



# ANNUAL REPORT

## 2020

IMPRESA – Sociedade Gestora de Participações Sociais, S.A.  
Sociedade Aberta  
Share Capital: Euro 84,000,000.00  
Rua Ribeiro Sanches, n.º 65, Estrela, Lisbon  
Registered at Commercial Registry of Lisbon  
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I.  
**SINGLE MANAGEMENT  
REPORT**  
2020



# SINGLE MANAGEMENT REPORT 2020

**IMPRESA's Net Income grew by 43%**

**EBITDA grew by 24% and reached the best operating profit since 2014.**

**Net debt fell by M€ 13.6, recording the lowest figure since 2005.**

**SIC led the audiences with a share of 20.1%, the best result since 2013.**

**Total circulation and digital subscribers of Expresso rises once again.**

**2020 was the year that most people visited the IMPRESA websites.**

**The year was marked by the launch of the OPTO and ADVNCE projects.**

The results achieved in 2020 are, first and foremost, the direct reflection of the resilience, constant spirit of overcoming any difficulties and the unabated commitment of the IMPRESA team. We would like to praise the always present values and the jointly built culture that, in an especially challenging year, brought together employees and stakeholders to overcome the challenges faced to fulfil the mission of the IMPRESA Group.

These results were possible due to the trust placed by readers and viewers in the quality of the Impresa portfolio for information and entertainment.



It should also be noticed that, in the challenging context of mission execution, IMPRESA was able to innovate with two new products: OPTO and ADVNCE.

On the other hand, the contribution of rigorous cost control and increased operational efficiency should also be highlighted.





## 1. HIGHLIGHTS

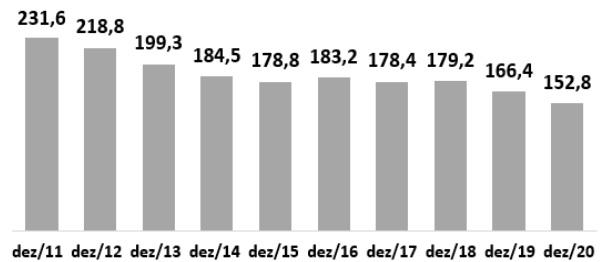
The **net income of IMPRESA in 2020 reached M€ 11.2**, an increase of M€ 3.4 (+43%) year-on-year.

**EBITDA exceeded M€ 31.1**, recording a 24% improvement in relation to 2019.

The **IMPRESA Group's total revenues reached M€ 178.1**, a 2% increase compared to 2019. The figure was particularly influenced by the reduction of advertising revenues (-6.1%).

There was a **6.2% reduction in operating costs**.

**Net remunerated debt decreased by M€ 13.6**, year-on-year, closing 2020 at **M€ 152.8**, the lowest value since 2005, the year in which Impresa became the holder of 100% of SIC's capital.



### 1.1. IMPRESA Brands



- **SIC was the audience leader in 2020**, in the universe of generalist channels, with an average share of 20.1%, having achieved the best annual result since 2013.
- **SIC generalist and thematic channels**, as a whole, **closed the year in first place**, with a market share of 23.9% and growth of 0.6 p.p. in relation to 2019.
- **SIC achieved a 51.3% market share of advertising investment** among the generalist channels, having grown by 1.4 p.p. compared to 2019.
- In terms of annual performance, **SIC's websites** obtained the **highest ever monthly average of Unique Visitors: 2,317,452**.
- At the end of 2020, IMPRESA moved forward with **two innovative projects** in Portugal:
  - **OPTO**, a streaming service launched in November, is pioneer in the sale of subscriptions of exclusive audiovisual contents.
  - **ADVANCE**, launched in December, is available on the distribution platforms, being a project for hosting the eSports community.



- The **EXPRESSO** was the **publication most sold in Portugal**, leading the average paid circulation among all newspapers and magazines, according to APCT data, from January to December 2020.
- It was the **only publication in Portugal to grow in terms of copies sold**, with an increase of 1.7%, which had not happened since 2006.
- It was also the **leading Portuguese publication in paid digital circulation**, selling, on average, **more than 42 thousand copies** per edition in 2020.
- The **paid circulation** (copies sold and digital) of the IMPRESA newspaper **grew by 17.4%, to an average of 99 thousand copies** per edition, corresponding to the **highest growth since 1987**.
- The **EXPRESSO brand websites** achieved the **best annual result ever on record: a monthly average of 2,543,535 Unique Visitors**.

**Expresso**

Liberdade para pensar.



## 2. ANALYSIS OF THE CONSOLIDATED ACCOUNTS

### 2.1. Income Statement

(values in Euros)	2020	2019	var %
<b>Total Revenues</b>	<b>178 089 666</b>	<b>181 870 149</b>	<b>-2,1%</b>
Television	152 168 537	155 249 404	-2,0%
Publishing	23 272 833	24 188 391	-3,8%
Infoportugal & Others	2 139 588	2 233 365	-4,2%
Intersegments	508 708	198 988	155,6%
<b>Operating Costs (1)</b>	<b>146 979 160</b>	<b>156 768 853</b>	<b>-6,2%</b>
<b>Total EBITDA</b>	<b>31 110 506</b>	<b>25 101 296</b>	<b>23,9%</b>
<b>EBITDA Margin</b>	<b>17,5%</b>	<b>13,8%</b>	
Television	30 489 830	27 002 248	12,9%
Publishing	3 035 176	274 654	1005,1%
Infoportugal & Others	-2 414 500	-2 175 605	-11,0%
<b>Total EBITDA (2)</b>	<b>31 395 471</b>	<b>27 727 134</b>	<b>13,2%</b>
<b>EBITDA Margin (2)</b>	<b>17,6%</b>	<b>15,2%</b>	
Depreciation	5 335 362	5 849 203	-8,8%
<b>EBIT</b>	<b>25 775 144</b>	<b>19 252 094</b>	<b>33,9%</b>
<b>EBIT Margin</b>	<b>14,5%</b>	<b>10,6%</b>	
Financial Results	-8 890 025	-7 330 997	-21,3%
<b>Res. Bef Taxes &amp; Minorities</b>	<b>16 885 119</b>	<b>11 921 096</b>	<b>41,6%</b>
Provisions	558 001	341 400	63,4%
Income Tax (IRC)(-)	5 106 880	3 743 776	36,4%
<b>Net Profit</b>	<b>11 220 238</b>	<b>7 835 921</b>	<b>43,2%</b>

**Notes:**

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

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

(2) EBITDA adjusted for restructuring costs.

The IMPRESA Group achieved consolidated revenues of M€ 178.1, representing a 2.1% reduction of total income compared to 2019.

Operating costs, without considering amortisation, depreciation, provisions and impairment losses in non-current assets, fell by 6.2% year-on-year.



As highlighted above, **consolidated EBITDA was positive by M€ 31.1**, an improvement of 23.9% relative to the value recorded in 2019, the year in which the accounts presented an EBITDA of M€ 25.1.

**EBITDA (2) adjusted for compensations, was positive by M€ 31.4**, a figure 13.2% (+ 3.7 M€) higher than that reached in 2019.

The **net income recorded in 2020 reached M€ 11.2**, representing growth of 43.2%.

## 2.2. Sources of Revenue

(values in Euros)	2020	2019	var %
<b>Total Revenues</b>	<b>178 089 666</b>	<b>181 870 149</b>	<b>-2,1%</b>
Advertising	111 322 421	118 525 510	-6,1%
Channel Subscription	32 939 603	34 308 874	-4,0%
Multimedia	16 201 650	11 278 342	43,7%
Circulation	10 615 794	9 691 888	9,5%
Other revenues	7 010 197	8 065 536	-13,1%

In 2020, there was a **9.5% increase in total sales of publications**, in paper and digital formats.

Also concerning sources of revenue, **the positive performance of IVRs stands out with a 43.7% increase in revenue**, compared to 2019.

Due to the Covid-19 pandemic, **advertising revenues fell by 6.1%**.

## 2.3. Net Debt

(values in Euros)	2020	2019	Var %
<b>Net debt</b>	<b>152 840 822</b>	<b>166 392 452</b>	<b>-8,1%</b>

Detailing the figures related to debt, a decrease of **net debt by 8.1%** was observed, representing a reduction of M€

13.6 year-on-year, with 2020 having closed at **M€ 152.8, the lowest value since 2005**.



## 2.4. Segments

### 2.4.1. Television (SIC)



(values in Euros)	2020	2019	var %
<b>Revenues</b>	<b>152 168 537</b>	<b>155 249 404</b>	<b>-2,0%</b>
Advertising	99 829 998	105 743 980	-5,6%
Channel Subscriptions	32 939 603	34 308 874	-4,0%
Multimedia	16 201 650	11 278 342	43,7%
Other revenues	3 197 285	3 918 209	-18,4%
<b>Operating Costs (1)</b>	<b>121 678 707</b>	<b>128 247 157</b>	<b>-5,1%</b>
<b>EBITDA</b>	<b>30 489 830</b>	<b>27 002 248</b>	<b>12,9%</b>
<b>EBITDA Margin (%)</b>	<b>20,0%</b>	<b>17,4%</b>	
<b>EBITDA (2)</b>	<b>30 766 249</b>	<b>28 191 439</b>	<b>9,1%</b>
<b>EBITDA Margin (2) (%)</b>	<b>20,2%</b>	<b>18,2%</b>	

**Notes:**

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

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

(2) EBITDA adjusted for restructuring costs.

SIC achieved **total revenues of €M 152.2**, reflecting a **2% reduction**, as a result of the decline observed in all revenue streams, with the exception of IVRs.

**Advertising revenues reached M€ 99.8**, corresponding to a 5.6% reduction compared to 2019.

**SIC** achieved a **51.3% market share of advertising investment** among the generalist channels, having grown by 1.4 p.p. compared to 2019.

**In the 1st quarter of 2020, a pre-pandemic period, SIC's positive performance in all lines of advertising revenues stood out in particular, with year-on-year growth of 9%.**

**Subscription revenues** generated by the 8 SIC channels, distributed over cable and satellite, in Portugal and abroad, **fell by 4%** in 2020 to **M€ 32.9**. This decrease was mainly due to the negotiation of contracts with international operators.

**IVR revenues grew by 43.7%**, having reached **M€ 16.2**.

The **5.1% reduction (M€ 6.6) in operating costs** was higher than the reduction of revenues (M€ 3.1), giving rise to a **12.9% increase in EBITDA to M€ 30.5**. EBITDA adjusted for compensations amounted to **M€ 30.8**.



## Audiences

**SIC ended 2020 as audience leader** in the universe of generalist channels, with an average **share of 20.1%** in terms of consolidated data. This figure was 0.6 p.p. higher than in the same period of the previous year, with SIC being the only FTA channel to have increased in total television.

Excluding football matches, **the 5 most watched information and entertainment programmes** of Portuguese television were broadcast by SIC in 2020.

The interview of António Costa on *Jornal da Noite*, on 16 March, was the most watched information programme, with 1,893,300 television viewers.

The comedy programme, *Isto é Gozar Com Quem Trabalha*, presented by Ricardo Araújo Pereira, premiered in March, leading with historic results, and with the 26 April edition having been the entertainment programme with the largest audience in 2020.



SIC consolidated its leadership in **prime time**, in the universe of generalist channels, with an average share of 24.3% in terms of consolidated data, which represented an increase of 2.4 p.p. in relation to 2019, and the only increase in total television.

This result was driven by the **performance of the fiction products** broadcast on prime time, namely the soap operas *Nazaré*, *Terra Brava*, *Golpe de Sorte*, *A Dona do Pedaço*, *Amor de Mãe* and *Totalmente Demais*, as well as **the weekend entertainment**: *A Máscara*, *Isto é Gozar Com Quem Trabalha*, *24 Horas de*

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**In 2020, SIC audiences attained their best annual result since 2013.**

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*Vida, A Árvore dos Desejos, Estamos Aqui, Olha Por Mim, Terra Nossa, Quem Quer Namorar com o Agricultor?, O Noivo é que Sabe and Patrões Fora.*



SIC continued unbeatable in **day time**. SIC was leader in the mornings, with a share of 20.2%, and in the afternoons, with a share of 18.6% share, in terms of consolidated data.

In **information**, *Primeiro Jornal* and *Jornal da Noite* were the most watched throughout the 7 days of the week. This success was also driven by the different items broadcast, such as *Opinião de Luís Marques Mendes*, *O Polígrafo*, SIC Investigations and Feature Stories, *Casos de Polícia, 15|25*, in addition to the daily coverage of the developments related to the Covid-19 pandemic.

As a whole, **generalist and thematic SIC** closed 2020 with a **market share of 23.9%**, reflecting growth of 0.6 p.p. compared to 2019. In the **commercial targets**, A/B C D 15/54 and A/B C D 25/54, **SIC's universe of channels ended the year leading with a share of 22.9% and 23.1%**, respectively.

SIC's **subscription channels** achieved a **market share of 3.8%**, for the year as a whole.



**SIC Notícias** continued ranked in the **first place of the information channels**, with a share of 2.2%, having risen by 0.4 p.p. year-on-year.

This channel achieved its **best result ever in terms of number of television viewers** (50,400), in addition to the **best result in terms of market share and stronger differentiation in relation to the direct competition**, since the beginning of the GfK audience measurement panel (March 2012).

Regarding the **rest of the thematic channels**, *SIC Mulher* achieved a market share of 0.8%, *SIC k* reached 0.4%, *SIC K* reached 0.3% and *SIC Caras* reached 0.2%.

In 2020, the aggregate **SIC brand websites** attained the **highest ever monthly average of Unique Visitors: 2,317,452**. This value represents growth of 27.6% in relation to the period between January and December 2019.

## 2.4.2. IMPRESA Publishing

**Expresso**

BLITZ

boa cama boa mesa

**TRIBUNA**

(values in Euros)	2020	2019	var %
<b>Total Revenues</b>	<b>23 272 833</b>	<b>24 188 391</b>	<b>-3,8%</b>
Circulation	10 615 794	9 691 888	9,5%
Advertising	11 483 285	12 767 743	-10,1%
Associated products	159 909	312 540	-48,8%
Other revenues	1 013 845	1 416 221	-28,4%
<b>Operating Costs (1)</b>	<b>20 237 657</b>	<b>23 913 738</b>	<b>-15,4%</b>
<b>EBITDA</b>	<b>3 035 176</b>	<b>274 654</b>	<b>1005,1%</b>
<b>EBITDA Margin (%)</b>	<b>13,0%</b>	<b>1,1%</b>	
<b>EBITDA (2)</b>	<b>3 036 557</b>	<b>1 700 765</b>	<b>78,5%</b>
<b>EBITDA Margin (2) (%)</b>	<b>13,0%</b>	<b>7,0%</b>	

**Notes:**

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

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

(2) EBITDA adjusted for restructuring costs.

**IMPRESA Publishing reached total revenues of M€ 23.3**, corresponding to a 3.8% decrease, which reflects the effects of the pandemic on the Portuguese economy and the sector.

Detailed by source, **circulation revenues grew by 9.5% to M€ 10.7**, with a

particularly positive contribution of the income generated by **EXPRESSO's digital subscriptions** which **increased by 42%** year-on-year.

The revenues of sales of the **EXPRESSO in paper format** grew by **3.6%**, which had not happened since 2006.





Advertising revenues reached M€ 11.5, showing a decline of 10.1%, when compared to the figures of 2019.

The focus on digital formats was reflected in the share of total advertising and circulation revenues, currently representing 21.4% of revenues of the Publishing area.

The reduction of revenue, combined with the 15.4% reduction of operating costs, resulted in a positive EBITDA of 3 M€ 3, corresponding to M€ 2.8 more than that recorded in the accounts of 2019.

The EXPRESSO was the newspaper most sold in Portugal, with an average paid circulation (copies sold and digital) of 99 thousand copies per edition, according to APCT data, from January to December 2020.



The EXPRESSO is the leading Portuguese publication in paid digital circulation, with an average of more than 42 thousand copies sold per edition.

The EXPRESSO brand websites achieved their best annual result on record, with a monthly average of 2,543,535 Unique Visitors. This value represents growth of 31.3% in relation to 2019.

### 2.4.3. IMPRESA Other



(values in Euros)	2020	2019	var %
<b>Total Revenues</b>	<b>2 648 296</b>	<b>2 432 353</b>	<b>8,9%</b>
Infoportugal	2 139 588	2 233 365	-4,2%
Intersegments & Others	508 708	198 988	155,6%
<b>Operating Costs (1)</b>	<b>5 000 395</b>	<b>4 607 958</b>	<b>8,5%</b>
<b>EBITDA</b>	<b>-2 352 099</b>	<b>-2 175 605</b>	<b>-8,1%</b>

**Notes:**

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

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



**Infoportugal** achieved **operating results of M€ 2.1**, reflecting a decrease of 4.2% relative to 2019.

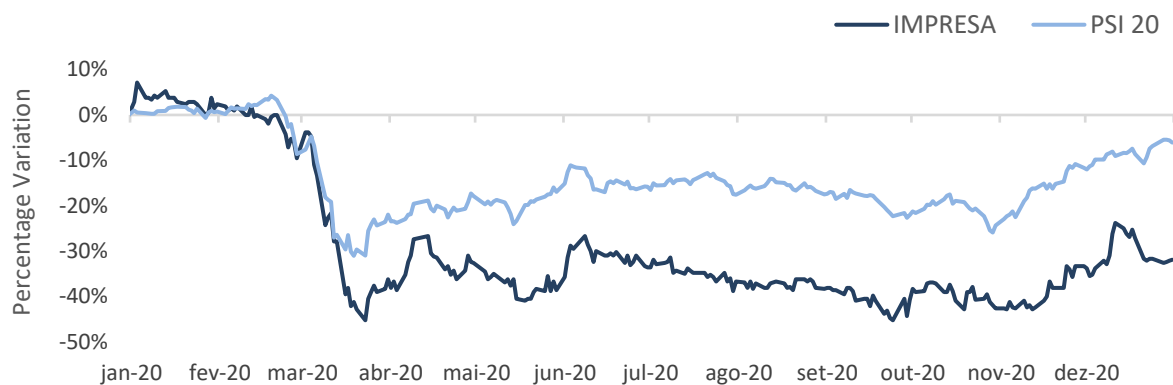
The strong growth of the projects in the areas of **cartography** continued in 2020. However, the **aerial photography projects** were postponed due to the Covid-19 pandemic.

In terms of consolidated results, the **EBITDA** of this segment was negative, to the value of **M€ 2.4**.

### 3. IMPRESA GROUP SECURITIES

#### 3.1. IMPRESA Shares

Evolution of the IMPRESA share price and the PSI 20 Index in 2020



Data: Euronext

Despite the recovery of financial markets after the sell-off due to the COVID-19 pandemic, most European indexes ended 2020 below 2019. The **Euro Stoxx 600** ended the year with a depreciation of 4.0%, the **PSI-20** decreased by 6.1% and the index for the media sector in Europe, **Euro Stoxx Media**, closed 31st December 2020 with a drop of 2.3%.

The **IMPRESA share price** followed the downward trend, ending December down 31.9% compared to the end of 2019, but recording a recovery of 14.9% in the 4th quarter of the year.

The shares closed the year at € 0.143/share, with the maximum closing value reached in 2020 having been € 0.225 in early January.

With regard to liquidity, the **transaction volumes** decreased by 59% in relation to the average for the same period of the previous year, reflecting an average of 215,085 shares traded per session, compared to the average of 526,340 shares per session between January and December 2019.

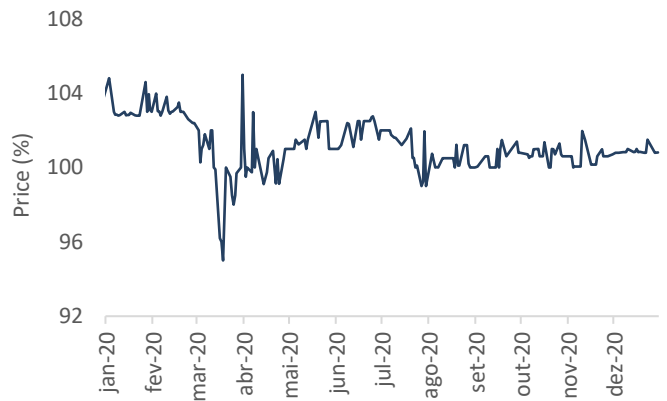


### 3.2. SIC 2019-2022 Bonds

The **SIC 2019-2022 Bonds**, listed for trading on regulated markets (Euronext Lisbon), on 10 July 2019, ended the year of 2020 trading above par (100.81%), having fluctuated between 95% and 104.99% during this period.

The average number of bonds traded in each session of the year was 17,230.

SIC 2019-2022 Bond Prices



Data: Euronext

## 4. AWARDS

As in previous years, IMPRESA brands continue to be distinguished for their quality. The following awards were attributed during 2020:

### SIC

In January 2020, SIC was attributed the **Five Stars Award 2020**, in the "TV – Generalist Channels" category. The station repeated this feat at the end of the year, by also winning the **Five Stars Award 2021**, in the same category.



SIC also won the **Consumer Choice Award** in the "Generalist Channel" category, with SIC Notícias having won as "Information Channel".

In the second half of the year, SIC also received two **Reputation Awards**, attributed by Executive Digest and by the

consultant OnStrategy, as well as the **Marketeer Award – TV Media**.

Two SIC feature stories were distinguished with the **António Sérgio Cooperation and Solidarity Award 2019**: João Faiões received the Journalism Award for the feature story "*Nós ainda estamos aqui*", and Catarina Marques received an Honourable Mention in the same category, for the feature story "*E de nós, quem cuida?*".

The SIC *Grande Reportagem "Ensaio sobre a saúde na Guiné-Bissau"*, by Dulce Salzedas, Rafael Homem and Luís Gonçalves, was distinguished with the **First Human Rights & Integration Journalism Award 2019 - UNESCO National Commission**. The *Grande Reportagem "Visíveis"*, by Sofia Pinto Coelho and Mariana Teófilo da Cruz received the same Award in the 2020 edition. The Portuguese Society of Authors gave the **Best Information Programme**



**Award** to the *Grande Reportagem* “Plástico Nosso de Cada Dia”, by Carla Castelo.

The **Best Journalistic Work** prize of the **Apifarma Journalists Club**, in the category, was awarded to the feature story “No Coração do Hospital”, by Catarina Marques.

At the **Marketing Awards** of the magazine **Meios & Publicidade**, “O Programa da Cristina” and “O Polígrafo” received the **Silver Award**. The initiative “Tenho Cancro e Depois” of SIC Notícias, in partnership with Novartis, received the **Bronze Award**. The journalist Paula Castanho was distinguished with an honourable mention in the **Journalism Awards of the Portuguese League Against Cancer** for the piece “Cancro da Próstata”, of the SIC Mulher programme “Retratos da Saúde”.

The feature story “Entregues à Sorte”, by Amélia Moura Ramos, received the **AMI Award – Journalism Against Indifference**, and the First Prize in the “Television” category, in the “**Children's Rights in News**” **Journalism Awards**. In this last one, honourable mentions were also awarded to two feature stories by Ana Catarina Marques (“*Em Nome dos Pais, dos Filhos e do Espírito Livre*” and “*O Todo é Maior que a Soma das Partes*”) and to two feature stories by Pedro Manuel Coelho (“*Via Sacra*” and “*Amina: Uma jovem Afegã entre dois Mundos*”).

With regards to entertainment, SIC was distinguished in the **Fantastic Awards 2020**, in the following categories:

**Best Entertainment Programme**

*Árvore dos Desejos*

**Best Presenter**

João Manzarra (*Árvore dos Desejos*)

**Best Magazine or Cultural Programme**

*À Descoberta Com...*

**Best Soap Opera or Daily Series**

*Nazaré*

**Best Lead Actor**

José Mata (*Nazaré*)

**Best Lead Actress**

Mariana Monteiro (*Terra Brava*)

**Best Secondary Actor**

Renato Godinho (*Terra Brava*)

**Best Secondary Actress**

Laura Dutra (*Nazaré*)

**Revelation Award**

Guilherme Moura (*Nazaré*)

Two SIC soap operas, produced by SP Televisão, were commended in the 21st edition of the **World Media Festivals – Television & Corporate Media Awards**.

*Terra Brava* and *Nazaré* won the **Gold Medal** and **Silver Medal**, respectively, in the “Soap Opera” category.



In October, SIC's entertainment and information once again saw its quality distinguished in the **Impala Television Trophy's**:

**Best Soap Opera**

*Nazaré*

**Best Lead Actor**

Afonso Pimentel (*Nazaré*)

**Best Cast Actor**

João Baptista (*Terra Brava*)

**Best Generic Music**

*Mariza (Terra Brava)*

**Best Series**

*Golpe de Sorte*

**Best Actress of a Series**

Maria João Abreu (*Golpe de Sorte*)

**Best Comedian**

César Mourão

**Best Entertainment Programme**

*Terra Nossa*

**Best Social Programme**

*Passadeira Vermelha*

**Best Information Programme**

*Jornal da Noite*

**Best Male Journalist / Presenter**

Rodrigo Guedes de Carvalho

**Best Female Journalist / Presenter**

Clara de Sousa

**Best Female Journalist / Reporter**

Conceição Lino

**Best Commentator**

Luís Marques Mendes

**Best Cultural Information Programme**

*Cartaz Cultural*

**The Fifth Channel Awards 2020**

distinguished *Isto é Gozar com quem Trabalha* (Best Entertainment Programme), *A Máscara* (Revelation of the Year Programme), César Mourão (Best Entertainment Presenter), Clara de Sousa (Best Female Journalist) and Rodrigo Guedes de Carvalho (Best Male Journalist).

SIC was once again distinguished in the **M&P Creativity in Self-Promotion & Innovation in the Media Awards**, having been awarded with Gold, Silver and Bronze in various categories in which it was nominated.

**EXPRESSO**

The EXPRESSO newspaper was another of the IMPRESA Group brands distinguished with the **Consumer Choice Award** and **Five Stars Award**, in the “Weekly Newspapers” category.

The EXPRESSO feature story “*Pareciam foguetes de lágrimas*”, by Raquel Moleiro, received the **First Human Rights & Integration Journalism Award – UNESCO National Commission**.

The work “*Ou durmo ou morro*”, by journalist Helena Bento, was distinguished in the category of “Digital Journalism” with the **Apifarma Journalists Club Award**.

“*O Lugar Onde Nem Eu Nem Tu Queremos Viver*”, a feature story signed by Marta Gonçalves, received the **AMI Award – Journalism Against Indifference**. The following were also distinguished with an honourable mention: “*Os refugiados na hora, difícil, da chegada*”, “*Refugiados: O lado lunar da integração*”, “*O refúgio é um lugar incerto*” and “*Forbidden Stories. Morte no lago*”.

“*Em Nome do Filho*”, by Luciana Leiderfarb, received an honourable mention in the “**Children's Rights in News**” Journalism Awards.

In the **M&P Creativity in Self-promotion & Innovation in the Media Awards**, the EXPRESSO received a Silver distinction in



the Sustainability award, in partnership with Bordalo II, in the category of Creativity in Self-Promotion.

The EXPRESSO was also distinguished with various ObCiber Awards, in the categories:

#### **Digital Infographics**

*“A volta ao mundo em 200 mensagens”*

#### **Multimedia Feature Stories**

*“Eles dão a vida pelos outros. Mas o que fazemos nós pelos cuidadores informais?”*

*“O muro caiu e eles nasceram”*

#### **Digital Video Narrative**

*“Como é a vida nas escolas que nunca fecharam para acolher os filhos de quem combate a covid-19”*

## **5. OUTLOOK**

2020 was an atypical year due to the COVID-19 pandemic. In view of the uncertainty that persists, IMPRESA will continue to implement procedures to protect the health of its employees, monitor the economic implications of COVID-19, and in particular the identification of potential sources of risk for the activity of its subsidiaries.

IMPRESA's brands have already showed their strength and resilience, reflected in a positive operational performance.

In 2021, we have the task to consolidate the results achieved in 2020, focusing on the market leadership of SIC and EXPRESSO, together with a rigorous cost control and a careful risk monitoring, aiming at the continuous improvement of operating margin and reduction of net debt.

The two projects launched under the Strategic Plan for 2020-2022, OPTO and ADVNCE, will be accelerated in 2021, and IMPRESA will also continue to expand its activity to new platforms and thus reach new and larger audiences.

As the largest Portuguese media group, IMPRESA is aware that its brands play a particularly important role in times such as the one we live in, where up to date, rigorous and credible information along with stimulating entertainment are decisive in the response to the present pandemic context.

The IMPRESA brands, on their various platforms, will fulfil, as always, the mission of public interest of this Group:

- to inform Portuguese society with the independence and rigour that is expected from them and to transmit in a clear way the important institutional messages; and
- provide entertainment that promotes the enjoyment and well-being of their different audiences.





## 6. INDIVIDUAL ACCOUNTS

### 6.1. Analysis of Individual Accounts

The Board of Directors of IMPRESA decided to adopt the IAS/IFRS as endorsed by the European Union in the preparation of its individual financial statements from 1 January 2009, considering 1 January 2008 as the transition date for the purpose of calculating the conversion adjustments. Hence, the individual financial statements presented since then have been prepared in accordance with these accounting standards.

In 2020, in individual terms, the operating results were negative by 3,363 thousand euros, compared to the negative results of 3,607 thousand euros, obtained in 2019.

The financial results were positive by 10,977 thousand euros, compared to the positive results of 6,445 thousand euros obtained in 2019, as a consequence of the increased gains of the Group's companies.

Accordingly, net income was positive by 9,110 thousand euros in 2020, higher than the positive value of 4,412 thousand euros obtained in 2019.

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

It is proposed that the net profit for the year of 9,110,115 euros, should be transferred to the retained earnings account.

## 7. ACTIVITY OF THE NON-EXECUTIVE DIRECTORS

Non-executive directors, in compliance with the duties entrusted to them by law, participated in the meetings of the Board of Directors, namely in meetings where the half-year and annual accounts for the financial year of 2020 were appraised and approved, and in the general meetings of shareholders. These directors did not encounter any constraints in the performance of their duties.

Pursuant to the law and the IMPRESA Audit Committee regulations, the activity of the non-executive members of the Audit Committee shall be described in a separate report, accompanying the IMPRESA Annual Report of 2020.





## 8. ACKNOWLEDGEMENTS

The Board of Directors would like to thank the employees for their effort and dedication shown during the year under analysis, which enabled obtaining these results.

The Board of Directors thanks the Statutory Auditor, BDO & 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 last year.

Lisbon, 20 April 2021

The Board of Directors:

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira da Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

Ana Filipa Mendes de Magalhães Saraiva Mendes



**II.**  
**INDIVIDUAL FINANCIAL**  
**STATEMENTS**

**2020**

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 27)

<u>ASSETS</u>	<u>Notes</u>	<u>31 December 2020</u>	<u>31 December 2019</u>
<u>NON-CURRENT ASSETS</u>			
Investments in group and associated companies	11	278.872.456	280.907.854
Tangible fixed assets	10	251.515	115.015
Other non-current assets	22.1	86.513	157.562
Deferred tax assets	8	123.471	76.944
Total non-current assets		<u>279.333.955</u>	<u>281.257.375</u>
<u>CURRENT ASSETS</u>			
Other current assets	12	7.233.262	5.713.526
Cash and cash equivalents	13	72.529	42.041
Total current assets		<u>7.305.791</u>	<u>5.755.567</u>
Non-current assets held for sale	14	2.035.398	-
TOTAL ASSETS		<u><u>288.675.144</u></u>	<u><u>287.012.942</u></u>
 <u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Capital	15	84.000.000	84.000.000
Share premium	16	36.179.271	36.179.271
Legal reserve	17	2.001.797	2.001.797
Other reserves	17	15.706.615	15.753.452
Retained Results	17	(17.565.813)	(21.978.213)
Net (loss)/profit for the year		9.110.115	4.412.400
TOTAL EQUITY		<u>129.431.985</u>	<u>120.368.707</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES</u>			
Bank borrowings	18	31.278.087	26.673.129
Borrowings from group companies	19	98.934.953	98.934.953
Deferred tax liabilities	8	19.463	35.450
Total non-current liabilities		<u>130.232.503</u>	<u>125.643.532</u>
<u>CURRENT LIABILITIES:</u>			
Bank borrowings	18	18.268.157	23.657.258
Borrowings from group companies	19	2.600.600	12.125.000
Trade and other payables	20	2.864.069	1.191.422
Current tax liabilities	8	2.321.630	1.079.599
Other current liabilities	12	2.956.199	2.947.424
Total current liabilities		<u>29.010.656</u>	<u>41.000.703</u>
TOTAL LIABILITIES		<u>159.243.159</u>	<u>166.644.235</u>
TOTAL EQUITY AND LIABILITIES		<u><u>288.675.144</u></u>	<u><u>287.012.942</u></u>

The accompanying notes form an integral part of the statements of financial position  
as of 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts expressed in Euros)

(Translation of statements of financial position originally issued in Portuguese - Note 27)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>OPERATING REVENUE:</u>			
Other operating revenue	3	439.088	-
		<u>439.088</u>	<u>-</u>
<u>OPERATING COSTS:</u>			
Supplies and services	4	(413.801)	(338.958)
Personnel costs	5	(2.861.741)	(2.782.750)
Amortization and depreciation	10	(102.893)	(73.936)
Other operating costs	6	(526.417)	(484.905)
Total operating costs		<u>(3.904.852)</u>	<u>(3.680.549)</u>
Operating loss		<u>(3.465.764)</u>	<u>(3.680.549)</u>
<u>NET FINANCIAL ITEMS:</u>			
Net financial costs	7	(4.342.454)	(4.886.382)
Net gain on group companies and associates	7	15.319.909	11.331.547
		<u>10.977.455</u>	<u>6.445.165</u>
Profit before taxes		<u>7.511.691</u>	<u>2.764.616</u>
Income tax for the year	8	1.598.424	1.647.784
Net (loss)/profit for the year		<u>9.110.115</u>	<u>4.412.400</u>
<u>Other comprehensive income:</u>			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	8 and 22	(46.836)	(52.727)
Comprehensive income for the year		<u>9.063.279</u>	<u>4.359.673</u>
Earnings per share:			
Basic	9	0,0542	0,0263
Diluted	9	0,0542	0,0263
Comprehensive income per share:			
Basic	9	0,0539	0,0260
Diluted	9	0,0539	0,0260

The accompanying notes form an integral part of the statements of profit and loss and other comprehensive income for the year ended 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of a statement of changes in equity originally issued in Portuguese - Note 27)

	<u>Capital</u>	<u>Share premium</u>	<u>Legal reserve</u>	<u>Other reserves</u>	<u>Retained Results</u>	<u>Net (loss)/profit for the year</u>	<u>Total equity</u>
Balance at 1 January 2019	84.000.000	36.179.271	2.001.797	15.806.179	(4.797.627)	(17.180.586)	116.009.034
Pension plan - actuarial gain/(loss) (Note 21.1)	-	-	-	(68.035)	-	-	(68.035)
Pension plan - deferred tax liability (Note 8)	-	-	-	15.308	-	-	15.308
Other comprehensive income	-	-	-	(52.727)	-	-	(52.727)
Other changes:							
Appropriation of net result for the year ended 31 December 2018 (Note 17)	-	-	-	-	(17.180.586)	17.180.586	-
Net loss for the year ended 31 December 2019	-	-	-	-	-	4.412.400	4.412.400
Balance at 31 December 2019	84.000.000	36.179.271	2.001.797	15.753.452	(21.978.213)	4.412.400	120.368.707
Pension plan - actuarial gain/(loss) (Note 21.1)	-	-	-	(60.434)	-	-	(60.434)
Pension plan - deferred tax liability (Note 8)	-	-	-	13.598	-	-	13.598
Other comprehensive income	-	-	-	(46.836)	-	-	(46.836)
Other changes:							
Application of net result for the year ended 31 December 2019 (Note 17)	-	-	-	-	4.412.400	(4.412.400)	-
Net profit for the year ended 31 December 2020	-	-	-	-	-	9.110.115	9.110.115
Balance at 31 December 2020	84.000.000	36.179.271	2.001.797	15.706.615	(17.565.813)	9.110.115	129.431.985

The accompanying notes form an integral part of the statements of changes in equity for the year ended 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A.

CASH FLOW STATEMENTS FOR THE YEARS ENDED

31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of cash flow statements originally issued in Portuguese - Note 27)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>OPERATING ACTIVITIES:</u>			
Cash paid to suppliers		(170.885)	(621.522)
Cash paid to employees		(2.842.150)	(2.415.000)
Cash used in operations		(3.013.035)	(3.036.522)
Recovery/(payments) of income tax		1.758.535	(16.740)
Other cash received/(paid) relating to operating activities		195.252	610.261
Net cash used in operating activities (1)		<u>(1.059.248)</u>	<u>(2.443.001)</u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Dividends	7	15.319.909	11.331.547
Net cash from investing activities (2)		<u>15.319.909</u>	<u>11.331.547</u>
<u>FINANCING ACTIVITIES:</u>			
Cash received relating to:			
Bank borrowings	18	900.000	-
Borrowings from group companies	19	-	45.801.615
		<u>900.000</u>	<u>45.801.615</u>
Cash paid relating to:			
Bank borrowings	18	(839.733)	(41.342.104)
Borrowings from group companies	19	(9.524.400)	(8.805.047)
Interest and similar costs		(2.022.209)	(3.900.491)
		<u>(12.386.342)</u>	<u>(54.047.642)</u>
Net cash (used)/from financing activities (3)		<u>(11.486.342)</u>	<u>(8.246.027)</u>
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)		2.774.319	642.519
Cash and cash equivalents at the beginning of the year	13	(4.199.074)	(4.841.593)
Cash and cash equivalents at the end of the year	13	(1.424.755)	(4.199.074)

The accompanying notes form an integral part of the cash flow statements  
for the year ended 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

(Translation of notes originally issued in Portuguese – Note 27)

## 1. INTRODUCTORY NOTE

Impresa - Sociedade Gestora de Participações Sociais, S.A. ("the Company" or "Impresa") has its head office in Lisbon, it was founded on 18 October 1990 and its main activity is the management of participations in other companies.

Impresa is the parent company of a group made up of Impresa and its subsidiaries ("the Group"). The Group operates in the media business, namely in television broadcasting and publishing in paper and digital format.

The accompanying financial statements were authorized for publication by the Board of Directors of Impresa on April 20, 2021.

The Company has also prepared consolidated financial statements in accordance with current legislation.

## 2. MAIN ACCOUNTING POLICIES

### 2.1 Bases of presentation

The financial statements were prepared on a going concern basis, from the Company's accounting records, maintained in accordance with the provisions of the International Financial Reporting Standards as endorsed by the European Union, which include the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC"), the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the related "SIC" and "IFRIC" interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). These standards are hereinafter referred to as "IFRS".

The Board of Directors made an evaluation of the Company's and the Group's ability to continue as going concern, as disclosed in the notes of the consolidated financial statements of December 31, 2020 considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As a result of this analysis, the Board of Directors concluded that the Company has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the financial statements.

The adoption of IFRS in the individual accounts occurred for the first time in 2009, therefore the transition date from Portuguese accounting principles ("POC") to this standard for these purposes was January 1, 2008, in accordance with IFRS 1 - First time adoption of International Financial Reporting Standards ("IFRS 1").

Consequently, in compliance with the provisions of IAS 1, Impresa states that these financial statements and respective notes comply for these purposes with the provisions of IAS/IFRS as adopted by the European Union, in force for financial years beginning on January 1, 2020.

### 2.2 Adoption of new or revised IAS/IFRS

The accounting policies adopted for the year ended December 31, 2020 are consistent with those followed in the preparation of Impresa's financial statements for the year ended December 31, 2019 and referred to in the respective notes.



(Translation of notes originally issued in Portuguese – Note 27)

During the year ended December 31, 2020, the following standards, interpretations, amendments and improvements became effective ("endorsed"), with mandatory application in the current fiscal year:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to references to the Conceptual Framework in IFRS Standards	01-jan-20	Corresponds to amendments to various standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) in relation to references to the revised Conceptual Framework in March 2018. The revised Conceptual Framework includes revised definitions of an asset and a liability and new guidance on measurement, derecognition, presentation and disclosure.
Amendment to IAS 1 and IAS 8 - Definition of Material	01-jan-20	This amendment clarifies the definition of material in IAS 1. The definition of material in IAS 8 now refers to IAS 1. The amendment changes the definition of material in other standards to ensure consistency. Information is material if by its omission, misstatement or concealment it could reasonably be expected to influence the decisions of the primary users of the financial statements based on the financial statements.
Amendment to IFRS 3 - Definition of business	01-jan-20	Corresponds to amendments to the definition of business, intending to clarify the identification of business acquisition or acquisition of a group of assets. The revised definition also clarifies the definition of output of a business as the supply of goods or services to customers. The amendments include examples for identifying the acquisition of a business.
Amendments to IFRS 9, IAS 39 and IFRS 7 - reform of benchmark interest rates (IBOR Reform)	01-jan-20	Corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the benchmark interest rate reform project (known as "IBOR reform"), in order to diminish the potential impact of the change in benchmark interest rates on financial reporting, namely in hedge accounting.
Amendment to IFRS 16 - Leases - "Covid 19 Related Rent Concessions"	01-jun-20	This amendment introduces an optional practical expedient whereby tenants are exempted from analyzing whether rent concessions, typically rent suspensions or rent reductions, related to the "COVID-19" pandemic correspond to contract modifications.

The Company understands that the adoption of the above mentioned standards does not imply significant changes in its financial statements.

(Translation of notes originally issued in Portuguese – Note 27)

The following accounting standards and interpretations, with mandatory application in future economic years, have, up to the date of approval of these financial statements, been endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to IFRS 9, IAS 39 and IFRS 7 -Phase 2 - benchmark interest rate reform (IBOR Reform)	01-jan-21	Corresponds to additional amendments to IFRS 9, IAS 39 and IFRS 7, issued on August 27, 2020, related to the second phase of the benchmark interest rate reform project (known as "IBOR reform"), concerning changes to benchmark interest rates and the impacts at the level of modifications to financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
Amendment to IFRS 4 Insurance Contracts - Deferral of IFRS 9	01-jan-21	Corresponds to an amendment to IFRS 4 that extends the deferral of application of IFRS 9 to initial years on or after January 1, 2023.

The Company did not proceed to early application of any of these standards in the financial statements for the year ended December 31, 2020. The Company believes that the adoption of the standards mentioned above will not result in significant changes in its financial statements.

(Translation of notes originally issued in Portuguese – Note 27)

The following standards, interpretations, amendments and revisions, which may be applied to the Company's operations, but with mandatory application in future financial years, were not, at the date of approval of these financial statements, adopted ("endorsed") by the European Union:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 17 - Insurance Contracts	01-jan-23	This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.
Amendment to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current and Non-Current	01-jan-23	This amendment published by the IASB clarifies the classification of liabilities as current and non-current by analyzing the contractual conditions existing at the reporting date.
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	01-jan-22	<p>These amendments correspond to a set of updates to the various standards mentioned, namely:</p> <ul style="list-style-type: none"> <li>- IFRS 3 - updated the reference to the 2018 conceptual framework; additional requirements for analyzing liabilities under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination;</li> <li>- IAS 16 - prohibition of deducting from the cost of a tangible asset income related to the sale of products before the asset is available for use;</li> <li>- IAS 37 - clarification that costs of compliance with a contract correspond to costs directly related to the contract;</li> <li>- Annual improvements 2018-2020 essentially correspond to amendments to 4 standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41.</li> </ul>

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Company in the year ended December 31, 2020. Of the standards mentioned above, the Company believes that their adoption will not result in significant changes in its financial statements.

### 2.3 Investments in group and associated companies

Equity investments in group and associated companies are recorded at cost, which includes the amount paid plus transaction costs or at deemed cost as of the date of transition to IFRS, which corresponds to the amount recorded as of that date in accordance with generally accepted accounting principles in Portugal.

Investments are maintained at cost of acquisition or deemed cost, less any estimated impairment losses, when applicable.

Supplementary capital contributions made by the Company to group and associated companies are recorded at nominal value less any impairment losses. Such contributions are added to the amount of the investment in group and associated companies due to their permanent nature, they do not bear interest and in accordance with the applicable commercial legislation they can only be repaid if, after repayment, equity of the companies is not less than the sum of their capital and non-distributable reserves.

(Translation of notes originally issued in Portuguese – Note 27)

Dividends attributed by group and associated companies are recorded as financial income and decreases in capital are recorded as decreases in the amount of the investment.

#### 2.4 Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase expenses.

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

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets when they correspond to the replacement of assets which are written off and result in increased future economic benefits.

Tangible fixed assets are depreciated from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, which, for transport equipment, varies between 4 and 8 years.

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

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is considered as met only when the asset (or group of assets to be disposed of) is available for immediate sale in its present condition, subject only to terms that are customary for sales of that asset (or group of assets to be disposed of) and its sale is highly probable. A non-current asset is considered to be held for sale when there is an expectation of the Board of Directors that the sale of these assets will be completed within one year from the classification date.

Non-current assets (or group of assets to be sold) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

#### 2.5 Leases

The Company assesses whether or not a contract contains a right-of-use asset at the inception of the contract. The Company recognizes a right-of-use asset and corresponding right-of-use liability with respect to all leases under which it is the lessee, except for short-term leases (term of 12 months or less) and low value leases. For these leases, the Company recognizes lease expenses on a straight-line basis as an operating expense.

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

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

- In-substance fixed payments for the lease, net of any incentives associated with the lease;
- Variable payments based on indices or rates;
- Expected payments related to residual value guarantees;
- Exercise price of purchase options, if it is reasonably certain that the Company will exercise the option; and
- Penalties for unilaterally exercisable termination or renewal clauses if it is reasonably certain that the Company will exercise the option to terminate or renew the lease term.

The right-of-use liability is measured subsequently, increasing by accrued interest (recognized in the income statement), reducing by the lease payments made.

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

(Translation of notes originally issued in Portuguese – Note 27)

The lease liability is remeasured, the corresponding adjustment in the asset being made, whenever:

- Events or significant changes occur, that are under the control of the lessee, on the lease term, or on the right of exercising the purchase option as a result of a significant event or a change in circumstances. In that case, the lease liability is remeasured, based on the actual lease payments, 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 under a guaranteed residual value, the lease liability being remeasured, discounting the new lease liability using an unchanged discount rate ( unless the change in the lease payments is due to a change based on a floating interest rate, in which case the new discount rate is used);
- A lease contract is modified and the modification in the lease is not accounted as a separate lease. In this case, the lease liability is remeasured based on the modified term, discounting the new payments using a discount rate determined at the effective date of the modification.

The lease liabilities are presented in the line item Bank borrowings of the statement of financial position, and are duly identified in the notes.

The right of use assets correspond to the initial measurement of the corresponding lease liability, added by the lease payments before or on the date of the beginning of the lease, and added by the eventual initial direct expenses, and deducted by eventual amounts received. Subsequently, the right of use assets are measured at cost, net of accumulated depreciations and impairments.

Whenever the Company expects to incur in restoration costs, or in expenses with the repair of the place where the asset is installed, a provision is recognized and measured in accordance with IAS 37. The referred expenses are included in the related right of use asset, provided that the expenses are related to it.

The right of use assets are depreciated at the lower of the term of the lease, or the useful life of the underlying asset.

If a lease transfers the property of the underlying asset or the price of the right of use reflects that the Company expects to exercise the purchase option, the right of use is depreciated over the useful life of the underlying asset. Depreciation starts on the beginning of the lease contract.

The right of use assets are presented under the same line item where the underlying assets would be presented, and are duly identified in the notes. The Company applies IAS 36 in the determination of the recoverable value of the underlying asset, whenever needed.

The parts of variable rents that do not depend from an index or rate are not included in the measurement of the liability and the corresponding asset. The corresponding payments are recognized as an operating expense, in the profit and loss statement of the period to which they relate.

IFRS 16, through a practical expedient, allows that, by class of asset, the lessee does not separate the lease components from the non-lease components included in the same contract, and alternatively, consider both as a single component of the contract. The Company applies this expedient in transport equipment contracts. For contracts that contain a lease component and one or more components that are not leases, the Company allocates the payments to each lease component based on the independent price of each component, and on the aggregated price of the non-lease components.

## 2.6 Financial instruments

### 2.6.1 Other current assets

Other current assets are initially recorded at their nominal value and are presented net of any impairment losses. Impairment losses of these assets are recorded when there is objective evidence that all the amounts due will not be collected in accordance with the terms originally established for settlement of the amounts due. The amount of the loss corresponds to the

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difference between the nominal value and the estimated recoverable value and is recognized in the statement of profit and loss and other comprehensive income for the year.

#### 2.6.2 Cash and cash equivalents

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

#### 2.6.3 Borrowings

Borrowings are initially recognized as liabilities at the amount received, net of expenses relating to their issuance.

Expenses incurred with the issuance of borrowings are recognized in accordance with the amortized cost method, in the statement of profit and loss and other comprehensive income over the period of the borrowings.

Financial costs relating to bank interest and similar costs, such as stamp tax, are recognized in the statement of profit and loss and other comprehensive income on an accruals basis, the amounts due as of the date of the financial statements being classified as “Other current liabilities”.

#### 2.6.4 Borrowings from Group companies

Borrowings from group companies are recorded at their nominal value, the amount corresponding accrued interest as of the date of the financial statements being classified in the caption “Other current liabilities”.

Expenses incurred with the issuance of borrowings from Group companies are recognized in accordance with the amortized cost method, in the statement of profit and loss and other comprehensive income over the period of the borrowings.

#### 2.6.5 Trade and other payables and other current liabilities

Payables are recorded at their nominal value and do not bear interest.

### 2.7 Provisions and contingent liabilities

Provisions are recognized when there is 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.

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

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

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## 2.8 Pension liability

The Company has assumed the commitment to grant its employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognize the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period, the Company obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognized in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, being recognized in equity (other comprehensive income).

## 2.9 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS"), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

In determining income tax cost for the year, in addition to current tax, the effect of deferred tax is also considered, calculated based on the difference between the book value of assets and liabilities and their corresponding value for tax purposes.

Deferred tax assets and liabilities are calculated and valued annually using the tax rates expected to be in force when the temporary differences reverse.

Deferred tax assets are only recognized when there is reasonable expectation that there will be sufficient future taxable income to use them. At each statement of financial position date, a review of the temporary differences underlying the deferred tax assets is made so as to recognize the deferred tax assets not previously recognized because they did not fulfill the conditions required for them to be recognized, and/or reduce the amount of the deferred tax assets based on the current expectation of their future recovery.

## 2.10 Accruals basis

Costs and income are recorded in the period to which they relate, independently of the date they are paid or received.

Financial costs and income relating to interest are recognized on an accruals basis in accordance with the applicable effective interest rate.

## 2.11 Classification of the statement of financial position

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



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#### 2.12 Subsequent events

Events that occur after the end of the year that provide additional information of conditions that existed at that date are reflected in the financial statements.

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

#### 2.13 Impairment of assets

Impairment tests of assets are made whenever events or changes in circumstances are identified that indicate that the amount at which an asset is recorded may not be recovered.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and loss and other comprehensive income.

The recoverable amount is the higher of the net selling price and value in use.

Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows from continued use of the asset and its sale at the end of its useful life. Value in use results from future cash flows discounted based on discount rates that reflect the present cost of capital and the specific risk of the asset.

Whenever the book value of an asset exceeds its recoverable amount, an impairment loss is recognized in the statement of profit and 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 recognized had no impairment loss been recognized for the asset in prior years, net of amortization or depreciation. The reversal of impairment losses is recognized immediately in the statement of profit and loss and other comprehensive income.

#### 2.14 Changes in accounting policies and estimates

During the year ended December 31, 2020, there were no changes in accounting policies from those used in the preparation and presentation of the financial statements for the year ended December 31, 2019, and no material errors relating to prior periods were recognized.

As a result of uncertainties inherent to the activity, the basis of the estimated values is the latest reliable information available, with the main estimates relating to the impairment analyses of financial investments, provisions and pension liabilities. The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in profit or loss and are subject to disclosure when the impact is materially relevant. Estimates are determined based on the best information available at the date of preparation of the financial statements.

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### 3. SERVICES RENDERED AND OTHER OPERATING INCOME

For the years ended December 31, 2020 and 2019, other operating income was as follows:

	<u>2020</u>	<u>2019</u>
Other operating income:		
Others	439,088	-
	<u>439,088</u>	<u>-</u>

(a) As of December 31, 2020, the amount of 439,088 Euros was received related to tax corrections for 2008 and 2009 (Note 8).

### 4. SUPPLIES AND SERVICES

This caption for the years ended 31 December 2020 and 2019 is made up as follows:

	<u>2020</u>	<u>2019</u>
Specialized works	245,743	137,726
Rents (a)	94,229	109,995
Others	73,829	91,237
	<u>413,801</u>	<u>338,958</u>

(a) In the years ended December 31, 2020 and 2019, this item included the amount of 73,800 Euros, respectively, charged by related entities (Note 23).

### 5. PERSONNEL COSTS

Personnel costs for the years ended 31 December 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Personnel remuneration	1,344,001	1,327,900
Remuneration of the corporate boards	587,284	605,287
Charges on remuneration	437,111	463,675
Bonuses	453,400	366,000
Others	39,945	19,888
	<u>2,861,741</u>	<u>2,782,750</u>

During the years ended December 31, 2020 and 2019, the average number of personnel employed by the Company was 23 employees.

During the years ended December 31, 2020 and 2019, personnel costs include remuneration of Key Management Personnel in the amount of 1,171,906 Euros and 1,438,826 Euros, respectively (Note 23).

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## 6. OTHER OPERATING COSTS

Other operating costs for the years ended 31 December 2020 and 2019 are made up as follows:

	<u>2020</u>	<u>2019</u>
Taxes	449,942	406,308
Subscriptions	76,235	78,586
Other operating costs	240	11
	<u>526,417</u>	<u>484,905</u>

## 7. NET FINANCIAL GAINS

Net financial gains for the years ended 31 December 2020 and 2019 are made up as follows:

	<u>2020</u>	<u>2019</u>
<u>Financial costs:</u>		
Interest (a)	(4,098,634)	(4,608,377)
Other financial costs	(243,820)	(278,005)
	<u>(4,342,454)</u>	<u>(4,886,382)</u>
<u>Net gain on group and associated companies:</u>		
Dividends (b)	15,319,909	11,331,547
	<u>10,977,455</u>	<u>6,445,165</u>

(a) At December 31, 2020 and 2019, this caption includes the amount of 3,143,258 Euros and 4,261,324 Euros, respectively, debited by related entities (Note 23).

(b) At December 31, 2020 and 2019, this caption corresponded to dividends received from the following companies (Note 23):

	<u>2020</u>	<u>2019</u>
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	15,319,909	11,331,547
	<u>15,319,909</u>	<u>11,331,547</u>

## 8. DIFFERENCES BETWEEN THE ACCOUNTING AND TAX RESULTS

The Company is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS") together with its subsidiaries: Impresa Publishing, S.A. ("Impresa Publishing"), SIC, GMTS – Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS"), IOSS, and InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal").

The Company is subject to corporate income tax at the rate of 21% of taxable income plus a municipal surcharge at the rate of 1,5% of taxable income, resulting in a maximum aggregate tax rate of 22,5%.

In addition, taxable income exceeding 1,500,000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 9% on taxable profit exceeding 35,000,000 Euros.

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A dedução dos gastos de financiamento líquidos na determinação do lucro tributável, determinado pelo Grupo, é condicionada ao maior dos seguintes limites:

- 1,000,000 Euros;
- 30% do resultado antes de depreciações, gastos de financiamento líquidos e impostos.

In accordance with article 88 of the Corporate Income Tax Code, the Company is subject to autonomous taxation on certain charges, at the rates established in the article.

In accordance with current legislation tax returns are subject to review and correction by the tax authorities during a period of four years (five years for social security), except where there have been tax losses, tax benefits have been given or tax inspections, claims or contestations have been made, in which case, depending on the circumstances, the period can be extended or suspended. Therefore, the Company's tax returns for the years 2017 to 2020 are still subject to review.

The Board of Directors believes that any corrections resulting from reviews/inspections of these tax returns by the Tax Authorities will not have a significant effect on the financial statements at December 31, 2020 and 2019.

Under the terms of the legislation in force, losses can be carried forward for a period of 5 years after their occurrence and can be deducted from tax profits generated during that period, with a limit on the amount of the deduction in each year, which cannot exceed 70% of the respective taxable income, also applicable to tax losses generated in previous years. Additionally, exceptionally, for the years 2020 and 2021 tax losses are carried forward over a period of twelve years.

At December 31, 2020 and 2019, Impresa and its subsidiaries had no tax losses carried forward.

At December 31, 2020 and 2019, current tax liabilities are detailed as follows:

	<u>2020</u>	<u>2019</u>
<u>Current tax liabilities</u>		
Payments on account and special payments on account generated under the RETGS	(2,600,600)	(2,280,658)
Corporate income tax generated under the RETGS (i)	4,866,573	3,308,513
Estimated corporate income tax	55,657	51,744
	<u>2,321,630</u>	<u>1,079,599</u>

(i) As of December 31, 2020 and 2019, this amount had the following composition:

	<u>2020</u>	<u>2019</u>
Accounts payable generated under the RETGS (Note 12)	(603,083)	(494,366)
Accounts receivable generated under the RETGS (Note 12)	7,027,226	5,460,016
	6,424,143	4,965,650
Tax losses carried forward of the Company used under the RETGS	<u>(1,557,570)</u>	<u>(1,657,137)</u>
	<u>4,866,573</u>	<u>3,308,513</u>

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a) Temporary differences – Changes in deferred tax assets

31 December 2020:

	Tax losses carried forward	Other timing differences	Total
Balance at 31 December 2019	-	76,944	76,944
Increases	1,557,570	125,860	1,683,430
Recovery	(1,557,570)	(76,944)	(1,634,514)
Regularizations	-	(2,389)	(2,389)
Balance at 31 December 2020	-	123,471	123,471

31 December 2019:

	Tax losses carried forward	Other timing differences	Total
Balance at 31 December 2018	-	-	-
Increases	1,657,137	76,944	1,734,081
Recovery	(1,657,137)	-	(1,657,137)
Balance at 31 December 2019	-	76,944	76,944

Deferred tax assets arising from tax loss carryforwards generated during the years ended December 31, 2020 and 2019, were fully utilized in the years ended on those dates, due to the positive tax result ascertained by the companies included in the RETGS.

b) Temporary differences – Changes in deferred tax liabilities

31 December 2020:

	Pension Plan
Balance at 31 December 2019	35,450
Increase / (reversal) with effect on other comprehensive income	(13,598)
Increase / (reversal) with effect on results	(2,389)
Balance at 31 December 2020	19,463

31 December 2019:

	Pension Plan
Balance at 31 December 2018	51,210
Increase / (reversal) with effect on other comprehensive income	(15,308)
Increase / (reversal) with effect on results	(452)
Balance at 31 December 2019	35,450

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c) Reconciliation of the tax rate

	<u>2020</u>	<u>2019</u>
Net Result before income tax	7,511,691	2,764,616
Nominal tax rate	21%	21%
Estimated income tax	<u>1,577,455</u>	<u>580,569</u>
Permanent differences (i)	(3,260,885)	(2,315,102)
Adjustment to taxable profit (ii)	55,657	51,744
Insufficiency of estimated income tax	29,349	35,005
Income tax for the year	<u>(1,598,424)</u>	<u>(1,647,784)</u>
Current tax	55,657	51,744
Deferred tax generated in the year	(1,683,431)	(1,734,533)
Insufficiency of estimated income tax of previous year	29,349	35,005
	<u>(1,598,424)</u>	<u>(1,647,784)</u>

(i) At 31 December 2019 and 2018, this caption is detailed as follows:

	<u>2020</u>	<u>2019</u>
Dividends received (Note 7)	(15,319,909)	(11,331,547)
Other non-deductible costs under RETGS	100,000	250,000
Others, net	(308,117)	57,252
	<u>(15,528,026)</u>	<u>(11,024,295)</u>
	21%	21%
	<u>(3,260,885)</u>	<u>(2,315,102)</u>

(ii) This amount represents the amount of IRC taxed autonomously.

d) Tax processes in progress

As a result of inspections of Impresa Serviços e Multimédia, S.A. ("ISM") (merged in 2015 into Impresa) and the respective tax procedure, Impresa was notified in 2011, 2012, 2014 and 2015 of income tax corrections for 2008, 2009, 2010, 2011 and 2012, under which the Tax Authorities refused the tax deductibility of interest relating to part of a loan from BPI to finance the acquisition of non-interest bearing shareholder loans held by BPI (former shareholder) over Solo (entity merged in previous years into ISM). The reasons alleged by the Tax Administration for this refusal are that ISM's normal and current activity does not include the granting of loans to subsidiaries (it was not a holding company) and such charges are supposedly not associated with borrowed capital obtained for its direct operation. The corrections to the taxable income in question were 3,415,295 Euros for 2008, 2,105,621 Euros in 2009, 2,161,788 Euros in 2010, 2,334,795 Euros in 2011 and 943,005 Euros in 2012.

