 233,279 euros.

17. PROGRAMME BROADCASTING RIGHTS

Programme broadcasting rights as at 31 December 2022 and 2021 are detailed as follows:

	31 December 2022		31 December 2021	
	Non-current	Current	Non-current	Current
<u>Broadcasting rights</u>				
<u>Gross:</u>				
Program broadcasting rights	15,971,237	8,539,994	11,881,778	5,350,622
Advances on account of purchases	-	7,146,624	-	13,468,421
	<u>15,971,237</u>	<u>15,686,618</u>	<u>11,881,778</u>	<u>18,819,043</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

As at 31 December 2022 and 2021, the heading “Advances on account of purchases” includes payments made by SIC to programme suppliers under contracts concluded with these entities, relative to programme broadcasting rights, which at this date were not available for broadcasting, essentially related to soaps and sports rights.

As at 31 December 2022 and 2021, the Company had no inventories pledged to guarantee compliance with liabilities.

18. CUSTOMERS AND ACCOUNTS RECEIVABLE

As at 31 December 2022 and 2021, this heading was detailed as follows:

	31 December 2022			31 December 2021		
	Accumulated impairment Losses			Accumulated impairment Losses		
	Gross	(Note 23)	Net	Gross	(Note 23)	Net
Customers	18,557,779	(2,997,963)	15,559,816	26,161,930	(2,957,614)	23,204,316
Invoices to be issued:						
Multimedia	735,944	-	735,944	1,339,349	-	1,339,349
Other amounts to be invoiced	292,821	-	292,821	420,628	-	420,628
	<u>19,586,544</u>	<u>(2,997,963)</u>	<u>16,588,581</u>	<u>27,921,907</u>	<u>(2,957,614)</u>	<u>24,964,293</u>

19. OTHER NON-CURRENT AND CURRENT ASSETS

As at 31 December 2022 and 2021, these headings were detailed as follows:

	2022	2021
<u>Other non-current assets:</u>		
Shareholders (Note 28) (a)	85,000,000	85,000,000
Digital telebroadcasting services (b)	311,766	374,121
	<u>85,311,766</u>	<u>85,374,121</u>
<u>Other current assets:</u>		
Shareholders (Note 28) (a)	1,860,917	5,412,917
Other debtors		
Deposit (c)	1,516,185	1,270,330
Advances to employees	189,654	109,847
Others	57,138	175,125
Serviços de teledifusão digital (b)	62,352	62,352
Financial charges	712,300	572,872
	<u>4,398,546</u>	<u>7,603,443</u>
	<u>89,710,312</u>	<u>92,977,564</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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- (a) These values refer to loans granted to Impresa. The amounts classified in the non-current assets refer to two contracts with a maturity of 10 years of the value of 55,000,000 euros and 30,000,000 euros which fall due on 31 May 2029 and 31 December 2029, respectively. The amount classified in the current assets refers to a cash credit line which falls due within a period of less than one year. Furthermore, in the years ended on 31 December 2022 and 2021, the amounts include 1,860,917 euros and 1,707,292 euros relative to interest receivable, respectively.

The loans granted earn interest annually and are indexed to the 6-month Euribor rate plus a spread of 2.75%.

During the years ended on 31 December 2022 and 2021, the movement of loans granted to Impresa was as follows:

	1 de janeiro de 2022	Receivables	Interest (Nota 9)	31 de dezembro de 2022
Nominal Value	88,705,625	(3,705,625)	-	85,000,000
Interest	1,707,292	(2,337,500)	2,491,125	1,860,917
	<u>90,412,917</u>	<u>(6,043,125)</u>	<u>2,491,125</u>	<u>86,860,917</u>

	1 de janeiro de 2021	Payables	Receivables	Interest (Nota 9)	31 de dezembro de 2021
Nominal Value	87,600,600	3,705,625	(2,600,600)	-	88,705,625
Interest	3,313,292	-	(3,943,500)	2,337,500	1,707,292
	<u>90,913,892</u>	<u>3,705,625</u>	<u>(6,544,100)</u>	<u>2,337,500</u>	<u>90,412,917</u>

- (b) This heading corresponds to the deferral of the single instalment for access to the digital television broadcasting network provided by MEO, under the technological alteration process. This amount is being deferred over the period of the contract to render digital television broadcasting services concluded with MEO. This contract took effect on 1 January 2012 and will remain in force up to 9 December 2028.
- (c) In 2022 and 2021, the values of 1,516,185 euros and 1,270,330 euros, respectively, refer to the net balance of a term deposit in dollars with the countervalue of 4,219,014 euros and 3,973,159 euros, respectively, and a funding agreement, recorded in this heading of the value of 2,702,829 euros, in both years, with the maximum amount of 4,500,000 euros, which is automatically renewable for successive periods of six months. The term deposit is currently guaranteeing the liabilities arising from that loan contract.

20. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 2021, the details of cash and cash equivalents included in the cash flow statement and the reconciliation between their value and the amount of cash and cash equivalents reflected in the statement of financial position on those dates are as follows:

	<u>2022</u>	<u>2021</u>
Cash	13,905	38,555
Bank deposits	15,801,814	19,850,734
	<u>15,815,719</u>	<u>19,889,289</u>

21. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS

As at 31 December 2022 and 2021, the share capital, fully underwritten and paid-up, was composed of 6,005,000 shares with the nominal value of 1.72 euros.

As at 31 December 2022 and 2021, the Company's shareholder structure was as follows:

<u>Shareholders</u>	<u>Percentage</u>
Impresa	100%

Legal reserve

Pursuant to the commercial legislation, at least 5% of annual net income must be used to reinforce the legal reserve until this reserve represents at least 20% of the share capital. The reserve is not available for distribution to the shareholders except upon liquidation of the Company, but may be used to absorb losses, once all other reserves and retained earnings have been depleted or incorporated in the capital. As at 31 December 2022, the minimum amount of the legal reserve is constituted.

Appropriation of net income

As deliberated in the General Meeting of Shareholders, held on 24 May 2022, the Company attributed and distributed the net income for the year ended on 31 December 2021 in the form of dividends to the shareholders, of the value of 16,452,347 euros.

As deliberated in the General Meeting of Shareholders, held on 25 May 2021, the Company attributed and distributed the net income for the year ended on 31 December 2020 in the form of dividends to the shareholders, of the value of 17,325,398 euros.

The Board of Directors proposes, in the management report, distributing dividends of 7,443,057 euros, with this proposal requiring approval at the General Meeting.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)22. LOANS

As at 31 December 2022 and 2021, the balance of debts to credit institutions was detailed as follows:

	31 December 2022			31 December 2021		
	Current	Non current	Nominal value	Current	Non current	Nominal value
Bond loan 2019-2022 (a)	-	-	-	39,680,704	-	39,933,210
Bond loan 2021-2025 - OPT (b)	-	10,581,354	11,066,790	-	10,381,662	11,066,790
Bond loan 2021-2025 - OPS (b)	-	18,102,720	18,933,210	-	17,761,084	18,933,210
Banks loans (c)	6,153,156	34,877,573	41,488,218	1,764,609	21,854,935	23,876,051
Lease liabilities	1,757,181	943,859	2,701,040	2,086,264	2,470,997	4,557,261
	<u>7,910,337</u>	<u>64,505,506</u>	<u>74,189,258</u>	<u>43,531,577</u>	<u>52,468,678</u>	<u>98,366,522</u>

As at 31 December 2022 and 2021, the movement occurred in the balance of loans received, separated by movements with associated cash flows and without cash flow, was as follows:

Lending entities	1 de janeiro de 2022	Cash-flows		Movements without cash-flow		31 December 2022
		Receipts	(Payments)	New lease agreements	Effect of the moratoria	
Empréstimo obrigacionista 2019-2022 (a)	39,680,704	-	(39,680,704)	-	-	-
Empréstimo obrigacionista 2021-2025 - OPT (b)	10,381,662	-	-	-	199,692	10,581,354
Empréstimo obrigacionista 2021-2025 - OPS (b)	17,761,084	-	-	-	341,636	18,102,720
Empréstimos bancários (c)	23,619,544	20,000,000	(2,387,836)	-	(200,979)	41,030,729
Passivos de locação	4,557,261	-	(2,234,511)	378,290	-	2,701,040
	<u>96,000,255</u>	<u>20,000,000</u>	<u>(44,303,051)</u>	<u>378,290</u>	<u>340,349</u>	<u>72,415,843</u>

Lending entities	1 de janeiro de 2021	Cash-flows		Movements without cash-flow		Effect of the moratoria	31 December 2021
		Receipts	(Payments)	New lease agreements	Efeito das moratórias	Impacto OPT	
Empréstimo obrigacionista 2019-2022 (a)	50,059,944	-	-	-	(11,066,790)	687,550	39,680,704
Empréstimo obrigacionista 2021-2025 - OPT (b)	-	-	-	-	11,066,790	(685,128)	10,381,662
Empréstimo obrigacionista 2021-2025 - OPS (b)	-	18,933,210	-	-	-	(1,172,126)	17,761,084
Empréstimos bancários (c)	24,338,146	-	(801,438)	41,460	-	41,376	23,619,544
Factorings (d)	1,401,294	-	(1,401,294)	-	-	-	-
Passivos de locação	6,025,043	-	(1,694,324)	226,542	-	-	4,557,261
	<u>81,824,427</u>	<u>18,933,210</u>	<u>(3,897,056)</u>	<u>226,542</u>	<u>41,460</u>	<u>(1,128,328)</u>	<u>96,000,255</u>

- (a) The debenture loan of 1,700,000 bonds with the unit value of 30 euros and an overall value of 51,000,000 euros. The debenture loan issued on 10 July 2019, with maturity on 11 July 2022, bears a gross fixed interest rate of 4.50%.

Under this loan, Group undertook certain obligations, such as compliance with financial ratios as well as keeping its holding of the entire capital of SIC.

As at 31 December 2021, this financing was supported by trading (Euronext), with its market value amounting to 39,973,000 Euros, respectively. In the year ended December 31, 2022, the Group refunded this payment in full.

- (b) In the year ended on 31 December 2021, the Company issued a new debenture loan of the value of 30,000,000 euros, for the period of 2021-2025. Under this issue, SIC gave the bondholders of the previous issue (2019-2022) the opportunity to exchange them for the bonds of this issue. As a result of this issue, new bonds were subscribed in the amount of approximately 18,933,000 euros and bonds were exchanged in the amount of approximately 11,067,000 euros, which were recorded as an exchange of liabilities without derecognition of the previous liability, in accordance with IFRS 9.

Under this financing, the Group assumed certain obligations, including compliance with financial ratios and, still, not ceasing to hold the entire capital of SIC.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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As at 31 December 2022, this loan was listed for trading (Euronext), with its market value being 29,850,000 euros.

(c) The Company took out various national bank loans at market conditions and with maturities of more than one year, which include compliance with a number of obligations, namely several covenants and restrictions related to the acquisition and sale of assets and the distribution of dividends. In addition, as guarantee of full compliance with some of the loans raised, the Company signed blank promissory notes, pledged shares representing 100% of SIC's capital, Impresa must maintain at least 51% of SIC's capital and Impreger must not reduce its stake in Impresa below 50.01% of its capital.

(d) The factoring refers to financing operations obtained by the Company which bear annual interest, between 1.5% and 1.95%. As at 31 December 2022 the loan was fully paid-up.

As at 31 December 2022, the loans obtained have the following repayment plan:

2023	6,218,221
2024	6,310,721
2025	36,420,157
2026	8,715,452
2027	6,931,332
2028	4,071,167
2029	2,821,169
	<u>71,488,219</u>

As at 31 December 2022, the lease liabilities have the following repayment plan:

2023	1,757,181
2024	607,928
2025	259,254
2026	53,162
2027	23,515
	<u>2,701,040</u>

As at 31 December 2022 and 2021, the Company had approved unused credit ceilings of approximately 25,955,000 euros and 17,130,470 euros, respectively.

During the years ended on 31 December 2022 and 2021, the effective interest rate on each loan was as follows:

Lending entities	2022	2021
Bond loan 2019-2022	-	5.72%
Bond loan 2021-2025 - OPT	5.72%	5.72%
Bond loan 2021-2025 - OPS	4.98%	4.98%
Bank Loans	1,60% - 3,67%	1,60% - 3,67%
Guaranteed current accounts	2.29%	2.37%

The Board of Directors believes that there is no non-compliance with the obligations arising from the loans referred to above, in terms of maintenance of the shareholder structure, limitation of investments or distribution of dividends, or concerning financial covenants. Under these covenants, the financial ratios to be achieved, which are not applicable to all the loans, correspond to the "Ratio of net remunerated debt/EBITDA" and the "Financial autonomy ratio". Any non-compliance with these ratios could lead to the funding entities being entitled to request the early repayment of the loan and/or change the previously agreed loan conditions.

## 23. IMPAIRMENT LOSSES, ONGOING LEGAL AND TAX PROCEEDINGS AND PROVISIONS

### 23.1 Impairment losses

During the years ended on 31 December 2022 and 2021, the following movements occurred in the balances of the accumulated impairment loss headings:

#### 31 December 2022:

	Impairment losses on receivables (Note 18)
Balance at 31 December 2021	2,957,614
Reinforcements (Note 5)	68,000
Increases (Note 5)	(27,651)
Balance at 31 December 2022	<u>2,997,963</u>

#### 31 December 2021:

	Impairment losses on receivables (Note 18)	Impairment losses on broadcasting rights (Note 17)
Balance at 31 December 2020	4,680,363	557,128
Utilizations	(1,544,499)	(557,128)
Increases (Note 5)	(178,250)	-
Saldo em 31 de dezembro de 2021	<u>2,957,614</u>	<u>-</u>

Impairment losses are deducted from assets, with the movements relating to uses corresponding to the effect of write-offs of unrealised balances.

23.2 Provisions and other impairment losses

In the years ended as at 31 December 2022 and 31 December 2021, the headings of provisions and other impairment losses were detailed as follows:

	31 december 2022			
	Opening balance	Increases	Utilizations	Closing balance
Lawsuits in progress	2,749,837	150,000	(27,560)	2,872,277
	2,749,837	150,000	(27,560)	2,872,277

	31 december 2021			
	Opening balance	Increases	Utilizations	Closing balance
Lawsuits in progress	3,867,373	150,000	(1,218,331)	2,749,837
Impairment losses on non-current assets held for sale	66,721	-	(66,721)	-
	3,934,094	150,000	(1,285,052)	2,749,837

As at 31 December 2022 and 2021, the provisions for risks and charges are detailed as follows:

Nature	31 December 2022		31 December 2021	
	Amount claimed	Amount provided	Amount claimed	Amount provided
Dismissal/Labour	720,506	214,200	705,973	374,786
Abuse of freedom of the press	1,739,567	193,956	779,567	122,956
Publicity fines	664,317	66,432	501,517	50,152
Others	19,171,738	2,397,689	20,309,072	2,201,943
	<u>22,296,128</u>	<u>2,872,277</u>	<u>22,296,129</u>	<u>2,749,837</u>

The Company is facing several lawsuits for abuse of freedom of the press, for which provisions have been constituted based on the opinion of its lawyers and historical experience in this type of litigation.

The amounts claimed under legal action related to advertising fines essentially arise from the filing of various administrative offence proceedings by the Media Regulatory Entity (ERC) due to breach of the Advertising Code.

The Board of Directors and the Company's lawyers believe, based on an assessment of the risks of the ongoing legal proceedings, that the outcome of these lawsuits will not give rise to significant liabilities that are not covered by provisions reflected in the financial statements as at 31 December 2022, which correspond to the best estimate of the outflow of funds arising from these lawsuits on that date.

### Lawsuits in progress

As at 31 December 2022, there were several lawsuits in progress brought against the Company by third parties, the amounts of which and final outcome were still unknown at the time of preparing the financial statements, in particular including:

In previous years, GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL (“GDA”) brought ordinary legal proceedings against SIC, in the Judicial Court of Oeiras, under which GDA claimed the payment of an annual remuneration payable to artists, interpreters or performers, established at the rate of 1.5% of the annual value of the advertising revenue earned, taking effect from September 2004, as well as late payment interest.

SIC contested this action, with a favourable decision having been issued, which considered the initial petition to be unfounded due to the lack of cause of the claim and, consequently, dismissed the entire proceedings. This decision was contested, with the action having followed in the first instance. The Court judged the GDA’s action as groundless and established a value per minute of broadcasting as the annual equitable remuneration, with the value per minute being subject to determination. In December 2015, GDA submitted a bill requesting the payment by SIC of approximately 17,700,000 euros, with the amount requested having subsequently increased by approximately 2,357,000 euros, as a result of the addition of connected rights related to the years of 2015 and 2016, with the total amount claimed as at 31 December 2021 standing at approximately 20,057,000 euros. The determination of this value was substantiated by a study made a third party, with one of its assumptions being the approximation of television activity to an activity of any company and its production. SIC contested this request made by GDA, based on the incompetence of the court, the lack of legal capacity of GDA which only represents national artists, interpreters and performers, and also objected to the methodology presented. In the form of an appeal, SIC estimated its liability based on the effective use of the services of the artists, just as the sentence that is intended to be settled determines, as well as the calculation of a value per minute of these instalments, close to that paid by SIC to the Portuguese Authors Society, but of a lower value pursuant to the law and practice.

On 6 July 2020, the court of intellectual property delivered its judgement on the GDA case, which condemned SIC to pay 909,080 euros, relative to the years of 2004 to 2016. Still in 2020, GDA filed an appeal.

In October 2021, as a result of the appeal filed by GDA, the judgment of the Lisbon Court of Appeal substantially changed the terms of calculation of the remuneration awarded in the previous instance, to the extent that it now includes the first broadcasting performances as equitable remuneration for artists, interpreters and performers, bringing the values of that remuneration for the years 2004 to 2016 to approximately 4,890,000 euros.

In November 2021, SIC appealed to the Supreme Court of Justice as it considers that the decision of the Lisbon Court of Appeal violates, namely, the Conventional International Law, as well as the European Union Law that incorporates it, contradicts the jurisprudence of the European Union Court of Justice and, as to its interpretation of the concept of equitable remuneration, contradicts what the same Lisbon Court of Appeal decided in a similar case, in which RTP is the defendant.

In May 2022, the Supreme Court of Justice decided to revoke the judgment of the Lisbon Court of Appeal, ordering the repetition of the process to clarify additional issues that it considered were not well clarified, thus requiring a new trial.

As at 31 December 2022, a provision has been recorded to cover that liability, which in the opinion of the Board of Directors, based on the opinion of its lawyers and technicians, is sufficient.

In March 2023, two hearings were held, and the case is now in the evidentiary phase, as decreed by the Supreme Court.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)24. SUPPLIERS AND ACCOUNTS PAYABLE

As at 31 December 2022 and 2021, this heading was detailed as follows:

	2022	2021
<u>Non-current:</u>		
Suppliers of fixed assets	-	238,452
<u>Current:</u>		
Trade payables, current account	25,752,777	23,503,572
Program suppliers, current account	2,759,992	1,486,770
Suppliers of fixed assets, current account	715,948	610,696
	<u>29,228,717</u>	<u>25,601,038</u>
	<u>29,228,717</u>	<u>25,839,490</u>

The non-current amount corresponds to equipment acquisition contracts, for which payment agreements were signed with the suppliers with instalments up to 2023.

25. OTHER CURRENT LIABILITIES

As at 31 December 2022 and 2021, the heading "Other current liabilities" was detailed as follows:

	2022	2021
Advances from clients	15,508	15,505
<u>Other creditors:</u>		
Suppliers' credits guaranteed by third parties	3,994,215	1,848,429
Advance on contract for broadcasting signal	18,199,900	6,000,000
Consultants and advisers	314,248	293,578
Others	144,731	170,906
	<u>22,653,094</u>	<u>8,312,913</u>
<u>Accrued costs:</u>		
Commercial agreements	14,032,974	12,039,354
Personnel vacation and vacation subsidy	3,395,266	3,433,926
Accrued interest	371,824	975,655
Cost of program production	2,892,302	1,992,195
Indemnities	850,000	238,941
Personnel commission payable	3,527	788,500
Commercial fee	616,595	310,958
Other accrued costs	1,880,685	1,514,465
	<u>24,043,173</u>	<u>21,293,994</u>
<u>Deferred income:</u>		
Pre-billing	525,373	1,057,338
Other deferred income	338,072	553,164
	<u>863,445</u>	<u>1,610,502</u>
<u>State and other public entities:</u>		
Value Added Tax	3,932,521	3,193,965
Instituto Português de Arte Cinematográfica e Audiovisual/Cinemateca Portuguesa	721,636	1,500,051
Social security contributions	952,217	957,675
Personal income tax - withholdings at source	898,016	1,278,793
Stamp tax	155,536	200,089
	<u>6,659,926</u>	<u>7,130,573</u>
	<u>54,235,146</u>	<u>38,363,487</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)26. CONTINGENT LIABILITIES AND GUARANTEES PROVIDEDGuarantees provided and other commitments

As at 31 December 2022 and 2021, the Company had requested the issuance of the following bank guarantees in favour of third parties:

	2022	2021
Union des Associations Europeenes Football ("UEFA")	3,000,000	3,000,000
ERC	1,995,192	1,995,192
Secretaria Geral do Ministério da Administração Interna ("SGMAI")	2,117,777	1,818,066
Câmara Municipal de Oeiras	508,244	35,745
Tribunal de Oeiras	4,000	4,000
	<u>7,625,213</u>	<u>6,853,002</u>

The guarantee given to UEFA is to cover compliance with the "European League 2021-2024" contract.

