



Full Year Results 2019

Grupo Média Capital, SGPS, S.A.

GRUPO MÉDIA CAPITAL SGPS, SA
Sociedade Aberta
Sede: Rua Mário Castelhana, n.º 40, Barcarena, Oeiras
Matriculada na Conservatória do Registo Comercial de Cascais sob o n.º 17831 (Oeiras)
Pessoa Coletiva n.º 502 816 481 | Capital Social: 89.583.970,80 euros

FULL YEAR 2019 RESULTS

Media Capital increases advertising revenues in radio and digital, while reducing net debt

- In **advertising** revenues, we highlight the Radio & Entertainment segment, as advertising jumped 13%. Nonetheless, consolidated advertising revenues posted a reduction of 10% YoY to € 112.3 million, due to the TV segment.
- The audience performance of Media Capital's **radios** continues to stand out, with this year's average audience reach being 27.9%, with the second (out of five) readings taken so far this year being the highest ever for any radio group in Portugal since 2003. Regarding radio formats, Rádio Comercial registered this year the highest number of listeners ever (over 1.5 million), while M80 had its highest audience share ever in one of the readings. Finally, Cidade FM, targeted for youngsters, had a remarkable recovery this year.
- In **Digital**, and comparing with 2018 data, the number of visits and page views increased by 44% and 42%, respectively. Advertising revenues were also on the upside (+3%).
- In the **TV** segment, and following the market decrease, **advertising** was down 15% YoY. Adjusted EBITDA was € 5.5 million. The opex adjusted for restructuring charges and goodwill impairments increased by 4%, chiefly due to the spending in contents, with the aim of recovering leadership (especially in prime time). The effort put into costs was more predominant in the first quarter.
- **Media Capital's adjusted EBITDA** was € 18.6 million, decreasing 54% YoY.
- Regarding the annual goodwill testing procedure, in 2019 the Group took as a reference the valuation embedded in the transaction involving the sale by Prisa of its total stake in Media Capital. This resulted in goodwill impairments of € 55.4 million in the TV segment and € 1.9 million in the audiovisual segment, hence totaling € 57.3 million
- **Net financial debt** decreased by € 4.3 million vs the end of 2018, assuming FY 2018 figures adjusted for IFRS 16. At the end of December, net financial debt stood at € 88.5 million.

Introductory notes:

1) As informed to the market on the 20th of September 2019, Promotora de Informaciones, S.A. (Prisa) celebrated an agreement with Cofina, SGPS, S.A. (Cofina), encompassing the sale of 100% of the share capital and voting rights of Vertix, SGPS, S.A., which owns 94,69% of the share capital and voting rights of Grupo Media Capital SGPS, S.A.. Such operation was subject to certain conditions, including the non-opposition by the Competition Authority and the approval of other competent regulatory entities. With the celebration of the aforementioned agreement, on the 21st of September, Cofina published a preliminary announcement of a general public offer for the acquisition of all the share capital of Grupo Media Capital SGPS, S.A.. On the 23rd December 2019, both Prisa and Cofina informed the market of changes in the terms of the agreement, encompassing the reduction of the transaction price, having also informed the market of changes to the preliminary announcement of a general public offer. On the 31st of December 2019, Cofina informed the market that the Competition Authority does not oppose to the transaction. On the 29th of January 2020, both Prisa and Cofina held their respective shareholders general meetings, having in both cases informed the market that some of the steps described in the sale and purchase agreement had been accomplished.

2) Since a large portion of the activities carried out by the companies in the entertainment business (mostly related to events) is managed in tandem with the Group's radio business, Media Capital opted to include these activities in one single operating and reportable segment, now denominated "Radio & Entertainment". For comparability purposes, the maps below are pro-forma, i.e., 2018 figures reflect the adoption of the new segment for 2018 data.