During the year ended December 31, 2016, the Tax Authority cancelled the additional Corporate Income Tax (IRC) assessment brought against the Company for 2012, in the total amount of 943,005 Euros, for which a guarantee was provided in the amount of 325,041 Euros, which was cancelled in April 2016.

During the year ended December 31, 2017, the Group obtained a favorable sentence regarding a judicial challenge filed against the additional corporate income tax assessments for the years ended December 31, 2008 and 2009, related to the deductibility of financial expenses incurred, and an appeal was filed by the Tax Authority.

During the year ended December 31, 2020, the judicial appeal, by opposition of judgments, was denied and the process became final. The amount of 439,088 Euros was received relating to tax corrections to the income tax for the years 2008 and 2009 (Note 3).

The remaining tax corrections mentioned above were contested in court and Impresa has provided bank guarantees in the amount of 2,991,811 Euros for 2010 and 2011 (Note 21). In relation to the challenges

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relating to 2008 and 2009, no bank guarantees had been provided, since in those years the RETGS presented tax losses carried forward (used in 2010) that offset the tax corrections mentioned.

The Board of Directors believes, based on the opinion of its lawyers, that the prospects of success of the claims and/or challenges of those acts are reasonable, and so no provision has been recorded for this tax contingency.

#### 9. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2020 and 2019 were calculated as follows:

	<u>2020</u>	<u>2019</u>
Net Result for the year	9,110,115	4,412,400
Number of shares (Note 15)	<u>168,000,000</u>	<u>168,000,000</u>
Earnings/(Losses) for the year per share	<u>0.0542</u>	<u>0.0263</u>
Comprehensive income for the year	9,063,279	4,359,673
Number of shares (Note 15)	<u>168,000,000</u>	<u>168,000,000</u>
Comprehensive income for the year per share	<u>0.0539</u>	<u>0.0260</u>

As of December 31, 2020 and 2019, there were no dilutive effects, so basic and diluted earnings per share are identical.

#### 10. TANGIBLE FIXED ASSETS

During the year ended December 31, 2020 and 2019, movements in property, plant and equipment and in the related accumulated depreciation and losses were as follows:

##### 2020:

	<u>Transport Equipment</u>
Gross:	
Balance at 31 December 2019:	188,951
New lease contracts	239,393
Deductions	<u>(60,636)</u>
Balance at 31 December 2020	<u>367,708</u>
Accumulated depreciations and impairment losses:	
Balance at 31 December 2019:	73,936
Depreciation for the year	102,893
Deductions	<u>(60,636)</u>
Balance at 31 December 2020	<u>116,193</u>
Net balance at 31 December 2020	<u>251,515</u>

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2019:

	<u>Transport Equipment</u>
Gross:	
Balance at 31 December 2018:	-
Initial adoption of IFRS 16	169,326
New lease contracts	19,625
Balance at 31 December 2019	<u>188,951</u>
Accumulated depreciations and impairment losses:	
Balance at 31 December 2018	-
Depreciation for the year	73,936
Balance at 31 December 2019	<u>73,936</u>
Net balance at 31 December 2019	<u>115,015</u>

Additionally, the following amounts of expenses related to right-of-use assets were recognized in 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Expense related to short term leases (Note 4)	94,229	109,995
Depreciation	102,893	73,936
Interest	6,331	4,367
	<u>203,453</u>	<u>188,298</u>

As of December 31, 2020, the Company is committed to short-term leases of approximately 107,429 Euros.

#### 11. INVESTMENTS IN GROUP AND ASSOCIATED COMPANIES

The movements in investments in group and associated companies and in the related accumulated impairment losses in the year ended 31 December 2020 were as follows:

	<u>Capital shares</u>	<u>Supplementary and ancillary services</u>	<u>Total</u>
Balance at 31 December 2019	248,157,854	32,750,000	280,907,854
Decreases (Note 14)	(2,035,398)	-	(2,035,398)
Balance at 31 December 2020	<u>246,122,456</u>	<u>32,750,000</u>	<u>278,872,456</u>

During the year ended December 31, 2019 there were no movements in the item.

As of December 31, 2020 and 2019, the Company had the following holdings in-group and associated companies (accounting information on the investees taken from its financial statements).



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31 December 2020:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	19,484,192	2,809,878	23,372,833	1,918,270	100%	35,611,372	(37,688,372)	29,000,000	26,923,000
IOSS (a)	Oeiras	33,786,075	6,182,166	8,527,339	(1,229,145)	100%	5,947,555	-	3,750,000	9,697,555
SIC	Oeiras	187,325,010	30,144,704	150,784,497	17,325,398	100%	239,408,738	-	-	239,408,738
Infoportugal	Matosinhos	2,182,714	943,176	2,139,590	238,117	100%	2,842,503	-	-	2,842,503
Vasp	Cacém	n.d	n.d	n.d	n.d	n.d	-	-	-	-
Lusa	Lisboa	n.d	n.d	n.d	n.d	n.d	-	-	-	-
Nexponor	Porto	n.d	n.d	n.d	n.d	0.001%	660	-	-	660
Other	n.d	n.d	n.d	n.d	n.d	n.d	30,000	(30,000)	-	-
							<u>283,840,828</u>	<u>(37,718,372)</u>	<u>32,750,000</u>	<u>278,872,456</u>

31 December 2019:

Company	Head office	Net assets	Equity	Total revenue	Net profit/ (loss) for the year	Percentage participation	Book value	Impairment losses	Permanent loans	Total investment
Impresa Publishing (a)	Lisboa	20,329,600	1,034,178	24,188,391	(90,391)	100%	35,611,372	(37,688,372)	29,000,000	26,923,000
IOSS (a)	Oeiras	35,117,546	7,411,310	8,831,462	(747,664)	100%	5,947,555	-	3,750,000	9,697,555
SIC	Oeiras	182,300,595	28,139,215	153,181,398	15,319,909	100%	239,408,738	-	-	239,408,738
Infoportugal	Matosinhos	1,363,454	705,475	2,233,365	185,940	100%	2,842,503	-	-	2,842,503
Vasp	Cacém	39,115,016	8,983,887	215,390,446	(76,756)	33.33%	1,144,666	-	-	1,144,666
Lusa	Lisboa	11,088,766	5,138,522	16,795,720	655,042	22.35%	890,732	-	-	890,732
Nexponor	Porto	n.d	n.d	n.d	n.d	0.001%	660	-	-	660
Other	n.d	n.d	n.d	n.d	n.d	n.d	30,000	(30,000)	-	-
							<u>285,876,226</u>	<u>(37,718,372)</u>	<u>32,750,000</u>	<u>280,907,854</u>

(a) The equity of these subsidiaries includes the amounts recorded by the Company as supplementary and accessory capital contributions, identified under the caption "Permanent loans".

12. OTHER CURRENT ASSETS AND LIABILITIES

At December 31, 2020 and 2019, the caption other current assets had the following detail:

	2020	2019
<u>Customers</u>		
Vasp (Note 23)	1,213	1,213
Other current account customers	18,145	18,145
	<u>19,358</u>	<u>19,358</u>
<u>Other current assets</u>		
Group companies - RETGS (Notes 8 and 23):		
SIC	6,196,241	5,055,488
Impresa Publishing	722,532	135,944
GMTS	97,835	216,266
InfoPortugal	10,618	52,318
	<u>7,027,226</u>	<u>5,460,016</u>
Others	186,677	234,152
	<u>7,233,262</u>	<u>5,713,526</u>

As of December 31, 2020 and 2019, receivables from Group companies, in the amounts of 7,027,226 Euros and 5,460,016 Euros, respectively, mainly relate to estimated taxes, withholdings at source and payments on account of those subsidiaries registered under the RETGS (Note 8).

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At December 31, 2020 and 2019, the caption other current liabilities had the following detail:

	<u>2020</u>	<u>2019</u>
Group companies - RETGS ( Notes 8 and 23):		
Impresa Publishing	-	-
IOSS	603,083	494,366
	<u>603,083</u>	<u>494,366</u>
Accrued costs:		
Personnel vacation pay and subsidy	338,683	325,961
Bonuses (Note 23)	587,959	366,000
Interest	947,638	1,525,665
Others	160,610	15,759
	<u>2,034,890</u>	<u>2,233,385</u>
State and other public entities		
Personal income tax	195,510	93,995
Social security contributions	90,248	91,649
	<u>285,758</u>	<u>185,644</u>
Other liabilities		
Other creditors	32,468	34,029
	<u>2,956,199</u>	<u>2,947,424</u>

At December 31, 2020 and 2019, accrued interest costs payable, include 882,292 Euros, respectively, relating to the loan granted by SIC (Note 23).

At December 31, 2020 and 2019, accruals relate to bonuses payable to Key Personnel of the Company.

### 13. CASH AND CASH EQUIVALENTS

As of December 31, 2020 and 2019, the breakdown of cash and cash equivalents in the statement of cash flows on those dates were as follows:

	<u>2020</u>	<u>2019</u>
Cash	2,796	2,808
Bank deposits	69,733	39,233
	<u>72,529</u>	<u>42,041</u>
Bank overdrafts (Note 18)	(1,497,284)	(4,241,115)
	<u>(1,424,755)</u>	<u>(4,199,074)</u>

Cash and cash equivalents include cash on hand and immediately available bank deposits.

### 14. NON-CURRENT ASSETS HELD FOR SALE

In November 2020, Impresa decided to implement a plan to dispose of its holdings in Vasp and Lusa. In this context, it signed: (i) a promissory contract of purchase and sale whereby it agrees to sell 222,000 shares, each with a par value of 3,50 Euros, representing 33,33% of the share capital of Vasp for the price of 2,100,000 Euros, the execution of the definitive purchase and sale agreement being subject to the fulfillment of a series of conditions, namely the non-exercise of the preemptive right by Vasp's shareholders and the non-opposition to the transaction by the Competition Authority; (ii) a purchase and sale promissory contract whereby it commits to sell 476.064 shares, each with a nominal value of 2,50 Euros, representing 22,35% of Lusa's share capital, for the price of 1,250,000 Euros, the execution of the final purchase and sale agreement being subject to the fulfillment of a number of conditions, namely the non-opposition to the transaction by the Competition Authority (or confirmation that notification to the Competition Authority is not required).

The Board of Directors is confident that these conditions will be met in the short term, and that these sales will take place in 2021. Thus, the stakes in Vasp and Lusa were classified as non-current assets held for sale.

(Translation of notes originally issued in Portuguese – Note 27)

## 15. CAPITAL

As of December 31, 2020 and 2019, the capital was fully subscribed and paid up and amounted to 84,000,000 Euros, consisting of 168,000,000 shares with a par value of fifty cents, and held as follows, according to the qualifying holdings communicated to the CMVM:

	2020		2019	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de Participações Sociais, S.A. ("Impreger")	50.31%	42,257,294	50.31%	42,257,294
Madre - SGPS, S.A.	4.47%	3,750,622	4.47%	3,750,622
Grupo BPI	3.69%	3,100,000	3.69%	3,100,000
Santander Asset Management	1.99%	1,667,558	2.43%	2,038,048
Newshold - SGPS, S.A.	2.40%	2,019,382	2.40%	2,019,382
Other	37.15%	31,205,145	36.71%	30,834,655
	<u>100.00%</u>	<u>84,000,000</u>	<u>100.00%</u>	<u>84,000,000</u>

## 16. SHARE PREMIUM

The amount recorded in this caption results from premiums obtained in the capital increases that occurred in previous years. In accordance with current legislation, utilization of this reserve is subject to the same rules as the legal reserve, i.e. it cannot be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted, or to increase capital.

## 17. RESERVES

At December 31, 2020 and 2019, the caption "Legal reserve" corresponds to the Company's legal reserve constituted in accordance with commercial legislation, which establishes that at least 5% of annual net income must be allocated to the reinforcement of the legal reserve until it represents at least 20% of capital. This reserve is not distributable except in the event of liquidation of the Company, but can be used to absorb losses, after the other reserves are exhausted, or incorporated into the capital.

In the years ended December 31, 2020 and 2019, the movement occurred in the reserve items was as follows:

### 31 December 2020:

	Legal reserve	Other reserves	Retained Results
Balance at 1 January 2020	2,001,797	15,753,452	(21,978,213)
Decreases (a)	-	-	4,412,400
Pension plan - actuarial gains/losses (Notes 8 and 21.1)	-	(46,837)	-
Balance at 31 de December 2020	<u>2,001,797</u>	<u>15,706,615</u>	<u>(17,565,813)</u>

(a) The recorded decrease is due to the application of the positive net income of 4,412,400 Euros, for the year ended December 31, 2019, in Retained Earnings, in accordance with the resolution of the General Shareholders' Meeting held on June 22, 2020.

### 31 December 2019:

	Legal reserve	Other reserves	Retained Results
Balance at 1 January 2019	2,001,797	15,806,179	(4,797,627)
Decreases (a)	-	-	(17,180,586)
Pension plan - actuarial gains/losses (Notes 8 and 21.1)	-	(52,727)	-
Balance at 31 de December 2019	<u>2,001,797</u>	<u>15,753,452</u>	<u>(21,978,213)</u>

(Translation of notes originally issued in Portuguese – Note 27)

- (a) The recorded decrease is due to the application of the negative net income of 17,180,586 Euros, for the year ended December 31, 2018, in Retained Earnings, in accordance with the resolution of the General Shareholders' Meeting held on April 19, 2018.

## 18. BANK BORROWINGS

As of December 31, 2020 and 2019, the balance of debts to credit institutions has the following composition:

Company	Lending entities	31 December 2020				31 December 2019			
		Book value		Nominal value		Book value		Nominal value	
		Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Impresa	Banco BPI, S.A. (a)	28,508,387	514,592	29,179,265	526,702	24,692,992	2,722,062	25,400,000	2,800,000
Impresa	Banco Santander, S.A. (b)	-	398,853	-	400,000	-	494,873	-	500,000
Impresa	Banco BIC Português, S.A. (d)	2,616,619	-	2,624,727	-	1,928,599	1,285,731	1,937,501	1,291,666
	Leases	153,081	107,429	153,081	107,429	51,538	63,477	51,538	63,477
	Guaranteed current account (e)	-	15,750,000	-	15,750,000	-	14,850,000	-	14,850,000
	Bank overdrafts (f) (Note 13)	-	1,497,284	-	1,497,284	-	4,241,115	-	4,241,115
		<b>31,278,087</b>	<b>18,268,157</b>	<b>31,957,073</b>	<b>18,281,414</b>	<b>26,673,129</b>	<b>23,657,258</b>	<b>27,389,039</b>	<b>23,746,258</b>

As of December 31, 2020 the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flows, was as follows:

Company	Lending entities	31 December 2019		Movements without cashflow			31 December 2020 Book Value	
		Book Value	Cash flows for the year		Amortized cost	Effect of		
			Receipts	(Payments)		moratoria		New contracts
Impresa	Banco BPI, S.A. (a)	27,415,054	-	-	101,958	1,505,967	-	29,022,978
Impresa	Banco Santander, S.A. (b)	494,873	-	(100,000)	3,980	-	-	398,853
Impresa	Banco BIC Português, S.A. (d)	3,214,330	-	(645,833)	6,729	41,394	-	2,616,619
	Leases	115,016	-	(93,899)	-	-	239,393	260,510
	Guaranteed current accounts (e)	14,850,000	900,000	-	-	-	-	15,750,000
		<b>46,089,273</b>	<b>900,000</b>	<b>(839,733)</b>	<b>112,666</b>	<b>1,547,361</b>	<b>239,393</b>	<b>48,048,961</b>
	Bank overdrafts (f) (Note 13)	4,241,115	-	(2,743,831)	-	-	-	1,497,284
		<b>50,330,388</b>	<b>900,000</b>	<b>(3,583,564)</b>	<b>112,666</b>	<b>1,547,361</b>	<b>239,393</b>	<b>49,546,244</b>

As of December 31, 2019, the movement in the balance of payables to credit institutions, separated by movements with associated cash flows and without cash flows, was as follows:

Company	Lending entities	31 December 2018		Movements without cashflow			31 December 2019 Book Value	
		Book Value	Cash flows for the year		Amortized cost	Effect of		
			Receipts	(Payments)		moratoria		New contracts
Impresa	Banco BPI, S.A. (a)	65,521,503	-	(37,609,836)	(496,613)	-	-	27,415,054
Impresa	Banco Santander, S.A. (b)	1,483,679	-	(1,000,000)	11,194	-	-	494,873
Impresa	Caixa Central de Crédito Agrícola Mútuo, C.R.L. (c)	1,344,843	-	(1,350,000)	5,157	-	-	-
Impresa	Banco BIC Português, S.A. (d)	4,172,253	-	(958,333)	410	-	-	3,214,330
	Leases	-	-	(73,935)	-	169,326	19,625	115,016
	Guaranteed current accounts (e)	15,200,000	-	(350,000)	-	-	-	14,850,000
		<b>87,722,278</b>	<b>-</b>	<b>(41,342,104)</b>	<b>(479,852)</b>	<b>169,326</b>	<b>19,625</b>	<b>46,089,273</b>
	Bank overdrafts (f) (Note 13)	4,964,318	-	(723,203)	-	-	-	4,241,115
		<b>92,686,596</b>	<b>-</b>	<b>(42,065,307)</b>	<b>(479,852)</b>	<b>169,326</b>	<b>19,625</b>	<b>50,330,388</b>

- (a) Loan contracted by Impresa Serviços e Multimédia ("ISM") with Banco BPI, S.A., to acquire the total share capital of Solo (merged into ISM), which held a participation of 18.35% in SIC, and a participation of 30.65% in SIC. On January 1, 2015, ISM was merged into Impresa and all the inherent liability was transferred to this entity. At December 31, 2020, this loan bears semi-annual interest at a rate corresponding to the six-month Euribor plus 3.25%, and early repayments of approximately 32,900,000 Euros were made in 2019 together with the renegotiation of a new repayment plan and change in financial ratios. In the year ending December 31, 2020, due to the moratorium granted, under the support measures for companies to mitigate the effects of the pandemic caused by the COVID-19 virus, there was a postponement of the repayment terms of principal and interest.

As guarantee of full compliance with this loan, the Company signed a blank promissory note and shares representing 100% of SIC's capital were pledged.

As a result of contracting this loan, Impresa assumed several covenants and restrictions relating essentially to the acquisition and sale of assets and the distribution of dividends.

In accordance with the terms of the loan, Impresa must maintain at least 51% of SIC's capital. In addition, Impreger must not reduce its participation in Impresa below 50.01% of its capital.

(Translation of notes originally issued in Portuguese – Note 27)

- (b) Loan contract signed by the Company in June 2015 with Banco Popular, S.A. (currently Banco Santander, S.A.), to be repaid in ten successive semi-annual installments until June 16, 2020. Due to the moratorium granted, under the support measures to companies to mitigate the effects of the pandemic caused by the COVID-19 virus, the last semi-annual installment will be repaid in 2021. On December 31, 2020, this loan bears interest payable semi-annually in arrears at a rate corresponding to the six-month Euribor plus 2.25%.

As guarantee of full compliance with this loan, the Company has subscribed a blank promissory note.

- (c) Loan contracted by the Company in September 2015, with Caixa Central de Crédito Agrícola Mútuo C.R.L., to be repaid in eight semi-annual installments until September 15, 2019. As of December 31, 2019, the loan is fully repaid.
- (d) On September 18, 2015, the Company entered into a financing agreement with Banco BIC Português, S.A., to be repaid in six semi-annual installments, the first five in the amount of 1,200,000 Euros and the last, on September 18, 2018, of 5,000,000 Euros. On July 16, 2018, the Company and BIC entered into an amendment to the contract, where it was defined the repayment of this financing in two last installments, one of 312,500 Euros in March 2019 and remaining in June 2019. In March 2019, the Company entered into a new amendment to the contract, defining the repayment in successive semi-annual installments of 645,833 Euros until March 2022. In the year ending December 31, 2020, due to the COVID-19 moratorium granted, there was postponement of the principal and interest repayment terms. This loan bears interest semiannually in arrears at a rate corresponding to the six-month Euribor plus 2%.

As guarantee of full compliance with this loan, the Company subscribed three blank promissory notes.

Additionally, as a result of contracting this loan, Impresa assumed the fulfillment of certain covenants.

Under the terms of this loan agreement, Impreger must not reduce its participation in Impresa below 50.01% of its capital.

- (e) Guaranteed current accounts obtained, which bear interest at normal market rates for similar operations.
- (f) Bank overdrafts bear interest at market rates for similar operations.

As of December 31, 2020, the financing obtained has the following repayment schedule:

2021	18,173,985	(a)
2022	4,788,594	
2023	5,262,625	
2024	6,162,408	
2025	6,531,099	
2026	6,162,408	
2027	2,896,858	
	<u>49,977,977</u>	

- (a) As of December 31, 2020, current borrowings include 15,750,000 Euros that correspond to secured current accounts that are automatically renewable for 6-month periods.

(Translation of notes originally issued in Portuguese – Note 27)

As of December 31, 2020, lease liabilities have the following repayment schedule:

2021	107,429
2022	80,623
2023	46,124
2024	26,334
	<u>260,510</u>

For the years ended December 31, 2020 and 2019, the effective interest rate on each loan was as follows:

<u>Lending entities</u>	<u>2020</u>	<u>2019</u>
Banco BPI, S.A.	3,59%	3,71%
Banco Santander, S.A.	3,25%	3,28%
Banco BIC Português, S.A.	2,26%	2,20%
Contas correntes caucionadas	2,50%	2,50%

If market interest rates had been higher or lower by 0.5% during the years ended December 31, 2020 and 2019, the net income for those years would have decreased or increased by approximately 250,000 Euros and 358,000 Euros, respectively.

The Board of Directors believes that there is no breach of the obligations arising from the loans mentioned above, either with regard to maintaining the main shareholdings in subsidiary companies, or limiting investments or dividend distributions, or financial covenants, which are detailed in Note 28 of the notes to the consolidated financial statements.

#### 19. BORROWINGS FROM GROUP COMPANIES

At 31 December 2020 and 2019, the Company had the following loans from its subsidiaries:

	<u>2020</u>	<u>2019</u>
<u>Non Current:</u>		
Group companies (Nota 23):		
SIC	85,000,000	85,000,000
IP	6,561,953	6,561,953
IOSS	7,373,000	7,373,000
	<u>98,934,953</u>	<u>98,934,953</u>
<u>Current:</u>		
Group companies (Nota 23):		
SIC	2,600,600	12,125,000
	<u>101,535,553</u>	<u>111,059,953</u>

The loans obtained from group companies bear interest annually and are indexed to the 6-month Euribor rate plus a spread of 2.75%.

The amounts recorded relating to SIC classified as non-current liabilities refer to two contracts with a maturity of 10 years amounting to 55,000,000 Euro and 30,000,000 Euro, which mature on 31 May 2029 and 31 December 2029, respectively. The amounts related to IP and IOSS do not have a defined maturity date.

The amount relating to SIC, classified under current liabilities, is a treasury credit line maturing in less than one year.

In the year ended December 31, 2020 there were no reinforcements of loans granted by Group companies. In the year ended December 31, 2019, the loans granted by SIC were reinforced in the total amount of 45,801,615 Euros.

(Translation of notes originally issued in Portuguese – Note 27)

Additionally, in the year ended December 31, 2020, the amount of 9,524,400 Euros related to loans granted by SIC was amortized. In the year ended December 31, 2019, the amount of 8,805,047 Euros related to loans granted by IP and IOSS was amortized.

## 20. TRADE AND OTHER PAYABLES

As of December 31, 2020 and 2019, the detail of suppliers and accounts payable was as follows:

	<u>2020</u>	<u>2019</u>
Group Companies (Nota 23)		
SIC	2,431,000	658,992
IOSS	223,426	245,635
Impresa Publishing	199,849	269,080
Other suppliers	9,793	17,715
	<u>2,864,069</u>	<u>1,191,422</u>

## 21. CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At December 31, 2020 and 2019, the Company had requested the issuance of bank guarantees in favor of the Tax and Customs Authority, in the amount of 2,991,811 Euros related to tax enforcement proceedings, arising from the correction to the taxable income for the years 2010 and 2011 (Note 8).

## 22. COMMITMENTS ASSUMED

### 22.1 Pensions

Impresa has assumed commitments to pay its employees and remunerated members of the Board of Directors hired before 5 July 1993, pension supplements for retirement due to age and incapacity. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions.

In accordance with an actuarial study made by the entity managing the fund, the present value of the above mentioned past service liability for current and retired employees as of 31 December 2020 and 2019 was estimated at 925,562 Euros and 870,543 Euros, respectively, and the amount of the fund on those dates was 1,012,075 Euros and 1,028,105 Euros, respectively.

(Translation of notes originally issued in Portuguese – Note 27)

For the years ended December 31, 2020 and 2019, the movement in the value of the past service liabilities of its active and retired employees and the value of the Company's plan assets was as follows:

	2020	2019
Present value of the liability for defined benefits at the beginning of the year:	870,543	678,966
Benefits paid	(41,686)	(41,686)
Current service cost	12,430	7,125
Interest cost	10,777	14,808
Transfer of participants	-	116,215
Actuarial gain and loss	73,498	95,115
Present value of the liability for defined benefits	<u>925,562</u>	<u>870,543</u>
Plan assets at the beginning of the year	1,028,106	906,567
Benefits paid	(41,686)	(41,686)
Interest of the plan	12,591	19,929
Transferring Participants	-	116,215
Financial gain/loss	13,064	27,080
Plan assets at the end of the year	<u>1,012,075</u>	<u>1,028,105</u>
<i>Superavit</i>	<u>86,513</u>	<u>157,562</u>

Financial gains and losses arising from differences between the assumptions used in determining the expected return on assets and the amounts effectively verified and actuarial gains and losses between the assumptions used in determining the liabilities were recorded as income and costs recognized directly in equity, as other comprehensive income. The remaining income and costs were recorded in the income statement.

	2020	2019
Amounts recognized in the statement of profit or loss:		
Current service cost	(12,430)	(7,125)
Interest cost	(10,777)	(14,808)
Fund interest	12,591	19,929
	<u>(10,616)</u>	<u>(2,004)</u>
Amounts recognized as other comprehensive income:		
Actuarial (gain)/loss	73,498	95,115
Financial gain/loss	(13,064)	(27,080)
	<u>60,434</u>	<u>68,035</u>

Further information regarding this situation is disclosed in Note 32.1 of the notes to the consolidated financial statements.

## 23. RELATED PARTIES

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

In the year ended December 31, 2019 the Group adopted new internal regulations regarding the definition of related parties, given the Group's governance structure and decision making process, which now considers as "key management personnel" the Board of Directors and Joint Executive Committee, since the main decisions related to their activity are taken by these bodies. During the years ended December 31, 2020 and 2019, transactions with the Board of Directors and Executive Committee correspond essentially to remuneration earned in the performance of their duties in the Impresa Group.



(Translation of notes originally issued in Portuguese – Note 27)

At December 31, 2020 and 2019, the balances and transactions with related parties are as follows:

	<u>2020</u>	<u>2019</u>
<u>Transactions:</u>		
Rent cost (Impreger) (Note 4)	73,800	73,800
Services obtained	-	2,664
Personnel costs (Note 5)	1,171,906	1,438,826
Interest and similar costs (Note 7)	3,143,258	4,261,324
Dividends received (Note 7)	15,319,909	11,331,547
<u>Balances:</u>		
Cash and cash equivalents (a)	38,136	7,862
Receivables (Note 12)	7,028,439	5,461,229
Current liabilities (Note 12)	2,073,334	1,742,658
Borrowings (Note 19)	101,535,553	111,059,953
Payables (Note 20)	2,854,276	1,173,707
Bank borrowings (a)	34,022,979	32,215,054

(a) These balances correspond to bank deposits at Banco BPI, S.A..

During the years ended December 31, 2020 and 2019, pension supplements were paid to the Chairman of the Board of Directors, in the amount of 184,739 Euros, in each year, by the pension fund.

As of December 31, 2020 and 2019, no long-term, severance benefits or share payments were granted to the members of the Board of Directors.

As of December 31, 2020 and 2019, personnel costs include 453,400 Euros and 366,000 Euros for bonuses attributed to Key Management Personnel to be settled in 2021 and 2020, respectively.

#### 24. RISK MANAGEMENT

Risk management is carried out on a consolidated basis, and so reference is made to Note 35 of the notes to the consolidated financial statements.

#### 25. OTHER INFORMATION

As of December 31, 2020 and 2019, the amount of annual compensation paid by the Company to the auditor and other individuals or legal entities belonging to the same network were as follows:

:

	<u>2020</u>	<u>2019</u>
Auditing Services	22,400	22,400
Other assurance services	1,820	1,820
	<u>24,220</u>	<u>24,220</u>

(Translation of notes originally issued in Portuguese – Note 27)

## 26. SUBSEQUENT EVENTS

In the year ended December 31, 2020, the Company entered into a promissory contract of purchase and sale by which it committed to sell 222,000 shares, representing 33.33% of the share capital of Vasp - Distribuidora de Publicações, S.A. ("Vasp"), for the price of 2,100,000 Euros. Subsequently, Páginas Civilizadas, Lda., Cofina Media, S.A. and Global Notícias Media Group, S.A. reached an understanding for the transaction to be completed, subject to the completion of an accounting and financial audit by Páginas Civilizadas, Lda. and to the non-opposition to the transaction by the Competition Authority, through the transmission by Impresa:

- (i) to Páginas Civilizadas, Lda. 111,000 shares, representing 16.665% of the share capital of Vasp, for the price of 1,050,000 Euros; and
- (ii) to Cofina Media, S.A., 111,000 shares, representing 16.665% of the share capital of Vasp, for the price of 1,050,000 Euros.

## 27. 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 ACCOUNTANT

THE BOARD OF DIRECTORS



**III.**

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

**2020**

## STATUTORY AUDITOR'S CERTIFICATION AND AUDIT REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying financial statements of Impresa - Sociedade Gestora de Participações Sociais, SA (Impresa), which comprise the statement of financial position as at 31 December 2020 (showing a total of 288 675 144 euros and a total net equity of 129 431 985 euros, including a net profit of 9 110 115 euros), the income and comprehensive income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Impresa - Sociedade Gestora de Participações Sociais, SA as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of Impresa 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.

#### Emphasis of matter

As mentioned in the management report and in note 26 to the financial statements, Impresa did not suffer significant unexpected impacts on its activity resulting from the prolongation of the State of Emergency. Taking into consideration Impresa's cash, the availability of funds to meet its commitments for the current year and the possibility of using credit lines, the conditions for the continuity of operations are ensured. Impresa's activity plays a particular important role in these types of situations, in which the search for updated, rigorous and credible information is even more important. Impresa will monitor the economic implications of Covid-19 and, in particular, the identification of potential sources of risk for its activity. Our opinion is not modified in respect of this matter.



### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, 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.



Key audit matters	Summary of the audit response
<p><b><i>Impairment of the investments in Group companies</i></b></p> <p>The statement of financial position as at 31 December 2020 includes investments in Group companies and associates in the amount of 278 872 456 euros recorded at cost or deemed cost less impairment losses, derived from acquisitions of financial investments in previous years, essentially, in entities that control the television and publishing business lines. The realisation of these investments depends on the future cash flows generated by the corresponding subsidiaries, which gives rise to the risk that they will not be sufficient to recover the invested value.</p> <p>As mentioned in note 2.14 of the notes to the financial statements, Impresa analyses these investments whenever there is evidence of impairment, using a third party outside the Group for the effect of preparing the assessments. The impairment tests are based on the discounted cash flow method, based on the future projections of each business over a five-year timeline, considering a perpetuity from the fifth year onwards, which include various assumptions relative to a set of variables that are detailed in note 17 of the notes to the consolidated financial statements.</p> <p>Considering the value recorded under this heading, and the existence of a high number of judgements and estimates entailed by the impairment tests, we deem the analysis of impairment of the financial investments a key audit matter.</p> <p>Related disclosures: Notes 2.3, 2.14 and 11 of the notes to the financial statements.</p>	<p>The audit response involved, in brief, the conduct of the following procedures:</p> <p>Obtaining of the impairment analyses prepared by the board of directors using an external entity and review of the studies made by this entity as to comprehensiveness and consistency with the rest of the financial information: (i) analysis of the reasonableness of the assumptions used, considering the economic and market circumstances, and the expected future performance of the corresponding cash-generating units; (ii) comparison of the projected cash flows in the analyses, including the main assumptions considered, such as the historical performance of the cash-generating units and respective budgets approved by the management body; and (iii) verification of the calculations made;</p> <p>Involvement of our in-house specialists for appraisal of the main assumptions used, including the preparation of scenarios/sensitivity tests.</p> <p>Considerations about the possible impacts of the pandemic Covid-19.</p> <p>Appraisal of the reasonableness of the disclosures made in the financial statements.</p>



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

Management is responsible for:

- (i) the preparation of financial statements that give a true and fair view of Impresa's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- (ii) the preparation of the management report and the corporate governance report in accordance with applicable laws and regulations;
- (iii) designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- (iv) the adoption of accounting policies and principles appropriate in the circumstances; and
- (v) assessing Impresa's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about Impresa's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Impresa'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 misstatement, 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 judgement and maintain professional scepticism throughout the audit. We also:

- (i) 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;
- (ii) 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 Impresa's internal control;
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (iv) 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 Impresa'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 auditor's report. However, future events or conditions may cause Impresa to cease to continue as a going concern;
- (v) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- (vi) 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;
- (vii) 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 their public disclosure;



- (viii) provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, what measures were taken to eliminate the threats or which safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code about corporate governance.

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

### **On the management report**

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the 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 Impresa, we have not identified any material misstatements.

### **On the corporate governance report**

Pursuant to article 451.º, n.º 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to Impresa to provide under article 245.º-A of the Securities Code, with no material misstatements identified in the information disclosed therein, complying with the provisions in paragraphs c), d), f), h), i) and m) of that article.

### **On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014**

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as statutory auditors of Impresa in the shareholders general meeting held on 16 April 2019 for a first mandate from 2019 to 2022.
- 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 possibility of material misstatement 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 delivered to the supervisory body of Impresa on 30 April 2021.
- We declare that we have not provided any prohibited services as described in article 77.º, number 8, of the Ordem dos Revisores Oficiais de Contas statutes, and we have remained independent of Impresa in conducting the audit.
- We inform that, in addition to the audit, we provide Impresa with the following services permitted by law and regulations in force:
  - Limited review of the semi-annual information with reference to 30 June 2020;
  - Reliability assurance work related to the independent review of ratios associated with compliance with contractual clauses included in financing agreements (covenants).

Lisbon, 30 April 2021

Rui Lourenço Helena, in representation of  
BDO & Associados - SROC



**IV.  
CONSOLIDATED FINANCIAL  
STATEMENTS**

**2020**

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

<u>ASSETS</u>	<u>Notes</u>	<u>31 December de 2020</u>	<u>31 December de 2019</u>
<u>NON-CURRENT ASSETS:</u>			
Goodwill	17	268.622.821	268.622.821
Intangible assets	18	155.722	346.108
Tangible fixed assets	19	39.361.839	42.114.822
Investments	20	14.363	4.457.156
Program broadcasting rights	21	6.379.559	4.027.118
Other non-current assets	23	6.189.690	4.976.000
Deferred tax assets	15	1.738.493	1.693.102
Total non-current assets		<u>322.462.487</u>	<u>326.237.127</u>
<u>CURRENT ASSETS:</u>			
Program broadcasting rights	21	20.001.514	15.475.193
Inventories	21	344.677	269.021
Trade and other receivables	22	32.468.510	29.541.617
Other current assets	23	3.683.661	6.721.066
Cash and cash equivalents	24	8.668.122	2.529.843
Total current assets		<u>65.166.484</u>	<u>54.536.740</u>
Non-current assets classified as held for sale	25	3.583.279	-
TOTAL ASSETS		<u>391.212.250</u>	<u>380.773.867</u>
<u>EQUITY AND LIABILITIES</u>			
<u>EQUITY:</u>			
Share capital	26	84.000.000	84.000.000
Share premium	26	36.179.272	36.179.272
Legal reserve	26	2.001.797	2.001.797
Retained earnings and other reserves		10.712.763	3.066.249
Consolidated net profit/(loss) for the year		11.220.238	7.835.921
TOTAL EQUITY		<u>144.114.070</u>	<u>133.083.239</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Borrowings	27	133.620.100	118.595.329
Provisions	28	6.900.237	7.102.625
Deferred tax liabilities	15	157.658	216.406
Trade and other payables	29	960.331	1.760.617
Total non-current liabilities		<u>141.638.326</u>	<u>127.674.977</u>
<u>CURRENT LIABILITIES:</u>			
Borrowings	27	27.888.844	50.326.969
Trade and other payables	29	21.404.778	23.182.674
Current tax liabilities	15	2.334.675	1.095.645
Other current liabilities	30	53.831.557	45.410.363
Total current liabilities		<u>105.459.854</u>	<u>120.015.651</u>
TOTAL LIABILITIES		<u>247.098.180</u>	<u>247.690.628</u>
TOTAL EQUITY AND LIABILITIES		<u>391.212.250</u>	<u>380.773.867</u>

The accompanying notes form an integral part of on the consolidated statement of financial position as of 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<b><u>OPERATING REVENUES</u></b>			
Services rendered	9	165.839.898	170.099.082
Sales	9	10.692.127	9.974.261
Other operating revenue	10	1.557.641	1.796.806
Total operating revenue		<u>178.089.666</u>	<u>181.870.149</u>
<b><u>OPERATING EXPENSES</u></b>			
Cost of programs broadcast and goods sold	11	(66.713.486)	(72.975.755)
Supplies and services	12	(36.040.976)	(37.260.087)
Personnel costs	13	(42.091.456)	(44.740.559)
Amortization and depreciation	18 and 19	(5.335.362)	(5.849.203)
Provisions and impairment losses	28	(558.001)	(341.400)
Other operating expenses	10	(2.133.242)	(1.792.453)
Total operating expenses		<u>(152.872.523)</u>	<u>(162.959.457)</u>
Operating profit		<u>25.217.143</u>	<u>18.910.692</u>
<b><u>NET FINANCIAL EXPENSES</u></b>			
Gain / (loss) on associated companies	14	(559.011)	117.090
Interest and other financial costs	14	(8.346.464)	(7.597.483)
Other financial income	14	15.450	149.396
Net financial expenses		<u>(8.890.025)</u>	<u>(7.330.997)</u>
Profit before taxes		<u>16.327.118</u>	<u>11.579.695</u>
Income tax expense	15	(5.106.880)	(3.743.774)
Consolidated net profit/(loss) for the year		<u>11.220.238</u>	<u>7.835.921</u>
<b><u>Other comprehensive income</u></b>			
Items that will not be reclassified to the statement of profit and loss			
Actuarial gain/(loss)	15 and 32.1	(189.407)	(133.413)
Comprehensive income for the year		<u>11.030.831</u>	<u>7.702.508</u>
<b>Earnings per share:</b>			
Basic	16	0,0668	0,0466
Diluted	16	0,0668	0,0466
<b>Comprehensive income per share:</b>			
Basic	16	0,0657	0,0458
Diluted	16	0,0657	0,0458

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 2020

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

		<u>Share Capital</u>	<u>Share premium</u>	<u>Legal Reserve</u>	<u>Retained earnings and other reserves</u>	<u>Consolidated net profit / (loss) for the year</u>	<u>Total</u>
Balance at 1 January 2019		84.000.000	36.179.272	2.001.797	60.378	3.139.284	125.380.731
Pension plan - actuarial gain/(loss)	32.1	-	-	-	(172.145)	-	(172.145)
Pension plan - deferred tax liability	15	-	-	-	38.732	-	38.732
Other comprehensive income		-	-	-	(133.413)	-	(133.413)
Other changes in equity		-	-	-	-	-	-
Appropriation of consolidated net profit for the year ended 31 December 2018	26	-	-	-	3.139.284	(3.139.284)	-
Consolidated net profit for the year ended 31 December 2019		-	-	-	-	7.835.921	7.835.921
Balance at 31 December 2019		<u>84.000.000</u>	<u>36.179.272</u>	<u>2.001.797</u>	<u>3.066.249</u>	<u>7.835.921</u>	<u>133.083.239</u>
Pension plan - actuarial gain/(loss)	32.1	-	-	-	(244.395)	-	(244.395)
Pension plan - deferred tax liability	15	-	-	-	54.988	-	54.988
Other comprehensive income		-	-	-	(189.407)	-	(189.407)
Appropriation of consolidated net profit for the year for the year ended 31 December 2019	26	-	-	-	7.835.921	(7.835.921)	-
Consolidated net profit for the year ended 31 December 2020		-	-	-	-	11.220.238	11.220.238
Balance at 31 December 2020		<u>84.000.000</u>	<u>36.179.272</u>	<u>2.001.797</u>	<u>10.712.763</u>	<u>11.220.238</u>	<u>144.114.070</u>

The accompanying notes for an integral part of the consolidated statement of changes in equity for the year ended 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

IMPRESA - SOCIEDADE GESTORA DE PARTICIPAÇÕES SOCIAIS, S.A. AND SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEARS ENDED

FOR THE YEARS ENDED 31 DECEMBER 2020 AND 2019

(Amounts stated in Euros)

(Translation of consolidated statements of financial position originally issued in Portuguese - Note 39)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>OPERATING ACTIVITIES</u>			
Cash receipts from customers		181.417.054	185.071.465
Cash paid to suppliers		(110.950.338)	(120.559.785)
Cash paid to employees		<u>(41.649.605)</u>	<u>(44.938.921)</u>
Cash generated from operations		28.817.111	19.572.759
Payments relating to income taxes		(3.989.870)	(3.581.541)
Other cash paid relating to operating activities		2.719.121	5.028.158
Net cash from operating activities (1)		<u><u>27.546.362</u></u>	<u><u>21.019.376</u></u>
<u>INVESTING ACTIVITIES</u>			
Cash received relating to:			
Interests		206.201	139.270
Subsidies		302.268	197.157
Current assets classified as held for sale	25	120.000	4.310.000
Investment property		<u>800.000</u>	<u>1.800.000</u>
		<u>1.428.469</u>	<u>6.446.427</u>
Cash paid relating to:			
Tangible fixed assets		(3.354.029)	(4.954.023)
Intangible assets		-	(413.241)
Financial investments		<u>-</u>	<u>(300.000)</u>
		<u>(3.354.029)</u>	<u>(5.667.264)</u>
Net cash used in investing activities (2)		<u><u>(1.925.560)</u></u>	<u><u>779.163</u></u>
<u>FINANCING ACTIVITIES</u>			
Cash received relating to:			
Borrowings	27	<u>9.500.000</u>	<u>57.412.500</u>
		<u>9.500.000</u>	<u>57.412.500</u>
Cash paid relating to:			
Borrowings	27	(20.083.290)	(77.914.485)
Interests and similar costs		<u>(6.139.876)</u>	<u>(7.696.620)</u>
		<u>(26.223.166)</u>	<u>(85.611.105)</u>
Net cash used in investing activities (3)		<u><u>(16.723.166)</u></u>	<u><u>(28.198.605)</u></u>
Net (decrease)/increase in cash and cash equivalents (4) = (1) + (2) + (3)		8.897.636	(6.400.066)
Captive fixed-term deposit		-	640.000
Cash and cash equivalents at the beginning of the year	24	(2.457.145)	3.302.921
Cash and cash equivalents at the end of the year	24	6.440.491	(2.457.145)

The accompanying notes form an integral part of the consolidated cash flow statement for the year ended 31 December 2020.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

(Translation of notes originally issued in Portuguese – Note 39)

## 1. INTRODUCTORY NOTE

Impresa – Sociedade Gestora de Participações Sociais, S.A. (“the Company” or “Impresa”) has its head-office in Rua Ribeiro Sanches 65, Lisbon and was founded on 18 October 1990, its main activities being the management of investments in other companies.

The Impresa Group (“the Group”) is made up of Impresa and its subsidiaries (Note 4). The Group operates in the media industry, namely in television broadcasting and publishing in paper and digital format.

Impresa’s shares are listed in Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.

The Board of Directors of Impresa approved these financial statements for publication on April 20, 2021.

## 2. MAIN ACCOUNTING POLICIES

### 2.1 Bases of presentation

The consolidated financial statements have been prepared on a going concern basis, from the accounting records of the companies included in the consolidation (Note 4), prepared in accordance with the provisions of IAS/IFRS as endorsed by the European Union, which include the International Accounting Standards (“IAS”) issued by the International Standards Committee (“IASC”), International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and related “SIC” and “IFRIC” interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and Standing Interpretation Committee (“SIC”). These standards are hereinafter referred to as “IFRS”.

The Board of Directors made an evaluation of the Group’s ability to continue as going concern, considering all the relevant information, facts and circumstances, of financial, commercial or other nature, including subsequent events to the date of the financial statements, available about the future. As result of this analysis, the Board of Directors, considering the perspectives of cash-flow generation, the credit limits available for use, the renewable amount of credit lines, concluded that the Group has the adequate financial resources to maintain its activities, there being no intentions to cease operations in the short term; therefore, it considered adequate the use of the going concern assumption in the preparation of the consolidated financial statements (Note 35.d).

### 2.2 Accounting policies

Impresa adopted IFRS for the preparation of its consolidated financial statements for the first time in 2005 and so, in compliance with IFRS 1 – First-time Adoption of International Financial Reporting Standards (“IFRS 1”), the date of transition from Portuguese generally accepted accounting principles to IFRS rules was 1 January 2004.

Therefore, in compliance with IAS 1, Impresa declares that these consolidated financial statements and related notes comply with the requirements of IAS/IFRS as endorsed by the European Union, in force for years beginning on 1 January 2020.

#### Adoption of new or revised IAS/IFRS

The accounting policies adopted for the year ended December 31, 2020 are consistent with those followed in the preparation of Impresa’s consolidated financial statements for the year ended December 31, 2019 and referred to in the respective notes.

During the year ended December 31, 2020, the following standards, interpretations, amendments and improvements became effective (“endorsed”), with mandatory application in the current fiscal year:



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to references to the Conceptual Framework in IFRS Standards	01-jan-20	Corresponds to amendments to various standards (IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC 32) in relation to references to the revised Conceptual Framework in March 2018. The revised Conceptual Framework includes revised definitions of an asset and a liability and new guidance on measurement, derecognition, presentation and disclosure.
Amendment to IAS 1 and IAS 8 - Definition of material	01-jan-20	This amendment clarifies the definition of material in IAS 1. The definition of material in IAS 8 now refers to IAS 1. The amendment changes the definition of material in other standards to ensure consistency. Information is material if by its omission, misstatement or concealment it could reasonably be expected to influence the decisions of the primary users of the financial statements based on the financial statements.
Amendment to IFRS 3 - Definition of business	01-jan-20	Corresponds to amendments to the definition of business, intending to clarify the identification of a business acquisition or acquisition of a group of assets. The revised definition also clarifies the definition of output of a business as the supply of goods or services to customers. The amendments include examples for identifying the acquisition of a business.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to IFRS 9, IAS 39 and IFRS 7 - reform of benchmark interest rates (IBOR Reform)	01-jan-20	Corresponds to amendments to IFRS 9, IAS 39 and IFRS 7 related to the benchmark interest rate reform project (known as "IBOR reform"), in order to diminish the potential impact of the change in benchmark interest rates on financial reporting, namely in hedge accounting.
Amendment to IFRS 16 - Leases - "Covid 19 Related Rent Concessions"	01-jun-20	This amendment introduces an optional practical expedient whereby tenants are exempted from analyzing whether rent concessions, typically rent suspensions or rent reductions, related to the "COVID-19" pandemic correspond to contract modifications.

The following standards, interpretations, amendments and improvements, with mandatory application in future financial years, have, up to the date of approval of these consolidated financial statements, been adopted ("endorsed") by the European Union:

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
Amendments to IFRS 9, IAS 39 and IFRS 7 -Phase 2 - benchmark interest rate reform (IBOR Reform)	01-jan-21	Corresponds to additional amendments to IFRS 9, IAS 39 and IFRS 7, issued on August 27, 2020, related to the second phase of the benchmark interest rate reform project (known as "IBOR reform"), concerning changes to benchmark interest rates and the impacts at the level of modifications to financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.
Amendment to IFRS 4 Insurance Contracts - Deferral of IFRS 9	01-jan-21	Corresponds to an amendment to IFRS 4 that extends the deferral of application of IFRS 9 to initial years on or after January 1, 2023.

These standards were not adopted by the Group in 2020, as their application is not mandatory. The Group believes that the adoption of the standards mentioned above will not result in significant changes in its consolidated financial statements.

The following standards, interpretations, amendments and revisions, which could be applicable to the Group's operations, except for IFRS 7, but with mandatory application in future financial years, have not been, until the date of approval of these consolidated financial statements, adopted ("endorsed") by the European Union:

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Standard / Interpretation	Applicable in the European Union in the years starting on or after	Brief description
IFRS 17 - Insurance Contracts	01-jan-23	This standard establishes, for insurance contracts within its scope, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.
Amendment to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current and Non-Current	01-jan-23	This amendment published by the IASB clarifies the classification of liabilities as current and non-current by analyzing the contractual conditions existing at the reporting date.
Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020	01-jan-22	<p>These amendments correspond to a set of updates to the various standards mentioned, namely noneadamente</p> <ul style="list-style-type: none"> <li>- IFRS 3 - updated the reference to the 2018 conceptual framework; additional requirements for analyzing liabilities under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognized in a business combination.</li> <li>- IAS 16 - prohibition of deducting from the cost of a tangible asset income related to the sale of products before the asset is available for use</li> <li>- IAS 37 - clarification that the costs of fulfilling a contract correspond to costs directly related to the contract</li> <li>- Annual improvements 2018-2020 correspond essentially to amendments to 4 standards, IFRS 1, IFRS 9, IFRS 16 and IAS 41</li> </ul>

These standards have not yet been endorsed by the European Union and so have not been applied by the Group in the year ended 31 December 2020. From the above referred standards, the Group understands that their adoption will not lead to significant changes in its consolidated financial statements.

### 2.3 Consolidation principles

The consolidation methods used by the Group were as follows:

#### a) Controlled companies

The financial statements of all the companies controlled by the Group have been included in the accompanying consolidated financial statements by the full consolidation method. Control is considered to exist when the Group is exposed, or has rights, to variable returns resulting from its involvement with the participated companies and has the ability to affect those returns through the power it exercises over the companies. Shareholders' equity and net profit and loss of these companies corresponding to third party participation in them are presented separately in the consolidated statement of financial position and statement of comprehensive income under the caption "Non-controlling interest". The controlled companies included in the consolidated financial statements are listed in Note 4.

The assets and liabilities of subsidiaries are reflected at their respective fair values 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 cost is lower than the fair value of the identified net assets, the difference is recognised as income in the consolidated statement of profit and 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 and loss and other comprehensive income as from the date of their acquisition or up to the date of their sale.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

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

Transactions, balances and dividends distributed between companies included in the consolidation are eliminated on consolidation. Capital gains resulting from the sale of participated companies within the Group are also eliminated in consolidation.

b) Associated companies

An associated company is one over which the Group has significant influence, but does not have control or joint control over decisions relating to their operating and financial policies.

Investments in associated companies (Note 5) are recorded in accordance with the equity method of accounting, except when the investment is classified as held for sale. Investments in associated companies are initially recorded at cost, which is subsequently increased or decreased by the difference between cost and the proportion of equity held in the companies, as of the acquisition date or the date the equity method is applied for the first time.

In accordance with the equity method, investments are periodically adjusted by the amount corresponding to the Group's share in the net results of the associated companies, by other changes in their equity, as well as by the recognition of impairment losses by corresponding entry to "Net financial gain and loss" (Note 14).

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

The Group suspends application of the equity method of accounting when the investment in the associated company is reduced to zero, and a liability is recognised only if the Group has a legal or constructive obligation to the associated company or to its creditors. If afterwards the associated company reports profits, the Group only resumes application of the equity method once its share of those profits equals the part of the losses not recognised.

Annually, the Group makes an assessment of impairment indicators of investments in associated companies, and when these are corroborated, the Group makes impairment analyses to determine the recoverable amount, impairment losses being recognised as expenses. When impairment losses previously recognised cease to exist, they are reversed up to the limit of the impairment loss recognised.

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

Whenever necessary, adjustments are made to the financial statements of the associated companies to make them consistent with the accounting standards used by the Group.

2.4 Goodwill

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

As a result of the exception established in IFRS 1, the Group did not apply retrospectively the provisions of IFRS 3 to acquisitions prior to 1 January 2004, and so goodwill arising on acquisitions prior to the transition to IFRS (1 January 2004) was maintained at the net book value as of that date determined in accordance with generally accepted accounting principles in Portugal.

Goodwill is recorded as an asset and is not amortised, being reflected separately on the statement of financial position. Goodwill is tested for impairment annually and whenever there are indications of a possible loss.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Impairment losses are recorded immediately as costs in the statement of profit and loss and other comprehensive income and cannot be subsequently reversed (Note 17).

Goodwill is included in determining the gain or loss on the sale of a subsidiary.

## 2.5 Non-current assets held for sale

Non-current assets are classified as held for sale if their book value is recovered essentially through 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 disposed of) is available for immediate sale in its current condition, subject only to terms that are usual for sales of that asset (or group of assets to be disposed of) and its sale is highly likely. It is understood that a non-current asset is held for sale when there is the expectation of the Board of Directors that the sale of these assets will be completed within one year from the date of classification.

Non-current assets (or group of assets to be disposed of) classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

## 2.6 Intangible assets

Intangible assets, which include software (except for that associated to tangible fixed assets), the cost of registering trademarks and titles, licenses and other rights of use, are recorded at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are only recognized when it is probable that they will generate future economic benefits for the Group, they are controllable and can be reliably measured.

Internal costs relating to maintenance and development of software are expensed as incurred in the statement of profit and loss and other comprehensive income, except where the development costs are directly related to projects which are expected to generate future financial benefits for the Group. In such situations, these costs are capitalised as intangible assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives, as from the time the assets are available for use, which varies from three to six years.

## 2.7 Tangible fixed assets

Tangible fixed assets acquired up to 1 January 2004 (date of transition to IFRS) are recorded at deemed cost, which corresponds to cost or restated cost based on price indices in accordance with tax legislation in force, less accumulated depreciation.

Fixed assets acquired after that date are stated at cost less accumulated depreciation and impairment losses. Acquisition cost is defined as the purchase price, plus related purchase expenses.

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

Current maintenance and repair costs are expensed as incurred. Improvements are only recognised as assets when they correspond to the replacement of assets which are written off and result in increased future economic benefits.

Tangible fixed assets are depreciated from the time they become available for their intended use. Depreciation of cost less estimated residual value (if significant) is provided on a straight-line basis, from the month the asset becomes available for use, over the period of its expected useful life, as follows:

	<u>Years</u>
Buildings and other constructions	4 – 50
Machinery and equipment	3 – 10
Transport equipment	4 – 8
Administrative equipment	3 – 10
Other tangible fixed assets	4 – 8

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

## 2.8 Leases

The Group analyses whether a contract contains or not a right of use asset at contract inception. The company recognizes a right of use asset and the corresponding liability in relation to all contracts where it is a lessee, except for short term leases (less than 12 months) and low value leases. For such contracts, the Group recognizes the lease expenses on a linear basis as an operating expense.

The lease liability is initially measured by the present value of the future payments of each lease, discounted at the rate implied in the lease contracts. If such rate is not readily determinable, the Company uses its incremental interest rate.

The lease payments included in the measurement of the lease liabilities include:

- In-substance fixed payments, net of any incentives associated to the lease;
- Variable payments based on indexes or rates;
- Expectation of payments related to residual value;
- Exercise price of purchase options, if it is reasonably expected that the Company will exercise the option; and
- Penalties related to ending or renewing unilaterally exercisable, if it is reasonably certain that the Company will exercise the option to end or renew the term of the lease.

The lease liability is remeasured subsequently, increased by the interest accrued (recognized in the profit and loss statement), and reduced by the lease payments made.

Its book value is remeasured to reflect an eventual reassessment, when a modification or revision of the fixed in-substance payments occurs.

The lease liability is remeasured, the corresponding adjustment in the asset being made, whenever:

- Events or significant changes occur, that are under the control of the lessee, on the lease term, or on the right of exercising the purchase option as a result of a significant event or a change in circumstances. In that case, the lease liability is remeasured, based on the actual lease payments, 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 under a guaranteed residual value, the lease liability being remeasured, discounting the new lease liability using an unchanged discount rate ( unless the change in the lease payments is due to a change based on a floating interest rate, in which case the new discount rate is used);
- A lease contract is modified and the modification in the lease is not accounted as a separate lease. In this case, the lease liability is remeasured based on the modified term, discounting the new payments using a discount rate determined at the effective date of the modification.

The lease liabilities are presented in the line item Borrowings of the statement of financial position, and are duly identified in the notes.

The right of use assets correspond to the initial measurement of the corresponding lease liability, added by the lease payments before or on the date of the beginning of the lease, and added by the eventual initial direct expenses, and deducted by eventual amounts received. Subsequently, the right of use assets are measured at cost, net of accumulated depreciations and impairments.

Whenever the Company expects to incur in restoration costs, or in expenses with the repair of the place where the asset are installed, a provision is recognized and measured in accordance with IAS 37. The referred expenses are included in the related right of use asset, provided that the expenses are related with it.

The right of use assets are depreciated at the lower of the term of the lease, or the useful life of the underlying asset.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

If a lease transfers the property of the underlying asset or the price of the right of use reflects that the Company expects to exercise the purchase option, the right of use is depreciated over the useful life of the underlying asset. Depreciation starts on the beginning of the lease contract.

The right of use assets are presented under the same line item where the underlying assets would be presented, and are duly identified in the notes. The Company applies IAS 36 in the determination of the recoverable value of the underlying asset, whenever needed.

The parts of variable rents that do not depend from an index or rate are not included in the measurement of the liability and the corresponding asset. The corresponding payments are recognized as an operating expense, in the profit and loss statement of the period to which they relate.

IFRS 16, through a practical expedient, allows that, by class of asset, the lessee does not separate the lease components from the non-lease components included in the same contract, and alternatively, consider both as a single component of the contract. The Group applies this expedient in transport equipment contracts. For contracts that contain a lease component and one or more components that are not leases, the Company allocates the payments to each lease component based on the independent price of each component, and on the aggregated price of the non-lease components.

## 2.9 Investments properties

Investments properties consist essentially of land held for leasing, capital appreciation or both, and not for use in the production or supply of goods, rendering of services or for administrative purposes.

Investments properties are initially recorded at cost plus transaction costs, the Group having opted to maintain them at historical cost, less any impairment losses.

Maintenance, repair, insurance and tax costs, as well as any income realized on property investments are recognized in the consolidated statement of profit and loss and other comprehensive income for the period to which they relate.

## 2.10 Financial Instruments

### 2.10.1 Trade and other receivables

Trade and other receivables classified as current assets are recorded at their nominal value which is understood to correspond to amortized 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, less any impairment losses.

The Group recognizes an expected credit loss on financial instruments measured at amortized cost. The amounts of expected credit losses are updated at each reporting date so as to reflect the changes in credit risk since the initial recognition of the financial instrument.

