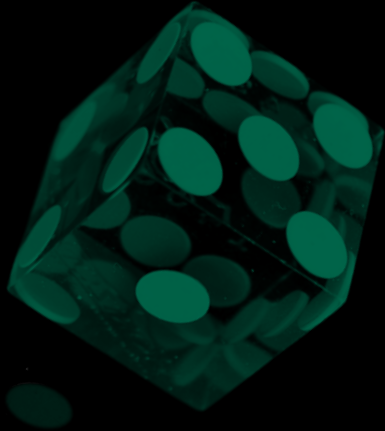








# Contents



**06**

Governing Bodies

**08**

Management Report

**18**

Appendix to the Management Report

**20**

Holders of qualified shareholdings

**22**

Consolidated Financial Statements

**28**

Notes to the Consolidated Financial Statements

# Governing Bodies

## **BOARD OF THE ANNUAL GENERAL MEETING**

### *Chairman*

Pedro Canastra de Azevedo Maia

### *Deputy-Chairman*

Tiago Antunes da Cunha  
Ferreira de Lemos

### *Secretary*

Marta Horta e Costa Leitão Pinto Barbosa

## **AUDIT BOARD**

### *Chairman*

Manuel Maria Reis Boto

### *Deputy-Chairman*

Vitor Pratas Sevilhano Ribeiro  
Paulo Ferreira Alves

### *Alternate*

Lisete Sofia Pinto Cardoso

## **BOARD OF DIRECTORS**

### *Chairman*

Stanley Hung Sun Ho

### *Chairman*

Mário Alberto Neves Assis Ferreira  
Patrick Wing Ming Huen

### *Members*

Pansy Catilina Chiu King Ho  
Ambrose Shu Fai So  
Man Hin Choi  
António José de Melo Vieira Coelho  
Vasco Esteves Fraga  
Jorge Armindo de Carvalho Teixeira  
Calvin Ka Wing Chann  
Miguel Dias Urbano de Magalhães Queiroz

## **REMUNERATION COMMITTEE**

Pansy Catilina Chiu King Ho  
Jorge Armindo de Carvalho Teixeira  
Calvin Ka Wing Chann

## **COMPANY SECRETARY**

### *Secretary*

Carlos Alberto Francisco Farinha

### *Alternate*

Artur Alexandre Conde de Magalhães Mateus

## **ADVISORY BOARD**

### *Chairman*

Rui José da Cunha

## **STATUTORY AUDITOR**

Deloitte & Associados, SROC, S.A.  
Representada por Pedro Miguel Argente  
de Freitas e Matos Gomes

# Interim Management Report







# Interim Management Report

## **1. THE COMPANY**

Estoril-Sol, S.A. was incorporated on 25 June 1958 and its company object is “the operation of the gambling concession, on an exclusive basis, in the Estoril permanent area, including other related trade and industries”.

On 18 March 2002, Estoril-Sol, S.A. modified its legal status to “Holding Company, S.G.P.S.”, Public Corporation, thereby no longer directly conducting any business activities, and such business is now to be conducted by various associated undertakings which have been incorporated for this purpose.

The Company held indirectly through subsidiaries interests in the tourism sector, in particular, in gaming activities at casinos. The Company owns the Game Concessions of Estoril (Casino do Estoril and Casino Lisboa) and Póvoa de Varzim.

Since July 2016 the Company also began exploring the online gambling activity and sports betting through one of its subsidiaries.

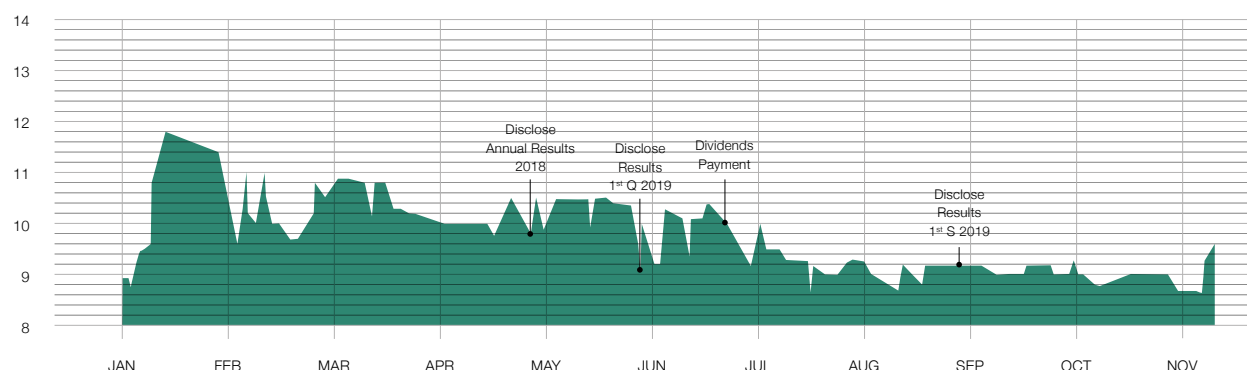
During the third trimester of the year we monitor regularly and in detail the current management of the subsidiaries, giving particular attention and support to streamline processes and control costs.

## **2. SHARE CAPITAL, SHARES AND DIVIDENDS**

At 30<sup>th</sup> September 2019, the share capital of Estoril-Sol, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five).

At the time this report was prepared, Estoril-Sol, S.G.P.S., S.A. held 62.565 treasury shares, with no trading taking place during the financial year.