The guarantees provided to the ERC arise from the current legal requirements for the licensing of channels and broadcasting of television contests.

The guarantees provided to the SGMAI are to secure full compliance with the advertising contests. The variation of the value of the guarantees provided is related to the existing competitions at any given time.

The guarantee provided to Oeiras Municipal Council are intended, essentially, to ensure full compliance with the new advertising competitions. From 2022 the guarantees related to advertising contests will be in favor of the municipalities instead of the SGMAI.

27. COMMITMENTS UNDERTAKEN27.1 Commitments to acquire programmes

As at 31 December 2022 and 2021, the Company had contracts or agreements concluded with third parties for the purchase of rights to broadcast films, series and other programmes of 26,287,558 euros and 25,720,033 euros, respectively, not included in the statement of financial position, according to the valuation criteria used, as follows:

Natureza	31 December 2022				31 December 2021			
	Year the titles are available				Year the titles are available			
	2023	2024	2025 and following years	Total	2022	2023	2024 and following years	Total
Entertainment	7,313,512	4,476,600	-	11,790,112	7,537,694	2,000,000	2,001,544	11,539,238
Films	124,811	3,600	-	128,411	2,554	-	-	2,554
Format	1,200	-	-	1,200	600	-	-	600
Soap-operas	13,072,463	-	-	13,072,463	9,596,761	-	-	9,596,761
Children	61,501	-	-	61,501	50,635	-	-	50,635
Documentaries	535,871	-	15,000	550,871	395,394	-	-	395,394
60 Series	127,530	-	-	127,530	771,956	-	-	771,956
Mini séries	-	-	-	-	180,000	-	-	180,000
Sport	552,632	-	-	552,632	1,919,737	1,263,158	-	3,182,895
Events	2,838	-	-	2,838	-	-	-	-
	<u>21,792,358</u>	<u>4,480,200</u>	<u>15,000</u>	<u>26,287,558</u>	<u>20,455,331</u>	<u>3,263,158</u>	<u>2,001,544</u>	<u>25,720,033</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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Natureza	31 December 2022				31 December 2021			
	Limit year for broadcasting the titles				Limit year for broadcasting the titles			
	2025 and following years				2024 and following years			
	2023	2024		Total	2022	2023		Total
Entertainment	82,077	556,800	11,151,236	11,790,112	578,923	376,925	10,583,390	11,539,238
Films	5,110	34,320	88,981	128,411	-	1,554	1,000	2,554
Format	-	1,200	-	1,200	-	-	600	600
Soap-operas	1,322,184	-	11,750,280	13,072,463	1,794,761	-	7,802,000	9,596,761
Children	-	26,322	35,179	61,501	2,838	9,705	38,093	50,635
Documentaries	383,313	91,320	76,238	550,871	342,221	30,271	22,901	395,394
60 Series	6,704	8,182	112,644	127,530	596,000	169,291	6,665	771,956
Mini séries	-	-	-	-	-	-	180,000	180,000
Sport	-	552,632	-	552,632	631,579	1,263,158	1,288,158	3,182,895
Events	-	2,838	-	2,838	-	-	-	-
	<u>1,799,388</u>	<u>1,273,612</u>	<u>23,214,558</u>	<u>26,287,558</u>	<u>3,946,323</u>	<u>1,850,903</u>	<u>19,922,807</u>	<u>25,720,033</u>

As at 31 December 2022 and 2021, the commitments for acquisition of programmes include 11,750,000 euros and 7,802,000 euros, respectively, concerning contents to be acquired from related parties (SP Televisão).

## 27.2. Commitments for the acquisition of tangible fixed assets

As at 31 December 2022 and 2021, the commitments undertaken to acquire tangible fixed assets amounted to approximately 137,000 euros and 159,000 euros, respectively.

## 28. RELATED PARTIES

All the subsidiaries and associates belonging to the Impresa Group, identified in the consolidated financial statements, and the shareholder Impreger are considered related parties.

Pursuant to the internal regulations endorsed in 2019, the Group considers “key management personnel” to be the Board of Directors of all the subsidiaries and Joint Executive Committee, as the main decisions related to its activity are taken by these bodies.

As at 31 December 2022 and 2021, the balances and transactions with related parties are as follows:

Related Party	31 December 2022						
	External services	Acquisition of soap operas rights	Financial costs	Sales and services rendered	Other operating revenue	Expenses of Depreciation and Amortization	Financial income (Note 9)
<b>Shareholders:</b>							
GMTS	7,734,239	-	-	-	8,320	-	-
Impresa Publishing, S.A. ("Impresa Publishing")	35,558	-	-	108,690	31,178	-	-
InfoPortugal - Sistemas de Informação e Conteúdos ("InfoPortugal")	-	-	-	-	41,450	-	-
Impresa Office & Service Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	6,830,950	-	10,440	-	-	51,960	-
Impresa	-	-	-	-	-	-	2,491,125
<b>Others:</b>							
Grupo BPI	-	-	958,120	-	-	-	13,801
Grupo Madre (SP - Televisão, S.A.) (a)	-	16,525,988	-	199,461	-	-	-
	<u>14,600,747</u>	<u>16,525,988</u>	<u>968,560</u>	<u>308,151</u>	<u>80,948</u>	<u>51,960</u>	<u>2,504,926</u>

(a) The services obtained essentially refer to the acquisition of rights to broadcast soap operas.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
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Related Party	31 December 2022					
	Demand deposits	Receivables	Shareholders (Note 19)	Payables	RETGS (Note 10)	Borrowings
<b>Shareholders:</b>						
GMTS	-	27,836	-	5,693,144	-	-
Impresa	-	-	86,860,917	-	2,462,366	-
Infoportugal	-	4,249	-	-	-	-
IOSS	-	-	-	428	-	-
Impresa Publishing	-	416,756	-	16,841	-	-
<b>Others:</b>						
Grupo BPI	4,726,534	1,516,185	-	-	-	18,832,917
Grupo Madre (SP - Televisão, S.A.) (a)	-	-	-	4,689,816	-	-
	<b>4,726,534</b>	<b>1,965,026</b>	<b>86,860,917</b>	<b>10,400,229</b>	<b>2,462,366</b>	<b>18,832,917</b>

(a) The balances related to accounts payable refer to balances of suppliers concerning the acquisition of rights to broadcast soaps.

Related Party	31 December 2021					
	External services	Acquisition of soap operas rights	Financial costs	Sales and services rendered	Other operating revenue	Financial income (Note 9)
<b>Shareholders:</b>						
GMTS	6,976,876	-	-	-	8,320	-
Impresa Publishing, S.A. ("Impresa Publishing")	61,127	-	-	91,769	31,045	-
InfoPortugal - Sistemas de Informação e Conteúdos ("InfoPortugal")	-	-	-	-	41,273	-
Impresa Office & Service Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	6,612,487	-	10,440	-	-	-
Impresa	-	-	-	-	-	2,337,500
<b>Others:</b>						
Grupo BPI	-	-	393,698	-	-	1,486
Grupo Madre (SP - Televisão, S.A.) (a)	-	13,319,334	-	-	-	-
	<b>13,650,490</b>	<b>13,319,334</b>	<b>404,138</b>	<b>91,769</b>	<b>80,638</b>	<b>2,338,986</b>

(a) The services obtained essentially refer to the acquisition of rights to broadcast soap operas.

Related Party	31 December 2021					
	Demand deposits	Receivables	Shareholders (Note 19)	Payables	RETGS (Note 10)	Borrowings
<b>Shareholders:</b>						
GMTS	-	33,891	-	3,312,168	-	-
Impresa	-	-	90,412,917	-	5,679,151	-
Infoportugal	-	-	-	-	-	-
IOSS	-	-	-	1,597	-	-
Impresa Publishing	-	666,499	-	21,589	-	-
<b>Others:</b>						
Grupo BPI	7,034,172	1,270,330	-	-	-	20,022,160
Grupo Madre (SP - Televisão, S.A.) (a)	-	-	-	3,915,048	-	-
	<b>7,034,172</b>	<b>1,970,720</b>	<b>90,412,917</b>	<b>7,250,402</b>	<b>5,679,151</b>	<b>20,022,160</b>

(a) The balances related to accounts payable refer to balances of suppliers concerning the acquisition of rights to broadcast soaps.

The terms and conditions applied in transactions between the Company and related parties are substantially the same as those that would normally be contracted, accepted and applied between independent entities in comparable operations. Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of the Company's operations, with similar conditions to those currently contracted with independent entities. The activities carried out under these commercial agreements essentially refer to advertising services rendered by SIC and the granting of loans by these financial institutions.

29. RATES USED TO CONVERT FOREIGN CURRENCY BALANCES

As at 31 December 2022 and 2021, the following exchange rates were used to convert assets and liabilities expressed in foreign currency into euros:

	2022	2021
US Dollar (USD)	1.0666	1.1326
Swiss Franc (CHF)	0.9847	1.0331
Pound Sterling (GBP)	0.8869	0.8403
Australian Dollar (AUD)	1.5693	1.5615
Canadian Dollar (CAD)	1.4440	1.4393
Brazilian Real (BRL)	5.6386	6.3101

30. FINANCIAL INSTRUMENTS

The Company manages its capital to ensure that it pursues its operations from a going concern standpoint. In this respect, the Company periodically analyses its capital structure (own and third party) and debt maturity, bringing in funding whenever necessary.

As at 31 December 2022 and 2021, the financial instruments were as follows:

	2022	2021
<u>Financial assets:</u>		
Receivables	105,212,475	116,932,512
Cash and equivalents (Note 20)	15,815,719	19,889,289
	<u>121,028,194</u>	<u>136,821,801</u>
<u>Financial liabilities:</u>		
Borrowings	72,415,843	96,000,255
Payables	82,600,418	62,592,475
Current tax liabilities	2,462,366	5,679,151
	<u>157,478,627</u>	<u>164,271,881</u>

As at 31 December 2022 and 2021, except for the debenture loans which have a market quotation, the Company believes that the values at which the loans are recorded do not differ significantly from their fair value or actually exceed fair value. Indeed, the fair value of the loans received will significantly depend on the risk level attributed by the funding entities and the conditions under which the Company would be able to obtain from the market, as at 31 December 2022 and 2021, if it were to take out loans with maturity periods and values similar to those which it has on that date.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

The Company believes that the majority of loans have market spreads as they were negotiated recently or the rates are updated periodically, implying that their conditions are updated in relation to the current situation of the financial markets, reflecting the risk level attributed by the lenders.

For the loans that were not subject to renegotiation, as they were taken out under market conditions that were more favourable than those currently existing, their fair value should not exceed their book value.

The Company is primarily exposed to the following financial risks:

a) Interest rate risk

Interest rate risk essentially refers to the interest paid due to the contracting of various loans with variable interest rates. Except with respect to the debenture loan, which is fixed rate, the loans that have been taken out are exposed to changes in market interest rates (Note 22).

If market interest rates in the years ended on 31 December 2022 and 2021 were 1% higher or lower, the net income for these years would have decreased or increased by approximately 360,000 euros and 300,000 euros, respectively, without considering the tax effect.

b) Exchange rate risk

Exchange rate risk refers to receivables and payables denominated in foreign currency other than the Company's currency, the euro.

As at 31 December 2022 and 2021, the exchange rate risks are essentially related to the acquisition of television broadcasting rights from various foreign producers. In order to reduce the risk to which the Company is exposed, a loan was taken out which amounted to 2,702.829 euros as at 31 December 2022 and 2021, that was converted Group USD term deposit which, as at 31 December 2022 and 2021, amounted to 4,219,014 euros and 3,973,159 euros, respectively (Note 19).

During the years ended on 31 December 2022 and 2021, the Company did not contract any forward exchange rates.

The foreign currency balances payable, expressed in euros at the exchange rate of 31 December 2022 and 2021 are as follows:

	2022	2021
US Dollar (USD)	2,133,385	950,215
Pound Sterling (GBP)	5,584	6,501
	<u>2,138,969</u>	<u>956,716</u>

As at 31 December 2022 and 2021, the Company has accounts receivable in USD of the value of 555,061 dollars and 847,506 dollars, respectively.

c) Credit risk

Credit risk is essentially related to accounts receivable arising from the Company's operations (Note 18). In order to reduce credit risk, the Company has defined credit granting policies, with credit limits per customer and collection deadlines, and financial discount policies for prepayment or cash payment. Credit risk is monitored regularly for the purpose of:

- limiting credit granted to customers, considering the profile and age of the account receivable;
- monitoring the evolution of the level of credit granted;
- reviewing the recoverability of amounts receivable on a regular basis.

The impairment losses on accounts receivable are calculated considering:

- the review of the ageing of accounts receivable;
- expected credit losses;
- the risk profile of the customer;
- the historical commercial and financial relationship with the customer;
- existing payment agreements;
- the financial condition of the customers.

The changes in impairment losses on accounts receivable are shown in Note 23.

The Board of Directors believes that the impairment losses on accounts receivable are appropriately reflected in the financial statements, with there being no need to increase the impairment losses of accounts receivable.

As at 31 December 2022 and 2021, the accounts receivable from third parties include the following overdue balances, for which impairment losses were not recognised because the Board of Directors believes that they are collectible:

Overdue balances	2022	2021
Up to 90 days (a)	2,351,018	2,753,564
From 90 to 180 days	136,337	132,135
More than 180 days	169,044	196,173
	<u>2,656,399</u>	<u>3,081,872</u>

(a) Includes balances with related parties in 2022 and 2021, in the amount of 1,788 euros and 315,588 euros.

d) Liquidity risk

Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and cash flow from financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022  
(Amounts stated in euros)

In order to reduce this risk, the Company endeavours to maintain a liquid position and average debt maturities that enable debt repayment according to appropriate timelines. As at 31 December 2022 and 2021, the amount of cash and credit ceilings approved and unused amounted to approximately 41,771,000 euros and 37,020,000 euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2022, will be sufficient to settle all the Company's current financial liabilities. As at 31 December 2022 and 2021, the financial liabilities fall due as follows:

	2022				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing	6,153,156	6,145,547	35,466,911	21,949,191	69,714,803
Lease liabilities	1,757,181	607,931	259,254	76,674	2,701,040
Advance on contract for broadcasting signal	18,199,900	-	-	-	18,199,900
Suppliers' credits guaranteed by third parties	3,994,215	-	-	-	3,994,215
	<u>30,104,452</u>	<u>6,753,478</u>	<u>35,726,165</u>	<u>22,025,865</u>	<u>94,609,959</u>
Not remunerated:					
Trade payables	25,752,777	-	-	-	25,752,777
Program suppliers	2,759,992	-	-	-	2,759,992
Suppliers of fixed assets	715,948	-	-	-	715,948
Other current liabilities	33,639,951	-	-	-	33,639,951
	<u>62,868,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,868,668</u>
	<u>92,973,120</u>	<u>6,753,478</u>	<u>35,726,165</u>	<u>22,025,865</u>	<u>157,478,627</u>
	2021				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing	41,445,313	2,050,191	2,050,191	45,897,299	91,442,994
Lease liabilities	2,086,264	1,699,986	533,386	237,624	4,557,260
Advance on contract for broadcasting signal	6,000,000	-	-	-	6,000,000
Suppliers' credits guaranteed by third parties	1,848,429	-	-	-	1,848,429
	<u>51,380,006</u>	<u>3,750,177</u>	<u>2,583,577</u>	<u>46,134,923</u>	<u>103,848,683</u>
Not remunerated:					
Trade payables	23,503,572	-	-	-	23,503,572
Program suppliers	1,486,770	-	-	-	1,486,770
Suppliers of fixed assets	610,696	238,452	-	-	849,148
Other current liabilities	34,583,708	-	-	-	34,583,708
	<u>60,184,746</u>	<u>238,452</u>	<u>-</u>	<u>-</u>	<u>60,423,198</u>
	<u>111,564,752</u>	<u>3,988,629</u>	<u>2,583,577</u>	<u>46,134,923</u>	<u>164,271,881</u>

31. SUBSEQUENT EVENTS

There have been no materially relevant events that affect the Group's equity situation and financial balance, and which, consequently, should be the subject of reference, or which, due to their relevance, should be the subject of disclosure.

32. REMUNERATION OF STATUTORY ACCOUNTANTS

On December 31, 2022 and 2021, the amount of the annual remuneration paid by the Company to the Statutory Auditors and other natural or legal persons belonging to the same network, were as follows:

	<u>2022</u>	<u>2021</u>
<u>By SIC (a)</u>		
Account review services	132,200	132,200
Reliability Assurance Services	<u>24,800</u>	<u>63,800</u>
	<u><u>157,000</u></u>	<u><u>196,000</u></u>

33. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE CERTIFIED ACCOUNTANTTHE BOARD OF DIRECTORS



III.

STATUTORY AUDITOR'S  
CERTIFICATION AND AUDIT  
REPORT OF THE INDIVIDUAL  
ACCOUNTS



2022



## STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of discrepancies the Portuguese version will always prevail)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the accompanying financial statements of SIC – Sociedade Independente de Comunicação, S.A. (“Entity” or “SIC”), which comprise the statement of financial position as at 31 December 2022 (showing a total of Euros 181,476,712 and equity of Euros 20,262,363, including a net profit of Euros 7,443,057), the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flow for to the year then ended, and the accompanying notes to the financial statements that include a summary of the significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view , in all material aspects, of the financial position of SIC– Sociedade Independente de Comunicação, S.A. as at 31 December 2022 and its financial performance and cash flows relative to the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

#### **Basis for our opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section below. We are independent from the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant risks of material distortion identified	Summary of the response to the most significant risks of material distortion identified
<p><u>Recognition of the revenue derived from advertising</u></p> <p>(Notes 2.12 and 4 of the notes to the financial statements)</p> <p>Revenues generated through the exhibition of advertisements in television corresponds to the Entity's main source of revenue.</p> <p>This revenue essentially arises from advertising campaigns conducted by customers on television through a high number of transactions, the respective audiences, and from the conditions agreed with the customers.</p> <p>As mentioned in note 2.12 of the notes to the financial statements, the measurement of such revenues depends on a complex process, namely the measurement and profile of the respective audiences, the discounts to be granted subject to the advertising investment made by the customers and the conditions agreed with them.</p> <p>Considering there is the risk of the advertising revenues be incorrectly recorded, namely the accurate application of the audiences, the discounts to be granted which may be negotiated and the remaining conditions agreed with the customers, we consider this to be a key audit matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> <li>- Understanding of the advertising revenue cycle by the relevant supporting systems until recognition. In this procedure we involved our internal experts. Test to the operating effectiveness of the internal control procedures deemed relevant for measuring and recording advertising revenues;</li> <li>- Evaluation of the advertising revenue recognition policy adopted by the Entity, considering the applicable accounting standards;</li> <li>- For a sample of advertising orders recognised as revenue, recalculation of the revenue based on the agreed commercial conditions, respective broadcast and/or audience reached in the respective time slot;</li> <li>- For a sample of daily advertising insertions, we verified that they were broadcast on television, billed and recorded in the Entity's accounts;</li> <li>- Conciliation of the accounting records with the advertising insertion list extract from the advertising management modules and with the invoicing system;</li> <li>- Substantive analytical review of the amounts of discounts granted, considering the advertising investment, the commercial conditions applicable, and comparing with the amount recorded;</li> <li>- Analysis of the reliability of the estimates made by the management, with reference to the comparison between the discounts granted during the year with the estimates recorded in previous years;</li> <li>- Confirmation of balances, advertising investment and responsibilities as of 31 December 2022 with the main customers.</li> </ul>

## **Other matters**

As referred to in the Introductory Note of the notes, 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 2.6, the financial holding in the subsidiary is accounted for under the equity method. Therefore, the financial statements attached herewith do not include the full consolidation effect, which will be included in consolidated financial statements to be prepared and 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 sole management report and the information on corporate governance, 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 skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to threaten our independence, and where applicable, related safeguards.

Our responsibility also includes verification that the information contained in the sole 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”).

## **REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **European Single Electronic Format (ESEF)**

The Entity’s financial statements as of 31 December 2022 must comply with the requirements established in the Delegated Regulation (UE) 2019/815 of the Commission, of 17 December 2018 (“ESEF Regulation”).

Management is responsible for the preparation and disclosure of the annual report in conformity with the ESEF Regulation.

Our responsibility consists in obtaining reasonable assurance whether the financial statements, included in the annual report, are presented in conformity with the requirements established in the ESEF Regulation.

Our procedures considered the Guia de Aplicação Técnica da Ordem dos Revisores Oficiais de Contas (OROC) on the Reporting under ESEF and included, among others, obtaining 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 sole management report**

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies’ Code, it is our opinion that the sole management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

### **On the information regarding corporate governance**

Pursuant to article 451.º, number 4, of the Portuguese Company's Code, we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of that article.

### **On the additional elements provided in article 10 of Regulation (EU) 537/2014**

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April, 2014, in addition to the key audit matter mentioned above, we also report on the following:

- Deloitte & Associados, SROC, S.A. was appointed as Statutory Auditor of the Entity, as a public interest entity, resulting from the appointment at the General Shareholders' Meeting held on 22 June 2020 for the term comprised between 2020 and 2023;
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we prepared and submitted to the Entity's supervisory body on this date;
- We declare that we have not provided any prohibited services as described in the former article 77, number 8, of the Estatuto da Ordem dos Revisores Oficiais de Contas (Legal Regime of the Portuguese Statutory Auditors), that was revoked, and of article 5, number 1, of the Regulation (UE) number 537/2014 and we have remained independent from the Entity in conducting the audit.