Expected credit losses on these financial assets are estimated based on the historic experience of impairment in accounts receivable of the Group by type of transactions, adjusted by specific conditions of the debtors, general economic conditions and an evaluation of both the current conditions and the prediction of conditions at the reporting date, including the time value of money, whenever appropriate.

Impairment losses on trade and other receivables classified as current assets correspond essentially to the difference between the amount initially recognized and the estimated recoverable amount. Besides the expected losses in accounts receivable, the Group estimates impairment losses based on the age of the balances of the entities, the guarantees that may exist for each entity, the historical experience of each entity and information collected by the financial department relating to their financial situation and possible reasons for delays in their payments.

Trade and other receivables classified as non-current assets are recorded at amortised cost less eventual impairment losses. In measuring amortised cost the effective interest rate method was used, interest income having been applied over the expected life of the financial instruments, considering the contractual terms.

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

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

#### 2.10.2 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts, reflected under the caption “Borrowings” in the statement of financial position.

#### 2.10.3 Payables

Payables are recorded at their nominal value and, where applicable, by their amount discounted for possible interest calculated in accordance with the effective interest rate method.

#### 2.10.4 Borrowings

Borrowings are initially recognised at the amount received, net of expenses relating to their issuance and are subsequently measured at amortised cost. Any difference between the amount received (net of issuance costs) and the amount payable is recognised in the statement of profit and loss and other comprehensive income over the term of the borrowing using the effective interest rate method.

Borrowings 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 statement of financial position.

#### 2.11 Inventories and program broadcasting rights

Inventories are stated at the lower of cost or net realizable value, using the average cost method.

Net realizable value is estimated based on the Company’s past experience in accordance with aging and inventory turnover criteria, considering also the possibility of their future use.

The Group records under the caption “Program broadcasting rights” the rights acquired from third parties to broadcast programs, by corresponding entry to the caption “Trade and other payables” when such rights come into force and the following conditions are met:

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

Program broadcasting rights correspond essentially to contracts or agreements entered into with third parties for the broadcasting of soaps, films, series and other television programs, and are stated at specific acquisition cost. The cost of programs broadcast in the general and theme channels is recorded in the consolidated statement of income and other comprehensive income at the time they are broadcast, taking into consideration the estimated number of broadcasts and the estimated benefits of each broadcast. The costs of programs for exhibition on the OPTO streaming platform are recognized on a straight-line basis over a period of 4 years.

In addition, advances made for the purchase of contents are recorded in the caption “Program broadcasting rights” by corresponding entry to “Trade and other payables”.

Future financial commitments for the acquisition of programs are shown in Note 33.2.

Impairment losses (Notes 21 and 28) are recognised whenever the book value of inventories or broadcasting rights is greater than their estimated recoverable amount.



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

#### 2.12 Provisions and contingent liabilities

Provisions are recognized 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 recognized when a detailed formal plan exists identifying the main characteristics of the plan and after the plan has been communicated to the entities involved.

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

When any of the above conditions is not met, the corresponding contingent liability is not recorded but only disclosed (Note 31), unless a future outflow of funds affecting future financial benefits is remote, in which case it is not disclosed.

#### 2.13 Pension liability

Some of the Group companies have assumed the commitment to grant some of their employees and remunerated Board Members hired up to 5 July 1993, pension supplements for retirement due to age and incapacity. The pensions consist of a percentage which increases with the number of years of service to the company, applied to the salary table, or a fixed percentage applied to the base salary in force in 2002.

The liability for the payment of retirement, incapacity and survivor pensions is recorded in accordance with the provisions of IAS 19, which requires companies with pension plans to recognise the cost of granting such benefits as the services are rendered by the benefiting employees and board members.

Therefore, at the end of each accounting period the Group obtains an actuarial study made by an independent entity, in order to determine its liability at that date and the pension cost to be recognised in the period. The liability thus estimated is compared with the market value of the pension fund assets in order to determine the amount of contributions to be made or recorded.

The effect of changes in the assumptions and differences between the assumptions used and the actual amounts is considered as actuarial gain and loss, recorded under equity (other comprehensive income).

#### 2.14 Income tax

Income tax for the year consists of current tax and deferred tax and is recorded in accordance with the provisions of IAS 12.

Impresa is covered by the special regime for the taxation of groups of companies (Regime Especial de Tributação dos Grupos de Sociedades - "RETGS"), which covers all the companies in which Impresa has a direct or indirect participation of at least 75% and comply with the other conditions of the regime. The other participated companies not covered by the special regime for the taxation of groups of companies are taxed individually based on their taxable income at the applicable tax rates.

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

As established in the above rules, deferred tax assets are only recognized 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 stops being probable.

#### 2.15 Subsidies

State subsidies are recognized at their nominal amount when there is reasonable certainty that they will be received and the Group companies will comply with the conditions required for their concession.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Operating subsidies are recognised in the statement of profit and loss and other comprehensive income in accordance with the the corresponding costs incurred.

Investment subsidies relating to the acquisition of assets are recorded as deferred income, being recognized as income for the year on a systematic basis over the useful life of the assets.

## 2.16 Revenue

Revenue from sales (relating mainly from the sale of newspapers, magazines, books and other publications) is recognised in the consolidated statement of profit and loss and other comprehensive income when the control over the goods and services is transferred to the buyer and the corresponding income can be reasonably quantified. Returns are recorded as a reduction of sales for the period to which they relate, are estimated in accordance with historic information, and are included in the revenues from the transaction, as well as in the amounts invoiced to clients. Sales are recognized net of taxes, discounts and other costs relating to their realization.

Income from subscriptions to regular publications is deferred over the subscription period.

Income from services rendered (essentially the sale of advertising space in newspapers, television and the Internet, and from value added services) is recognised in the consolidated statement of profit and loss and other comprehensive income when the advertising is inserted or broadcasted. A significant part of the sale of advertising space in free-to-air television results from the broadcasting of commercial advertisements, for which, the revenues generated depends on the audience reached, considering the profile of the commercial target contracted by the advertiser. Services rendered are recognised net of taxes, discounts and other costs relating to their realisation. The main commercial discounts granted to the main customers of the Group are dependent on the level of advertising investment made by them, as well as other conditions agreed between the parties.

Income relating to the ceding of broadcasting rights of the general channel and theme channels, essentially to cable television operators, is recognized in the consolidated statement of profit and loss and other comprehensive income over the period they are ceded.

Income relating to the ceding of transmission rights of programs or of the rights of the respective formats to third parties is recognized in the consolidated statement of profit and loss and other comprehensive income when the control is transferred and the income can be reliably estimated and is probable. Revenue from this transaction is affected by several costs that belong to the same performance obligation.

In summary:

Income	Classification	Time of recognition
Sale of publications	Sales	When the publications are on the stands or made available in digital platform
Sale of books and other publications	Sales	When the publications are on the stands or made available in digital platform
Broadcasting of advertisements	Services rendered	When the advertising is broadcasted
Publication of advertisements	Services rendered	When the advertising is published
Value added services related to contests and initiatives with phone participation	Services rendered	When the services are rendered
Broadcasting rights on channels	Services rendered	In the period where the services are rendered
Contents rights ceded	Services rendered	In the moment the rights are ceded
Projects implementation in geographic information systems area (GIS)	Services rendered	During the period of execution of the project

## 2.17 Accruals basis

Costs and income are recorded in the period to which they relate, independently of when they are paid or received. Where the amount of costs and revenue is not known it is estimated.

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

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

#### 2.18 Impairment of assets, excluding goodwill

The Group makes impairment tests of its assets whenever events or changes in circumstances are identified that indicate that the amount of an asset may not be recovered. Where such indications exist, the recoverable amount of the asset is estimated in order to determine the amount 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 in.

The recoverable amount is the higher of net selling price and value of use. Net selling price is the amount that could be obtained from the sale of the asset in a transaction between knowledgeable independent entities, less the costs directly attributable to the sale. Value in use is the present value of the estimated future cash flows discounted based on discount rates that reflect the present value of the capital 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 and 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 prior years. The reversal of impairment losses is recognised immediately in the consolidated statement of profit and loss and other comprehensive income.

#### 2.19 Foreign currency balances and transactions

Foreign currency assets and liabilities are translated to Euros at the exchange rates prevailing as of the date of the consolidated statement of financial position, published by financial institutions. Exchange gains and losses arising from differences between the historical exchange rates and those prevailing at the date of collection, payment or at the date of the consolidated statement of financial position are recorded as income or costs in the consolidated statement of profit and loss and other comprehensive income for the period.

#### 2.20 Classification in the statement and transactions

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

#### 2.21 Subsequent events

Events that occur after the year end that provide additional information of conditions that existed at the statement of financial position date are reflected in the consolidated financial statements.

Events that occur after the year end that provide additional information of conditions that occurred after the statement of financial position date, if material, are disclosed in the notes to the consolidated financial statements.

### 3 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The accounting policies adopted during the year ended December 31, 2020 are consistent with those followed in the preparation of the consolidated financial statements of Impresa for the year ended December 31, 2019 and referred to in the respective notes.

The more significant accounting estimates reflected in the consolidated financial statements as of 31 December 2020 and 2019 include:

- Impairment analysis of goodwill;
- The recording of provisions;
- Useful lives of tangible fixed assets;
- Dates of broadcasting of program exhibition rights;
- Impairment adjustments of receivables;

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- Definition of technical actuarial assumptions and bases;
- Commercial discounts to the main customers.

As mentioned in Note 2.11, program broadcasting rights correspond essentially to contracts or agreements entered into with third parties for the exhibition of soaps, films, series and other television programs, and are stated at specific acquisition cost. The cost of the programs is recorded in the consolidated statement of income and other comprehensive income at the time of their exhibition, taking into consideration the estimated number of exhibitions and the estimated benefits of each exhibition. During the year ended December 31, 2020, the Group, based on historical analyses, estimated a new allocation of costs associated with the exhibition of the nationally produced soap operas, compared to the estimate followed in previous periods. That estimate takes into consideration criteria such as the level of audience for the first exhibition, the probability of a second exhibition, the history of advertising revenues generated by the first and second exhibitions of nationally produced soap operas, and the time horizon for the second exhibition.

The revision of a prior period estimate is not considered as an error. Changes in estimates are only recognized prospectively in results and are subject to disclosure when the effect is significant. 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 consolidation method, their head offices and the proportion of capital effectively held in them at 31 December 2020 and 2019 are as follows:

Company	Head office	Main activity	Percentage effectively held	
			2020	2019
Impresa - Sociedade Gestora de Participações Sociais, S.A. (empresa - mãe)	Lisbon	Holding company	Parent	Parent
Impresa Publishing, S.A. ("Impresa Publishing")	Paço de Arcos	Publishing	100.00%	100.00%
SIC - Sociedade Independente de Comunicação, S.A. ("SIC")	Paço de Arcos	Television	100.00%	100.00%
GMTS - Global Media Technology Solutions - Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. ("GMTS")	Paço de Arcos	Rendering of services	100.00%	100.00%
InfoPortugal - Sistemas de Informação e Conteúdos, S.A. ("InfoPortugal")	Matosinhos	Multimedia production	100.00%	100.00%
Impresa Service & Office Share - Gestão de Imóveis e Serviços, S.A. ("IOSS")	Paço de Arcos	Management of real estate and services	100.00%	100.00%

#### 5 ASSOCIATED COMPANIES

Investments in associated companies are recorded in accordance with the equity method. Their head offices and the proportion of capital effectively held in them by the Group at 31 December 2020 and 2019 are as follows:

Company	Head office	Percentage effectively held	
		2020	2019
Vasp – Distribuidora de Publicações, S.A. ("Vasp") (a)	Cacém	-	33.33%
Lusa – Agência de Notícias de Portugal, S.A. ("Lusa") (a)	Lisbon	-	22.35%
Visapress - Gestão de Conteúdos dos Media, C.R.L. ("Visapress")	Lisbon	8.33%	7.69%

- (a) These participations were held directly by Impresa SGPS. With effect from November 30, 2020 these participations were reclassified to non-current assets held for sale (Note 25).

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

**6 OTHER COMPANIES**

The investments in other companies and the proportion of capital held in them by the Group at 31 December 2020 and 2019 are as follows:

Company	Percentage effectively held	
	2020	2019
NP - Notícias de Portugal, C.R.L. ("NP") (a)	10.71%	10.71%
Nexponor (b)	0.001%	0.001%
Youngstories, S.A. ("Youngstories") (c)	-	5.47%

(a) Participation held by Impresa Publishing and SIC.

(b) Participation acquired by Impresa SGPS in April 2013.

(c) Participation acquired by SIC in 2019. In 2020, it was reclassified to non-current assets held for sale (Note 25).

**7 CHANGES IN THE GROUP**

During the year ended December 31, 2020 and 2019 there were no changes in the Group's consolidation perimeter.

**8 SEGMENT REPORTING**

The segments identified by the Group are based on identification of the segments in accordance with the financial information reported internally to the Board of Directors that supports it in the assessment of the performance of the businesses and the decisions making as to the allocation of resources to be used. The segments identified by the Group for segment reporting purposes are therefore consistent with the form in which the Board of Directors analyses its business.

Therefore, the Group identified the following reporting segments:

**Television** – The Group is the sole shareholder of SIC which broadcasts in free-to-air and by cable, under broadcasting licences, the television channels "SIC", "SIC Notícias", "SIC Radical", "SIC Internacional", "SIC Mulher", SIC K and SIC Caras. In addition, the Group includes GMTS in this segment.

**Publishing** – The Group publishes newspapers, books and other publications, including the weekly newspaper "Expresso".

**Others** – Includes the Group's holding company, IOSS and InfoPortugal that operates in the geographic information systems area (SIG).

In the Publishing segment, sales to VASP Group contributed 4.4% and 4.3%, respectively, of the Group's revenue reflected in the consolidated statement of profit and loss and other comprehensive income for the years ended 31 December 2020 and 2019, corresponding to 7,858,404 Euros and 7,807,799 Euros, respectively (Note 33). VASP is an intermediary between the publishers and the distribution network to the final customer, in which Impresa has a 33.33% participation. During the year ended 31 December 2020, the Board decided to reclassify the participation in VASP into non-current assets held for sale (note 25), since it is expected to be sold in the year ending 2021. In addition, advertising revenue results essentially from purchases from Group companies by five media centrals that operate as intermediaries between the advertiser and the social communication entities.

Inter-segment transactions are recorded using the same principles as transactions with third parties. The accounting policies of each segment are the same as those of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

a) Reporting by main segment – Business segmentAt 31 December 2020:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
<u>Operating revenue</u>						
Services rendered - external costumers	151.230.710	12.527.089	2.082.099	165.839.898	-	165.839.898
Services rendered - intersegment	101.498	53.043	8.217.360	8.371.901	(8.371.901)	-
Sales - external costumers	-	10.692.127	-	10.692.127	-	10.692.127
Other operating revenue - external costumers	764.011	574	793.056	1.557.641	-	1.557.641
Other operating revenue - intersegment	72.318	-	-	72.318	(72.318)	-
Total operating revenue	152.168.537	23.272.833	11.092.515	186.533.885	(8.444.219)	178.089.666
<u>Operating costs</u>						
Cost of programs broadcast and goods sold	(65.230.070)	(1.483.416)	-	(66.713.486)	-	(66.713.486)
External supplies and services	(29.252.142)	(9.953.694)	(5.216.959)	(44.422.795)	8.381.819	(36.040.976)
Personnel costs	(26.566.275)	(8.019.552)	(7.505.629)	(42.091.456)	-	(42.091.456)
Depreciation and amortization						
of tangible and intangible fixed assets	(3.851.313)	(262.964)	(1.221.085)	(5.335.362)	-	(5.335.362)
of tangible and intangible fixed assets inter-segment	(51.960)	-	-	(51.960)	51.960	-
Provisions and Impairment losses (Note 28)	(408.721)	84.500	(233.780)	(558.001)	-	(558.001)
Other operating costs	(630.220)	(780.995)	(722.027)	(2.133.242)	-	(2.133.242)
Total operating costs	(125.990.701)	(20.416.121)	(14.899.480)	(161.306.302)	8.433.779	(152.872.523)
Operating profit/(loss)	26.177.836	2.856.712	(3.806.965)	25.227.583	(10.440)	25.217.143
<u>Financial items:</u>						
Gain and loss on associated companies	-	-	(559.011)	(559.011)	-	(559.011)
Other financial items	(2.567.945)	(232.775)	(5.540.735)	(8.341.455)	10.440	(8.331.014)
	(2.567.945)	(232.775)	(6.099.746)	(8.900.466)	10.440	(8.890.025)
Operating profit/(loss) before taxes	23.609.891	2.623.937	(9.906.711)	16.327.117	-	16.327.118

At 31 December 2019:

	Television	Publishing	Other	Total segments	Eliminations	Consolidated total
<u>Operating revenue</u>						
Services rendered - external costumers	154,054,592	13,946,450	2,098,040	170,099,082	-	170,099,082
Services rendered - intersegment	59,422	54,539	8,431,198	8,545,159	(8,545,159)	-
Sales - external costumers	-	9,974,261	-	9,974,261	-	9,974,261
Other operating revenue - external costumers	1,063,072	213,141	520,593	1,796,806	-	1,796,806
Other operating revenue - intersegment	72,318	-	-	72,318	(72,318)	-
Total operating revenue	155,249,404	24,188,391	11,049,831	190,487,626	(8,617,477)	181,870,149
<u>Operating costs</u>						
Cost of programs broadcast and goods sold	(70,817,070)	(2,158,685)	-	(72,975,755)	-	(72,975,755)
External supplies and services	(29,547,975)	(10,826,849)	(5,502,740)	(45,877,564)	8,617,477	(37,260,087)
Personnel costs	(26,815,859)	(10,758,331)	(7,166,369)	(44,740,559)	-	(44,740,559)
Depreciation and amortization						
of tangible and intangible fixed assets	(4,381,275)	(298,158)	(1,169,770)	(5,849,203)	-	(5,849,203)
Provisions and Impairment losses (Note 28)	(311,400)	-	(30,000)	(341,400)	-	(341,400)
Other operating costs	(1,066,253)	(169,873)	(556,327)	(1,792,453)	-	(1,792,453)
Total operating costs	(132,939,832)	(24,211,896)	(14,425,206)	(171,576,934)	8,617,477	(162,959,457)
Operating profit/(loss)	22,309,572	(23,505)	(3,375,375)	18,910,692	-	18,910,692
<u>Financial items:</u>						
Gain and loss on associated companies	-	-	117,090	117,090	-	117,090
Other financial items	(1,550,969)	2,023	(5,899,141)	(7,448,087)	-	(7,448,087)
	(1,550,969)	2,023	(5,782,051)	(7,330,997)	-	(7,330,997)
Operating profit/(loss) before taxes	20,758,603	(21,482)	(9,157,426)	11,579,695	-	11,579,695
Income Tax	(5,438,694)	(68,909)	1,763,829	(3,743,774)	-	(3,743,774)
Profit/(loss) per segment	15,319,909	(90,391)	(7,393,597)	7,835,921	-	7,835,921

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Assets, liabilities and other significant information by segment and reconciliation to the consolidated totals are as follows:

At 31 December 2020:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
<i>Goodwill</i>	17,499,139	-	251,123,682	268,622,821	-	268,622,821
Investments	6,235	7,470	658	14,363	-	14,363
Other assets	169,762,873	19,476,722	38,886,990	228,126,585	(105,551,519)	122,575,066
Total assets	<u>187,268,247</u>	<u>19,484,192</u>	<u>290,011,330</u>	<u>496,763,769</u>	<u>(105,551,519)</u>	<u>391,212,250</u>
Borrowings	82,665,746	10,316,277	170,062,474	263,044,497	(101,535,553)	161,508,944
Other liabilities	74,457,799	6,358,037	8,789,365	89,605,202	(4,015,966)	85,589,236
Total liabilities	<u>157,123,545</u>	<u>16,674,314</u>	<u>178,851,840</u>	<u>352,649,699</u>	<u>(105,551,519)</u>	<u>247,098,180</u>
Other information:						
Increases in tangible fixed assets (Note 19)	1,669,767	137,252	608,544	2,415,563	-	2,415,563
Depreciation and amortization for the year	3,903,274	261,871	1,170,217	5,335,362	-	5,335,362
Impairment losses except goodwill (Note 28)	99,212	698,558	545,272	1,343,042	-	1,343,042
Reversal of impairment losses (Note 28)	468,380	-	73,061	541,441	-	541,441
Use of impairment losses, except goodwill (Note 28)	427,572	-	-	427,572	-	427,572
Average number of personnel	595	166	145	906	-	906

At 31 December 2019:

	Television	Publishing	Other	Total of segments	Eliminations	Consolidated total
<i>Goodwill</i>	17,499,139	-	251,123,682	268,622,821	-	268,622,821
Investments	306,235	7,470	4,143,451	4,457,156	-	4,457,156
Other assets	163,959,664	20,324,115	34,568,130	218,851,909	(111,158,019)	107,693,890
Total assets	<u>181,765,038</u>	<u>20,331,585</u>	<u>289,835,263</u>	<u>491,931,886</u>	<u>(111,158,019)</u>	<u>380,773,867</u>
Borrowings	88,051,741	6,510,763	178,406,139	272,968,643	(104,046,345)	168,922,298
Other liabilities	65,574,082	12,657,502	7,648,420	85,880,004	(7,111,674)	78,768,330
Total liabilities	<u>153,625,823</u>	<u>19,168,265</u>	<u>186,054,559</u>	<u>358,848,647</u>	<u>(111,158,019)</u>	<u>247,690,628</u>
Other information:						
Increases in tangible fixed assets (Note 19)	3,215,239	119,090	989,218	4,323,547	-	4,323,547
Depreciation and amortization for the year	4,377,596	298,423	1,173,184	5,849,203	-	5,849,203
Impairment losses except goodwill (Note 28)	501,800	64,262	-	566,062	-	566,062
Reversal of impairment losses (Note 28)	54,481	5,346	9,351	69,178	-	69,178
Use of impairment losses, except goodwill (Note 28)	2,523,922	-	-	2,523,922	-	2,523,922
Average number of personnel	589	168	143	900	-	900

The column “Others” corresponds essentially to assets and liabilities recorded by Impresa whose activities consist essentially of managing investments, and so the corresponding assets include goodwill relating to the television, publishing and others segments in the amounts of 228,524,334 Euros, 20,130,334 Euros and 2,469,014 Euros, respectively, as well as the corresponding liabilities, namely bank loans used to acquire the investments.

b) Reporting by secondary segments – Geographic markets:

Operating revenue by geographic market for the years ended 31 December 2020 and 2019 were as follows:

	Portugal		Other markets		Consolidated total	
	2020	2019	2020	2019	2020	2019
Services rendered	160,272,050	163,099,812	5,567,848	6,999,270	165,839,898	170,099,082
Sales	10,686,727	9,974,261	5,400	-	10,692,127	9,974,261
Other operating income	1,557,641	1,796,806	-	-	1,557,641	1,796,806
Total operating income	<u>172,516,418</u>	<u>174,870,879</u>	<u>5,573,248</u>	<u>6,999,270</u>	<u>178,089,666</u>	<u>181,870,149</u>

At 31 December 2020 and 2019, there were no acquisitions of non-current assets relating to the segment “Other markets”. In addition, more than 99% of the Group’s assets and liabilities at 31 December 2020 and 2019 relate to the Portugal geographic segment.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Services rendered and sales for the years ended 31 December 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
<u>Services rendered:</u>		
Television		
Advertising	99,829,998	105,743,980
Subscription to channels	32,939,603	34,308,874
Multimedia	16,201,650	11,278,342
Others	2,259,459	2,723,396
	<u>151,230,710</u>	<u>154,054,592</u>
Publishing:		
Advertising	11,483,285	12,767,743
Others	1,043,804	1,178,707
	<u>12,527,089</u>	<u>13,946,450</u>
Others:		
Digital mapping	2,045,833	1,862,430
Others	36,266	235,610
	<u>2,082,099</u>	<u>2,098,040</u>
Total services rendered	<u>165,839,898</u>	<u>170,099,082</u>
<u>Sales:</u>		
Publications	10,615,794	9,691,888
Others - publishing	76,333	282,373
Total sales	<u>10,692,127</u>	<u>9,974,261</u>
Total services rendered and sales	<u>176,532,025</u>	<u>180,073,343</u>



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

**10 OTHER OPERATING REVENUES AND COSTS**

Other operating revenues for the years ended 31 December 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Supplimentary income and other operating gains (a)	614,177	1,058,755
Subsidies	402,023	668,873
Reversal of impairment losses (Note 28.1)	541,441	69,178
	<u>1,557,641</u>	<u>1,796,806</u>

(a) In 2020 this item corresponds, essentially, to income obtained with sponsorships received.

For the years ended 31 December 2020 and 2019, the caption "Other operating costs" was as follows:

	<u>2020</u>	<u>2019</u>
Impairment losses on receivables (Note 28.1)	1,042,991	566,062
Taxes	860,121	1,035,763
Subscriptions	173,845	137,514
Other operating costs	56,285	53,114
	<u>2,133,242</u>	<u>1,792,453</u>

**11 COST OF PROGRAMS BROADCAST AND GOODS SOLD**

This item includes, in addition to costs relating to sales of publications, costs with programs broadcast during the years ended December 31, 2020 and 2019. The costs with programs aired have two distinct natures, being costs related to the exhibition rights of programs purchased from production companies and costs with programs produced in-house.

The cost of programs broadcast and goods sold in the years ended 31 December 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Programs broadcast	65,230,070	70,826,070
Raw materials consumed	1,483,416	1,992,523
Merchandise sold	-	157,162
	<u>66,713,486</u>	<u>72,975,755</u>

**12 SUPPLIES AND SERVICES**

This caption for the years ended 31 December 2020 and 2019 was made up as follows:

	<u>2020</u>	<u>2019</u>
Specialized works	7,798,742	8,782,948
Subcontracts	5,140,353	5,406,298
Maintenance and repair	4,804,788	4,416,045
Prizes to be given	4,297,353	4,006,268
Comunication	6,667,372	5,014,193
Rents and leases	558,102	1,553,231
Fees	2,032,396	2,407,961
Advertising	1,803,210	2,043,504
Other	2,938,660	3,629,639
	<u>36,040,976</u>	<u>37,260,087</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

The variation in the captions “Prizes to be given” and “Communication”, occurred in the year ended 31 December 2020, compared to 2019, results from the increase of the activity related to contests and initiatives with phone participation and corresponding prizes.

**13 PERSONNEL COSTS**

Personnel costs for the years ended 31 December 2020 and 2019 are made up as follows:

	<u>2020</u>	<u>2019</u>
Salaries	33,797,761	34,028,893
Charges on remuneration and other personnel costs	8,015,743	8,131,050
Indemnities	277,952	2,580,616
	<u>42,091,456</u>	<u>44,740,559</u>

The average number of employees of the companies included in the consolidation in 2020 and 2019 was 906 and 900, respectively.

**14 NET FINANCIAL EXPENSES**

Net financial expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	<u>2020</u>	<u>2019</u>
Loss and gain on associated companies: (a)		
Loss on associated companies	(685,475)	(29,107)
Gain on associated companies	126,464	146,197
	<u>(559,011)</u>	<u>117,090</u>
Interest and other financial costs:		
Interest	(6,050,297)	(6,051,658)
Other financial costs (b)	(2,296,167)	(1,545,825)
	<u>(8,346,464)</u>	<u>(7,597,483)</u>
Other financial income:		
Interest	11,409	139,270
Exchange gain	3,987	9,596
Financial discount received	54	530
	<u>15,450</u>	<u>149,396</u>
Net financial expenses	<u>(8,890,025)</u>	<u>(7,330,997)</u>

(a) This caption is made up as follows segue (Note 20):

	<u>2020</u>	<u>2019</u>
Vasp	(685,475)	(29,107)
Lusa	126,464	146,197
	<u>(559,011)</u>	<u>117,090</u>

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

**15 DIFFERENCES BETWEEN ACCOUNTING AND TAX RESULTS**

Impresa is subject to Corporation Income Tax under the Special Regime for the Taxation of Groups of Companies (Regime Especial de Tributação dos Grupos de Sociedades - “RETGS”) together with its subsidiaries: Impresa Publishing, SIC, GMTS, IOSS and Infoportugal.

Impresa and its subsidiaries are subject to corporate income tax at the rate of 21% of taxable income. Taxation is increased by a Municipal Surcharge of up to 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

In addition, taxable income exceeding 1,500,000 Euros is subject to State surcharge at the following rates:

- 3% on taxable profit from 1,500,000 Euros to 7,500,000 Euros;
- 5% for taxable profit from 7,500,000 Euros to 35,000,000 Euros;
- 9% on taxable profit exceeding 35,000,000 Euros.

Net financial costs for 2020 are deductible for determining the Group's annual taxable income up to the greater of the following limits:

- 1.000.000 Euros;
- 30% of the profit before amortization and depreciation, net financial costs and taxes.

In accordance with article 88º of the Corporation Income Tax Code, the Group is subject to autonomous taxation of certain charges at the rates established in the article.

The Impresa Group's Board of Directors believes that possible corrections to the tax returns resulting from revisions/inspections by the Tax Administration will not have a significant effect on the consolidated financial statements as of 31 December 2020 and 2019.

Current tax assets and liabilities at 31 December 2020 and 2019 are made up as follows:

	<u>2020</u>	<u>2019</u>
<u>Current tax liabilities</u>		
Estimated tax	5,286,194	3,794,701
Additional payments on account	(655,286)	(514,495)
Payments on account	(1,945,314)	(1,766,163)
Withholding income tax	(350,919)	(418,398)
	<u>2,334,675</u>	<u>1,095,645</u>

The Group records deferred taxes resulting from temporary differences between the accounting and tax bases of its assets and liabilities. The following deferred tax assets were recognized at 31 December 2020 and 2019:

(a) Temporary differences – Changes in deferred tax assets

31 December 2020:

	<u>Deferred tax assets</u>		
	<u>Impairment losses on receivables</u>	<u>Provisions for other risks and charges</u>	<u>Total</u>
Balance at 31 December 2019	848,150	844,952	1,693,102
Increase/(decrease)	(1,151)	46,541	45,390
Balance at 31 December 2020	<u>846,999</u>	<u>891,493</u>	<u>1,738,493</u>

31 December 2019:

	<u>Deferred tax assets</u>			<u>Total</u>
	<u>Impairment losses on receivables</u>	<u>Provisions for other risks and charges</u>	<u>Perdas por imparidade em propriedades de investimento</u>	
Balance at 31 December 2018	796,845	588,685	405,206	1,790,735
Increase/(decrease)	51,305	256,267	(405,206)	(97,634)
Balance at 31 December 2019	<u>848,150</u>	<u>844,952</u>	<u>-</u>	<u>1,693,102</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

(b) Temporary differences – Changes in deferred tax liabilities31 December 2020:

	<u>Pension plan</u>
Balance at 31 December 2019	
Increase/(decrease) affecting other comprehensive income	216,406
Increase/(decrease) affecting profit and loss	(54,988)
Balance at 31 December 2020	<u>(3,769)</u>
	<u>157,658</u>

31 December 2019:

	<u>Pension plan</u>
Balance at 31 December 2018	
Increase/(decrease) affecting other comprehensive income	255,082
Increase/(decrease) affecting profit and loss	(38,732)
Balance at 31 December 2019	<u>56</u>
	<u>216,406</u>

Under current legislation, losses are carried forward for a period of 5 years after they occur and may be deducted from taxable profits generated during that period, with a limit on the amount of the deduction in each year, which may not exceed 70% of the respective taxable profit. As of December 31, 2020 and 2019, the Group had no tax losses to report. As a result of the pandemic situation, the tax loss carry forward period was changed. The years 2020 and 2021 were disregarded for the purposes of counting the period for the use of tax losses generated up to 2019 and there was an extension of the period for reporting tax losses generated in the years 2020 and 2021 from 5 to 12 years, having also extended the limit of deduction of these tax losses to 80%, only when tax losses of the years 2020 and 2021 are concerned.

c) Reconciliation of the tax rate

Income tax for the years ended 31 December 2020 and 2019 was as follows:

	<u>2020</u>	<u>2019</u>
Pre-tax result	16,327,118	11,579,695
Nominal tax rate	21%	21%
	<u>3,428,695</u>	<u>2,431,736</u>
Permanent differences (i)	171,513	139,130
Adjustments to corporate income tax	225,299	255,328
Municipal and State Surcharge	1,411,535	1,066,196
(Excess) / insufficiency of corporate income tax estimate	<u>(130,163)</u>	<u>(148,616)</u>
Corporate income tax	<u>5,106,880</u>	<u>3,743,774</u>
Current tax	5,286,194	3,794,701
Deferred tax for the year	(49,151)	97,689
(Excess) / insufficiency estimate for prior period income tax	<u>(130,163)</u>	<u>(148,616)</u>
	<u>5,106,880</u>	<u>3,743,774</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

(i) This amount at 31 December 2020 and 2019 is made up as follows:

	<u>2020</u>	<u>2019</u>
Effect of the application of the equity method (Note 20)	559,011	(117,090)
Interests non-deductible or in excess of legal limits	100,000	250,000
Other	<u>157,720</u>	<u>529,613</u>
	816,731	662,523
Tax rate	21%	21%
	<u>171,513</u>	<u>139,130</u>

16 EARNINGS PER SHARE

Basic and diluted earnings per share for the years ended 31 December 2020 and 2019 were computed based on the following information:

	<u>2020</u>	<u>2019</u>
<u>Number of shares</u>		
Weighted average number of shares for purposes of computing basic earnings per share (Note 26)	<u>168,000,000</u>	<u>168,000,000</u>
<u>Earnings</u>		
Earnings for purposes of computing basic earnings per share (net profit for the year)	<u>11,220,238</u>	<u>7,835,921</u>
Earnings for purposes of computing comprehensive earnings per share (comprehensive income for the year)	<u>11,030,831</u>	<u>7,702,508</u>
<u>Earnings per share:</u>		
Basic	0.0668	0.0466
Diluted	0.0668	0.0466
<u>Comprehensive income for the year per share:</u>		
Basic	0.0657	0.0458
Diluted	0.0657	0.0458

There were no diluting effects in the years ended 31 December 2020 and 2019 and so the basic and diluted earnings per share are the same.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

17 GOODWILL

There were no changes in the caption goodwill in the years ended 31 December 2020 and 2019.

Goodwill at 31 December 2020 and 2019 is made up as follows:

Company	2020	2019
Television:		
Recorded by Impresa	228,524,334	228,524,334
Recorded by SIC	17,499,139	17,499,139
	246,023,473	246,023,473
Publishing:		
Recorded by Impresa	20,130,334	20,130,334
Infoportugal:		
Recorded by Impresa	2,469,014	2,469,014
	268,622,821	268,622,821

In compliance with the provisions of IAS 36, the Group makes impairment tests of goodwill at 31 December of each year or whenever there are indications of impairment. For purposes of impairment tests, goodwill has been attributed to the identified cash generating units, considering, as a cash generating unit, the smallest identifiable group of cash inflows generating assets that are largely independent of the cash inflows of other assets or groups of assets. Therefore, for these effects, the cash generating units to which goodwill was attributed, were the following:

- Television: corresponding to the generalist channel SIC, the theme channels SIC Notícias, SIC Mulher, SIC Radical, SIC K, SIC Internacional and SIC Caras, the streaming platform OPTO, owned by the legal entity SIC, and GMTS;
- Publishing: corresponds to the titles Expresso and Blitz, under paper and digital format, which are owned by the legal entity Impresa Publishing;
- InfoPortugal: corresponding essentially to the digital mapping business, including also goodwill of Olhares.com recorded by Infoportugal since, as a result of the merger between the two companies, they became included in a single cash generating unit.

Approach used to determine the amounts attributed to key assumptions

As of 31 December 2020 and 2019, the Group requested a specialised external entity to test impairment of goodwill of Television and Publishing, as they are the most significant amounts and are considered to be the more complex for determination of the recoverable amount. The Group made internal tests of the impairment of goodwill of the remaining cash generating units.

The discounted cash flow method was used to test impairment of goodwill, based on cash flow projections for five years for each cash generating unit, the first year of projection being the approved budget, and a perpetuity being considered as from the fifth year.

The financial projections are prepared based on assumptions of the evolution of the business of the cash generating units, which the Board of Directors believes are coherent with historical experience and the market tendencies, being reasonable and prudent and which reflect their vision and that of the consultants involved in their preparation. In addition, whenever possible data obtained from external entities were considered, which were compared with historical data and the Group's experience.

In the television cash generating unit, the key assumption used relate to advertising revenues and the costs of programs broadcasted, and in the case of Publishing, the key assumptions were advertising revenues and circulation revenues. These variables were projected in accordance with past experience, the Board's knowledge of the operations, as well as the previsionsal behavior of such variables, which were complemented with external sources whenever possible.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

In what relates to the remaining key assumptions of the impairment test, they correspond to the discount rate and perpetuity growth rate, which are determined through external sources, as they are computed by the external consultants.

The discount rates used reflect the level of indebtedness and the borrowing cost of each cash generating unit, as well as the risk level and profitability expected by the market. In addition, in determining the discount rates, an interest rate applicable to assets without risk was used considering the interest rates of ten year German bonds plus a country risk premium corresponding to the average spread between the Portuguese and German 10 year bonds. The discount rates used also include a market risk premium, estimated by the external consultants that made the impairment studies.

The perpetuity growth rate was estimated based on an analysis of the potential market of each cash generating unit, considering 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 media industry.

The main changes made in the impairment analyses as of 31 December 2020 in relation to past experience are as follows:

- Decrease in revenues from television advertising;
- Increase in Expresso's market share, resulting from the growth of digital sales.

#### Impairment tests in the year ended 31 December 2020:

As a result of the impairment tests carried out, in the year ended 31 December 2020, the Group did not identify any impairment of goodwill.

#### Television:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Television cash generating unit for a period of five years, using a discount rate of 7.4% (7.5% at 31 December 2019) and a perpetuity growth rate of 1% (unchanged from 2019).

The main business assumptions considered were as follows:

- Advertising market: an annual compound growth rate throughout the period of the projections of 2,8%, for the market relating to generalist and paid channels;
- Advertising and audience market share: these variables were considered constant and similar to those occurred in 2020 for the five year period of the projections;
- Program costs: an 11.4% increase was estimated for 2021 due to the investment in the new OPTO streaming platform and a 1% increase in subsequent years.
- Automatic renewal of the television operating licences at the end of their term, without additional costs;
- Maintenance of the current open signal transmission costs of the SIC generalist channel, as well as operating continuity of the current theme channels.

The impairment tests carried out assume maintenance of the current number of open signal television broadcasting channels, as well as the current limit of advertising space in each of these channels and other sector regulations.

The Company carried out the following sensitivity tests:

- a 1% decrease in advertising revenues of the cash generating unit over the period of the projection would not imply the need to record an impairment loss at 31 December 2020;

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- a 0.5% increase in the assumed discount rate for the years of the projections would not imply the need to record an impairment loss at 31 December 2020;
- a 1% increase in the broadcast programs costs during the projection period would not imply the need to record an impairment loss in the year ended December 31, 2020;
- a decrease in the perpetuity growth rate to 0,5% would not imply the need to record an impairment loss at 31 December 2020.

The Group believes that the variations considered in the sensitivity analyses are reasonable considering current evolution and market prospects, the evolution of the diverse parameters considered in the projections and the current situation of the Portuguese economy.

#### Publishing:

The recoverable amount of this cash generating unit was determined considering the financial projections of the Publishing segment for a five year period, using a discount rate of 6.3% (6.1% at 31 December 2019) and a perpetuity growth rate 0.5% (0.5% in 2019).

The main assumptions considered were as follows:

- Advertising market: a decrease for paper advertising of 8.1% in 2021 and a decrease of 5.3% between 2022-2025 was considered, and an annual growth over the projection period for online advertising of 4.6%;
- Digital circulation: a significant growth in the volume of digital subscriptions was estimated, as well as a price increase;
- Paper circulation: maintenance of current price, and a reduction in circulation over the projection period were estimated;

The Company made the following sensitivity analyses:

- a 1% decrease in advertising income of the cash generating unit over the period of the projection, would not imply the need to record an impairment loss at 31 December 2020;
- a 1% decrease in circulation revenues over the years of the projections would not imply the need to record an impairment loss at 31 December 2020;
- a increase in the discount rate 0,5% would not imply the need to record an impairment loss at 31 December 2020.

The Group does not consider it reasonable to assume a perpetuity growth rate of less than 0.5%.

The Group believes that the variations in the considered in the sensitivity analyzes are reasonable, not considering that it is probable that higher deviations will occur, considering the recent and prospective market evolution, the historical performance of the newspaper Expresso, the variation of the various parameters considered in the evaluation and the current Portuguese economic situation.

#### InfoPortugal:

The recoverable amount of this cash generating unit was determined considering the financial projections of the digital mapping business for a five year period using a discount rate of 7.44% (7.28% at 31 December 2019) and a perpetuity growth rate of 2% (2% in 2019).

The main assumptions considered in the projections for 2021 assume the continuing recovery of operations registered in the past years, considering a compound rate of annual maintenance of revenues over the projection period, and an annual increase of the cartography business and applications designed profits in the amount of 8,74% and 7,62%, respectively.



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

In addition, reasonable possible changes were not identified in the key assumptions of the valuations on which the Company based itself to determine the recoverable value that would imply the need to record additional impairment losses at 31 December 2020.

18 INTANGIBLE ASSETS

The changes in intangible assets and related accumulated amortization and impairment losses in 2020 and 2019 were as follows:

31 December 2020:

	Industrial property and other rights	Software	Total
<u>Gross:</u>			
Balance at 31 December 2019	3,170,296	995,334	4,165,630
Reclassifications	-	-	-
Purchases	-	-	-
Balance at 31 December 2020	<u>3,170,296</u>	<u>995,334</u>	<u>4,165,630</u>
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2019	(2,885,393)	(934,129)	(3,819,522)
Increases	(139,644)	(50,742)	(190,386)
Balance at 31 December 2020	<u>(3,025,037)</u>	<u>(984,871)</u>	<u>(4,009,908)</u>
Net balance at 31 December 2020	<u>145,259</u>	<u>10,463</u>	<u>155,722</u>

31 December 2019:

	Industrial property and other rights	Software	Total
<u>Gross:</u>			
Balance at 31 December 2018	2,757,054	995,334	3,752,388
Reclassifications	368,242	-	368,242
Purchases	45,000	-	45,000
Balance at 31 December 2019	<u>3,170,296</u>	<u>995,334</u>	<u>4,165,630</u>
<u>Accumulated amortization and impairment losses:</u>			
Balance at 31 December 2018	(2,745,748)	(847,117)	(3,592,865)
Increases	(139,645)	(87,012)	(226,657)
Balance at 31 December 2019	<u>(2,885,393)</u>	<u>(934,129)</u>	<u>(3,819,522)</u>
Net balance at 31 December 2019	<u>284,903</u>	<u>61,205</u>	<u>346,108</u>

Acquisitions and reclassifications of intangible assets during the years ended December 31, 2019 relate primarily to the purchase of the "SIC Volante" website.

(Amounts stated in Euros)

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19 TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and corresponding accumulated depreciation and impairment losses during the years ended 31 December 2020 and 2019 were as follows:

31 December 2020:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Total
Gross:							
Balance at 31 December 2019:	2,245,593	35,438,528	116,956,972	1,515,491	25,608,628	333,341	182,098,552
Acquisitions	-	729,739	621,953	808,861	251,561	3,450	2,415,563
Sales and write-offs	-	(397,633)	(25,747)	(306,686)	(5,245)	-	(735,311)
Balance at 31 December 2020	<u>2,245,593</u>	<u>35,770,634</u>	<u>117,553,179</u>	<u>2,017,666</u>	<u>25,854,944</u>	<u>336,791</u>	<u>183,778,805</u>
Accumulated depreciation and impairment losses							
Balance at 31 December 2019:	-	(10,239,592)	(104,711,240)	(586,847)	(24,193,055)	(252,995)	(139,983,730)
Increases	-	(1,199,150)	(2,773,406)	(501,471)	(604,746)	(66,203)	(5,144,976)
Sales and write-offs	-	395,468	27,938	280,385	4,690	3,261	711,741
Balance at 31 December 2020	-	<u>(11,043,275)</u>	<u>(107,456,707)</u>	<u>(807,933)</u>	<u>(24,793,111)</u>	<u>(315,937)</u>	<u>(144,416,965)</u>
Net balance at 31 December 2020	<u>2,245,593</u>	<u>24,727,359</u>	<u>10,096,471</u>	<u>1,209,733</u>	<u>1,061,833</u>	<u>20,854</u>	<u>39,361,839</u>

31 December 2019:

	Land and natural resources	Buildings and other constructions	Machinery and equipment	Transport equipment	Administrative equipment	Other tangible assets	Fixed assets in progress	Total
Gross:								
Balance at 31 December 2018:	2,245,593	23,477,475	107,989,322	158,639	26,262,406	333,341	19,428,513	179,895,288
Initial adoption IFRS16	-	976,769	-	855,581	-	-	-	1,832,350
Acquisitions	-	769,377	2,410,588	530,318	613,264	-	-	4,323,547
Sales and write-offs	-	(569,737)	(450,902)	(29,047)	(2,352,169)	-	(182,536)	(3,584,391)
Transfers	-	10,784,644	7,007,964	-	1,085,127	-	(18,877,735)	-
Reclassifications	-	-	-	-	-	-	(368,242)	(368,242)
Balance at 31 December 2019	<u>2,245,593</u>	<u>35,438,528</u>	<u>116,956,972</u>	<u>1,515,491</u>	<u>25,608,628</u>	<u>333,341</u>	-	<u>182,098,552</u>
Accumulated depreciation and impairment losses								
Balance at 31 December 2018:	-	(9,583,313)	(101,896,891)	(158,639)	(25,911,537)	(187,166)	-	(137,737,546)
Increases	-	(1,226,016)	(3,263,549)	(429,910)	(638,068)	(65,002)	-	(5,622,546)
Sales and write-offs	-	569,737	449,200	1,702	2,356,550	(827)	-	3,376,362
Balance at 31 December 2019	-	<u>(10,239,592)</u>	<u>(104,711,240)</u>	<u>(586,847)</u>	<u>(24,193,055)</u>	<u>(252,995)</u>	-	<u>(139,983,730)</u>
Net balance at 31 December 2019	<u>2,245,593</u>	<u>25,198,936</u>	<u>12,245,733</u>	<u>928,644</u>	<u>1,415,573</u>	<u>80,346</u>	-	<u>42,114,822</u>

In the year ended December 31, 2020, the increase in the caption "Basic equipment" is essentially due to the acquisition of technical equipment for television transmission and recording. The increase in the caption "Buildings and other constructions" is due to the renewal of the lease contract of the premises in Matosinhos, signed with Imopólis.

During the year ended 31 December 2019, the reclassifications relate essentially to assets in process that were reclassified as intangible assets (Note 18).

The write-offs during 2019 result essentially from the relocation of SIC's studios from Carnaxide to Paço de Arcos, namely the write-off of obsolete machinery and equipment, administrative equipment and improvements made in the old studios.

(Amounts stated in Euros)

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During the year ended 31 December 2020, the movements in Rights of Use included in tangible fixed assets, as well as the corresponding depreciations and impairment losses, were as follows:

31 December 2020:

	Buildings and other constructions	Machinery and equipment	Administrative equipment	Transport equipment	Fixed assets in progress	Total
Gross:						
Balance at 31 December 2019:	3,516,117	6,552,206	1,351,234	1,352,318	-	12,771,875
New contracts	729,739	555,311	161,571	666,356	-	2,112,978
Lease-Out Write-Offs	(501,980)	-	(121,960)	(280,384)	-	(904,324)
Balance at 31 December 2020	<u>3,743,876</u>	<u>7,107,517</u>	<u>1,390,845</u>	<u>1,738,290</u>	-	<u>13,980,528</u>
Accumulated depreciation and impairment losses						
Balance at 31 December 2019:	(448,743)	(656,995)	(262,611)	(898,776)	-	(2,267,124)
Increases	(508,482)	(1,097,850)	(394,905)	(501,470)	-	(2,502,707)
Lease-Out Write-Offs	501,980	-	121,960	280,384	-	904,324
Balance at 31 December 2020	<u>(455,245)</u>	<u>(1,754,845)</u>	<u>(535,556)</u>	<u>(1,119,862)</u>	-	<u>(3,865,507)</u>
Net balance at 31 December 2020	<u>3,288,631</u>	<u>5,352,673</u>	<u>855,289</u>	<u>618,428</u>	-	<u>10,115,021</u>

31 December 2019:

	Buildings and other constructions	Machinery and equipment	Administrative equipment	Transport equipment	Fixed assets in progress	Total
Gross:						
Balance at 31 December 2018:	104,348	592,789	121,960	-	8,719,128	9,538,225
Initial adoption IFRS16	976,769	-	-	855,581	-	1,832,350
New contracts	2,435,000	5,959,417	1,229,274	496,737	(8,719,128)	1,401,300
Balance at 31 December 2019	<u>3,516,117</u>	<u>6,552,206</u>	<u>1,351,234</u>	<u>1,352,318</u>	-	<u>12,771,875</u>
Accumulated depreciation and impairment losses						
Balance at 31 December 2018:	(16,304)	(201,646)	(60,974)	(201,646)	-	(480,570)
Increases	(432,439)	(455,349)	(201,637)	(697,130)	-	(1,786,554)
Balance at 31 December 2019	<u>(448,743)</u>	<u>(656,995)</u>	<u>(262,611)</u>	<u>(898,776)</u>	-	<u>(2,267,124)</u>
Net balance at 31 December 2019	<u>3,067,374</u>	<u>5,895,211</u>	<u>1,088,623</u>	<u>453,542</u>	-	<u>10,504,750</u>

In addition, the Group recognized the following expenses related to rights of use in 2020 and 2019 as it follows:

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	2020	2019
Depreciation	2,502,707	1,786,554
Short term leases	367,510	834,328
Interest	255,525	249,062
Low value leases	159,793	169,352
	<u>3,285,535</u>	<u>3,039,296</u>

## 20 INVESTMENTS

The changes in investments in the years ended 31 December 2020 and 2019 were as follows:

### 31 December 2020:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2019	4,142,793	314,363	4,457,156
Application of the equity method (Note 14)	(559,011)	-	(559,011)
Other movements	(3,583,782)	(300,000)	(3,883,782)
Balance at 31 December 2020	<u>-</u>	<u>14,363</u>	<u>14,363</u>

### 31 December 2019:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2018	4,025,703	14,363	4,040,066
Application of the equity method (Note 14)	117,090	-	117,090
Increase	-	300,000	300,000
Balance at 31 December 2019	<u>4,142,793</u>	<u>314,363</u>	<u>4,457,156</u>

The change in this item at December 31, 2020 compared to December 31, 2019 is related to the recognition of losses in associated companies and the transfer of the financial investments of Vasp, Lusa and Youngstories to non-current assets held for sale (Note 25).

Investments in associated companies at 31 December 2020 and 2019 are comprised as follows:

### 31 December 2020:

Company	Head office	2020				Percentage effectively held	Amount of participation	Accumulated impairment losses (Note 28.1)	Net value of the asset
		Total assets	Total revenue	Equity	Net result				
Visapress	Lisbon	n.d.	n.d.	n.d.	n.d.	7.69	5,000	(5,000)	-
							<u>5,000</u>	<u>(5,000)</u>	<u>-</u>

### 31 December 2019:

Company	Head office	2019				Percentage effectively held	Amount of participation	Accumulated impairment losses (Note 28.1)	Net value of the asset
		Total assets	Total revenue	Equity	Net result				
Vasp	Cacém	39,115,016	215,390,446	8,983,887	(76,756)	33.33	2,994,332	-	2,994,332
Lusa	Lisbon	11,088,766	16,795,720	5,138,522	655,042	22.35	1,148,461	-	1,148,461
Visapress	Lisbon	n.d.	n.d.	n.d.	n.d.	7.69	5,000	(5,000)	-
							<u>4,147,793</u>	<u>(5,000)</u>	<u>4,142,793</u>

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As a result of applying the equity method at 31 December 2020 and 2019, the following changes were recorded in the caption “Investments in associates”:

31 December 2020:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2019	4,142,793	314,363	4,457,156
Application of the equity method (Note 14)	(559,011)	-	(559,011)
Other movements	(3,583,782)	(300,000)	(3,883,782)
Balance at 31 December 2020	<u>-</u>	<u>14,363</u>	<u>14,363</u>

31 December 2019:

	Investments in associated companies	Investments in other companies	Total
Balance at 31 December 2018	4,025,703	14,363	4,040,066
Application of the equity method (Note 14)	117,090	-	117,090
Increase	-	300,000	300,000
Balance at 31 December 2019	<u>4,142,793</u>	<u>314,363</u>	<u>4,457,156</u>

As of December 31, 2020 and 2019, the detail of financial investments in other companies is as follows:

Company	2020			2019		
	Effective participation of the Group	Amount of the participation	Impairment losses (Note 28.1)	Amount net of impairment losses	Effective participation of the Group	Amount net of impairment losses
Youngstories S.A.	n.d.	-	-	-	5.50%	300,000
NP	10.71%	18,703	(5,000)	13,703	10.71%	13,703
Nexponor	0.001%	660	-	660	0.00%	660
Other	n.d.	30,000	(30,000)	-	n.d.	-
		<u>49,363</u>	<u>(35,000)</u>	<u>14,363</u>		<u>314,363</u>

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21 PROGRAM BROADCASTING RIGHTS AND INVENTORIES

Program broadcasting rights at 31 December 2020 and 2019 are made up as follows:

	31 December 2020		31 December 2019	
	Non-Current	Current	Non-Current	Current
<u>Broadcasting rights</u>				
<u>Gross:</u>				
Program broadcasting rights	6,379,559	5,974,068	4,027,118	5,439,902
Advances on account of purchases	557,128	14,027,446	557,128	10,035,291
	<u>6,936,687</u>	<u>20,001,514</u>	<u>4,584,246</u>	<u>15,475,193</u>
<u>Impairment of realizable value:</u>				
Accumulated impairment of the realizable value (Note 28.1)	(557,128)	-	(557,128)	-
Net realizable value of the broadcasting rights	<u>6,379,559</u>	<u>20,001,514</u>	<u>4,027,118</u>	<u>15,475,193</u>
<u>Inventories:</u>				
Raw, subsidiary and consumable material	-	329,046	-	269,021
Work in progress	-	15,631	-	-
Net realizable value of inventories	<u>-</u>	<u>344,677</u>	<u>-</u>	<u>269,021</u>
Net realizable value of inventories and broadcasting rights	<u>6,379,559</u>	<u>20,346,191</u>	<u>4,027,118</u>	<u>15,744,214</u>

The caption "Advances on account of purchases" at 31 December 2020 and 2019 includes payments made by SIC to program suppliers under contracts entered into with these entities, relating to program broadcasting rights, which at that date were not available for broadcasting, corresponding essentially to soaps and sports rights.

At 31 December 2020 and 2019 the Group had no inventories pledged in guarantee of liabilities.

22 TRADE AND OTHER RECEIVABLES

This caption at 31 December 2020 and 2019 was made up as follows:

	31 December 2020			31 December 2019		
	Gross	Accumulated impairment	Net	Gross	Accumulated impairment	Net
		Losses (Note 28.1)			Losses (Note 28.1)	
Customers	40,929,498	(10,220,124)	30,709,374	38,457,994	(10,141,146)	28,316,849
Invoices to be issued:						
Value added services	1,259,463	-	1,259,463	675,358	-	675,358
Television broadcasting rights of theme channels	70,000	-	70,000	114,920	-	114,920
Television broadcasting rights of generalist channels	-	-	-	70	-	70
Other amounts to be invoiced	429,673	-	429,673	434,420	-	434,420
	<u>42,688,634</u>	<u>(10,220,124)</u>	<u>32,468,510</u>	<u>39,682,762</u>	<u>(10,141,146)</u>	<u>29,541,617</u>

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**23 OTHER NON-CURRENT AND CURRENT ASSETS**

At 31 December 2020 and 2019, this caption was made up as follows:

	<u>2020</u>	<u>2019</u>
<u>Other non-current assets:</u>		
Pension fund - Post employment benefits (Note 32.1)	700,713	961,810
Premius, S.A.	906,250	906,250
Digital telebroadcasting services (a)	436,472	498,825
Others (c)	4,146,255	2,609,115
	<u>6,189,690</u>	<u>4,976,000</u>
<u>Other current assets:</u>		
Advances to suppliers	271,377	145,909
Other debtors		
Novimovest - Fundo de Investimento Imobiliário (b)	-	800,000
Subsidies receivable	72,553	374,821
Advances to employees	187,480	255,929
Deposit (d)	964,354	1,302,868
Others (c)	704,214	2,601,738
Prepayments:		
Licenses	175,341	154,173
Digital telebroadcasting services (a)	62,352	62,352
Insurance	62,640	67,572
Others	937,795	942,359
Other taxes	-	13,345
	<u>3,683,661</u>	<u>6,721,066</u>
	<u>9,873,351</u>	<u>11,697,066</u>

- (a) This caption corresponds to the deferral of the single instalment for access to the digital teledifusion network and for services rendered by MEO, under the technical alteration process. The amount is being deferred over the period of the contract to render digital telebroadcasting services entered into MEO. The contract became effective on 1 January 2012 and remains in force until 9 December 2028.
- (b) In the year ended December 31, 2020, the amount related to the sale of the SIC Building, which occurred in 2004, was received, which has pending the updating of the use license.
- (c) As at December 31, 2020, the caption "Other receivables" includes receivables from Fantasy Day - Unipessoal, Lda. and Lemon - Entretenimento, Lda., related to the sale of 90% of the share capital of Dialectus - Traduções Técnicas, Legendagem e Locução, Lda. and 100% of the share capital of iPlay - Som e Imagem, Lda. respectively, and also Euro 4,223,131 (whose nominal value is Euro 4,430,000) related to the amount receivable from Trust in News, S.A. ("TIN") related to the sale of the magazines portfolio (Activa, Caras, Caras Decoração, Courier Internacional, Exame, Exame Informática, Jornal de Letras, TeleNovelas, TV Mais, Visão, VisãoHistória e Visão Junior,). This sale was made for the nominal value of 10,200,000 Euros, to be received initially over two and a half years. During the year ended December 31, 2020, the parties revised the payment plan of the amount due, extending it until 2023, which is under a payment plan, renegotiated in 2019 and 2020, with the following repayment plan:

2021	300,000
2022	2,630,000
2023	1,500,000
	<u>4,430,000</u>

- (d) In 2020 and 2019, the amounts of 964,354 Euros and 1,302,868 Euros, refers to the net balance of a term deposit in dollars with the counter value of 3,667,183 Euros and 4,005,697 Euros, respectively, and of a financing agreement, recorded under this heading in the amount of 2,702,829 Euros and 2,702,829 Euros at December 31, 2020 and 2019, with a maximum amount of 4,500,000 Euros, being

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automatically renewable for successive periods of six months. The term deposit is financially pledged as collateral for the responsibilities arising from that financing contract..

#### 24 CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” included in the consolidated statement of cash flow as of 31 December 2020 and 2019 and reconciliation thereof to the amount of cash and cash equivalents reflected in the statement financial position as of those dates are as follows:

	<u>2020</u>	<u>2019</u>
Cash	58,467	84,722
Bank deposits	<u>8,609,655</u>	<u>2,445,121</u>
	8,668,122	2,529,843
Bank overdrafts (Note 27)	<u>(2,227,631)</u>	<u>(4,986,988)</u>
	<u>6,440,491</u>	<u>(2,457,145)</u>

#### 25 NON-CURRENT ASSETS HELD FOR SALE

During the year ended December 31, 2020, Impresa entered into a (i) promissory sale and purchase agreement whereby it undertakes to sell 222,000 shares, each with a nominal value of 3,50 Euros, representing 33.33% of the share capital of Vasp for the price of 2,100,000 Euros, the execution of the definitive purchase and sale agreement subject to the completion of an accounting and financial audit, the non-exercise of the right of first refusal by Vasp's shareholders, Vasp's consent and the non-opposition to the transaction by the Competition Authority; (ii) a purchase and sale promissory contract whereby it commits to sell 476.064 shares, each with a nominal value of 2,50 Euros, representing 22.35% of Lusa's share capital, for the price of 1,250,000 Euros, the execution of the final purchase and sale agreement being subject to the completion of an accounting and financial audit and the non-opposition to the transaction by the Competition Authority (or confirmation that notification to the Competition Authority is not necessary). Therefore, as a result of the ongoing negotiations and the sale proposals obtained, an impairment loss of 234,230 Euros was recorded (Note 28).