Queluz de Baixo, 26th January 2020



1. Consolidated P&L

€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Total operating revenue	165,120	181,809	(9%)	46,862	55,806	(16%)
Television	131,818	151,333	(13%)	37,542	47,481	(21%)
Audiovisual Production	33,124	32,841	1%	7,675	9,489	(19%)
Radio & Entertainment	24,454	20,510	19%	7,437	6,237	19%
Others	16,130	15,676	3%	4,028	4,096	(2%)
Consolidation Adjustments	(40,406)	(38,551)	(5%)	(9,820)	(11,496)	15%
Total Operating Expenses ex-D&A	205,568	141,564	45%	98,620	40,051	146%
Restructuring Costs	1,691	692	144%	272	134	103%
Goodwill impairment	57,342	0	-	57,342	0	-
Total Opex ex-D&A, Restructuring Costs and Goodwill impairments	146,535	140,872	4%	41,007	39,917	3%
EBITDA	(40,448)	40,245	n.a.	(51,758)	15,755	n.a.
EBITDA Margin	(24.5%)	22.1%	(46.6pp)	(110.4%)	28.2%	(138.7pp)
EBITDA ex-Restructuring Costs & Goodwill impairments	18,585	40,937	(55%)	5,856	15,889	(63%)
EBITDA Margin ex-Restructuring Costs & Goodwill impairments	11.3%	22.5%	(11.3pp)	12.5%	28.5%	(16.0pp)
Television	5,520	30,517	(82%)	1,529	11,521	(87%)
Audiovisual Production	(1,838)	816	n.a.	(1,360)	358	n.a.
Radio & Entertainment	11,653	7,779	50%	4,094	3,052	34%
Others	1,666	600	178%	504	424	19%
Consolidation Adjustments	1,583	1,225	29%	1,089	534	104%
Depreciation and Amortisation	9,651	6,632	46%	2,654	1,683	58%
Operating Income (EBIT)	(50,099)	33,613	n.a.	(54,412)	14,072	n.a.
Financing Results	(2,248)	(2,957)	24%	(546)	(614)	11%
Profit / (Loss) Before Inc. Tax and No Contrl. Int.	(52,347)	30,656	n.a.	(54,958)	13,458	n.a.
Income Taxes	(2,381)	(9,082)	74%	(955)	(3,965)	76%
Profit / (Loss) from Continued Operations	(54,729)	21,573	n.a.	(55,913)	9,493	n.a.
Net Profit / (Loss) for the Period	(54,729)	21,573	n.a.	(55,913)	9,493	n.a.

In 2019 **operating revenues** were down 9%, reaching € 165.1 million (€ 181.8 million in 2018), with the Q4 YoY variation being -16%. **Adjusted Opex** (excluding D&A, restructuring costs and goodwill impairments) increased by 4%, going from € 141.9 million to € 146.5 million. In Q4, adjusted opex was up 3%.

Excluding restructuring costs and goodwill impairments, **EBITDA** was € 18.6 million, which compares with € 40.9 million in the previous year. The adjusted EBITDA margin went from 22.5% to 11.3%. In the fourth quarter, adjusted EBITDA was down, from € 15.9 million to € 5.9 million, with the margin declining from 28.5% to 12.5%.

EBIT was € -50.1 million, comparing with € 33.6 in 2018.

The introduction of IFRS 16 is related with the accounting treatment of contracts that qualify as

leases and eliminates the distinction between financing and operating leases, thus leading to the booking of leases with a term of more than twelve months as right-of-use assets in the balance sheet and to the booking of the expenses as depreciations and amortisations as well as in financial results in the P&L as of 1 January 2019. It led to an immaterial impact on consolidated accounts at the EBIT level. 2018 figures were not re-expressed to simulate to impacts on IFRS 16 on last year's numbers.

Net financial results improved 24% to € -2.2 million, benefiting from lower interest costs.

Net profit was € -54.7 million, comparing with € 21.6 million in 2018. The decrease was mostly due to the goodwill impairments registered, although the regular operating performance also took a toll. In Q4, net profit went from € 9.5 million to € -55.9 million.



€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Operating revenue	165,120	181,809	(9%)	46,862	55,806	(16%)
Advertising	112,303	124,787	(10%)	33,594	40,239	(17%)
Other revenues	52,817	57,021	(7%)	13,268	15,567	(15%)

In 2019, **advertising revenues** was down 10% (-17% in Q4). In TV, advertising was down 15% (-22% in Q4), whereas in Radio & Entertainment, the

increase was +13%, with +23% in Q4. In the Others segment (which includes Digital, as well as the

holding and shared services), advertising was up 3% (-19% in Q4).

Other operating revenues, which comprise mainly audiovisual production, sale of contents, multimedia and retransmission fees, were down

7%, chiefly because of a decrease in the revenues associated with multimedia. In Q4 the YoY variation was -15%. 2019 figures include € 1.0 million from the sale of tangible fixed assets in the Radio segment, registered in the first quarter.