## 01. Estoril-Sol, S.G.P.S., S.A., shares price evolution



## 02. Date for disclosing Estoril-Sol, S.G.P.S., S.A. information

DISCLOSURE	DATE	QTD	PRICE (EUR)			
			Open	High	Low.	Close
Annual Results for 2018	29/04/2019	100	9,80	9,80	9,80	9,80
Disclose Results 1 <sup>st</sup> Quarter 2019	30/05/2019	557	9,10	9,10	9,10	9,10
Dividends Payment	24/06/2019	164	10,00	10,00	10,00	10,00
Disclose Results 1 <sup>st</sup> Semester 2019	26/08/2019	1050	9,20	9,20	9,20	9,20

## 03. Company Shareholders



57,79% Finansol, Sociedade de Controlo, S.G.P.S., S.A.  
32,67% Amorim, Entertainment e Gaming International, S.G.P.S., S.A.  
9,03% Other Shareholders  
0,52% Treasury Shares

During the current year, the Company, did not sold or acquired own shares.

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986.

In June 2019 the Company paid a dividend of € 0,419 per share related to the year 2018 — **01.**

The price and trading volume of Estoril-Sol, S.G.P.S., SA securities, on the dates of reporting to the market during the first nine months of 2019 were according to table **02.**

As at September 30th, 2019 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics to the right — **03.**

## 3. ESTORIL-SOL GROUP

On September 30<sup>th</sup>, 2019, Estoril-Sol, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

### ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A.

Incorporated on 26 July 2001, headquartered in Estoril, the social object of which is the operation of games of chance in areas where this is permitted by law and, in addition, may also operate in the tourism, hotel, restaurant and entertainment industries, as well as providing consultancy services in those areas of activity.

This company operates the Estoril and Lisbon Casinos. Its share capital of EUR 34,000,000 is 100% held by Estoril-Sol, S.G.P.S., S.A.

### ESTORIL-SOL DIGITAL ONLINE GAMING PRODUCTS AND SERVICES, S.A.

With a Share Capital of EUR 500.000 is 50% held by Estoril-Sol (III) – Turismo, Animação e Jogo, S.A.

The Company was founded in September 2015 in order to apply for an online gaming license. The license was issue during July 2016 and the Company immediately started exploring the online gambling activity. During the course of 2017, in August, the company also obtained a license for online sports betting, activity that began on August 6th, 2017. Within the online gaming activities, which is carried out through Estoril-Sol Digital, Online Gaming Products and Services, S.A., a subsidiary company of Estoril-Sol (III) – Turismo, Animação e Jogo, S.A., a company owned by





## Estoril-Sol Group

Holds 10% of its Share Capital



**S.G.P.S., S.A.**

**0%**

Estoril-Sol  
Imobiliária, S.A.\*

**100%**

Varzim Sol  
Turismo, Jogo  
e Animação, S.A.

**100%**

Estoril-Sol (III)  
Turismo, Animação  
e Jogos, S.A.

**50%**

Estoril-Sol Digital  
Online Gaming  
Products and  
Services, S.A.

**100%**

Estoril-Sol  
Imobiliária, S.A.

the issuer (Estoril-Sol, S.G.P.S., S.A.), signed with Vision Gaming Holding Limited, a company based in Malta, an association agreement, through which it holds a minority interest, corresponding to 49.9998% of the share capital of Estoril-Sol Digital, keeping the Estoril-Sol (III) S.A. most of the capital and votes in that company (Estoril-Sol Digital, Online Gaming Products and Services, S.A.).

#### **VARZIM SOL - ANIMAÇÃO, TURISMO E JOGO, S.A.**

Headquartered in Póvoa de Varzim, has the social object, in particular, of operating the gambling concession of Póvoa de Varzim. This company operates the Póvoa de Varzim Casino. It has a share capital of EUR 33.650.000, 100% held by Estoril-Sol, S.G.P.S., S.A..

#### **ESTORIL-SOL (V)**

##### **Investimentos Imobiliários, S.A.**

Its share capital of EUR 50,000 is fully paid up by Estoril-Sol, S.G.P.S., S.A.. The Company is now idle, but owns a site located on maritime land in the parish of Ericeira.

#### **DTH - DESENVOLVIMENTO**

##### **TURÍSTICO E HOTELEIRO, S.A.**

With a share capital of EUR 2,429,146, is 100% held by Estoril-Sol, S.G.P.S., S.A.. It owns a plot of land in Monte Estoril, where the former Miramar Hotel stood.

#### **ESTORIL-SOL IMOBILIÁRIA, S.A.**

With a share capital of EUR 7,232,570, it is 100% owned by Estoril-Sol, S.G.P.S., S.A.. Its social object is the construction, promotion, management and sale of tourist complexes and real estate.

#### **ESTORIL-SOL - INVESTIMENTOS HOTELEIROS, S.A.**

With a share capital of EUR 10,835,000 is 90% held by Estoril-Sol, S.G.P.S., S.A., with the remaining 10% being held by the company itself.

#### **ESTORIL-SOL E MAR**

##### **INVESTIMENTOS IMOBILIÁRIOS, S.A.**

With a share capital of EUR 1.286.000, is fully paid up by Estoril-Sol, S.G.P.S., S.A..

### **4. ESTORIL-SOL FINANCIAL ANALYSIS**

#### **3<sup>RD</sup> QUARTER SUMMARY**

##### **Game Revenues**

During the first nine months of 2019 the total gross game revenues of the Estoril Sol Group (territorial and online) amounted to 171,9 million Euros, with an overall growth of 2,6%. Game revenues generated by the territorial operation decreased 2,6% and amounted to 143,1 million Euros.

Revenues from the territorial operation fell in all casinos of Estoril-Sol Group, with special relevance for Casino Estoril and Casino da Póvoa. Online game revenues grew 39,8% driven by sports betting and amounted to 28,8 million Euros — see [4A](#) and [4B](#).

##### **Group Consolidated Results**

In the first nine months of 2019 the Group's Consolidated EBITDA slightly decreased compared to the same period last year (-1%) and amounted to 31,1 million Euros.

As at 30<sup>th</sup> September 2019 the Group reported positive consolidated net results of 16 million Euros, an overall decrease of 0,1% compared to the same period from last year. — see [4C](#).