In the year ended December 31, 2020, an offer was also made to acquire 5.47% of the share capital of Youngstories, a financial investment held by SIC, for the amount of 233,279 Euros. As a result of this offer, an impairment loss of 66,271 Euros was recorded (Note 28).

Since the assets will be realized through a sale, which is expected to occur in less than twelve months, they were reclassified into non-current assets held for sale on the date where the decision to sell was taken.

#### 26 EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

Share Capital: At 31 December 2020 and 2019 Impresa's fully subscribed and paid up share capital amounted to 84,000,000 Euros, represented by 168,000,000 shares of fifty cents each, which, in accordance with the information communicated to CMVM, are held as follows:

	<u>2020</u>		<u>2019</u>	
	Percentage held	Amount	Percentage held	Amount
Impreger - Sociedade Gestora de Participações Sociais, S.A. ("Impreger")	50.31%	42,257,294	50.31%	42,257,294
Madre - SGPS, S.A.	4.47%	3,750,622	4.47%	3,750,622
Grupo BPI	3.69%	3,100,000	3.69%	3,100,000
Santander Asset Management	1.99%	1,667,558	2.43%	2,038,048
Newshold - SGPS, S.A.	2.40%	2,019,382	2.40%	2,019,382
Others	37.15%	31,205,145	36.71%	30,834,655
	<u>100.00%</u>	<u>84,000,000</u>	<u>100.00%</u>	<u>84,000,000</u>

Share premium: This caption corresponds to premiums obtained in capital increases made in previous years. According to current Portuguese legislation, the use of the amount included in this caption follows the regime



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

applicable to the legal reserve, that is, it can not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted or incorporated in the capital.

Legal reserve: Portuguese law provides that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals the minimum requirement of 20% of 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 exhausted, or to increase capital.

As decided at the Shareholders' General Meeting held on 22 June 2020, negative net result for the year ended 31 December 2019 in the amount of 4,412,400, presented in the non-consolidated financial statements of Impresa, was transferred to retained earnings.

The difference between the non-consolidated and consolidated result was transferred to Retained earnings.

As decided at the Shareholders' General Meeting held on 16 April 2019, the net result for the year ended 31 December 2018 in the amount of 17,180,586, presented in the non-consolidated financial statements of Impresa, was transferred to retained earnings.

The difference between the non-consolidated and consolidated result was transferred to Retained earnings and other legal reserves.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

27 BORROWINGS AND FINANCE LEASES

As of December 31, 2020 and 2019 the balance of debts related to borrowings has the following composition:

Company	Lending entities	31 December 2020				31 December 2019			
		Book value		Nominal value		Book value		Nominal value	
		Non current	Current	Non current	Current	Non current	Current	Non current	Current
Impresa	Banco BPI, S.A. (a)	28,508,387	514,592	27,700,000	500,000	24,692,992	2,722,062	25,400,000	2,800,000
Impresa	Banco Santander, S.A. (b)	-	398,853	-	400,000	-	494,873	-	500,000
Impresa	Banco BIC Português, S.A. (d)	2,616,619	-	2,583,334	-	1,928,599	1,285,731	1,937,501	1,291,666
SIC	Banco BPI, S.A. (e)	17,129,509	255,665	16,750,000	250,000	16,727,801	-	17,000,000	-
SIC	Banco BPI, S.A. (f)	1,952,395	36,838	1,962,963	37,037	-	-	-	-
SIC	Montepio Geral (g)	4,711,345	252,394	4,666,667	250,000	-	-	-	-
SIC	Bond Loan (n)	50,059,944	-	51,000,000	-	49,500,912	-	51,000,000	-
IOSS	Novo Banco, S.A. (m)	20,008,544	426,626	20,644,121	440,178	18,354,835	1,592,772	19,790,259	1,717,333
Impresa Publishing	Montepio Geral (h)	-	222,312	-	217,823	-	541,300	-	543,051
Impresa Publishing	Banco Comercial Português, S.A. (i)	1,464,207	27,626	1,472,223	27,777	-	-	-	-
GMTS	Banco Comercial Português, S.A. (i)	488,116	9,209	490,741	9,259	-	-	-	-
Infoportugal	Banco Comercial Português, S.A. (i)	488,116	9,209	490,741	9,259	-	-	-	-
	Factorings (l)	-	1,401,294	-	1,401,294	1,372,192	2,008,032	1,372,192	2,008,032
	Guaranteed current accounts (j)	-	19,450,000	-	19,450,000	-	33,740,000	-	33,740,000
	Bank overdrafts (k) (Note 24)	-	2,227,631	-	2,227,631	-	4,986,988	-	4,986,988
	Lease liabilities	6,192,918	2,656,595	6,192,918	2,656,595	6,017,998	2,955,212	6,017,998	2,955,212
		<b>133,620,100</b>	<b>27,888,844</b>	<b>133,953,707</b>	<b>27,876,854</b>	<b>118,595,329</b>	<b>50,326,969</b>	<b>122,517,950</b>	<b>50,542,281</b>

On December 31, 2020, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Company	Lending entities	1 January	Cash-flows		Movements without cash-flow			31 December
		2020	Receipts	(Payments)	New lease agreements	Effect of moratoria	Effect of amortized cost	2020
		Book value						Book value
Impresa	Banco BPI, S.A. (a)	27,415,054	-	-	-	1,505,967	101,958	29,022,979
Impresa	Banco Santander, S.A. (b)	494,873	-	(100,000)	-	-	3,980	398,853
Impresa	Banco BIC Português, S.A. (d)	3,214,330	-	(645,833)	-	41,394	6,729	2,616,619
SIC	Banco BPI, S.A. (e)	16,727,801	-	-	-	626,402	30,970	17,385,174
SIC	Banco BPI, S.A. (f)	-	2,000,000	-	-	-	(10,767)	1,989,233
SIC	Montepio Geral (g)	-	5,000,000	(83,333)	-	92,959	(45,887)	4,963,739
SIC	Bond loan (n)	49,500,912	-	-	-	-	559,032	50,059,944
IOSS	Novo Banco, S.A. (m)	19,947,607	-	(423,292)	-	603,705	307,150	20,435,170
Impresa Publishing	Montepio Geral (h)	541,300	-	(325,227)	-	4,488	1,751	222,312
Impresa Publishing	Banco Comercial Português, S.A. (i)	-	1,500,000	-	-	-	(8,167)	1,491,833
GMTS	Banco Comercial Português, S.A. (i)	-	500,000	-	-	-	(2,675)	497,325
Infoportugal	Banco Comercial Português, S.A. (i)	-	500,000	-	-	-	(2,675)	497,325
	Factorings (l)	3,380,224	-	(1,978,930)	-	-	-	1,401,294
	Lease liabilities	8,973,210	-	(2,236,675)	2,112,978	-	-	8,849,513
	Guaranteed current accounts (j)	33,740,000	-	(14,290,000)	-	-	-	19,450,000
		<b>163,935,310</b>	<b>9,500,000</b>	<b>(20,083,290)</b>	<b>2,112,978</b>	<b>2,874,915</b>	<b>941,399</b>	<b>159,281,313</b>
	Bank overdrafts (k)	4,986,988	-	(2,759,357)	-	-	-	2,227,631
		<b>168,922,298</b>	<b>9,500,000</b>	<b>(22,842,647)</b>	<b>2,112,978</b>	<b>2,874,915</b>	<b>941,399</b>	<b>161,508,944</b>

On December 31, 2019, the movement in the balance of debts to credit institutions, separated by movements with associated cash flows and without cash flow, was as follows:

Company	Lending entities	1 January	Cash-flows		Movements without cash-flow			31 December
		2019	Receipts	(Payments)	Initial adoption IFRS 16	New lease agreements	Effect of amortized cost	2019
		Book value						Book value
Impresa	Banco BPI, S.A. (a)	65,521,503	-	(37,609,836)	-	-	(496,613)	27,415,054
Impresa	Banco Santander, S.A. (b)	1,483,679	-	(1,000,000)	-	-	11,194	494,873
Impresa	Caixa Central de Crédito Agrícola							
	Mútu, C.R.L. (c)	1,344,843	-	(1,350,000)	-	-	5,157	-
Impresa	Banco BIC Português, S.A. (d)	4,172,253	-	(958,333)	-	-	410	3,214,330
SIC	Banco BPI, S.A. (e)	12,692,969	5,312,500	(1,062,500)	-	-	(215,168)	16,727,801
SIC	Caixa Central de Crédito Agrícola							
	Mútu, C.R.L. (c)	75,000	-	(75,000)	-	-	-	-
SIC	Montepio Geral (g)	4,615,315	-	(4,666,667)	-	-	51,352	-
SIC	Bond loan (n)	-	51,000,000	-	-	-	(1,499,088)	49,500,912
IOSS	Novo Banco, S.A. (m)	21,403,624	-	(1,653,892)	-	-	197,875	19,947,607
Impresa Publishing	Montepio Geral (h)	1,821,605	-	(1,281,999)	-	-	1,694	541,300
Impresa Publishing	Banco Comercial Português, S.A. (i)	2,167,913	1,100,000	(3,300,000)	-	-	32,087	-
Impresa Publishing	Caixa Central de Crédito Agrícola							
	Mútu, C.R.L. (c)	75,000	-	(75,000)	-	-	-	-
	Factorings (l)	13,807,073	-	(10,426,849)	-	-	-	3,380,224
	Lease liabilities	7,810,218	-	(2,070,659)	1,832,350	1,401,301	-	8,973,210
	Guaranteed current accounts (j)	46,123,750	-	(12,383,750)	-	-	-	33,740,000
		<b>183,114,745</b>	<b>57,412,500</b>	<b>(77,914,485)</b>	<b>1,832,350</b>	<b>1,401,301</b>	<b>(1,911,099)</b>	<b>163,935,310</b>
	Bank overdrafts (k) (Note 24)	4,986,988	-	(709,199)	-	-	-	4,986,988
		<b>188,810,932</b>	<b>57,412,500</b>	<b>(78,623,684)</b>	<b>1,832,350</b>	<b>1,401,301</b>	<b>(1,911,099)</b>	<b>168,922,298</b>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

- (a) Loan from Banco BPI, SA contracted by Impresa Serviços e Multimédia, S.A. (“ISM”) to finance the acquisition of all the share capital of Solo (merged into ISM) that had an 18.35% participation in SIC, and a 30.65% participation in SIC. On 1 January 2015 ISM was merged into Impresa, responsibility for payment of the full amount of the loan being transferred to Impresa.

This loan bears half-yearly interest in arrears at a rate corresponding to the six-month Euribor plus 3.25%. In the year ended December 31, 2020, as part of the measures to address the effects of the pandemic, a moratorium of principal and interest was granted, and the Company deferred the repayment of installments in the amount of 2,800,000 Euros, to be paid as from October 2021.

In guarantee of full compliance with this loan, the Group signed a blank promissory note and gave in guarantee all the share capital of SIC (Note 31).

Impresa assumed several covenants with respect to this loan and restrictions relating essentially to the acquisition and sale of assets and the distribution of dividends.

In accordance with this contract Impresa must maintain at least 51% of the capital of SIC. In addition, Impreger must not reduce its participation in Impresa to below 50.01% of its capital.

- (b) Loan contract entered into by the Group with Banco Popular, S.A. in June 2015, (nowadays Banco Santander, S.A.), repayable in ten successive half yearly instalments up to 16 June 2020. Due to the moratorium granted, under the measures to address the effects of the pandemic, the last semi-annual instalment will be repaid in 2021. On December 31, 2020, this loan bears interest payable semi-annually in arrears at a rate corresponding to the six-month Euribor plus 2.25%.

The Group signed a blank promissory note in guarantee of full compliance with the loan.

- (c) Loan contract entered into by the Group with Caixa Central de Crédito Agrícola Mútuo C.R.L. in September 2015, repayable in eight half yearly instalments up to 15 September 2019. At 31 December 2019 and 2020 this loan is fully paid.

- (d) On 18 September 2015, Impresa signed a loan contract with Banco BIC Português, S.A. to be repaid in six half yearly instalments, the first five of 1,200,000 Euros and the last on 18 September 2018 of 5,000,000 Euros. At 16 July 2018, the Company and BIC signed an addendum, defining the reimbursement of this loan in two last instalments, one of 312,500 Euros in March 2019 and the remaining in June 2019. In March 2019, the Company signed a new addendum, having defined the reimbursement of this loan in half-yearly instalments of 645,833 until March 2022. In the year ending December 31, 2020, a moratorium of principal and interest was granted, as part of the measures to address the effects of the pandemic, and the Company deferred the repayment of installments in the amount of 645,833 Euros, to be paid as of October 2021. At 31 December 2020, the loan bore interest payable half yearly in arrears at the Euribor six month rate plus 2%

The Group signed three blank promissory notes in guarantee of full compliance with the loan.

In addition, as a result of this loan contract, Impresa committed to some determined covenants.

Under the terms of this contract, Impreger must not reduce its participation in Impresa to below 50,01% of its share capital.

- (e) Bank loan contracted by SIC with Banco BPI, S.A. on 26 June 2013 for a maximum amount of 17,000,000 Euros, which was fully used in 2014. This loan bears semi-annual interest at a rate corresponding to six-month Euribor plus a spread of 3.5%, and will be repaid in 16 successive semi-annual installments, the first of which matured on June 30, 2017. In 2019 a capital increase of approximately 5,300,000 Euros and a new payment plan was negotiated, beginning in December 2021.

As a result of contracting this loan, a blank promissory note was subscribed, and several covenants and related restrictions were assumed. Note the introduction of new covenants, namely financial ratios and the channel transmission contract with NOS Comunicações, S.A. as a guarantee of proper compliance with the same, at the time of the negotiation that took place in 2019.

Under the terms of this loan contract, Impreger must not reduce its participation in Impresa to below 50.01% of its share capital.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

- (f) Bank loan contracted by SIC with Banco BPI, S.A. on 21 May 2020 in the amount of 2,000,000 Euros. This is a line of credit to support the economic activity resulting from the pandemic situation. On December 31, 2020, the loan bears monthly and successive interest at a rate corresponding to the twelve-month Euribor plus a spread of 1.5%.
- (g) Loan contracted by SIC on 6 February 2020 with Caixa Económica Montepio Geral for the amount of 5,000,000 Euros, to be repaid in 60 constant monthly instalments up to February 2025. In the year ending December 31, 2020, a moratorium was granted on capital and interest, as part of the measures to deal with the effects of the pandemic, and the Company deferred repayment of instalments in the amount of 217,823 Euros, to be paid as from October 2021. On December 31, 2020, this loan bears monthly postponed interest at a rate corresponding to the six-month Euribor plus 2.5%. As guarantee of full compliance with this loan, SIC subscribed a blank promissory note.
- (h) Loan contracted by SIC on 6 February 2020 with Caixa Económica Montepio Geral for the amount of 5,000,000 Euros, to be repaid in 60 constant monthly instalments up to February 2025. In the year ending December 31, 2020, a moratorium was granted on capital and interest, as part of the measures to deal with the effects of the pandemic, and the Company deferred repayment of instalments in the amount of 217,823 Euros, to be paid as from October 2021. On December 31, 2020, this loan bears monthly postponed interest at a rate corresponding to the six-month Euribor plus 2.5%. As guarantee of full compliance with this loan, SIC subscribed a blank promissory note.

Under this financing, if Impresa ceases to hold, directly or indirectly, all of the capital stock of Impresa Publishing, the financing may be terminated by the bank.

- (i) In the year ended December 31, 2020, three bank loans were contracted with Banco Comercial Português, S.A., in the amount of 1,500,000 Euros by Impresa Publishing and in the amount of 500,000 Euros by GMTS and Infoportugal. These are lines of credit to support the economic activity resulting from the pandemic situation. At December 31, 2020, the loans bear monthly and successive interest at a rate corresponding to the six-month Euribor plus a spread of 1.5%.
- (j) Guaranteed current accounts obtained by Group companies that bear interest at normal market rates for similar operations. The Group believes, considering experience and the evolution of its operation that these credit lines will be renewed without significant penalization.
- (k) The bank overdrafts bear interest at market rates for similar operations.
- (l) The factoring relates to financing operations obtained by SIC which bear interest calculated at normal market rates, between 1,5% and 1,95%, for similar operations.
- (m) Loan contracted by IOSS relates to medium / long term financing based on the Impresa Building in Paço de Arcos for a period of 10 years with the nominal value of approximately 24,170,000 Euros through 120 monthly payments of 208,225 Euros, with a nominal rate of 3.77% and with a residual value of 20%. In the year ended December 31, 2021, the instalment plan was extended due to the moratorium of capital and interest granted, as part of the measures to cope with the effects of the pandemic, and the Company deferred the repayment of instalments amounting to 1,294,040 Euros, to be paid from October 2021. Considering the conditions of the referred contract, the Group considers that the substance of the same reflects a financing guaranteed by the property and not a lease contract, and the same, in addition to a set of obligations to be met by the Group, includes compliance with a financial ratio.
- (n) Bond loan of 1,700,000 bonds with a unit value of 30 Euros in the total amount of 51,000,000 Euros. The bond loan was issued in 10 July 2019, maturing in 11 July 2022, with fixed gross nominal rate of 4,50%

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

As of December 31, 2020 and 2019, this financing is admitted to trading (Euronext), with a market value of 51,413,100 Euros and 52,433,100 Euros, respectively.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

At 31 December 2020, loans are payable as follows:

2021	25,220,259
2022	59,894,384
2023	9,413,534
2024	10,293,669
2025	10,718,225
2026	13,029,022
2027	8,926,036
2028	6,259,505
2029	9,226,416
	<u>152,981,048</u>

At 31 December 2020, lease liabilities are payable as follows:

2021	2,656,595
2022	2,876,847
2023	2,269,828
2024	877,593
2025	168,650
	<u>8,849,513</u>

At 31 December 2020 and 2019, the Group had approved unused credit limits of approximately 29,312,000 Euros and 10,693,000 Euros, respectively.

In the years ended 31 December 2020 and 2019, the effective interest rates on the loans were as follows:

Company	Financing entities	2020	2019
Impresa	Banco BPI, S.A.	3.59%	3.71%
Impresa	Banco Santander, S.A.	3.25%	3.28%
Impresa	Banco BIC Português, S.A.	2.26%	2.20%
SIC	Banco BPI, S.A.	3.68%	3.66%
SIC	Banco BPI, S.A.	1.56%	-
SIC	Montepio Geral	2.69%	-
SIC	Novo Banco, S.A. (Bond Loan)	5.72%	5.65%
IOSS	Novo Banco, S.A.	4.89%	4.87%
Impresa Publishing	Banco Comercial Português, S.A.	1.55%	-
Impresa Publishing	Banco Popular, S.A.	-	2.25%
Impresa Publishing	Montepio Geral	3.29%	2.81%
GMTS	Banco Comercial Português, S.A.	1.57%	-
Infoportugal	Banco Comercial Português, S.A.	1.57%	-
Grupo	Guaranteed current accounts	2.33%	2.50%
SIC	Factorings	1.95%	1.95%

Information regarding the Group's exposure to interest rate risk based on the loans in force is included in Note 35.

The Board of Directors believes that there are no cases of non-compliance with the requirements of the above mentioned borrowings, both as regards maintenance of the main participations in subsidiary companies, the limitation of investments or the distribution of dividends as well as the applicable financial covenants. The financial covenants to be complied with, not applicable to all the borrowings, correspond to the "Remunerated net debt/EBITDA Ratio" and the "Financial Autonomy Ratio", in which the existence of possible non-compliance, could result in the financial entities requiring early repayment of the borrowings and/or change in the lending conditions previously agreed.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

28 IMPAIRMENT LOSSES, LEGAL AND TAX PROCESSES AND PROVISIONS28.1 Impairment losses

The following changes occurred in the accumulated impairment loss captions in the years ended 31 December 2020 and 2019:

31 December 2020:

	Impairment losses on investments properties (Note 20)	Impairment losses on receivables (Notes 10 and 22)	Impairment losses on broadcasting rights and inventories (Note 21)
Balance at 31 December 2019	40,000	10,141,146	557,128
Increases	-	1,042,991	-
Reversals	-	(541,441)	-
Utilizations	(5,000)	(422,572)	-
Balance at 31 December 2020	<u>35,000</u>	<u>10,220,124</u>	<u>557,128</u>

31 December 2019:

	Impairment losses on investments properties (Note 20)	Impairment losses on receivables (Notes 10 and 22)	Impairment losses on broadcasting rights and inventories (Note 21)
Balance at 31 December 2018	40,000	10,694,710	557,128
Increases	-	566,062	-
Reversals	-	(69,178)	-
Utilizations	-	(1,050,448)	-
Balance at 31 December 2019	<u>40,000</u>	<u>10,141,146</u>	<u>557,128</u>

28.2 Provisions and other impairment losses

The movements in provisions and other impairment losses during the years ended December 31, 2020 and 2019 were as follows:

31 December 2020:

	Provisions for risks and charges	Impairment losses on non-current assets held for sale (Note 25)
Balance at 31 December 2019	7,102,625	-
Increases	357,500	300,501
Reversals	(100,000)	-
Utilizations	(459,888)	-
Balance at 31 December 2020	<u>6,900,237</u>	<u>300,501</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

31 December 2019:

	<u>Provisions for risks and charges</u>
Balance at 31 December 2018	7,078,308
Increases	341,400
Reversões	
Balance at 31 December 2019	<u><u>7,102,625</u></u>

In the year ended December 31, 2020, the Group has recorded impairment losses with related parties in the amount of 233,780 Euros related to impairment losses of Vasp and Lusa (Note 25). In the year ended December 31, 2019 there were no movements relating to related parties.

During the years ended December 31, 2020 and 2019, the increases and utilizations verified in the movement of provisions arise from the constitution and utilization, respectively, of the balance to meet liabilities arising mainly from judicial and extrajudicial litigation of the Group.

The caption "Provisions and impairment losses" in the consolidated statement of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 was set up to reinforce the provision for other risks and charges, and in 2020 includes the impairments relating to investments in assets classified as non-current assets held for sale.

As of December 31, 2020 and 2019, the provisions for risks and charges relate essentially to ongoing legal proceedings and are detailed as follows:

Nature	2020		2019	
	Amount claimed	Amount provided	Amount claimed	Amount provided
Tax (a)	30,705	30,705	30,705	30,705
Dismissal/Labour	1,207,731	622,450	1,707,790	944,046
Publicity fines	434,675	93,467	1,219,067	142,467
Abuse of freedom of the press	1,808,559	203,296	2,136,283	348,628
Others	21,493,786	5,950,319	21,485,241	5,636,779
	<u>24,975,455</u>	<u>6,900,237</u>	<u>26,579,086</u>	<u>7,102,625</u>

(a) Excluding the lawsuits described in Note 28.4.

The amounts claimed under legal actions relating to advertising fines result essentially from the filing of several countermanding actions by ERC for violation of the Publicity Code.

The Group is subject to several lawsuits for abuse of freedom of the press, for which it has recorded provisions based on the opinion of its lawyers and historical experience of this type of litigation.

The significant amount claimed under the caption "Others" results from the quantification by GDA – Cooperativa de Gestão dos Direitos dos Artistas, Intérpretes ou Executantes, CRL in the liquidation incidence presented in December 2015 (Note 28.3).

The Board of Directors and the Group's lawyers believe, based on an assessment of the risks of the litigation in process, that the outcome of the litigation will not result in significant liabilities not covered by provisions reflected in the consolidated financial statements as of 31 December 2020, which correspond to the best estimate of the outflow of funds resulting from these lawsuits as of that date.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

### 28.3 Legal processes in progress

At 31 December 2020 there were several lawsuits in progress brought against the Group by third parties, the amounts of which and final outcome at the time of preparing the financial statements were still unknown, from which the following should be highlighted:

- In prior years GDA – Cooperativa de Gestão dos Direitos dos Artistas, CRL (“GDA”) brought a legal action against SIC, in the Judicial Court of Oeiras, under which GDA claimed payment of annual remuneration due to artists, interpreters or performers at the rate of 1.5% of the annual amount of advertising revenues, effective as from September 2004, as well as late payment interest. SIC contested this action, a favourable decision having been issued, considering the initial petition to be unfounded due to the lack of cause of the demand and, consequently, annulled the whole process. This decision was contested, the action following in the first instance. The Court judged GDA’s action as groundless and established as annual equitable remuneration, an amount per minute of the exhibitions, the amount per minute being subject to determination. At 31 December 2015 GDA presented a liquidation incidence under which it demands payment by SIC of approximately 17,700,000 Euros, this amount increased by approximately 2,357,000 Euros since the amount related to 2015 and 2016 were added to the process, thus the total claim amounting to approximately 20,057,000 Euros

Determination of this amount was based on a study made by a third party having as one of its assumptions the closeness of television activities to the activity of any company and its production. SIC contested GDA’s demand, based on the incompetence of the court, the lack of legal capacity of GDA, which only represents national artists, interpreters and performers, having also contested the methodology presented, and in the contestation estimated its responsibility based on the effective utilisation of the services rendered by the artists, in accordance with what the sentence that it intends to liquidate determines, as well as by the calculation of a price per minute for the services close to that paid by SIC to Sociedade Portuguesa de Autores, but a reduced amount in terms of the law and practice. On July 6, 2020, the intellectual property court handed down the sentence relating to the GDA case, which sentenced SIC to pay 909,080 Euros, for the years 2004 to 2016. This sentence is subject to appeal by both parties. In 2020, an appeal was filed by GDA. A provision has been set up in the consolidated financial statements at 31 December 2020 to cover this liability, which in the opinion of the Board of Directors, based on the opinion of its lawyers and technical staff, is sufficient.

### 28.4 Tax processes in progress

In previous years the Group was notified of additional tax assessments, most of which were not recorded or paid as they are considered to have no merit:

- As a result of tax inspections carried out of ISM (merged into Impresa in 2015) and its related tax procedures, in 2011, 2012, 2014 and 2015 Impresa was notified of additional corporate income tax assessments for the years 2008, 2009, 2010, 2011 and 2012, under which the Tax Administration did not accept the tax deductibility of interest on part of the loan from BPI to finance the acquisition of non-remunerated shareholders’ loans of BPI (prior shareholder) to Solo (entity merged into ISM in prior years). The reasons alleged by the Tax Administration for this non-acceptance is that the normal and current activities of ISM do not include the granting of loans to subsidiaries (it is not a holding company) and such charges are supposedly not related to loans obtained for its direct operations. The corrections to taxable income amount to 3,415,295 Euros for 2008, 2,105,621 Euros for 2009, 2,161,788 Euros for 2010, 2,334,795 Euros for 2011 and 943,005 for 2012.

During the year ended 31 December 2016, the Tax Authorities annulled the corporate income tax additional assessment related to 2012, in the amount of 943,005 Euros, for which a bank guarantee had been presented, amounting to 325,041 Euros, which was cancelled in April 2016.

During the year ended December 31, 2017, the Group obtained a favourable decision regarding a judicial challenge filed against the additional IRC settlements for the years ended December 31, 2008 and 2009 related to the deductibility of financial charges incurred, and an appeal was lodged by the Tax Authority.

During the year ended December 31, 2020, the judicial appeal, by opposition of judgments, was denied and the process became *res judicata*. The amount of 439,088 Euros was received relating to tax corrections in the IRC for the years 2008 and 2009.



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Therefore, at December 31, 2020, the remaining tax corrections mentioned above were being contested in a legal challenge, and Impresa has provided bank guarantees in the amount of 2,991,811 Euros for 2010, 2011 (Note 31).

Based on the opinion of its lawyers, the Board of Directors consider that the outlook of success of the claims and / or challenges of those acts, lodged, is reasonable, and therefore no provision was recorded for this tax contingency.

## 29 TRADE AND OTHER PAYABLES

At 31 December 2020 and 2019 this caption was made up as follows:

	<u>2020</u>	<u>2019</u>
<u>Non-current:</u>		
Fixed assets suppliers	<u>960,331</u>	<u>1,760,617</u>
<u>Current:</u>		
Trade payables, current account	20,485,979	22,102,125
Suppliers of fixed assets	<u>918,799</u>	<u>1,080,549</u>
	<u>21,404,778</u>	<u>23,182,674</u>
	<u>22,365,109</u>	<u>24,943,291</u>

The non-current amount relates to equipment acquisition contracts, for which were celebrated agreements with suppliers with monthly payments until 2023.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

30 OTHER CURRENT LIABILITIES

This caption was made up as follows at 31 December 2020 and 2019:

	<u>2020</u>	<u>2019</u>
<u>Other current liabilities:</u>		
Advances from clients	73.743	66.441
Accrued costs:		
Commercial agreements	13.000.539	12.421.953
Personnel vacation and vacation subsidy	5.325.681	5.353.682
Accrued interest	1.210.828	1.797.577
Cost of program production	2.187.245	1.252.867
TSU - Green receipts	457.532	246.572
Authors' rights	150.000	150.000
Commissions to be paid to staff	259.819	134.430
Personnel bonuses	1.717.545	1.213.762
Other accrued costs	4.059.567	4.444.198
	<u>28.368.756</u>	<u>27.015.041</u>
Deferred income:		
Pre-billing	1.789.024	1.486.996
Subscriptions to newspapers and magazines	708.134	448.713
Subsidies	4.542	262.561
Other deferred income	583.962	860.888
	<u>3.085.662</u>	<u>3.059.158</u>
State and other public entities:		
Value Added Tax	5.512.772	4.313.244
Personal income tax - withholdings at source	1.862.087	1.425.181
Social security contributions	1.484.090	1.451.144
Instituto Português de Arte Cinematográfica e Audiovisual/Cinamateca		
Portuguesa	1.642.021	1.472.699
Stamp tax	376.835	303.532
	<u>10.877.805</u>	<u>8.965.800</u>
Other liabilities:		
Advance on contract for broadcasting signal	6.000.000	-
Other creditors	5.425.590	6.303.923
	<u>11.425.590</u>	<u>6.303.923</u>
	<u>53.831.557</u>	<u>45.410.363</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

31 CONTINGENT LIABILITIES AND GUARANTEES GIVEN

At 31 December 2020 and 2019 Impresa had pledged shares representing 100% of SIC's capital in guarantee of a loan from Banco BPI, S.A. to finance the acquisition of that participation (Note 27.a)).

At 31 December 2020 and 2019 the companies of the television segment had requested the issuance of the following guarantees in favour of third parties:

	<u>2020</u>	<u>2019</u>
Union des Associations Européennes de Football	1,456,667	2,622,000
ERC	1,995,192	1,995,192
General Secretariat of the Ministry of Internal Administration ("SGMAI")	1,994,981	1,126,281
Imopólis	44,701	44,701
Municipal Council of Oeiras	35,745	35,745
Vila Ral Court	-	30,000
Oeiras Court	4,000	4,000
	<u>5,531,285</u>	<u>5,857,919</u>

The guarantee provided to UEFA is to ensure the proper performance of the "UEFA Europa League 2018-2021" contract.

The guarantee given to ERC results from the requirements of current legislation to license channels and for broadcasting television contests.

The guarantees provided to SGMAI are to ensure full compliance with the advertising contests. The variation in the amount of the guarantees provided is related to the contests that exist at each moment.

The guarantee given to the Municipal Council of Oeiras is to ensure the repair of any damage that could be caused to the public infrastructure due to excavations and containment of land on the Outurela Road on a plot of land adjacent to the installations of SIC's headquarters.

At 31 December 2019 and 2018 the companies of the "Publishing" segment had requested the issuance of the following bank guarantees in favor of third parties:

	<u>2020</u>	<u>2019</u>
General Secretariat of the Ministry of Internal Administration ("SGMAI")	<u>35,733</u>	<u>30,000</u>

At 31 December 2020 and 2019 the companies of the "Others" segment had requested the issuance of the following bank guarantees in favor of third parties:

	<u>2020</u>	<u>2019</u>
Tax and Customs Authority (Note 28.4)	2,991,811	2,991,811
IAPMEI	-	157,146
Oeiras Municipality	-	146,960
Ass. Cova da Beira	16,862	16,862
Associação de Municípios da Terra Quente Transmontana	15,696	-
Infraestruturas de Portugal	9,404	9,404
IFAP	5,449	5,449
CIMRC	16,409	16,409
	<u>3,055,630</u>	<u>3,344,040</u>

The guarantees given to IAPMEI relate to subsidies received from that entity regarding the Intellitouring and SINTTRA projects that are being carried out by InfoPortugal.

The guarantee given to Oeiras Municipality is to fulfill the obligation of restoration of the land where the construction works of the Paço de Arcos building are being performed.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

**32 COMMITMENTS ASSUMED****32.1 Pensions**

Certain Group companies (Impresa and Impresa Publishing) have assumed commitments to pay their employees and remunerated members of the Board of Directors hired up to 5 July 1993, pension supplements for retirement due to age and disability. The benefits are calculated based on a percentage that increases with the number of years of service applied to the salary scale or a fixed percentage applied to the base salary defined as being the amounts in 2002.

In 1987, the Group created an autonomous pension fund to which it transferred its liability for the payment of the above pensions. In addition, Impresa Publishing assumed joint responsibility with the remaining companies to comply with all the obligations, namely for financing of the pension plan.

In accordance with an actuarial study made by the entity managing the fund, the present value of the past service liability of the above mentioned companies for current and retired employees as of 31 December 2020 and 2019 was estimated in 3,153,903 Euros and 3,051,443 respectively, the amount of the fund at those dates being 3,854,617 and 4,013,253 Euros, respectively.

The actuarial study was made using the method known as “Projected Unit Credit” to calculate the pensions for retirement due to disability and age using the following main assumptions and actuarial and technical bases:

	2020	2019
Discount rate	0,75%	1,25%
Salary growth rate	0,00%	0,00%
Pension growth rate	0,00%	0,00%
National minimum salary growth rate	2,00%	2,00%
Actuarial tables:		
Mortality	TV 88/90	TV 88/90
Disability	EVK 80	EVK 80
Decrease due to incapacity	100% EVK 80	100% EVK 80
Retirement age	66 years	66 years

The rate used was determined based on market income rates for high quality corporate bonds, consistent with the currency and the expected period of the benefits.

The method used was based on the creation of an adjusted interest rate curve, considering the income of high quality, corporate debt which covers the various maturities. For this, a Eurozone interest rate swap curve was considered, obtaining, through the bootstrapping method, a zero coupon curve. The interest rate curve used resulted from the application of a risk spread to the zero coupon curve obtained. To determine the spread, the *iTraxx Europe Main*, index was used, that covers European corporate debt securities with an investment grade rating, therefore being considered of high quality. The rates for the intermediate term were obtained by straight-line interpolation, and for terms of less than 3 or more than 10 years a constant rate was used.

The pension fund is exposed to the following risks:

**- Fund profitability risk**

Definition of an investment policy is the responsibility of Impresa, with the advice of the Managing Entity, respecting the limits and restrictions defined for each class of investment. Caixa Gestão de Activos, S.A. is the entity responsible for implementing the strategy and managing the financial assets of the Pension Fund. The securities held are selected considering the defined guidelines, taking into account the economic-financial realities and expectations of the evolution of the market.

The investment policy follows a benchmark management model, which defines the maximum limits of exposure for each class of assets and reference indices for each, against which performance is measured.

(Amounts stated in Euros)

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There are some deviations between the makeup of the portfolio allocated and the benchmark, due to the significant monetary market component. This is due in part to the significant excess financing of the fund.

The composition of the portfolio of assets obeys a set of rules aimed, through systematic spreading of risks and a benchmark process, at referencing and measuring the performance and risk of the portfolio, ensuring that the principles of diversification and spreading of risk are met.

There are also precise guidelines regarding the quality of credit that establish minimum credit notations and define the universe of investments.

Financial flow projections were made for the liabilities up to the end of the useful life of the Pension Fund.

This management model, not being specifically aimed at minimizing the mismatch between assets and liabilities, is justified as the residual maturity of the past service liability exceeds 65 years and its duration is of approximately 10 years, which makes an effective immunization strategy difficult. This strategy does not invalidate the rebalancing of the portfolio, considering the evolution of the liability.

In the years ended 31 December 2020 and 2019 the profitability of the fund assets was 2.6% and 5.8%, respectively. Expected income from the assets, considering the defined benchmark, was 0.50% and 0,36%, which is lower than the income rate considered for the projection.

- Exchange risk

The portfolio is preferably represented by securities in the same currency as that of the liability, which is Euros. At 31 December 2020 and 2019 the percentage of the portfolio exposed to exchange risk was 0,6% and 2,5%, respectively.

- Liquidity risk

At 31 December 2019 and 2018, the Pension Fund had pension liabilities in payment which, due to the evaluation of its liquidity, was considered in the composition of the portfolio. Therefore, at those dates the percentage of the portfolio invested in the monetary market was 6.2% and 5.9%, respectively, so that the cash in the portfolio was sufficient to meet the payment of pensions foreseen for the next three and four years, respectively.

- Credit risk

The control of credit risk takes into consideration the maturities of each security and is made, whether in aggregate terms, whether considering separately both the fixed and variable rate. The investment policy stipulates a minimum investment grade notation or equivalent for any security to be acquired.

At 31 December 2020 and 2019, all the of the portfolio consisted of BBB- grade or higher rating.

The securities in question are analysed and are only maintained in the portfolio if they are comfortable with the issuer, as well as their maturity, being permanently monitored.

In addition, sensitivity analyses were made to variations in the portfolio of assets, as regards interest rates in both the share and real estate markets. Therefore, for the fixed income component, increases in the interest rate curve of 1% and 2% and decreases of 10% and 15% were considered simultaneously for the share and real estate markets, it having been determined that in any of the simulations, the amount of the portfolio is sufficient to cover the minimum level of solvency.

Furthermore, so as to assess the adequacy of the relationship between the assets and the liability, that in the sensitivity analyses made to the portfolio of assets to the various types of risk of the assets which, despite the expected profitability of the assets being lower than the discount rate used, if this scenario is maintained, it is not expected that it will be necessary to make any contribution to the Fund for the next years.

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The changes in the amount of the past service liability for current and retired employees and the amount of the assets of the Company's plan in the years ended 31 December 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Present value of the liability for defined benefits at the beginning of the period	3,051,443	2,905,439
Benefits paid	(256,302)	(254,350)
Current service cost	28,372	25,250
Interest cost	36,933	62,511
Actuarial (gains)/losses	293,457	312,593
Present value of the liability for defined benefits at the end of the period	<u>3,153,903</u>	<u>3,051,443</u>
Plan assets at the beginning of the year	4,013,253	4,039,136
Benefits paid	(256,302)	(254,350)
Interest of the plan	48,601	88,019
Financial gain/(loss)	49,062	140,448
Plan assets at the end of the year	<u>3,854,614</u>	<u>4,013,253</u>
Surplus (Note 23)	<u>700,713</u>	<u>961,810</u>

The financial gain and loss resulting from differences between the assumptions used in determining the expected income from the assets and the effective amounts and the actuarial gain and loss between the assumptions used in determining the liability, were recorded as income and costs directly in equity, as other comprehensive income. The remaining income and costs were recorded in the statement of profit and loss.

	<u>2020</u>	<u>2019</u>
Amounts recognized in the statement of profit and loss:		
Current service cost	(28,372)	(25,250)
Interest cost of the plan	(36,933)	(62,511)
Plan interest	48,601	88,019
	<u>(16,704)</u>	<u>258</u>
Amounts recognized as other comprehensive income:		
Actuarial gain/(loss)	(293,457)	(312,593)
Financial gain/(loss)	49,062	140,448
	<u>(244,395)</u>	<u>(172,145)</u>

(Amounts stated in Euros)

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The portfolio of assets of the pension fund at 31 December 2020 and 2019 was made up as follows:

	2020		2019	
	Valor	%	Valor	%
Bonds	2,023,904	53%	2,037,904	51%
Public debt securities	1,106,852	29%	1,052,034	26%
Money market	79,566	2%	237,680	5.92%
Shares	402,202	10%	449,790	11%
Participating units in				
real estate investment funds	242,090	6%	235,845	6%
Cash, receivables (payables) and other short term				
assets (liabilities)	-	0%	-	0%
	<u>3,854,614</u>	<u>100%</u>	<u>4,013,253</u>	<u>100%</u>

The pension fund does not have any securities of the Impresa Group or any assets used by it.

### 32.2 Commitments to acquire programs

At 31 December 2019 and 2018, the Group had contracts and agreements with third parties to acquire films, series and other programs not included in the statement of financial position, in accordance with the valuation criteria used (Note 2.11), as follows:

Nature	31 December 2020				31 December 2019			
	Year the titles are available				Year the titles are available			
	2021	2022	2023 and following years	Total	2020	2021	2022 and following years	Total
Entertainment	6,793,974	1,476,600	-	8,270,574	6,919,871	2,100,000	-	9,019,871
Films	222,045	-	-	222,045	424,968	25,000	-	449,968
Format	44,624	-	-	44,624	29,990	-	-	29,990
Soap-operas	10,338,722	-	-	10,338,722	9,807,436	-	-	9,807,436
Children	126,802	3,354	-	130,156	438,904	11,838	-	450,742
Documentaries	505,242	-	-	505,242	292,094	365,000	-	657,094
60 Series	1,007,849	-	-	1,007,849	307,639	-	-	307,639
Mini séries	2,519	-	-	2,519	160,447	-	-	160,447
Sport	-	-	-	-	1,543,333	-	-	1,543,333
Events	2,564	-	-	2,564	67,365	-	-	67,365
	<u>19,044,341</u>	<u>1,479,954</u>	<u>-</u>	<u>20,524,295</u>	<u>19,992,048</u>	<u>2,501,838</u>	<u>-</u>	<u>22,493,885</u>

Nature	31 December 2020				31 December 2019			
	Limit year for broadcasting the titles				Limit year for broadcasting the titles			
	2021	2022	2023 and following years	Total	2020	2021	2022 and following years	Total
Entertainment	2,712,992	113,216	5,444,367	8,270,574	4,646,796	3,627,988	745,088	9,019,871
Films	942	4,894	216,210	222,045	3,400	303,010	143,558	449,968
Format	-	44,624	-	44,624	-	3,210	26,780	29,990
Soap-operas	-	711	10,338,011	10,338,722	43,258	2,184,178	7,580,000	9,807,436
Children	6,400	44,804	78,950	130,155	-	350,943	99,798	450,742
Documentaries	429,122	-	76,120	505,242	245,317	378,887	32,890	657,094
60 Series	20,054	76,020	911,774	1,007,849	833	209,201	97,605	307,639
Mini séries	-	2,519	-	2,519	-	4,447	156,000	160,447
Sport	-	-	-	-	10,000	1,533,333	-	1,543,333
Events	2,564	-	-	2,564	27,865	-	39,500	67,365
	<u>3,172,075</u>	<u>286,788</u>	<u>17,065,432</u>	<u>20,524,295</u>	<u>4,977,469</u>	<u>8,595,197</u>	<u>8,921,220</u>	<u>22,493,885</u>

AS of 31 December 2020 and 2019, the commitments to acquire programs include 10,511,300 Euros and 7,580,000 Euros, respectively, related to content to be acquired from related parties (SP Televisão).

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

**32.3. Commitments for the acquisition of tangible fixed assets**

At 31 December 2020 and 2019, the commitments assumed for the acquisition of tangible fixed assets amounted to approximately 22,000 and 510,000 Euros and, respectively.

**33 RELATED PARTIES**

The balances at 31 December 2020 and 2019 and transactions during the years then ended with related parties were as follows:

**31 de dezembro de 2020:****Shareholders:**

Grupo BPI	1,981,323	981,574	-	54,432,370
Grupo Madre (SP - Televisão, Lda.) (b)	-	103,774	7,855,250	-

**Associates:**

Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	973,778	32,137	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	6,242	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	101,203	-
DPS-Digital Printing Services, Lda	-	-	443	-

**Others:**

Key management personnel (a)	-	-	453,400	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	24,888	-
	<u>1,981,323</u>	<u>2,059,126</u>	<u>8,473,562</u>	<u>54,432,370</u>

(a) The amount relates to bonuses payable to the Board and Executive Joint Committee, related to the year ended 31 December 2020.

(b) The balances related to accounts payable are concerned to suppliers of program rights – soap operas.

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
<b><u>Shareholders:</u></b>					
Impreger	73,800	-	-	-	-
Grupo BPI	-	-	1,115,077	277,504	11,409
Grupo Madre (SP - Televisão, Lda.) (a)	13,175,992	-	-	405,871	-
<b><u>Associates:</u></b>					
Vasp (Nota 8)	179,693	-	-	7,858,404	-
Vasp Premium	40,861	-	-	-	-
Lusa	356,507	-	-	-	-
DPS	1,595	-	-	-	-
<b><u>Others</u></b>					
Morais Leitão, Galvão Teles, Soares da Silva & Associados	248,286	-	-	5,324	-
Key management personnel	-	1,171,906	-	-	-
	<u>14,076,734</u>	<u>1,171,906</u>	<u>1,115,077</u>	<u>8,547,104</u>	<u>11,409</u>

(a) O Services are related essentially to the acquisition of soap operas rights.



(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

31 December 2019:

	Balances			
	Demand deposits	Receivables	Payables	Borrowings
<u>Shareholders:</u>				
Grupo BPI	1,585,919	1,328,903	-	54,800,000
Grupo Madre (SP - Televisão, Lda.)	-	133,325	7,855,250	-
<u>Associates:</u>				
Vasp - Distribuidora de Publicações, S.A. ("Vasp")	-	741,609	59,975	-
Vasp Premium - Entrega personalizada de publicações, Lda. ("Vasp Premium")	-	-	11,264	-
Vasp TMK - Soluções de Trademarketing, Lda. ("Vasp TMK")	-	-	4,957	-
Lusa - Agência de Notícias de Portugal, S.A. ("Lusa")	-	-	108,696	-
DPS-Digital Printing Services, Lda	-	-	819	-
<u>Others</u>				
Pessoal-chave da gerência	-	-	366,000	-
Morais Leitão, Galvão Teles, Soares da Silva & Associados	-	-	165,723	-
	<u>1,585,919</u>	<u>2,203,837</u>	<u>8,572,684</u>	<u>54,800,000</u>

	Transactions				
	Services obtained	Personnel costs	Financial costs	Sales and services rendered	Financial income
<u>Shareholders:</u>					
Impreger	73,800	-	-	-	-
Grupo BPI	-	-	2,419,170	263,204	40,830
Grupo Madre (SP - Televisão, Lda.)	16,943,274	-	-	585,108	-
<u>Associates:</u>					
Vasp (Note 8)	256,772	-	-	7,807,799	-
Vasp Premium	83,734	-	-	-	-
Vasp TMK	10,412	-	-	-	-
Lusa	360,421	-	-	-	-
DPS	2,502	-	-	-	-
<u>Others</u>					
Morais Leitão, Galvão Teles, Soares da Silva & Associados	430,340	-	-	12	-
Key management personnel	-	1,438,826	-	-	-
	<u>18,161,254</u>	<u>1,438,826</u>	<u>2,419,170</u>	<u>8,656,123</u>	<u>40,830</u>

The terms and conditions practiced in transactions between Impresa and related parties are substantially the same to those that would normally be contracted, accepted and practiced 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 Impresa's operations, with similar conditions to those currently contracted with independent entities. The transactions carried out under the commercial agreements relate essentially to advertising services rendered by the Impresa Group and the granting of loans by the financial institutions. In the beginning of 2005, the Group acquired from the BPI Group and other small shareholders, 49% of SIC's share capital and obtained a loan of 152.500.000 Euros (Note 27) to finance the acquisition.

Balances and transactions between the consolidated companies were eliminated in the consolidation process and are shown in Note 8.

During the year ended 31 December 2019, the Group adopted an internal regulation related to the definition of related parties, considering the governance structure and the decision making process, whereby it started considering as key management personnel the Board and the Executive Joint Committee, since all main decisions related to its activity are taken by these bodies. During the years ended 31 December 2020 and 2019, the transactions with the Board and Executive Joint Committee relate essentially, to their remuneration for the performance for their duties within the Impresa Group.

In the years ended 31 December 2020 and 2019, pension supplements of 184,739 Euros were paid each year to the Chairman of the Board of Directors by the pension fund.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

**34 RATES USED TO TRANSLATE FOREIGN CURRENCY BALANCES**

The following rates were used to translate foreign currency assets and liabilities to Euros at 31 December 2020 and 2019:

	<u>2020</u>	<u>2019</u>
US Dollar (USD)	1.2271	1.1234
Swiss Franc (CHF)	1.0802	1.0854
Pound Sterling (GBP)	0.8990	0.8508
Australian Dollar (AUD)	1.5896	1.5995
Canadian Dollar (CAD)	1.5633	1.4598
Brazilian Real (BRL)	6.3735	4.5157

**35 FINANCIAL INSTRUMENTS**

The Group manages its capital to ensure that the subsidiary companies carry out their operations from a going concern standpoint. In this respect, the Group periodically analyses the capital structure (own and third party) and debt maturities of all the companies therein, financing them when necessary.

The financial instruments at 31 December 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
<u>Financial assets:</u>		
Receivables	38,746,931	38,551,592
Cash and equivalents (Note 24)	6,440,491	-
Assets classified as held for sale	3,583,279	-
	<u>48,770,702</u>	<u>38,551,592</u>
<u>Financial liabilities:</u>		
Borrowings	159,281,313	163,935,310
Payables	73,111,003	67,294,496
Cash and equivalents (Note 24)	-	2,457,145
Current Tax	2,334,675	1,095,645
	<u>234,726,991</u>	<u>234,782,596</u>

Regarding the bond loan, its fair value, at December 31, 2020 and 2019, amounted to 51,413,100 and 52,433,100 Euros, respectively. For the remaining loans, as of December 31, 2020, as identified in Note 27, the Group believes that the amounts at which the loans are recorded do not differ significantly from or exceed their fair value. In effect, the fair value of the borrowings will depend significantly on the level of risk attributed by the lenders and the conditions that Impresa would be able to obtain at 31 December 2020 and 2019 if it went to the market to contract financing with maturities and amounts similar to those that it has in progress at that date.

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

The Impresa Group is exposed essentially to the following financial risks:

**a) Interest rate risk**

The interest rate risks are essentially related to the interest borne when contracting several loans with variable interest rates. Except for the bond loan which rate is fixed, the loans contracted are exposed to changes in market interest rates.

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

If market interest rates in the years ended 31 December 2020 and 2019 were 0.5% higher or lower, net result for these years would have decreased or increased by approximately 826,000 Euros and 1,003,000 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.

Exchange rate risk at 31 December 2020 and 2019 relates essentially to the acquisition of television broadcasting rights from foreign producers. So as to reduce the risk to which the Company is exposed, a loan was contracted, which at 31 December 2020 and 2019 amounted to 2,702,829 Euros and 2,702,829 Euros, respectively, which was converted to a USD term deposit, which at 31 December 2020 and 2019 amounted to 3,667,183 and 4,005,697 Euros, respectively (Note 23).

During the year ended 31 December 2020 and 2019, the Group did not have exchange forwards.

The foreign currency balances payable, expressed in Euros at the exchange rates in force on 31 December 2019 and 2018 were as follows:

:

	2020	2019
US Dollar (USD)	2,667,330	1,213,121
Swiss Franc (CHF)	60,260	39,880
Pound Sterling (GBP)	6,885	7,345
Australian Dollar (AUD)	4,320	4,320
Canadian Dollar (CAD)	422	422
	<u>2,739,217</u>	<u>1,265,088</u>

At 31 December 2020 and 2019, the Group had foreign currency receivables as follows:

	2020	2019
US Dollar (USD)	1,617,755	2,617,330
Swiss Franc (CHF)	753	8,204
Pound Sterling (GBP)	3,985	2,113
Australian Dollar (AUD)	13,000	10,000
Canadian Dollar (CAD)	159,866	179,736
	<u>1,795,359</u>	<u>2,817,383</u>

c) Credit risk

Credit risk relates essentially to accounts receivable resulting from the operations of the Group companies (Note 22). In order to reduce credit risk, the Group companies have defined policies for granting credit, with defined credit limits by client and collection terms and discount policies for payment in advance or in cash. The credit risk of each Group business is monitored regularly with the objective of:

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

Impairment losses on accounts receivable are calculated considering:

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

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

The changes in impairment losses on accounts receivable are shown in Note 28.1.

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

Receivables at 31 December 2020 and 2019 include amounts overdue as follows, for which impairment losses were not recognized as the Board of Directors believes that they are collectible:

Overdue balances	2020			2019		
	Customers	Other current and non-current assets	Total	Customers	Other current and non-current assets	Total
Up to 90 days	4,247,626	-	4,247,626	5,072,716	-	5,072,716
From 90 to 180 days	164,255	-	164,255	840,900	-	840,900
More than 180 days	455,846	-	455,846	1,696,146	-	1,696,146
	<u>4,867,727</u>	<u>-</u>	<u>4,867,727</u>	<u>7,609,762</u>	<u>-</u>	<u>7,609,762</u>

In addition, as of 31 December 2019 the Group has accounts receivable from TIN related to the sale of the portfolio of magazines, un the mount of 4,430,000 Euros (nominal amount), for which a payment plan was agreed, with collections foreseen in 2021,2022 and 2021 in the amounts of 300,000 Euros, 2,630,000 Euros and 1,500,000 Euros, respectively. As described in Note 23, in 2020 both parties negotiated a new payment schedule, this being the reason why the balance is not overdue at 31 December 2020.

d) Liquidity risk

Liquidity risk exists if the funding sources such as operating cash flows, divestment, credit lines and flows from financing operations do not meet the financing needs such as cash outflow for operating and financing activities, investment, shareholder remuneration and debt repayment.

In order to reduce this risk, the Group endeavours to maintain a liquid position and average debt maturities that enable it to repay debt under reasonable conditions. At 31 December 2020 and 2019, the credit lines approved and not used amounted to approximately 29,312,000 Euros and 10,693,000 Euros, respectively, which in the opinion of the Board of Directors, considering the main cash flow projections for 2021, and the capacity of the Group to renew its current used lines, will be sufficient to settle the Group's current liabilities and continue to operate on a going concern.

Financial indebtedness at 31 December 2020 and 2019 matures as follows:

Financial Liabilities	2020				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing (a)	23,004,618	58,728,135	9,490,750	59,208,297	150,431,800
Lease liabilities	2,656,596	2,876,847	2,269,828	1,046,241	8,849,512
Suppliers' credits guaranteed by third parties	4,833,868	-	-	-	4,833,868
	<u>30,495,081</u>	<u>61,604,983</u>	<u>11,760,578</u>	<u>60,254,538</u>	<u>164,115,179</u>
Not remunerated:					
Trade payables	20,485,979	-	-	-	20,485,979
Suppliers of fixed assets	918,799	960,331	-	-	1,879,130
Other current liabilities	48,246,702	-	-	-	48,246,702
	<u>69,651,480</u>	<u>960,331</u>	<u>-</u>	<u>-</u>	<u>70,611,812</u>
	<u>100,146,562</u>	<u>62,565,314</u>	<u>11,760,578</u>	<u>60,254,538</u>	<u>234,726,991</u>

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

Financial Liabilities	2019				Total
	Up to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Remunerated:					
Borrowing (a)	42,352,939	6,431,834	57,527,260	48,650,067	154,962,101
Finance lease liability	2,955,212	2,551,797	2,054,613	1,411,588	8,973,210
Suppliers' credits					
guaranteed by third parties	5,602,747	-	-	-	5,602,747
	<u>50,910,897</u>	<u>8,983,631</u>	<u>59,581,874</u>	<u>50,061,655</u>	<u>169,538,057</u>
Not remunerated:					
Trade payables	22,102,125	-	-	-	22,102,125
Suppliers of fixed assets	1,080,549	1,760,617	-	-	2,841,166
Other current liabilities	40,301,248	-	-	-	40,301,248
	<u>63,483,922</u>	<u>1,760,617</u>	<u>-</u>	<u>-</u>	<u>65,244,539</u>
	<u>114,394,819</u>	<u>10,744,248</u>	<u>59,581,874</u>	<u>50,061,655</u>	<u>234,782,596</u>

(a) This caption does not include bank overdrafts.

**36 OTHER INFORMATION**

The financial year of 2020 was conditioned by the effects of the pandemic caused by the disease COVID-19 and the measures to contain it that were adopted. Despite all the constraints verified, and the adverse macroeconomic environment, the Group's performance in 2020 ended up being positive, with the negative factors (essentially COVID) having lately been offset by other positive factors. In this context, and because a series of measures were taken, both on the revenue and cost side, it is difficult to isolate the specific effects of the pandemic on the various headings of the consolidated financial statements. Even so, we will try to present the most relevant aspects of the Group's performance and, in this analysis, identify the aspects that, in the Group's opinion, may have been most influenced by the pandemic situation.

In fiscal 2020, the Group recorded a decrease in operating income of about 2%, to which a reduction in advertising revenue contributed significantly. Operating income in 2020 was €178,089,666, which compares with €181,870,149 in 2019. By segment, there was a decrease of 2% in television (to €152,168,537), 3.8% in publishing (to €23,272,833) and 4.2% in the other segment. As already briefly mentioned, the main factor behind the reduction in revenues was the reduction in advertising revenue - a reduction of 6.1% (to 111,313,283 Euros) with television advertising down 5.6% (to 99,829,998 Euros) and publishing advertising down 10.1% (to 11,483,285 Euros). The Group is convinced that these reductions in advertising revenue correspond to the main negative impact of the pandemic on its results. Until March 2020, advertising revenues were on a positive trend (in the first quarter, SIC had a 9% growth in advertising revenues versus the same period last year), with significant reductions occurring between the end of March 2020 and June 2020. As of July 2020, the Group began to see a recovery in advertising revenue, and it should be noted that the last quarter of the year had a very positive behaviour, allowing to recover part of the reduction seen in the second quarter. In parallel, there was a significant increase in circulation revenues (9.5% to 10,615,794 Euros), in particular from the sale of digital editions of Expresso, an evolution that the Group understands is partially due to the pandemic. At the level of multimedia revenues (value added calls - "IVR's"), there was also a significant growth of 43.7% to 16,201,150 Euros, which in part is explained by the programming strategy adopted, but in part will also be a result of the pandemic (being confined at home, viewers have more availability and predisposition to participate in this type of initiatives). Finally, it should be noted that a number of measures were adopted to reduce spending. In this way, the effect of the impacts of COVID-19 and other situations at the revenue level combined with the measures adopted on the cost side had a positive effect on the overall performance of Impresa, with consolidated net income increasing 43.2% (to 11,220,238 Euros). As a result of the good operating performance, loans obtained, notwithstanding the recourse to moratoria described in note 27, decreased by 7,413,354 Euros (to 161,508,944 Euros), and cash and cash equivalents increased from 2,529,843 Euros to 8,668,122 Euros.

**37 SUBSEQUENT EVENTS**

In the year ended December 31, 2020, the Company entered into a promissory contract of purchase and sale by which it committed to sell 222,000 shares, representing 33.33% of the share capital of Vasp - Distribuidora de Publicações, S.A. ("Vasp"), for the price of 2,100,000 Euros. Subsequently, Páginas Civilizadas, Lda., Cofina Media, S.A. and Global Notícias Media Group, S.A. reached an understanding for the transaction to be completed, subject to the completion of an accounting and financial audit by Páginas Civilizadas, Lda. and to the non-opposition to the transaction by the Competition Authority, through the transmission by Impresa:

(Amounts stated in Euros)

(Translation of notes originally issued in Portuguese – Note 39)

- (i) to Páginas Civilizadas, Lda. 111,000 shares, representing 16.665% of the share capital of Vasp, for the price of 1,050,000 Euros; and
- (ii) to Cofina Media, S.A., 111,000 shares, representing 16.665% of the share capital of Vasp, for the price of 1,050,000 Euros.

On January 15, 2021, the renewal of the State of Emergency in Portugal was approved by Parliament, forcing a new general confinement with circulation restrictions. Up to the date of approval of the consolidated financial statements by the Board of Directors, the Group did not suffer any significant unexpected impacts in its activity, resulting from the extension of the State of Emergency. Considering the Group's cash availabilities at the date of this report, the Group continues to have funds available to meet its commitments in the current year, and may also resort to credit lines. We believe that the conditions for the continuity of operations are thus assured.