Lisbon, 20 April 2023

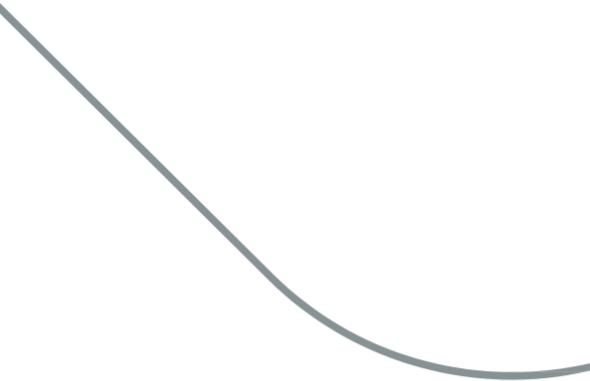
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Deloitte & Associados, SROC S.A.  
Represented by Luís Miguel Baptista da Costa, ROC  
Registration in OROC n.º 1602  
Registration in CMVM n.º 20161212



IV.

CONSOLIDATED FINANCIAL  
STATEMENTS AND NOTES



2022



SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 34)

ASSETS	Notes	31 December 2022	31 December 2021
<u>NON-CURRENT ASSETS:</u>			
Goodwill	13	17.324.797	17.324.797
Intangible assets	14	266.304	5.573
Tangible fixed assets	15	9.022.316	11.210.944
Investments	16	6.235	6.235
Program broadcasting rights	18	15.971.237	11.881.778
Other non-current assets	20	85.311.766	85.374.121
Deferred tax assets	11	620.830	892.592
Total non-current assets		<u>128.523.485</u>	<u>126.696.040</u>
<u>CURRENT ASSETS:</u>			
Program broadcasting rights	18	15.686.618	18.819.043
Trade and other receivables	19	16.880.543	25.216.590
Other current assets	20	4.455.549	7.665.849
Cash and cash equivalents	21	16.443.227	20.292.827
Total current assets		<u>53.465.937</u>	<u>71.994.309</u>
TOTAL ASSETS		<u>181.989.422</u>	<u>198.690.349</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Share capital	22	10.328.600	10.328.600
Legal reserve	22	2.065.720	2.065.720
Other reserves	22	269.361	269.361
Retained earnings		155.625	155.625
Net profit for the year		7.443.057	16.452.347
TOTAL EQUITY		<u>20.262.363</u>	<u>29.271.653</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Borrowings	23	65.671.641	54.164.315
Trade and other payables	25	-	238.452
Provisions	24	2.902.878	2.780.438
Total non-current liabilities		<u>68.574.519</u>	<u>57.183.205</u>
<u>CURRENT LIABILITIES:</u>			
Borrowings	23	8.454.627	43.982.656
Trade and other payables	25	24.850.069	23.185.208
Current tax liabilities	11	2.686.473	5.832.928
Other current liabilities	26	57.161.371	39.234.699
Total current liabilities		<u>93.152.540</u>	<u>112.235.491</u>
TOTAL LIABILITIES		<u>161.727.059</u>	<u>169.418.696</u>
TOTAL EQUITY AND LIABILITIES		<u>181.989.422</u>	<u>198.690.349</u>

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of profit and loss and other comprehensive income originally issued in Portuguese - Note 34)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>OPERATING REVENUE</u>			
Services rendered	5	159.253.889	163.966.368
Other operating revenue	6	598.808	1.027.537
Total operating revenue		<u>159.852.697</u>	<u>164.993.905</u>
<u>OPERATING EXPENSES</u>			
Cost of programs broadcast and goods sold	7	(79.693.876)	(74.584.090)
Supplies and services	8	(34.487.476)	(33.636.799)
Personnel costs	9	(28.036.879)	(27.726.081)
Amortization and depreciation	14 e 15	(3.442.663)	(3.757.859)
Provisions and impairment losses	24	(150.000)	(110.795)
Other operating expenses	6	(582.443)	(348.935)
Total operating expenses		<u>(146.393.337)</u>	<u>(140.164.559)</u>
Operating profit		<u>13.459.360</u>	<u>24.829.346</u>
<u>NET FINANCIAL EXPENSES</u>			
Gains on associated companies	10	-	16.871
Interest and other financial costs	10	(5.714.689)	(5.244.659)
Interest and other financial income	10	2.518.361	2.803.828
		<u>(3.196.328)</u>	<u>(2.423.960)</u>
Profit before taxes		<u>10.263.032</u>	<u>22.405.386</u>
Income tax expense	11	(2.819.975)	(5.953.039)
Net profit and comprehensive income for the year		<u>7.443.057</u>	<u>16.452.347</u>
Earnings per share:			
Basic	12	1,2395	2,7398
Diluted	12	1,2395	2,7398
Comprehensive income per share:			
Basic	12	1,2395	2,7398
Diluted	12	1,2395	2,7398

The accompanying notes form an integral part of the consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of changes in equity originally issued in Portuguese - Note 34)

	Notes	Share Capital	Legal Reserve	Other Reserves	Retained earnings	Net profit for the year	Total
Balance at 1 January 2021		10.328.600	2.065.720	269.361	155.625	17.325.398	30.144.704
Appropriation of consolidated net profit for the year ended 31 December 2020	22	-	-	-	-	(17.325.398)	(17.325.398)
Consolidated net profit for the year ended 31 December 2021		-	-	-	-	16.452.347	16.452.347
Balance at 31 December 2021		<u>10.328.600</u>	<u>2.065.720</u>	<u>269.361</u>	<u>155.625</u>	<u>16.452.347</u>	<u>29.271.653</u>
Appropriation of consolidated net profit for the year ended 31 December 2021	22	-	-	-	-	(16.452.347)	(16.452.347)
Consolidated net profit for the year ended 31 December 2022		-	-	-	-	7.443.057	7.443.057
Balance at 31 December 2022		<u>10.328.600</u>	<u>2.065.720</u>	<u>269.361</u>	<u>155.625</u>	<u>7.443.057</u>	<u>20.262.363</u>

The accompanying notes for an integral part of the consolidated statement of changes in equity for the year ended 31 December 2022.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

SIC - SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2022 AND 2021

(Amounts stated in Euros)

(Translation of consolidated statements of comprehensive income originally issued in Portuguese - Note 34)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
<u>OPERATING ACTIVITIES</u>			
Cash receipts from customers		181.681.700	165.362.217
Cash paid to suppliers		(107.831.258)	(111.509.646)
Cash paid to employees		(28.390.265)	(26.750.095)
Cash generated from operations		45.460.177	27.102.477
Payments relating to income taxes		(5.693.543)	(6.338.182)
Other cash paid/received relating to operating activities		(1.624.322)	175.497
Net cash from operating activities (1)		<u>38.142.312</u>	<u>20.939.792</u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Loans to group companies	20	3.705.625	2.600.600
Interests and similar income		2.351.301	3.944.986
Current assets classified as held for sale	17	-	233.279
		<u>6.056.926</u>	<u>6.778.865</u>
Cash paid relating to:			
Tangible fixed assets		(1.353.536)	(1.449.186)
Intangible assets		(286.518)	-
Loans to group companies	20	-	(3.705.625)
		<u>(1.640.054)</u>	<u>(5.154.811)</u>
Net cash used in investing activities (2)		<u>4.416.872</u>	<u>1.624.054</u>
<u>FINANCING ACTIVITIES</u>			
Cash received relating to:			
Bank borrowings	23	20.000.000	18.933.210
		<u>20.000.000</u>	<u>18.933.210</u>
Cash paid relating to:			
Bank borrowings	23	(44.756.101)	(4.158.878)
Interests and similar costs		(5.200.336)	(6.343.293)
Dividends	22	(16.452.347)	(17.325.396)
		<u>(66.408.784)</u>	<u>(27.827.567)</u>
Net cash from financing activities (3)		<u>(46.408.784)</u>	<u>(8.894.357)</u>
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		(3.849.600)	13.669.489
Cash and cash equivalents at the beginning of the year	21	20.292.827	6.623.338
Cash and cash equivalents at the end of the year	21	16.443.227	20.292.827

The accompanying notes form an integral part of the consolidated cash flow statement  
for the year ended 31 December 2022

THE ACCOUNTANT

THE BOARD OF DIRECTORS

## 1. INTRODUCTORY NOTE

SIC - Sociedade Independente de Comunicação, S.A. ("SIC" or "Company") is a public limited liability company, with registered office in Paço de Arcos (up to 5 February 2019 in Carnaxide), that was incorporated on 23 July 1987 and started its activity on 6 October 1992, with its core business being the broadcasting of television programmes, and is 100% held by Impresa – Sociedade Gestora de Participações Sociais, S.A. ("Impresa"), with its financial statements being included in the consolidated financial statements of Impresa - Sociedade Gestora de Participações Sociais, S.A. ("Impresa Group"), with registered office in Lisbon.

GMTS (Global Media Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS") with registered office in Carnaxide, was incorporated on 28 September 2001, with its core business being the provision of technical services concerning any media, audiovisual and cinematographic and digital television digital activity, and is 100% held by SIC.

Segmento Televisão ("Segment" or "Group") of the Impresa Group is composed of SIC and its subsidiary GMTS ("Group") (Note 4). The companies of the segment operate in the media area, namely through the broadcasting of television programmes.

The Group pursues its activity under broadcast licences and permits of various television channels (SIC Generalista, SIC Mulher, SIC Radical, SIC Caras, SIC K, SIC Notícias and SIC Internacional), granted by the Media Regulatory Entity ("ERC") and the streaming service OPTO.

The financial statements attached herewith are presented in euros, as this is the currency preferably used in the economic environment in which the Group operates. Transactions in foreign currency are included in the consolidated financial statements in conformity with the policy described in Note 2.16.

These consolidated financial statements were authorised for publication on 18 April 2023 by the Board of Directors of SIC.

## 2. MAIN ACCOUNTING POLICIES

### 2.1 Basis of presentation

The consolidated financial statements were prepared under the going concern assumption, in conformity with the provisions in the International Financial Reporting Standards as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and respective IFRIC and SIC interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). Hereinafter, the set of these standards and interpretations shall be referred to as "IFRS".

The Group adopted the IFRS for the first time in 2016; therefore, the transition date from the Portuguese accounting principles ("Accounting Standardisation System") to these standards for this purpose was established as 1 January 2015, pursuant to IFRS 1 – First-time adoption of the international financial reporting standards ("IFRS 1").

Consequently, in compliance with IAS 1, the Group declares that these financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for financial years beginning on 01 January 2021.

The Board of Directors made an evaluation of the Group's ability to continue as a going concern, based on all relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the reference date of the consolidated financial statements, available on the future. As a result of the assessment carried out, the Board of Directors, considering the prospects of generating cash flow for 2023, the credit ceilings available for use and the amounts of revolving credit lines, concluded that the Group has adequate resources to maintain its activities, there being no intention to cease them in the short term, and therefore considered adequate the use of the going concern assumption in the preparation of the consolidated financial statements.

## 2.2 Adoption of new/revised IAS/IFRS

The accounting policies used in the year ended on 31 December 2022 are consistent with those used for the preparation of the consolidated financial statements of SIC for the year ended on 31 December 2022 and referred to in the respective notes.

During the year ended on 31 December 2022, the following standards, interpretations, amendments and improvements were endorsed, with mandatory application in the current financial year:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendment to IFRS 3	01-jan-22	This amendment corresponds to the update of the reference to the 2018 conceptual framework; additional requirements for the analysis of liabilities in accordance with IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognised in a business combination.
Amendment to IAS 16 - "Proceeds before intense use"	01-jan-22	This amendment corresponds to an amendment to IAS 16 to prohibit the deduction from the cost of a tangible asset of revenue related to the sale of products before the asset is available for use.
Amendment to IAS 37 - Onerous Contracts	01-jan-22	This amendment corresponds to the clarification that costs of compliance with a contract correspond to costs directly related to the contract.
Annual improvements 2018-2020	01-jan-22	They correspond essentially to amendments to the following standards: - IFRS 1 - practical expedient that allows a subsidiary that first adopts IFRSs at a later date than its parent to elect to measure cumulative translation differences in respect of all foreign operations at the amount that would be included in the parent's financial statements based on the parent's date of transition to IFRS; - IFRS 9 - clarifies the fees that should be included in the 10% test for the purpose of derecognition of a financial liability; - IAS 41 - removes the requirement to exclude tax-related cash flows in measuring fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

The following standards, interpretations, amendments and revisions, of mandatory application in future financial years had been, by the date of approval of these consolidated financial statements, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started on or after	Brief description
IFRS 17 - Insurance Contracts	01-jan-23	This standard establishes, for insurance contracts within its scope of application, the principles for their recognition, measurement, presentation and disclosure. This standard replaces standard IFRS 4 - Insurance Contracts.
Amendment to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	01-jan-23	This amendment published by the IASB in February 2021 changes the definition of an accounting estimate for a monetary amount in the financial statements subject to measurement uncertainty.
Amendment to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting Policies	01-jan-23	This amendment published by the IASB in February 2021 clarifies that material accounting policies should be disclosed, rather than significant accounting policies, having introduced examples for identifying material accounting policy.
Amendment to IAS 12 Income Taxes - Deferred Taxes	01-jan-23	This amendment published by the IASB in May 2021 clarifies that the exemption from initial recognition of deferred taxes does not apply in transactions that produce equal amounts of taxable and deductible temporary differences
Amendment to IFRS 17 - Insurance contracts - initial application of IFRS 17 and IFRS 9 - comparative information	01-jan-23	This amendment published by the IASB in December 2021 introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 simultaneously.

The Group did not proceed with the early application of any of these standards in the consolidated financial statements of the year ended on 31 December 2022. The Group believes that the adoption of the standards referred to above will not lead to significant changes in its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

The following accounting standards and interpretations were issued by the IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started on or after	Brief description
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of the date of application; Non-current liabilities with covenants	01-jan-24	These amendments published by IASB clarify the classification of liabilities as current and non-current by analysing the contractual conditions existing at the reporting date. The amendment on non-current liabilities with covenants clarified that only the conditions that must be met before or on the reference date of the financial statements are relevant for the purposes of classification as current/non-current, also postponing the date of application to 1 January 2024.
Amendment to IFRS 16 - Leases - Lease liabilities in a sale and leaseback transaction	01-jan-24	This amendment published by the IASB in September 2022 clarifies how a lessee seller accounts for a sale and leaseback transaction that meets the criteria in IFRS 15 to be classified as a sale.

These standards have not yet been endorsed by the European Union and so have not been applied by the Group (Company) during the year ended 31 December 2022.

In relation to these standards and interpretations issued by the IASB but not yet endorsed by the European Union, the future adoption of these standards and interpretations is not expected to produce material impacts to the accompanying financial statements.

### 2.3 Principles of consolidation

The consolidation methods adopted by the Group are as follows:

#### a) Controlled companies

The financial statements of all the companies controlled by the Group were included in these financial statements by the full consolidation method. Control is considered to exist when the Group is exposed, or has rights, to variable returns arising from its involvement with the invested enterprises and has the capacity to affect these same returns through the power it exercises over these enterprises. The equity and net profit or loss of these companies corresponding to third party stakes in these companies, when applicable, are presented separately in the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income, under the heading "Equity attributable to non-controlling interests". The controlled companies included in the consolidated financial statements are detailed in Note 4.

The assets and liabilities of a subsidiary are measured at their respective fair value as at the date of acquisition of the subsidiary. Any excess of cost over the fair value of identifiable net assets is recorded as goodwill. Where the acquisition cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit or loss and other comprehensive income for the year of the acquisition.

The results of subsidiaries acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income as of the date of their acquisition or up to the date of their sale.

Changes in the Group's participation in companies that are already controlled, which do not result in loss of control are recorded in equity. Consequently, the Group's interest and non-controlling interests in these companies are adjusted so as to reflect the changes in control of the subsidiaries. The differences between the non-controlling interests acquired or sold and the fair value of the purchase or sale, respectively, are recognised in equity.

Transactions, balances and dividends distributed between companies included in the consolidation are eliminated in the consolidation process. Capital gains arising from the sale of invested enterprises, carried out within the Group, are also annulled.

b) Associates

An associate is an entity over which the Group has significant influence but does not have control or joint control over decisions relative to their operating and financial policies.

Investments in associates are recorded in accordance with the equity method of accounting, except when they are classified as held for sale. Investments in associates are initially recorded at cost, which is subsequently increased or decreased by the difference between this cost and the proportion of equity held in the companies, reported as at the acquisition date or the date the equity method is applied for the first time.

Pursuant to the equity method, financial holdings are periodically adjusted by the value corresponding to the share in the net income of the associates, through other changes in their equity and the recognition of impairment losses, against financial gains or losses.

In addition, dividends received from these companies are recorded as decreases in the amount of the investment.

The Group ceases applying the equity method of accounting when the investment in the associate is reduced to zero, and a liability is recognised only if the Group has a legal or constructive obligation to the associate or its creditors. If the associate subsequently reports profits, the equity method is only resumed once the Group's share of these profits equals the amount of the unrecognised losses.

An annual assessment is made of the existence of signs of impairment of the investments in associates, and when corroborated, valuations are prepared to determine their recoverable value. Impairment losses that are demonstrated to exist are recorded as a cost. When impairment losses recognised in previously periods cease to exist, they are reversed up to the limit of the recorded impairment loss.

Any excess of cost over the fair value of identifiable net assets as at the acquisition date is classified as goodwill and included in the book value of the investment. Where the acquisition cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit or loss and other comprehensive income for the year of the acquisition.

Whenever necessary, adjustments are made to the financial statements of the associates to ensure their consistency with the accounting standards used by the Group.

2.4 Goodwill

Goodwill corresponds to the excess of acquisition cost over the fair value of the identifiable assets and liabilities of a subsidiary on its acquisition date. Where the acquisition cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit or loss and other comprehensive income for the year of the acquisition.

Following the exception established in IFRS 1, the Group did not retrospectively apply the provisions of IFRS 3 to the acquisitions that occurred before 1 January 2015. Therefore, the goodwill generated on acquisitions prior to the date of transition to IFRS (1 January 2015) was maintained at the net book values presented, on that date, pursuant to the accounting principles generally accepted in Portugal.

Goodwill is recorded as an asset and is not amortised, being presented separately in the consolidated statement of financial position. Goodwill is tested for impairment annually, or whenever there are indications of a possible loss of value. Any impairment loss is recorded immediately as a cost in the consolidated statement of profit or loss and other comprehensive income for the period and cannot be reversed subsequently (Note 13).

Upon the divestment of a subsidiary, the corresponding goodwill is included in the determination of the capital gain or loss.

## 2.5 Intangible assets

Intangible assets, which are essentially composed of software (excluding that related to tangible fixed assets), licenses and other rights of use, are recorded at acquisition cost minus amortisation and any accumulated impairment losses. Intangible assets are only recognised when it is probable that they will generate future economic benefits for the Group, they are controllable and can be reliably measured.

Internal costs related to maintenance and development of software are recorded as costs in the consolidated statement of profit or loss and other comprehensive income for the year, except where the development costs are directly related to projects which are expected to generate future economic benefits for the Group. In these situations, these costs are capitalised as intangible assets.

Intangible assets are amortised on a straight-line basis over their estimated useful lives, from the moment that the assets are available for use, in conformity with the period of estimated useful life, which varies from three to six years.

## 2.6 Tangible fixed assets

Tangible fixed assets are recorded at acquisition cost minus the corresponding accumulated depreciation.

From this date onwards, the tangible fixed assets are recorded at acquisition cost minus the accumulated depreciation and accumulated impairment losses. Acquisition cost is defined as the purchase price plus related purchase costs.

Estimated losses arising from the replacement of equipment before the end of its useful life, due to technological obsolescence, are recognised as a decrease in the corresponding asset by corresponding entry to the consolidated statement of profit or loss and other comprehensive income.

Current maintenance and repair costs are recorded as incurred. Improvements and upgrades are only recognised as assets when they correspond to the replacement of assets which are written off, and lead to increased future economic benefits.

Tangible fixed assets are depreciated from the time when they become available for their intended use. Their depreciation is calculated on their acquisition cost minus their residual value (if significant), on a straight-line basis, from the month that the asset becomes available for use, over the period of expected useful life of the assets, as follows:

<u>Homogeneous Class</u>	<u>Years</u>
Building and other constructions	13-14
Basic Equipment	3-10
Transport Equipment	4-8
Office Equipment	3-10

## 2.7 Leases

The Group assesses whether a contract contains a right-of-use asset or not at the beginning of the contract. The Group recognises a right-of-use asset and the corresponding liability due to the right-of-use in relation to all lease contracts in which it is the lessee, except short-term leases (lease period of 12 months or less) and low value leases. For these contracts, the Group recognises the lease expenses on a straight-line basis as an operating cost.

The right-of-use liability is initially measured by the present value of the future payments of each lease, discounted based on the implicit interest rate of the lease. If this implicit interest rate is not immediately determinable, the Group uses its incremental interest rate.

The lease payments included in the measurement of the right-of-use liability include:

- In-substance fixed payments, net of any incentives associated with the lease;
- Variable payments based on indices or rates;

- Expected payments related to guarantees of residual value;
- Price of the exercise of the purchase option, if it is reasonably certain that the Group will exercise the option in the future; and
- Penalty of the clauses of termination or renovations that are unilaterally exercisable, if it is reasonably certain that the Group will exercise the option of terminating or renovating the lease period in the future.

The right-of-use liability is subsequently measured, increased on account of accrued interest (recognised in the consolidated income statement), reduced by the lease payments made.

Its book value is remeasured to reflect a possible reassessment, when there is a modification or review of the in-substance fixed payments.