2. Television



€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Operating revenue	131,818	151,333	(13%)	37,542	47,481	(21%)
Advertising	87,855	102,811	(15%)	26,169	33,735	(22%)
Other revenues	43,963	48,522	(9%)	11,373	13,746	(17%)
Operating Expenses, ex D&A	182,624	121,055	51%	91,655	36,000	155%
Restructuring Costs	890	239	272%	206	40	418%
Goodwill impairment	55,437	-	-	55,437	0	-
Total Opex ex-D&A, Restructuring Costs and Goodwill Impairments	126,297	120,816	5%	36,013	35,960	0%
EBITDA	(50,806)	30,278	n.a.	(54,113)	11,481	n.a.
EBITDA margin	(38.5%)	20.0%	(58.6pp)	(144.1%)	24.2%	(168.3pp)
EBITDA ex-Restructuring Costs & Goodwill Impairments	5,520	30,517	(82%)	1,529	11,521	(87%)
EBITDA Margin ex-Restructuring Costs & Goodwill impairments	4.2%	20.2%	(16.0pp)	4.1%	24.3%	(20.2pp)
Depreciation and amortisation	4,365	2,529	73%	1,225	636	92%
Operating Income (EBIT)	(55,171)	27,749	n.a.	(55,338)	10,845	n.a.

In 2019, and considering TVI's FTA (generalist) channel, TVI24, TVI Ficção and TVI Reality, the aggregate group of channels had an audience share of 17.7% in all day and 20.8% in prime time (20h-24h). In the Adults commercial target the audience shares were 18.4% in all day and 21.4% in prime time.

All Day (%)	UNIVERSE	ADULTS
TVI Group	17.7	18.4
SIC Group	22.8	23.7
RTP Group	16.7	17.6

Prime Time (%)	UNIVERSE	ADULTS
TVI Group	20.8	21.4
SIC Group	24.9	25.6
RTP Group	17.0	17.7



According to GfK (audience provider), TVI had an all day audience share of 15.6% in the Universe target (all individuals).

In the main commercial target – Adults - TVI had an all day share of 16.2%.

As for prime time and for the Universe target, TVI had a share of 19.0%. TVI led in this time slot and target from 2001 to July 2019.

Regarding the prime time for the Adults target, TVI had a share of 19.5%.

During this period, TVI based its programming on local drama (fiction), entertainment, news and sports.

In **fiction**, the *novela* “Valor da Vida” stood out as the most watched *novela*, with an average audience of 1 million and 89 thousand viewers, corresponding to a share of 24.0%. Meanwhile, “A Teia” also led in its time slot, with an average audience of 787 thousand viewers and a share of 23.5%. The *novelas* “Amar Depois de Amar”, “Prisioneira” and “Na Corda Bamba” were also premiered during 2019.

In **entertainment**, “Dança com as Estrelas” led on Sunday nights, with an average audience of 1 million and 166 thousand viewers and a share of 27.3%. “A Tua Cara Não Me É Estranha” had more than 730 thousand viewers and a share of 19.1%. “Masterchef” was aired as of September, with an audience of more than 555 thousand viewers. “Kitchen Nightmares” had its third season, leading with an audience of more than 1 million and 150 thousand viewers and a share of 23.4%. On Saturdays evenings, “Mental Samurai” also had important results, with over 800 thousand viewers.

In **news**, “Jornal das 8” had approximately 820 thousand viewers and a share of 18.6%. It is also worthwhile to highlight the program attached to the “Jornal das 8”, broadcasted on Sunday nights, “Gente Que Não Sabe Estar”, with an average audience above 928 thousand and a share of 21.8%.

In **sports**, TVI is the FTA broadcaster of the Champions League 2019/20 season, with a leading share of 41.0% and an average audience of almost 2.0 million individuals. In the male target, the share increases to 49.0%.

In 2019, all the 20 most watched programs among the Portuguese news channels were broadcasted by **TVI24**, TVI's news channel.

TVI Internacional continues to increase its worldwide presence, being currently broadcasted in more than 40 platforms and 22 territories worldwide.

TVI Ficção and **TVI24** continued to increase its international presence, also becoming available in Canada, after entering in Switzerland. TVI Ficção is currently broadcasted in 19 territories, whereas TVI24 is present in 4 countries.