The Impresa Group's activity plays a particularly important role in this type of situation, in which the demand for updated, rigorous and credible information is even more important. The Group, through its various platforms, will continue to ensure its public interest mission: to inform society, with the rigor they are recognized for, and to transmit first hand the relevant institutional messages. The Group will monitor the economic implications of the Covid-19 virus, and in particular the identification of potential sources of risk to its business.

### 38 AUDITOR COMPENSATION

As of 31 December 2020, and 2019, the amount of annual remuneration paid by the Group to external auditors and other entities or individuals belonging to the same network were as follows:

	<u>2020</u>	<u>2019</u>
<u>By Impresa (a)</u>		
Auditing Services	22,400	22,400
Reliability assurance services	1,820	1,820
	<u>24,220</u>	<u>24,220</u>
<u>Por outras entidades do Grupo (a)</u>		
Auditing Services	187,200	138,200
Other assurance services	25,000	20,000
Reliability assurance services	1,800	101,800
	<u>214,000</u>	<u>260,000</u>
Total	<u>238,220</u>	<u>284,220</u>

### 39 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 ACCOUNTANT

THE BOARD OF DIRECTORS



V.

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

**2020**

## **STATUTORY AUDITOR'S CERTIFICATION AND AUDIT REPORT**

**(Free translation from a report originally issued in Portuguese language. In case of doubt 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 Impresa - Sociedade Gestora de Participações Sociais, SA (Impresa) and its subsidiaries (Group), which comprise the consolidated statement of financial position as at 31 December 2020 (showing a total of 391 212 250 euros and a total net equity of 144 114 070 euros, including a net profit of 11 220 238 euros), the consolidated income and comprehensive income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of 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 Impresa Sociedade Gestora de Participações Sociais, SA as at 31 December 2020 and of its consolidated financial performance and its consolidated cash flow for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities forming 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.





### **Emphasis of matter**

As mentioned in the management report and in note 37 to the financial statements, the Group did not suffer significant unexpected impacts on its activity resulting from the prolongation of the State of Emergency. Taking into consideration the Group's cash, the availability of funds to meet its commitments for the current year and the possibility of using credit lines, the conditions for the continuity of operations are ensured. The Group's activity plays a particular important role in these types of situations, in which the search for updated, rigorous and credible information is even more important. The Group will monitor the economic implications of Covid-19 and, in particular, the identification of potential sources of risk for its activity. Our opinion is not modified in respect of this matter.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matters	Summary of the audit response
<p data-bbox="236 338 502 367"><b><i>Impairment of goodwill</i></b></p> <p data-bbox="236 389 769 1084">The consolidated statement of financial position as at 31 December 2020 includes, in the heading "Goodwill", the value of 268 622 821 euros, relative to the goodwill generated in business combinations occurred in previous years, essentially related to the cash-generating units of television and publishing. The realisation of the goodwill depends on the future cash flows generated by the corresponding cash-generating units, which gives rise to the risk that they will not be sufficient to recover the value of the respective goodwill. As mentioned in note 17 of the notes to the consolidated financial statements, the Group conducts impairment tests on the goodwill on an annual basis, or whenever there is evidence of impairment. To this end, the Group uses a third party entity, outside the Group, that prepares assessments using the discounted cash flow method, based on the future projections of each business line over a five year timeline, considering a perpetuity from the fifth year onwards, which include various assumptions relative to a set of variables that are detailed in the aforesaid note 17.</p> <p data-bbox="236 1106 769 1263">Considering the value of "Goodwill", and the existence of a high number of judgements and estimates entailed by the impairment tests, we deem the analysis of goodwill impairment a key audit matter.</p> <p data-bbox="236 1285 702 1344">Related disclosures: Notes 2.4 and 17 of the notes to the consolidated financial statements.</p>	<p data-bbox="805 389 1321 448">The audit response involved, in brief, the conduct of the following procedures:</p> <p data-bbox="805 465 1380 873">Obtaining of the impairment analyses prepared by the board of directors using an external entity and review of the studies made by this entity as to comprehensiveness and consistency with the rest of the financial information, namely: (i) analysis of the assumptions used, considering the economic and market circumstances, and the expected future performance of the corresponding cash-generating units; (ii) comparison of the projected cash flows in the analyses, including the main assumptions considered, such as the historical performance of the cash-generating units and respective budgets approved by the management body; and (iii) verification of the calculations made.</p> <p data-bbox="805 891 1364 981">Involvement of our in-house specialists for appraisal of the main assumptions used, including the preparation of scenarios/sensitivity tests.</p> <p data-bbox="805 999 1252 1057">Considerations about the possible impacts of the pandemic Covid-19.</p> <p data-bbox="805 1075 1252 1155">Appraisal of the reasonableness of the disclosures made in the consolidated financial statements.</p>

Key audit matters	Summary of the audit response
<b>Recognition of the revenue derived from advertising on television</b>	
<p>The revenue generated from the advertisements shown on television consist of the Group's main source of revenue. This revenue essentially arises from advertising campaigns on television made by the customers through a high number of transactions, of the respective audiences, and from the conditions agreed with the customers. As mentioned in note 2.16 of the notes to the consolidated financial statements, the measurement of this revenue depends on the measurement and profile of the respective audiences, the discounts and allocations according to the advertising investment made by the customers and the conditions agreed with them. Therefore, there is a risk of these campaigns being incorrectly recorded, namely considering the effective measurement of the audiences and the application of the discounts to be granted that have been negotiated and the respective agreed conditions.</p> <p>Related disclosures: Notes 2.16 and 9 of the notes to these consolidated financial statements.</p>	<p>The audit response was carried out under ISA 600 - Special considerations - Audits of group financial statements (including the work of component auditors) and involved, in brief, the conduct of the following procedures:</p> <p>Comprehension of the process of ascertainment of advertising revenue by the key systems supporting invoicing, which involved IS Audit specialists and assessment of the internal control mechanisms considered relevant in the ascertainment and recording of advertising revenue;</p> <p>Assessment of the policy adopted for recognition of the revenue generated by the showing of advertisement on television, by reference to the applicable accounting standards;</p> <p>Analysis of the main variations of revenue in relation to the same period of the previous year, taking into account the key measurement indicators of the business activity generated;</p> <p>Appropriate reconciliation of the invoicing system with the accounting records;</p> <p>Analysis of a sample of advertising orders recognised as revenue, recalculation of revenue based on the agreed commercial conditions, respective showing and/or audience reached during the established and programmed time slot;</p> <p>Comparison of the recorded values of discounts already granted and to be granted in the future to customers, with those arising from the respective advertising investment and the approved commercial conditions;</p> <p>Appraisal of the reliability of the estimates made by the board of directors, based on the comparison of the discounts effectively granted in the year with estimates recorded in previous years;</p> <p>Direct confirmation of balances with the main customers as at 31 December 2020;</p> <p>Considerations about the revenue effect of the pandemic Covid-19;</p> <p>Analysis of the reasonableness of the disclosures made in the consolidated financial statements.</p>



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

Management is responsible for:

- (i) the preparation of consolidated financial statements that give a true and fair view of the Group's consolidated financial position, consolidated financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- (ii) the preparation of the consolidated management report, the corporate governance report and the consolidated non-financial information report in accordance with applicable law and regulation;
- (iii) designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error;
- (iv) the adoption of accounting policies and principles appropriate in the circumstances; and
- (v) 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 misstatement, 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 economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) identify and assess the risks of material misstatements 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, misrepresentation, or the override of internal control;
- (ii) 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;
- (iii) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- (iv) 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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- (v) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and the events in a manner that achieves fair presentation;
- (vi) we obtain sufficient and appropriate audit evidence relative to the financial information of the Group's entities or activities to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit, and we are ultimately accountable for our audit opinion;
- (vii) 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;
- (viii) 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 their public disclosure;
- (ix) provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, what measures were taken to eliminate the threats or which safeguards applied.

Our responsibility also includes the verification that the information contained in the consolidated management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451.º of the Portuguese Companies' Code about corporate governance, as well as the verification that the consolidated non-financial information report was presented.

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

### **On the consolidated management report**

Pursuant to article 451.º, n.º 3, al. (e) of the Portuguese Companies' Code, it is our opinion that the consolidated 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 corporate governance report**

Pursuant to article 451.º, n.º 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Group to provide under article 245.º-A of the Securities Code, with no material misstatements identified in the information disclosed therein, complying with the provisions in paragraphs c), d), f), h), i) and m) of the n.º 1 of that article.

### **On the consolidated non-financial information report**

In compliance with article 451.º, n.º 6, of the Portuguese Companies' Code, we inform that the Group prepared a report separated from the consolidated management report that includes consolidated non-financial information, as established in article 508.º-G of the Portuguese Companies' Code, which was published together with the consolidated management report.

### **On the additional matters provided in article 10 of the Regulation (EU) nº 537/2014**

Pursuant to article 10 of the Regulation (EU) nº 537/2014 of the European Parliament and of the Council, of 16 April 2014, in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as statutory auditors of Impresa in the shareholders general meeting held on 16 April 2019 for a first mandate from 2019 to 2022.
- 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 possibility of material misstatement 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 delivered to the supervisory body of the Group on 30 April 2021.
- We declare that we have not provided any prohibited services as described in article 77.º, number 8, of the Ordem dos Revisores Oficiais de Contas statutes, and we have remained independent of the Group in conducting the audit.
- We inform that, in addition to the audit, we provided the Group with the following services permitted by law and regulations in force:
  - Limited review of the semi-annual information with reference to 30 June 2020;
  - Reliability assurance work related to the independent review of ratios associated with compliance with contractual clauses included in financing agreements (covenants).

Lisbon, 30 April 2021

Rui Lourenço Helena, in representation of  
BDO & Associados - SROC

CERTIFICATE OF COMPLIANCE OF THE FINANCIAL RATIO AS OF DECEMBER 31, 2020  
RELATED TO TERMS AND DEFINITIONS OF THE  
PROSPECTUS OF PUBLIC OFFERING AND ADMISSION TO TRADING  
OF THE BOND LOAN "OBRIGAÇÕES SIC 2019-2022"

(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 2020	Limit Clause 6.9.3
Net financial debt ratio / Recurring Consolidated EBITDA = [(a)-(b)] / [(c)+...+(j)]	4,8	< 7,5
(a) Bank borrowings	161.508.944	
(b) Cash and cash equivalents	8.668.122	
(c) Operating profit	25.217.143	
(d) Amortization and depreciation	5.335.362	
(e) Provisions and impairment losses	558.001	
(f) Disposal and write-off of non-current assets	24.664	
(g) Disposal of financial holdings	-	
(h) Termination benefits to employees	277.952	
(i) Outcome of legal and tax proceedings	-	
(j) Increases and reversals of customer impairment losses	501.550	

These amounts were obtained from the consolidated financial statements of IMPRESA - Sociedade Gestora de Participações Sociais, SA on December 31, 2020. 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, 2019.

Lisboa, 27 April 2021

President of the Board (or CEO)

Financial Director (or CFO)



To the Board of Directors of  
Impresa Sociedade Gestora de Participações Sociais, SA  
Rua Ribeiro Sanches, n.º 65  
1200-787 Lisbon

**Statutory Auditor's Report on the certificate of compliance with the financial ratio as at 31 December 2020 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 2019-2022**

### **Introduction**

We were hired by the Board of Directors of Impresa Sociedade Gestora de Participações Sociais, SA (hereinafter referred to as Impresa) to carry out reliability assurance work concerning the examination of the certificate of compliance with the financial ratio as at 31 December 2020 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 2019-2022 (Annex 1 or Certificate).

We stress that the criteria and definitions used to ascertain 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 of 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 submission of the Certificate, pursuant to the terms and definitions of the prospectus, based on the audited consolidated financial statements of Impresa as at 31 December 2020.

Impresa'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 Impresa, 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 conducted in conformity with the International Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised). We are independent from Impresa 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 carried out 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 end, our work included the following procedures:

- (i) Verification of arithmetic correction;
- (ii) 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 2019-2022; and
- (iii) Verification as to whether the items considered for the calculation of the indicators of consolidated recurring net financial debt and EBITDA, as defined in Annex I, are concordant with Impresa's consolidated financial statements as at 31 December 2020.

We applied the International Standard on Quality Control ISQC 1 and, consequently, maintained a comprehensive quality control system, which includes documented policies and procedures on compliance with ethical requirements, professional standards, and legal and regulatory requirements that are applicable.

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

## Opinion

In our opinion, the information contained in the certificate of compliance with the financial ratio as at 31 December 2020 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 2019-2022 (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 2019-2022.



### **Restrictions of use**

This report is intended only for the information and use of the Board of Directors of Impresa, for provision 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 2019-2022 (Annex I), and cannot be used for any other purpose without our prior approval in writing.

Lisbon, April 30, 2021

Rui Lourenço Helena, in representation of  
BDO & Associados - SROC



VI.  
LIST OF QUALIFIED  
SHAREHOLDERS

31/12/2020





**LIST OF HOLDERS OF QUALIFIED SHAREHOLDINGS**

**ARTICLE 8, NUMBER 1, SUBPARAGRAPH B)**

**CMVM's REGULATION no. 05/2008**

(With reference to 31/12/2020)

Qualifying shareholder	Quantity of Shares Held	Percentage of voting rights
<b>IMPREGER - Sociedade Gestora de Participações Sociais, S.A.</b>		
* Directly (a)	84 514 588	50,306%
* Through the Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão	2 520 000	1,500%
* Through the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão	8 246	0,005%
<b>Total Imputable</b>	<b>87 042 834</b>	<b>51,811%</b>
<b>(a) – IMPREGER– Sociedade Gestora de Participações Sociais, S.A. is majority held by BALSEGER – Sociedade Gestora de Participações Sociais, S.A., of which 99,99% of the voting rights are imputable to Francisco José Pereira Pinto de Balsemão.</b>		
<b>Madre Entretenimento SGPS, Unipessoal, Lda.</b>		
* Directly (a)	7 501 243	4,465%
<b>Total Imputable</b>	<b>7 501 243</b>	<b>4,465%</b>
<b>(a) – Madre Entretenimento SGPS, Unipessoal, Lda. is held by Madre – Empreendimentos Turísticos, S.A., which in turn is held by António da Silva Parente, and majority held by Universal Management Foundation. Universal Management Foundation is controlled by António da Silva Parente, hence the corresponding voting rights are also imputable to him.</b>		
<b>BANCO BPI, S.A.</b>		
* Directly	6 200 000	3,690%
<b>Total Imputable</b>	<b>6 200 000</b>	<b>3,690%</b>
<b>Newshold - S.G.P.S.</b>		
* Directly (a)	4 038 764	2,404%
<b>Total Imputable</b>	<b>4 038 764</b>	<b>2,404%</b>
<b>(a) – Newshold – S.G.P.S., SA is 91,25% held by Pineview Overseas, SA, hence the corresponding voting rights are also imputable to it.</b>		



**VII.**  
**SECURITIES HELD BY**  
**MEMBERS OF THE**  
**MANAGEMENT AND**  
**SUPERVISORY BODIES**

**31/12/2020**



## 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 31/12/2020)

### Indication of IMPRESA shares:

Members of the Management and Supervisory Bodies	Shares			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Francisco Pedro Presas Pinto de Balsemão	5,100	0	0	5,100
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Manuel Guilherme Oliveira e Costa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Board of Directors) – Held 2,520,000 IMPRESA shares as at 31/12/2019, a position which remained the same as at 31/12/2020. 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 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment during the year. IMPREGER is majority held by BALSEGER – Sociedade Gestora de Participações Sociais, 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 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment during the year.

**Francisco Pedro Presas Pinto de Balsemão** (Chief Executive Officer) – Held 5,100 IMPRESA shares as at 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment in 2020.

**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Board of Directors) – Held 8,246 IMPRESA shares as at 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment in 2020. IMPREGER – Sociedade Gestora de Participações Sociais, SA, of which he is a Director, held 84,514,588 shares as at 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment in 2020.

**Manuel Guilherme Oliveira e Costa** (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2020.

**Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia** (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.

**João Nuno Lopes de Castro** (Member of the Board of Directors) – Made no acquisition/divestment in 2020.

**Ana Filipa Mendes Magalhães Saraiva Mendes** (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.



Statutory Auditor	Shares			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

### **Indication of SIC 2019-2022 Bonds:**

In 2019, SIC – Sociedade Independente de Comunicação, S.A., a subsidiary 100% owned by IMPRESA – Sociedade Gestora de Participações Sociais, S.A., issued and admitted to trading 1,700,000 bonds, with a total nominal value of € 51,000,000, maturing on 11 July 2022.

Members of the Management and Supervisory Bodies of IMPRESA	SIC 2019-2022 Bonds*			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
Francisco José Pereira Pinto de Balsemão	100	0	0	100
Francisco Pedro Presas Pinto de Balsemão	0	0	0	0
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Manuel Guilherme Oliveira e Costa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0

\*Nominal unit value of €30

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Board of Directors) – Held 100 SIC 2019-2022 Bonds as at 31/12/2019, a position which remained the same as at 31/12/2020, since there was no acquisition/divestment in 2020.

**Francisco Pedro Presas Pinto de Balsemão** (Chief Executive Officer) - Made no acquisition/divestment in 2020.

**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Board of Directors) - Made no acquisition/divestment in 2020.

**Manuel Guilherme Oliveira e Costa** (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2020.

**Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia** (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.

**João Nuno Lopes de Castro** (Member of the Board of Directors) – Made no acquisition/divestment in 2020.

**Ana Filipa Mendes Magalhães Saraiva Mendes** (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.





Statutory Auditor of IMPRESA	SIC 2019-2022 Bonds*			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

\*Nominal unit value of €30



**VIII.**  
**AUDIT COMMITTEE**  
**REPORT**

**2020**



# **ACTIVITY REPORT AND OPINION OF THE AUDIT COMMITTEE**

**2020**

## **1. Introduction**

Pursuant to subparagraph g) of number 1 of article of the Commercial Companies Code and subparagraph c) of article 7 of the Regulations of the Audit Committee of Impresa, SGPS, S.A., the Audit Committee hereby:

- i. Submits its report on its audit activities conducted during 2020;
- ii. Issues its opinion on the management report, the corporate governance report, the non-financial information, the consolidated and individual financial statements of Impresa, SGPS, S.A., including each respective legal certification of the accounts, and on the proposal submitted by the Board of Directors on appropriation of the net income for 2020; and
- iii. Submits the declaration of conformity of the financial statements relative to the year ended on 31 December 2020, as established in subparagraph c) of number 1 of article 245 of the Securities Market Code.

The Audit Committee, elected at the General Meeting of 16 April 2019, for the term of office 2019-2022, consists of the following members:

Chairman: Manuel Guilherme Oliveira da Costa  
Members: Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia  
Ana Filipa Mendes de Magalhães Saraiva Mendes

The members of the Audit Committee comply with the qualitative composition indicated in article 414 of the Commercial Companies Code, as well as the criteria on compatibility for the performance of their duties established in article 414-A of the Commercial Companies Code. The composition of the Audit Committee complies with the requirements in Article 3 of Law 148/2015 of 9 September. Thus, the Audit Committee includes members with suitable academic qualifications for performing functions and/or



with prior experience in the sector in which the Impresa Group operates. The majority of the members of the Audit Committee, including its Chairman, are considered independent under the terms of number 5 of article 414 of the Commercial Companies Code and recommendation III.4 of the Corporate Governance Code endorsed by IPCG.

The members of the Audit Committee participated in the meetings of the Board of Directors, to which they were properly called in due time, and on which they subsequently received the corresponding minutes, having presented, whenever relevant, appropriate recommendations and suggestions concerning internal external audit and risk control.

The members of the Audit Committee received in due time all the minutes of the meetings of the Executive Committees of SIC – Sociedade Independente de Comunicação, S.A. and Impresa Publishing, S.A.

## **2. Activity developed**

### **2.1 Monitoring and supervision of the administration, management and process of provision of financial information**

During 2020, the Audit Committee monitored and supervised the Company's management, the financial reporting procedures, the efficacy of the internal control system and the implemented risk management processes, having held 14 meetings, always attended by all of its members.

In view of the current non-existence of an Internal Audit Division, the Audit Committee maintains close relations with the Administrative and Financial Division and with the Chief Technology Officer (CTO), and concentrates and focuses on reviewing processes where the nature and/or amounts involved imply higher potential risks, being open to the possibility, when justified, of hiring supplementary internal audit services from specialised firms. The Audit Committee, under its activity of appraisal of the implementation of the risk management policy, receives the Risk Committee's reports.

In 2020, the Audit Committee considered that it was appropriate to submit the Executive Committee's proposal on the Risk Management System to the Board of Directors.

At the end of 2020, the Audit Committee positively appraised the review of both the Regulations of the Audit Committee and the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest.



## **2.2 Monitoring and assessment of the work of the Statutory Auditor**

The Audit Committee represents the company, for all purposes, before the Statutory Auditor and strikes to ensure that suitable conditions exist for the provision of the latter's services. Furthermore, the Audit Committee is also the company's representative in dealing with the Statutory Auditor, and the first receiver of the respective reports.

The Audit Committee regularly supervised the work of the Statutory Auditor, promoting regular meetings both with the Statutory Auditor of Impresa, SGPS, S.A. and with the Statutory Auditor of the operational companies of the Impresa Group. During 2020, five meetings were held with the Statutory Auditor of Impresa, SGPS, S.A. and five meetings were held with the Statutory Auditor of the operational companies.

Accordingly, the Audit Committee analysed and appraised the planning and corresponding conduct of the audit work and the environment of cooperation of the company's departments with the Statutory Auditor, taking into account, in particular, constraints arising from the Covid-19 pandemic. The discussion with the auditors also included any flaws and points of improvement detected in terms of the implemented internal control system and the accounting policies adopted, and the material effects of policies, estimates and procedures endorsed for the provision of financial information. The context of the Covid-19 pandemic gave rise to specific analyses, among others, in terms of the assessment of business continuity, possible impairment losses, provisions and contingencies, recognition of revenue, assumption of the risk of fraud, and the content of the disclosures.

The assessments and recommendations for improving the internal control system, when presented by the auditors, were reported by the Audit Committee to the Board of Directors. Specifically, presentations were made, whenever applicable, of the relevant control activities for the most significant transactions of the Impresa Group.

The meetings held with the auditors enabled the Audit Committee to assure the integrity, rigour, competence and quality of the work and independence of the auditors in their review and audit of the accounts, as well as the reliability of the published financial information. The Audit Committee assessed both the Statutory Auditor of Impresa SGPS and the Statutory Auditor of the Group's operational companies, applying the specific procedure for assessment of the Statutory Auditor established in the Regulations of the Audit Committee. Both Statutory Auditors formally informed the Audit Committee that their duties were conducted in conformity with compliance with their duties of independence.

During its work, the following documents were analysed by the Audit Committee:



- (i) Additional Report of the Supervisory Body, relative to the year ended on 31 December 2020, issued in compliance with the provisions in article 24 of the Legal Framework on Audit Supervision approved by Law 148/2015 of 9 September, and article 11 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014;
- (ii) Legal Certification of the Accounts relative to the Consolidated Financial Statements of Impresa, SGPS, reported as at 31 December 2020.
- (iii) Legal Certification of the Accounts relative to the Financial Statements of Impresa, SGPS, reported as at 31 December 2020.

### **2.3 Fees of the statutory audits and non-audit services**

Whenever applicable, the Audit Committee was requested to assess and issue its approval, duly recorded in minutes, relative to the hiring of the auditors for the provision of services not included under statutory audit services, with a view to ensuring that the independence of the auditor was not compromised. The assessment took into account, in particular, the reasonableness of the proposed prices, the level of specific knowledge on the business sector, the competence and qualification of the team allocated to the work and the suitability of the Statutory Auditor to provide the service in question.

In 2020, the total services provided by the Statutory Auditor amounted to €24,220, of which €17,920 referred to the statutory audit of the annual accounts, €4,480 to limited statutory examination of the half-yearly accounts, and €1,820 to reliability assurance services.

### **2.4 Assessment of the Statutory Auditor**

Throughout 2020, the Audit Committee appraised the activity of the Statutory Auditor, regularly monitoring and assessing the performance of its duties and independence, having concluded on its independence and considered that the statutory audit work was satisfactory.

### **2.5 Appraisal of business to be conducted between the company and owners of qualifying holdings or entities which are related to it in any way**

The Audit Committee appraises and comments on significant transactions with related parties, analysing, in particular, the context, nature and market conditions in which they are conducted.

In 2020, the Audit Committee commented on an agreement in principle carried out in the context of the partnership constituted for the provision of television services. The Audit Committee also commented on the acquisition of two television soap operas.



### **3. Opinion on the financial statements and proposed appropriation of net income**

In view of its supervisory work, and in compliance with the provisions in subparagraph g) of number 1 of article 423-F, of numbers 5 and 6 of article 420, applicable by virtue of the provisions in number 2 of article 423-F, and of article 452, all of the Commercial Companies Code, the Audit Committee issues a favourable opinion on the management report, corporate governance report, non-financial information, individual and consolidated financial statements of Impresa, SGPS, S.A., including the respective legal certifications of the accounts, and proposed appropriation of the net income for 2020 submitted by the Board of Directors.

### **4. Declaration of Conformity**

In compliance with number 1 of subparagraph c) of article 245 of the Commercial Companies Code, the Audit Committee declares that, as far as it is aware, the information in the documents presenting the accounts issued by the Group was prepared in conformity with the applicable accounting rules, giving a true and appropriate view of the assets and liabilities, financial position and results, and that the management report faithfully describes the business evolution and performance, and contains a description of the main risks and uncertainties faced by the Company.

Lisbon, 30 April 2021

The Audit Committee

Manuel Guilherme Oliveira da Costa

Maria Luísa Anacoreta Correia

Ana Filipa Mendes de Magalhães Saraiva Mendes



**IX.**  
**CORPORATE GOVERNANCE**  
**REPORT**  
**2020**





## CORPORATE GOVERNANCE REPORT – 2020

### PART I

#### INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

##### A. SHAREHOLDER STRUCTURE

###### I

###### Capital structure

- 1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (article 245-A(1)(a)).**

The share capital, fully subscribed and paid up, is 84,000,000.00 euros, represented by 168,000,000 book-entry shares, of a nominal value of 0.50 euros each. These shares correspond to an equal number of voting rights, by virtue of Article 8(1) of the memorandum of association, which establishes that each share corresponds to one vote. There are no different classes of shares and the existing shares have all been listed for trading.

- 2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (article 245-A(1)(b)).**

There are no restrictions to the transfer of shares.

- 3. Number of own shares, the percentage of share capital that it represents and the corresponding percentage of voting rights that corresponded to own shares (article 245-A(1)(a)).**

The company does not hold any own shares.



4. **Significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is specifically obliged to disclose said information pursuant to other legal requirements (article 245-A(1)(j)).**

Under the terms of the (i) Loan agreement concluded by Impresa Serviços e Multimédia (in the meantime incorporated by merger into Impresa), in March 2005, with Banco BPI, S.A., of the value of M€ 152.5 for the acquisition of 49% of the share capital of SIC, (ii) the Loan agreement concluded by SIC, in June 2013, with Banco BPI, SA, of the value of M€ 17, to support cash flow, (iii) the Loan Agreement concluded with Banco BIC Portugal, S.A., of the value of M€ 11, to support cash flow; and (iv) the Pledged Current Account concluded with Banco BPI, SA, of the value of up to M€ 10.45, concluded on 12 January 2016, to support cash flow, the banks may terminate the agreements or declare the early and immediate maturity of the obligation to repay the borrowed funds, if IMPREGER's holding in IMPRESA falls below 50.01% of the share capital and/or of the voting rights of this company.

Under the terms of the SIC - Sociedade Independente de Comunicação S.A. bond issue, in July 2019, of the value of M€ 51, the bondholders may demand its early repayment if Francisco José Pereira Pinto de Balsemão, or his legal successors, no longer hold, directly or indirectly, the majority of the share capital and voting rights of the issuer.

5. **A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.**

There are no countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by one shareholder individually or together with other shareholders.

6. **Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (article 245-A(1)(g)).**

There are no agreements outside the scope of the memorandum of association known to the company and which may lead to restrictions on the transmission of securities or voting rights.



## II

### Shareholdings and Bonds Held

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (article 245-A(1)(c) and (d) and article 16), with details of the percentage capital and votes imputable and the source and causes of imputation (as at 31 December 2020).

Qualifying shareholder	Quantity of Shares Held	Percentage of voting rights
<b>IMPREGER - Sociedade Gestora de Participações Sociais, S.A.</b>		
* Directly (a)	84 514 588	50,306%
* Through the Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão	2 520 000	1,500%
* Through the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão	8 246	0,005%
<b>Total Imputable</b>	<b>87 042 834</b>	<b>51,811%</b>
(a) – IMPREGER– Sociedade Gestora de Participações Sociais, S.A. is majority held by BALSEGER – Sociedade Gestora de Participações Sociais, S.A., of which 99,99% of the voting rights are imputable to Francisco José Pereira Pinto de Balsemão.		
<b>Madre Entretenimento SGPS, Unipessoal, Lda.</b>		
* Directly (a)	7 501 243	4,465%
<b>Total Imputable</b>	<b>7 501 243</b>	<b>4,465%</b>
(a) – Madre Entretenimento SGPS, Unipessoal, Lda. is held by Madre – Empreendimentos Turísticos, S.A., which in turn is held by António da Silva Parente, and majority held by Universal Management Foundation. Universal Management Foundation is controlled by António da Silva Parente, hence the corresponding voting rights are also imputable to him.		
<b>BANCO BPI, S.A.</b>		
* Directly	6 200 000	3,690%
<b>Total Imputable</b>	<b>6 200 000</b>	<b>3,690%</b>
<b>Newshold - S.G.P.S.</b>		
* Directly (a)	4 038 764	2,404%
<b>Total Imputable</b>	<b>4 038 764</b>	<b>2,404%</b>
(a) – Newshold – S.G.P.S., SA is 91,25% held by Pineview Overseas, SA, hence the corresponding voting rights are also imputable to it.		



**8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.**

**Indication of IMPRESA shares:**

Members of the Management and Supervisory Bodies	Shares			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
Francisco José Pereira Pinto de Balsemão	2,520,000	0	0	2,520,000
Francisco Pedro Presas Pinto de Balsemão	5,100	0	0	5,100
Francisco Maria Supico Pinto Balsemão	8,246	0	0	8,246
Manuel Guilherme Oliveira e Costa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0

**Francisco Pedro Presas Pinto de Balsemão** (Chairman of the Board of Directors) – Held 2,520,000 IMPRESA shares as at 31/12/2019, a position that remained the same as at 31/12/2020, as there was no acquisition/divestment during the year. 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 31/12/2019, a position that remained unchanged as at 31/12/2020, as there was no acquisition/divestment during the year. IMPREGER is majority held by BALSEGER - Sociedade Gestora de Participações Sociais, 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 Pedro Presas Pinto de Balsemão, held 868 IMPRESA shares as at 31/12/2019, a position that remained the same as at 31/12/2020, as there was no acquisition/divestment during the year.

**Francisco Pedro Presas Pinto de Balsemão** (Chief Executive Officer) – Held 5,100 IMPRESA shares as at 31/12/2019, a position that remained the same as at 31/12/2020, as there was no acquisition/divestment during the year.

**Francisco Pedro Presas Pinto de Balsemão** (Deputy Chairman of the Board of Directors) – Held 8,246 IMPRESA shares as at 31/12/2019, a position that remained the same as at 31/12/2020, 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 31/12/2019, a position that remained the same as at 31/12/2020, as there was no acquisition/divestment during the year.



**Manuel Guilherme Oliveira e Costa** (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2020.

**Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia** (Member of the Board of Directors and Audit Committee) – Made no acquisition/divestment in 2020.

**João Nuno Lopes de Castro** (Member of the Board of Directors) – Made no acquisition/divestment in 2020.

**Ana Filipa Mendes Magalhães Saraiva Mendes** (Member of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.

Statutory Auditor	Shares			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

#### **Indication of SIC 2019-2022 Bonds:**

In 2019, SIC – Sociedade Independente de Comunicação, S.A., a subsidiary 100% owned by IMPRESA – Sociedade Gestora de Participações Sociais, S.A., issued and listed for trading 1,700,000 bonds, with a total nominal value of € 51,000,000, maturing on 11 July 2022.

Members of the Management and Supervisory Bodies of IMPRESA	SIC 2019-2022 Bonds*			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
Francisco José Pereira Pinto de Balsemão	100	0	0	100
Francisco Pedro Presas Pinto de Balsemão	0	0	0	0
Francisco Maria Supico Pinto Balsemão	0	0	0	0
Manuel Guilherme Oliveira e Costa	0	0	0	0
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	0	0	0	0
João Nuno Lopes de Castro	0	0	0	0
Ana Filipa Mendes Magalhães Saraiva Mendes	0	0	0	0

\*Nominal unit value of € 30

**Francisco José Pereira Pinto de Balsemão** (Chairman of the Board of Directors) – Held 100 SIC bonds as at 31/12/2019, a position that remained the same as at 31/12/2020, as there was no acquisition/divestment during the year.



**Francisco Pedro Presas Pinto de Balsemão** (Chief Executive Officer) – Made no acquisition/divestment in 2020.

**Francisco Maria Supico Pinto Balsemão** (Deputy Chairman of the Board of Directors) – Made no acquisition/divestment in 2020.

**Manuel Guilherme Oliveira e Costa** (Member of the Board of Directors and Chairman of the Audit Committee) – Made no acquisition/divestment in 2020.

**Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia** (Member of the Board of Directors and Audit Committee) – Made no acquisition/divestment in 2020.

**João Nuno Lopes de Castro** (Member of the Board of Directors) – Made no acquisition/divestment in 2020.

**Ana Filipa Mendes Magalhães Saraiva Mendes** (Member of the Board of the Board of Directors and of the Audit Committee) – Made no acquisition/divestment in 2020.

Statutory Auditor of IMPRESA	SIC 2019-2022 Bonds*			
	Held on 31/12/2019	Acquired	Transferred	Held on 31/12/2020
BDO & Associados, SROC, Lda.	0	0	0	0
Pedro Aleixo Dias (ROC) – (Alternate)	0	0	0	0

\*Nominal unit value of € 30

**9. Special powers of the management body, especially as regards resolutions on capital increase (article 245-A(1)(i), with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.**

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.

**10. Information on any significant business relationships between qualifying shareholders and the company.**

The following significant business relations exist with qualifying shareholders:

- With IMPREGER – sublease agreement for premises (registered office) in which IMPRESA is the tenant, in force since June 2001.
- With BPI – financing agreements (see point 4).



- With SP Televisão (Madre Group) – television production agreements (see point 90).

## **B. GOVERNING BODIES AND COMMITTEES**

### **I**

#### **GENERAL MEETING**

##### **a) Composition of the Board of the General Meeting**

##### **11. Identification and position held by the members of the Board of the General Meeting and respective term of office (beginning and end).**

The composition of the General Meeting for the current term of office (2019-2022 four-year period) is as follows:

Chairman: Manuel de Abreu Castelo Branco

Secretary: Maria João da Silva Dias Gonçalves dos Santos

##### **b) Exercising the right to vote**

##### **12. 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 245-A(1)(f)).**

There are no restrictions on the right to vote.

##### **13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in article 20(1).**

There are no statutory rules with the characteristics referred to above.

##### **14. Identification of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of this majority.**

There are no statutory rules on constitutive and deliberative quorum numbers, and the General Meetings comply with the rules established in the law.



## II

### MANAGEMENT AND SUPERVISION

#### a) Composition

##### 15. Identification of the adopted corporate governance model.

The corporate governance model adopted is the one referred to in Article 278(1)(b) of the Commercial Companies Code, consisting of a Board of Directors, including an Audit Committee and a Statutory Auditor.

##### 16. Statutory rules on procedural requirements governing the appointment and replacement of members, where applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board (article 245-A(1)(h)).

The General Meeting is responsible for appointing the members of the management and supervisory bodies at the beginning of each term of office.

At the meeting of the Board of Directors held on 2 July 2012, the position of Chief Executive Officer was created with responsibility in all areas, which is maintained in the current term of office (2019-2022) by deliberation of the Board of Directors elected in 2019, at its meeting of 2 May 2019.

Directors are replaced in accordance with the provisions laid down in the Commercial Companies Code, i.e., through co-optation within sixty days, or if this does not occur, by appointment of the Audit Committee, 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.

##### 17. Composition, as applicable, of the Board of Directors, the Executive Board and the General and Supervisory Board, indicating the statutory minimum and maximum number of members, statutory duration of term of office, number of permanent members, date of first appointment and end of the term of office for each member.

The composition of the Board of Directors for the current term of office (2019-2022 four-year period) is as follows:

Chairman:	Francisco José Pereira Pinto de Balsemão
Deputy Chairman:	Francisco Maria Supico Pinto Balsemão
Members:	Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer)
	Manuel Guilherme Oliveira da Costa
	Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia
	João Nuno Lopes de Castro
	Ana Filipa Mendes de Magalhães Saraiva Mendes





The term of office of the Board of Directors, composed of three to eleven members, is four years, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets. According to the composition mentioned above, the Board of Directors has 7 permanent members.

Members of the Board of Directors	Date of 1st appointment	Term of office
Francisco José Pereira Pinto de Balsemão	18/01/1990	31/12/2022
Francisco Maria Supico Pinto Balsemão	05/02/2001	31/12/2022
Francisco Pedro Presas Pinto de Balsemão	06/03/2016	31/12/2022
Manuel Guilherme Oliveira da Costa	16/04/2019	31/12/2022
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2022
João Nuno Lopes de Castro	29/04/2015	31/12/2022
Ana Filipa Mendes de Magalhães Saraiva Mendes	16/04/2019	31/12/2022

**18. Distinction to be drawn between executive and non-executive members of the Board of Directors and, as regards non-executive members, indication of members who may be considered independent, or, where applicable, identification of independent members of the General and Supervisory Board.**

Pursuant to the previous point, only one director, Francisco Pedro Presas Pinto de Balsemão (Chief Executive Officer), has executive functions.

Among the six non-executive members, based on the criteria included in point 18.1 of Annex I of CMVM Regulation 4/2013 and Article 414(5) of the Commercial Companies Code, the following three members are independent: Manuel Guilherme Oliveira da Costa, João Nuno Lopes de Castro and Ana Filipa Mendes de Magalhães Saraiva Mendes.

The Corporate Governance Committee is composed of 3 non-executive members of the Board of Directors.

The company considers that, particularly in view of the size, shareholder structure, complexity of the risks and other features inherent to its activity, the number of non-executive directors, both of the Board of Directors and Audit Committee, is appropriate. The company also considers that the diversity, the essence and comprehensiveness of the profiles of the members of these bodies are suitable to the sound performance of their duties, ensuring the effective follow-up, supervision, oversight and assessment of the company's activity and management.



**19. Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.**

*Francisco José Pereira Pinto de Balsemão*

Member of the Council of State (since July 2005). Chairman of the Selection Panel of the Pessoa Award (since 1987), Chairman of the General Council of the Sá Carneiro Institute (since 1998), member of the “Consejo de Protectores” of “Fondación Carolina ”(since 2001), member of the Council of Curators of the Portuguese-Brazilian Foundation (since April 2004), member of the Steering Committee of the Ibero-American Forum (since May 2004) and Co-Chair (since November 2018), member of the Advisory Board of the magazine “Quaderns del Cac”, published by the Audiovisual Council of Catalonia (since August 2009), Chairman of the General Council of AEM - Association of Issuers of Market Listed Securities (since February 2014), Chairman of the General Council of PMP - Private Media Platform (August 2014), Chairman of the Steering Committee of the “Encontros de Cascais” [Cascais Meetings] (since November 2018) and member of the General Council of APDSI - Association for the Promotion and Development of the Information Society (since May 2019).. Doctor Honoris Causa from Universidade Nova de Lisboa (April 2010) and Universidade da Beira Interior (October 2010).

Member of the Steering Committee of the Bilderberg Meetings (1983-2015), member of the Advisory Council of ISEG - Higher Education Institute of Economics and Management (2010-2014), Associate Professor at the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (1987-2002), Chairman of the Board of Directors of the "European Institute for the Media" (1990-1999), Chairman of the "European Television and Film Forum" (1997-2003), Deputy Chairman of the "Journalistes en Europe" Foundation (1995-2003), Chairman of the "European Publishers Council" (1999-2014), member of the Executive Committee of the "Global Business Dialogue"(1999-2002), member of the General Council of COTEC Portugal – Business Association for Innovation (2003-2006), member of the International Advisory Board of the Santander Group (2004-2014), member of the Advisory Board of Universidade de Lisboa (from January 2007 to May 2009), Member of the Committee for the Review of the Strategic Concept of National Defence (June 2012), member of the Selection Panel of the “Príncipe/Princesa de Astúrias de Cooperação Internacional” Award (1985-1986 and 1996-2015), Non-executive Director of the Daily Mail and General Trust plc (2002-2017), Chairman of the Board of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa (2009-2017), External Advisor to the chairman of the 72nd General Assembly of the UN (September 2017 to September 2018) and Chairman of the Board of the General Meeting of COTEC Portugal - Business Association for Innovation (2016-2018).

Law degree from the Lisbon Law School (FDL), where he attended the supplementary course of Political and Economic Sciences. Journalist, management secretary (1963-1965) and director (1965-1971) of the Diário Popular newspaper. Founder and director of the Expresso newspaper (1973-1980), founder of the Social Democratic Party (1974), Member of Parliament and deputy chairman of the Constitutional Parliament (1975), Member of Parliament in 1979, 1980 and 1985, Deputy Minister of State for the 6th Constitutional Government (1980) and Prime Minister for the 7th and 8th Constitutional Governments (1981-1983). Founder and main driver of the launch of SIC (1992), the first private television channel in Portugal.



Francisco Maria Supico Pinto Balsemão

Degree in Electrotechnical and Computer Engineering, Telecommunications and Electronics Branch, from the Higher Technical Institute (IST), Universidade Técnica de Lisboa.

Post-Graduation Course in Telecommunications Business Management (1998/99) from ISTP - Higher Institute of Transport, organised by the ISTP, APDC - Portuguese Association for the Development of Communications and the Enterprise Institute of Madrid (IE).

Participation and completion of the EJE Programme – Young Entrepreneurial Engineer (1993/1994), promoted by the State Secretariat for Youth, Junitec (Junior Enterprises of IST (Higher Technical Institute)) and ITEC (Technological Institute for Community Europe).

At TMN - Telecomunicações Móveis Nacionais, S.A., Director of International Business and Roaming (from October 1997 to March 2000), Product Manager at the Products and Services Department for the Corporate Market of the Products and Services Development and Management Division (from April 1997 to October 1997) and Project Manager at the Products and Services Innovation and Development Department of the Direction of Communication and Marketing Division (from December 1995 to April 1997).

Member of the Management Board of AAAIST - Association of Alumnae of Instituto Superior Técnico in the biennium 2000/2002, and chairman of its Communication and Image Committee from 1995 to 2000. Member of the National Management Board (Region of the South/Islands) of APIGRAF - Portuguese Association of Graphic, Visual Communication and Paper Manufacturing Industries in the biennium 2005/2007.

Observer member of the Advisory Board of ICP/ANACOM - National Communications Authority (representing SIC); member of the assessment board of the Professional Aptitude Exams of the Telecommunications Technician courses ministered by INETE – Instituto de Educação Técnica and EPET – Escola Profissional de Electrónica e Telecomunicações (representing APDC), and senior advisor for Portugal of the Investment Banking Division of the North American multinational bank, Lehman Brothers, from July 2006 until the bankruptcy of this institution (on 15 September 2008), and member of the Iberian Advisory Board of American technology multinational Oracle up to June 2014 (having, since 2006, been a member of the Iberian Advisory Board of SUN Microsystems, a company subsequently acquired by Oracle); and, from 2006 to 2014, was a member of the Iberian Advisory Board of Thomson-Reuters Aranzadi, a Spanish publisher of specialised contents for the legal market, belonging to the Canadian multinational Thomson-Reuters (world leader in the provision of specialised contents for professionals: legal, tax-related, financial, scientific).

Member of the Board of Directors of ACEPI – Association of Electronic Commerce and Interactive Advertising - from November 2005 to May 2019 (Director of its B2C Specialised Group from 2001 to 2005); alternate member of the Board of Directors of API - Portuguese Press Association from 2007 to 2016; chairman of the general meeting of ANETIE - National Association of Information Technology and Electronics Companies from 2015 to 2018 (member of the Board of Directors from 2010 to 2012, and deputy chairman of the general meeting from 2012 to 2014); liaison person between IMPRESA, SGPS and COTEC Portugal – Business Association for Innovation until December 2019;



member of the Advisory Board of the Faculty of Economics and Management of Universidade Católica do Porto (Católica Porto Business School) from 2010 to 2018.

Chairman of the National Board of ANJE (National Association of Young Entrepreneurs) from May 2009 to October 2013, having been its deputy chairman from 2003 to 2006 and its assistant chairman from 2006 to 2009. During the period in which he was chairman of ANJE, he was also: chairman of the Executive Committee of Portugal Fashion; member of the Economic and Social Council of Portugal; member of the Supervisory Board of RTP2; member of the Advisory Board of AIESEC Portugal (international association of economics and management students); member of the Executive Committee of the Civic Movement "New Portugal –Options of a Generation"; and deputy chairman of the General Board of CIP – Confederation of Portuguese Industry from 2011 to 2013, having been a member of the Board of Directors of CIP –Confederation of Portuguese Industry in 2010.

Member of the Board of Directors of APDC – Portuguese Association for the Development of Communications since 2016 (member of its Board of Directors from 2001 to 2011, director of its magazine "Comunicações" from 2011 to 2012, and commissioner for the media from 2012 to 2016); deputy chairman of the Board of Directors of AIP/CE – Portuguese Industrial Association/Business Confederation since 2015 (deputy chairman of the Board of Directors from 2007 to 2011 and member of the General Board from 2012 to 2015); chairman of the supervisory board of EF - Association of Family Companies; member of the General Board of APDSI – Association for the Promotion and Development of the Information Society, member of the General Board of AEP – Business Association of Portugal since 2014;

Chairman of the Board of Directors of the Youth Foundation since January 2014, having been its deputy chairman in 2013.

### Francisco Pedro Presas Pinto de Balsemão

Law graduate of Universidade Nova de Lisboa (1998-2003), Erasmus programme at Universitat Pompeu Fabra, Barcelona (2002), Master of Laws - LLM (2006-2007) at University of Oxford, England, General Management Course at Nova School of Business and Economics of Universidade Nova de Lisboa (2008), Advanced Management Program at Universidade Católica Portuguesa, Lisbon, and Kellogg School of Management, Chicago (USA) (2011), Management Course "Orchestrating Winning Performance / Leading the Family Business", at IMD Business School, Lausanne (Switzerland) (2012) and "Journey to Business Transformation" at Esade Business School, taught at Singularity University (NASA Research Park) in Silicon Valley (2018).

Junior Associate (2003-2005) and Associate (2005-2006) at Linklaters (Lisbon), Assistant Adviser in the Portugal Mission at the United Nations, New York (USA) (2007), Senior Associate at Heidrick & Struggles (2008-2009).

Member of the BE Nova Board, between 2011 and 2013, advisory services to the Director of the Faculty of Management and Economics of Universidade Nova de Lisboa in the taking of strategic decisions on the future of the institution.

Nominated for the European Counsel Awards 2012 – General Commercial category.

Masters Capital Humano 2015 in the category of "Best strategy of motivation and engagement of the employees".



Elected for the General Counsel (GC) Powerlist of the Iberian Peninsula, award attributed by the company Legal 500 (2016).

Member of the Advisory Board of *Imagens de Marca*, magazine providing information on brand communication (January 2017).

Member of the St. Julian's School Association.

Elected Director of the International Academy of Television Arts & Sciences (November 2017).

Member of the Advisory Board of the Forum for Competitiveness, for the three-year period 2018-2020.

Member of the Council of the Faculty of Social and Human Sciences of Universidade Nova de Lisboa for the four-year period 2018-2021.

Elected Personality of the Year 2019 in the area of Media by the *Meios & Publicidade* magazine.

IMPRESA: Director of Human Resources (September 2009 to September 2011), Director of Human Resources and Legal Affairs (October 2011 to September 2012), Human Resources, Legal and Sustainability COO (October 2012 to March 2016), Company Secretary (September 2011 to January 2016) and Deputy Chairman of the Management Board of SIC Esperança since 2013.

### *Manuel Guilherme Oliveira da Costa*

Graduate from ISCEF - Higher Institute of Economics and Finance, in 1973, and Post-Graduation (DEA) in "Économie et Finances Internationales" from the University of Paris I (Panthéon – Sorbonne), in 1981.

Currently performs the duties of Chairman of the Board of Directors of Phyxius Management and Phyxius Holding (companies of the Phyxius Project, in progress since 2015) and Director of Metalsorim, S.A.

Previous duties:

Chairman of the Board of Directors of Tegopi, S.A., between 2015 and 2017.

Business Consultant and Coordinator of the "NEXUS" Circle of Reflection, at UCP-CRP, between 2013 and 2016.

Chairman of the Board of Directors of RTP – Rádio e Televisão de Portugal, S.A., between 2008 and 2012.

Member of the Board of Directors (non-executive) and of the Audit Committee of IMPRESA, SGPS, S.A., from April 2007 to December 2007

Chairman of the Supervisory Board of Sonae Indústria, SGPS, S.A., from May 2007 to December 2007.

Chairman of the Supervisory Board of Modelo Continente, SGPS, S.A., from May 2007 to December 2007.

Member of the Board of Directors of InvestAlentejo, SGPS, from 2004 to March 2007.





Member of the Board of Directors of various participated companies of InvestAlentejo, from 2004 (Ipaper, Sete e Meio Herdades, CAJAP) to March 2007.

Member of the Board of Directors of Soporcel, S.A., from 2001 to 2004.

Member of the Board of Directors of Portucel, S.A., from 2001 to 2004.

Member of the Board of Directors of Sonae Indústria, S.A., from 2001 to 2002.

Member of the Board of Directors of various participated companies of Sonae Indústria, from 2001 to 2003 (SPDF – Sonae Produtos e Derivados Florestais, SGPS, Socelpac, SGPS, Ecociclo – Energia e Ambiente, S.A., Maiequipa – Gestão Florestal, S.A.).

Chairman of the Board of Directors of Gescartão, SGPS, from 2000 to 2005.

Chairman of the Board of Directors of Portucel Viana, S.A., from 2000 to 2005.

Member of the Board of Directors of Imocapital, SGPS, de 2000 a 2004.

Member of the Board of Directors of Portucel Viana Energia, S.A., from 2003 to 2005.

Member of the Board of Directors of Portucel Embalagem, S.A., from 2000 to 2003.

Member of the Board of Directors of Portucel Recicla, S.A., from 2000 to 2003.

Member of the Board of Directors of LEPE, S.A., from 2000 to 2003.

Chairman of the Board of Directors of ICEP - Investimento, Comércio e Turismo de Portugal, from 1996 to 2000 (January).

Member (non-executive) of the Board of Directors of FIEP – Fundo para a Internacionalização da Economia Portuguesa, S.A., from 1998 to 2000.

Chairman of the General Council of CPD, Portuguese Design Centre, from 1998 to 2000.

Director-coordinator of the International Trade Department of Banco Borges e Irmão, from 1994 to 1996.

Advisor to the Chairman of the Board of Directors of Banco de Fomento e Exterior, S.A., from 1992 to 1996.

Director of the Centre for Management Studies and Applied Economics of Universidade Católica Portuguesa - Oporto Regional Centre, from 1991 to 1993.

Manager of the company Unicordas, Lda. In the area of international trade and transportation, from 1984 to 1991.

Associate Researcher at CEPIL Centre d'Études Prospectives et d'Informations Internationales, Paris), from 1981 to 1984.

Assistant Professor at the School of Economics of Porto, from 19774 to 1993.

### *Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia*

PhD in Management, specialising in Accountancy, from ISCTE, in October 2009.

Master's in Economics, from the School of Economics of Universidade do Porto, in March 2001.

Degree in Business Administration and Management, from the School of Economics and Business Management of Universidade Católica Portuguesa, in September 1991.



Statutory Auditor (ROC number 1133).

Assistant Professor at the School of Economics and Management of Universidade Católica Portuguesa (Católica Porto Business School).

Partner of the company Novais, Anacoreta e Associado, SROC, Lda.

OROC representative at the Accounting Working Party of the Fédération des Experts-Comptables Européens - Accountancy Europe.

Member of the list of tax arbitrators of the Administrative Arbitration Centre.

Member of the Scientific Board of the Portuguese Tax Association.

Author of the books "Anexo em SNC - Guia prático", co-authored with Sónia Costa Matos and Rui Neves Martins, published by Vida Económica, 2011 and "Instrumentos Financeiros Derivados: Enquadramento Contabilístico e Fiscal", published by Universidade Católica Editora, 2000.

### João Nuno Lopes de Castro

Invited Associate Professor of Nova School of Business and Economics.

Post-doctorate at Stanford University in 2010.

Doctorate in Engineering Systems from the Massachusetts Institute of Technology in 2010.

Masters (ABD) in Engineering Design from the Instituto Superior Técnico in 2004.

Licentiate degree in Electrical Engineering and Computers from the Faculty of Engineering of Universidade do Porto in 2000.

Chairman of the Portuguese-American Post-Graduate Society for the term of office 2007-08 and chairman of the general meeting in the following term of office.

Considerable professional and consulting experience in the development of new technological, innovative or strategic solutions at Canal de Notícias de Lisboa, Sonae.com, Cisco Systems, Metro do Porto, UMIC and Sumol+Compal.

Guest speaker invited regularly in advanced and executive training programmes on topics related to Entrepreneurship, Innovation and Product Development.

### Ana Filipa Mendes de Magalhães Saraiva Mendes

Degree in Business Management from Universidade Católica Portuguesa, in 1993.

In 2020, lecturer of the Post-Graduation in Audit, Risk and Cybersecurity of ISEG – Lisbon School of Economics and Management.

Up to February 2019, member of the capital restructuring team of InterCement Participações, S.A. [São Paulo, Brazil ("InterCement")] and former Cimpor – Cimentos de Portugal, SGPS, S.A. ("Cimpor"), currently named InterCement Portugal, S.A. In this group, she cumulatively held the positions of Investor Relations Director of InterCement and Official Representative for Capital Market Relations of InterCement Portugal, S.A., as well as External Communication Director and Crisis Corporate Manager of both companies, and Secretary of the company and of the Board of the General Meeting for InterCement Portugal, S.A.



In 1996, she joined Cimpor's Investor Relations Office and between 2004 and 2009 she cumulatively took on duties in the Studies and Strategic Planning Department.

She was an auditor and consultant at KPMG, in the Banking and Insurance area (Lisbon, Portugal), between 1993 and 1996.

She was an advisor to the marketing department at Alcatel - SEC (Toronto, Canada) in 1992.

**20. Customary and significant family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.**

The known family relationships between the indicated members of the boards and qualifying shareholders in the company are:

The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, is father of the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão and of the Chief Executive Officer, Francisco Pedro Presas Pinto de Balsemão.

The known professional or business relationships between the indicated members of the boards and qualifying shareholders in the company are:

The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, and the Deputy Chairman of the Board of Directors, Francisco Maria Supico Pinto Balsemão, are, respectively, Chairman and Member of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A., the majority shareholder of IMPRESA.

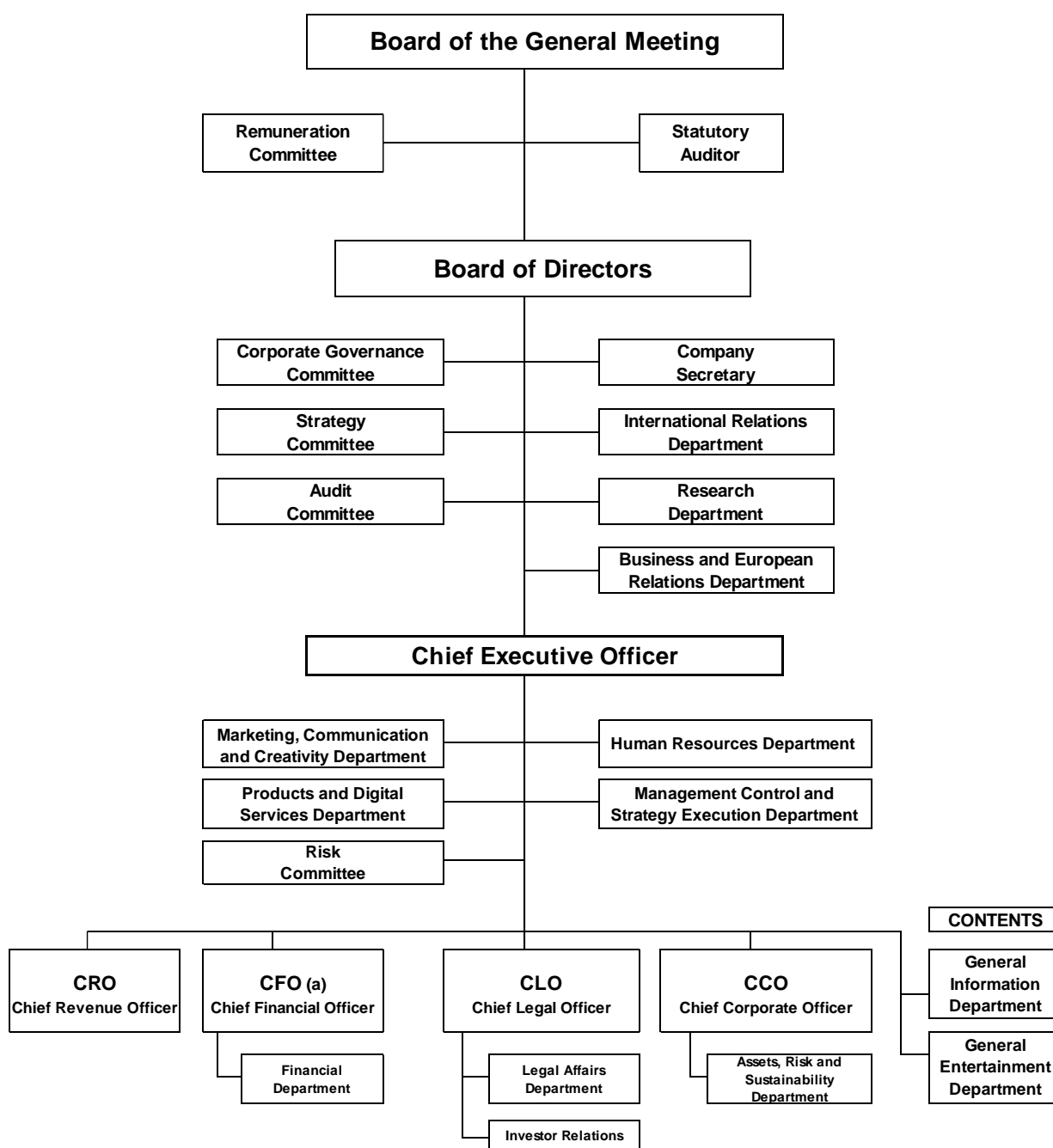
The Chairman of the Board of Directors, Francisco José Pereira Pinto de Balsemão, is Chairman of the Executive Board of Directors of BALSEGER, SGPS, S.A., which is the majority shareholder of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.





21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.