##### **Performance by Segment/Casino**

During the first nine months of 2019 all of the Group land based casinos worsened their results compared to

the same period last year. Casino Estoril and Casino Póvoa Casino have negative net results, but the operating results (EBITDA) of these casinos are positive.

The online operation significantly improved its results in the first nine months of 2019.

This improvement stems essentially from the good performance of gaming revenues, which has occurred both in casino games and in the sports betting segment — [4D](#).

##### **Capex**

The Group's investment remained in line with previous years, although it has slightly decreased, mainly within Casino Estoril and Casino Lisboa, which game concession ends on December 2020. In the first nine months of 2019, the Group made investments totaling 1,7 million Euros — see [4E](#).

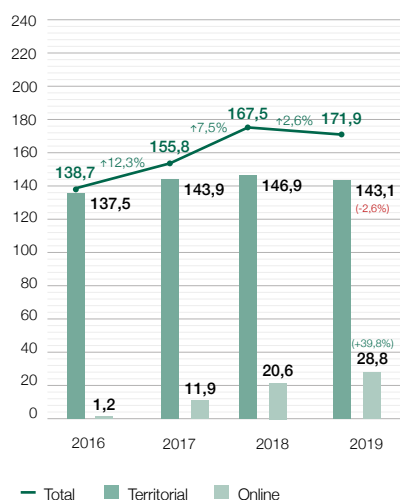
##### **Financial Debt**

In a concerted effort to financial stability and less dependence on third parties, the Group has consistently reduced its bank debt, this reduction resulted in a significant decrease in financial costs incurred by the Group.

By the end of September 2019 the Group's balance sheet no longer shows the existence of bank liabilities, which is of particular importance given the near end of the Estoril game concession - see [4F](#).

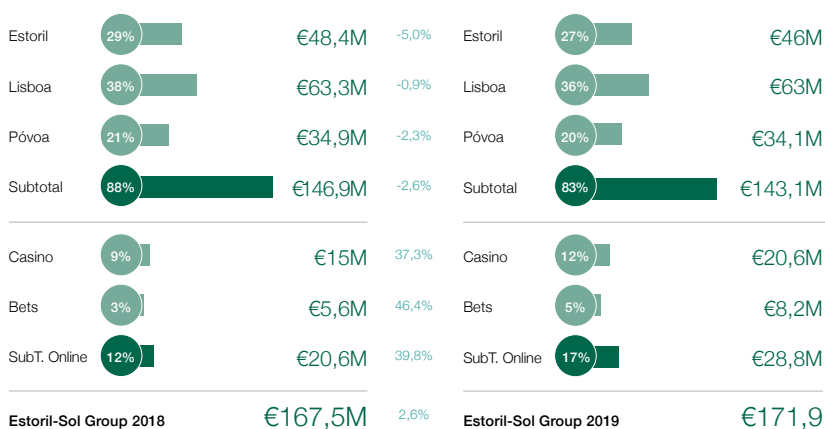
#### 4A Game Revenue

Million Euros



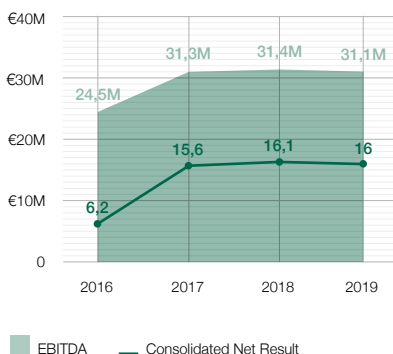
#### 4B Game Revenue by Casino

Million Euros



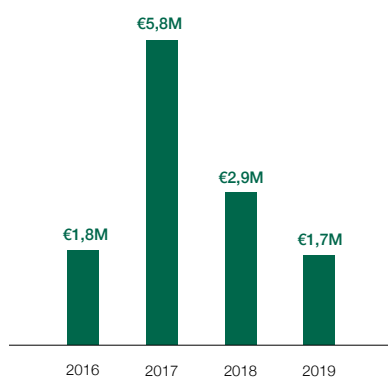
#### 4C EBITDA/Consolidated Net Result

Million Euros



#### 4E Capex

Million Euros



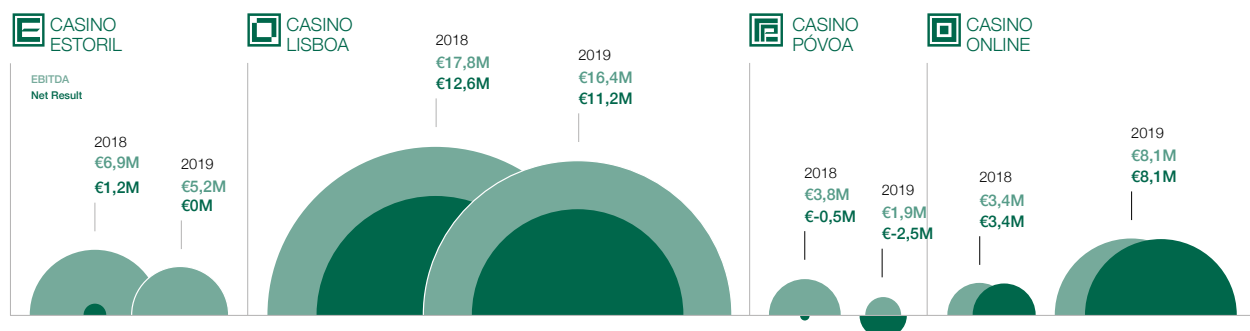
#### 4F Financial Debt

Million Euros



#### 4D EBITDA/Net Result

Million Euros





## 5 Consolidated Income Statement

	September 2019	September 2018	var. %
Gaming Revenue	171 915 108	167 562 635	2,6%
Special Gaming Tax	-88 889 744	-87 219 096	a)
Effective Tax Rate	52%	52%	
<b>Game Revenue - Net</b>	<b>83 025 363</b>	<b>80 343 539</b>	<b>3,3%</b>
Other revenue ( F&B/Entertainment )	6 693 569	6 871 693	-2,6%
Operating costs	-58 605 518	-55 794 782	5,0%
<b>EBITDA</b>	<b>31 113 414</b>	<b>31 420 450</b>	<b>-1,0%</b>
Amortization and Depreciation	-14 792 221	-14 724 953	0,5%
Financial Costs	-180 974	-532 981	-66%
Corporate Income Tax (IRC)	-45 500	-45 500	
<b>Consolidated Net Result</b>	<b>16 094 719</b>	<b>16 117 016</b>	<b>-0,1%</b>
Equity holders of the Parent Company	12 038 613	14 410 849	
Non-controlling interests	4 056 106	1 706 167	
	16 094 719	16 117 016	