FINANCIAL PERFORMANCE

In terms of financial performance, the TV segment had its **operating revenues** decreasing by 13% (-21% in Q4).

Advertising revenues were down 15% YoY (-22% in Q4).

In turn, **other revenues**, which include, among other, retransmission fees, sale of contents and multimedia, were down 9% (-17% in Q4), mostly as a result of decreasing multimedia activity.

Opex excluding restructuring charges and goodwill impairments increased by 5% (+0% in Q4), chiefly due to higher costs associated with programming costs, with the aim of recovering the leadership, especially in prime time.

The combined evolution of revenues and adjusted costs led to an adjusted EBITDA of € 5.5 million (-82% YoY), whereas in Q4 the figure was € 1.5 million (vs € 11.5 million in Q4 2018).

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.

3. Audiovisual Production



€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Operating revenue	33,124	32,841	1%	7,675	9,489	(19%)
Advertising	-	-	-	-	-	-
Other revenues	33,124	32,841	1%	7,675	9,489	(19%)
Operating Expenses, ex D&A	37,193	32,185	16%	10,994	9,098	21%
Restructuring Costs	326	159	104%	53	(34)	n.a.
Goodwill impairment	1,905	-	-	1,905	0	-
Total Opex ex-D&A, Restructuring Costs and Goodwill Impairments	34,962	32,025	9%	9,035	9,132	(1%)
EBITDA	(4,069)	656	n.a.	(3,319)	391	n.a.
EBITDA margin	(12.3%)	2.0%	(14.3pp)	(43.2%)	4.1%	(47.4pp)
EBITDA ex-Restructuring Costs & Goodwill Impairments	(1,838)	816	n.a.	(1,360)	358	n.a.
EBITDA Margin ex-Restructuring Costs & Goodwill Impairments	(5.5%)	2.5%	(8.0pp)	(17.7%)	3.8%	(21.5pp)
Depreciation and amortisation	3,204	2,504	28%	882	665	33%
Operating Income (EBIT)	(7,273)	(1,848)	(294%)	(4,201)	(274)	(1435%)

Plural continues to be one the main players in the audiovisual production sector, also with a relevant presence in the associated technical services/equipment and scenic design and construction.

In terms of the financial performance, this segment had **operating revenues** of € 33.1 million (up 1%). In Portugal the activity recovered strongly in the second and third quarters, whereas there was a sharp drop in the first and last three months of the year, namely related with *novelas*. It is important to bear in mind that content production (as well as the other activities of Plural) typically does not follow a stable seasonality.

In Spain, the activity stands at residual levels, with a slim and flexible structure, the necessary one to address attractive commercial opportunities.

The **adjusted opex** increased 9%, due to the effort put into the quality of contents. In the fourth quarter, the variation was -1%, as a result of the lower activity in Portugal.

The **adjusted EBITDA** stood at € -1.8 million, which compares with € 0.8 million in 2018. Nonetheless, in Q4 adjusted EBITDA was € -1.4 million (€ 0.4 million in Q4 2018).

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.

4. Radio & Entertainment



€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Operating revenue	24,454	20,510	19%	7,437	6,237	19%
Advertising	20,904	18,521	13%	6,543	5,326	23%
Other revenues	3,550	1,988	79%	893	911	(2)%
Operating Expenses, ex D&A	12,820	12,938	(1%)	3,343	3,232	3%
Restructuring Costs	20	207	(90%)	0	47	(100%)
Total Opex ex-D&A, Restructuring Costs and Goodwill impairments	12,801	12,731	1%	3,343	3,184	5%
EBITDA	11,633	7,571	54%	4,094	3,005	36%
EBITDA margin	47.6%	36.9%	10.7pp	55.1%	48.2%	6.9pp
EBITDA ex-Restructuring Costs & Goodwill impairments	11,653	7,779	50%	4,094	3,052	34%
EBITDA Margin ex-Restructuring Costs & Goodwill impairments	47.7%	37.9%	9.7pp	55.1%	48.9%	6.1pp
Depreciation and amortisation	1,573	1,122	40%	421	281	50%
Operating Income (EBIT)	10,061	6,449	56%	3,673	2,724	35%

In the five radio audience readings published in 2019, the data continues to point out the outstanding performance of the various formats that belong to Media Capital.