## IMPRESA GROUP OPERATIONAL CHART



(a) is also the Securities Markets Liaison Representative



## DISTRIBUTION OF DUTIES

The **Board of Directors** is the body responsible for the management of the Company's activities, as established in the Commercial Companies Code and in the memorandum of association, entrusted, in particular, with:

- a) the company's representation, actively and passively, in court and out of court;
- b) negotiation and signing of all contracts, including arbitration conventions, regardless of their scope, nature and form, in which the company is involved;
- c) the acquisition, sale, encumbrance or any other form of corporate asset transaction;
- d) taking out loans, as well as provision of the necessary guarantees, regardless of their extent and nature;
- e) confession, discontinuance or transactions relative to any judicial proceeding;
- f) the constitution of authorised corporate representatives, empowered as deemed appropriate, pursuant to the terms and limits established in the law and memorandum of association;
- g) delegation of specific duties and powers to any director, with the scope established in the respective deliberation;
- h) the constitution of specialised committees and commissions;
- i) establishing the objectives and management policies of the company and IMPRESA Group;
- j) preparing the annual activity and financial plans;
- k) establishing the technical and administrative organisation of the company and IMPRESA Group and the internal operating standards concerning the staff and their remuneration;
- l) managing the company's corporate business and conducting all the acts and operations pertaining to its corporate object which do not fall under the duties of other governing bodies;
- m) approving Transactions with Related Parties, under the terms of the Policy of Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- n) performing all other duties assigned by law or by the General Meeting.

**The Chairman of the Board of Directors** is responsible, in particular, for:

- a) promoting the Board of Directors' meetings as deemed necessary, calling them, chairing them, and deciding on all matters concerning the Board's functioning;
- b) individually exercising all powers and acts delegated by the Board of Directors;
- c) chairing joint meetings of the Board of Directors and Audit Committee held as stipulated in the memorandum of association, the law and applicable regulations;
- d) chairing the Strategy Committee and the Corporate Governance Committee;
- e) institutionally representing the Group and coordinating institutional relations, with the Institutional Relations Department, under the Chairman of the Board of Directors;
- f) chairing the Group's Staff Meeting;



- g) striving to ensure the proper execution of the determinations of the Board of Directors;
- h) coordinating the research area, whose director reports to the Board of Directors;
- i) coordinating the business and European relations area, whose director reports to the Board of Directors;

The Board of Directors delegated the Company's daily management to a Chief Executive Officer, without prejudice to the duties and powers assigned to the Audit Committee, under the terms of the Regulation of the Audit Committee and the provisions in the memorandum of association, the law and other applicable regulations.

Under the delegation of powers established in the Regulation of the Board of Directors, the following duties and powers **were delegated to the Chief Executive Officer**:

- a) the hiring and dismissing of workers and/or employees, approval of internal regulations, and exercise of the powers inherent to employer entities, including disciplinary power;
- b) the opening and operating of bank accounts;
- c) the conclusion of contracts deemed necessary to the development of the corporate object, including financial lease contracts;
- d) the deliberating of holding stakes in the share capital of companies to be incorporated in the future or that are currently incorporated, and the disposal of equity stakes;
- e) the acquisition, disposal or encumbrance of movable and fixed assets, including automobiles;
- f) the contracting of loans or other similar financial liabilities;
- g) the opening, closing or transfer of establishments or part of them;
- h) collaborating in the definition of the IMPRESA Group's Strategic Plan, within the Strategy Committee;
- i) collaborating in the definition of the editorial strategy of the different trademarks of the IMPRESA Group, within the Supra Editorial Committee;
- j) coordinating the IMPRESA Group's operating management;
- k) coordinating the areas of Human Resources; Management Control and Strategic Execution; Marketing, Communication and Creativity; Digital Products and Services; Information; Entertainment and External Communication;
- l) conducting the individual supervision of the Chief Operating Officers (COO) in the main policies and decisions of their respective areas;
- m) chairing the IMPRESA Group's Operational Coordination meetings;
- n) chairing the meetings with each COO and first-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
- o) chairing the presentations of the financial statements of the IMPRESA Group.

Without prejudice to the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, the Chief Executive Officer:



- (i) must obtain prior authorisation from the Chairman of the Board of Directors when any act to be conducted or authorised, namely any of the previously mentioned acts, implies the undertaking of commitments or the payment of values higher than € 500,000 or involves the disposal of assets of value higher than this same amount;
- (ii) must obtain the authorisation of the Board of Directors for acts of value higher than € 1,000,000 (one million euros);
- (iii) shall obtain authorization from the Board of Directors for transactions with related parties, as defined in the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, which are carried out outside the scope of the Company's current activity or under conditions other than normal market conditions;
- (iv) authorisation of the Chairman of the Board of Directors or of the Board of Directors shall not be necessary, according to the case in question, when involving acts included in the Company's annual budget, already approved by the Board of Directors, except concerning the transactions referred to in (iii).

#### MATTERS WHICH CANNOT BE DELEGATED

The following matters cannot be delegated by the Board of Directors, in particular:

- a) Co-optation of directors;
- b) Request to call general meetings;
- c) Approval of annual reports and accounts;
- d) Provision of deposits and personal or real guarantees by the company;
- e) Change of registered office under the terms established in the memorandum of association;
- f) Company merger, demerger and transformation projects;
- g) Definition of the Group's strategic options;
- h) Organisation and coordination of the Group's business structure;
- i) Approval of the annual budget.

All the members of the Board of Directors are called appropriately and in due time to the meetings of the body and receive the respective minutes.

All other members of the Board of Directors and of the Remuneration Committee may request from the Chief Executive Officer all and any information relative to the activities of IMPRESA and its participated companies. Usually, these requests for information are made in writing (namely by electronic mail), but they may also be made by telephone or in the presence of the persons concerned (normally during meetings of the Board of Directors). After these requests have been made, and if the Chief Executive Officer does not have all the data to enable an immediate and full response (in writing or verbally), these requests are forwarded internally to the structure of IMPRESA and/or its participated companies. In this last case, and on average, the response to the request will take approximately 5 business days to be given to the member of the governing body who requested it. If this member is not satisfied with the abovementioned answer, the



process is re-started, and involves the number of iterations required until the request has been met in an entirely satisfactory manner.

## **b) Functioning**

### **22. Existence and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.**

There are operating regulations for the Board of Directors, Corporate Governance Committee and Audit Committee, which may be consulted on the company website - [www.impresa.pt](http://www.impresa.pt).

### **23. Number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.**

The Board of Directors met 13 times throughout the year, with members having registered the following attendance:

Francisco José Pereira Pinto de Balsemão (Chairman)	100.00%
Francisco Maria Supico Pinto Balsemão (Deputy Chairman)	100.00%
Francisco Pedro Presas Pinto de Balsemão	100.00%
Manuel Guilherme Oliveira da Costa	100.00%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%
João Nuno Lopes de Castro	100.00%
Ana Filipa Mendes de Magalhães Saraiva Mendes	100.00%

### **24. Indication of the competent governing bodies to conduct the assessment of the performance of the executive directors.**

Within the scope of its powers and responsibilities, the Corporate Governance Committee assesses the performance of the Chief Executive Officer, in accordance with Article 6(2)(b)(ii) of the Regulation of the Corporate Governance Committee.

In accordance with Article 7(5) of the Regulation of the Board of Directors, non-executive directors are also responsible, pursuant to the law, for the general surveillance of the action of the Chief Executive Officer.

### **25. Predefined criteria for assessing the performance of the executive directors.**

The Corporate Governance Committee Assessed the performance of the Chief Executive Officer based on the following seven criteria: Communication; Improvement and Innovation; Responsibility; Collaboration and Teamwork; Decision Making; Leadership and Orientation towards the future.



**26. Availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.**

\* Francisco José Pereira Pinto de Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Directors of IMPRESA PUBLISHING, S.A.
- Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A.

b) Companies outside the Group

- Chairman of the Executive Board of Directors of BALSEGER-SGPS, S.A.
- Chairman of the Board of Directors of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.
- Manager of Sociedade Francisco Pinto Balsemão, SGPS, Lda.
- Manager of Sociedade Turística da Carrapateira, Lda.
- Manager of Estrelícia – Investimentos Imobiliários, Unipessoal, Lda.

\* Francisco Maria Supico Pinto Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Deputy Chairman of the Board of Directors of IMPRESA Publishing, S.A.
- Deputy Chairman of the Board of Directors of SIC – Sociedade Independente de Comunicação, S.A.

b) Companies outside the Group

- Chairman of the Board of Directors of SPECTACOLOR Portugal, S.A.
- Deputy Chairman of the Board of Directors of COMPTA – Equipamentos e Serviços de Informática, S.A.
- Director of IMPREGER – Sociedade Gestora de Participações Sociais, S.A.
- Director of BROADLOOP – INVESTMENTS, S.A.
- Director of EUROTEMPUS, S.A.
- Director of LIFETIME VALUE, S.A.
- Manager of SEGMENTABILITY, LDA.
- Manager of ENCOREXPERT – INEVESTMENTS, SGPS, LDA.
- Manager of BORN TO RUN – Consultoria Empresarial, LDA.



- Manager of INCLUDES EVERYONE, LDA.
- Manager of CASUAL PORTION, LDA.
- Member of the General and Supervisory Board of BALSEGER – SGPS, S.A.

\* Francisco Pedro Presas Pinto de Balsemão

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

a) Group Companies

- Chairman of the Board of Directors of InfoPortugal – Sistemas de Informação e Conteúdos, S.A.
- Chairman of the Board of Directors of IMPRESA OFFICE & SERVICE SHARE – Gestão de Imóveis e Serviços, S.A.
- Director of IMPRESA PUBLISHING, S.A.
- Director of SIC – Sociedade Independente de Comunicação, S.A.
- Chairman of the Management Board of GMTS (Global Media e Technology Solutions) Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal Lda.

b) Companies outside the Group

- Member of the General and Supervisory Board of BALSEGER – SGPS, S.A.

\* Manuel Guilherme Oliveira da Costa

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Chairman of the Board of Directors of Phyxius Management and of Phyxius Holding (companies of the Phyxius Project, in progress since 2015)
- Director of Metalsorim, S.A.

\* Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Chairman of the Audit Committee and Non-Executive Director of CTT, S.A.
- Member of the Governing Board of Ordem dos Revisores Oficiais de Contas (OROC)
- Non-Executive Director of SFS - Gestão de Fundos, SGFI, S.A.
- Chairman of the Supervisory Board of Centro Hospitalar de São João
- Chairman of the Supervisory Board of Sogrape SGPS, S.A.



- Member of the General Board and of the Executive Committee of the Commission of Accounting Standards.

\* João Nuno Lopes de Castro

In addition to the professional curriculum and relevant activities reported in point 19, he performs the following duties in other companies:

Companies outside the Group

- Ganexa Seed Capital – General Partner

\* Ana Filipa Mendes de Maçalhães Saraiva Mendes

Does not hold any position in other companies.

### **c) Committees within the Management or Supervisory Body and managing directors**

#### **27. Identification of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and place where the operating regulations can be viewed.**

The following committees have been created within the Board of Directors: Audit Committee, Corporate Governance Committee and Strategy Committee.

The operating regulations of the Audit Committee, the Corporate Governance Committee and the Strategy Committee may be consulted on the company website.

#### **28. Composition of the Executive Board and/or identification of managing director(s), where applicable.**

The Member of the Board of Directors, Francisco Pedro Presas Pinto de Balsemão, is the current Managing Director (Chief Executive Officer), appointed by the Board of Directors at its meeting on 2 May 2019.

#### **29. Description of the powers of each of the established committees and summary of activities undertaken in exercising these powers.**

##### Audit Committee

The **Audit Committee** is responsible, without prejudice of all other duties entrusted by the law, memorandum of association and these regulations, for:

- a) overseeing the Company's management;
- b) ensuring compliance with the law and the memorandum of association;





- c) preparing the annual report on its oversight activity and expressing an opinion on the report, accounts and proposals presented by the Board of Directors;
- d) monitoring and supervising the preparation and disclosure of financial information by the Board of Directors, namely the adequacy of the accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial years. This monitoring and supervision must be clearly documented and communicated;
- e) supervising the legal review of accounts;
- f) monitoring, appraising and commenting on the risk policy defined by the Board of Directors;
- g) monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of preparation of financial information, without breaching its independence and proposing to the Chief Executive Officer measures aimed at improving its operation that prove necessary;
- h) checking, when deemed appropriate and in the manner deemed suitable, the good standing of the book-keeping, its underlying accounting records, as well as the situation of any assets or values possessed by the Company in any capacity;
- i) issuing prior and binding opinions to the Board of Directors on the internal process of approval of business and transactions with related parties, under terms defined by the Committee;
- j) receiving disclosures of irregularities occurred within the Company and presented by shareholders, employees or others;
- k) calling the General Meeting when the Chairman of the respective Board, entrusted with this duty, does not do so;
- l) examining the Company's book-keeping, whenever deemed convenient;
- m) issuing binding opinions on the giving of advances on profit during a financial year;
- n) certifying that the disclosed annual report on corporate governance structure and practices includes the elements referred to in Article 245-A of the Securities Market Code;
- o) analysing efficacy in compliance with the legal, regulatory or other applicable requirements, as well as those arising from any investigations by the Chief Executive Officer and their conclusions (including the application of any penalties) in cases of proven non-compliance;
- p) analysing the conclusions of any examinations conducted by inspectors of governmental or regulatory entities, as well as observations of non-compliance made by the external auditors of the IMPRESA Group;
- q) ensuring the appropriate conditions for provision of audit services within the premises of the IMPRESA Group.

The Audit Committee's financial oversight activity also includes:

- a) supervising the process of preparation and disclosure of financial information and submitting to the Chief Executive Officer recommendations or proposals to ensure its integrity;



- b) issuing opinions on the correctness and completeness of the annual management report, including the non-financial statement, the annual accounts and proposals presented by the company's management, and other documents to be submitted to the regulatory entities of financial markets, in which it should in particular express its agreement or not with the annual management report and accounts, and include the statement foreseen in Article 245(1)(c) of the Securities Market Code;
- c) monitoring the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM), the competent authority for audit oversight;
- d) informing the management of the findings of the statutory audit, explaining how this contributes to the integrity of the process of preparation and disclosure of financial information, and the role performed by the Committee in this process.

in its oversight of business between related parties and conflicts of interest, the Committee is responsible, in particular, for:

- a) monitoring and supervising the mechanisms implemented for approval, control and disclosure of transactions with related parties, namely the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- b) submitting recommendations to the Board of Directors concerning measures of prevention and identification of conflicts of interest;
- c) indicating, in its annual report, the opinions endorsed in relation to transactions with Related Parties and the adequacy of the respective policy for purposes of prevention and resolution of conflicts of interest.

In the process of selection of the company's statutory auditor, and pursuant to Article 16 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014, the Committee is responsible for:

- a) selecting, through a formal market tender process, at least two statutory auditors to be proposed to the General Meeting, recommending and justifying their preference for one of them, after appraisal of their qualifications and independence for performance of duties;
- b) inviting any statutory auditors or audit firms to submit proposals for the conduct of statutory audit services;
- c) preparing, for the purposes of the provisions in the previous subparagraph, tender documents aimed at the invited entities, so as to enable understanding the activity of IMPRESA, the type of statutory audit that will be carried out, including criteria of transparent and non-discriminatory selection that will be used to assess the submitted proposals.

In the relations with the company's statutory auditor, the Audit Committee is responsible for:

- a) annually analysing the proposed provision of the company's statutory audit services, proposing the remuneration of these services and, whenever applicable,



checking the adequacy and approving the provision of non-audit services by the company's statutory auditor and, if different, by the statutory auditors of its subsidiaries, except for the prohibited non-audit services established in Article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014;

- b) analysing the proposed annual planning of the work of the company's statutory auditor and, if different and so deemed, of the auditor of its subsidiaries;
- c) holding regular meetings with the company's statutory auditor and, if different, with the statutory auditor of its subsidiaries;
- d) checking and monitoring the independence of the Company's statutory auditor and, if different from that of its subsidiaries, pursuant to the terms in the Regulation of the Provision of Services by the Statutory Auditor;
- e) analysing the performance of the statutory auditor and respective adequacy to carry out the statutory audit, proposing to the Chief Executive Officer the cancellation of the contract or dismissal whenever there are fair grounds for the purpose;
- f) ensuring the appropriate conditions for provision of the statutory auditor's services within the premises of the IMPRESA Group.

In its relationship with the Statutory Auditor, Audit Committee observes the following "Regulation of the Provision of Services by the Statutory Auditor":

1. Within the scope of its powers regarding the provision of services by the statutory auditor, the Audit Committee takes appropriate measures to prevent, identify and resolve any threats to its independence and incompatibilities.
2. The Audit Committee discusses with the statutory auditor the threats to its independence and the safeguards applied to mitigate those threats, namely in situations of self review, personal interest, representation, familiarity, trust or intimidation.
3. The Audit Committee is responsible for issuing an opinion to the Chief Executive Officer or the Executive Committee on the terms of the service provision contract necessary for the statutory audit required by law, and for authorising in advance the hiring of separate audit services, provided they are not prohibited under the current legislation.
4. For the purpose of the prior authorisation of separate audit services, the Audit Committee appropriately assesses the threats to independence and objectivity and the safeguard measures applied, authorising their hiring only when it concludes that a service prohibited under the legal terms in force is not involved.
5. The Audit Committee proposes the appointment of the statutory auditor to the General Meeting, including the submission of two or more options, justifies its option and states that this option is exempt from the influence of third parties.
6. The Audit Committee's recommendation to the General Meeting of Shareholders shall be the result of a selection process, under its responsibility, which shall comply with the following criteria:



- a. Several statutory auditors are contacted to submit a proposal for the provision of statutory audit services, bearing in mind the legal limitations in force;
- b. In selecting the Statutory Auditor, the following requirements, among others, to be defined by the Audit Committee shall be met:
  - i. The experience of the statutory auditor and the team assigned to the provision of audit services, taking into account the size of the group and the specificities of the Group's different business areas;
  - ii. Quality and completeness of the proposal submitted;
  - iii. Guarantees of good repute, independence and absence of conflict of interests;
  - iv. Ability to implement the proposal submitted; and
  - v. Commercial terms.
- c. The selection process will be organized in strict compliance with the applicable legal rules, namely Regulation (EU) 537/2014 of 16 April.

The Audit Committee is the main interlocutor of the Statutory Auditor, namely within the scope of the audit of the accounts, its reports and conclusions, and appraisal of the internal control system.

Whenever deemed appropriate, the Committee shall contact the company's Statutory Auditor directly and, if different, the statutory auditor of its participated companies, in order to obtain clarifications.

The content of the Statutory Auditors' reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors meetings, so that the Audit Committee is the first body of the Group 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 and the results of the statutory audit are subsequently reported and discussed with the Board of Directors.

The Audit Committee also holds regular meetings with the Chief Financial Officer (CFO) of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information, as well as to discuss other matters deemed relevant.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services, taking into account, in particular, the non-existence of an internal audit department at the Group.

Under the IMPRESA Group's Risk Management Policy, Audit Committee is responsible for:

- a) Assessing the Risk Management Policy approved and implemented by the Board of Directors.



- b) Overseeing the efficacy of the Risk Management System, i.e., monitoring the Risk Management Processes, contributing with revision and adjustment suggestions, and checking whether the risks incurred are consistent with the established goals.
- c) Assessing the Risk Management System, on an annual basis.

The Audit Committee is the receiver of the Risk Committee's Reports.

The Audit Committee held 14 meetings in 2020. All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

### Corporate Governance Committee

The Corporate Governance Committee of IMPRESA is composed of three non-executive members of the Board of Directors:

- a) Chairman of the Board of Directors, who performs the duties of Chairman of the Corporate Governance Committee;
- b) Deputy Chairman of the Board of Directors;
- c) Chairman of the Audit Committee.

The Corporate Governance Committee has the general task of assisting the Board of Directors:

- a) in perfecting the company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed;
- b) Preparing and implementing rules of conduct, aimed at imposing observance of the applicable provisions and strict ethical and deontological principles in the performance of duties assigned to the members of the governing bodies and employees of the company.

In the performance of its duties concerning the corporate governance and oversight model, the Corporate Governance Committee is particularly responsible for:

- a) endeavouring to ensure full compliance with the legal and regulatory requirements, recommendations and good practices relative to the corporate governance model;
- b) proceeding with the annual appraisal of the following aspects:
  - i. The company's corporate governance structure, principles and practices;
  - ii. Efficiency and overall performance of the Chief Executive Officer or the members of the Executive Committee;
  - iii. Efficacy of the corporate governance system and appropriate measures for its improvement.
- c) recommending the Board of Directors' endorsement, in conformity with ethical, deontological and corporate governance principles, of the necessary policies, rules and procedures for compliance with the applicable legal, regulatory and statutory



- provisions, as well as the recommendations, standards and best practices, both national and international, on corporate governance matters;
- d) supporting the Board of Directors and Audit Committee in the appraisal of the systems of identification and resolution of conflicts of interest.

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

The Corporate Governance Committee holds meetings twice a year and whenever called by its Chairman or at the request of any of its members.

The Committee held 4 meetings in 2020. All the minutes of the Corporate Governance Committee meetings are distributed to all the members of the Board of Directors.

### Strategy Committee

The Strategy Committee is chaired by the Chairman of the Board of Directors of IMPRESA.

The Strategy Committee is composed of the following members:

- a) The Chief Executive Officer;
- b) Two non-executive directors (appointed by the Board of Directors).

The Chief Operating Officers, who are responsible for the different operational units of the IMPRESA Group and hold regular meetings with the Chief Executive Officer, are also included in the Strategy Committee.

The Strategy Committee is responsible for assisting the Chairman of the Board of Directors in the definition of high-level strategic objectives of IMPRESA, namely:

- a) in the preparation of the IMPRESA Group's Strategic Plan (three-year plan), which should be submitted for approval by the Board of Directors;
- b) in the assessment, follow-up and monitoring of the implementation of this Plan and its annual review, designing any necessary proposed changes;
- c) in the submission of recommendations of action to the Board of Directors, taking into account the IMPRESA Group's Strategic Plan;

The Strategy Committee holds meetings twice a year or whenever called by its Chairman.

The Committee held 2 meetings in 2020. All the minutes of the Strategy Committee meetings are distributed to all the members of the Board of Directors.



### III SUPERVISION

#### a) Composition

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

The corporate governance model adopted is the one referred to in Article 278(1)(b) of the Commercial Companies Code, i.e., with a Board of Directors, comprising an Audit Committee (with supervisory functions) and a Statutory Auditor.

#### 31. Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where this information is already included pursuant to number 17.

The Audit Committee, for the current term of office (2019-2022 four-year period), is composed of the following 3 members of the Board of Directors:

Chairman: Manuel Guilherme Oliveira da Costa  
Members: Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia  
Ana Filipa Mendes de Magalhães Saraiva Mendes

The term of office of the Audit Committee is four years, which coincides with the term of office of the other governing bodies.

The Audit Committee is composed of members from the Board of Directors, appointed by the General Meeting, with their re-election permitted for successive four-year periods, without detriment to the limitations imposed by law to companies issuing tradable securities in regulated markets.

Members of the Audit Committee	Date of 1st appointment	Term of office
Manuel Guilherme Oliveira da Costa	16/04/2019	31/12/2022
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	28/01/2008	31/12/2022
Ana Filipa Mendes de Magalhães Saraiva Mendes	16/04/2019	31/12/2022

#### 32. Identification, as applicable, of the members of the Supervisory Body, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, who are considered to be independent, under the terms of article 414(5) of the Commercial Companies Code, and reference to the section of the report where this information already appears pursuant to paragraph 18.





As mentioned in point 18, Manuel Guilherme Oliveira da Costa and Ana Filipa Mendes de Magalhães Saraiva Mendes are independent members of the Audit Committee.

- 33. Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where this information already appears pursuant to number 21.**

See point 19.

### **b) Functioning**

- 34. Existence and place where the operating regulations can be viewed, as applicable, of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, and reference to the section of the report where this information already appears pursuant to number 22.**

See point 22.

- 35. Number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where this information already appears pursuant to number 23.**

The Board of Directors met 14 times throughout the year, with members having registered the following attendance:

Manuel Guilherme Oliveira da Costa (Chairman)	100.00%
Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	100.00%
Ana Filipa Mendes de Magalhães Saraiva Mendes	100.00%

- 36. Availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Bodies throughout the financial year, and reference to the section of the report where such information already appears pursuant to number 26.**

See point 26.

### **c) Powers and duties**

- 37. Description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.**





Whenever applicable, the Audit Committee assesses and gives its approval of the contracting of the Statutory Auditor to provide services other than auditing, provided that they are not prohibited by Article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council and that this respects the limit established in Article 4 of the same Regulation. The assessment seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business.

See point 29, concerning relations with the Statutory Auditor and the “Regulation of the Provision of Services by the Statutory Auditor”.

**38. Other duties of the supervisory bodies and, where appropriate, the Financial Matters Committee.**

See point 29 for a description of the powers and duties of the Audit Committee.

## IV

### STATUTORY AUDITOR

**39. Identification of the statutory auditor and the partner representing the statutory auditor.**

The Statutory Auditor, elected for the current term of office (2019-2022 four-year period), is Deloitte & Associados, SROC, LDA, registered at the CMVM under number 20161384, which is represented by the partner Rui Carlos Lourenço Helena.

**40. Indication of the number of years that the statutory auditor consecutively carries out duties with the company and/or group.**

The Statutory Auditor carries out duties with the company since 16/04/2019.

**41. Description of other services provided by the statutory auditor to the company.**

In 2020, the non-audit services provided by the Statutory Auditor of Impresa, SGPS, S.A. refer to the verification, required by banking authorities, of the contractual obligations (ratios) contained in the loan agreements (reliability assurance services).

As noted in point 37, the hiring of the Statutory Auditor to provide additional non-audit services and the assurance of the auditor's independence took into consideration, namely, the reasonableness of the proposed prices and level of knowledge of the activity sector and the continuous monitoring of the Company's business.



## V

### EXTERNAL AUDITOR

- 42. Identification of the external auditor appointed in accordance with article 8 and the partner that represents the external auditor in carrying out these duties, and the respective registration number at the CMVM.**

See point 39 (Chapter IV).

- 43. Indication of the number of years that the external auditor and respective partner representing it in carrying out these duties consecutively carries out duties with the company and/or group.**

See point 40 (Chapter IV).

- 44. Policy and periodicity of the rotation of the external auditor and respective partner representing it in carrying out these duties.**

At the end of each term of office, the Audit Committee assesses and discusses the conditions of independence and the performance of the duties of the Statutory Auditor, with a view to a possible rotation. The Committee also verifies compliance with the limitations of terms of office contained in Article 54 of Law 140/2015 of 7 September, which approves the Statutes of the Portuguese Institute of Statutory Auditors (OROC).

Whenever there is a rotation of auditors, the Audit Committee selects the Statutory Auditor to be proposed to the General Meeting for election, and justifiably recommends its option, as established inhouse in the “Regulation of the Provision of Services by the Statutory Auditor” (Point 29) and in Article 4(3)(f) of Law 148/2015 of 9 September, which contains the Legal Framework of Audit Supervision.

In 2019, the Statutory Auditor was rotated, since the former auditor had reached the limitation of mandates provided for in the aforementioned Article 54 of the Statutes of the Portuguese Institute of Statutory Auditors (OROC). Thus, the Audit Committee developed, with the support of the CFO and the Financial Department of the Group, an organized selection process for the Statutory Auditor for the 2020-2023 term of office. The selection process was open to various entities and complied with transparent and non-discriminatory selection criteria, in addition to the analysis of the conditions of independence of candidates to the tender. The final selection of the two auditors proposed for election at the General Meeting, as well as the recommendation of the Audit Committee for the auditor who was elected at that Meeting, was based on objective criteria relating to knowledge of the sector in which the Impresa Group operates, experience in auditing public interest entities, technical quality and seniority of the team of professionals and proposed financial conditions.



**45. Indication of the body responsible for assessing the external auditor and periodicity with which this assessment is made.**

The Audit Committee regularly assesses and discusses the conditions of independence and the performance of the duties of the Statutory Auditor.

**46. Identification of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for this recruitment.**

The Audit Committee assesses and approves the contracting of the Statutory Auditor for the provision of services other than auditing under the terms of the “Regulation of the Provision of Services by the Statutory Auditor”. The assessment and approval process seeks to ensure that the independence of the Statutory Auditor is not placed in question and takes into account the reasonableness of the proposed prices, the level of knowledge of the activity sector and the continuous monitoring of the company's business. The Audit Committee also verifies whether the value of these services is below the limit imposed by Regulation (EU) 537/2014 of the European Parliament and of the Council, of 16 April 2014.

In 2020, the Statutory Auditor, in addition to the statutory audit services, provided IMPRESA with reliability assurance services, for the purposes of bank financing.

**47. Indication of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (for the purposes of this information, the network concept follows European Commission Recommendation number C (2002) 1873 of 16 May):**

<b>By IMPRESA (a)</b>	<b>In Euros</b>	<b>In %</b>
Statutory audit services	€ 22,400	92%
Reliability assurance services	€ 1,820	8%
Tax advisory services	€ 0	0%
Other non-statutory audit services	€ 0	0%
<b>By other entities of the Group (a)</b>		
Statutory audit services	€ 0	0%
Reliability assurance services	€ 0	0%
Tax advisory services	€ 0	0%
Other non-statutory audit services	€ 0	0%
<b>Overall Total</b>	<b>€ 24,220</b>	<b>100%</b>

(a) Including individual and consolidated financial statements



## C. INTERNAL ORGANISATION

### I

#### ARTICLES OF ASSOCIATION

#### 48. Rules applicable to the amendment of the company's articles of association (article 245-A(1)(h)).

There are no rules on the alteration of the company's memorandum of association, except those arising from the applicable law.

### II

#### REPORTING OF IRREGULARITIES

#### 49. Means and policy on the reporting of irregularities in the company.

The Audit Committee created and approved an internal system for the communication of irregularities in 2007, aimed at preventing and eliminating irregular practices, thereby avoiding damages caused by their continuation. In 2019, the Audit Committee proposed amendments to improve and refine the whistleblowing system, having approved a new version of the Regulation on Procedures to be Endorsed on Whistleblowing.

This system, whose Regulation are disclosed on the IMPRESA website and IMPRESA Group Intranet network, ensures the confidentiality of the information provided and defines the procedures for receiving, recording and processing reports on misconduct, in conformity with the applicable legal and regulatory provisions, received by the IMPRESA Group from shareholders, workers, clients, suppliers and others, on matters of:

- a) Accounting;
- b) Internal Accounting Controls;
- c) Audits;
- d) Risk Control;
- e) Abuse of Privileged Information;
- f) Fraud or Corruption;
- g) Money Laundering and Terrorist Financing.

In the case of reporting of irregularities, the investigation process is conducted and supervised by the Audit Committee, in compliance with the legislation in force, which will be responsible for drawing up a final duly substantiated report on the facts ascertained during the investigation and with the proposed closing of the case or the adoption of suitable measures.



It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

Over the course of 2020, similarly to 2019, there were no communications under these Regulations.

### III

## INTERNAL CONTROL AND RISK MANAGEMENT

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

The following bodies, at IMPRESA, are responsible for the internal audit and/or implementation of the internal control system:

- Risk Committee;
- Assets, Risk and Sustainability Department;
- Financial Department;
- Legal Affairs Department;
- Institutional Relations Department.

#### **51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and/or functional dependence with respect to other bodies or committees of the company.**

The relations of dependence are defined in the organisational structure in point 21.

#### **52. Existence of other functional areas responsible for risk control.**

In addition to the areas indicated in point 50, operating under the terms described in point 54, there are no other areas responsible for risk control.

#### **53. Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the exercise of its activity.**

Economic risks (activity and facilities): Risks primarily related to situations that could affect the current operation of the companies, namely fire, reductions in production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.

Financial risks (credit, liquidity, exchange rate and interest rate risk):

- i. Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, IMPRESA has defined credit granting policies,



with credit limits per customer and collection deadlines, and financial discount policies for early repayment or cash payment;

- ii. 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 requirements, such as cash outflow for operating and financing activities, investments, shareholder remuneration and debt repayment;
- iii. Exchange rate risk is essentially related to the acquisition of television programmes;
- iv. Interest rate risk is essentially related to interest paid in relation to the contracting of loans with variable interest rates, which are consequently exposed to changes in market interest rates.

Legal Risks: Risks related to compliance with existing legislation applicable to the media sector.

#### **54. Description of the procedure of identification, assessment, monitoring, control and management of risks.**

In 2020, the Board of Directors approved the Risk Management Policy of IMPRESA, in which the Group proposes to pursue assertive risk management suited to its corporate profile, aimed at safeguarding the Group's interests and meeting the legitimate expectations of its stakeholders.

The Group endorses a Risk Management System focused on handling the risks that could affect the performance of its activity, by fostering, in an evolutive attitude, the identification, assessment and multidisciplinary management of risks, in light of IMPRESA's strategy and values.

Pursuant to the approved Risk Management Policy, the Board of Directors is tasked with defining a Risk Management Policy and the Risk Objectives - acceptable tolerance levels for the sound performance of the Group's business and appointment of the members of the Risk Committee. As noted in point 29, the Audit Committee is responsible for assessing the Risk Management Policy that is approved and implemented by the Board of Directors, supervising the efficacy of the Risk Management System (i.e., monitoring the Risk Management Processes and verifying that the risks incurred are consistent with the established objectives) and assessing the performance of the Risk Management System on an annual basis.

The Risk Committee institutes the Risk Management Processes, conducts a semestral assessment of its degree of implementation and performance and ensures the reporting mechanisms.

The IMPRESA Group's Risk Management System relies on the articulated activity of the following bodies:

- a) The Risk Committee, which is entrusted with operationally ensuring compliance with the Risk Management Policy, defined by the Board of Directors of IMPRESA, the



follow-up and monitoring of the different security events that could represent security risks to the Group's different companies, making recommendations aimed at improving the risk event control systems, checking the efficiency of the risk management systems, and monitoring the implementation of the recommendations issued by the Risk Committee and/or by the Audit Committee, with respect to Risk Management.

- b) Assets, Risk and Sustainability Department, which supervises the risks associated with:
  - i. facilities, infrastructures and logistics;
  - ii. taking out of insurance at the Group level, in order to achieve the most appropriate solutions to cover insurable risks.
- c) Information Technology Department and Operations and Technology Department, which supervise computer security and cyber risk.
- d) The General Financial Department develops the following aspects of risk control:
  - i. Negotiation, contracting and management of bank financing, in order to meet the financial needs of the Group;
  - ii. Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks;
  - iii. Definition of credit granting policies, with credit ceilings per customer and collection deadlines.
- e) Legal Affairs Department and Institutional Relations Department, responsible for the:
  - i. monitoring of the evolution of the legal and regulatory framework on the matters with an impact on the activity developed by the IMPRESA Groups and relations with the competent supervisory authorities;
  - ii. monitoring, in terms of the operational subsidiaries, of the legal and regulatory provisions, in particular, applicable to the media sector, and whose significant change or breach could have an adverse impact on the business or on the earnings of these companies.

At the level of the operating subsidiaries, plans relative to external situations which may affect current company operation, namely fires, production stoppages, broadcasting failure, IT system failures, etc., have been established and implemented, with the objective of safeguarding people and goods, and ensuring, as far as possible, the continuity of production not only of newspapers and magazines but also of television activities and digital contents.

With regards to financial information, the Chief Executive Officer, in coordination with the Audit Committee and CFO, supervises its preparation and disclosure, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevent undue access to relevant information by third parties.





**55. Main details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A(1)(m)).**

Before the Board of Directors meetings, scheduled in advance (with the exception of any exceptional meetings) and with this schedule being agreed by all, the non-executive members of the Board of Directors, therefore including all the members of the Audit Committee, receive all the documentation related to the points on the agenda in due time, and may request additional information on any points on the agenda, propose the inclusion of other points they would like to see discussed, and propose to the Chairman of the Board of Directors the attendance of the meeting of any employee or director of IMPRESA and its participated companies who might be related to the discussion of one (or more) points on this same agenda. The non-executive members of the Board of Directors also receive the minutes of the meetings of the Group's Operating Coordination, between the Chief Executive Officer and the COO responsible for the different business areas, and all the information and documentation of an economic and financial nature, in particular concerning investment, management control and bank debt evolution, as well as any other related to the Group's activity, such as for example information on human resources, evolution of publication sales and audiences, etc.

The Chief Executive Officer, in coordination with the Audit Committee and CFO, 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.

The documents providing accounts are drawn up based on information provided by the different companies of the Group and, in particular, by the shared services. The Group 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 Group's Financial Department reviews the adopted accounting policies, identifies the relevant or unusual transactions, analysing, whenever necessary, with the Audit Committee, the appropriate accounting treatments and corresponding requirements on disclosure, and identifies the transactions that involve judgements or estimates, defining calculation methods, assumptions and all other pertinent information.

Mechanisms for communication between each segment and the Financial Department are defined, so as to ensure that any new operations were properly identified and treated from an accounting perspective, namely by coordination between the Financial Department and the Management Control of each segment and the Group.

Particularly concerning the Audit Committee, and as mentioned in point 29, the Committee holds regular meetings with the Chief Financial Officer (CFO) of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation





and disclosure of financial information, as well as to discuss other matters deemed relevant.

These Committees also hold regular meetings with the Statutory Auditor in order to assess whether conditions have been created for the adequate performance of its 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 Audit Committee is the first body of the Group 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.

#### IV INVESTOR ASSISTANCE

**56. Department responsible for investor assistance, composition, functions, the information made available by this department and contact details.**

IMPRESA has a Securities Markets Liaison Representative (who is also the CFO) and an Investor Relations Officer, in order to ensure permanent communication and the institutional relations with the universe of investors and analysts, as well as with the regulated market where IMPRESA shares are listed for trading (Euronext Lisbon), and the respective regulatory and supervisory entities.

The Securities Markets Liaison Representative and the Investor Relations Officer operate as interlocutors between the Board of Directors of IMPRESA, investors and the market. Their function is to ensure the timely and accurate availability of information concerning the Group, in compliance with applicable legal and regulatory provisions, in particular with regard to the disclosure of privileged information and other reports to the market, as well as the publication of annual and interim financial information following the procedure described in point 55.

The Investor Assistance contacts are:

Edifício IMPRESA  
R. Calvet de Magalhães, 242  
2770-022 Paço de Arcos  
Tel: +351 213 929 780  
Email: [impresa@impresa.pt](mailto:impresa@impresa.pt)



**57. Securities Markets Liaison Representative.**

The Securities Markets Liaison Representative is Paulo Miguel dos Reis who also holds the position of Chief Financial Officer (CFO).

Contact:

Edifício IMPRESA  
R. Calvet de Magalhães, 242  
2770-022 Paço de Arcos  
Tel: +351 213 929 780  
Email: [impresa@impresa.pt](mailto:impresa@impresa.pt)

**58. Details on the extent and deadline for replying to requests for information received throughout the year or pending from preceding years.**

All the requests for information (received by telephone, email or mail) are replied to at the earliest opportunity, and there are no pending requests relative to 2020 or from preceding years.

**V**

**WEBSITE**

**59. Address(es).**

The company website address is “[www.impresa.pt](http://www.impresa.pt)”.

**60. Place where information on the firm, public company status, head office and other details referred to in article 171 of the Commercial Companies Code is available.**

The details of all the information referred to in Article 171 of the Commercial Companies Code is available on the company website, in *investors/contacts*.

**61. Place where the articles of association and operating regulations of the bodies and/or committees are available.**

The articles of association are available on the company website, in *investors/corporate governance/articles of association*.

The regulations of the bodies and committees are available on the company website, in *investors/corporate governance*.



- 62. Place where information is available on the names of the members of the governing bodies, the Securities Markets Liaison Representative, the Investor Assistance Office or comparable structure, respective duties and contact details.**

Information on the names of the members of the governing bodies is available on the company website, in *investors/governing bodies*.

Information on investor support contacts is available on the company website, in *investors/contacts*.

- 63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.**

Information on the financial accounts reporting is available on the company website, in *investors/annual reports*.

- 64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.**

Information on the General Meetings is available on the company website, in *investors/general meetings*.

- 65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.**

Information on the historical archive of the General Meetings is available on the company website, in *investors/general meetings*.

## D. REMUNERATIONS

### I

#### POWER TO ESTABLISH

- 66. Details of the powers for establishing the remuneration of governing bodies, members of the executive committee or managing director and the directors of the company.**

The remuneration of the members of the Board of Directors is established by a Remuneration Committee, elected by the General Meeting.



## II

### REMUNERATION COMMITTEE

**67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to this committee and a statement on the independence of each member and advisor.**

The composition of the Remuneration Committee for the current term of office (2019-2022 four-year period) is as follows:

Chairman: Fernando António Lacerda Andresen Guimarães  
Members: Manuel Soares Pinto Barbosa  
José Luis Rosado Catarino

The business of the Remuneration Committee was conducted by its members, with no natural or legal persons having been contracted to provide assistance. However, in order to carry out its duties and ensure its responsibilities, the Remuneration Committee may call upon the members of the governing bodies, workers, employees and consultants of the Company.

The Remuneration Committee may also conclude contracts for provision of services and/or assistance with consultants or other advisers or experts, as deemed necessary for pursuit of the objectives and exercise of the duties, powers and responsibilities established in the Regulation of this Committee. The Remuneration Committee should, however, ensure that the services are provided independently and that the respective providers will not be hired to provide any other services to the actual Company, or to other companies in a controlling or group relationship, without the Committee's explicit authorisation.

All the (non-remunerated) members of this Committee are independent.

The Remuneration Committee held one meeting in 2020. All the minutes of the Audit Committee meetings are distributed to all the members of the Board of Directors.

As established in Article 7(7) of the Regulation of the Remuneration Committee, in order to provide information or clarifications to shareholders, the Chairperson or, in case of his/her impediment, another member of the remuneration committee should be present at the annual General Meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the Company's management bodies or, if such presence has been requested by the shareholders.

**68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.**

All the members of the Remuneration Committee have knowledge and experience for this position, due to the pursuit of their professional activity.

## III



## REMUNERATION STRUCTURE

### 69. Description of the remuneration policy of the Board of Directors and Supervisory Bodies referred to in article 2 of Law number 28/2009 of 19 June.

In a context of major digital change and competition in the Media, in which the activity developed by the IMPRESA Group is immersed, the capacity to motivate and retain the best professionals on the market, as well as transform their contribution into true teamwork, is one of the main critical factors for success.

The Remuneration Committee of the IMPRESA Group has defined a compensation strategy for the executive and non-executive members of the Board of Directors, with the following key objectives:

- (i) Signal recognition of merit (Meritocracy);
- (ii) Determine the attribution of variable remuneration in accordance with criteria that are easy to understand (Simplification);
- (iii) Ensure balance between the interests of the company and those of the shareholders (Reasonableness).

Considering these objectives, the Remuneration Committee of IMPRESA deliberated on:

- (i) Definition of the value of the fixed remuneration of all the executive and non-executive members of the Board of Directors;
- (ii) Implementation of a Variable Remuneration Model for the Chief Executive Officer.

Considering the duties of the Chairman of the Board of Directors, stipulated in the Regulation of the Board of Directors of IMPRESA, the Remuneration Committee decided to extend the application of the variable remuneration model to also include the Chairman of the Board of Directors (in force since 2014).

#### Multiannual variable remuneration model 2020-2022:

Following best market practices, the Remuneration Committee deliberated, with reference to the 2020-2022 three-year period, the application of a multiannual variable remuneration model, with deferred payment for 3 years.

This multiannual variable remuneration model considers 6 bonus levels, corresponding to 1 to 6 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

- a) Positive assessment of performance;
- b) Achievement of a consolidated value of Net Remunerated Debt;
- c) Achievement of a consolidated value of EBITDA.

In 2020, as all the defined criteria were met, the Remuneration Committee decided to allocate a variable remuneration corresponding to 50% of six months of monthly gross remuneration.



**70. Information on how the remuneration is structured in order to enable the alignment of the interests of the members of the management body with the long-term interests of the company, as well as on how this is based on performance assessment and discourages excessive risk-taking.**

The focus on the sustainability of the IMPRESA Group's operations, based on good environmental, social and corporate governance practices, is part of its business dynamics, being intrinsically associated with the confidence and trust in its brands and a fundamental corner stone for the long-term creation of value and for strengthening relations with all its stakeholders, in particular, its readers and television viewers.

As a result of this commitment, the IMPRESA Group brands have progressively shown their strength and resilience, reflected in positive operational performance.

The strategic options of IMPRESA primarily aim to achieve SIC and ESPRESSO market leadership, based on rigorous cost control and careful risk monitoring, with a view to the continuous improvement of the operating margin and reduction of net debt. The OPTO and ADVNCE projects, launched in 2020, under the Strategic Plan for the three-year period of 2020-2022 are the outcome of IMPRESA's innovative vision and focus on the future, aimed at continuing the expansion of its activity to new platforms and consequent attainment of new and larger audiences.

In the environmental sphere, IMPRESA actively promotes a culture of environmental sustainability, through a series of procedures and measures defined by the "Environmental Sustainability Committee", with a view to reducing the impact of the actions of Group companies on the environment and diminishing their carbon footprint.

Concerning corporate governance, IMPRESA seeks to follow the best practices, guidelines and recommendations established in the law and in the Corporate Governance Code of the IPCG – Portuguese Corporate Governance Institute, particularly with respect to the group's remuneration policy, which is primarily ruled by principles of meritocracy, reasonableness, sustainability, consistency and utility, in order to encourage the improvement of the IMPRESA Group's economic and financial conditions, ensuring that the remuneration, in particular the variable remuneration, is an instrument implementing the long-term business strategy.

The IMPRESA Group fully undertakes its increased social responsibility, since most of its companies operate in the media area and due to its consequent impact on society. In this regard, their action is first and foremost driven by their public interest mission to:

- inform society with the independence and rigour that is expected from them, conveying important institutional messages in a clear manner; and
- provide entertainment that promotes the enjoyment and well-being of their different audiences.

**71. Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.**



See point 69.

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

See point 69.

**73. Criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.**

There is no attribution of a variable remuneration in company shares.

**74. Criteria on which the allocation of variable remuneration on options is based and details of the period of deferral and exercise price.**

There is no attribution of a variable remuneration in company shares.

**75. Key factors and grounds for any annual bonus scheme and any additional non-financial benefits.**

Apart from the variable remuneration model described in point 69, there is no other annual bonus scheme. Concerning other non-financial benefits, the Chairman of the Board of Directors, the Deputy Chairman of the Board of Directors and the Chief Executive Officer of the company benefit from health insurance and use of a company vehicle, in conformity with the rules applicable to the IMPRESA Group employees.

**76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.**

Among the members that compose the Board of Directors, only the Chairman benefits from a supplementary retirement scheme, through the "Impresa Publishing & Asociadas" Pension Fund, created in 1987, which covers directors, journalists and other paid staff recruited up to 5 July 1993, as indicated in the information presented in Note 32.1 of the Annex to the consolidated financial statements of IMPRESA.

The supplementary retirement pension plan scheme has the following rules and features:

Journalists and directors who have worked for the company for 10 years or more are entitled to a supplementary retirement pension due to old age, with there being no commitment regarding future updating, calculated as follows:



- a) Journalists and directors who have worked for the company for 10 years will receive a subsidy equivalent to half the difference between the pension paid by Social Security and their pensionable salary;
- b) For every year worked after 10 years, this supplement will increase by 1%, until the sum of the pension and the supplement totals 90% of their pensionable salary.

Retirement due to old age is granted to the employee upon reaching the age legally defined in the general social security scheme as the normal age for access to a retirement pension.

Pensionable salary is defined as the value of all the remunerations (base salary, bonuses and allowances) determined for the year of 2002.

Any employee may remain at the service of the Associate, by common agreement, after the old age retirement date. In this case, the value of the retirement pension will be calculated as defined above, based on the pensionable salary and pensionable working time on the date the employee in question reached the normal retirement age.

Pension supplements are calculated using the formula used by Social Security to calculate pensions which was in force on 5 July 1993.

Supplementary retirement pensions are paid 14 times a year.

For the financial year ended on 31 December 2020, supplementary retirement pensions were paid to the Chairman of the Board of Directors amounting to the value of € 184,739.38.

The retirement plan described above is included in the information provided in the IPO of IMPRESA in 2000 and, since then, in all documents presenting the accounts.





## IV REMUNERATION DISCLOSURE

**77. Indication of the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to its different components.**

Remuneration of the Board of Directors (in euros)			
Non-executive	Fixed	Variable	Total
Chairman of the Board of Directors – Francisco José Pereira Pinto de Balsemão	€ 106,400.00	€ 22,800.00	€ 129,200.00
Deputy Chairman of the Board of Directors – Francisco Maria Supico Pinto Balsemão	€ 49,000.00	n.a.	€ 49,000.00
Chief Executive Officer – Francisco Pedro Presas Pinto de Balsemão (a)	€ 280,000.00	€ 60,000.00	€ 340,000.00
Chairman of the Audit Committee – Manuel Guilherme Oliveira da Costa	€ 40,012.00	n.a.	€ 40,012.00
Member of the Audit Committee – Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	€ 40,012.00	n.a.	€ 40,012.00
Member of the Audit Committee – Ana Filipa Mendes de Magalhães Saraiva Mendes	€ 40,012.00	n.a.	€ 40,012.00
Member of the Board of Directors – João Nuno Lopes de Castro	€ 30,002.00	n.a.	€ 30,002.00
<b>Total</b>	<b>€ 585,438.00</b>	<b>€ 82,800.00</b>	<b>€ 668,238.00</b>

(a) Plus the value of € 1,846.46 paid as meals allowance.

**78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.**

No amounts were paid, for any reason whatsoever, by other companies in a control or group relationship, or that are subject to a common control.

**79. Remuneration paid as participation in profit and/or bonuses and reasons for the awarding of these bonuses and/or participation in profit.**

See points 69 and 77.



**80. Compensations paid or due to former executive directors relative to the termination of their functions during the financial year.**

No compensation was paid under this item.

**81. Indication of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory body for the purposes of Law number 28/2009, of 19 June.**

The members of the Audit Committee are remunerated as directors, having received, in 2020 and as referred to in point 77, the following remunerations:

<b>Remuneration of the Members of the Audit Committee</b>		
<b>Non-executive</b>	<b>Fixed</b>	<b>Variable</b>
Chairman of the Audit Committee – Manuel Guilherme Oliveira da Costa	€40,012.00	n.a.
Member of the Audit Committee – Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia	€40,012.00	n.a.
Member of the Audit Committee – Ana Filipa Mendes de Magalhães Saraiva Mendes	€40,012.00	n.a.
<b>Total</b>	<b>€120,036.00</b>	<b>€ 0.00</b>

**82. Indication of the remuneration in the reference year of the Chairman of the Board to the General Meeting.**

The remuneration of the members of the Board of the General Meeting, during 2020, was as follows:

Chairman: Manuel de Abreu Castelo Branco –€ 3,750

Secretary: Maria João da Silva Dias Gonçalves dos Santos – € 1,250

**V**

**AGREEMENTS WITH REMUNERATION IMPLICATIONS**

**83. Established contractual limitations to compensation payable for the unfair dismissal of directors and its relevance to variable component of remuneration.**

Without prejudice to the cases specified below, if members of the management and supervisory bodies leave office before the end of their term of office, the legally established rules on compensation are applicable.



If the Chairman of the Board of Directors or the Chief Executive Officer leave office for any reason (except in the case of just cause for dismissal), after the end of the assessment period (one economic year of the company) of the multiannual variable remuneration, but before its full payment, the entire multiannual variable remuneration corresponding to that assessment period will be payable, on the due payment dates, provided that there has been no loss of that right during the deferral period. That right is lost, if, during any one of the following two assessment periods of the multiannual variable remuneration the director does not meet the criteria for allocation of variable remuneration for the respective assessment period, under the terms determined by the Remuneration Committee in the pertinent annual assessment meeting.

If the Chairman of the Board of Directors or the Chief Executive Officer leave office for any reason, before the end of the assessment period of the multiannual variable remuneration, it shall not be payable in relation to the respective assessment period.

- 84. Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to article 248-B(3) of the Securities Market Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (article 245-A(1)(l)).**

There are no agreements whatsoever between the company and members of the management body and directors, pursuant to Article 248-B(3) of the Securities Market Code, which foresee the payment of indemnities in the case of resignation, dismissal without just cause or termination of the work contract, following a change of company control.

## VI

### SHARE ALLOCATION AND/OR STOCK OPTION PLANS

- 85. Details of the plan and persons included therein.**

There is no share allocation and/or stock option system in the company.

- 86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase shares and/or exercise options).**

See point 85.

- 87. Stock option rights for company employees and staff.**

See point 85.



**88. Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (article 245-A(1)(e)).**

See point 85.

## **E. TRANSACTIONS WITH RELATED PARTIES**

### **I**

#### **CONTROL MECHANISMS AND PROCEDURES**

**89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept arising from IAS 24).**

On the occasion of the entrance into force of Law 50/2020, the Board of Directors reviewed the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest.

Transactions with related parties are subject to the Audit Committee's supervision, without prejudice to approval by the Board of Directors or the Chief Executive Officer, pursuant to the respective delegation of competencies and the Regulation of the Board of Directors, although the approval of Extraordinary Transactions by the Board of Directors is always mandatory.

Contracts concluded between the Company and its directors, directly or through intermediaries, must be authorised previously by determination of the Board of Directors, in which the interested party cannot vote, and receive the favourable prior opinion of the Audit Committee, otherwise they will be deemed null and void.

The Board of Directors must, at least every six months, notify the Audit Committee of all Transactions with Related Parties, and the Audit Committee must verify, in particular, that they are being conducted within the scope of IMPRESA's current activity and under normal market conditions, with the Related Parties not participating in the said transactions in the verification in question.

The Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest defines "Extraordinary Transactions" as "transactions with related parties that take place outside the scope of IMPRESA's current activity or under conditions other than normal market conditions".

All and any Extraordinary Transactions require the Audit Committee's favourable prior opinion. If the Audit Committee issues an unfavourable opinion, the management body may decide to go ahead with the Extraordinary Transaction, demonstrating, in a



substantiated manner, that this transaction is especially important and advantageous in the pursuit of Impresa's corporate interest, despite the Audit Committee's position.

The Audit Committee appraises the proposed Extraordinary Transaction, analysing the following information, in addition to any other deemed relevant:

- a) Relevant terms of the transaction (including the value);
- b) Objective, interest and opportuneness of the transaction;
- c) If the transaction involves the sale of an asset, the description of this asset, including its acquisition date and net book value.

#### **90. Details of transactions that were subject to control in the reference year.**

In 2020, the Audit Committee analysed an Agreement in Principle on production of television services concluded between SIC and SP Televisão (Madre Group). The Audit Committee also analysed the technical files of two soap operas to be acquired from SP Televisão. The Audit Committee's analysis concluded that the transactions fall under SIC's daily business developments, and considered the defined terms and conditions to be normal.

#### **91. Description of the procedures and criteria applicable to the intervention of the supervisory board for the purpose of prior assessment of business to be carried out between the company and owners of qualifying holdings or entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code.**

See point 89.

## **II**

### **DATA ON BUSINESS DEALS**

#### **92. Indication of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of this information.**

The information on business dealings with related parties is reported in Note 33 of the Notes to the Consolidated Financial Statements of IMPRESA.



## F. DIVERSITY OF THE MANAGEMENT AND SUPERVISORY BODIES

### 93. Diversity of the management and supervisory bodies.

Diversity is naturally part of IMPRESA's organisational culture, reflected in the extensive and diverse professional experience of its directors (as confirmed by the biographies in this report) and in the age of its members, with a view to maintaining a balance between seniority and youth.

For the 2019-2022 four-year period, the General Meeting elected two women to the Board of Directors, with a total of 7 members, one of whom has been a Board member for 13 years. The issue of gender equality is one of the founding principles of the IMPRESA Group and this is the premise that guides the measures included in the Plan for Equality, disclosed by the Group. This plan provides for the development of measures and actions, to be implemented in 2021, that promote conditions of professional integration and career development on equal terms for men and women, encouraging the elimination of any gender discrimination and promoting practices that facilitate the reconciliation of family and personal and professional life.

The process of selection of candidates for election of the members of the Board of Directors should promote diversity and integration of different skills, training and professional experience, while seeking to boost a balanced gender representation, in conformity with Article 3(3) of the Regulation of the Board of Directors.



## PART II

### ASSESSMENT OF CORPORATE GOVERNANCE

#### 1. Identification of the adopted Corporate Governance Code.

The company has endorsed the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG), approved in 2018 and revised in 2020.

#### 2. Analysis of compliance with the adopted Corporate Governance Code.

#### RECOMMENDATIONS:

### Chapter I - GENERAL PROVISIONS

#### I.1. Company's relationship with investors and disclosure

**I.1.1. The Company should establish mechanisms to ensure the suitable, rigorous and timely disclosure of information to its governing bodies, shareholders, investors and all other stakeholders, financial analysts, and to the markets in general.**

Adopted (Points 54 to 65).

#### I.2. Diversity in the composition and functioning of the company's governing bodies

**I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.**

Adopted (Points 16 to 19, 25, 26, 31 and 93).

In conformity with Article 2(4) of the Regulation of the Board of Directors, the proposals for election of the members of the Board of Directors should be submitted to the General Meeting duly substantiated with respect to the candidate's profile and curriculum, so that the shareholders can appraise the candidate's adequacy to the duties to be performed.

According to Article 3 of the Regulation of the Board of Directors, the members of the Board of Directors should show high ethical principles, values and behaviour compatible with the standards required for the performance of their duties at the Company, as well as capacity to exercise critical, pondered, constructive and independent judgements. The members of the



Board of Directors should also show appropriate availability and professional qualifications, which requires taking the following factors into account:

- a) academic qualifications, specialised training and professional experience in relevant fields for the Company's activity;
- b) nature, size and complexity of previous activities, in particular, length of service, seniority and responsibilities;
- c) nature, size and complexity of the duties that shall be performed at the Company.

**I.2.2. The company's management and supervisory bodies, and their internal committees, should have internal regulations — namely regulating the performance of their duties, their chairmanship, periodicity of meetings, functioning and framework of duties of their members — fully disclosed on the company's website, with minutes being drawn up of all meetings.**

Adopted (Points 21, 22, 27, 29 and 34).

**I.2.3. The composition and number of annual meetings of the management and supervisory bodies, and their internal committees, should be disclosed on the company's website.**

Adopted (Points 17, 18, 23, 29, 31 and 35).

**I.2.4. A policy for reporting irregularities (whistleblowing) should be endorsed that guarantees suitable means for their reporting and handling, while safeguarding the confidentiality of the information conveyed and the identity of the whistleblower, whenever such is requested.**

Adopted (Point 49). In addition to the adoption of the Regulation on Procedures to be Endorsed on Whistleblowing, the Regulations of the Board of Directors, the Audit Committee, the Corporate Governance Committee and the Strategy Committee also provide for the detection and prevention of irregularities and conflicts of interest.

### **I.3. Relationships between the company bodies**

**I.3.1. The articles of association, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the management and supervisory bodies are provided with access to all the information and company's employees, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the management body, without impairing the access to any other documents or people that may be requested for information.**

Adopted (Points 21, 29 and 55).





**I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the articles of association, of each of the remaining boards and committees.**

Adopted (Points 21, 29 and 55).

#### **I.4. Conflicts of interest**

**I.4.1. The members of the company's management and supervisory bodies, and their internal committees, are duty bound to inform the respective board or committee whenever there are facts that could constitute or give rise to a conflict between their interests and the company's interest.**

Adopted. Pursuant to Article 11(1) of the Regulation of the Board of Directors, the members of the Board of Directors are not allowed to participate, interfere or vote in deliberations in which they have a conflict of interest, either of their own or in relation to a third party, with the Company. In this case, they should inform the other Board members (via its Chairman if the conflict does not involve this person) with sufficient time in advance about the facts that could constitute or give rise to a conflict of interests, without prejudice to the duty to provide the information and clarifications requested by the Board of Directors.

Likewise, pursuant to the respective internal regulations, the members of the Audit Committee, the Corporate Governance Committee, the Strategy Committee and the Remuneration Committee are barred from voting on decisions on issues in relation to which they have a conflict of interests, either of their own or relative to a third party, with IMPRESA. In this case, they should inform the other commission/committee members (via its chairman if the conflict does not involve this person) with sufficient time in advance about the facts that could constitute or give rise to a conflict of interest, without prejudice to the duty to provide the information and clarifications requested by the commission/committee.

Business conducted between the Company and any of its participated companies with directors, owners of the qualifying holdings, or entities with which these are in any relationship, must be authorised by the Board of Directors.

Prevention and detection of situations of conflicts of interest are subject to the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, available for consultation on the IMPRESA Group website ([www.impresa.pt](http://www.impresa.pt)), without prejudice to all other duties arising from the law and internal regulations.