a) Includes the amounts recorded in "Gaming taxes" as "Special Gaming Tax (current)" and "Annual gaming tax (difference to minimum grant)".

## 5. FINANCIAL ANALYSIS CONSOLIDATED ACCOUNTS

During the first nine months of 2019, the Group recorded combined gross game revenues, territorial and online, of 171,9 million Euros, with an overall growth of 2,6%. Net from gaming taxes, the Group's total game revenues amounted to 83 million Euros, an increase of 3,3% over the 80,3 million Euros achieved in the first nine months of the previous year.

The net game revenue continues to be negatively impacted by the application of the annual gaming tax minimum consideration in the case of Casino da Póvoa and by the singularity of the sports betting tax whose tax base is the value of the bets placed by the players and not the gross revenue (total bets placed minus players winnings) as in other casino games, be it territorial or online. The Estoril-Sol Group gaming revenue was positively influenced by the growth of online gaming revenue (+ 39,8%) and negatively by the overall drop of the gaming revenue generated in land-based operations (-2,6%).

The other operating revenues of Estoril-Sol, restaurant and entertainment, also decreased by 2,6% to 6,6 million Euros. The Group's 5% increase in operating costs reflects the Group's investment in streamlining and increasing the entertainment, leisure and restaurant offer in the casinos, but mainly reflects the strong investment in marketing and advertising, and in the offering of new online games, carried out by the Group in the first nine months of 2019 related with the online casino operation. This strong commitment and investment, in line with the investment policy also adopted during the last year, proved to be essential to the growth and market share increase of this new operation, the online casino.

The increase in the online game revenues during the first nine months of 2019 was not sufficient to keep up with strong investment in marketing and advertising in order to improve the entertainment and leisure areas of the land based casinos, which combined with the decline in territorial game revenues (-2,6 %), resulted to a 0,1% deterioration in the Group's operating

results, while the Group recorded a positive EBITDA of Euro 31,1 million in 2019 compared with Euro 31,4 million in 2018.

The Consolidated Net Profit in the first nine months of 2019 was positive by 16 million Euros compared with earnings of 16,1 million Euros in the previous year. Of these 16 million Euros, 12 million Euros belong to the shareholders of Estoril-Sol, S.G.P.S., S.A., and the remainder held by minority and non-controlling interests.

## 6. RELEVANT FACTS

During the first quarter of 2013, after a unanimous vote taken at the headquarters of the Portuguese Association of Casinos as well as within the Board of Estoril-Sol, the operating companies from the Group Estoril-Sol, have filed lawsuits against the State in which they seek to be restored the financial balance of Gaming Concessions. Such a claim is founded, among other reasons, because the State, through its actions



and omissions has given rise to changes in circumstances that were the basis for the negotiation of the gaming concessions. Of them highlights the fact that it was assumed for tax basis a continuing and significant increase of gaming revenue throughout the concession period. Despite not having checked this proposition due to the economic climate and as a result of the State attitude in relation to online gambling and illegal gambling, among others, it continued to require them to pay very high taxes, calculated on revenue that the Concessionaires did not obtain. Thus, remained no alternative to the Concessionaires that was not to challenge with the competent Administrative and Fiscal Courts the settlements of tax to which they were presented, and for that purpose submit the necessary judicial guarantees. However by the time of approval of this report, and despite the fact that all tax settlements were contested by the Group, all taxes are without exception, or paid or its payment was legally postponed under Decree-Law 1/2015, and for this reason the Group Estoril-Sol does not have any overdue debt related with game taxes. (note 14 and 15 to the consolidated accounts).

## 7. SUBSEQUENT FACTS

Between the 30<sup>th</sup> of September 2019 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, S.G.P.S., S.A. and the other Companies of the Group.

## 8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) nº1 of article 246 of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

- The information contained in the interim management report is a faithful statement of the evolution of the business, of the performance and of the position of Estoril-Sol, S.G.P.S., S.A., and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face;
- The information contained in the consolidated financial statements, as well as their annexes, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation and the results of Estoril-Sol, S.G.P.S., S.A. and the companies included in the consolidation perimeter.

Estoril, 30<sup>th</sup> October 2019

## THE BOARD OF DIRECTORS

### *Chairman*

Stanley Hung Sun Ho

### *Vice-Chairman*

Mário Alberto Neves Assis Ferreira

Patrick Wing Ming Huen

### *Directors*

Pansy Catilina Chiu King Ho

Ambrose Shu Fai So

Man Hin Choi

António José de Melo Vieira Coelho

Vasco Esteves Fraga

Jorge Armindo de Carvalho Teixeira

Calvin Ka Wing Chann

Miguel António Dias Urbano de Magalhães Queiroz



# Appendix to the Management Report

Information regarding the securities issued by Estoril-Sol, S.G.P.S., S.A., and by companies with which the Company is in controlling or group relationship, which are owned by the members of the Corporate Offices of the Company on 30<sup>th</sup> September 2019:

	Nr. Shares 31.12.2018	Date	Value (€/share)	Nr. Shares Purchased	Nr. Shares Sold	Nr. Shares 30.09.2019
<b>Board of Directors</b>						
<i>Stanley Hung Sun Ho</i>	135 662	-	-	-	-	135 662
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Patrick Wing Ming Huen	55 000	-	-	-	-	55 000
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Ambrose Shu Fai So	50 000	-	-	-	-	50 000
Man Hin Choi	527	-	-	-	-	527
António José de Melo Vieira Coelho	0	-	-	-	-	0
Vasco Esteves Fraga	608	-	-	-	-	608
Jorge Armindo de Carvalho Teixeira	0	-	-	-	-	0
Calvin Ka Wing Chann	1 000	-	-	-	-	1 000
Miguel António Dias Urbano de Magalhães Queiroz	0	-	-	-	-	0
<b>Advisory Board</b>						
Rui José da Cunha	12 300	-	-	-	-	12 300
<b>Audit Board</b>						
Manuel Maria Reis Boto	0	-	-	-	-	0
Vítor Pratas Sevilhano Ribeiro	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
<b>Statutory Auditor</b>						
Pedro Miguel Argente de Freitas e Matos Gomes	0	-	-	-	-	0

# Holder's of qualified Shareholdings

**FINANSOL, SOCIEDADE  
DE CONTROLO, S.G.P.S., S.A.**

On 30<sup>th</sup> September 2019, Estoril-Sol, S.G.P.S., S.A. held 62.565 treasury shares, and as Finansol - Sociedade de Controlo, S.G.P.S., S.A., on 30<sup>th</sup> September 2019, held 6.930.604 shares of Estoril-Sol, S.G.P.S., S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under Estoril-Sol, held 255,698 shares of Estoril-Sol, S.G.P.S., S.A., corresponding to 2,1% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of Finansol in the capital of Estoril-Sol is 57,79%, and 60,23% to the voting rights.

**AMORIM - ENTERTAINMENT E  
GAMING INTERNATIONAL, S.G.P.S, S.A.**

On 30<sup>th</sup> September 2019, Estoril-Sol, S.G.P.S., S.A. held 62.565 treasury shares, and, as Amorim – Entertainment e Gaming International, S.G.P.S., S.A. held 3.917.793 shares, this company was a direct holder of 32,67% of the share capital and 32,84% of the voting rights of Estoril-Sol, S.G.P.S., S.A..

# Financial Statements



# **CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION** **ON SEPTEMBER 30<sup>TH</sup>, 2019 AND DECEMBER 31<sup>ST</sup> 2018**

Amounts in Euros

	Notes	Sep 2019	Dec 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets:			
Reversible to the State		22 324 569	29 738 634
Not reversible to the State		52 273 566	53 741 203
Tax deductions on investments		(9 173 119)	(12 185 193)
		<b>65 425 015</b>	<b>71 294 644</b>
Intangible assets	10	20 095 497	28 061 255
Investment properties		183 529	187 694
Other non current assets		61 817	46 906
<b>TOTAL NON-CURRENT ASSETS</b>		<b>85 765 858</b>	<b>99 590 499</b>
<b>CURRENT ASSETS</b>			
Inventories		6 933 494	6 936 186
Accounts receivable - trade		213 580	507 684
Current tax assets		22 200	34 200
Other current assets		1 949 020	3 362 737
Cash and cash equivalents	11	68 681 352	53 470 364
<b>TOTAL CURRENT ASSETS</b>		<b>77 799 647</b>	<b>64 311 172</b>
<b>TOTAL ASSETS</b>		<b>163 565 505</b>	<b>163 901 670</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Capital		59 968 420	59 968 420
Treasury shares		(708 306)	(708 306)
Share issue premiums		960 009	960 009
Legal Reserves	12	8 375 784	7 688 178
Other Reserves and Retained earnings	12	18 817 817	10 753 303
Consolidated net profit	16	12 038 613	13 752 121
Equity attributable to the holders of the Parent Company		99 452 338	92 413 725
Equity attributable to non-controlling interests	13	5 949 554	3 513 973
<b>TOTAL EQUITY</b>		<b>105 401 893</b>	<b>95 927 699</b>
<b>LIABILITIES</b>			
Non-current Liabilities:			
Other non-current liabilities	14	2 489 616	2 489 616
Provisions		9 423 084	9 023 428
<b>Total non-current liabilities</b>		<b>11 912 700</b>	<b>11 513 044</b>
Passivo corrente:			
Current tax liabilities		45 500	114 645
Other current liabilities	14	46 205 412	56 346 283
<b>Total current liabilities</b>		<b>46 250 912</b>	<b>56 460 928</b>
<b>TOTAL LIABILITIES</b>		<b>58 163 612</b>	<b>67 973 971</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>163 565 505</b>	<b>163 901 670</b>

The notes form an integral part of these financial statements.