The right-of-use liability is remeasured, with the corresponding adjustment being made in the related right-of-use asset whenever:

- There are significant events or changes that are under the control of the lessee, to the lease period or right to exercise the purchase option as a result of a significant event or change in the circumstances. In this case, the right-of-use liability is remeasured based on the present payments of the lease, using a new discount rate;
- The lease payments are modified due to changes in an index or rate or a change in the expected payment of a guaranteed residual value, in which case the lessee's liability is remeasured, discounting the new lease liability by using an unchanged discount rate (unless the change of the lease payments is due to a change based on floating interest rates, in which case a new discount rate is used);
- A lease contract is modified and the modification of the lease is not recorded as a separate lease. In this case, the right-of-use liability is remeasured based on the modified lease period, discounting the new payments by using a discount rate ascertained on the effective date of the modification.

Lease liabilities are presented in the consolidated statement of financial position on the line of loans received and are properly identified in the notes to the consolidated financial statements.

Right-of-use assets correspond to the initial measurement of the corresponding lease liability, plus lease payments before or on the starting date of the lease, plus any initial direct expenses and minus any amounts received. Right-of-use assets are subsequently measured at cost minus accumulated depreciation and impairment.

Whenever the Group expects to incur dismantlement costs of the right-of-use asset, or expenses related to the restoration of the site where this right-of-use asset or the asset underlying the lease is installed via requirements established in the terms and conditions of the lease contract, Group is recognised and measured pursuant to IAS 37. These expenses are included in the related right-of-use asset, in the proportion to which the expenses are related to it.

Right-of-use assets are depreciated over the lowest period between the lease period and useful of the underlying asset.

If a lease transfers the ownership of the underlying asset or the price of the right-of-use reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated during the useful life of the underlying asset. Depreciation begins on the starting date of the lease contract.

Right-of-use assets are presented on the same line of items under which the respective underlying assets would be presented if they were owned by the Group and are properly identified in the notes to the consolidated financial statements. The Group applies IAS 36 to determine the recoverable value of the underlying asset, whenever necessary.

The portions of variable lease payments that do not depend on an index or rate are not included in the measurement of the liability or asset due to the right-of-use. The respective payments are recognised as an operating cost, in the consolidated income statement, in the period to which they refer.

IFRS 16, through a practical option, allows the lessee, by class of asset, not to separate the lease components from those that are not lease components which might established in the same contract and,

alternatively, consider them as a single component of the contract. The Group uses this practical option in vehicle lease contracts. For contracts that contain a lease component and one or more components that are not related to the lease, the Group allocates a consideration in the contract to each lease component based on the price regardless of each component and in the price regardless of the non-lease components.

## 2.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their book value is essentially recovered via a sale transaction and not through continuous use. This condition is considered to be fulfilled only when the asset (or group of assets to be divested) is available for immediate sale in its current condition, subject only to terms that are usual for sale of this asset (or group of assets to be divested) and their sale is highly probable. It is considered that a non-current asset is held for sale when the Board of Directors expects that the sale of these assets will be completed within one year of the date of classification.

Non-current assets (or group of assets to be divested) classified as held for sale are measured at the lowest value between their book value and fair value minus the divestment costs.

## 2.9 Financial instruments

### 2.9.1 Customer debt and other receivables

Customer debt and other receivables are classified as current assets are recorded at their nominal value, which is deemed to correspond to amortised cost, as they are expected to be received in the short-term and this does not differ significantly from their fair value at the date they were contracted, minus any impairment losses.

The Group recognises an expected credit loss on financial instruments that are measured at amortised cost. The values of expected credit losses are updated on each reporting date to reflect changes in credit risk from the initial recognition of the respective financial instrument.

Expected credit losses on these financial assets are estimated based on the historical experience of impairment losses of accounts receivable of the Group by type of transactions, adjusted for specific factors of the debtors, general economic conditions and an assessment both of the current conditions and the forecast conditions on the reporting date, including the time value of money, when appropriate.

Impairment losses on customer and third-party debts classified as current assets correspond essentially to the difference between the amount initially recognised and the estimated recoverable amount. In addition to the expected losses of accounts receivable, the Group estimates impairment losses based on the age of balances of the entities in question, any guarantees that may exist for each entity, relative to their financial situation and any reasons that may exist for payments in arrears.

Customer debt and other receivables are classified as non-current assets and are recorded at amortised cost minus any impairment losses. The effective interest rate method was used in the measurement of amortised cost, imputing the interest income during the expected life of the respective financial instruments, considering their contractual terms.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income for the period in which they are estimated.

### 2.9.2 Other current assets

Other current assets are initially recognised at their nominal value and are stated deducted by any impairment losses. An impairment loss of these assets is recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms initially established for the settlement of the receivables. The amount of the loss corresponds to the difference between the nominal value and the estimated recoverable value and is recognised in the consolidated statement of profit or loss and other comprehensive income for the year.

#### 2.9.3 Cash and cash equivalents

Cash and cash equivalents comprise cash, term deposits and other treasury applications which mature in less than three months that are readily convertible to cash with an insignificant risk of change in value.

#### 2.9.4 Loans received

Loans are initially recognised at the value received net of expenses related to their issuance. In subsequent periods, the loans are recorded at amortised cost. Any difference between the amount received (net of issue costs) and the amount payable is recognised in the consolidated statement of profit or loss and other comprehensive income over the term of the loan using the effective interest rate method.

Loans that mature in less than twelve months are classified as current liabilities, unless the Group has the unconditional right to defer their settlement for more than twelve months after the date of the consolidated statement of financial position.

Loans exchanged without derecognising the previous liability, in accordance with IFRS 9, are accounted for as the same as the previous liability and therefore maintain the original effective interest rate.

#### 2.9.5 Suppliers, accounts payable and other current liabilities

Accounts payable are recorded at amortised cost and, when applicable, at their value discounting any interest calculated in accordance with the effective interest rate method.

In order to ensure faster access to the credit of its suppliers and facilitate the early payment of its invoices the Group has concluded reverse factoring agreements with financial institutions. The values in debt of these transactions are presented in the heading "Suppliers and accounts payable", except when settled outside the normal operating cycle, in which case they are presented in the heading "Other current liabilities – Supplier credit guaranteed by third parties".

#### 2.9.6 Derecognition of financial assets and liabilities

The Group derecognises financial assets only when the contractual rights to their cash flows expire, or when it transfers to another entity the financial assets and all the significant risks and rewards associated with their ownership. Transferred financial assets relative to which the Group has retained some significant risks and rewards are derecognised, provided that control over them has been transferred. The Group derecognises financial liabilities only when the corresponding obligation is settled, cancelled or expires.

#### 2.10 Programme broadcasting rights

The Group records under the heading "Program broadcasting rights" the rights acquired from third parties to broadcast programs, by corresponding entry to the heading "Trade and other payables" as of the date when such rights come into force and whenever the following conditions are met:

- The cost of the broadcasting rights is known or can be reasonably determined;
- The programme contents have been accepted in accordance with the contractually established conditions; and
- The programmes are available for broadcasting without restriction.

Programme broadcasting rights essentially correspond to contracts or agreements concluded with third parties for broadcasting soap operas, films, series and other television programmes, and are stated at their specific acquisition cost. The cost of programmes for broadcasting on the generalist and thematic channels is recorded in the consolidated statement of profit or loss and other comprehensive income when they are broadcast, taking into consideration the number of estimated broadcasts and estimated benefit of each broadcast. The cost of programmes for broadcasting on the "OPTO streaming platform is recognised on a straight-line basis over 4 years.

In addition, advances made for the purchase of contents are recorded under the heading "Programme broadcasting rights" with corresponding entry in the heading "Suppliers and other accounts payable".

Costs incurred associated to the broadcasting of programmes, both the costs related to broadcasting rights purchased from producers and the costs related to programmes produced in-house, are recorded in the statement of profit or loss and other comprehensive income under the heading "Cost of programmes broadcast".

Information on future financial commitments for the acquisition of programmes is presented in Note 28.

Impairment losses (Note and 18) are recorded whenever the book value of the programme broadcasting rights is higher than its estimated recoverable amount.

#### 2.11 Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or implied obligation resulting from a past event, the resolution of which will probably require expending internal resources, the amount of which can be reasonably estimated.

Provisions for restructuring costs are only recognised when a detailed formal plan exists identifying the main characteristics of the plan, after the plan has been communicated to the entities involved.

The value of the provisions is reviewed and adjusted on the date of each consolidated statement of financial position so as to reflect the best estimate at that time.

When any of the conditions described above are not met, the corresponding contingent liability is not recorded but only disclosed (Note 27), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

#### 2.12 Income tax

Income tax for the year consists of the sum of current tax and deferred tax and is recognised in accordance with the provisions of IAS 12. Current taxes and deferred taxes are recorded through profit or loss, except when the deferred taxes refer to items recorded directly through equity. In these cases, the deferred taxes are likewise recorded in equity.

The Group is covered by the system of taxation through consolidated profit (currently referred to as the Special Regime for the Taxation of Groups of Companies ("RETGS")) which covers all the companies in which Impresa has a direct or indirect stake of at least 75% of the share capital and comply with all the other conditions of this system.

The measurement of the income tax cost for the year, in addition to current tax, also considers the effect of deferred tax, calculated based on the variation between the years of the difference between the book value of the assets and liabilities at the end of each year and their corresponding value for tax purposes.

As established in the aforesaid standard, deferred tax assets are only recognised when there is reasonable assurance that they can be recovered in the future. At the end of each year an assessment is made of deferred tax assets, and they are reduced whenever their future recovery is no longer probable.

### 2.13 Revenue

Income from services rendered (essentially the sale of advertising space on television) is recognised in the consolidated statement of profit or loss and other comprehensive income when the advertising is broadcast. It should also be noted that a significant part of the sale of advertising space on free-to-air television channels arises from the broadcasting of advertisements, for which the revenue generated is dependent on the audiences reached, considering the profile of the respective commercial target contracted by the advertiser. Services rendered are recognised net of taxes, discounts and other costs related to their accomplishment. The main commercial discounts granted to the Group's key customers are dependent on the level of advertising investment made by these customers on an annual basis, as well as other conditions agreed between the parties.

Income related to the assignment of broadcasting rights on generalist and theme channels, essentially to cable television operators, is recognised in the consolidated statement of profit or loss and other comprehensive income during the period that they are assigned.

Income related to the assignment of programme broadcasting rights or rights of the respective formats to third parties is recognised in the consolidated statement of profit or loss and other comprehensive income when the control is transferred, this revenue can be estimated reliably, and it is probable. The revenue of this transaction is allocated to a series of costs belonging to the same performance obligation.

Income relating to the provision of value-added services regarding competitions and initiatives with telephone participation is recognised in the consolidated statement of profit or loss and other comprehensive income at the time of its provision.

### 2.14 Accruals basis

Costs and income are recorded in the period to which they refer, regardless of when they are paid or received. Where the real value of costs and revenue is not known it is determined based on estimates.

Interest and financial income are recognised on an accruals basis in accordance with the applicable effective interest rate.

### 2.15 Impairment of assets, excluding goodwill

The Group conducts impairment tests of tangible and intangible fixed assets whenever events or changes in circumstances are identified that indicate that the amount of an asset may be impaired. Where such indications exist, the Group estimates the recoverable amount of the asset, in order to determine the extent of any impairment loss.

The recoverable amount is estimated for each asset individually or, when this is not possible, for the cash flow generating unit to which the asset belongs.

The recoverable amount is the higher of net selling price and value in use. The net selling price is the amount that could be obtained from the divestment of the asset in a transaction between independent and knowledgeable entities, minus the costs directly attributable to the divestment. The value in use is the present value of the estimated future cash flows updated based on discount rates that reflect the present value of the principal and the specific risk of the assets.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income for the period to which it refers. When an impairment loss is subsequently reversed, the book value of the asset is adjusted to its estimated value. However, impairment losses are reversed only up to the amount that would have been recognised had no impairment loss been recognised for the asset, net of amortisation or depreciation, in previous years. The reversal of impairment losses is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

#### 2.16 Foreign currency balances and transactions

Assets and liabilities expressed in foreign currency are converted into euros at the exchange rates prevailing on the date of the consolidated statement of financial position, published by financial institutions. Foreign exchange gains and losses arising from differences between the exchange rates prevailing on the transaction date and those prevailing on the date collection, payment or of the consolidated statement of financial position are recorded as income or costs in the consolidated statement of profit or loss and other comprehensive income for the year.

#### 2.17 Classification of the statement of financial position

Assets that are realisable and liabilities that are payable in less than one year from the consolidated statement of financial position date are classified as current assets and liabilities, respectively.

#### 2.18 Subsequent events

Events that occur after closing of the year which provide additional information of the conditions that existed on that date are reflected in the financial statements.

Events that occur after the closing of the accounts which provide additional information on conditions that existed after that date, if significant, are disclosed in the notes to the consolidated financial statements.

### 3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

No changes to the accounting policies were made during the year ended on 31 December 2022.

The most relevant accounting estimates reflected in the financial statements for the years ended on 31 December 2022 and 2021 include:

a) Goodwill impairment tests:

Impairment tests require the determination of the fair value and/or value in use of the assets (or cash generating units) under review. This process requires a high number of judgements, in particular the projection of future cash flows associated with the assets or their cash generating units and the determination of a suitable discount rate to ascertain the present value of these cash flows. The Group employs the services of an external entity to prepare the assessment of the assets/cash generating units, establishing the requirement that the maximum quantity possible of observable data should be used.

b) Recording of provisions:

The expected outcome of lawsuits and tax proceedings underway is estimated by the Company, as well as the corresponding assessment of the need to constitute provisions, based on the opinion of the Group's lawyers / legal consultants. The Group's lawyers / legal consultants have the technical skills and detailed knowledge of the procedures that enable them to mitigate the uncertainty inherent to the outcome of lawsuits and proceedings of this nature.

c) Useful lives of tangible fixed assets:

The Group revises the estimated useful lives of its tangible and intangible assets on each reporting date. The useful lives of the assets depend on diverse factors related to their use, the economic and technological environment, and the Group's strategic decisions.

d) Broadcasting dates of the programme broadcasting rights:

Based on its strategic and operational decisions, the Group projects the broadcasting dates of each programme on its grid. The broadcasting of the contents depends on factors related to the Group's strategy for the television grid of its channels, the licensing period of each content, and factors related to market demand.

e) Impairment losses of accounts receivable:

Impairment losses of accounts receivable are calculated as indicated in Note 2.9.1. Accordingly, the determination of impairment through case-by-case analysis corresponds to the Group's judgement of the economic and financial situation of its customers and the Group's estimate of the value allocated to any existing guarantees, with the consequent impact on expected future cash flows. On the other hand, the expected impairment losses for loans granted are calculated taking into account a set of historical information and assumptions, which may not actually be representative of the future bad debt of the Group's debtors.

f) Commercial discounts granted to key customers.

As mentioned in Note 2.13, the measurement of the advertising revenue depends on the conditions agreed with the customers and the discounts to be given according to the advertising investment made by the customers.

g) Costs of the programmes issued:

As mentioned in Note 2.10, programme broadcasting rights essentially correspond to contracts or agreements concluded with third parties for broadcasting soap operas, films, series and other television programmes, and are stated at their specific acquisition cost. The cost of the programmes is recorded in the consolidated statement of profit or loss and other comprehensive income when they are broadcast, taking into consideration the number of estimated broadcasts and estimated benefit of each broadcast. The Group estimated a new imputation criterion, based on historical analyses, for costs associated with the broadcasting of nationally produced soap operas. This estimation takes into account criteria of audience level of the first broadcast, probability of occurrence of a second broadcast, the historical record of advertising revenues generated by the first and second broadcasts of nationally produced soap operas, and the time frame for the second broadcast.

The revision of an estimate of a previous period is not considered as an error. Changes in estimates are only recognised prospectively in results and are subject to disclosure when the effect is materially relevant. Estimates are determined based on the best information available at the time of preparing the consolidated financial statements.

4. COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation by the full method, their head offices and the proportion of capital effectively held as at 31 December 2022 and 2021 are as follows:

Company	Head office	Main activity	Proportion of capital effectively held on	
			2022	2021
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	Paço de Arcos	Television	Mãe	Mãe
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Paço de Arcos	Provision of technical services	100.00%	100.00%

5. SERVICES RENDERED BY ACTIVITY

The services rendered for the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021
Services rendered:		
Advertising	107,792,609	108,758,179
Subscription to channels	30,946,396	32,888,848
Contests with telephone participation	14,700,464	17,592,228
Technical services	1,227,634	1,470,058
Secondary services	38,007	99,160
Others	4,548,779	3,157,895
	<u>159,253,889</u>	<u>163,966,368</u>

6. OTHER OPERATING REVENUE AND EXPENSES

Other operating revenue for the years ended on 31 December 2022 and 2021 was as follows:

	2022	2021
Reversal of impairment losses (Note 24)	27,652	178,250
Supplementary income	280,466	197,568
Operating subsidies	41,771	132,669
Other	248,919	519,050
	<u>598,808</u>	<u>1,027,537</u>

Other operating expenses for the years ended on 31 December 2022 and 2021 were as follows:

	2022	2021
Taxes	241,290	260,373
Provisions	150,000	48,000
Impairment losses on receivables (Note 24)	96,000	-
Other	95,153	40,562
	<u>582,443</u>	<u>348,935</u>

**7. COSTS OF PROGRAMMES BROADCAST**

As at 31 December 2022 and 2021, the cost of programs broadcast was detailed as follows:

	<u>2022</u>	<u>2021</u>
Generalist channel:		
Soaps	25,071,515	22,707,148
In-house production	24,591,234	21,962,694
Entertainment programmes	17,192,175	15,520,591
Sports	2,681,316	3,118,070
Films	1,061,426	1,415,747
Series	190,759	489,174
Other	2,495,050	2,789,281
Thematic channels (a)	4,680,003	5,275,568
OPTO (b)	1,730,398	1,305,817
	<u>79,693,876</u>	<u>74,584,090</u>

(a) The costs of broadcasting television programmes on the thematic channels are recognised in this heading.

(b) This heading records the costs related to the provision of audiovisual contents on the streaming platform (OPTO).

In the year ended on 31 December 2022 and 2021, 24,591,234 euros and 21,962,694 euros, respectively of costs of programmes produced in-house were recorded, whose cost classification falls under External supplies and services.

**8. EXTERNAL SUPPLIES AND SERVICES**

During the years ended on 31 December 2022 and 2021, this heading was detailed as follows:

	<u>2022</u>	<u>2021</u>
Specialized works	12,988,715	11,870,226
Communication	5,689,583	6,586,107
Prizes to be given	5,495,141	5,392,433
Maintenance and repair	3,159,094	3,301,253
Subcontracts	2,159,441	2,159,441
Other	4,995,502	4,327,339
	<u>34,487,476</u>	<u>33,636,799</u>

9. STAFF COSTS

Staff costs for the years ended on 31 December 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Salaries	21,641,147	22,185,529
Charges on remuneration	4,779,661	4,717,179
Indemnities	1,062,719	704
Other personnel costs	553,352	822,669
	<u>28,036,879</u>	<u>27,726,081</u>

During the years ended on 31 December 2022 and 2021 the average number of employees of the Group was 622 and 606 employees, respectively.

10. FINANCIAL RESULTS

The financial results for the years ended on 31 December 2022 and 2021 are detailed as follows:

	<u>2022</u>	<u>2021</u>
Gains/(Loss) in financial investment	-	16,871
Interest and other financial costs:		
Interest and borrowing costs	(3,609,423)	(3,661,202)
Other financial costs (a)	(1,154,978)	(1,151,811)
Lease liabilities	(190,509)	(218,367)
Other financial costs	(759,779)	(213,279)
	<u>(5,714,689)</u>	<u>(5,244,659)</u>
<u>Other financial income:</u>		
Shareholder and companies of the Group (Note 29)	2,491,125	2,337,500
Interest (Note 29)	13,801	1,486
Other financial income	13,435	464,842
	<u>2,518,361</u>	<u>2,803,828</u>
Net financial expenses	<u>(3,196,328)</u>	<u>(2,423,960)</u>

(a) This heading essentially corresponds to commissions and bank charges.

11. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Group is subject to corporate income tax ("IRC") under the RETGS, as it is part of the tax group headed by Impresa. Consequently, the values of estimated corporate income tax, tax deductions at source made by third parties and payments on account are recorded in the statement of financial position as accounts payable or receivable by Impresa, as applicable, as the controlling company. The Group is subject to corporate income tax at the rate of 21% for the tax base, plus a 1.5% municipal surcharge on taxable profit, resulting in a maximum aggregate tax rate of 22.5%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

The state surcharge rates for taxable profit in excess of 1,500,000 euros are as follows:

- 3% for taxable profit between 1,500,000 euros and 7,500,000 euros;
- 5% for taxable profit between 7,500,000 euros and 35,000,000 euros;
- 9% for taxable profit above 35,000,000 euros.

The deduction of the net financial costs in the determination of taxable profit of the Impresa Group on a consolidated basis is limited to the highest of the following thresholds:

- 1,000,000 euros;
- 30%.

Pursuant to article 88 of the Corporate Income Tax Code the Group is subject to autonomous taxation on certain charges at the rates established in that article.

Pursuant to the current legislation, tax returns are subject to review and correction by the tax authorities during four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or objections have been made, in which case, depending on the circumstances, this period can be extended or suspended. Therefore, the tax returns for the years of 2019 to 2022, inclusively, may still be subject to review.

The Board of Directors believes that any corrections arising from reviews/inspections by the tax authorities of these tax returns will not have a significant effect on the financial statements as at 31 December 2022 and 2021.