**I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.**

Adopted. Pursuant to Article 11(1) of the Regulation of the Board of Directors, Article 5(5) of the Regulation of the Audit Committee and Article 9(1) of the Policy for the Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of



Interest, in the decisions of the Board of Directors, Executive Committee (when applicable) or Audit Committee, should any of its members be prevented from deciding on the matter under discussion at the meeting, due to a potential conflict of interest, they shall declare themselves to be prevented from participating and intervening in the respective discussion and voting, without prejudice to the duty to provide information and clarifications as requested by the body in question.

As noted in recommendation I.4.1, the same is applicable to the members of the Corporate Governance Committee, the Strategy Committee and the Remuneration Committee.

## **I.5. Related party transactions**

**I.5.1. The management body should disclose, in the governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.**

Adopted (Points 89 to 91).

**I.5.2. The management body should inform the supervisory body of the results of the internal procedure for verification of transactions with related parties, including the transactions that have been analysed, at least on a half-yearly basis.**

Adopted. In conformity with Article 4(7) and Article 5 of the Policy for Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest, and with Article 11(4) of the Regulation of the Board of Directors, the Board of Directors reports to the Audit Committee on a biannual basis on transactions with related parties.

Any extraordinary transactions with related parties are opportunely subject to an opinion, before being carried out, issued by the Audit Committee.

## **Chapter II - SHAREHOLDERS AND GENERAL MEETING**

**II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.**

Adopted (Points 1, 5, 6 and 12 to 14).

**II.2. The company should not adopt mechanisms that make decision-making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.**

Adopted (Points 1, 5, 6 and 12 to 14).



**II.3. The company should implement suitable means to ensure the remote participation of the shares in general meetings, under terms proportional to their size.**

Not adopted. The company considers that, given the concentration of the capital structure (existence of a majority shareholder) and the culture of proximity that characterises the Group, the physical participation of shareholders or their representatives should be promoted, to the detriment of means that, besides not having been requested by them and whose absence does not constitute an obstacle to the exercise of voting rights, may increase the risk of dissemination of information outside the universe of shareholders and entail high implementation costs, ultimately diverging from those that are the interests of the company and its shareholders.

In the context of the public health emergency caused by the Covid-19 pandemic, in order to reduce the risk of contagion, and in line with the recommendations on the holding of general meetings issued by the CMVM, IPCG and AEM, IMPRESA recommended that the shareholders exercise their right to posting voting, and assured the protection of the participants at the General Meeting, by taking the hygiene measures disclosed by the competent authorities, aimed at mitigating the possible risk of Covid-19 contagion.

**II.4. The company should implement suitable means for the exercise of the right to remote voting, including postal voting and by electronic means.**

Partially adopted. The company ensures and recommends, as mentioned in II.3, the exercise of postal voting rights, but not by electronic means. The company considers that the non-use of the electronic option does not constitute a barrier to the exercise of the right to vote, in view of the concentration of the capital structure (existence of a majority shareholder), nor to the shareholders not requesting this voting method, which could, inclusively, increase the risk of dissemination of information outside the universe of shareholders, and entails high implementation costs, thus ultimately diverging from the interests of the company and its shareholders.

**II.5. The articles of association, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution – without increased quorum in comparison to the legally established – and in that resolution, all votes cast will be counted without observation of the imposed limits.**

Not applicable.

**II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the management body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the management body.**

Adopted (points 4 and 83). The contracts referred to in point 4 of the report are not likely to harm the economic interest of the company in the transfer of shares and the free assessment by shareholders of the performance of directors, since, considering the size of the company and the concentration of the capital structure (existence of a majority shareholder), they have as a condition of ownership the maintenance of this participation as a guarantee of the



continuity of management stability, as well as the credibility of the company in the market where it operates.

## Chapter III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

**III.1. Without prejudice to the legal powers of the chair of the management body, if he or she is not independent, the independent directors should appoint a lead independent director, from amongst them, namely, to: (i) act, when necessary, as an interlocutor with the chair of the board of directors and other directors, (ii) ensure the necessary conditions and means to perform their duties; and (iii) coordinate the independent directors in the assessment of the performance of the management body, as established in Recommendation V.1.1.**

Not adopted. The company considers that the current size and structure of the Board of Directors does not justify the appointment of a lead independent director. The *modus operandi* of the Board of Directors is driven by fluid and intense interactivity guided by informed objectivity, and it is believed that its agility would not benefit particularly from the appointment of a lead independent director within the Board of Directors.

**III.2. The number of non-executive members of the management body, the number of members of the supervisory body and the number of members of the financial matters committee must be appropriate to the size of the company and the complexity of the risks inherent in its activity, but sufficient to ensure the efficient performance of the duties which they have been assigned, where the governance report should present the formulation of this judgement of adequacy.**

Adopted (Points 17, 18, 31 and 32). For the 2019-2022 four-year period, the management body is composed of 6 non-executive members (of which 3 members belong to the Audit Committee) and 1 executive member, who exercises the position of Chief Executive Officer. The Corporate Governance Committee is composed of 3 non-executive members of the Board of Directors.

As noted in point 18, the company considers that, particularly in view of the size, shareholder structure, complexity of the risks and other features inherent to its activity, the number of non-executive directors, both of the Board of Directors and Audit Committee, is appropriate. The company also considers that the diversity, the essence and comprehensiveness of the profiles of the members of these bodies are suitable to the sound performance of their duties, ensuring the effective follow-up, supervision, oversight and assessment of the company's activity and management.

**III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.**

Adopted (Points 17 and 18).

**III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who meet the legal**



requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:

- (i) Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;
- (ii) Having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;
- (iii) Having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;
- (iv) Having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship, in addition to the remuneration resulting from the exercise of a director's duties;
- (v) Living in a non-marital partnership or being the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings;
- (vi) Being a qualifying shareholder or representative of a qualifying shareholder.

Adopted. Among the six non-executive members, the following three members are independent, considering the criteria contained in recommendation III.4 of the IPCG Code: Manuel Guilherme Oliveira da Costa, João Nuno Lopes de Castro, and Ana Filipa Mendes de Magalhães Saraiva Mendes.

**III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).**

Not applicable.

**III.6. In observance of the powers conferred to it by law, the supervisory body evaluates and comments on the strategic lines and risk policy defined by the management body.**

Partially adopted (Points 18, 21, 29 and 54). The members of the Audit Committee, within the scope of their general duties, supervise the company's management and, as members of the Board of Directors, participate in the definition of strategic options. Moreover, the Chairman of the Audit Committee sits on the Strategy Committee, as a non-executive director, and thus participates in the definition of the strategic options subsequently submitted for approval of the Board of Directors.

The definition of the Group's strategic options is the responsibility of the Board of Directors and is among the matters that cannot be delegated to the Chief Executive Officer. The



Strategy Committee has been set up within the Board of Directors and must be assisted in this matter.

In this framework, the non-executive directors, within the Board of Directors, participate in the definition of the Group's main objectives and policies, with the Chief Operating Officers ("COO") being responsible for their implementation.

The Board of Directors, the non-executive directors regularly assess the strategic implementation not only through the use of financial and operational indicators, but mainly through the Chief Executive Officer's presentations on the challenges and risks facing the Group, raising discussions on the initiatives to be adopted to achieve the defined strategic objectives.

As regards risks, the Audit Committee is responsible for monitoring, evaluating and commenting on the risk policy defined by the Board of Directors and for monitoring, supervising and assessing the risk management system.

**III.7. Companies should create specialised committees on matters of corporate governance, appointments and performance assessment, separately or cumulatively. If a remuneration committee has been created, as laid down in article 399 of the Commercial Companies Code, and this is not prohibited by law, this recommendation may be followed by vesting this committee with powers on these matters.**

Partially adopted (Point 29). The company has a Corporate Governance Committee, created within the Board of Directors, which is responsible for assessing the overall performance of the Chief Executive Officer. It also has a Remuneration Committee whose members are appointed by the General Meeting of Shareholders and is responsible for setting the remuneration of each of the directors, taking into account the duties performed and the Company's economic situation. In this respect, the Company considers that the existence of this Committee is sufficient for the pursuit of good practices with regards to remuneration.

The Company believes that the creation of a Nomination Committee is not justified because, notwithstanding the size and concentration of the capital structure (existence of a majority shareholder), the transparency of the processes of identification and selection of candidates according to their merit, suitability to the position's requirements and promotion of the inhouse diversity policies are assured by the Board of Directors. Furthermore, Article 2 of the Regulation of the Board of Directors establishes that the proposals for election of the members of the Board of Directors must be submitted to the General Meeting duly substantiated with respect to the candidate's profile and curriculum, so that the shareholders can appraise the candidate's suitability to the duties to be performed.

## Chapter IV – EXECUTIVE MANAGEMENT

**IV.1. The management body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside the group.**





Adopted. See Article 2(3) and Articles 7 (“Delegation of Powers”) and 8 (“Scope of Delegation of Powers”) of the Regulation of the Board of Directors.

**IV.2. The management body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.**

Adopted (Point 21). See Articles 7 (“Delegation of Powers”) and 8 (“Scope of the Delegation of Powers”) of the Regulation of the Board of Directors.

**IV.3. In the annual report, the management body describes how the defined strategy and principles seek to ensure the company's long-term success and main contributions derived thereof to the community in general.**

Adopted (Point 70).

The focus on the sustainability of the IMPRESA Group's operations, based on good environmental, social and corporate governance practices, is part of its business dynamics, being intrinsically associated with the confidence and trust in its brands and a fundamental corner stone for the long-term creation of value and for strengthening relations with all its stakeholders, in particular, its readers and television viewers.

As a result of this commitment, the IMPRESA Group brands have progressively shown their strength and resilience, reflected in positive operational performance.

The strategic options of IMPRESA primarily aim to achieve SIC and ESPRESSO market leadership, based on rigorous cost control and careful risk monitoring, with a view to the continuous improvement of the operating margin and reduction of net debt. The OPTO and ADVNCE projects, launched in 2020, under the Strategic Plan for the three-year period of 2020-2022 are the outcome of IMPRESA's innovative vision and focus on the future, aimed at continuing the expansion of its activity to new platforms and consequent attainment of new and larger audiences.

In the environmental sphere, IMPRESA actively promotes a culture of environmental sustainability, through a series of procedures and measures defined by the “Environmental Sustainability Committee”, with a view to reducing the impact of the actions of Group companies on the environment and diminishing their carbon footprint.

Concerning corporate governance, IMPRESA seeks to follow the best practices, guidelines and recommendations established in the law and in the Corporate Governance Code of the IPCG – Portuguese Corporate Governance Institute, particularly with respect to the group's remuneration policy, which is primarily ruled by principles of meritocracy, reasonableness, sustainability, consistency and utility, in order to encourage the improvement of the IMPRESA Group's economic and financial conditions, ensuring that the remuneration, in particular the variable remuneration, is an instrument implementing the long-term business strategy.



The IMPRESA Group fully undertakes its increased social responsibility, since most of its companies operate in the media area and due to its consequent impact on society. In this regard, their action is first and foremost driven by their public interest mission to:

- inform society with the independence and rigour that is expected from them, conveying important institutional messages in a clear manner; and
- provide entertainment that promotes the enjoyment and well-being of their different audiences.

## Chapter V – ASSESSMENT OF PERFORMANCE, REMUNERATIONS AND APPOINTMENTS

### V.1. Annual performance assessment

**V.1.1. The management body should annually assess its own performance, as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, its internal functioning and each member's contribution to the effect, and relations between the company's bodies and committees.**

Partially adopted, concerning the assessment of the Chief Executive Officer. The Corporate Governance Committee is responsible for assessing the performance of the Chief Executive Officer, in accordance with Article 6(2)(b)(ii) of the Regulation of the Corporate Governance Committee. The minutes of the Corporate Governance Committee meetings, which include the assessment of the performance of the Chief Executive Officer submitted to the Board of Directors.

In accordance with Article 7(5) of the Regulation of the Board of Directors, non-executive directors are also responsible, pursuant to the law, for the general surveillance of the Chief Executive Officer's action (Point 24).

In accordance with Article 7(6) of the same Regulations, the Board of Directors' creation of specialised committees for the conduct of certain management acts shall be subject to the same surveillance by the Board of Directors.

### V.2. Remuneration

**V.2.1. The company should create a remuneration committee, whose composition ensures its independence in relation to the management, where this body may be remuneration committee appointed pursuant to article 399 of the Commercial Companies Code.**

Adopted (Points 66 and 67). See Article 2 of the Regulation of the Remuneration Committee.





**V.2.2. The setting of the remunerations shall be the responsibility of the remuneration committee or the general meeting, as proposed by that committee.**

Adopted (Points 66 and 67). See Article 5 of the Regulation of the Remuneration Committee.

**V.2.3. For each term of office, the remuneration committee or the general meeting, as proposed by that committee, should also approve the maximum amount of all the compensations payable to any member of a body or committee of the company by virtue of their leaving office, with this situation and the amounts being disclosed in the governance report or remuneration report.**

Partially adopted (see remuneration model presented in point 69 and remunerations presented in point 77, in addition to the information of points 83 and 84).

**V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.**

Adopted (Point 67).

**V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.**

Adopted (Point 67). Pursuant to Article 8(2) of the Regulation of the Remuneration Committee, this committee "may also conclude contracts for provision of services and/or assistance with consultants or other advisers or experts, as deemed necessary for pursuit of the objectives and exercise of the duties, powers and responsibilities established in the (...) Regulations".

**V.2.6. The remuneration committee should, however, ensure that the services are provided independently and that the respective providers will not be hired to provide any other services to the actual company, or to other companies in a controlling or group relationship, without the committee's explicit authorisation.**

Adopted (Point 67). Pursuant to Article 8(2) of the Regulation of the Remuneration Committee, this committee "should ensure that the services are provided independently and that the respective providers will not be hired to provide any other services to the actual company, or to other companies in a controlling or group relationship, without the committee's explicit authorisation".

**V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.**

Adopted (Point 69). Also, see statement of endorsement of recommendation IV.3.



As informed in point 69 and in the Statement of the Remuneration Committee on the Policy of Remuneration of the Management Bodies of the company, submitted to approval of the General Meeting of Shareholders held in June 2020, the Remuneration Committee decided, with reference to the 2020-2022 three-year period, the application of a multiannual variable remuneration model, with payment deferred for 3 years.

This multiannual variable remuneration model considers 6 bonus levels, corresponding to 1 to 6 times the respective monthly gross remuneration, based on the following cumulative criteria, defined annually:

- a) Positive assessment of performance;
- b) Achievement of a consolidated value of Net Remunerated Debt;
- c) Achievement of a consolidated value of EBITDA.

The remuneration policy thus seeks to encourage the improvement of the Company and the IMPRESA Group's economic and financial conditions in a long-term perspective, with goals achievement of consolidated values of EBITDA and net debt of the IMPRESA Group being fundamental criteria for attributing the variable remuneration of the directors entitled to such, and requiring that these goals should be achieved within a multiannual period for the attribution of this variable remuneration.

This guarantees that the applied variable remuneration model is an instrument of implementation of the Company and the IMPRESA Group's long-term business strategy, conferring the Remuneration Committee the freedom to review and change the rules of attribution of this remuneration whenever considered necessary to ensure the achievement of the purposes listed above and the pursuit of this business strategy.

**V.2.8. A significant part of the variable component should be partially deferred over time, for a period of not less than three years, necessarily connecting it to confirmation of the performance's sustainability, as defined by a company's internal regulations.**

Adopted (Point 69).

As mentioned in point 69 and in the statement of endorsement of the previous recommendation, the multiannual variable remuneration model, with payment deferred for 3 years, considers 6 bonus levels, corresponding to 1 to 6 times the respective monthly gross remuneration, based on the following cumulative achievement criteria, defined annually: a) positive performance assessment; b) achievement of a particular consolidated value of net remunerated debt; and c) achievement of a particular consolidated value of EBITDA.

The amount to be attributed each year as multiannual variable remuneration is calculated annually by the Remuneration Committee during the respective annual assessment meeting and paid according to the following rules:

- a) The performance assessment will correspond to that arising from the minutes of the Corporate Governance Committee meeting held for the purpose;
- b) The consolidated values of net remunerated debt and EBITDA will be verified in comparison with the amounts approved by the Board of Directors for the assessment



period (one economic year) in question and the final annual income and cash flow statements for the year in question;

- c) Based on the verification of these criteria, the Remuneration Committee will attribute a multiannual variable remuneration of up to 6 times the monthly gross remuneration of the Chief Executive Officer and Chairman of the Board of Directors;
- d) The maximum amount of the multiannual variable remuneration is equivalent, in all cases, to 6 months of the monthly gross remuneration of the Chief Executive Officer and Chairman of the Board of Directors.

The payment of the variable remuneration is deferred for 3 years, with part of the total amount of the multiannual variable remuneration being payable on the following occasions:

- (i) In the first half of the year following the pertinent assessment period (assessment period + 1), after the approval of the annual accounts at the Company's General Meeting: 50% of the multiannual variable remuneration attributed by the Remuneration Committee;
- (ii) In the first half of the second year following the pertinent assessment period (assessment period + 2), after the approval of the annual accounts at the Company's General Meeting: 25% of the multiannual variable remuneration attributed by the Remuneration Committee; and
- (iii) In the first half of the third year following the pertinent assessment period (assessment period + 3), after the approval of the annual accounts at the Company's General Meeting: 25% of the multiannual variable remuneration attributed by the Remuneration Committee.

**V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.**

Not applicable.

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

Not adopted (Points 21 and 69). As referred to in point 69, considering the current duties of the Chairman of the Board of Directors, stipulated in the Regulation of the Board of Directors, and set out in point 21, the Remuneration Committee deliberated to extend the application of the variable remuneration model also to the Chairman of the Board of Directors. The recommendation is adopted for the remuneration of the remaining non-executive directors.

### **V.3. Appointments**

**V.3.1. The company should, in terms deemed suitable, but in a demonstrable form, ensure that the proposals for election of the members of the company's governing bodies are accompanied by evidence of the suitability of the profile, knowledge and curriculum to the duties to be performed by each candidate.**



Not applicable, as there was no election of governing bodies in 2020. See recommendation I.2.1.

**V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.**

Not applicable, as explained in the context of the endorsement of recommendation III.7.

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

Not applicable. See previous point V.3.2.

**V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms to identify potential candidates, and that those chosen for proposal show highest merit, are best suited to the requirements of the functions, and foster appropriate gender diversity within the organisation.**

Not applicable. See previous point V.3.2.

## Chapter VI – INTERNAL CONTROL

**VI.1. The management body should debate and approve the company's strategic plan and risk policy, which includes the setting of limits for risk-taking.**

Adopted (Point 21, 29 and 54).

**VI.2. The supervisory body should be internally organised, implementing regular control mechanisms and procedures aimed at ensuring that the risks which are effectively incurred by the company are consistent with the objectives set by the management body.**

Adopted (Points 29 and 54).

**VI.3. The internal control system, comprising the risk management, compliance and internal audit functions, should be structured appropriately according to the company's size and the complexity for the risks inherent to its business activity, and should be assessed by the supervisory body, under its powers and duties of supervision of the efficacy of this system, proposing any necessary adjustments.**

Partially adopted (Points 29 and 50 to 55). Although the company does not currently have an internal audit department, the effective functioning of the risk management, compliance and internal system is carried out jointly, in a coordinated manner, by the Risk Committee, the Assets, Risk and Sustainability Department, the Financial Department, the Legal Affairs



Department and the Institutional Relations Department, taking into account the complexity of the Company's business activity and in response to its inherent risks.

Under its powers and duties, the Audit Committee monitors and supervises the efficacy of the internal control and risk management systems, holding regular meetings with the IMPRESA Group's different senior managers and the external auditors, and assessing the need to outsource specialised services.

**VI.4. The supervisory body should comment on the work plans and resources allocated to the services of the internal control system, including to the risk management, compliance and internal audit functions, and may propose any necessary adjustments.**

Partially adopted (Points 29 and 55).

The performance of the IMPRESA Group's Audit Committee's functions is embodied in a series of verifications, opinions and recommendations arising from its activities of monitoring and supervision of the Company's management. Concerning the internal system, these activities are particularly structured around the discussion of work plans and resources allocated to the risk management system and to the preparation of financial information.

Pursuant to Article 7(1)(f) and (g) of the Regulation of the Audit Committee, this committee is responsible for monitoring, evaluating and commenting on the risk policy defined by the Board of Directors and for monitoring and assessing the risk management system. Under the IMPRESA Group's Risk Management Policy, the Audit Committee is responsible for supervising the efficacy of the Risk Management System, i.e., monitoring the Risk Management Processes, contributing with revision and adjustment suggestions, and checking whether the risks incurred are consistent with the established goals.

Pursuant to article 7(1)(g) monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of preparation of financial information, without breaching its independence and proposing to the Chief Executive Officer measures aimed at improving its operation that prove necessary;

The Audit Committee also holds regular meetings with the Chief Financial Officer (CFO) of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information, as well as to discuss other matters deemed relevant.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services, taking into account, in particular, the non-existence of an internal audit department at the Group.

The Audit Committee is the main interlocutor of the Statutory Auditor, namely within the scope of the audit of the accounts, its reports and conclusions, and appraisal of the internal control system.

**VI.5. The supervisory body should be the receiver of the reports produced by the internal control system, including the risk management, compliance and internal audit**



**functions, at least when involving matters related to the financial statements, the identification of resolution of conflicts of interest, and the detection of potential improprieties.**

Partially adopted (Points 29 and 89).

As noted in point 29, the Audit Committee is the receiver of the Reports of the Risk Committee and reporting on improprieties occurred within the Company submitted by shareholders, employees or others.

As noted in point 89, the Audit Committee is the receiver of information considered essential for identification of conflicts of interest.

For the monitoring and assessment of all the other areas of the internal control system, the Audit Committee holds meetings with different departments of the IMPRESA Group and with the external auditors, with their disclosure not necessarily being formalised in reports.

**VI.6. Based on its risk policy, the company should institute a risk management function, identifying (i) the main risks to which it is subject in carrying out its activity; (ii) the probability of their occurrence and corresponding impact; (iii) the instruments to be adopted for their mitigation; (iv) the monitoring procedures, aimed at their follow-up.**

Adopted (Points 29 and 50 to 55).

**VI.7. The company should establish supervisory procedures, regular assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of this system, as well as the outlook on change of the previously defined risk.**

Adopted (Points 29, 50 to 54).

## Chapter VII – FINANCIAL INFORMATION

### VII.1. Financial information

**VII.1.1. The supervisory body's internal regulations should impose that this body supervise the suitability of the process of preparation and disclosure of financial information by the management body, including adjustment of the accounting policies, estimates, judgements, relevant disclosure and its consistent application from one year to the next, in a duly documented and reported form.**

Adopted (Points 29 and 55). See Article 7 ("Powers") of the Regulation of the Audit Committee.

### VII.2. Statutory audit of accounts and supervision



**VII.2.1. The supervisory body should define, through internal regulations and pursuant to the applicable legal system, the supervisory procedures aimed at ensuring the independence of the statutory auditor.**

Adopted (Point 29). See “Annex I” of the Regulation of the Audit Committee (“Regulation of the Provision of Services by the Statutory Auditor”).

**VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.**

Adopted (Point 29).

**VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.**

Adopted (Point 29).

Lisbon, 20 April 2021

The Board of Directors:

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira e Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

Ana Filipa Mendes de Magalhães Saraiva Mendes





X.

**CONSOLIDATED REPORT  
ON NON-FINANCIAL  
INFORMATION**

**2020**





# **CONSOLIDATED REPORT ON NON-FINANCIAL INFORMATION**

## **2020**



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## INFORMATION ON THE ADOPTED POLICIES

### A. INTRODUCTION

The topic of sustainability, based on good environmental, social and corporate governance practices, has been part of the business dynamics of the IMPRESA Group since the very beginning, being intrinsically associated with the confidence and trust in its brands and constituting a fundamental corner stone for the long-term creation of value and for strengthening the relations with all its stakeholders.

The IMPRESA Group fully undertakes its increased social responsibility, since most of its companies operate in the media area and due to the consequent impact it has on society.

For this reason, since the launch of the Expresso newspaper in January 1973, IMPRESA has always sought to govern its activity based on a set of values and pursuing objectives associated to them:

- Defence of freedom of expression;
- Role of the independent media and quality in the functioning of democracy;
- Development of strong relations with stakeholders, local partners and Portuguese society in general;
- Focus on talent and human capital;
- Conservation and defence of the environment.

Pursuant to Articles 66-B and 508-G of the Commercial Companies Code, IMPRESA discloses the Report on Non-Financial Information on annual basis, presenting the actions undertaken throughout the previous year concerning the Group's commitment to the different aspects of the topic of sustainability. Whenever pertinent, information relative to previous years is included, in order to ensure greater visibility of the evolution of performance.

Following the publication of the “Template report for disclosure of non-financial information by companies issuing securities listed for trading on regulated markets”, on 2 February 2021 by the Portuguese Securities Market Commission (CMVM), IMPRESA sought to adapt the structure of its Report on Non-Financial Information for 2020 to the structure of the recommended template. While the Group's intended adaptation work is still underway, this will naturally continue to be developed over the next couple of years.



## B. BUSINESS MODEL

### B.1. VALUES, MISSION AND GOVERNANCE MODEL

#### VALUES OF IMPRESA

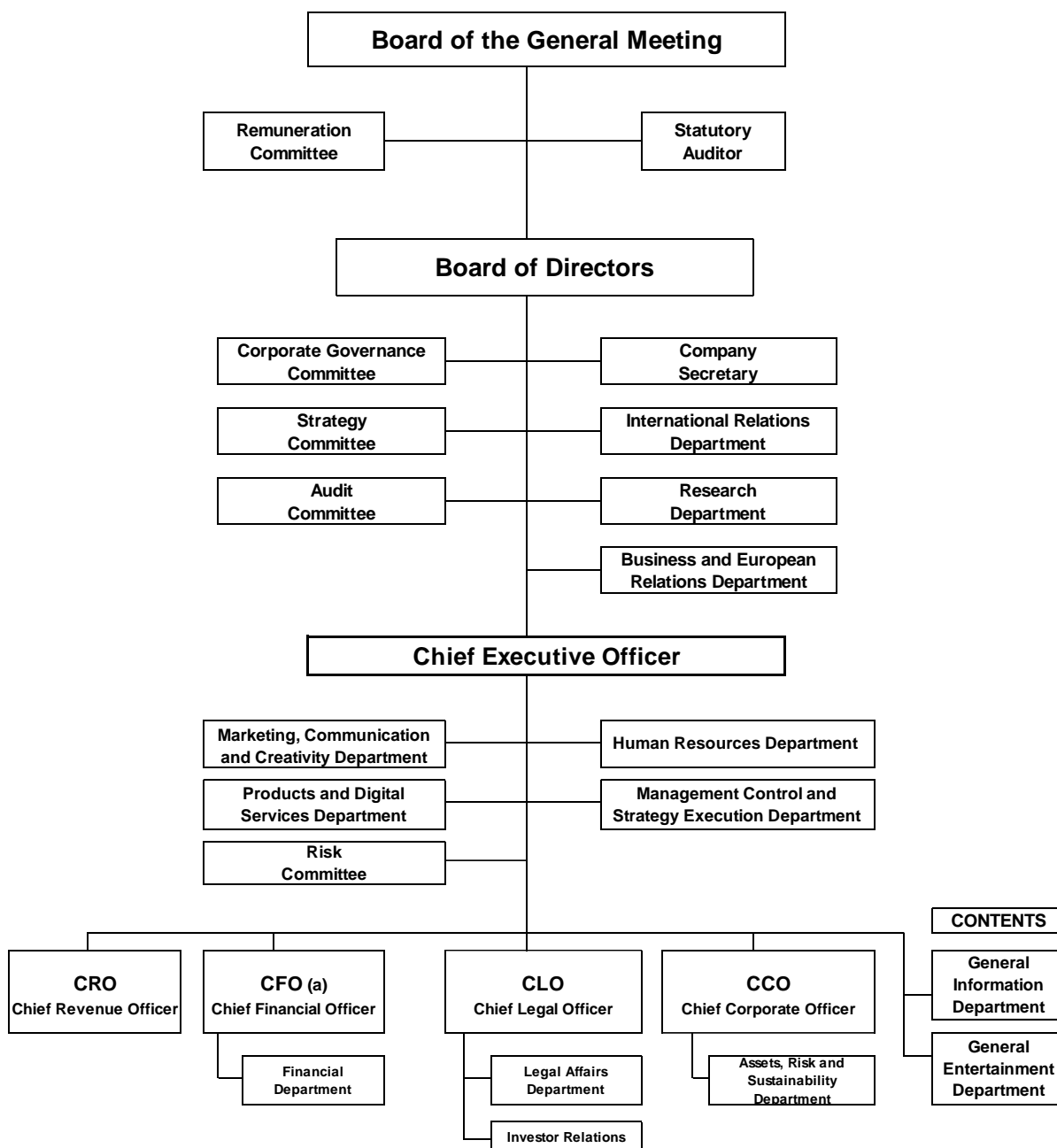


#### MISSION OF IMPRESA

IMPRESA contributes, on a daily basis, to a free, enlightened and fulfilled society, seeking to entertain and that people should feel better about themselves. The ultimate goal is to deepen and improve the relationship with those see and read us, captivating and surprising them, creating communities based on values that should be permanently cultivated. Together, we work to build a better country and a better world, and this is the mission that gives meaning to the daily work of all the employees of the IMPRESA Group.

#### GOVERNANCE MODEL

The corporate governance model adopted is the one referred to in subparagraph b) of number 1 of Article 278 of the Commercial Company Code, i.e., with a Board of Directors, comprising an Audit Committee and a Statutory Auditor.



(a) is also the Securities Markets Liaison Representative

The General Meeting is responsible for appointing the members of the management and supervisory bodies at the beginning of each term of office.

The **Board of Directors** is the body responsible for the management of the company's activities, as established in the Commercial Companies Code and in the memorandum of association, being responsible, in particular, for:



- a) the company's representation, actively and passively, in court and out of court;
- b) negotiation and signing of all contracts, including arbitration conventions, regardless of their scope, nature and form, in which the company is involved;
- c) the acquisition, sale, encumbrance or any other form of corporate asset transaction;
- d) taking out loans, as well as provision of the necessary guarantees, regardless of their extent and nature;
- e) confession, discontinuance or transactions relative to any judicial proceeding;
- f) the constitution of authorised corporate representatives, empowered as deemed appropriate, pursuant to the terms and limits established in the law and memorandum of association;
- g) delegation of specific duties and powers to any director, with the scope established in the respective deliberation;
- h) the constitution of specialised committees and commissions;
- i) establishing the objectives and management policies of the company and IMPRESA Group;
- j) preparing the annual activity and financial plans;
- k) establishing the technical and administrative organisation of the company and IMPRESA Group and the internal operating standards concerning the staff and their remuneration;
- l) managing the company's corporate business and conducting all the acts and operations pertaining to its corporate object which do not fall under the duties of other governing bodies;
- m) approving Transactions with Related Parties, under the terms of the Policy of Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- n) performing all other duties assigned by law or by the General Meeting.

**The Chairman of the Board of Directors** is responsible, in particular, for:

- a) promoting the meetings of the Board of Directors as deemed necessary, calling them, chairing them, and deciding on all matters concerning the functioning of the Board;
- b) exercising all powers and carrying out, alone, all acts delegated by the Board of Directors;
- c) chairing joint meetings of the Board of Directors and Audit Committee that are held in the cases established in the memorandum of association, in the law and applicable regulations;
- d) chairing the Strategy Committee and the Corporate Governance Committee;
- e) institutionally representing the Group and coordinating institutional relations, with the Institutional Relations Department being dependent on the Chairman of the Board of Directors;
- f) chairing the Group's Staff Meeting;
- g) striving to ensure the proper execution of the determinations of the Board of Directors;
- h) coordinating the research area, whose director reports to the Board of Directors;
- i) coordinating the business and European relations area, whose director reports to the Board of Directors;



At the meeting of the Board of Directors held on 23 July 2012, the position of Chief Executive Officer was created with responsibility in all areas, which is maintained in the current term of office 2019-2022.

Under the delegation of powers established in the Regulation of the Board of Directors, the following duties and powers **were delegated to the Chief Executive Officer:**

- a) hiring and dismissing workers and/or employees, approving internal regulations, and exercising the powers inherent to employer entities, including disciplinary power;
- b) opening and operating bank accounts;
- c) concluding contracts deemed necessary to the development of the corporate purpose, including financial lease contracts;
- d) making decisions on the holding stakes in the share capital of companies to be incorporated in the future or that are currently incorporated, and the disposal of equity stakes;
- e) acquiring, disposing or encumbering movable and fixed assets, including motor vehicles;
- f) undertaking loans or other similar financial liabilities;
- g) opening, closing or transferring establishments or part of them;
- h) collaborating in the definition of the IMPRESA Group's Strategic Plan, within the Strategy Committee;
- i) collaborating in the definition of the editorial strategy of the different trademarks of the IMPRESA Group, within the Supra Editorial Committee;
- j) coordinating the IMPRESA Group's operating management;
- k) coordinating the areas of Human Resources; Management Control and Strategic Execution; Marketing, Communication and Creativity; Digital Products and Services; Information; Entertainment and External Communication;
- l) conducting the individual supervision of the Chief Operating Officers (COO) in the main policies and decisions of their respective areas;
- m) chairing the IMPRESA Group's Operational Coordination meetings;
- n) chairing the meetings with each COO and first-line management staff, as well as other ad hoc meetings not attended by the Chairman of the Board of Directors;
- o) chairing the presentations of the financial statements of the IMPRESA Group.

The Chief Executive Officer, in coordination with the Audit Committee and CFO, supervises the preparation and disclosure of financial information, in order to ensure a true and fair view of the situation, combined with an honest review of business development and, moreover, prevents undue access to relevant information by third parties.

The following committees have been created within the Board of Directors: **Audit Committee, Corporate Governance Committee and Strategy Committee.**

The **Audit Committee** is responsible for:

- a) overseeing the company's management;
- b) ensuring compliance with the law and the memorandum of association;





- c) preparing the annual report on its oversight activity and expressing an opinion on the report, accounts and proposals presented by the Board of Directors;
- d) monitoring and supervising the preparation and disclosure of financial information by the Board of Directors, namely the adequacy of the accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial years. This monitoring and supervision must be clearly documented and communicated;
- e) supervising the statutory audit;
- f) monitoring, appraising and commenting on the risk policy defined by the Board of Directors;
- g) monitoring and appraising the risk management system and the internal control system, as well as, when applicable, the internal audit function, particularly concerning the process of preparation of financial information, without breaching its independence and proposing to the Chief Executive Officer measures aimed at improving its operation that prove necessary;
- h) checking, when deemed appropriate and in the manner deemed suitable, the regularity of the book-keeping, its underlying accounting records, as well as the situation of any assets or values possessed by the company in any capacity;
- i) issuing prior and binding opinions to the Board of Directors on the internal process of approval of business and transactions with related parties, under terms defined by the Committee;
- j) receiving disclosures of irregularities occurred within the company and presented by shareholders, employees or others;
- k) calling the General Meeting when the Chairman of the respective Board, entrusted with this duty, does not do so;
- l) examining the company's book-keeping, whenever deemed convenient;
- m) issuing binding opinions on the giving of advances on profit during a financial year;
- n) certifying that the disclosed annual report on corporate governance structure and practices includes the elements referred to in Article 245-A of the Securities Market Code;
- o) analysing efficacy in compliance with the legal, regulatory or other applicable requirements, as well as those arising from any investigations by the Chief Executive Officer and their conclusions (including the application of any penalties) in cases of proven non-compliance;
- p) analysing the conclusions of any examinations conducted by inspectors of governmental or regulatory entities, as well as observations of non-compliance made by the external auditors of the IMPRESA Group;
- q) ensuring the appropriate conditions for provision of audit services within the premises of the IMPRESA Group.

The Audit Committee's financial oversight activity also includes:

- a) supervising the process of preparation and disclosure of financial information and submitting to the Chief Executive Officer recommendations or proposals to ensure its integrity;



- b) issuing opinions on the correctness and completeness of the annual management report, including the non-financial statement, the annual accounts and proposals presented by the company's management, and other documents to be submitted to the regulatory entities of financial markets, in which it should in particular express its agreement or not with the annual management report and accounts, and include the statement foreseen in Article 245(1)(c) of the Securities Market Code;
- c) monitoring the legal review of the individual and consolidated annual accounts, namely their implementation, taking into account any findings and conclusions of the Securities Market Commission (CMVM), the competent authority for audit oversight;
- d) informing the management of the findings of the statutory audit, explaining how this contributes to the integrity of the process of preparation and disclosure of financial information, and the role performed by the Committee in this process.

in its oversight of business between related parties and conflicts of interest, the Committee is responsible, in particular, for:

- a) monitoring and supervising the mechanisms implemented for approval, control and disclosure of transactions with related parties, namely the Policy on Appraisal and Control of Transactions with Related Parties and Prevention of Situations of Conflicts of Interest;
- b) submitting recommendations to the Board of Directors concerning measures of prevention and identification of conflicts of interest;
- c) indicating, in its annual report, the opinions endorsed in relation to transactions with Related Parties and the adequacy of the respective policy for purposes of prevention and resolution of conflicts of interest.

In the process of selection of the company's statutory auditor, and pursuant to Article 16 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014, the Committee is responsible for:

- a) selecting, through a formal market tender process, at least two statutory auditors to be proposed to the General Meeting, recommending and justifying their preference for one of them, after appraisal of their qualifications and independence for performance of duties;
- b) inviting any statutory auditors or audit firms to submit proposals for the conduct of statutory audit services;
- c) preparing, for the purposes of the provisions in the previous subparagraph, tender documents aimed at the invited entities, so as to enable understanding the activity of IMPRESA, the type of statutory audit that will be carried out, including criteria of transparent and non-discriminatory selection that will be used to assess the submitted proposals.

In the relations with the company's statutory auditor, the Audit Committee is responsible for:



- a) annually analysing the proposed provision of the company's statutory audit services, proposing the remuneration of these services and, whenever applicable, checking the adequacy and approving the provision of non-audit services by the company's statutory auditor and, if different, by the statutory auditors of its subsidiaries, except for the prohibited non-audit services established in Article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014;
- b) analysing the proposed annual planning of the work of the company's statutory auditor and, if different and so deemed, of the auditor of its subsidiaries;
- c) holding regular meetings with the company's statutory auditor and, if different, with the statutory auditor of its subsidiaries;
- d) checking and monitoring the independence of the Company's statutory auditor and, if different from that of its subsidiaries, pursuant to the terms in the Regulations of the Provision of Services by the Statutory Auditor;
- e) analysing the performance of the statutory auditor and respective adequacy to carry out the statutory audit, proposing to the Chief Executive Officer the cancellation of the contract or dismissal whenever there are fair grounds for the purpose;
- f) ensuring the appropriate conditions for provision of the statutory auditor's services within the premises of the IMPRESA Group.

In its relationship with the Statutory Auditor, Audit Committee observes the following "Regulations of the Provision of Services by the Statutory Auditor":

1. Within the scope of its powers regarding the provision of services by the statutory auditor, the Audit Committee takes appropriate measures to prevent, identify and resolve any threats to its independence and incompatibilities.
2. The Audit Committee discusses with the statutory auditor the threats to its independence and the safeguards applied to mitigate those threats, namely in situations of self review, personal interest, representation, familiarity, trust or intimidation.
3. The Audit Committee is responsible for issuing an opinion to the Chief Executive Officer or the Executive Committee on the terms of the service provision contract necessary for the statutory audit required by law, and for authorising in advance the hiring of separate audit services, provided they are not prohibited under the current legislation.
4. For the purpose of the prior authorisation of separate audit services, the Audit Committee appropriately assesses the threats to independence and objectivity and the safeguard measures applied, authorising their hiring only when it concludes that a service prohibited under the legal terms in force is not involved.
5. The Audit Committee proposes the appointment of the statutory auditor to the General Meeting, including the submission of two or more options, justifies its option and states that this option is exempt from the influence of third parties.



6. The Audit Committee's recommendation to the General Meeting of Shareholders shall be the result of a selection process, under its responsibility, which shall comply with the following criteria:
  - a. Several statutory auditors are contacted to submit a proposal for the provision of statutory audit services, bearing in mind the legal limitations in force;
  - b. In selecting the statutory auditor, the following requirements, among others, to be defined by the Audit Committee shall be met:
    - i. The experience of the statutory auditor and the team assigned to the provision of audit services, taking into account the size of the group and the specificities of the Group's different business areas;
    - ii. Quality and completeness of the proposal submitted;
    - iii. Guarantees of good repute, independence and absence of conflict of interests;
    - iv. Ability to implement the proposal submitted; and
    - v. Commercial terms.
  - c. The selection process will be organized in strict compliance with the applicable legal rules, namely Regulation (EU) 537/2014 of 16 April.

The Audit Committee is the main interlocutor of the Statutory Auditor, namely within the scope of the audit of the accounts, its reports and conclusions, and appraisal of the internal control system.

Whenever deemed appropriate, the Committee shall contact the company's Statutory Auditor directly and, if different, the statutory auditor of its participated companies, in order to obtain clarifications.

The content of the Statutory Auditors' reports is presented and analysed in detail at these meetings, which are held prior to the Board of Directors meetings, so that the Audit Committee is the first body of the Group 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 and the results of the statutory audit are subsequently reported and discussed with the Board of Directors.

The Audit Committee also holds regular meetings with the Chief Financial Officer (CFO) of the IMPRESA Group in order to monitor and propose recommendations with respect to the process of preparation and disclosure of financial information, as well as to discuss other matters deemed relevant.

For purposes of monitoring the efficacy of the internal control and risk management systems, the Audit Committee holds meetings with a number of managers of the IMPRESA Group and assesses the need to outsource specialised services, taking into account, in particular, the non-existence of an internal audit department at the Group.



Under the IMPRESA Group's Risk Management Policy, Audit Committee is responsible for:

- a) Assessing the Risk Management Policy approved and implemented by the Board of Directors.
- b) Overseeing the efficacy of the Risk Management System, i.e., monitoring the Risk Management Processes, contributing with revision and adjustment suggestions, and checking whether the risks incurred are consistent with the established goals.
- c) Assessing the Risk Management System, on an annual basis.

The Audit Committee is the receiver of the Risk Committee's Reports.

The **Corporate Governance Committee** is composed of three non-executive members of the Board of Directors:

- a) Chairman of the Board of Directors, who performs the duties of Chairman of the Corporate Governance Committee;
- b) Deputy Chairman of the Board of Directors;
- c) Chairman of the Audit Committee.

The Corporate Governance Committee has the general task of assisting the Board of Directors:

- a) in perfecting the company's governance and oversight model, the organisational structure and the governance principles and practices by which it will be governed;
- b) Preparing and implementing rules of conduct, aimed at imposing observance of the applicable provisions and strict ethical and deontological principles in the performance of duties assigned to the members of the governing bodies and employees of the company.

In the performance of its duties concerning the corporate governance and oversight model, the Corporate Governance Committee is particularly responsible for:

- a) endeavouring to ensure full compliance with the legal and regulatory requirements, recommendations and good practices relative to the corporate governance model;
- b) proceeding with the annual appraisal of the following aspects:
  - i. The company's corporate governance structure, principles and practices;
  - ii. Efficiency and overall performance of the Chief Executive Officer or the members of the Executive Committee;
  - iii. Efficacy of the corporate governance system and appropriate measures for its improvement.
- c) recommending the Board of Directors' endorsement, in conformity with ethical, deontological and corporate governance principles, of the necessary policies, rules and procedures for compliance with the applicable legal, regulatory and statutory provisions, as well as the recommendations, standards and best practices, both national and international, on corporate governance matters;



- d) supporting the Board of Directors and Audit Committee in the appraisal of the systems of identification and resolution of conflicts of interest.

The Corporate Governance Committee should also collaborate in the preparation of the annual corporate governance report regarding matters within its jurisdiction.

The **Strategy Committee** is chaired by the Chairman of the Board of Directors of IMPRESA. The Strategy Committee is composed of the following members:

- a) The Chief Executive Officer;
- b) Two non-executive directors (appointed by the Board of Directors).

The Chief Operating Officers, who are responsible for the different operational units of the IMPRESA Group and hold regular meetings with the Chief Executive Officer, are also included in the Strategy Committee.

The Strategy Committee is responsible for assisting the Chairman of the Board of Directors in the definition of high-level strategic objectives of IMPRESA, namely:

- a) in the preparation of the IMPRESA Group's Strategic Plan (three-year plan), which should be submitted for approval by the Board of Directors;
- b) in the assessment, follow-up and monitoring of the implementation of this Plan and its annual review, designing any necessary proposed changes;
- c) in the submission of recommendations of action to the Board of Directors, taking into account the IMPRESA Group's Strategic Plan;

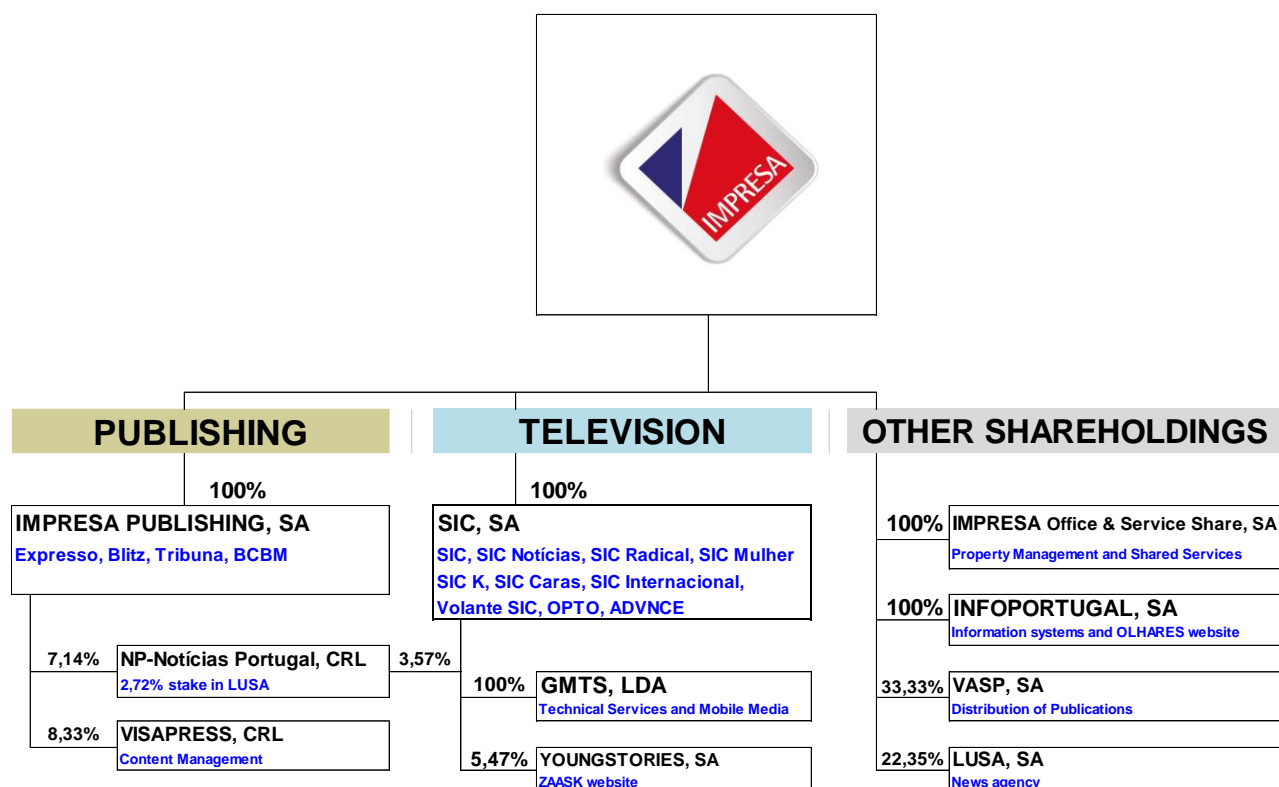
The Corporate Governance Committee defined the following criteria for the assessment of the performance of the Chief Executive Officer: Communication; Improvement and Innovation; Responsibility; Collaboration and Teamwork; Decision Making; Leadership and Orientation for the future.

The Remuneration Committee, following the best market practices, decided on the application of a multi-year variable remuneration model, which is based on cumulative attainment criteria, defined annually: "Positive Performance Evaluation"; "Attainment of Consolidated Net Remunerated Debt" and "Attainment of Consolidated EBITDA".



## B.2. ORGANISATIONAL STRUCTURE AND BUSINESS AREAS

### GROUP STRUCTURE (31.12.2020)



IMPRESA – Sociedade Gestora de Participações Sociais, S.A., as a holding company, does not directly engage in any activity of operational nature, but manages the equity holdings of the IMPRESA Group companies.

### Subsidiaries

The corporate purpose of IMPRESA PUBLISHING, S.A. is to issue publications of journalistic nature, issued by other publishers, graphic industries, editors, production, manufacturer, import and sale of sound recordings and video, marketing of advertising, whether on its own initiative or through holdings in other companies that are already incorporated or are incorporated in the future, production, operation and distribution of performances of any nature, including activities related to performances, representation and placement of artists, as well as the production of festivals and events for companies and institutions.

The corporate purpose of SIC – SOCIEDADE INDEPENDENTE DE COMUNICAÇÃO, S.A. is to pursue business activity in the area of television, multimedia, audiovisual and film production, as





well as any other communication activity, namely, internet, videos in any format and publications of any kind. This segment also includes Global Media Technology Solutions – Serviços Técnicos e Produção Multimédia, Sociedade Unipessoal, Lda. (“GMTS”), a company incorporated in 2001, fully held by SIC, whose core business is provision of services of technical nature concerning the media, audiovisual and film production, digital television, transmission of television and radio programmes, whether by terrestrial means (Hertzian), cable or satellite, internet, universal mobile telecommunication system or any other multimedia activity.

Impresa Office & Service Share – Gestão de Imóveis e Serviços, S.A. (“IOSS”) is the IMPRESA Group's subsidiary responsible for providing shared to all the other subsidiaries, including accounting, financial, logistics, human resources and, among others, services of technical nature concerning any media, audiovisual and television activities.

INFOPORTUGAL – Sistemas de Informação e Conteúdos, S.A. (“INFOPORTUGAL”) operates in the area of geographic information systems, providing digital mapping services through production of contents, in particular of the aerial photography, cartography and georeferenced content areas. InfoPortugal also operates the photography website “Olhares”.

## C. MAIN RISK FACTORS

### C.1. MAIN AREAS OF RISK

- **Economic risks** (business activity and facilities): Risks primarily related to situations that could affect the current operation of the companies, namely fire, reductions in production of newspapers and magazines, broadcasting cuts in television activity, and failure of computer systems.
- **Financial risks** (credit, liquidity, exchange rate and interest rate risk):
  - i. Credit risk is essentially related to the accounts receivable arising from advertising sales. In order to reduce credit risk, IMPRESA has defined credit granting policies, with credit limits per customer and collection deadlines, and financial discount policies for early repayment or cash payment.
  - ii. 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 requirements, such as cash outflow for operating and financing activities, investments, shareholder remuneration and repayment of debt.
  - iii. Exchange rate risk is essentially related to the acquisition of television programmes.





- iv. Interest rate risk is essentially related to interest paid in relation to the contracting of loans with variable interest rates, which are consequently exposed to changes in market interest rates.
- **Legal Risks:** Risks related to compliance with existing legislation applicable to the media sector.

## C.2. IDENTIFICATION OF RISK MANAGEMENT MECHANISMS

The IMPRESA Group's Board of Directors takes particular care to adopt a risk management policy aimed at minimising any consequences on the Group's business, people or assets, arising from any intentional or unintentional threats.

Also at the level of operational subsidiaries, plans for exogenous situations that affect the current operation of companies, such as fires, reductions in production, broadcasting cuts, computer systems failures, etc., are being equated and implemented with the purpose of safeguarding assets and people and to ensure, as far as possible, the continuity of the production of newspapers and magazines (Espresso and New Media Solutions area), television and digital content.

At IMPRESA, the following bodies are responsible for monitoring and implementing the internal control and risk management:

- The **Risk Committee**, which is entrusted with operationally ensuring compliance with the Risk Management Policy, defined by the Board of Directors of IMPRESA, the follow-up and monitoring of the different security events that could represent security risks to the Group's different companies, making recommendations aimed at improving the risk event control systems, checking the efficiency of the risk management systems, and monitoring the implementation of the recommendations issued by the actual Risk Committee and/or by the Audit Committee, with respect to Risk Management.
- **Assets, Risk and Sustainability Department**, which supervises the risks associated with:
  - i. Facilities, infrastructures and logistics;
  - ii. Taking out of insurance at the Group level, in order to achieve the most appropriate solutions to cover insurable risks;
- **Information Technology Department and Operations and Technology Department**, which supervise computer security and cyber risk.
- The **Financial Department**, which carries out the following aspects of risk control:



- i. Negotiation, contracting and management of bank loans, in order to meet the Group's financial needs;
  - ii. Negotiation and contracting of appropriate financial instruments, aimed at reducing exposure to interest and exchange rate risks;
  - iii. Definition of credit granting policies, with credit ceilings per customer and collection deadlines.
- **Legal Affairs Department and Institutional Relations Department**, responsible for the:
    - i. Monitoring of the evolution of the legal and regulatory framework on the matters with an impact on the activity developed by the IMPRESA Groups and relations with the competent supervisory authorities;
    - ii. Monitoring, in terms of the operational subsidiaries, of the legal and regulatory provisions, in particular, applicable to the media sector, and whose significant change or breach could have an adverse impact on the business or on the earnings of these companies.

### C.3. RISK IDENTIFICATION AND MITIGATION IN 2020

<b>New risks identified in 2020</b>	a. Risks associated with the uncertainty caused by the impact of the Covid-19 pandemic.
	b. Computer security risks, following the increased work from home (telework).
	c. Risks associated with movements observed in the media sector in Portugal, in particular, changes in the shareholder and organisational structures of the main competitors of the IMPRESA Group.
<b>Risk processes concluded in 2020</b>	a. Risk of transfer of SIC premises.
	b. Procedural regularisation of the Risk Committee.
<b>Risks mitigated in 2020</b>	<p>a. Risks related to facilities, infrastructures and logistics:</p> <ul style="list-style-type: none"> <li>i. Self-protection measures:           <ol style="list-style-type: none"> <li>1. The self-protection measures of the building of Paço de Arcos, Parque Holanda and Matosinhos were approved by the National Emergency and Civil Protection Authority (ANEPC).</li> <li>2. “Internal Safety Plans” and contingency plans continue to be developed in the context of the Covid-19 pandemic to protect the health of the workers and ensure the regular functioning of the Group companies, in particular, the continuity of the broadcasts</li> </ol> </li> </ul>



	<p>of the different television channels operated and the Expresso newspaper activity.</p> <p>3. The appointment of new Safety Delegates for the premises of Paço de Arcos, Parque Holanda and Matosinhos were suspended, in articulation with the Department of Human Resources, as well as the distribution of their identifying material and procedural manual, under the Covid-19 contingency plans.</p> <p>“<i>Low risk</i>” level at the premises of Paço de Arcos and Matosinhos.</p> <p>“<i>High risk</i>” level at the Parque Holanda premises, due to higher exposure to Covid-19 contagion, considering that five independent producers and two technical service providers outside the Group operate at these facilities.</p> <p>ii. Risks related to facilities and infrastructures:</p> <p>1. The risks relating to the Paço de Arcos, Matosinhos and Parque Holanda facilities have been checked and reviewed, as necessary.</p> <p>2. The usual internal air quality checks were carried out on a regular basis, in all facilities, as well as testing for active legionella.</p> <p>"Low risk" level.</p> <p>iii. Risk of interruption in communications:</p> <p>1. Outdoor access:</p> <ul style="list-style-type: none"><li>• Secure fibre connections;</li><li>• Currently being resolved: box for second communication connection to the outside to allow a second access way in second ditch.</li></ul> <p>"Medium risk" level.</p> <p>2. Inter-building communication:</p> <ul style="list-style-type: none"><li>• Secure fibre connections;</li><li>• Currently being resolved: box for second communication connection to the outside to allow a second access way in second ditch.</li></ul> <p>"Medium risk" level.</p> <p>3. Distribution of television signals:</p> <ul style="list-style-type: none"><li>• Secure dual fibre paths (coding redundancy ensured by client operators/distributors);</li><li>• Currently being resolved: box for second communication connection to the outside to allow a second access way in</li></ul>
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	<p>second ditch.</p> <p>“<i>Medium risk</i>” level.</p> <p>4. Mail system:</p> <ul style="list-style-type: none"> <li>• Security system through Microsoft's 360-service.</li> </ul> <p>"Low risk" level.</p> <hr/> <p><b>b. Risk of computer interruption – cyber risk:</b></p> <p>i. A survey was made of the existing risks, by a specialised external company. Following that survey, a plan is underway with a view to the implementation of the recommended measures.</p> <p>ii. Actions to mitigate the risk associated with increased external communications, following the increased work from home (telework).</p> <p>“<i>High risk</i>” level.</p> <hr/> <p><b>c. Risks in running, printing newspapers and magazines:</b></p> <p>i. As usual, the alternative printing plans of the Group's newspapers and supplements have been revised in the event of a breakdown or financial collapse that causes unforeseen and prolonged interruption at the printers where they are usually printed.</p> <ul style="list-style-type: none"> <li>• The contingency plan was revised in 2020.</li> </ul> <p>“<i>Low risk</i>” level.</p> <p>ii. Ink and paper stocks are in place, to assure the continuity of printing, in the case of unforeseen interruption in the supply of these materials, which are purchased from abroad.</p> <ul style="list-style-type: none"> <li>• The contingency plan was revised in 2020.</li> </ul> <p>“<i>Low risk</i>” level.</p> <p>iii. Electronic editing and pagination system and editing system:</p> <ul style="list-style-type: none"> <li>• The contingency plan was revised in 2020.</li> </ul> <p>“<i>Low risk</i>” level.</p> <p>iv. Photograph editing and archiving systems:</p> <ul style="list-style-type: none"> <li>• Contingency plans in redundant system.</li> </ul> <p>“<i>Low risk</i>” level.</p>
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	<p><b>d. Risk of interruption of broadcasting of SIC television channels:</b></p> <ul style="list-style-type: none"><li>i. Several emergency alternatives are foreseen to support the broadcasting of the various SIC channels, in order to guarantee their continuity even in the case of interruption caused by failure of different types. For a start, there are redundant servers for emergency playout, bypass matrices, redundant signal paths to the different operators that distribute our channels.</li><li>ii. The persons in charge of the Information Services, Continuity, IT and Technical Support are prepared and equipped with the necessary means to act, in emergency situations.</li></ul> <p><i>“Medium risk” level.</i></p> <p><b>e. Risks related to asset conservation – paper and digital content:</b></p> <ul style="list-style-type: none"><li>i. The policy of responsibility of the IMPRESA Group was maintained, which is to conserve the contents produced for the editions in paper, TV and digital support.</li><li>ii. The digitisation plans, content indexing and conservation were fulfilled.</li></ul> <p><i>“Low risk” level, with respect to the risk of loss of content produced.</i></p> <p><b>f. Risks associated with taking out insurance:</b></p> <ul style="list-style-type: none"><li>i. The policies that ensure that IMPRESA has financial means to deal with emergency situations arising from natural disasters or other circumstances beyond its control are maintained.</li></ul> <p><i>“Low risk” level.</i></p> <ul style="list-style-type: none"><li>ii. An external audit concerning cyber risk was conducted, with a view to studying the taking out of insurance better adapted to the current threats.</li></ul> <p><i>“High risk” level.</i></p> <p><b>g. Personal data protection: legal and regulatory risks</b></p> <ul style="list-style-type: none"><li>i. The IMPRESA Group upholds its commitment to respect personal data and ensure compliance with the entire regulatory framework on this matter, namely Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, relating to the protection of natural persons with respect to personal data processing and the free movement of those data (“GDPR”).</li><li>ii. IMPRESA implements an inhouse culture of privacy and protection of personal data, with the preparation and disclosure of policies and</li></ul>
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	<p>procedures that promote compliance with the values and principles established in the legislation in force.</p> <p>iii. IMPRESA implements technical measures to safeguard the values of Availability, Integrity and Confidentiality of the information.</p> <p>“<i>Medium risk</i>” level.</p>
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## D. IMPLEMENTED POLICIES

### 1. Environmental Sustainability Policy

IMPRESA actively promotes a culture of environmental sustainability, through a series of simple, direct and daily attitudes conducive to reducing the immediate impact of the actions of Group companies on the environment and diminishing their carbon footprint.