# **CONSOLIDATED INCOME STATEMENT OF THE PERIODS ENDED ON 30<sup>TH</sup> SEPTEMBER, 2019 AND 2018**

Amounts in Euros

	Notes	30 September		3 <sup>rd</sup> Quarter	
		2019	2018	2019	2018
REVENUE					
Gaming revenues	6	171 915 108	167 562 635	59 929 573	59 113 033
Gaming taxes	6	(88 889 744)	(87 219 096)	(30 160 584)	(31 018 666)
		83 025 363	80 343 539	29 768 989	28 094 367
Other operating revenue	6	6 693 568	6 871 693	2 118 107	2 370 112
		89 718 932	87 215 232	31 887 096	30 464 479
OPERATING EXPENSES					
Cost of sales		(2 163 132)	(2 135 756)	(682 450)	(744 583)
Supplies and external services	7	(28 765 544)	(26 337 655)	(9 939 579)	(9 126 338)
Wages and salaries	8	(25 938 924)	(25 525 956)	(8 806 578)	(8 859 149)
Depreciation and amortization		(14 355 155)	(14 683 544)	(4 813 207)	(4 923 346)
Impairments - accounts receivable ( (increases)/reversals )		-	450	-	-
Provisions ( (increases)/reversals )		(437 066)	(41 409)	(144 000)	-
Other operating expenses		(1 737 918)	(1 795 865)	(627 226)	(645 247)
Total operating expenses		(73 397 739)	(70 519 735)	(25 013 041)	(24 298 664)
INCOME BEFORE FINANCIAL RESULTS AND TAXES		16 321 193	16 695 497	6 874 055	6 165 815
FINANCIAL (LOSSES) AND GAINS					
Financial losses	9	(224 614)	(574 708)	(66 621)	(137 772)
Financial gains	9	43 640	41 727	12 549	11 518
		(180 974)	(532 981)	(54 072)	(126 254)
Income before taxes		16 140 219	16 162 516	6 819 983	6 039 561
Income taxes		(45 500)	(45 500)	(42 000)	(42 000)
Consolidated Net Income	16	16 094 719	16 117 016	6 777 983	5 997 561
Attributable to:					
Equity holders of the Parent Company		12 038 613	14 410 849	5 075 747	5 691 595
Non-controlling interests	13	4 056 106	1 706 167	1 702 236	305 967
		16 094 719	16 117 016	6 777 982	5 997 561
Net result per share					
Basic and diluted	16	1,01	1,21	0,43	0,48

The notes form an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30<sup>TH</sup> SEPTEMBER 2019 AND 2018

Amounts in Euros

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other Reserves & Retained Earnings	Consolidated net result of the year	Total	Non controlling interests (Note 13)	Total Equity
Balance at 01st January 2018	59 968 420	(708 306)	960 009	7 154 428	5 209 045	10 675 008	83 258 604	3 268 850	86 527 454
Application of the consolidated net profit of the year ended 31 <sup>st</sup> December 2017	-	-	-	533 750	5 551 258	(10 675 008)	(4 590 000)	-	(4 590 000)
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(2 070 185)	(2 070 185)
Consolidated Other Comprehensive Income (OCI) of the year ended 30 <sup>th</sup> September 2018	-	-	-	-	-	14 410 849	14 410 849	1 706 167	16 117 016
<b>Balance at 30<sup>th</sup> September 2018</b>	<b>59 968 420</b>	<b>(708 306)</b>	<b>960 009</b>	<b>7 688 178</b>	<b>10 760 302</b>	<b>14 410 849</b>	<b>93 079 453</b>	<b>2 904 832</b>	<b>95 984 288</b>
Balance at 01 <sup>st</sup> January 2019	59 968 420	(708 306)	960 009	7 688 178	10 753 303	13 752 121	92 413 725	3 513 973	95 927 699
Application of the consolidated net profit of the year ended 31 <sup>st</sup> December 2018	-	-	-	687 606	8 064 515	(13 752 121)	(5 000 000)	-	(5 000 000)
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(1 620 524)	(1 620 524)
Consolidated Other Comprehensive Income (OCI) of the year ended 30 <sup>th</sup> September 2019	-	-	-	-	-	12 038 613	12 038 613	4 056 106	16 094 718
<b>Balance at 30<sup>th</sup> September 2019</b>	<b>59 968 420</b>	<b>(708 306)</b>	<b>960 009</b>	<b>8 375 784</b>	<b>18 817 817</b>	<b>12 038 613</b>	<b>99 452 338</b>	<b>5 949 554</b>	<b>105 401 893</b>

The notes form an integral part of these financial statements.

# **CONSOLIDATED CASH FLOW STATEMENTS** **FOR PERIODS ENDED 30<sup>TH</sup> SEPTEMBER 2019 AND 2018**

Amounts in Euros

	Notes	30 September		3 <sup>rd</sup> Quarter	
		2019	2018	2019	2018
OPERATING ACTIVITIES:					
Receipts from clients		176 610 381	172 407 993	61 405 353	60 778 584
Payments to suppliers		(37 822 093)	(30 234 678)	(11 984 775)	(10 846 110)
Payments to staff		(22 068 579)	(22 583 261)	(7 092 428)	(7 294 026)
Cash flow generated by operations		116 719 709	119 590 054	42 328 150	42 638 448
Payment of income tax		(101 627)	(119 282)	2 324	(306)
Payment of Special Gaming tax		(91 049 184)	(83 823 296)	(22 413 303)	(24 748 436)
Other payments relating to the operating activity		(4 010 371)	(3 872 906)	(1 410 616)	(1 502 029)
Cash flow from operating activities (1)		21 558 527	31 774 570	18 506 554	16 387 677
INVESTING ACTIVITIES					
Receipts from:					
Loans to related parties		1 700 000	-	-	-
Interest and similar income		38 106	31 606	12 549	11 518
		1 738 106	31 606	12 549	11 518
Payments in respect of:					
Tangible fixed assets		(1 295 657)	(1 540 556)	(347 858)	(120 450)
Intangible assets		(12 000)	-	(12 000)	-
Loans to related parties		-	(1 700 000)	-	-
		(1 307 657)	(3 240 556)	(359 858)	(120 450)
Cash flow from investment activities (2)		430 449	(3 208 950)	(347 309)	(108 932)
FINANCING ACTIVITIES					
Receipts from:					
Bank loans obtained		31 860 588	322 389 337	3 057	1 646 315
		31 860 588	322 389 337	3 057	1 646 315
Payments in respect of:					
Bank loans repaid		(31 860 588)	(328 243 436)	(3 057)	(4 227 114)
Interest and similar costs		(167 726)	(464 806)	(28 541)	(69 744)
Dividends		(6 610 261)	(6 654 430)	-	-
		(38 638 576)	(335 362 672)	(31 598)	(4 296 858)
Cash flow from financing activities (3)		(6 777 988)	(12 973 335)	(28 541)	(2 650 543)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)					
		15 210 988	15 592 285	18 130 704	13 628 203
Cash and cash equivalents at the start of the period	11	53 470 364	24 998 841	50 550 648	26 962 924
Cash and cash equivalents at the end of the period	11	68 681 352	40 591 126	68 681 352	40 591 127

The notes form an integral part of these financial statements.