The most recent data by Media Capital registered an aggregate audience share of 37.8% (35.8% was the average for the full year), whereas the reach figure (AAV) was 27.9% (27.3% in the average of the five audience readings), with the AAV of the second reading being the highest ever for any Portuguese radio group since 2003 (28.5%).

In terms of formats, **Rádio Comercial had a share of 23.9% (22.9% was the average for the year)**, with the highest number ever of listeners, with an AAV of 18.4% (average for the full year), corresponding to more than 1.5 million people.

In turn, **M80 has been posting very good results**, with an audience share of 9.6% in the latest reading and having registered its highest figure ever in the first reading (10.2%). M80 stands out as the third most listened-to radio station in Portugal. The AAV attained in the fourth reading of 2019 was 6.2%.

As for other formats, **Cidade FM had a strong recovery**, with an audience share of **2.8%** (3.2% as the average for the year) and an AAV of 4.0% (3.8% was the average for the year), being its highest ever since the second reading of 2012.

Regarding innovation, the various radio formats continued the process started last year, having now a total of 27 web radios (12 by M80, 6 by

Rádio Comercial, 7 by Smooth FM and 2 by Cidade FM), These are streaming radios that segment the most relevant clusters (both in genre and decades) for these FM formats. Such radios are not based on algorithms but rather on carefully playlists cherry picked by each format's team, both with a vast experience. This offer is available also through apps, and provides an invaluable extension of the FM products, thus increasing contact and brand awareness among listeners and advertisers, while proving that the Group's radios are already fully immersed in the digital transformation process.

On financial grounds, **advertising** improved by 13% YoY (+23% YoY in Q4), clearly outperforming the market.

Other **operating revenues** were up 79%, to € 3.6 million, benefiting not only from the activity of events and spots production, but mostly from the sale of tangible assets, with an impact € 1.0 million, which took place in Q1.

As for **adjusted opex**, it increased by 1% (+5% YoY in Q4), excluding restructuring costs.

The adjusted EBITDA improved by 50%, reaching € 11.7 million, with the corresponding margin close to 48%. In the fourth quarter, the adjusted EBITDA improved 34% to € 4.1 million (margin of 55%).

The introduction of **IFRS 16** did not generate a relevant impact in EBIT.

Others



€ thousand	2019	2018 PF	% Var	Q4 2019	Q4 2018 PF	% Var
Operating revenue	16,130	15,676	3%	4,028	4,096	(2%)
Advertising	3,876	3,754	3%	995	1,224	(19%)
Other revenues	12,254	11,922	3%	3,032	2,872	6%
Operating Expenses, ex D&A	14,920	15,162	(2%)	3,536	3,752	(6%)
Restructuring Costs	456	86	430%	12	81	(85%)
Total Opex ex-D&A, Restructuring Costs and Goodwill impairments	14,464	15,076	(4%)	3,524	3,672	(4%)
EBITDA	1,210	514	135%	491	343	43%
EBITDA margin	7.5%	3.3%	4.2pp	12.2%	8.4%	3.8pp
EBITDA ex-Restructuring Costs & Goodwill impairments	1,666	600	178%	504	424	19%
EBITDA Margin ex-Restructuring Costs & Goodwill impairments	10.3%	3.8%	6.5pp	12.5%	10.3%	2.2pp
Depreciation and amortisation	510	477	7%	126	100	26%
Operating income (EBIT)	700	37	>999%	365	243	50%

This segment includes the remaining activities of the Group, including digital, holding and shared services.

In 2019, Media Capital reinforced its digital audiences, keeping the leadership in the TV segment (TVI, TVI24 and TVI Player) and now also in Lifestyle, with the own brand “SELFIE”.

Comparing with the similar period of 2018, the variation in visits and page views was 44% and 42%, respectively.

On financial KPIs, **advertising revenues** improved 3% (-19% in Q4), whereas **other operating revenues** were up 3% (+6% in Q4).

Adjusted EBITDA was € 1.7 million (vs € 0.6 million in 2018),



5. Capex

€ thousand	2019	2018	% Var	Q4 2019	Q4 2018 PF	% Var
Capex	9,055	6,126	48%	3,024	3,403	(11%)
Television	3,592	3,789	(5%)	864	1,941	(56%)
Audiovisual Production	2,939	1,547	90%	1,551	907	71%
Radio & Entertainment	1,754	373	370%	470	274	72%
Others	770	417	85%	139	281	(50%)

Overall capex was € 9.1 million, thus 48% YoY, mostly due to investments in high definition and digitalization. Part of the increase was also a

result of the adoption of IFRS 16, which had an impact of € 2.3 million.