As at 31 December 2022 and 2021, the current tax liabilities are detailed as follows (Note 29):

	2022	2021
Adjustments to corporate income tax	2,615,862	5,978,134
Withholding Taxes	70,611	(145,206)
	<u>2,686,473</u>	<u>5,832,928</u>

a) Movements in deferred tax assets

The movement occurred in deferred tax assets, according to the temporary differences that generated them, in the years ended on 31 December 2022 and 2021, was as follows:

31 December 2022			
Temporary differences	Opening balance	Increase/ (Decrease)	Closing balance
Impairment losses on accounts receivable	104,248	699	104,947
Indemnities	55,192	187,518	242,710
Bonuses	216,838	(206,006)	10,832
Provisions for risks and liabilities	516,315	(253,973)	262,342
	<u>892,592</u>	<u>(271,761)</u>	<u>620,830</u>

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31 December 2021

Temporary differences	Opening balance	Increase/ (Decrease)	Closing balance
Impairment losses on accounts receivable	177,428	(73,180)	104,248
Indemnities	67,734	(12,542)	55,192
Bonuses	193,589	23,249	216,838
Provisions for risks and liabilities	529,847	(13,532)	516,315
	<u>968,597</u>	<u>(76,005)</u>	<u>892,592</u>

b) Reconciliation of the tax rate:

	2022	2021
Pre-tax result	10,263,032	22,405,386
Nominal tax rate	22.5%	22.5%
	<u>2,309,182</u>	<u>5,041,212</u>
Effect of the application of state surcharge	442,290	876,656
Expected tax	<u>2,751,472</u>	<u>5,917,868</u>
Permanent differences	(85,744)	(85,943)
Adjustments to corporate income tax (i)	221,894	222,214
Excess estimate for prior period income tax	(67,648)	(101,100)
Corporate income tax	<u>2,819,975</u>	<u>5,953,039</u>
Effective tax rate	<u>27.5%</u>	<u>26.6%</u>
Current tax generated within RETGS	2,615,862	5,978,134
Excess estimate for prior period income tax	(67,648)	(101,100)
Deferred tax for the year	<u>271,761</u>	<u>76,005</u>
	<u>2,819,975</u>	<u>5,953,039</u>

(i) This amount consists mainly of the portion of corporate income tax that is taxed autonomously.

12. EARNINGS PER SHARE

The calculation of the earnings per basic and diluted share, as at 31 December 2022 and 2021, was based on the following information:

	<u>2022</u>	<u>2021</u>
<u>Number of shares</u>		
Weighted average number of shares for purposes of computing basic earnings per share (Note 22)	<u>6,005,000</u>	<u>6,005,000</u>
<u>Earnings</u>		
Earnings for purposes of computing basic earnings per share (net profit for the year)	<u>7,443,057</u>	<u>16,452,347</u>
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	<u>7,443,057</u>	<u>16,452,347</u>
<u>Earnings per share:</u>		
Basic	1.2395	2.7398
Diluted	1.2395	2.7398
<u>Comprehensive income for the year per share:</u>		
Basic	1.2395	2.7398
Diluted	1.2395	2.7398

As at 31 December 2022 and 2021, there are no dilutive effects; therefore, the earnings per basic and diluted share are identical.

13. GOODWILL

During the years ended on 31 December 2022 and 2021 there were no movements in the book value of goodwill.

On 27 February 2009, the Group acquired, for 20,000,000 euros, an additional stake of 40% of the capital of Lisboa TV - Informação e Multimédia, S.A. ("Lisboa TV" or "SIC Notícias"), recording goodwill of the value of 17,324,797 euros and henceforth holding 100% of the capital of this participated company. Reported as at 1 January 2009 for accounting purposes, the Company carried out the merger, by incorporation, of the net worth of Lisboa TV in its consolidated financial statements. In the recording of this merger, the financial holding in this subsidiary was annulled in consideration of the identifiable assets and liabilities of the participated company.

Approach used to determine the amounts attributed to key assumptions

As at 31 December 2022 and 2021, the Group used a specialised external entity to carry out the impairment test on the goodwill relative to Television.

Goodwill impairment tests are conducted using the discounted cash flow method, based on the financial cash flow projections for five years for each cash generating unit, with the first year corresponding to the annual budget of the cash generating units, and considering a perpetuity from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the operations of the cash generating units, which the Board of Directors believes are coherent with past historical experience and the markets trends, reasonable and prudent, and reflect the vision of the Board of Directors and consultants involved in their preparation. Furthermore, whenever possible data obtained from external entities were used, which were compared with historical data and the Group's experience.

In the Television cash generating unit, specific key assumptions were used corresponding to the advertising revenue and cost of the programmes broadcast. These variables were projected in order to reflect past experience, the Board of Directors' knowledge of the operations, and the forecast performance of that variable, which were complemented with external sources whenever possible.

The rest of the key assumptions of the impairment tests correspond to the discount rate and growth rate, which are determined through external sources, as they are calculated by external consultants. The discount rates used reflect the debt level and the cost of capital borrowed from outside the cash generating unit, as well as the level of risk and profitability expected by the market. It should also be noted that, in determining the discount rates, an interest rate applicable to assets without risk was used based on the rates of interest of ten-year German bonds plus a country risk premium, corresponding to the average spread between the Portuguese and German bonds at 10 years. The discount rates used also include a market risk premium, estimated by the external consultants that carried out the impairment studies.

The perpetuity growth rate is estimated based on an analysis of the potential market of each cash generating unit, based on the expectations of the Board of Directors and the external consultants involved in the valuations. For this purpose, the external consultants considered a sample of companies of the sector.

During the years ended on 31 December 2022 and 2021, the Company assessed the recoverable value of the goodwill, not having identified impairment losses.

For purposes of the impairment test, the goodwill is allocated to the Television cash generating unit, with the recoverable value of this cash generating unit having been determined considering the financial projections of SIC for a period of five years, using a discount rate of 8.7% (7.6% as at 31 December 2021) and a perpetuity growth rate of 1% (unchanged in relation to 2021).

The main assumptions of activity considered were as follows:

- Advertising market: a composite annual average growth rate throughout the projection period of 3% was considered for the market allocated to generalist channels, paid channels and online;
- Increase in revenues related to the ceding of programme broadcasting rights to third parties;
- Market share of advertising and audiences: these variables were considered constant and similar to those observed in 2022, for the five-year period of the projections;
- Automatic renewal of the television operating licenses at the end of their term;
- Maintenance of the current costs associated with the free-to-air broadcasting of the SIC generalist channel, as well as operating continuity of the current thematic channels.
- Grid costs: a zero average annual growth rate was considered over the period of the projections;

The impairment tests carried out assume the maintenance of the current number of television channels with free-to-air broadcasting, as well as the current limit of advertising space in each channel and other sector regulations.

The Group conducted the following sensitivity tests:

- a 1% decrease in advertising revenues of the cash generating unit throughout the projection period would not imply the need to record an impairment loss as at 31 December 2022;
- a 1% increase in the costs of the programmes broadcast over the projection period would not imply the need to record an impairment loss as at 31 December 2022;
- a 0.5% increase in the discount rate assumption throughout the projection years would not imply the need to record an impairment loss as at 31 December 2022;

The Group believes that the variations considered in the sensitivity tests are reasonable, considering the current evolution and outlook of the market, the performance of SIC, the evolution of the different parameters considered in the projections and the current Portuguese economic circumstances.

#### 14. INTANGIBLE ASSETS

During the years ended on 31 December 2022 and 2021, the movements occurred in the intangible assets and their accumulated amortisation and impairment losses were as follows:

	31 December 2022		
	Software	Industrial property	Total
<u>Gross:</u>			
Balance at 31 December 2021	2,246,100	128,800	2,374,900
Acquisitions	-	286,518	286,518
Balance at 31 December 2022	2,246,100	415,318	2,661,418
<u>Accumulated amortization</u>			
Balance at 31 December 2021	2,246,100	123,227	2,369,327
Depreciation for the year	-	25,787	25,787
Balance at 31 December 2022	2,246,100	149,014	2,395,114
<u>Net balance</u>	-	266,304	266,304
	31 December 2021		
	Software	Industrial property	Total
<u>Gross:</u>			
Balance at 31 December 2020	2,244,580	128,800	2,373,380
Regulations	1,520	-	1,520
Balance at 31 December 2021	2,246,100	128,800	2,374,900
<u>Accumulated amortization</u>			
Balance at 31 December 2020	2,244,580	121,318	2,365,898
Depreciation for the year	-	1,909	1,909
Regularizations	1,520	-	1,520
Balance at 31 December 2021	2,246,100	123,227	2,369,327
<u>Net balance</u>	-	5,573	5,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)15. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2022 and 2021, the movements occurred in the tangible fixed assets and their accumulated depreciation and impairment losses were as follows:

	31 December 2022					Total
	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Tangible fixed assets in progress	
<u>Gross:</u>						
Balance at 31 December 2021	5,876,043	103,562,202	973,141	16,247,842	-	126,659,228
Acquisitions	-	620,857	394,551	121,624	103,146	1,240,178
Disposals and write-offs	-	(21,491)	(223,584)	-	-	(245,075)
Balance at 31 December 2022	<u>5,876,043</u>	<u>104,161,568</u>	<u>1,144,108</u>	<u>16,369,466</u>	<u>103,146</u>	<u>127,654,331</u>
<u>Accumulated depreciation</u>						
Balance at 31 December 2021	3,799,501	95,315,755	556,270	15,776,758	-	115,448,284
Depreciation for the year	531,009	2,453,182	265,264	167,421	-	3,416,876
Disposals and write-offs	-	(11,113)	(222,032)	-	-	(233,145)
Balance at 31 December 2022	<u>4,330,510</u>	<u>97,757,824</u>	<u>599,502</u>	<u>15,944,179</u>	<u>-</u>	<u>118,632,015</u>
<u>Net balance</u>	<u>1,545,534</u>	<u>6,403,744</u>	<u>544,606</u>	<u>425,287</u>	<u>103,146</u>	<u>9,022,316</u>

	31 December 2021					Total
	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment		
<u>Gross:</u>						
Balance at 31 December 2020	4,929,755	102,803,718	959,029	16,065,978		124,758,480
Acquisitions	1,249,050	758,484	123,945	181,864		2,313,343
Disposals and write-offs	(302,762)	-	(109,833)	-		(412,595)
Balance at 31 December 2021	<u>5,876,043</u>	<u>103,562,202</u>	<u>973,141</u>	<u>16,247,842</u>		<u>126,659,228</u>
<u>Accumulated depreciation</u>						
Balance at 31 December 2020	3,642,144	92,748,971	431,920	15,276,148		112,099,183
Depreciation for the year	460,119	2,566,784	228,435	500,610		3,755,948
Disposals and write-offs	(302,762)	-	(104,085)	-		(406,847)
Balance at 31 December 2021	<u>3,799,501</u>	<u>95,315,755</u>	<u>556,270</u>	<u>15,776,758</u>		<u>115,448,284</u>
<u>Net balance</u>	<u>2,076,543</u>	<u>8,246,447</u>	<u>416,871</u>	<u>471,084</u>		<u>11,210,944</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
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During the year ended on 31 December 2022 and 2021, the movements occurred in the right-of-use assets, included in the Tangible fixed assets, and their accumulated depreciation and impairment losses were as follows:

	31 December 2022				
	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Total
Gross:					
Balance at 31 December 2021:	2,520,979	7,107,517	935,107	1,321,858	11,885,461
New contracts	-	-	394,551	-	394,551
Regularizations	-	(205,100)	(65,780)	(23,476)	(294,356)
Write-offs	-	-	(223,584)	-	(223,584)
	<u>2,520,979</u>	<u>6,902,417</u>	<u>1,040,294</u>	<u>1,298,382</u>	<u>11,762,072</u>
Accumulated depreciation and impairment losses					
Balance at 31 December 2021:	526,302	2,824,494	518,236	1,048,345	4,917,377
Depreciation for the year	493,740	947,220	199,480	71,635	1,712,075
Regularizations	-	84,327	-	(4,913)	79,414
Write-offs	-	-	(222,028)	-	(222,028)
Balance at 31 December 2022	<u>1,020,042</u>	<u>3,856,041</u>	<u>495,688</u>	<u>1,115,067</u>	<u>6,486,838</u>
Net balance at 31 December 2022	<u>1,500,937</u>	<u>3,046,377</u>	<u>544,606</u>	<u>183,315</u>	<u>5,275,234</u>

	31 December 2021				
	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Total
Gross:					
Balance at 31 December 2020:	1,668,268	7,107,517	855,215	1,219,261	10,850,261
New contracts	1,155,473	-	227,759	102,597	1,485,829
Write-offs	(302,762)	-	(147,867)	-	(450,629)
Balance at 31 December 2021	<u>2,520,979</u>	<u>7,107,517</u>	<u>935,107</u>	<u>1,321,858</u>	<u>11,885,461</u>
Accumulated depreciation and impairment losses					
Balance at 31 December 2020:	384,863	1,856,561	328,104	547,735	3,117,263
Depreciation for the year	444,201	967,933	332,286	500,610	2,245,030
Write-offs	(302,762)	-	(142,154)	-	(444,916)
Balance at 31 December 2021	<u>526,302</u>	<u>2,824,494</u>	<u>518,236</u>	<u>1,048,345</u>	<u>4,917,377</u>
Net balance at 31 December 2021	<u>1,994,677</u>	<u>4,283,024</u>	<u>416,871</u>	<u>273,513</u>	<u>6,968,084</u>

Furthermore, the following expenses were recognised in the year ended on 31 December 2022 and 2021 relative to right-of-use assets:

	2022	2021
Depreciation	1,712,075	2,245,030
Short term leases	203,753	176,525
Financial expenses with leasing liabilities	190,509	218,343
	<u>2,106,337</u>	<u>2,639,898</u>

16. FINANCIAL INVESTMENTS

The changes in investments in the years ended on 31 December 2022 and 2021 were as follows:

Company	Head office	Effective participation	2022	2021
			Amount of the participation	Amount of the participation
NP - Notícias de Portugal, S.A.	Lisboa	3.57%	6,235	6,235
			<u>6,235</u>	<u>6,235</u>

17. NON-CURRENT ASSETS HELD FOR SALE

During the year ended on 31 December 2021, the movement that occurred in the assets held for sale was as follows:

	2022	2021
Balance at 31 December 2021	-	233,279
Disposal	-	(233,279)
Balance at 31 December 2022	<u>-</u>	<u>-</u>

During the year ended on 31 December 2021, the Group reached an agreement with a third party for the disposal of its 5.50% stake in Youngstories, S.A. for 233,279 euros.

18. PROGRAMME BROADCASTING RIGHTS

Programme broadcasting rights as at 31 December 2022 and 2021 are detailed as follows:

	31 December 2022		31 December 2021	
	Non-Current	Current	Non-Current	Current
<u>Broadcasting rights</u>				
Program broadcasting rights	15,971,237	8,539,994	11,881,778	5,350,622
Advances on account of purchases	-	7,146,624	-	13,468,421
	<u>15,971,237</u>	<u>15,686,618</u>	<u>11,881,778</u>	<u>18,819,043</u>

As at 31 December 2022 and 2021, the heading "Advances on account of purchases" includes payments made by Group to program suppliers under contracts concluded with these entities, relative to program broadcasting rights, which at this date were not available for broadcasting, essentially related to soap operas and sports rights.

As at 31 December 2022 and 2021, the Group had no inventories pledged in guarantee of compliance with liabilities.

19. CUSTOMERS AND ACCOUNTS RECEIVABLE

As at 31 December 2022 and 2021, this heading was detailed as follows:

	31 December 2022			31 December 2021		
	Gross	Accumulated impairment Losses (Note 24)	Net	Gross	Accumulated impairment Losses (Note 24)	Net
Customers	19,053,505	(3,201,727)	15,851,778	26,617,671	(3,161,058)	23,456,613
Invoices to be issued:						
Value added services	735,944	-	735,944	1,339,349	-	1,339,349
Other amounts to be invoiced	292,821	-	292,821	420,628	-	420,628
	<u>20,082,270</u>	<u>(3,201,727)</u>	<u>16,880,543</u>	<u>28,377,648</u>	<u>(3,161,058)</u>	<u>25,216,590</u>

20. OTHER NON-CURRENT AND CURRENT ASSETS

As at 31 December 2022 and 2021, these headings were detailed as follows:

	2022	2021
<u>Other non-current assets:</u>		
Shareholders (Note 29) (a)	85,000,000	85,000,000
Digital telebroadcasting services (b)	311,766	374,121
	<u>85,311,766</u>	<u>85,374,121</u>
<u>Other current assets:</u>		
Shareholders (Note 29) (a)	1,860,917	5,412,917
Deposit (c)	1,516,185	1,270,330
Advances to employees	203,434	123,517
Others	64,907	186,912
<u>Prepayments:</u>		
Digital telebroadcasting services (b)	62,352	62,352
Others	747,754	609,821
	<u>4,455,549</u>	<u>7,665,849</u>
	<u>89,767,315</u>	<u>93,039,970</u>

- (a) These amounts relate to loans granted to Impresa. The amounts classified as non-current assets relate to two contracts with a 10 year maturity of 55,000,000 Euros and 30,000,000 Euros and mature on 31 May 2029 and 31 December 2029, respectively. The amount classified as current assets, as of 31 December 2021, is a treasury credit facility maturing in less than one year. Additionally, in the years ended 31 December 2022 and 2021, the amounts include 1,860,917 Euros and 1,707,292 Euros related to interest receivable, respectively.

The loans granted earn interest annually and are indexed to the 6-month Euribor rate plus a spread of 2.75%.

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During the years ended on 31 December 2022 and 2021, the movement of loans granted to Impresa was as follows:

		2022			
		1 January 2022	Receipts	Interests (Note 10)	31 December 2022
Rated value		88,705,625	(3,705,625)	-	85,000,000
Interests		1,707,292	(2,337,500)	2,491,125	1,860,917
		<u>90,412,917</u>	<u>(6,043,125)</u>	<u>2,491,125</u>	<u>86,860,917</u>

		2021				
		1 January 2021	Payments	Receipts	Interests (Note 10)	31 December 2021
Rated value		87,600,600	3,705,625	(2,600,600)	-	88,705,625
Interests		<u>3,313,292</u>	-	<u>(3,943,500)</u>	<u>2,337,500</u>	<u>1,707,292</u>
		<u>90,913,892</u>	<u>3,705,625</u>	<u>(6,544,100)</u>	<u>2,337,500</u>	<u>90,412,917</u>

- (b) This heading corresponds to the deferral of the single instalment for access to the digital television broadcasting network provided by MEO, under the technological alteration process. This amount is being deferred over the period of the contract to render digital television broadcasting services concluded with MEO. This contract took effect on 1 January 2012 and will remain in force up to 9 December 2028.
- (c) In 2022 and 2021, the amounts of 1,516,185 Euros and 1,270,330 Euros, refers to the net balance of a term deposit in dollars with an equivalent of 4,219,014 Euros and 3,973,159 Euros, respectively, and a financing agreement, recorded under this caption in the amount of 2,702,829 Euros and 2,702,829 Euros at 31 December 2022 and 2021, with a maximum amount of 4,500,000 Euros, being automatically renewable for successive periods of six months. The term deposit is financially pledged as a guarantee of the responsibilities resulting from that financing contract and with restrictions on its current use in the Group's financial operations.

21. CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 2021, the details of cash and cash equivalents included in the cash flow statement and the reconciliation between their value and the amount of cash and cash equivalents reflected in the statement of financial position on those dates are as follows:

	2022	2021
Cash	34,262	61,701
Bank deposits	<u>16,408,965</u>	<u>20,231,126</u>
	<u>16,443,227</u>	<u>20,292,827</u>

**22. EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS**

As at 31 December 2022 and 2021, the share capital, fully underwritten and paid-up, was composed of 6,005,000 shares with the nominal value of 1,72 euros.

As at 31 December 2022 and 2021, the Group's shareholder structure was as follows:

Shareholder	Percentagem
Impresa	100%

**Legal reserve**

Pursuant to the commercial legislation, at least 5% of annual net income must be used to reinforce the legal reserve until this reserve represents at least 20% of the share capital. The reserve is not available for distribution to the shareholders except upon liquidation of the Company, but may be used to absorb losses, once all other reserves and retained earnings have been depleted or incorporated in the capital. As at 31 December 2022, the minimum amount of the legal reserve is constituted.

**Appropriation of net income**

As resolved at the General Meeting of Shareholders, on 24 May 2022, the Company attributed and distributed the results of the year ended 31 December 2021 in the form of dividends to shareholders, in the amount of 16,452,347 euros.

As resolved at the General Meeting of Shareholders, on 25 May 2021, the Company attributed and distributed the results of the year ended 31 December 2020 in the form of dividends to shareholders in the amount of 17,325,398 euros.

The Board of Directors proposes, in the management report, to distribute a dividend of 7,443,057 Euros, and this proposal requires approval by the General Meeting.