# Notes to the Financial Statements

## 1. INTRODUCTION

The Estoril-Sol Group, through its subsidiary and associated companies (Note 4), conducts business in gaming, the restaurant sector, entertainment and also real estate.

Estoril-Sol, S.G.P.S., S.A. is the Holding Company of the Estoril-Sol Group ("Group") and the shares representing its share capital are admitted for trading on a regulated market - the Euronext – as such, on 1 January 2005 it was obliged to prepare Consolidated Accounts pursuant to article 3 of Regulation (EC) no. 1606/2002, of the European Parliament and of the Council, of 19 July, following the Portuguese government's publication of Decree Law no. 35/2005, article 11.

## 2. MAIN ACCOUNTING POLICIES

### 2.1. Bases of presentation

The attached financial statements were prepared on the assumption of the continuity of operations, based on the books and accounting records of the companies included in the consolidation (Note 4), adjusted to comply with the provisions of the IAS 34 as adopted in the European Union and should be read together with the consolidated financial statements for the year ended 31<sup>st</sup> December 2018. The interim financial information now disclose was not subjected to an external audit or limited review.

## 3. JUDGMENTS OF VALUE, CRITICAL ASSUMPTIONS AND MAIN SOURCES OF UNCERTAINTY ASSOCIATED TO ESTIMATES

During the period ended on 30<sup>th</sup> September 2019, there were no changes in accounting policies in relation to those used in the preparation and presentation of the financial statements of the year ended on 31<sup>st</sup> December 2018, nor were any material errors recognised relating to previous periods.

## 4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

### 4.1 Companies included in the consolidation

The companies included in the consolidation, their registered offices, the method of consolidation adopted and the proportion of the capital effectively held on 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018 are the following:

Name	Head Office	Method of Consolidation	Effective percentage of the capital held	
			September 2019	December 2018
Estoril-Sol, S.G.P.S., S.A.	Estoril	Integral	Holding Co.	Holding Co.
Estoril-Sol (III) - Turismo, Animação e Jogo, S.A.	Estoril	Integral	100	100
Varzim Sol - Turismo, Jogo e Animação, S.A.	Póvoa de Varzim	Integral	100	100
Estoril-Sol V - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	Estoril	Integral	100	100
Estoril-Sol Imobiliária, S.A.	Estoril	Integral	100	100
Estoril-Sol - Investimentos Hoteleiros, S.A.	Estoril	Integral	100	100
Estoril-Sol e Mar - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
Estoril-Sol Digital, Online Gaming Products and Services, S.A. (a)	Estoril	Integral	50	50

## 5. REPORTING BY SEGMENTS

The segments reportable by the Group are based on the identification of segments in line with the financial information that is reported internally to the Board of Directors and which supports the Board in its evaluation of the performance of the businesses and in taking decisions with regard to the allocation of the resources to be used. The segments identified by the Group for reporting by segments, are therefore consistent with the way in which the Board of Directors analyses its business, corresponding to:

- the Estoril Gaming Concession the Estoril Casino and Lisbon Casino;
- the Póvoa de Varzim Gaming Concession the Póvoa Casino;
- the Online gambling license to Casino Online and Sports Betting;
- and “Others”, essentially including the effect of the holding companies and of the other operating activities of the Group.

On 30<sup>th</sup> September 2019 and 2018, the information by business segment, is as follows:

30 September 2019							
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling Online Casino	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino			
Net assets	35 174 502	74 729 080	109 903 582	21 228 006	21 590 734	10 843 183	163 565 505
Net liabilities	5 959 194	18 027 580	23 986 774	19 696 388	9 691 577	4 788 873	58 163 612
Result of the segment	(18 625)	11 259 574	11 240 948	(2 536 357)	8 112 247	(722 120)	16 094 719
Investment assets:							
Tangible fixed	457 397	414 548	871 945	857 471	8 740	-	1 738 156
Intangible	-	-	-	-	12 000	-	12 000

30 September 2018							
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling Online Casino	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino			
Net assets	33 914 012	72 015 831	105 929 843	22 983 972	15 874 486	8 652 444	153 440 745
Net liabilities	8 006 457	18 292 838	26 299 295	17 371 314	10 064 798	3 721 038	57 456 445
Result of the segment	1 248 551	12 664 351	13 912 902	(543 291)	3 412 348	(664 943)	16 117 016
Investment assets:							
Tangible fixed	770 910	345 295	1 116 205	1 796 536	13 570	-	2 926 311
Intangible	-	-	-	-	-	-	-

## 6. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30<sup>th</sup> September 2019 and 2018, is split in the following manner:

September 2019						
Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling Online Casino	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
Slot Machines	34 913 467	50 580 725	85 494 192	29 474 298	20 220 734	135 189 224
Table based gaming	11 225 366	12 641 422	23 866 788	4 641 252	2 983 750	31 491 790
Sports betting	-	-	-	-	9 813 866	9 813 866
Bonuses and other fair value adjustments	(135 444)	(187 499)	(322 943)	(20 681)	(4 236 148)	(4 579 772)
	46 003 389	63 034 648	109 038 037	34 094 869	28 782 202	171 915 108
Gaming taxes:						
Special Gaming Tax (current)	(23 069 416)	(31 611 074)	(54 680 490)	(17 057 775)	(13 321 754)	(85 060 019)
Annual Gaming Tax (difference to minimum grant)	-	-	-	(3 829 725)	-	(3 829 725)
	(23 069 416)	(31 611 074)	(54 680 490)	(20 887 500)	(13 321 754)	(88 889 744)
Other operating revenues:						
F&B and Entertainment	3 278 150	531 521	3 809 672	832 821	-	4 642 493
Tax deductions - Entertainment	841 638	632 221	1 473 860	341 155	-	1 815 015
Supplementary income	174 297	20 997	195 294	11 584	-	206 878
Other	1 288	0	1 288	27 044	850	29 182
	4 295 374	1 184 740	5 480 114	1 212 604	850	6 693 568
	27 229 348	32 608 314	59 837 661	14 419 973	15 461 298	89 718 932