6. Cash Flow

Cash-Flow Statement

€ thousand	2019	2018	% Var	Q4 2019	4T 2018	% Var
Receipts	194,294	226,048	(14%)	40,258	60,909	(34%)
Payments	(181,370)	(191,079)	5%	(44,091)	(50,453)	13%
Cash flows op. activities (1)	12,924	34,969	(63%)	(3,833)	10,456	n.a.
Receipts	2,978	1,286	132%	1,289	0	>999%
Payments	(5,313)	(4,381)	(21%)	(735)	(1,695)	57%
Cash flows inv. activities (2)	(2,335)	(3,095)	25%	554	(1,695)	n.a.
Receipts	124,791	176,258	(29%)	26,761	25,259	6%
Payments	(132,794)	(208,045)	36%	(20,760)	(34,256)	39%
Cash flows fin. activities (3)	(8,004)	(31,787)	75%	6,001	(8,996)	n.a.
Cash at the beginning of the period	382	294	30%	245	617	(60%)
Variation of cash (4) = (1) + (2) + (3)	2,585	87	>999%	2,722	(235)	n.a.
Effect of FX differences	(0)	0	n.a.	(0)	1	n.a.
Cash at the end of the period	2,966	382	676%	2,966	382	676%

Operating cash flow was € 12.9 million (€ 35.0 million in 2018), stemming from the TV and audiovisual segments, in both cases motivated by lower cash inflows, as a result of lower activity.

Cash flow from investing stood at € -2.3 million, comparing with € -3.1 million in 2018. Cash flow relate with tangible and intangible assets was € -5.3 million (€ -4.4 million a year ago).

Cash flow from financing activities was € -8.0 million (€ -31.8 million in 2018), reflecting the movements in operating and investing cash flow, as well as the variation of cash and equivalents.



7. Net debt

€ thousands	Dec 19	Dec 18	Abs Var	% Var	Sep 18	Abs Var	% Var
Group financial debt	91,508	86,044	5,465	6%	86,044	5,465	6%
Bank loans / Commercial paper / Bonds	88,723	84,533	4,190	5%	84,533	4,190	5%
Other debt	2,785	1,511	1,274	84%	1,511	1,274	84%
Cash & equivalents	2,966	382	2,584	676%	382	2,584	676%
Net debt	88,542	85,661	2,880	3%	85,661	2,880	3%
IFRS 16	6,758	0	6,758	-			
Dívida líquida s/ IFRS 16	81,783	85,661	(3,878)	(5%)			

Net debt at the end of 2019 was € 88.5 million, representing an increase of € 2.9 million vs the end of 2018. Notwithstanding, **applying the IFRS 16 impact to the YE 2018 figures**, net debt at the end of December 2018 would increase by € 7.2 million, standing at € 92.9 million. Hence,

adjusting for this impact, **net debt would have decreased by € 4.3 million during this period.**

Media Capital continues to have a sound capital structure.

GRUPO MEDIA CAPITAL, S.G.P.S. S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018
(Amounts stated in Euro thousand)

	<u>2019</u>	<u>2018</u>
<u>OPERATING REVENUES:</u>		
Services rendered	119,993	132,800
Other operating revenue	45,127	49,009
Total operating revenue	<u>165,120</u>	<u>181,809</u>
<u>OPERATING EXPENSES:</u>		
Cost of programs broadcasted and goods sold	(21,598)	(21,067)
Subcontrats and third party supplies	(79,536)	(78,326)
Payroll expenses	(43,592)	(41,540)
Depreciation and amortization	(9,651)	(6,632)
Provisions and impairment losses	(60,111)	(510)
Other operating expenses	(730)	(120)
Total operating expenses	<u>(215,219)</u>	<u>(148,196)</u>
Net operating profit	<u>(50,099)</u>	<u>33,613</u>
<u>FINANCIAL EXPENSES:</u>		
Financial expense	(2,326)	(3,166)
Financial income	78	209
Finance costs, net	<u>(2,248)</u>	<u>(2,957)</u>
Profit before tax	<u>(52,347)</u>	<u>30,656</u>
Income tax expense	(2,381)	(9,082)
Consolidated net profit for continued operations	<u>(54,729)</u>	<u>21,573</u>
Attributable to:		
Equity holders of the parent	(54,729)	21,573
Earnings per share (Euros)		
Basic	(0.6476)	0.2553
Diluted	<u>(0.6476)</u>	<u>0.2553</u>