**23. LOANS**

As at 31 December 2022 and 2021, the balance of debts to credit institutions was detailed as follows:

	31 December 2022			31 December 2021		
	Book value		Nominal value	Book value		Nominal value
	Current	Non current		Current	Non current	
Loan issue 2019-2022 (a)	-	-	-	39,680,704	-	39,933,210
Loan issue 2021-2025 - OPT (b)	-	10,581,354	11,066,790	-	10,381,662	11,066,790
Loan issue 2021-2025 - OPS (b)	-	18,102,720	18,933,210	-	17,761,084	18,933,210
Bank loans (c)	6,285,999	35,198,610	41,943,773	1,808,860	22,308,509	24,376,051
Lease liabilities	2,168,627	1,788,957	3,957,585	2,493,092	3,713,060	6,206,152
	<u>8,454,626</u>	<u>65,671,641</u>	<u>75,901,358</u>	<u>43,982,656</u>	<u>54,164,315</u>	<u>100,515,413</u>

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As at 31 December 2022 and 2021, the movement occurred in the balance of loans received, separated by movements with associated cash flows and without cash flow, was as follows:

Lending entities	2022					31 December 2022
	1 January 2022	Cash-flows		Movements without cash-flow		
		Receipts	(Payments)	New lease agreements	Effect of amortized cost	
Loan issue 2019-2022 (a)	39,680,704	-	(39,680,704)	-	-	-
Loan issue 2021-2025 - OPT (b)	10,381,662	-	-	-	199,692	10,581,354
Loan issue 2021-2025 - OPS (b)	17,761,084	-	-	-	341,636	18,102,720
Bank loans (c)	24,117,370	20,000,000	(2,432,280)	-	(200,481)	41,484,609
Lease liabilities	6,206,151	-	(2,643,117)	394,551	-	3,957,585
	<b>98,146,971</b>	<b>20,000,000</b>	<b>(44,756,101)</b>	<b>394,551</b>	<b>340,847</b>	<b>74,126,268</b>

Lending entities	2021					31 December 2021
	1 January 2020	Cash-flows		Movements without cash-flow		
		Receipts	(Payments)	New lease agreements	Effect of amortized cost	
Loan issue 2019-2022 (a)	50,059,944	-	-	-	687,550	39,680,704
Loan issue 2021-2025 - OPT (b)	-	-	-	-	(685,128)	10,381,662
Loan issue 2021-2025 - OPS (b)	-	18,933,210	-	-	(1,172,126)	17,761,084
Bank loans (c)	24,835,471	-	(801,438)	-	41,876	24,117,370
Factorings (d)	1,401,294	-	(1,401,294)	-	-	-
Lease liabilities	6,676,468	-	(1,956,146)	1,485,829	-	6,206,151
	<b>82,973,177</b>	<b>18,933,210</b>	<b>(4,158,878)</b>	<b>1,485,829</b>	<b>(1,127,828)</b>	<b>98,146,971</b>

- (a) The initial debenture loan of 1,700,000 bonds with the unit value of 30 euros and an overall value of 51,000,000 euros. The debenture loan issued on 10 July 2019, with maturity on 11 July 2022, bears a gross fixed interest rate of 4.50%.

Under this loan, Group undertook certain obligations, such as compliance with financial ratios as well as keeping its holding of the entire capital of SIC.

At 31 December 2021, this loan was admitted to trading (Euronext), and its market value is 39,973,000 Euros, respectively. In the year ended 31 December 2022, the Group fully repaid this loan.

- (b) In the year ended on 31 December 2021, the Group issued a new debenture loan of the value of 30,000,000 euros, for the period of 2021- 2025. Under this issue, the Group gave bondholders of the previous issue (2019-2022) the opportunity to exchange them for the bonds of this issue. As a result of this issue, new bonds were subscribed in the amount of approximately 18,933,000 euros and bonds were exchanged in the amount of approximately 11,067,000 euros, which were recorded as an exchange of liabilities without derecognition of the previous liability.

Under this loan, the Group assumed certain obligations among which are to comply with financial ratios and not cease to hold the entire share capital of SIC

As at 31 December 2022, this loan was listed for trading (Euronext), with its market value being 29,850,000 euros.

- (c) The Group took out various national bank loans at market conditions and with maturities of more than one year, which include compliance with a number of obligations, namely several covenants and restrictions related to the acquisition and sale of assets and the distribution of dividends. In addition, as guarantee of full compliance with some of the loans raised, the Group signed blank promissory notes, pledged shares representing 100% of SIC's capital, Impresa must maintain at least 51% of SIC's capital and Impreger must not reduce its stake in Impresa below 50.01% of its capital.

(d) The factoring refers to financing operations obtained by the Group which bear annual interest, between 1.5% and 1.95%. As at 31 December 2022 and 2021 the loan was fully paid-up.

As at 31 December 2022, the loans obtained have the following repayment plan:

2023	6,351,553
2024	6,444,054
2025	36,553,490
2026	8,771,008
2027	6,931,332
2028	4,071,167
2029	2,821,169
	<u>71,943,773</u>

As at 31 December 2022, the lease liabilities have the following repayment plan, according to their nominal value:

2023	2,168,627
2024	1,020,008
2025	658,591
2026	85,719
2027	24,640
	<u>3,957,585</u>

As at 31 December 2022 and 2021 the Group had approved and unused credit ceilings of approximately 27,355,000 and 18,530,000 euros, respectively.

During the years ended on 31 December 2022 and 2021, the effective interest rate on each loan was as follows:

Entidades financiadoras	2022	2021
Bond loan 2019-2022	-	5.72%
Bond loan 2021-2025 - OPT	5.72%	5.72%
Bond loan 2021-2025 - OPS	4.98%	4.98%
Bank loans	1.60% - 3.67%	1.60% - 3.67%
Guaranteed current accounts	2.29%	2.37%

The Board of Directors believes that there is no non-compliance with the obligations arising from the loans referred to above, in terms of maintenance of the shareholder structure, limitation of investments or distribution of dividends, or concerning financial covenants. Under these covenants, the financial ratios to be achieved, which are not applicable to all the loans, correspond to the "Ratio of net remunerated debt/EBITDA" and the "Financial autonomy ratio". Any non-compliance with these ratios could lead to the funding entities being entitled to request the early repayment of the loan and/or change the previously agreed loan conditions.

**24. IMPAIRMENT LOSSES, ONGOING LEGAL AND TAX PROCEEDINGS AND PROVISIONS****24.1 Impairment losses**

During the years ended on 31 December 2022 and 2021, the following movements occurred in the balances of the accumulated impairment loss headings:

**31 December 2022:**

	Impairment losses on receivables (Note 19)
Balance at 31 December 2021	3,161,058
Increase (Note 6)	96,000
Utilizations	(27,679)
Reversal/adjustment (Note 6)	(27,652)
Balance at 31 December 2022	<u>3,201,727</u>

**31 December 2021:**

	Impairment losses on receivables (Note 19)	Impairment losses on broadcasting rights
Balance at 31 December 2020	4,883,807	557,128
Utilizations	(1,544,499)	(557,128)
Reversal/adjustment (Note 6)	(178,250)	-
Balance at 31 December 2021	<u>3,161,058</u>	<u>-</u>

Impairment losses are deducted from assets, with the movements relating to uses corresponding to the effect of write-offs of unrealised balances.

**24.2 Provisions and other impairment losses**

As at 31 December 2022 and 2021, the movements in the headings of provisions and other impairment losses in the years ended on 31 December 2022 and 2021 were as follows:

	31 December 2022		
	Opening balance	Increases	Closing balance
Lawsuits in progress	2,780,438	150,000	2,902,878
	<u>2,780,438</u>	<u>150,000</u>	<u>2,902,878</u>

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	31 December 2021				Closing balance
	Opening balance	Increases	Usages	Reversals	
Lawsuits in progress	3,897,974	160,000	(1,228,331)	(49,205)	2,780,438
Impairment losses on non-current assets held for sale (Note 17)	66,721	-	(66,721)	-	-
	<u>3,964,695</u>	<u>160,000</u>	<u>(1,295,052)</u>	<u>(49,205)</u>	<u>2,780,438</u>

As at 31 December 2022 and 2021, the provisions for risks and charges are detailed as follows:

Nature	31 December 2022		31 December 2021	
	Amount claimed	Amount provided	Amount claimed	Amount provided
Dismissal/Labour	782,906	244,800	767,173	405,386
Abuse of freedom of the press	1,739,567	193,956	779,567	122,956
Publicity fines	664,317	66,432	501,517	50,152
Others	19,171,738	2,397,690	20,309,072	2,201,944
	<u>22,358,528</u>	<u>2,902,878</u>	<u>22,357,329</u>	<u>2,780,438</u>

The Group is facing several lawsuits for abuse of freedom of the press, for which provisions have been constituted based on the opinion of its lawyers and historical experience in this type of litigation.

The amounts claimed under legal action related to advertising fines essentially arise from the filing of various administrative offence proceedings by the Media Regulatory Entity (ERC) due to breach of the Advertising Code.

The Board of Directors and lawyers of the Group believe, based on an assessment of the risks of the ongoing legal proceedings, that the outcome of these lawsuits will not give rise to significant liabilities that are not covered by provisions reflected in the consolidated financial statements as at 31 December 2022, which correspond to the best estimate of the outflow of funds arising from these lawsuits on that date.

#### Lawsuits in progress

As at 31 December 2022, there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome were still unknown at the time of preparing the financial statements, in particular including:

In previous years, GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL (“GDA”) brought ordinary legal proceedings against SIC, in the Judicial Court of Oeiras, under which GDA claimed the payment of an annual remuneration payable to artists, interpreters or performers, established at the rate of 1.5% of the annual value of the advertising revenue earned, taking effect from September 2004, as well as late payment interest.

SIC contested this action with a favourable decision, judging the initial petition to be unfounded, due to lack of cause of action and, consequently, annulled the entire process. An appeal was lodged against this decision, and the action continued in the first instance. The Court dismissed GDA's claim and established as annual equitable remuneration criteria, an amount per minute of exhibited services, being the value of each minute to be determined in liquidation incident. In December 2015, GDA presented a settlement incident in which the payment by SIC of approximately 17,700,000 Euros was requested, the amount requested having subsequently suffered an increase of approximately 2,357,000 Euros, due to

the fact that the related rights referring to the years 2015 and 2016 were added to the process, thus raising the total amount claimed to approximately 20,057,000 Euros. The determination of this amount was based on a study made by a third party, having as one of its assumptions, the approximation of the activity of televisions to an activity of any company and its production. SIC contested this request requested by GDA, based on the incompetence of the court, on the lack of judicial capacity of GDA that only represents national artists, interpreters and performers, having also contested the methodology presented and, on appeal, estimated its responsibility based on the effective use of the performances of the artists, as determined in the sentence that is to be liquidated, as well as by a calculation of a value per minute of these performances, similar to that paid by SIC to Sociedade Portuguesa de Autores, but with a lower amount under the terms of the law and practice.

On 6 July 2020, the court of intellectual property delivered its judgement on the GDA case, which condemned SIC to pay 909,080 euros, relative to the years of 2004 to 2016. Still in 2020, GDA filed an appeal.

In October 2021, as a result of the appeal filed by GDA, the judgment of the Lisbon Court of Appeal substantially changed the terms of calculation of the remuneration awarded in the previous instance, to the extent that it now includes the first broadcasting performances as equitable remuneration for artists, interpreters and performers, bringing the values of that remuneration for the years 2004 to 2016 to approximately 4,890,000 euros.

In November 2021, SIC appealed to the Supreme Court of Justice as it considers that the decision of the Lisbon Court of Appeal violates, namely, the Conventional International Law, as well as the European Union Law that incorporates it, contradicts the jurisprudence of the European Union Court of Justice and, as to its interpretation of the concept of equitable remuneration, contradicts what the same Lisbon Court of Appeal decided in a similar case, in which RTP is the defendant.

In July 2022, the Supreme Court of Justice decided to revoke the sentence of the Lisbon Court of Appeal, ordering the process to be repeated to clarify additional issues that it considered not to be well clarified, thus requiring a new trial.

In March 2023, two hearings were held, and the case is now in the evidentiary phase, as decreed by the Supreme Court.

As at December 31, 2022, a provision has been recorded to face that liability, which in the opinion of the Board of Directors, based on the opinion of its lawyers and technical staff, is sufficient.

## 25. SUPPLIERS AND ACCOUNTS PAYABLE

As at 31 December 2022 and 2021, this heading was detailed as follows:

	<u>2022</u>	<u>2021</u>
<u>Non-current:</u>		
Suppliers of fixed assets	-	238,452
<u>Current:</u>		
Trade payables, current account	21,366,853	21,087,742
Program suppliers	2,759,992	1,486,770
Suppliers of fixed assets	723,224	610,696
	<u>24,850,069</u>	<u>23,185,208</u>
	<u>24,850,069</u>	<u>23,423,660</u>

The non-current amount corresponds to equipment acquisition contracts, for which payment agreements were signed with the suppliers with instalments up to 2023.

## 26. OTHER CURRENT LIABILITIES

As at 31 December 2022 and 2021, the heading "Other current liabilities" was detailed as follows:

	2022	2021
Advances from clients	15,808	15,505
Other creditors:		
Suppliers' credits guaranteed by third parties	3,994,215	1,848,429
Advance on contract for broadcasting signal	18,199,900	6,000,000
Others	2,343,943	592,534
	<u>24,538,058</u>	<u>8,440,963</u>
Accrued costs:		
Commercial agreements	14,032,974	12,039,354
Personnel vacation and vacation subsidy	3,511,846	3,550,083
Accrued interest	385,348	981,931
Cost of program production	2,892,302	1,992,195
Indemnities	850,000	238,941
Technical services	573,788	376,817
Personnel commission payable	3,527	788,500
Commercial fee	616,595	310,958
Other accrued costs	2,015,129	1,624,662
	<u>24,881,509</u>	<u>21,903,441</u>
Deferred income:		
Pre-billing	454,527	1,057,338
Other deferred income	439,718	553,164
	<u>894,245</u>	<u>1,610,502</u>
State and other public entities:		
Value Added Tax	4,030,590	3,258,852
Instituto Português de Arte Cinematográfica e		
Audiovisual/Cinemateca Portuguesa	721,636	1,500,051
Social security contributions	982,959	987,582
Personal income tax - withholdings at source	941,030	1,317,714
Stamp tax	155,536	200,089
	<u>6,831,751</u>	<u>7,264,288</u>
	<u>57,161,371</u>	<u>39,234,699</u>

**27. CONTINGENT LIABILITIES AND GUARANTEES PROVIDED****Guarantees provided and other commitments**

As at 31 December 2022 and 2021, the Group had requested the issuance of the following bank guarantees in favour of third parties:

	2022	2021
Union des Associations Europeenes Football ("UEFA")	3,000,000	3,000,000
ERC	1,995,192	1,995,192
Secretaria Geral do Ministério da Administração Interna ("SGMAI")	2,117,777	1,818,066
Imopólis	73,766	44,701
Câmara Municipal de Oeiras	508,244	35,745
Tribunal de Oeiras	4,000	4,000
	<u>7,698,979</u>	<u>6,897,703</u>

The guarantee given to UEFA is to cover compliance with the "European League 2021/-2024" contract.

The guarantees provided to the ERC arise from the current legal requirements for the licensing of channels and broadcasting of television contests.

The guarantees provided to the SGMAI are to secure full compliance with the advertising contests. The variation of the value of the guarantees provided is related to the existing competitions at any given time.

The guarantee provided to Imopólis – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A. arises from the rental agreement for the studies of GMTS.

The guarantee provided to Oeiras Municipal Council are intended, essentially, to ensure full compliance with the new advertising competitions. From 2022 the guarantees related to advertising contests will be in favor of the municipalities instead of the SGMAI.

**28. COMMITMENTS UNDERTAKEN****28.1 Commitments to acquire programmes**

As at 31 December 2022 and 2021, the Group had contracts or agreements concluded with third parties for the purchase of rights to broadcast films, series and other programmes of 26,287,558 euros and 25,720,033 euros, respectively, not included in the consolidated statement of financial position, according to the valuation criteria used, as follows:

Nature	31 December 2022				31 December 2021			
	Year the titles are available				Year the titles are available			
	2023	2024	2025 and following years	Total	2022	2023	2024 and following years	Total
Entertainment	7,313,512	4,476,600	-	11,790,112	7,537,694	2,000,000	2,001,544	11,539,238
Films	124,811	3,600	-	128,411	2,554	-	-	2,554
Format	1,200	-	-	1,200	600	-	-	600
Soap-operas	13,072,463	-	-	13,072,463	9,596,761	-	-	9,596,761
Children	61,501	-	-	61,501	50,635	-	-	50,635
Documentaries	535,871	-	15,000	550,871	395,394	-	-	395,394
60 Series	127,530	-	-	127,530	771,956	-	-	771,956
Mini series	-	-	-	-	180,000	-	-	180,000
Soport	552,632	-	-	552,632	1,919,737	1,263,158	-	3,182,895
Events	2,838	-	-	2,838	-	-	-	-
	<u>21,792,358</u>	<u>4,480,200</u>	<u>15,000</u>	<u>26,287,558</u>	<u>20,455,331</u>	<u>3,263,158</u>	<u>2,001,544</u>	<u>25,720,033</u>

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(Amounts stated in euros)

Nature	31 December 2022				31 December 2021			
	Limit year for broadcasting the titles				Limit year for broadcasting the titles			
	2023	2024	2025 and following years	Total	2022	2023	2024 and following years	Total
Entertainment	82,077	556,800	11,151,236	11,790,112	578,923	376,925	10,583,390	11,539,238
Films	5,110	34,320	88,981	128,411	-	1,554	1,000	2,554
Format	-	1,200	-	1,200	-	-	600	600
Soap-operas	1,322,184	-	11,750,280	13,072,463	1,794,761	-	7,802,000	9,596,761
Children	-	26,322	35,179	61,501	2,838	9,705	38,093	50,635
Documentaries	383,313	91,320	76,238	550,871	342,221	30,271	22,901	395,394
60 Series	6,704	8,182	112,644	127,530	596,000	169,291	6,665	771,956
Mini series	-	-	-	-	-	-	180,000	180,000
Soport	-	552,632	-	552,632	631,579	1,263,158	1,288,158	3,182,895
Events	-	2,838	-	2,838	-	-	-	-
	<u>1,799,388</u>	<u>1,273,612</u>	<u>23,214,558</u>	<u>26,287,558</u>	<u>3,946,323</u>	<u>1,850,903</u>	<u>19,922,807</u>	<u>25,720,033</u>

At 31 December 2022 and 2021, commitments for the acquisition of programmes include 11,750,000 Euros and 7,802,000 Euros, respectively, relating to content to be acquired from related parties (SP Television).

28.2. Commitments for the acquisition of tangible fixed assets

As at 31 December 2022 and 2021, the commitments undertaken to acquire tangible fixed assets amounted to approximately 137,000 euros and 159,000 euros, respectively.

29. RELATED PARTIES

All the subsidiaries and associates belonging to the Impresa Group, identified in the consolidated financial statements, and the shareholder Impreger are considered related parties.

Pursuant to the internal regulations endorsed in 2019, the Group considers "key management personnel" to be the Board of Directors of all the subsidiaries and Joint Executive Committee, as the main decisions related to its activity are taken by these bodies.

As at 31 December 2022 and 2021, the balances and transactions with related parties are as follows:

Related parties	31 December 2022					
	External services	Acquisition of soap operas rights	Financial costs	Sales and services rendered	Other operating revenue	Financial income (Note 10)
<u>Shareholders and group companies:</u>						
Impresa Publishing, S.A. ("Impresa Publishing")	35,558	-	-	128,053	31,178	-
InfoPortugal - Sistemas de Informação e Conteúdos ("InfoPortugal")	-	-	-	-	41,450	-
Impresa Office & Service Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	7,225,200	-	10,440	-	-	-
Impresa	-	-	-	-	-	2,491,125
<u>Others:</u>						
Grupo BPI	-	-	958,120	-	-	13,801
Grupo Madre (SP - Televisão, S.A.) (a)	-	16,525,988	-	199,461	-	-
	<u>7,260,758</u>	<u>16,525,988</u>	<u>968,560</u>	<u>327,514</u>	<u>72,628</u>	<u>2,504,926</u>

(a) The services obtained essentially refer to the acquisition of rights to broadcast soap operas.

(a) The balances related to accounts payable refer to balances of suppliers regarding the acquisition of soap opera exhibition rights

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

Related parties	31 December 2022					
	Demand deposits	Clients	Shareholders (Note 20)	Suppliers	RETGS (Note 11)	Borrowings
<b>Shareholders and group companies:</b>						
Impresa	-	-	86,860,917	-	2,615,862	-
Infoportugal	-	4,249	-	-	-	-
IOSS	-	-	-	428	-	-
Impresa Publishing	-	422,087	-	16,841	-	-
<b>Others:</b>						
Grupo BPI	5,288,732	1,516,185	-	-	-	18,832,917
Grupo Madre (SP - Televisão, S.A.) (a)	-	-	-	4,689,816	-	-
	<b>5,288,732</b>	<b>1,942,521</b>	<b>86,860,917</b>	<b>4,707,085</b>	<b>2,615,862</b>	<b>18,832,917</b>
<b>31 December 2021</b>						
Related parties	External services	Acquisition of soap operas rights	Financial costs	Sales and services rendered	Other operating revenue	Financial income (Note 10)
<b>Shareholders and group companies:</b>						
Impresa Publishing, S.A. ("Impresa Publishing")	61,127	-	-	124,780	31,045	-
InfoPortugal - Sistemas de Informação e Conteúdos ("InfoPortugal")	-	-	-	-	41,273	-
Impresa Office & Service Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	7,006,737	-	10,440	-	-	-
Impresa	-	-	-	-	-	2,337,500
<b>Others:</b>						
Grupo BPI	-	-	393,698	-	-	1,486
Grupo Madre (SP - Televisão, S.A.) (a)	-	13,319,334	-	-	-	-
	<b>7,067,864</b>	<b>13,319,334</b>	<b>404,138</b>	<b>124,780</b>	<b>72,318</b>	<b>2,338,986</b>

(a) The services obtained essentially refer to the acquisition of rights to broadcast soap operas.