The implementation of the approved measures is entrusted to the “Environmental Sustainability Committee”, which reports directly to the Executive Director.

### 2. Information Security Policy

IMPRESA approved the Information Security Policy, prepared in accordance with Article 24 of the GDPR and with the recommended international standards, such as ISO 27001 and the “Security Measures” of the European Network and Information Security Agency (ENISA).

The Information Security Policy aims to protect the information and its supporting systems, based on three fundamental pillars – Confidentiality, Integrity and Availability.

This policy should ensure the appropriate level of protection of inhouse information and of the information entrusted by external entities. Its security should be in conformity with the applicable agreements, legal requirements and rules.

The Information Security Policy is disclosed and implemented inhouse, according to the needs and functions of each activity. It should be respected and followed by all the employees, partners and suppliers, in addition to covering, when justified, all the contracts or operational agreements with customers and other third parties.

### 3. Risk Management Policy

The IMPRESA Group proposes the pursuit of an assertive Risk Management that is appropriate to its corporate profile, aimed at safeguarding the Group's interests and meeting the legitimate expectations of its stakeholders.



The IMPRESA Group implements a Risk Management System focused on the handling of risks with impact on the performance of its activity. The IMPRESA Group's Risk Management System promotes, in an evolutive attitude, the identification, assessment and multidisciplinary management of risks, in light of the Group's strategy and values. Risk Management is an integral part of the Group's Governance Models and decision-making processes. The IMPRESA Group promotes a transversal Risk Management Culture, based on transparency and the undertaking of roles and responsibilities by the employees and all other stakeholders.

#### **4. Personal Data Protection Policy**

The IMPRESA Group maintained its policy of responsibility concerning observance of the legal provisions, under the General Data Protection Regulation (GDPR).

#### **5. Policy on Procurement and Suppliers**

The IMPRESA Group maintained its approved procurement procedures in force.

### **D.1. ENVIRONMENTAL POLICIES**

#### **Goals**

IMPRESA actively promotes a culture of environmental sustainability, through a series of simple, direct and daily attitudes conducive to reducing the immediate impact of the actions of Group companies on the environment and diminishing their carbon footprint. In this regard, IMPRESA'S goals include:

- a) Disclosing and promoting an environmental sustainability policy in the Group's different business areas, in particular involving the following actions:
  - Intensification and strengthening of the signage appealing to the saving of water, energy, paper and waste separation;
  - Preparation of a booklet of sustainable procedures and good practices to be implemented in a work context (project temporarily suspended due to the Covid-19 pandemic);
  - During study visits, raise the awareness of the IMPRESA Group's sustainability culture (project temporarily suspended due to the Covid-19 pandemic);
  - Organisation of environmental education workshops for children of employees (project temporarily suspended due to the Covid-19 pandemic);
- b) Mobilisation of the Group's stakeholders towards the need for environmental policies.
- c) Reduction of the quantity of waste produced based on the official declarations for the Integrated Environmental Licensing System (SILiAmb) and the use of the Waste



Declaration Form (GAR). All the recommendations of the official declarations and water declaration forms referred to above were implemented.

### D.1.1. CONTROL AND IMPLEMENTATION

#### *i. Sustainable Use of Resources*

##### 1. Energy Resources

Electric and Renewable Energy					
Electricity consumption and % of source tables		KWh		CO <sub>2</sub>	
		2020	2019	2020	2019
	Paço de Arcos Building	4,819,356	4,730,252	1,186,622	1,351,985
	Matosinhos Building	495,118	522,001	121,798	152,632
	Parque Holanda	1,204,473	1,119,741	297,031	337,027
Photovoltaic production	In 2020, 360 photovoltaic modules and 4 inverters, with 100 KW power capacity were installed. Operationalisation on 18 February 2021.				
Electricity consumption Production and Control Measures	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• Detailed monthly examination of electricity consumption and taking of immediate measures to reduce consumption;</li> <li>• Control of the number of lamps turned on in common areas and open spaces;</li> <li>• Continuation of installation of lighting switches in meeting rooms and offices;</li> <li>• Control of the minimum and maximum temperatures in air conditioning systems;</li> <li>• Replacement of incandescent lamps by low consumption lighting;</li> <li>• Awareness-raising among programme producers and lighting staff on the need to cut energy consumption;</li> <li>• Energy study by EDP – February 2020</li> <li>• EDP partnership – 100 KW installed power on the terraces.</li> <li>• EDP partnership – Installation of 4 electric vehicle charging points</li> <li>• EDP partnership – replacement of the old lighting by LED lighting (operation started in 2020 and completed in 2021);</li> <li>• Reduction of automatic lighting hours;</li> <li>• Reduction of air conditioning hours;</li> <li>• Installation of a bicycle parking rack.</li> </ul>				





Non-Renewable Energy			
		2020	2019
Consumption of Diesel / Petrol	Paço de Arcos Building	169,625 lt	221,881 lt
	Matosinhos Building	345 lt	12,640 lt
	Parque Holanda	0 lt	263 lt
Gas Consumption	Paço de Arcos Building	5,801 m <sup>3</sup>	7,396 m <sup>3</sup>
	Parque Holanda	225 m <sup>3</sup>	315 m <sup>3</sup>
Consumption Control Measures	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• Analysis of the feasibility of the vehicle fleet renewal with hybrid plug-in or electric vehicles;</li> <li>• Renewal of 4 diesel vehicles with 4 hybrid plug-in or electric vehicles;</li> <li>• Reduction of fuel ceilings in cases of telework over a prolonged time;</li> <li>• Intensification of the inhouse messages encouraging energy saving (e.g., next to the elevators, television sets, computers, etc.).</li> </ul>		

## 2. Water Resources

		2020	2019
Drinking water consumption	Paço de Arcos Building	8,277 m <sup>3</sup>	9,655 m <sup>3</sup>
	Matosinhos Building	487 m <sup>3</sup>	1,624 m <sup>3</sup>
	Parque Holanda	2,866 m <sup>3</sup>	3,999 m <sup>3</sup>
Consumption Control Measures	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• Installation of flow reducers in taps and water stopping systems by sensor or pressure;</li> <li>• Regular checking, included in the maintenance plan, of water leaks in all existing flushing systems;</li> <li>• Installation of flushing systems with double discharge in all toilets (process in course);</li> <li>• At the Paço de Arcos facilities, exclusive use of water from the borehole for irrigation, washing or works.</li> </ul>		

## 3. Raw Materials

Paper			
		2020	2019
Paper consumption	Weight	2,543,907 Kg	2,876,009 Kg



	Number of pages	8,982	10,023
	% wasted paper (% fixed established by contract)	12%	12%
	Remains	520,850 kg	601,152 kg
Average Stock	Weight	630,085 Kg	364,609 Kg
Consumption Control Measures	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• 100% of the printing paper is purchased from environmentally certified paper companies;</li> <li>• Request for CO<sub>2</sub> emissions certificates from the paper companies;</li> <li>• Request for environmental certificates from suppliers with a view to IMPRESA obtaining environmental certification;</li> <li>• Reduction of the number of copies of newspapers and magazines bought from other publishers and their replacement by purchase of subscriptions in digital format whenever possible;</li> <li>• Encouragement of individual and shared electronic filing;</li> <li>• Use of paper with Programme for the Endorsement of Forest Certification (PEFC) certification;</li> <li>• Obtaining of ISO 14001 (environmental) certification (process in course);</li> <li>• Encouragement of the reduction of paper waste at the printing offices and distributors;</li> <li>• Reduction of the number of photocopies;</li> <li>• Reduction of the number of copies of the Expresso weekly newspaper distributed inhouse to the employees;</li> <li>• Increased promotion of digital subscriptions of the Expresso.</li> </ul>		

**ii. Pollution and climate change**

Greenhouse gas emissions	<p>Within the limits established by the legal provisions in force.</p> <p>Treatment of fluorinated gases, in case of maintenance.</p> <p>Annual declaration submitted to the Portuguese Environmental Agency (APA), pursuant to Regulation (EU) 517/2014 of the European Parliament and Council of 16 April 2014, on fluorinated greenhouse gases.</p>
CO <sub>2</sub> emissions	<p>Paper – Nordic paper suppliers have reduced CO<sub>2</sub> emissions per ton (625 kg/ton), by 1.1 % in relation to 2019.</p>
Consumption of non-recyclable	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• Non-use of plastic credentials at events;</li> <li>• Reduction of the plastic in gifts/general office supplies;</li> </ul>



plastics	<ul style="list-style-type: none"> <li>• Encouragement of the use, whenever possible, of water dispensers provided by the company;</li> <li>• Avoidance, whenever possible, of distributing or offering disposable plastic bottles of water;</li> <li>• Distribution of individual bottles and elimination of disposable cups in the water dispensing machines;</li> <li>• Recommendation to the restaurant operator to not use disposable or plastic utensils;</li> <li>• Reduction of the use of video cassettes;</li> <li>• Placement of bins to collect plastic bottles.</li> </ul>
Sound Pollution	Special noise licenses were requested, whenever increased noise was expected due to construction works or external productions.

iii. **Circular economy and waste management**

Waste recovery	<p>During 2020, the following events were noteworthy:</p> <ul style="list-style-type: none"> <li>• Maintaining and encouraging the policy of separation and recycling of waste, with selective collection containers (paper/carton, plastic and glass);</li> <li>• Sending of waste such as batteries, cassettes, light bulbs and others to entities certified for their treatment;</li> <li>• Recovery of plastic or paper packaging waste by Ponto Verde;</li> <li>• Reduction of the use of plastic containers and selective collection of plastic in specific containers, with the plastic waste survey having been carried out by Oeiras Municipal Council;</li> <li>• “PURIFY” action: placement of filtered water dispensers and distribution of individual bottles;</li> <li>• The waste generated at the IMPRESA Group's facilities is recorded annually in the Integrated Recording System of the Portuguese Environment Agency (SIRAPA), whose access is restricted to organisations that have environmental responsibilities established by law.</li> </ul>
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## D.2. SOCIAL POLICIES

### D.2.1. THE GROUP'S COMMITMENT TO THE COMMUNITY

#### D.2.1.1. Commitment to the community: SIC ESPERANÇA (SIC HOPE)



SIC Esperança is a private social solidarity institution (IPSS), of public utility, transversal to the IMPRESA Group, whose purpose is to make civil society aware of the social problems that, unfortunately, still exist in Portugal. To achieve this objective, it works in partnership with companies to finance projects and with institutions that carry them out under its supervision, thus contributing to the solution or minimisation of these problems and to the construction of a fairer and less unequal country.

In 2020, SIC Esperança counted once again on the IMPRESA Group for the dissemination of several social solidarity actions. Throughout the year, the SIC, SIC Notícias and SIC Mulher channels provided about 29 hours free of charge in the public service slot. 56 campaigns of private social solidarity institutions were announced, in particular: Attitude – IPSS, Associação para a Promoção da Segurança Infantil [Association for the Promotion of Child Safety], Operação Nariz Vermelho [Operation Red Nose], Vila Com Vida [Town with Life], Portuguese Red Cross, Alzheimer Portugal, among others.

### ***Projects in 2020***

- In the context of the Covid-19 pandemic, SIC Esperança and SIC, in partnership with the Portuguese Football Federation, launched a fund-raising campaign named United For Portugal, which achieved a total sum of 598,156.37 euros. This sum enabled the donation of masks, gloves, face shields and disinfectant gel to 797 social solidarity institutions all over the country, including the autonomous regions, as well as to 49 Firefighting corporations of various points of the country. At the same time, SIC Esperança established a partnership with Project Open Air to develop a reusable kit, the first in Portugal, with all the protective equipment required by health professionals at the front line in the fight against Covid-19. Each kit is composed of a full body suit with neck and shoulder protection, cap, apron, elbow-length gloves and knee-high boot cover. 2,390 kits will be donated to the National Health Service and 2,610 kits to social solidarity institutions, countrywide.

This campaign also included the provision of food support, with SIC Esperança, in collaboration with Missão Continente, having distributed Cartões Dá [Give Cards] to 334 institutions.

- SIC Esperança established a partnership with Rock in Rio and Curseria, which enabled offering 146 training courses named “How to Rock in Rio: event and business management” directed at professionals of the performance and entertainment industry in situations of unemployment or substantial loss of income during the months following the onset of the pandemic.
- The Covid-19 pandemic has redefined the concept of social interaction, raising barriers to physical contact between people and imposing protection and sanitary precautions. To this end, the funds raised in the Expresso BPI Golf Cup 2020 contributed to the donation of reusable full body suits to employees of private social solidarity institutions, who provide



support to the population at risk. The supported institutions will be the Santa Casa da Misericórdia da Amadora and Casa do Povo de Alvito.

- During the second edition of the GEN10S Portugal project, 4,063 students had been trained by the end of 2020, out of the initially programmed 6,000. This edition will be extended up to the end of 2021.
- SIC Esperança, Blanch Filmes and Associação Terra Amarela [Yellow Earth Association] joined forces to develop "Série Azul", a mini-series with an inclusive cast that will address the topic of climate change. The year of 2020 was dedicated to the prospection of funding among various entities.
- For the 8th consecutive year, SIC Esperança and Porto Editora launched a Christmas campaign in which, for every children's book sold, selected for this campaign, 1 euro was donated to the Therapy Grant project. This project consists in the creation of therapy grants for children and young people with developmental disorders and/or special education needs from economically vulnerable households. The grants will enable these children and young people to have access to various therapies, such as occupational therapy, speech therapy, psychomotricity, clinical psychology, among others.
- SIC Esperança and re.store developed the Solidarity Bag project, which consisted in the sale of cloth bags, made of fabric recovered from the textile industry and donated to private social solidarity institutions which then produced these bags. For each bag made by users, employees and/or volunteers, the institution receives a return of 1 euro. Part of the proceeds from the sale of the bags will be allocated to SIC Esperança, that will create a financing line to support projects of private social solidarity institutions related to damage caused by the Covid-19 pandemic.
- SIC Esperança and Associação Terra Amarela launched the second edition of the Artistic Creation Grant project, aimed at fostering inclusive artistic creation, supporting disabled creators and interpreters who work in the performing arts, visual arts, music, cinema and writing. The winner of this edition was Daniel Moraes, with the Drawing and the Non-Normative Body project.
- During the month of December, SIC Esperança established a partnership with Staples to launch a Christmas campaign aimed at donating office material to private social solidarity institutions countrywide. This was a way of relieving the expenses related to this type of material faced by the institutions, with 16 private social solidarity institutions having been supported in which each received 2,530.81 euros in material.



### **Other initiatives**

- With the support of the IMPRESA Group, SIC Esperança, as a private social solidarity institution, boosted a campaign appealing to people to donate 0.5% of their personal income tax in its favour.
- SIC Esperança joined the Giving Tuesday Portugal movement for the 2nd year. This is a worldwide movement that, once a year, on Tuesday after Black Friday, encourages people to show solidarity by supporting private social solidarity institutions.
- SIC Esperança and Yamaha Portugal, with the support of Mimosa, donated 2,700 litres of milk to Alfragide Refood which helps about 40 families.
- In partnership with SIC Notícia's Volante programme, SIC Esperança singled out two social solidarity institutions, the Verdine Community Centre and the Tapada das Mercês Residents Associations, which were part of its Christmas solidarity programme. About 40 children received a visit from the programme's presenters, Pedro Amante and Rui Pedro Reis, as well as José Figueiras and João Pedro Pais, who were tasked with distributing gifts donated by Clementoni.

#### **D.2.1.2. Commitment to the community: CULTURE**

The media of the IMPRESA Group continued to support cultural events in 2020, through the dissemination of content and other actions:

#### ***Support to performing arts and other cultural initiatives***

In the area of musical and cultural performances, the SIC Group supported a total of 19 events related to music, the performing arts or culture.

#### ***Special conditions for advertising***

Cultural initiatives and other events of an institutional nature benefited from price discounts to advertise with IMPRESA Group brands.

#### ***Programa Cartaz***

"Programa Cartaz" [Billboard Programme] is one of the oldest programmes on the air at SIC Notícias. First, as an item within the SIC Notícias Night edition and later, as a stand-alone programme.

"Programa Cartaz" is dedicated to national and international culture. From the theatre to cinema, from music to the plastic arts, from dance to literature, all areas are represented on the "Cartaz"



programme. Even during the lockdown period, the programme maintained its broadcasting, offering suggestions and raising awareness on performances that were taking place.

### ***Original é a Cultura***

"Original é a Cultura" [It's Culture that's Original] is a SIC programme made in partnership with the Portuguese Authors Society, that, every Sunday, at 2:00 am, gathers together Carlos Fiolhais, physicist and university professor, Dulce Maria Cardoso, writer, Ruy Vieira Nery, musicologist and university professor, mediated by Cristina Ovídio. The programme is also rebroadcast on SIC Notícias on Sunday evenings.

#### **D.2.1.3. Commitment to the community: INSTITUTIONAL INITIATIVES**

The IMPRESA Group sought, during 2020, to promote and distinguish people and institutions, and use the means at its disposal to draw attention to major current affairs.

##### **a. Expresso**

###### **i. Pessoa Award**

Launched in 1987, by Expresso, this is one of the most important awards in the country, attributed every year to a Portuguese personality with relevant intervention in scientific, artistic and literary life.

The 2020 selection panel was composed of Francisco Pinto Balsemão (Chairman), Emídio Rui Vilar (Deputy Chairman), Ana Pinho, António Barreto, Clara Ferreira Alves, Diogo Lucena, Eduardo Souto Moura, José Luis Porfírio, Maria Manuel Mota, Pedro Norton, Rui Magalhães Baião, Rui Vieira Nery and Viriato Soromenho Marques.

The award of the Pessoa Prize 2020 (34th edition), planned for December, was postponed to 2021 due to the risks of the pandemic, with the applications already received remaining valid.

###### **ii. Primus Inter Pares Award**

Launched in partnership with Banco Santander Totta, this award aims to contribute to the development of a culture of rigour, professionalism and excellence in business management, by providing privileged opportunities for complementary academic training, both nationally and internationally. Five final year Master's students are selected, following a licentiate degree in Business Management, Economics or Engineering, from Portuguese Universities, Schools or Other Higher Education Institutions, and whose merit the selection board intends to distinguish each year.





The prize for the three final year student winners consists of an MBA in a Business School of national and international prestige: IESE in Barcelona, IE Business School, in Madrid, Lisbon MBA, ISCTE, ISEG and Porto Business School. The other two final year students (classified in 4th place) receive a postgraduate course.

The selection board of the Primus Inter Pares Award is composed of Francisco Pinto Balsemão (Chairman), António Vieira Monteiro (Deputy Chairman), Estela Barbot, Miguel Poiares Maduro and Raquel Seabra.

The Primus Inter Pares Award 2019/2020 was suspended in 2020 due to the pandemic, and will be resumed in 2021.

### iii. Branquinho da Fonseca Award

Organised in partnership with the Calouste Gulbenkian Foundation, the objective of this biannual award, of the value of 5,000 euros and guaranteed publication of the winning works, is to encourage young writers of literature for children and young people.

The selection board is composed of Ana Maria Magalhães, Rita Taborda Duarte, José António Gomes, Henrique Monteiro, representative of the Expresso newspaper, and Maria Helena Melim Borges, representative of the Calouste Gulbenkian Foundation.

In the last edition, concerning 2019, the Branquinho da Fonseca Award was attributed to Rui Miguel Cerqueira Coelho, in the children's literature category, for his work *A Migração das Alforrecas* [The Migration of Jellyfish] and to Geremias José Mendoso, in the juvenile literature category, with *O Gato que Chora como Pessoa* [The Cat that Cries like a Person].

The presentation and symbolic award of the prize took place in November 2020, having been broadcast through streaming due to the pandemic. This was the last edition of the Award.

### iv. I have cancer. So what?

In 2018, IMPRESA launched the project "I have cancer. So what?", focusing on survival stories and the daily lives of women with breast cancer.

More than 400,000 people shared their stories and interacted with the project, which also involved the key stakeholders in oncology and the discussion of public health policies.

This editorial project of the IMPRESA Group - through the SIC and Expresso brands - enabled the creation of an information team in 2019 exclusively dedicated to this subject, which affects the lives of about 250,000 people in Portugal. This year, the project covered all channels (print, television and digital) involving patient associations, oncology societies and health service





providers. In total, the project reached more than two million people and 30 associations, producing more than 150 stories with patients, specialists, stakeholders and doctors.

v. Car of the Year | Crystal Wheel Trophy 2020/2021

The 38th edition of the Car of the Year/Crystal Wheel Trophy was launched in September 2020, aimed at highlighting the best products in the automotive sector.

The Organising Committee of the award has the mission of selecting the best car available in the national market, as well as the best cars in various segments: City Dweller, Family, Sports/Leisure, Compact SUV, Electric and Hybrid.

The 38th Edition includes cars which were sold between 1 January 2020 and 31 December 2020.

The selection panel of the 38th edition is composed of 20 specialised journalists, representing the print media, digital media, radio and television, in a search for plurality of opinions. For the second time since the trophy has existed, the three largest Portuguese television channels, SIC, TVI and RTP, are members of the selection panel.

▪ Technology and Innovation Award

In the 38th edition of the CAR OF THE YEAR Trophy, the organisation will, once again, select five innovative and technologically advanced devices that directly benefit both driving and the driver. These will be appreciated and then voted by the selection panel members simultaneously with the final vote.

vi. Global Management Challenge

Launched in Portugal in 1980, the Global Management Challenge has become the largest International Strategy and Management Competition. It consists of an interactive business simulation in which each team manages a company with the aim of obtaining the best result.

This Portuguese initiative is organized by SDG - Simuladores e Modelos de Gestão and by the Expresso newspaper, and has achieved, over the years, a huge success, being today an event of high notoriety, visibility and prestige for the organisations that participate in it.

After its debut in Portugal in 1980, and following its success and recognition by companies, the competition became exportable and rapidly expanded around the world, gaining more and more prestige and participants. After 40 years of existence, the Global Management Challenge has already involved more than 650,000 company executives and university students from around the world. The success of this initiative is only possible due to all the involvement of its sponsors, supporters, selection board and media partners, and the thousands of teams that annually participate in this competition with the aim of winning the title of Best National Team and competing for the World Title.



The Prize: The winning team of the Global Management Challenge National Final wins an Intercontinental TAP trip for each team member, and represents Portugal in the International Final, facing the winning teams from the other 35 participating countries. The National Final will be held on 1 and 2 February 2021 in Lisbon and the International Final will be held in April in Macau.

### **b. Expresso Economy Awards**

In 2018, Expresso created the Expresso Economy awards, with the support of Informa D&B and Deloitte, and in partnership with Caixa Geral de Depósitos (CGD).

The 3rd edition of this award, held at the CDG head office building, on 5 December, distinguished a number of companies and entrepreneurs for their merit, boldness and excellent work. Vasco de Mello, the chairman of the José de Mello group, was the grand winner of the Entrepreneur of the Year award. The Business Conquest of the Year award was attributed to Farfetch.

In this most difficult year for Portuguese companies, Expresso and Caixa Geral de Depósitos distinguished those that most grew and best resisted against this crisis.

For the 3rd consecutive year, the Expresso Economy Awards once again acknowledged the companies that have most contributed to the country's growth, the entrepreneur of the year and the businesses and sectors that most exported.

The winners of the 3rd edition of the Expresso Economy | Caixa Geral de Depósitos Awards were revealed on 10 December 2020.

The GROWTH Awards distinguish companies that show the strongest sustained growth of their business:

GROWTH Award (turnover up to M€ 50)	CRITICAL SOFTWARE, S.A.
GROWTH Award (turnover between M€ 50 and M€ 100)	ALTRANPORTUGAL, S.A.
GROWTH Award (turnover above M€ 100)	VOLKSWAGEN AUTOEUROPA, LDA

The EXPORTS Awards distinguish the companies that, over the last three years, have shown growth of turnover, growth of absolute value of exports, and maintained at least 50 employees:

EXPORTS Award (turnover up to M€ 50)	FERMIR - CONFECÇÕES FERNANDES & MIRANDA, LDA
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EXPORTS Award (turnover between M€ 50 and M€ 100)	LASO - TRANSPORTES, S.A.
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The EMPLOYMENT Award distinguishes the company with sustained growth of turnover and highest growth of employment in the last three years:

EMPLOYMENT Award	TELEPERFORMANCE PORTUGAL, S.A.
DISTINCTIONS - Rise of bracket to a turnover above M€ 100	C.N.C.B. – COMP. NACIONAL COMÉRCIO BACALHAU, S.A.

ENTREPRENEUR OF THE YEAR Award	ANTÓNIO MANUEL DA MOTA, CEO of MOTA-ENGIL
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BUSINESS ACCOMPLISHMENT OF THE YEAR Award	GALP ENERGIA due to its strategy and growth in renewable energy (solar self-consumption market)
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#### **D.2.1.4. Commitment to the community: STUDY VISITS**

The pandemic forced IMPRESA to take strict measures, in order to minimise the possibility of Covid-19 contagion. One of the decisions was to cancel the study visits. Even so, in the first quarter, the Group received 15 visits, involving a total of 416 people.

#### **D.2.2. OUTSOURCING AND SUPPLIERS**

##### Policy on suppliers – social and environmental responsibility

The policy of purchasing paper from producers committed to good environmental practices (Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) certification) continued in 2020.

#### **D.2.3. CONSUMERS SERVICE PROVIDED TO VIEWERS**

In 2020, 56,588 contacts were received, representing a substantial increase (23%) in relation to the previous year, which was primarily explained by Covid-19 and the comments related to Cristina Ferreira's leaving SIC. Of these contacts, 79% arrived via email and were Requests for



Information (63%), Topics for Reporting (23%), Criticism (10%), Praise (2%) and Suggestions (2%). In 92% of cases, this was pointed at the generalist channel SIC.

During the so-called “first wave” of the pandemic there was strong growth in television viewer contacts. Many contacted the Group during lockdown to clarify doubts about Covid-19 and related topics (disinfection and individual protection, Social Security support, education, homes for senior citizens and the economy). We also highlight the lockdown stage when contacts on possible news more than doubled, and there were also many videos for the *Jornal da Noite* [Evening News] feature “O Mundo em Casa” [The World at Home]. More comments were received about the programming, suggested changes to usual contents. The year was also marked by increased demand in daytime slots for exposure of cases.

#### D.2.4. STAKEHOLDERS

##### D.2.4.1. INSTITUTIONAL RELATIONS

The year of 2020 was marked by one of the greatest crises ever undergone by the media. The reduction in sales and advertising, especially with respect to the press, led to the disappearance of some publications and to the unemployment of a considerable number of journalists.

The Government, pressurised by various associations representing the media, by the journalists union, by publishers and politicians, finally made an advance purchase of advertising space, which partially helped to face the first losses.

Despite everything, with respect to relations with the various regulatory and self-regulatory bodies, the Group maintained its participation in the debates of the topics of most interest to the sector, and ensured the follow-up of the Portuguese and/or European Union legislative production.

In this regard, the IMPRESA Group maintained its presence in the governing bodies of the following entities:

- AEM – Associação de Empresas Emitentes de Valores Cotados em Mercados [Association of Issuers of Market Listed Securities] (Chairman of the General Council)
- AEP – Associação Empresarial de Portugal [Business Association of Portugal] (Member of the General Council)
- AIP/CE – Associação Industrial Portuguesa/Confederação Empresarial [Portuguese Industrial Association/Corporate Confederation] (Deputy Chairman of the Board of Directors)
- AMD – Associação de Marketing Direto [Direct Marketing Association] (Board of Directors)



- ANETIE – Associação Nacional das Empresas de Tecnologia de Informação e Eletrónica [National Association of Information Technology and Electronic Companies] (Deputy Chairman of the General Meeting)
- APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Edition and Circulation Control Association] (Deputy Chairman of the Board of Directors)
- APDC – Associação Portuguesa para o Desenvolvimento das Comunicações [Portuguese Association for the Development of Communications] (Board of Directors)
- APDSI – Associação para a Promoção e Desenvolvimento da Sociedade de Informação [Association for the Promotion and Development of the Information Society] (General Council)
- API – Associação Portuguesa de Imprensa [Portuguese Press Association] (Chairman of the Board of Directors)
- CAEM – Comissão de Análise e Estudos de Meios [Commission for Media Analysis and Studies] (Board of Directors, Media Section and Technical Committee)
- Comissão de Classificação dos Meios de Comunicação Social [Media Classification Committee] (Chairman)
- COTEC - Associação Empresarial para a Inovação [Business Association for Innovation] (Chairman of the General Meeting)
- ERC – Entidade Reguladora para a Comunicação Social [Social Communication Regulatory Entity] (Advisory Board)
- Fórum para a Competitividade [Competitiveness Forum] (Advisory Board)
- GEDIPE – Associação para a Gestão Coletiva de Direitos de Autor e de Produtores Cinematográficos e Audiovisuais [Association for the Collective Management of Copyright and Film and Audiovisual Producers] (Chairman of the General Meeting)
- ICAP – Auto Regulação Publicitária [Advertising Self-Regulation] (Chairman of the General Meeting)
- MAPINET – Movimento Cívico Anti Pirataria na Internet [Internet Anti-Piracy Civic Movement] (Board)
- NP – Notícias de Portugal [News from Portugal] (Chairman of the Board of Directors)
- OBERCOM – Observatório da Comunicação [Communication Observatory] (Board of Directors)
- PMP – Plataforma de Media Privados [Private Media Platform] (Chairman of the General Council)
- VISAPRESS – Cooperativa de Gestão de Conteúdos [Contents Management Cooperative] (Board of Directors)

In all of these entities, and before the Government, Parliament, European Commission and others, the Group always advocated in defence of its interests, freedom of information and the independence and sustainability of media companies.



## **Activities of the different bodies in which it has participated:**

### **a. AMD – Associação de Marketing Direto [Direct Marketing Association]**

#### **Preamble**

In view of the serious situation that has devastated the country since March, the Board of the AMD has sought to adapt to the needs and requirements of its members, in order to provide the possible support, while keeping up with all the legislative dossiers dictated by the circumstances.

#### **i. Assistance to Members**

A centre for the collection of official information has been maintained, which enables notifying the members on all the legislation – even during this period referred to as “legislative turbo”, seeking to advise the members on compliance with the different rules that have been published.

#### **ii. Data Protection**

The usual institutional contacts were maintained with the Portuguese Data Protection Authority (CNPD), which enabled contributing to solve various cases presented by the members.

#### **iii. Consumer Affairs**

At the invitation of the Secretary of State for Trade, Services and Consumer Protection, the AMD became a member of the National Consumer Council. At the same time, the Directorate General for Consumer Affairs also started to invite AMD to all events related to the consumer.

#### **iv. Directorate General for Economic Activities (DGAE)**

Considering the powers and duties of DGAE in representing European draft bills, the contacts of cooperation were extended, especially focused on the next E-Privacy Regulation. In this regard, AMD was able to be heard and represented at the Permanent Representation of Portugal at the European Union (REPER).

#### **v. CTT – Correios de Portugal**

As 2020 was the year of the concession contract renewal, and in light of CTT's scarcity of information on pricing and conditions for delivery newspapers, periodical publications and books for 2021, AMD also provided collaboration to publishers and booksellers, namely in contacts with the Portuguese regulatory authority for postal communications and electronic communications (ANACOM).

#### **vi. Bank of Portugal**

AMD continued as a Member of the Means of Payment Forum Plenary, and was also a member of the Working Groups for Security in Payments and Promotion of Electronic



Payments, having managed to influence the approval of proposals with useful outcomes for AMD's members.

#### **vii. Cooperation with Peers**

The partnerships with the Portuguese Press Association (APIMPrensa), the Portuguese Advertisers Association (APAN), the Portugal Creative Club (CCP) and other associations were maintained, with participation in joint actions such as:

- Audiovisual Law (transposition of the AVMS Directive)
- Limitations to value added telephone calls
- Restrictions on the advertising of games and gambling

#### **b. APCT – Associação Portuguesa para o Controlo de Tiragem e Circulação [Portuguese Edition and Circulation Control Association]**

Despite the enormous difficulties faced by the press throughout the year, it was possible to halt the wave of withdrawals that the members hit hardest began to announce, from the first quarter onwards.

This was greatly influenced by the measures taken by the Board of the APCT:

1. The entry into force of the change of frequency of the bulletin that shifted from being bimonthly to quarterly, as desired by the publishers.
2. The suspension of the payment of levies for the months of April, May and June. Hence, the two withdrawals that occurred are related to the closure of the publications, and the association also received the subscription of a clipping agency.
3. Audits  
To the extent possible, circumventing the difficulties created by the lockdown, the usual number of audit were performed: Regular – 14; Annual – 3; Upon admission – 1.

#### **c. ARP – Auto Regulação Publicitária [Advertising Self-Regulation]**

1. **The 2020 Activity Plan was based on four pillars:** Influence Marketing, Environmental Marketing, Compulsory Statements and Provision of Services.
2. **Actions taken:**
  - i. **Influence Marketing:** A meeting was held with IAB and Universidade Lusófona to continue the *3 I's Guide – Good Practices in Influence* project, involving the inclusion of the topic of native advertising and virtual influencers. The university was engaged in order to conclude an agreement with an educational establishment, namely the Law Faculty of Universidade Lusófona, to develop a project for monitoring digital influencers that is independent, credible, impartial and shows results. The support of the European Advertising Standards Alliance (EASA) was also requested, with a view to the possible use of artificial intelligence for development of the monitoring project;





- ii. Environmental Marketing: Monitoring of issues related to the topic of “Environmental allegations”, which have raised various concerns at a European level, where, according to EASA, the European Commission may decide to review the current legislation. Participation in the webinar organised by EASA, under the European Green Deal, attended by a member of the European Commission, in which examples were shared of good practices of the self-regulation system with respect to environmental allegations;
- iii. Compulsory Statements: The meetings with sectoral associations continued in order to ascertain briefer, condensed and, effectively, informative statements. Following these meetings, the Portuguese Insurers Association (APS) and the Portuguese Pharmaceutical Industry Association (APIFARMA) became members of the ARP;
- iv. Together with the Directorate General for the Consumer, a brochure was drawn up on Advertising Communication in the context of Covid-19, with recommendations for economic agents and warnings for consumers. This joint initiative was widely disclosed in the media, through 38 media entities;
- v. A series of initiatives concerning Covid-19 were proposed, covering the extension of services for the association members and benefits for non-members in this pandemic period. These include exemption from the fee for new members, the attribution of a larger number of prior opinions free of charge, according to the type of member, and the attribution of a limited number of technical and legal analyses to non-members, about advertising campaigns to be conveyed;
- vi. The Regulations of the Technical and Legal Office were revised, as they did not include the pre-clearance service (binding prior opinions);
- vii. In view of the increased restrictions in the advertising of the gaming sector, in various European countries, a meeting was held with the Portuguese Online Gambling Association (APAJO), aimed at supporting the sector, through the different tools that are available. It was decided that a cooperation agreement should be prepared to provide the copy advice service to gaming sector operators;
- viii. The collaboration protocol between the ERC and ARP was renewed, explicitly recognising the benefits of the systems implemented by self-regulation, and, likewise, of the nature of advertising self-regulation as a complement to the law;
- ix. A *Self-Regulation Manual* was prepared that includes the Principles, Objectives and Operating Rules of the ARP;
- x. Relations with the European Advertising Standards Alliance (EASA) and the International Council on Ad Self-Regulation (ICAS) were strengthened, through participation in the international webinars and virtual meetings held by both organisations;





- xi. Member movements: 8 new members entered and 6 left. Testimonies sent by new members, highlighting their reasons for joining ARP continued to be disseminated, via Flash;
- xii. Provision of services that include the settlement of disputes and preventive activity: There was a 37.5% increase in the complaints received. Among the different self-regulation preventative tools, 577 advertisements were analysed, corresponding to a 1.76% increase year-on-year.

**d. CAEM – Comissão de Análise e Estudos de Meios (Media Analysis and Research Committee)**

1. **Board Meetings:** Throughout the year, the CAEM Board meetings were largely centred on the audience measurement tender. On 17 December, as a result of this international tender, GFK was awarded the provision of the audience measurement service.
2. **Television Technical Advisory Committee:** In view of the public health situation, the regular meetings with this Committee were not held. As a result of the circumstances, two special meetings were held:
  - 2.1 With GFK, at the request of the CAEM, for clarification of the sample characterisation (installed and weighted) during the lockdown period.
  - 2.2 By decision of the CAEM, for updating the universes of the audiometry panels based on National Statistics Institute (INE) estimates for age and gender variables and, in the Establishment Survey, for the variable television subscription ownership of 2019.

**3. Monitoring**

- Continuation of the monitoring of the live and deferred television audience measurement system;
- Radio Bareme;
- Press Bareme;
- Netscope and Netpanel by Marketest.

**e. MAPINET – Movimento Cívico Anti Pirataria na Internet [Internet Anti-Piracy Civic Movement ]**

**Removal Requests**

- The year of 2020 brought in new challenges, especially focused on attacking the proliferation of piracy in streaming. Even so, the dynamics of previous years were maintained in relation to requests made to the Inspectorate General for Cultural Activities (IGAC) to block websites that contained, as a whole, a total of 1,172,976,595 links distributed over Films, Series, Streaming, Software, Books, Magazines,



Newspapers, Playstation (1.2,3), Wii, Nintendo, PC, XBox, Music and others, of which 14,982,005 were removed. In addition, 1,922,423,339 links distributed among the categories identified above were re-blocked.

- A total of 396 websites were blocked, with IGAC currently analysing a further 98 for blocking, with 3 having been blocked in the press area. With them disappeared hundreds of links from complete magazines and newspapers or dispersed articles. Concerning websites which broadcast television content, 110 were blocked and 116 re-blocked, with 39 having disappeared.
- The question of re-blocking, which is obligatory at the end of a year of blocking, means that, on average, about 60% to 70% of blocked websites disappear or change their name. Although the numbers achieved are far from what was hoped for, Portugal continues to be singled out as a European success story in the fight against piracy.
- The means available to piracy, as is known, are powerful and agile. And there continues to be lack of punitive measures and effective means to combat it.
- Regarding the blocking of videos in YouTube, about 2,565 reference files were uploaded, which enabled blocking thousands of contents uploaded by users without the rights to do so.
- Regarding the extension of the Memorandum of Understanding with IGAC that enables the temporary blocking of live events, 693 websites that were broadcasting 63 events were blocked.

#### ***f. OberCom – Observatório da Comunicação [Communication Observatory]***

The year of 2020 brought OberCom, and its members, a series of challenges not only related to the ongoing effort to ensure the excellence of our research, but also the reality of doing this remotely.

- Following the outbreak of the crisis, we were forced to redefine the strategic goals in order to meet the information needs of the members and of the public in general.
- In publishing terms, this was a very productive year with respect to quantity but also in terms of the consolidation of a research and collaboration network with very positive effects on the quality of OberCom's work.

Some of the publications launched are listed below:

#### **1. OberCom public disclosure reports**

- i. Impact of branding on sponsored content in journalism, at the request of the Professional Journalist Certification Commission (CCPJ)



- ii. Impact of the coronavirus and pandemic crisis on the Portuguese and global media system
- iii. Artificial Intelligence vs Human Factor – Impact of algorithmic automation on journalism
- iv. Advertising Market – Key ideas in times of crisis
- v. Communication Yearbook 2019
- vi. Reuters Digital News Report 2020 Portugal

## **2. OberCom reports exclusively for members**

Throughout the year, various studies were produced at the request of the members, RTP, SIC, TVI, CMTV, Rádio Renascença, Rádio Comercial and others, based on the perceptions, attitudes and dynamics of consumption, the patterns of use of the television viewers, readers and listeners of the publications of each member, in relation to the media, in general.

## **3. Observatory (OBS)\* magazine**

In 2020, the Observatory (OBS)\* magazine maintained the course of its activity ensuring the regular and timely publication of its 4 annual volumes (plus a special volume), with edition number 62 having been issued in December.

The countries that most consult OberCom's magazine are: Brazil, Portugal, Spain and United States. However, the magazine is also preponderant in other geographies, such as Latin America and the United Kingdom.

### **g. PMP (Private Media Platform)**

During 2020, the PMP continued its action on behalf of the media sector and the private publishing groups that comprise it, focusing on five key activities:

- Representation of the collective interests of the Platform before the sovereign bodies (Government and Parliament) and society;
- Active monitoring of the effects triggered by the Covid-19 pandemic crisis;
- Preparation of an Action Book for the Media in times of crisis, a key component for the claims positioning of PMP;
- Management of the Nónio Project (unified system for collecting and qualifying digital audiences);
- Response to national and European public consultations relevant to the sector;
- Active monitoring of the most relevant legislative developments for the media.



The year of 2020 was dominated by the Covid-19 crisis, was experienced acutely in the media. PMP closely monitored its incidence, reporting to the sovereign bodies, where it was heard. Following the steps taken, the Government progressed with a measure to support the media, in the form of an advance purchase of institutional campaigns, of the value of 15 million euros, whose negotiation and implementation required a strong allocation of temporary resources.

The Nónio Project has seen new developments, having surpassed the threshold of 2 million registered users by 31 December. In the last quarter, further steps were taken towards the extension of the marketing offer of the advertising inventories of the consortium members, after the adoption of a common adserver and the creation of a Nónio Marketplace.

PMP followed and actively intervened in the transposition of the new directive on Audiovisual Services (AVMS), completed in December, with regulatory extensions planned for January 2021. The directive on Copyright will only be transposed in a draft format in early 2021, which will be followed by a public consultation process.

The Action Book for the Media was updated, publicised and presented to the main political groupings and regulatory entities. At the same time, contacts have been pursued at national and Community level to define the *modus operandi* appropriate to the publishers' desire to see mechanisms for transparency and fairness in the digital advertising sector. In this regard, PMP participated in meetings with the Competition Authority.

In addition, PMP also carried out the following activities:

- Participation in working groups on topics of interest to the media;
- Participation in forums related to innovation and the digital economy;
- Participation in Media Conferences.

#### ***h. VISAPRESS (Contents Management Cooperative)***

In compliance with the Plan of Activities, we highlight the following actions:

- i. Distribution, to the cooperative members and beneficiaries, of the sums derived from licensing and private copying (AGECOP), due to the use of content published in newspapers and magazines represented by VISAPRESS, relative to 2019;
- ii. Under the award calculation proceedings underway at the Intellectual Property Court (TPI), there was a distribution, in 2020, of the sums related to the use of content by CISION, from May 2015 to 31 December 2019, calculated in the first judgement, whose sentence was issued in September of that same year;
- iii. With respect to licensing, contacts were made with dozens of organisations to settle their situation;



- iv. The same was done during meetings with public and private entities, encouraging them to obtain licensing for their use of contents;
- v. Participation in several international meetings on the subject of licensing for access to content published in the written press;
- vi. In order to inform and raise the awareness of the public in general on the defence of copyright, against piracy of the press on the internet, a strong communication campaign was promoted in two private subscription television channels, various national and local radio stations, and in national and local newspapers and magazines;
- vii. All the licenses were renewed and 60 new licensing contracts were concluded, where it should be noted in particular that the larger clipping organisations in the national market are currently licensed;
- viii. In the last quarter of 2020, VISAPRESS together with the Association for the Collective Management of Copyright and Film and Audiovisual Producers (GEDIPE) filed a protective order at the Intellectual Property Court against APP Telegram, based in the United Arab Emirates, requesting the blocking of access of groups that unlawfully share published content.

### **To Conclude**

Despite the constraints caused by the pandemic during most of the year, the IMPRESA Group, both individually or together with the entities where it is represented in their governing bodies, actively participated in addressing and defending the most important topics for the sectors, in particular:

- Transposition of the AVMS Directive (Audiovisual Law)
- Copyright and Related in the Digital World
- E-Privacy Regulation – a key topic on the agenda of the Portuguese Presidency of the Council of the European Union
- CNPD – Data Protection
- Limitations to value added telephone calls
- Actions against the piracy of content in one-off cases and at the Copyright Court
- New Consumer Agenda 2020
- CTT – Newspaper and magazine delivery
- *Fake News*
- Restrictions on the advertising of games and gambling
- Advertising communication in the context of Covid-19
- Charter of Fundamental Rights in the Digital Age



#### D.2.4.2. INVESTOR RELATIONS

IMPRESA has a Securities Markets Liaison Representative (who is also the Chief Financial Officer) and an Investor Relations Officer, providing assistance to investors, in order to ensure permanent communication and the institutional relations with the universe of investors and analysts, as well as with the regulated market where IMPRESA shares are listed for trading (Euronext Lisbon), and the respective regulatory and supervisory entities.

The Securities Markets Liaison Representative and the Investor Relations Officer operate as interlocutors between the Board of Directors of IMPRESA, investors and the market. Their function is to ensure the timely and accurate availability of information concerning the Group, in compliance with applicable legal and regulatory provisions, in particular with regard to the disclosure of privileged information and other reports to the market, as well as the publication of annual and interim financial information.

All the requests for information (received by telephone, email or mail) are replied to at the earliest opportunity, and there are no pending requests relative to 2020 or from preceding years.

### D.3. WORKERS, GENDER EQUALITY AND NON-DISCRIMINATION

#### D.3.1. EMPLOYMENT

The situation created by Covid-19 has posed challenges in all area of human activity and, particularly, in labour relations. In this context of major unpredictability and growing adversity, the IMPRESA Group was confronted with the need to adjust its policies, practices and procedures, in light of a new framework that is increasingly more agile and flexible.

In order to ensure a competitive positioning in a constantly mutating world, it become imperative to prepare a management strategy in harmony with these changes and that fosters pro-social and pro-health conduct, sustained by strong investment in the development and motivation of the Group's employees.

The human resources of IMPRESA reveal a staff of 889 employees (410 women and 489 men), of an average age of 44 years old, at the end of December 2020. Of these 889 employees, 13 are disabled persons.

Distribution by gender	
Number of female employees	410
Number of male employees	489



Age cohort	
> 60	41
51 - 60	239
41 - 50	369
31 - 40	156
21 - 30	94

Disabled employees	13
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The distribution of academic qualifications show that the majority of the employees have a licentiate degree (441), with higher education being preponderant in the Group, corresponding to 58%.

Academic Qualifications	
1st to 3rd Primary Education	44
Vocational Training	38
Secondary School	270
Bachelor Degree	29
Licentiate Degree	441
Master Degree	75
Doctorate	2

The distribution of the different types of contract show that the vast majority of the employees (93.7%) have a permanent employment contract, as presented in the table below:

Types of Employment Contract	
Permanent	94%
Fixed-term	5%
Indefinite duration	1%

At IMPRESA the majority of its employees have been at the company for 21 to 25 years (238), as shown in the data presented below, and 57% of the employees have been working at IMPRESA for more than 16 years.



Seniority (years)	
> 30	27
26 - 30	134
21 - 25	238
16 - 20	109
11 - 15	110
6 - 10	90
<5	191

Despite the average monthly salary difference between genders, this does not reflect any discrimination since the remuneration policy of the IMPRESA Group is based on the evaluation of the components of the functions performed by the employees, and on objective criteria such as seniority and professional experience, merit, productivity and academic qualifications.

Remuneration level by gender	
Average monthly salary of female employees	€ 2,055
Average monthly salary of male employees	€ 2,592

The information about the remuneration of the directors of IMPRESA is available in the Corporate Governance Report.

The IMPRESA Group promotes harmony between the three spheres of personal, family and professional life, and argues that women and men, when they decide to become parents, should do so in a shared, responsible and balanced way. In 2020, as indicated in the following table, maternity and parental leave amounted to a total of 6,076 hours.

Leave	No. hours
Maternity	3,618
Parentality	1,478
Parental Leave	980
<b>Total hours</b>	<b>6,076</b>

Analysing the component of work organisation, regarding hours of absenteeism, we find that in 2020, the absences of employees at IMPRESA came to 33,451 hours, predominantly due to sickness (28,948).





Absences	No. hours
Excused	250
Family assistance	3,469
Sickness	28,948
Work accidents	784
<b>Total hours</b>	<b>33,451</b>

Analysing the previous two tables, it is concluded that the absences amounted to 39,527 hours in 2020. Therefore, it concluded that the IMPRESA Group's absenteeism rate is 2.44%, in which, of the 1,621,183 foreseen hours 1,581,655 were actually worked.

### Performance Management

The crucial contribution of the employees' performance in the organisational performance implies that performance management plays a preponderant role as a competitive differential in the IMPRESA Group's strategic vision and in its organisational development. Accordingly, a new Performance Management model was implemented in 2020, which started in March and included Self-Assessment and Assessment of the Leadership.

The creation of a new Performance Management model was aimed at the implementation of a model more aligned with the defined strategy, more adjusted to the increasing functional complexity that is required and the growing volatility of the organisational reality. This model promotes continuous monitoring between participants and foresees its use as a tool for the different human resources management policies.

### D.3.2. WORK ORGANISATION

In 2020, the IMPRESA Group maintained its objective of working towards greater motivation and involvement, giving a set of benefits to all the employees of the IMPRESA Group, in addition to those provided for in the Labour Code:

- Right to a day-off on birthdays, providing it coincides with a working day;
- Regular pastimes (up to February 2020) with the offer of invitations to shows (theatre, concerts, conferences, football games, etc.);
- Provision of exclusive parking spaces for pregnant employees;
- Provision of parking places to all the employees that had to continue working at the IMPRESA Paço de Arcos facilities, during the pandemic;
- Assignment of flexible working hours to employees with family responsibilities;



- Distribution of Christmas presents to all the employees and their children aged up to 12 years old;
- Vaccination campaign against influenza;
- Provision of medical services at the Paço de Arcos and Matosinhos facilities, as well as home medical assistance to employees and their families;
- Organisation of sampling initiatives, up to February 2020: distribution, at Paço de Arcos and Matosinhos facilities, of products or sale at advantageous conditions;
- Provision, to employees and direct relatives, of access to products and services at a lower price than the list price, through the establishment of protocols with entities that exercise their activity in areas such as banking, communications, children's services, aesthetics, gymnasiums, leisure, health, insurance and vehicles.

### D.3.3. HEALTH AND SAFETY

Occupational health and safety are core concerns of the IMPRESA Group. To this end, we aim to boost the humanisation of work by offering flexible conditions to all the employees, in order to produce positive returns, namely concerning physical and mental health, professional satisfaction and, consequently, productivity. The data on work accidents at IMPRESA, during 2020, are presented and detailed by gender in the following two tables:

Work accidents	Women	Men	Total
No. accidents	2	4	6
Sick leave	37	158	195

Rates	Women	Men	Total
Frequency	2.97	4.98	4.07
Severity	55.03	196.91	132.22

### D.3.4. SOCIAL RELATIONS

In 2020, during this anomalous and unstable situation that we are experiencing, the IMPRESA Group was focused, on the one hand, on the risk of Covid-19 infection at its facilities, while ensuring the business continuity and sustainability, and, on the other hand, on creating an aggregating, flexible and empathetic organisational culture. The following are examples of this:

- Annual Meeting of the Board of Directors in order to promote internal networking and align the Group's culture and values;



- Provision of grocery stores to ensure access to essential goods, aimed at providing as much support as possible to the employees, replacing the need to go to supermarkets;
- Boosting of the “Together we are future” initiative in which the employees were challenged to produce a brief film with messages of gratitude towards their colleagues and teams. This initiative promoted greater interaction between the employees, fostering feelings of belonging;
- Constant communication through e-mails, news on the intranet and general presentations (online) by the CEO. The internal communication fulfilled an informative goal, as a priority and at a first instance, with a view to the protection of everyone, and also performed an important role in motivation and encouragement, enormously focused on awareness-raising and mobilisation towards compliance with the contingency plans drawn up by the IMPRESA Group. At a second stage, the communication shifted to one of moving closer together and engagement, as it was important to ensure that the employees of IMPRESA felt minimally adjusted to a new reality. Hence, the messages were no longer informative and awareness-raising but rather expressed peacefulness, gratitude and confidence.
- Use of iNet, the internal communication channel. On iNet, the following information is made available: the list of all benefits attributed to employees, the execution of internal actions, internal communications (mobility, appointments and communications of the CEO). Other information such as birthdays, protocols and established partnerships are also made available;
- Use of iPortal, contributing to the acceleration, simplification and dematerialisation of the most administrative processes of human resources, such as consultation of receipts and personal income tax (IRS) declarations, training hours, registration of absences, management of vacations and updating of personal data;
- Focus on a training programme that meets the training needs of employees of the IMPRESA Group and its managers. This analysis is conducted within the scope of the Performance Management Model which includes, as a compulsory field, the indication of training actions to be attended. After completing this, an analysis is made by the Human Resources Department, which initiates the annual training process in order to enhance the talent of employees in articulation with the Strategic Plan of the IMPRESA Group.

## **Professional Ethics**

In addition to regulatory compliance (Press Law, Television Law, Journalist Statute, etc.), the large areas of the Group - SIC and Espresso - have their own Codes of Journalist Conduct, adapted, when necessary, to the specific characteristics of journalism in the digital era. These Codes of Conduct are not confused with Style Books or mere orthographic norms; they are the result of in-depth discussions and are an extension of the main ethical, deontological and legal norms applied to the exercise of the profession.



### D.3.5. TRAINING

At the IMPRESA Group, training represents a management practice par excellence, especially as, in the current circumstances of crisis and major uncertainty, its competitive edge will depend even more on the knowledge and skills of its employees.

The information obtained through Performance Assessments is a targeting and effective base for the definition of a training plan that corresponds to the real needs of the human resources of IMPRESA, in order to enhance the employees' talent in coordination with the Strategic Plan of IMPRESA.

In 2020, the IMPRESA Group continued to ensure the compatibility of its strategic objectives with the expectations and individual development of its assets, having strongly focused on the synchronous remote training format, which enabled taking the dynamics of a classroom environment, in real time, to the home of each employee.

The following table presents the most relevant data for 2020 and its comparison with the year 2019.

Table: Training 2019/2020

Area	Number of actions			Employees covered			Number of training hours		
	2019	2020	Variation	2019	2020	Variation	2019	2020	Variation
Publishing	32	29	-9.38%	78	58	-25.64%	1384	1370	-1.01%
Television	51	44	-13.73%	286	178	-37.76%	4279	3495	-18.32%
Other	41	61	48.78%	66	61	-7.58%	1573	1290	-17.99%
<b>Total IMPRESA Group</b>	<b>124</b>	<b>134</b>	<b>10%</b>	<b>430</b>	<b>297</b>	<b>-31%</b>	<b>7236</b>	<b>6155</b>	<b>-15%</b>

Source: IMPRESA

The following actions should be highlighted:

- Microsoft Teams. Remote work is a trend that Covid-19 accelerated and consolidated, bringing challenges and opportunities in terms of time management, productivity, cohesion and alignment. To this end, various e-learning sessions were ministered from this platform that is so important under telework arrangements;



- Remote Team Management Training. Leading a team that works remotely was a major challenge for the Group's leaders. Despite having the same principles of face-to-face leadership, such as establishing goals, sharing the leader's strategic vision and fostering the team's motivation and commitment, remote leadership requires a whole series of skills of planning, organisation, flexibility and communication that were improved due to attending this action;
- Training in the digital area, in the commercial and marketing aspects, namely through Digital Marketing and Strategy, Programmatic Buying and Social Media actions; In light of the ongoing transformation in the IMPRESA operation paradigm, based on the constant introduction of new patterns of interaction between consumers in a digital environment, the digital area continued to be one of the priority training areas in 2020;
- Inhouse training on Elvis, After Effects and social networks. The IMPRESA Group has a pool of inhouse trainers with certificates of teaching skills that, being close to the reality and specialists in certain areas, minister inhouse training;
- Academic training: Post-Graduation in Storytelling, Post-Graduation in Applied Digital Marketing. There is a growing investment in the acquisition and updating of academic knowledge among the IMPRESA Group's management staff.

#### **D.3.6. EQUALITY**

Aware that equality between women and men is a central topic in companies driven by social responsibility, the IMPRESA Group implements measures and actions that promote conditions of professional integration and career development on equal terms for men and women, encouraging the elimination of gender discrimination and promoting practices that facilitate a balance between family, personal and professional life.

In 2020, the IMPRESA Group continued to adopt measures to promote gender equality and fairness with the following objectives:

- Review the Equality Plan creating measures for non-discrimination between women and men, with the support of the Commission for Citizenship and Gender Equality and the Commission for Equality in Labour and Employment;
- Ensure equal opportunities for all employees in the attendance of training actions;
- Encourage and raise awareness of sharing parental leave, as well as sharing the exercise of family care rights;
- Ensure that the Annual Training Plan is based on equality and non-discrimination between women and men;
- Comply with the principle of equal pay for equal work in nature, quantity and quality;



- Evaluate performance based on objective criteria to provide a fair and accurate assessment, free of any connection to female or male characteristics;
- Ensure promotion and career progression based on objective individual performance criteria, which are exempt from gender discrimination.

## **Non-Discrimination**

At IMPRESA, the diversity of its employees is perceived as a factor of competitive advantage, and the individuality each employee offers to the IMPRESA Group is respected and valued, such that the creation of a discrimination-free work environment is promoted.

The IMPRESA Group does not tolerate any form of direct or indirect discrimination, such that every employee has the right to equal opportunities and treatment with regard to access to employment, training and promotion or professional career and working conditions, and cannot be privileged, benefited, negatively affected, deprived of any right or exempted from any duty whether because of descent, age, gender, sexual orientation, marital status, family status, economic situation, social origin or condition, reduced working capacity, disability, chronic illness, nationality, ethnic origin, political or ideological beliefs and trade union membership.

## **D.4. HUMAN RIGHTS**

Respect for human and workers' rights is a *sine qua non* prerequisite of the IMPRESA Group, being the guiding principle in all its relations with its employees, investors, partners, suppliers, customers and consumers.

## **D.5. COMBATING CORRUPTION AND ATTEMPTED BRIBERY**

The IMPRESA Group does not tolerate any corrupt practices and attempted bribery, so transparency, cooperation and respect are basic principles of the Group.

As indicated in the Corporate Governance Report, the Audit Committee created and approved an internal system for the communication of irregularities in 2007, aimed at preventing and eliminating irregular practices, thereby avoiding damages caused by their continuation. In 2019, the Audit Committee proposed amendments to improve and perfect the whistleblowing system, having approved a new version of the Regulation on Procedures to be Adopted for Reporting Irregularities.

This system, whose Regulations are disclosed on the IMPRESA website and IMPRESA Group Intranet network, ensures the confidentiality of the information provided and defines the procedures for receiving, recording and processing reports on misconduct, in conformity with the



applicable legal and regulatory provisions, received by the IMPRESA Group from shareholders, workers, clients, suppliers and others, on matters of:

- a) Accounting;
- b) Internal Accounting Controls;
- c) Audits;
- d) Risk Control;
- e) Abuse of Privileged Information;
- f) Fraud or Corruption;
- g) Money Laundering and Terrorist Financing.

In the case of reporting of irregularities, the investigation process is conducted and supervised by the Audit Committee, in compliance with the legislation in force, which will be responsible for drawing up a final duly substantiated report on the facts ascertained during the investigation and with the proposed closing of the case or the adoption of suitable measures.

It also ensures that the rights of IMPRESA Group company employees will not be harmed by the communication of irregular practices.

Over the course of 2020, similarly to 2019, there were no communications under this Regulation.

Lisbon, 20 April 2021

The Board of Directors,

Francisco José Pereira Pinto de Balsemão

Francisco Maria Supico Pinto Balsemão

Francisco Pedro Presas Pinto de Balsemão

Manuel Guilherme Oliveira e Costa

Maria Luísa Coutinho Ferreira Leite de Castro Anacoreta Correia

João Nuno Lopes de Castro

Ana Filipa Mendes de Magalhães Saraiva Mendes