GRUPO MÉDIA CAPITAL, S.G.P.S, S.A.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 31 DECEMBER 2019 AND 2018

(Amounts stated in Euro thousand)

ASSETS	2019	2018
NON-CURRENT ASSETS:		
Goodwill	92,032	149,374
Intangible assets	9,075	9,826
Tangible fixed assets	13,423	16,026
Right-of-use assets	9,680	-
Investment in financial assets	5	5
Transmission rights and TV programs	50,838	48,146
Other non-current assets	2,141	2,410
Deferred income tax assets	1,670	2,161
	<u>178,864</u>	<u>227,949</u>
CURRENT ASSETS:		
Transmission rights and TV programs	27,766	31,136
Trade and other account receivable	35,595	30,700
Current tax assets	196	288
Other current assets	5,051	3,436
Cash and cash equivalents	2,966	382
	<u>71,575</u>	<u>65,941</u>
TOTAL ASSETS	<u><u>250,439</u></u>	<u><u>293,891</u></u>
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	89,584	89,584
Reserves	53,866	32,362
Profit for the year	(54,729)	21,573
Equity attributable to controlling interests	<u>88,721</u>	<u>143,519</u>
Total Equity	<u>88,721</u>	<u>143,519</u>
LIABILITIES:		
NON-CURRENT LIABILITIES:		
Borrowings	64,886	46,115
Provisions	3,366	5,762
Deferred income tax liabilities	1,024	1,091
	<u>69,276</u>	<u>52,968</u>
CURRENT LIABILITIES:		
Borrowings	26,623	39,929
Trade and other payables	40,820	32,930
Current tax liabilities	5,152	-
Other current liabilities	19,849	24,544
	<u>92,443</u>	<u>97,403</u>
Total liabilities	<u>161,718</u>	<u>150,371</u>
TOTAL EQUITY AND LIABILITIES	<u><u>250,439</u></u>	<u><u>293,891</u></u>

GRUPO MEDIA CAPITAL, SGPS, S.A.
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 AND 2018
(Amounts stated in Euro thousand)

	<u>2019</u>	<u>2018</u>
<u>OPERATING ACTIVITIES:</u>		
Cash receipts from customers	194,294	226,048
Cash paid to suppliers	(103,783)	(108,475)
Cash paid to employees	(42,600)	(39,860)
Cash generated from operations	<u>47,911</u>	<u>77,713</u>
Cash received/(paid) relating to income tax	(29)	(83)
Other cash received/(paid) relating to operating activities	(34,958)	(42,661)
Net cash from operating activities (1)	<u>12,924</u>	<u>34,969</u>
<u>INVESTING ACTIVITIES:</u>		
Cash received relating to:		
The sale of subsidiaries	1,286	1,286
Disposal of fixed tangible and intangible assets	1,458	0
Investment subsidies	234	-
Interest and similar income	-	0
	<u>2,978</u>	<u>1,286</u>
Payments resulting from:		
Acquisition of tangible assets	(4,646)	(3,909)
Acquisition of intangible assets	(667)	(471)
	<u>(5,313)</u>	<u>(4,381)</u>
Net cash from /(used in) investing activities (2)	<u>(2,335)</u>	<u>(3,095)</u>
<u>FINANCING ACTIVITIES:</u>		
Cash received relating to:		
Borrowings	124,791	176,258
Cash paid relating to:		
Borrowings	(126,726)	(186,205)
Leases	(3,670)	(363)
Interest and other similar expenses	(2,029)	(2,735)
Dividends	-	(18,593)
Other financial expenses	(370)	(150)
	<u>(132,794)</u>	<u>(208,045)</u>
Net cash from/(used in) financing activities (3)	<u>(8,004)</u>	<u>(31,787)</u>
Cash and equivalents at the beginning of the year	382	294
Net increase in cash and cash equivalents (4) = (1) + (2) + (3)	2,585	87
Exchange rate effect	(0)	0
Cash and equivalents at the end of the year	2,966	382