Related parties	31 December 2021					
	Demand deposits	Clients	Shareholders (Note 20)	Suppliers	RETGS (Note 11)	Borrowings
<b>Shareholders and group companies:</b>						
Impresa	-	-	90,412,917	-	5,832,928	-
IOSS	-	4,567	-	1,597	-	-
Impresa Publishing	-	671,513	-	21,589	-	-
<b>Others:</b>						
Grupo BPI	7,239,443	1,270,330	-	-	-	20,022,160
Grupo Madre (SP - Televisão, S.A.) (a)	-	96,832	-	3,915,048	-	-
	<b>7,239,443</b>	<b>2,043,242</b>	<b>90,412,917</b>	<b>3,938,234</b>	<b>5,832,928</b>	<b>20,022,160</b>

(a) The balances related to accounts payable refer to balances of suppliers concerning the acquisition of rights to broadcast soaps.

The terms and conditions applied in transactions between the Group and related parties are substantially the same as those that would normally be contracted, accepted and applied between independent entities in comparable operations. Some of Impresa's shareholders are financial institutions with which commercial agreements are established in the normal course of the Group's operations, with similar conditions to those currently contracted with independent entities. The activities carried out under these commercial agreements essentially refer to advertising services rendered by the Group and the granting of loans by these financial institutions.

### 30. RATES USED TO CONVERT FOREIGN CURRENCY BALANCES

As at 31 December 2022 and 2021, the following exchange rates were used to convert assets and liabilities expressed in foreign currency into euros:

	2022	2021
US Dollar (USD)	1.0666	1.1326
Swiss Franc (CHF)	0.9847	1.0331
Pound Sterling (GBP)	0.8869	0.8403
Australian Dollar (AUD)	1.5693	1.5615
Canadian Dollar (CAD)	1.4440	1.4393
Brazilian Real (BRL)	5.6386	6.3101

### 31. FINANCIAL INSTRUMENTS

The Group manages its capital to ensure that it pursues its operations from a going concern standpoint. In this respect, the Group periodically analyses its capital structure (own and third party) and debt maturity, bringing in funding whenever necessary.

As at 31 December 2022 and 2021, the financial instruments were as follows:

	2022	2021
<u>Financial assets:</u>		
Receivables	105,525,986	117,210,266
Cash and equivalents (Note 21)	16,443,227	20,292,827
	<u>121,969,214</u>	<u>137,503,093</u>
<u>Financial liabilities:</u>		
Borrowings	74,126,268	98,146,971
Payables	81,117,195	61,047,857
Current tax liabilities	2,686,473	5,832,928
	<u>157,929,936</u>	<u>165,027,756</u>

As at 31 December 2022 and 2021, except for the debenture loan which has a market quotation, the Group believes that the values at which the loans are recorded do not differ significantly from their fair value or actually exceed fair value. Indeed, the fair value of the loans received will significantly depend on the risk level attributed by the funding entities and the conditions under which the Group would be able to obtain from the market, as at 31 December 2022 and 2021, if it were to take out loans with maturity periods and values similar to those which it has on that date.

The Company believes that the majority of loans have market spreads as they were negotiated recently or the rates are updated periodically, implying that their conditions are updated in relation to the current situation of the financial markets, reflecting the risk level attributed by the lenders.

For the loans that were not subject to renegotiation, as they were taken out under market conditions that were more favourable than those currently existing, their fair value should not exceed their book value.

The Group is primarily exposed to the following financial risks:

a) Interest rate risk

Interest rate risk essentially refers to the interest paid due to the contracting of various loans with variable interest rates. Except with respect to the debenture loan, which has a fixed rate, the loans that have been taken out are exposed to changes in market interest rates (Note 23).

If market interest rates in the years ended on 31 December 2022 and 2021 were 1% higher or lower, the net income for these years would have decreased or increased by approximately 379,000 euros and 316,000 euros, respectively, without considering the tax effect.

b) Exchange rate risk

Exchange rate risk refers to receivables and payables in currencies other than the euro, the Group's currency.

As at 31 December 2022 and 2021, the exchange rate risks are essentially related to the acquisition of television broadcasting rights from various foreign producers. In order to reduce the risk to which the Group is exposed, a loan was taken out which amounted to 2,702.829 euros as at 31 December 2022 and 2021, that was converted Group USD term deposit which, as at 31 December 2022 and 2021, amounted to 4,219,014 euros and 3,973,159 euros, respectively (Note 20).

During the years ended on 31 December 2022 and 2021, the Group did not contract any forward exchange rates.

The foreign currency balances payable, expressed in euros at the exchange rate of 31 December 2022 and 2021 are as follows:

	2022	2021
US Dollar (USD)	2,133,385	984,667
Pound Sterling (GBP)	5,585	6,501
	<u>2,138,970</u>	<u>991,168</u>

As at 31 December 2022 and 2021, the Group has accounts receivable in USD of the value of 555,061 USD and 847,506 USD, respectively.

c) Credit risk

Credit risk is essentially related to accounts receivable arising from the Group's operations (Note 19). In order to reduce credit risk, the Group has defined credit granting policies, with credit limits per customer and collection deadlines, and financial discount policies for prepayment or cash payment. Credit risk is monitored regularly for the purpose of:

- limiting credit granted to customers, considering the profile and age of the account receivable;
- monitoring the evolution of the level of credit granted;
- reviewing the recoverability of amounts receivable on a regular basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

The impairment losses on accounts receivable are calculated considering:

- the review of the ageing of accounts receivable;
- expected credit losses;
- the risk profile of the customer;
- the historical commercial and financial relationship with the customer;
- existing payment agreements;
- the financial condition of the customers.

The changes in impairment losses on accounts receivable are shown in Note 24.

The Board of Directors believes that the impairment losses on accounts receivable are appropriately reflected in the consolidated financial statements, with there being no need to increase the impairment losses of accounts receivable.

As at 31 December 2022 and 2021, the accounts receivable from third parties include the following overdue balances, for which impairment losses were not recognised because the Board of Directors believes that they are collectible:

Overdue balances	2022	2021
Up to 90 days	2,455,757	2,923,946
From 90 to 180 days	141,257	142,135
More than 180 days	194,966	220,596
	<u>2,791,980</u>	<u>3,286,677</u>

d) Liquidity risk

Liquidity risk can occur if the financing sources, such as cash flow from operating activities, divestment, credit lines and cash flow from financing activities, do not meet the financing needs, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt within appropriate periods. As at 31 December 2022 and 2021, the amount of cash and credit ceilings approved and unused amounted to approximately 43,768,000 euros and 38,823,000 euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2023, will be sufficient to settle all the Group's current financial liabilities. As at 31 December 2022 and 2021, the financial liabilities fall due as follows:

Financial Liabilities	2022				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing	6,285,999	6,276,103	35,600,794	22,005,787	70,168,683
Lease liabilities	2,168,627	1,021,132	658,591	109,234	3,957,585
Advance on contract for broadcasting signal	18,199,900	-	-	-	18,199,900
Suppliers' credits guaranteed by third parties	3,994,215	-	-	-	3,994,215
	<u>30,648,741</u>	<u>7,297,235</u>	<u>36,259,385</u>	<u>22,115,021</u>	<u>96,320,383</u>
Not remunerated:					
Trade payables	21,366,853	-	-	-	21,366,853
Program suppliers	2,759,992	-	-	-	2,759,992
Suppliers of fixed assets	723,224	-	-	-	723,224
Other current liabilities	36,759,485	-	-	-	36,759,485
	<u>61,609,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,609,554</u>
	<u>92,258,295</u>	<u>7,297,235</u>	<u>36,259,385</u>	<u>22,115,021</u>	<u>157,929,937</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022  
(Amounts stated in euros)

Financial Liabilities	2021				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing	41,489,564	2,182,945	2,182,945	46,085,366	91,940,819
Lease liabilities	2,493,092	2,107,886	942,385	662,789	6,206,152
Advance on contract for broadcasting signal	6,000,000	-	-	-	6,000,000
Suppliers' credits guaranteed by third parties	1,848,429	-	-	-	1,848,429
	<u>51,831,085</u>	<u>4,290,831</u>	<u>3,125,329</u>	<u>46,748,155</u>	<u>105,995,400</u>
Not remunerated:					
Trade payables	21,087,742	-	-	-	21,087,742
Program suppliers	1,486,770	-	-	-	1,486,770
Suppliers of fixed assets	610,696	238,452	-	-	849,148
Other current liabilities	35,608,697	-	-	-	35,608,697
	<u>58,793,905</u>	<u>238,452</u>	<u>-</u>	<u>-</u>	<u>59,032,357</u>
	<u>110,624,990</u>	<u>4,529,283</u>	<u>3,125,329</u>	<u>46,748,155</u>	<u>165,027,756</u>

32. SUBSEQUENT EVENTS

No materially relevant events have occurred that affect the financial position or the financial balance of the Group, and consequently should be reported or that, due to their relevance, should be disclosed.

33. REMUNERATION OF STATUTORY AUDITORS

At 31 December 2022 and 2021, the amount of annual remuneration paid by the Group to the Statutory Auditors and other individuals or companies belonging to the same network were as follows:

	2022	2021
<u>By SIC (a)</u>		
Statutory audit services	132,200	132,200
Reliability assurance services	24,800	63,800
	<u>157,000</u>	<u>196,000</u>
<u>By other Group entities (a)</u>		
Statutory audit services	3,000	3,000
	<u>3,000</u>	<u>3,000</u>
Total	<u>160,000</u>	<u>199,000</u>

(a) Including individual and consolidated accounts

34. NOTE ADDED FOR TRANSLATION

These financial statements are a translation of financial statements originally issued in Portuguese in conformity with International Financial Reporting Standards as endorsed by the European Union. In the event of discrepancies, the Portuguese language version prevails.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS



V.

STATUTORY AUDITOR'S  
CERTIFICATION AND AUDIT  
REPORT OF THE  
CONSOLIDATED ACCOUNTS



2022



## STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language: In case of discrepancies the Portuguese version will always prevail)

### **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the accompanying consolidated financial statements of SIC – Sociedade Independente de Comunicação, S.A. (“Entity” or “SIC”) and its subsidiary (“Group”), which comprise the consolidated statement of financial position as of 31 December 2022 (showing a total of Euros 181.989.422 and equity of Euros 20.262.363, including a consolidated net profit of 7.443.057 Euros), the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and the accompanying notes to the consolidated financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of SIC– Sociedade Independente de Comunicação, S.A. as of 31 December 2022 and its consolidated financial performance and cash flows for 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 consolidated financial statements” section below. We are independent from the entities that constitute the Group 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 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 distortion identified	Summary of the auditor's responses to the assessed risks of material misstatement
<p><u>Recognition of the revenue derived from advertising</u></p> <p>(Notes 2.13 and 5 of the notes to the consolidated financial statements)</p> <p>Revenues generated through the exhibition of advertisements in television corresponds to the Group's main source of revenue.</p> <p>This revenue essentially arises from advertising campaigns conducted by customers on television through a high number of transactions, the respective audiences, and from the conditions agreed with the customers.</p> <p>As mentioned in note 2.13 of the notes to the financial statements, the measurement of such revenues depends on a complex process, namely the measurement and profile of the respective audiences, the discounts to be granted subject to the advertising investment made by the customers and the conditions agreed with them.</p> <p>Considering there is the risk of the revenues be incorrectly recorded, namely the accurate application of the audiences, the discounts to be granted which may be negotiated and the remaining conditions agreed with customers, we consider this to be a key audit matter.</p>	<p>Our main procedures to mitigate this risk included:</p> <ul style="list-style-type: none"> <li>- Understanding of the advertising revenue cycle by the relevant supporting systems until recognition. In this procedure we involved our internal experts. Test to the operating effectiveness of the internal control procedures deemed relevant for measuring and recording advertising revenues;</li> <li>- Evaluation of the advertising revenue recognition policy adopted by the Group, considering the applicable accounting standards;</li> <li>- For a sample of advertising orders recognised as revenue, recalculation of the revenue based on the agreed commercial conditions, respective broadcast and/or audience reached in the respective time slot;</li> <li>- For a sample of daily advertising insertions, we verified that they were broadcast on television, billed and recorded in the Group's accounts;</li> <li>- Conciliation of the accounting records with the advertising insertion list extract from the advertising management modules and with the invoicing system;</li> <li>- Substantive analytical review of the amount of discounts granted, considering the advertising investment, the commercial conditions applicable, and comparing with the amount recorded;</li> <li>- Analysis of the reliability of the estimates made by the management, with reference to the comparison between the discounts granted during the year with the estimates recorded in previous years;</li> <li>- Confirmation of balances, advertising investment and responsibilities as of 31 December 2022 with the main customers.</li> </ul>

## **Responsibilities of management and supervisory body for the consolidated financial statements**

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 sole management report and the information on corporate governance, 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 is to obtain reasonable assurance about 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 solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to threaten on our independence, and where applicable, related safeguards.

Our responsibility also includes verification that the information contained in the management report is consistent with the consolidated financial statements, and the verifications established in numbers 4 and 5 of article 451 of the Commercial Companies Code ("Código das Sociedades Comerciais").

## **REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **European Single Electronic Format (ESEF)**

The Group's consolidated financial statements as of 31 December 2022 must comply with the requirements established in the Delegated Regulation (UE) 2019/815 of the Commission, of 17 December 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in conformity with the ESEF Regulation.

Our responsibility consists in obtaining reasonable assurance whether the consolidated financial statements, included in the annual report, are presented in conformity with the requirements established in the ESEF Regulation.

Our procedures considered the Guia de Aplicação Técnica da Ordem dos Revisores Oficiais de Contas (OROC) on the Reporting under ESEF and included, among others:

- obtaining an understanding of the financial Reporting process, including the presentation of the annual report in the valid XHTML format, and;
- identification and evaluation of the risks of material misstatement associated to the tagging of the information of the consolidated financial statements in XBRL format, using the iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity 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 sole management report**

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Companies' Code, it is our opinion that the sole management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements.

### **On the information regarding corporate governance**

Pursuant to article 451.º, number 4, of the Portuguese Company's Code, we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of that article.

### **On the additional elements provided for in article 10 of Regulation (EU) 537/2014**

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April, 2014, in addition to the key audit matter mentioned above, we also report on the following:

- Deloitte & Associados, SROC, S.A. was appointed as Statutory Auditor of the Entity, as a public interest entity, resulting from the appointment at the General Shareholders' Meeting held on 22 June 2020 for the term comprised between 2020 and 2023;
- 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 consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we prepared and submitted to the Entity's supervisory body on this date;
- We declare that we have not provided any prohibited services as described in the former article 77, number 8, of the Estatuto da Ordem dos Revisores Oficiais de Contas (Legal Regime of the Portuguese Statutory Auditors), that was revoked, and of article 5, number 1, of the Regulation (UE) number 537/2014 and we have remained independent from the Entity in conducting the audit.

Lisbon, 20 April 2023

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Deloitte & Associados, SROC S.A.  
Represented by Luís Miguel Baptista da Costa, ROC  
Registration in OROC n.º 1602  
Registration in CMVM n.º 20161212

(Translation of a report originally issued in Portuguese — in the event of discrepancies, the original version in Portuguese prevails)

To the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A. SIC– Sociedade Independente de Comunicação, S.A.  
Rua Calvet de Magalhães, 242 Laveiras  
2770-022 Paço de Arcos

**Report from the Statutory Auditor on the Financial Ratio Compliance Certificate as of 31 December 2022 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2021-2025**

**Introduction**

We were appointed by the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A. (SIC or Entity) to carry out a reliability assurance work concerning the exam of the Financial Ratio Compliance Certificate as of 31 December 2022 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named “Obrigações SIC 2021-2025 ” (“Annex 1 or Certificate”).

We would like to point out that the criteria and definitions used to calculate the financial ratio presented in Annex I are not defined by law or regulation, and were not defined by any official body, but are defined in the prospectus referred to above, only for use by the Board of Directors, the Bondholders and the Securities Market Commission as supervisory entity of the capital market where the bonds are listed for trading.

**Responsibilities**

The Board of Directors is responsible for the correct preparation and presentation of the Certificate, pursuant to the terms and definitions of the prospectus, based on the audited consolidated financial statements of SIC as of 31 December 2022.

SIC's Board of Directors is also responsible for keeping the accounting records and preparing the financial information in a manner presenting a true and appropriate view of the consolidated financial position of SIC, and for the adoption of adequate accounting policies and criteria, and the maintenance of an appropriate internal control system.

Our responsibility consists of verifying the reasonableness of the information presented in the Certificate and expressing a professional and independent conclusion on its adequate preparation and presentation.

## Scope

Our work was performed in accordance with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised). We are independent from the Entity, and comply with all the other technical and ethical rules and guidelines of the Portuguese Institute of Statutory Auditors (OROC), which require that our work should be planned and performed for the purpose of obtaining reasonable assurance of the reliability of the information presented in Annex I and expressing a professional and independent conclusion on the adequacy of its preparation and presentation. To this goal, our work included the following procedures:

- Verification of its arithmetical accuracy;
- Verification as to whether the formula and parameters considered for the calculation of the financial ratio are in conformity with the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named “Obrigações SIC 2021-2025”;
- Verification as to whether the items considered for the calculation of net financial debt and consolidated recurring EBITDA indicators, as defined in Annex I, are in accordance with SIC's audited consolidated financial statements as of 31 December 2022;

We applied the International Standard on Quality Management ISQM 1, which requires that a comprehensive quality management system that includes policies and procedures on compliance with ethical requirements, professional standards and applicable legal and regulatory requirements be designed, implemented and maintained.

We believe that our work provides an acceptable basis for issuing our report.

## Conclusion

In our opinion, the information contained in the financial ratio compliance certificate as of 31 December 2022 related to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named “OBRIGAÇÕES SIC 2021-2025” (“Annex I”), is adequately prepared and presented in accordance with the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named Obrigações SIC 2021-2025”.

## Restrictions of use

This report is intended only for information and use of the Board of Directors of SIC, to be made available through the information disclosure system of the Securities Market Commission pursuant to the terms and definitions of the prospectus of the public offer for subscription and admission to trading of the debenture loan named “Obrigações SIC 2021-2025” (“Annex I”), and cannot be used for any other purpose without our prior approval in writing.

Lisbon, 20 April 2023

CERTIFICATE OF COMPLIANCE OF THE FINANCIAL RATIO AS OF DECEMBER 31, 2022  
RELATED TO TERMS AND DEFINITIONS OF THE  
PROSPECTUS OF PUBLIC OFFERING AND ADMISSION TO TRADING  
OF THE BOND LOAN "OBRIGAÇÕES SIC 2021-2025"

(Translation of a certificate originally issued in Portuguese; in the event of discrepancies, the original version in Portuguese prevails)

(Amounts stated in Euros)

Ratio	31 December 2022	Limit Clause 6.9.3
Net financial debt ratio / Recurring Consolidated EBITDA = [(a)-(b)] / [(c)+...+(j)]	3,17	<4,75
(a) Bank borrowings	74.126.268	
(b) Cash and cash equivalents	16.443.227	
(c) Operating profit	13.459.360	
(d) Amortization and depreciation	3.442.663	
(e) Provisions and impairment losses	150.000	
(f) Disposal and write-off of non-current assets	-	
(g) Disposal of financial holdings	-	
(h) Termination benefits to employees	1.062.719	
(i) Outcome of legal and tax proceedings	-	
(j) Increases and reversals of customer impairment losses	68.348	

These amounts were obtained from the consolidated financial statements of SIC - Sociedade Independente de Comunicação, SA on December 31, 2022. The ratio and the items that contribute to its calculation were determined according to the terms and definitions of the prospectus of public offering and admission to trading of the bond loan issued during the year ended 31 December, 2021.

Lisboa, 18 April 2023

President of the Board (or CEO)

Financial Director (or CFO)



VI.

LIST OF QUALIFIED  
SHAREHOLDINGS



31/12/2022





**LIST OF QUALIFIED SHAREHOLDERS**  
**REFERRED TO IN SUBPARAGRAPH B) OF NUMBER 1 OF ARTICLE 8**  
**OF CMVM REGULATION 05/2008**  
(with reference to 31/12/2022)

Qualifying shareholder	Number of shares held	Percentage of voting rights
<b>IMPRESA- SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.</b>  * Directly (a)	6 005 000	100%
<b>Total imputable</b>	<b>6 005 000</b>	<b>100%</b>

(a) - IMPRESA - Sociedade Gestora de Participações Sociais, S.A. is 50.306% (directly) held by IMPREGER, Sociedade Gestora de Participações Sociais, S.A. (whose majority shareholder is BALSEGER, SGPS, S.A., in which 99.99% of the voting rights are attributable to Francisco José Pereira Pinto de Balsemão)



VII.

SECURITIES HELD BY  
MEMBERS OF THE  
MANAGEMENT AND  
SUPERVISORY BODIES



31/12/2022





## SECURITIES HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

(Shares and bonds held by members of the management and supervisory bodies of the company with reference to 31/12/2022)

### Indication of IMPRESA - Sociedade Gestora de Participações Sociais, S.A. shares (sole shareholder of SIC):

Members of the Management Body of SIC	Shares			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Francisco Pedro Presas Pinto de Balsemão	5,100	4,900	0	10,000
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Rogério Paulo de Saldanha Pereira Vieira	1,000	0	0	1,000
Paulo Miguel Gaspar dos Reis	50	0	0	50
Nuno Miguel Pantoja Nazaret Almeida Conde	0	0	0	0

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Boards of Directors of IMPRESA and SIC) – Held 2,520,000 IMPRESA shares as at 31/12/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022. IMPREGER - Sociedade Gestora de Participações Sociais, S.A., in which he holds the position of Chairman of the Board of Directors and is a majority shareholder of IMPRESA, held 84,514,588 IMPRESA shares as at 31/12/2021, a position which remained unchanged as at 31/12/2022, since there was no acquisition/divestment of shares in 2022. IMPREGER is majority held by BALSEGER, SGPS, S.A., in which 99.99% of the voting rights are imputable to Francisco José Pereira Pinto de Balsemão.

Maria Mercedes Aliú Presas Pinto de Balsemão, wife of Francisco José Pereira Pinto de Balsemão, held 868 IMPRESA shares as at 31/12/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022.

**Francisco Pedro Presas Pinto de Balsemão** (Member of the Board of Directors and Chief Executive Officer of IMPRESA and Member of the Board of Directors of SIC) – Held 5,100 IMPRESA shares as at 31/12/2021 and acquired 4,900 shares during 2022.

**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Boards of Directors of IMPRESA and SIC) – Held 8,246 IMPRESA shares as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year. IMPREGER – Sociedade Gestora de Participações Sociais, S.A., of which he is a Director, held 84,514,588 shares as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year.

**Rogério Paulo de Saldanha Pereira Vieira** (Member of the Board of Directors of SIC) – Held 1,000 IMPRESA shares as at 31/12/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022.

**Paulo Miguel Gaspar dos Reis** (Member of the Board of Directors of SIC) - Held 50 IMPRESA shares as at 31/12/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022.

**Nuno Miguel Pantoja Nazaret Almeida Conde** (Member of the Board of Directors of SIC) - Made no acquisition/divestment of shares in 2021.

	Shares			
	Held on 31/12/2021	Acquired	Transferred	Held on 01/08/2022
Cristina Alexandra Rodrigues da Cruz Vaz Tomé	0	0	0	0

**Cristina Alexandra Rodrigues da Cruz Vaz Tomé** - Made no acquisition/divestment of IMPRESA shares until 01/08/2022, date on which she ceased to perform her duties as member of the Board of Directors.



Members of the Supervisory Board of SIC	Shares			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Joaquim Pereira da Silva Camilo	0	0	0	0
José Manuel Ventura Gonçalves Pereira	34,006	0	0	34,006
Alexandre de Azeredo Vaz Pinto	140	0	0	140
António Marques Dias (Alternate)	0	0	0	0

**Joaquim Pereira da Silva Camilo** (Chairman of the Supervisory Board of SIC) - Made no acquisition/divestment of shares in 2022.

**José Manuel Ventura Gonçalves Pereira** (Member of the Supervisory Board of SIC) - Held 34,006 IMPRESA shares as at 31/12/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022.

**Alexandre de Azeredo Vaz Pinto** (Member of the Supervisory Board of SIC) – Held 140 IMPRESA shares as at 31/05/2021, a position which remained the same as at 31/12/2022, since there was no acquisition/divestment of shares in 2022.

**António Marques Dias** (Alternate of the Supervisory Board of SIC) - Made no acquisition/divestment of shares in 2022.

Statutory Auditor of SIC	Shares			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Deloitte & Associados, SROC, S.A.	0	0	0	0
João Carlos Henriques Gomes Ferreira (ROC) – (Alternate)	0	0	0	0

## Indication of SIC 2019-2022 Bonds:

Members of the Management Body of SIC	SIC 2019-2022 Bonds*			
	Held on 31/12/2021	Acquired	Transferred	Held on 11/07/22**
Francisco José Pereira Pinto de Balsemão	0	0	0	0
Francisco Pedro Presas Pinto de Balsemão	0	0	0	0
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Rogério Paulo de Saldanha Pereira Vieira	0	0	0	0
Paulo Miguel Gaspar dos Reis	0	0	0	0
Nuno Miguel Pantoja Nazaret Almeida Conde	0	0	0	100
Cristina Alexandra Rodrigues da Cruz Vaz Tomé	0	0	0	0

\*Nominal unit value of € 30

\*\*Date of final repayment

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Boards of Directors of IMPRESA and SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

**Francisco Pedro Presas Pinto de Balsemão** (Member of the Board of Directors and Chief Executive Officer of IMPRESA and Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.



**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Boards of Directors of IMPRESA and SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

**Rogério Paulo de Saldanha Pereira Vieira** (Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

**Paulo Miguel Gaspar dos Reis** (Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

**Nuno Miguel Pantoja Nazaret Almeida Conde** (Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

**Cristina Alexandra Rodrigues da Cruz Vaz Tomé** (Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2019-2022 Bonds in 2022.

Members of the Supervisory Board of SIC	SIC 2019-2022 Bonds*			
	Held on 31/12/2021	Acquired	Transferred	Held on 11/07/2022**
Joaquim Pereira da Silva Camilo	0	0	0	0
José Manuel Ventura Gonçalves Pereira	0	0	0	0
Alexandre de Azeredo Vaz Pinto	0	0	0	0
António Marques Dias (Alternate)	0	0	0	0

\*Nominal unit value of € 30

\*\*Data do reembolso final

**Joaquim Pereira da Silva Camilo** (Chairman of the Supervisory Board of SIC) - Make no acquisition/divestment in 2022.

**José Manuel Ventura Gonçalves Pereira** (Member of the Supervisory Board of SIC) – Made no acquisition/divestment in 2022.

**Alexandre de Azeredo Vaz Pinto** (Member of the Supervisory Board of SIC) – Made no acquisition/divestment in 2022.

**António Marques Dias** (Alternate of the Supervisory Board of SIC) - Made no acquisition/divestment in 2022.

Statutory Auditor of SIC	SIC 2019-2022 Bonds*			
	Held on 31/12/2020	Acquired	Transferred	Held on 11/07/2022**
Deloitte & Associados, SROC, S.A.	0	0	0	0
João Carlos Henriques Gomes Ferreira (ROC) – (Alternate)	0	0	0	0

\*Nominal unit value of € 30

\*\*Data do reembolso final

### **Indication of SIC 2021-2025 Bonds:**

On 11 June 2021, SIC – Sociedade Independente de Comunicação, S.A., a subsidiary 100% held by IMPRESA – Sociedade Gestora de Participações Sociais, S.A., issued and listed for trading 1,000,000 bonds, of the total nominal value of €30,000,000, with maturity on 11 June 2025, through a public offer for subscription of SIC 2021-2025 Bonds and a partial and voluntary public exchange offer in relation to bonds representing the debenture loan named “SIC 2019-2022 Bonds” for SIC 2021-2025 Bonds.



Members of the Management Body of SIC	SIC 2021-2025 Bonds*			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Francisco José Pereira Pinto de Balsemão	200	0	0	200
Francisco Pedro Presas Pinto de Balsemão	100	0	0	100
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Rogério Paulo de Saldanha Pereira Vieira	100	0	0	100
Paulo Miguel Gaspar dos Reis	300	0	0	300
Nuno Miguel Pantoja Nazaret Almeida Conde	0	0	0	0

\*Nominal unit value of € 30

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Boards of Directors of IMPRESA and SIC) – Held 200 SIC 2021-2025 Bonds as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year.

**Francisco Pedro Presas Pinto de Balsemão** (Member of the Board of Directors and Chief Executive Officer of IMPRESA and Member of the Board of Directors of SIC) – Held 100 SIC 2021-2025 Bonds as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year.

**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Boards of Directors of IMPRESA and SIC) – Made no acquisition/divestment of SIC 2021-2025 Bonds in 2022.

**Rogério Paulo de Saldanha Pereira Vieira** (Member of the Board of Directors of SIC) – Held 100 SIC 2021-2025 Bonds as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year.

**Paulo Miguel Gaspar dos Reis** (Member of the Board of Directors of SIC) – Held 300 SIC 2021-2025 Bonds as at 31/12/2021, a position that remained the same as at 31/12/2022, as there was no acquisition/divestment during the year.

**Nuno Miguel Pantoja Nazaret Almeida Conde** (Member of the Board of Directors of SIC) – Made no acquisition/divestment of SIC 2021-2025 Bonds in 2022.

	SIC 2021-2025 Bonds			
	Held on 31/12/2021	Acquired	Transferred	Held on 01/08/2022
Cristina Alexandra Rodrigues da Cruz Vaz Tomé	0	0	0	0

**Cristina Alexandra Rodrigues da Cruz Vaz Tomé** – Made no acquisition/divestment of SIC 2021-2025 Bonds until 01/08/2022, date on which she ceased to perform her duties as member of the Board of Directors.

Members of the Supervisory Board of SIC	SIC 2021-2025 Bonds			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Joaquim Pereira da Silva Camilo	0	0	0	0
José Manuel Ventura Gonçalves Pereira	0	0	0	0
Alexandre de Azeredo Vaz Pinto	0	0	0	0
António Marques Dias (Alternate)	0	0	0	0



**Joaquim Pereira da Silva Camilo** (Chairman of the Supervisory Board of SIC) - Make no acquisition/divestment in 2022.

**José Manuel Ventura Gonçalves Pereira** (Member of the Supervisory Board of SIC) — Made no acquisition/divestment in 2022.

**Alexandre de Azeredo Vaz Pinto** (Member of the Supervisory Board of SIC) — Made no acquisition/divestment in 2022.

**António Marques Dias** (Alternate of the Supervisory Board of SIC) - Made no acquisition/divestment in 2022.

Statutory Auditor of SIC	SIC 2021-2025 Bonds			
	Held on 31/12/2021	Acquired	Transferred	Held on 31/12/2022
Deloitte & Associados, SROC, S.A.	0	0	0	0
João Carlos Henriques Gomes Ferreira (ROC) – (Alternate)	0	0	0	0



VIII.

REPORT AND OPINION OF  
THE SUPERVISORY BOARD



2022



## **Report and Opinion of the Supervisory Board Separate Financial Statements 2022**

1 - In accordance with applicable legislation, the company's articles of association and our mandate, we hereby submit our report on the supervisory activity carried out during 2022 and our opinion on the Management Report and the Separate Financial Statements presented by the Board of Directors of SIC - Sociedade Independente de Comunicação, S.A., for the year ended on 31 December 2022.

2 - During the year, the Supervisory Board regularly monitored the activity of SIC, with the regularity and extent it deemed appropriate, namely through periodic meetings and contacts with the Board of Directors, Directors and also with the financial and accounting departments of the company. We monitored the verification of the accounting records and supporting documentation, as well as the effectiveness of the risk management and internal control systems. We monitored compliance with the law and the articles of association, obtained all the information requested and did not encounter any constraints.

3 – In performing its duties, the Supervisory Board held several meetings with the statutory auditor and external auditor, Deloitte & Associados, SROC S.A., following-up on the audit work developed and supervising its independence. We appraised the Statutory Auditor's Report and the Audit Report and are in agreement with them.

4 – The Supervisory Board examined the proposals submitted to it for prior approval of provision of non-audit services by the Audit Firm, having approved those that were related to permitted services, did not affect the independence of the Audit Firm and complied with all the other legal requirements.

5 - Pursuant to its duties, the Supervisory Board monitored the operations that materially influenced the evolution of the activity expressed in the separate financial statements of SIC - Sociedade Independente de Comunicação, S.A., which allow for an adequate understanding of the financial position of the company, its results and comprehensive income, that clarify and are explanatory and demonstrative of the economic and financial performance of the company.

6 - In compliance with the legislation in force, we hereby inform that, to the best of our knowledge, the separate financial statements were prepared in accordance with the applicable accounting standards for financial reporting and are appropriate to ensure a correct evaluation of the assets and results of SIC - Sociedade Independente de Comunicação, S.A. The Management Report also gives a faithful account of the evolution of the business and of the financial position. It is further declared that the Company's Corporate Governance Report, attached to the Management Report, complies with the requirements of article 29-H of the Portuguese Securities Code.

7 – In view of the above, taking into consideration the information received from the Board of Directors and Company Departments, as well as the conclusions presented in the Statutory



Auditor's Report and Audit Report, it is our opinion that the annual general meeting should approve:

- a) The Management Report;
- b) The separate financial statements of the financial position, of income by nature, of comprehensive income, of changes in equity and of cash flow, and the corresponding notes to the separate financial statements, for the year ended on 31 December 2022.
- c) The proposal for the appropriation of net income submitted by the Board of Directors.

8 – On a final note, the members of the Supervisory Board wish to acknowledge and express their thanks to the Board of Directors, the senior managers and other company employees, as well as to the Audit Firm for the assistance provided in the performance of their duties.

Paço de Arcos, 21 de abril de 2023

The Supervisory Board,

Joaquim Pereira da Silva Camilo  
(Chairman)

Alexandre de Azevedo Vaz Pinto  
(Member)

José Manuel Ventura Gonçalves Pereira  
(Member)



## **Report and Opinion of the Supervisory Board Consolidated Financial Statements 2022**

1 - In accordance with applicable legislation, the company's articles of association and our mandate, we hereby submit our report on the supervisory activity carried out during 2022 and our opinion on the Management Report and the Consolidated Financial Statements presented by the Board of Directors of SIC - Sociedade Independente de Comunicação, S.A., for the year ended on 31 December 2022.

2 - During the year, the Supervisory Board regularly monitored the activity of SIC and its participated company, with the regularity and extent it deemed appropriate, namely through periodic meetings and contacts with the Board of Directors, Directors and also with the financial and accounting departments of the company. We monitored the verification of the accounting records and supporting documentation, as well as the effectiveness of the risk management and internal control systems. We monitored compliance with the law and the articles of association, obtained all the information requested and did not encounter any constraints.

3 – In performing its duties, the Supervisory Board held several meetings with the statutory auditor and external auditor, Deloitte & Associados, SROC S.A., following-up on the audit work developed and supervising its independence. We appraised the Statutory Auditor's Report and the Audit Report and are in agreement with them.

4 – The Supervisory Board examined the proposals submitted to it for prior approval of provision of non-audit services by the Audit Firm, having approved those that were related to permitted services, did not affect the independence of the Audit Firm and complied with all the other legal requirements.

5 - Pursuant to its duties, the Supervisory Board monitored the operations that materially influenced the evolution of the activity expressed in the consolidated financial statements of SIC - Sociedade Independente de Comunicação, S.A., which allow for an adequate understanding of the consolidated financial position of the company, its consolidated results and consolidated comprehensive income, that clarify and are explanatory and demonstrative of the economic and financial performance of the SIC Group.

6 - In compliance with the legislation in force, we hereby inform that, to the best of our knowledge, the consolidated financial statements were prepared in accordance with the applicable accounting standards for financial reporting and are appropriate to ensure a correct evaluation of the assets and results of the SIC - Sociedade Independente de Comunicação, S.A. group. The Management Report also gives a faithful account of the evolution of the business and of the financial position. It is further declared that the Company's Corporate Governance Report, attached to the Management Report, complies with the requirements of article 29-H of the Portuguese Securities Code.



7 – In view of the above, taking into consideration the information received from the Board of Directors and Company Services, as well as the conclusions presented in the Legal Certification of Accounts and Audit Report, it is our opinion that the annual general meeting should approve:

- a) The Management Report;
- b) The consolidated financial statements of the financial position, of income by nature, of comprehensive income, of changes in equity and of cash flow, and the corresponding notes to the consolidated financial statements, for the year ended on 31 December 2022.
- c) The proposal for the appropriation of net income submitted by the Board of Directors.

8 – On a final note, the members of the Supervisory Board wish to acknowledge and express their thanks to the Board of Directors, the senior managers and other company employees, as well as to the Audit Firm for the assistance provided in the performance of their duties.

Paço de Arcos, 21 April 2023

The Supervisory Board,

Joaquim Pereira da Silva Camilo  
(Chairman)

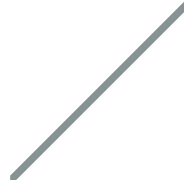
Alexandre de Azevedo Vaz Pinto  
(Member)

José Manuel Ventura Gonçalves Pereira  
(Member)

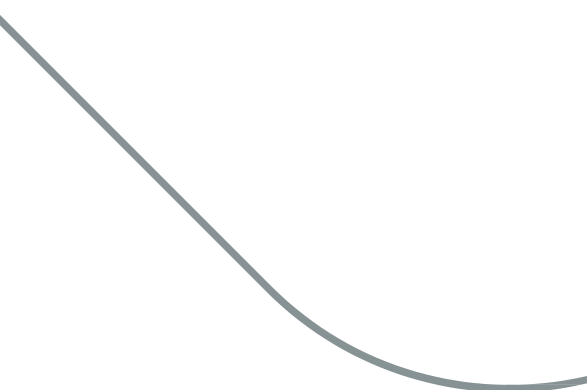


IX.

# CORPORATE GOVERNANCE



2022





## CORPORATE GOVERNANCE INFORMATION

(Subparagraphs c), d), f), h), i) and m) of article 29-H of the C.V.M.)

### 1. Qualifying holdings in the company's share capital (Article 29-H, number 1, subparagraph c)).

Qualifying holdings of SIC - Sociedade Independente de Comunicação, S.A. known as of 31 December 2022:

Qualifying shareholder	Number of shares held	Percentage of voting rights
IMPRESA- SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.  * Directly (a)	6 005 000	100%
Total imputable	6 005 000	100%

(a) - IMPRESA - Sociedade Gestora de Participações Sociais, S.A. is 50.306% (directly) held by IMPREGER, Sociedade Gestora de Participações Sociais, S.A. (whose majority shareholder is BALSEGER, SGPS, S.A., in which 99.99% of the voting rights are attributable to Francisco José Pereira Pinto de Balsemão)

### 2. Identification of shareholders with special rights and description of these rights (Article 29-H, number 1, subparagraph d))

There are no special rights granted to shareholders of the company.

### 3. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 29-H, number 1, subparagraph f)).

There are no restrictions on the right to vote.

### 4. Rules applicable to the appointment and replacement of members of the management body and the amendment of the company's articles of association (Article 29-H, number 1, subparagraph h)).

In accordance with Article 12, number 1 of SIC's Memorandum of Association, the company is managed by a Board of Directors composed of three to eleven members, elected by the General Meeting for a period of four years, with re-election permitted for successive four-year terms without any limitation.

Directors are replaced, as defined in article 12, number 2 of the Memorandum of Association, through co-optation within sixty days, with the selection being ratified at the following General Meeting, which is valid until the end of the period for which the director had been elected.

When applicable, the Statutory Auditor is replaced by his/her alternate.



There are no rules on the amendment of the company's Memorandum of Association, except those arising from applicable law.

**5. Powers of the management body, especially as regards resolutions on capital increase (Article 29-H, number 1, subparagraph i)).**

Regarding deliberations on capital increases, the memorandum of association does not define any empowerment of the Board of Directors, but may, however, make proposals to this effect to the General Meeting, which is solely responsible for this matter.

**6. Main details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 29-H, number 1, subparagraph m))).**

The meetings of SIC's Board of Directors are scheduled in advance (with the exception of any extraordinary meetings). Before each meeting, the members of the management body receive all the documentation related to the agenda in due time, and may request additional information on any points, propose the inclusion of other points they would like to see discussed, and propose to the Chairman of the Board of Directors the attendance at the meeting of any member of the supervisory body (Supervisory Board), as well as of any employee of SIC and its participated company, who might be related to the discussion of one (or more) points on this same agenda.

The Board of Directors, in coordination with the Supervisory Board, supervises the preparation and disclosure of financial information, in order to ensure a true and fair view of such information, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.

SIC has implemented mechanisms and procedures for internal control of the process of closing accounts and disclosure of financial information, taking into account the detected risks and defining time limits, requirements and obligations for financial reporting. This entails the definition and communication of schedules, tasks and responsibilities among the employees involved in the process of drawing up the financial reporting documentation. The Accounting and Taxation Department reviews the adopted accounting policies, identifies the relevant or unusual transactions, analysing, whenever necessary, with Management, the appropriate accounting treatments and corresponding disclosure requirements.

The Accounting and Taxation Department also identifies the transactions that involve judgements or estimates, defining calculation methods, assumptions and all other pertinent information. Mechanisms for communication between the other Departments and the Accounting and Taxation Department are defined, so as to ensure that any new operations are properly identified and treated from an accounting perspective, namely by coordination between the Accounting and Taxation Department and Management Control.

The Supervisory Board, in particular, holds regular meetings with the Statutory Auditor in order to assess whether conditions have been created for the adequate performance of their



work. The content of the Statutory Auditor's reports is presented and analysed in detail at these periodic meetings, which are held prior to the Board of Directors' meetings, so that the Supervisory Board is the first body to examine the content of the reports. Suggestions made by the Statutory Auditor aimed at improving the company's internal control measures and implementing better accounting practices are subsequently presented and discussed with the Board of Directors. The financial information is only disclosed after approval by the Board of Directors, under the legal terms.

In order to perform his/her duties, the Statutory Auditor or any member of the Supervisory Board may, jointly or separately, obtain from Management the presentation, for examination and verification, of the books, records and documents of the company, as well as verify the stocks of all types of assets, namely cash, securities and merchandise. The Supervisory Board may also attend meetings of the Board of Directors, whenever it deems convenient, and obtain from any of the directors information or clarifications on the situation of the company's operations or activities, as well as obtain from third parties who have carried out operations on behalf of the company any information necessary for the proper clarification of such operations.

Note: Non-financial information, pursuant to articles 66-B and 508-G of the Portuguese Companies Code, is available in the Impresa Group Sustainability Report (named in previous years the Consolidated Report on Non-Financial Information of IMPRESA – Sociedade Gestora de Participações Sociais, S.A., as the holding company).

Paço de Arcos, 18 April 2023

The Board of Directors:

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Rogério Paulo de Saldanha Pereira Vieira

Paulo Miguel Gaspar dos Reis

Nuno Miguel Pantoja Nazaret Almeida Conde