September 2018						
Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling Online Casino	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
Slot Machines	36 292 400	51 681 490	87 973 890	29 336 140	14 990 431	132 300 461
Table based gaming	12 200 539	12 128 942	24 329 481	5 603 321	3 052 733	32 985 535
Sports betting	-	-	-	-	8 299 083	8 299 083
Bonuses and other fair value adjustments	(68 362)	(175 143)	(243 505)	(54 970)	(5 723 969)	(6 022 444)
	48 424 577	63 635 289	112 059 866	34 884 491	20 618 278	167 562 635
Gaming taxes:						
Special Gaming Tax (current)	(24 246 470)	(31 905 216)	(56 151 686)	(17 469 731)	(10 637 419)	(84 258 836)
Annual Gaming Tax (difference to minimum grant)	-	-	-	(2 960 260)	-	(2 960 260)
	(24 246 470)	(31 905 216)	(56 151 686)	(20 429 990)	(10 637 419)	(87 219 096)
Other operating revenues:						
F&B and Entertainment	3 016 480	520 739	3 537 219	793 189	-	4 330 408
Tax deductions - Entertainment	867 456	638 104	1 505 561	718 951	-	2 224 512
Supplementary income	191 358	25 351	216 709	12 832	-	229 541
Other	53 569	33 663	87 232	-	-	87 232
	4 128 864	1 217 855	5 346 720	1 524 972	-	6 871 693
	28 306 971	32 947 928	61 254 900	15 979 473	9 980 859	87 215 232

Income from the segments comes from transactions with external customers. There are no transactions between segments. The accounting policies of each segment are the same as those of the Group.

## 7. EXTERNAL SUPPLIES AND SERVICES

In the periods ended on 30<sup>th</sup> September 2019 and 2018, external supplies and services were as follows:

	September 2019	September 2018
Gifts to customers	3 700 474	3 346 149
Advertising	3 667 225	4 174 928
Fees	3 172 153	2 321 560
Subcontracts	3 114 916	2 943 136
Energy and other fluids	2 250 548	2 107 411
Conservation and repairs	2 096 017	1 776 014
Cleaning and laundry	1 950 786	1 903 999
Specialized work	1 714 923	1 609 105
Financial services (commissions)	1 688 268	1 275 568
Surveillance and security	1 584 643	1 329 310
Royalties	1 572 750	1 361 634
Rents	990 740	972 047
Insurance	309 480	304 313
Communication	259 232	256 421
Travel and hotels	210 948	179 671
Other	482 440	476 387
	<b>28 765 544</b>	<b>26 337 655</b>

## 8. STAFF COSTS

In the periods ended on 30<sup>th</sup> September 2019 and 2018, staff costs were as follows:

	September 2019	September 2018
Remuneration of governing bodies	2 217 609	2 207 275
Remuneration of staff	17 483 556	17 007 878
Indemnities	363 093	483 141
Charges on remuneration	4 495 370	4 381 986
Insurance	137 017	165 136
Social charges	987 791	995 005
Other	254 489	285 535
	<b>25 938 924</b>	<b>25 525 956</b>



## 9. NET FINANCIAL COSTS

Financial costs and income for the periods ended on 30<sup>th</sup> September 2019 and 2018 is broken down as follows:

	September 2019	September 2018
<b>FINANCIAL COSTS</b>		
Interest borne:		
Financing from banks	(126 029)	(453 066)
Finance and operating leasing	(98 585)	(121 642)
	<b>(224 614)</b>	<b>(574 708)</b>
<b>FINANCIAL INCOME</b>		
Interests from bank deposits	8 535	10 121
Exchange gains	11 628	11 570
Other	23 477	20 036
	<b>43 640</b>	<b>41 727</b>
<b>NET FINANCIAL COSTS</b>	<b>(180 974)</b>	<b>(532 981)</b>

## 10. INTANGIBLE ASSETS

The breakdown of intangible assets on 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018 is as follows:

Gaming Cooncession	September 2019		
	Gross Assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
Casino Estoril	153 576 455	(146 315 353)	7 261 102
Casino Lisboa	30 000 000	(27 298 521)	2 701 479
Póvoa Gaming Concession - Casino da Póvoa	77 034 117	(66 918 396)	10 115 721
	<b>260 610 572</b>	<b>(240 532 270)</b>	<b>20 078 302</b>
Intangible assets - Online gaming license	50 000	(36 733)	13 267
Intangible assets - Online sports betting	14 000	(10 072)	3 928
	<b>260 674 572</b>	<b>(240 579 075)</b>	<b>20 095 497</b>

Gaming Cooncession	December 2019		
	Gross Assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
Casino Estoril	153 576 455	(141 676 612)	11 899 843
Casino Lisboa	30 000 000	(25 755 664)	4 244 336
Póvoa Gaming Concession - Casino da Póvoa	77 034 117	(65 133 269)	11 900 848
	<b>260 610 572</b>	<b>(232 565 545)</b>	<b>28 045 027</b>
Intangible assets - Online gaming license	38 000	(29 200)	8 800
Intangible assets - Online sports betting	14 000	(6 572)	7 428
	<b>260 662 572</b>	<b>(232 601 317)</b>	<b>28 061 255</b>

## 11. CASH AND CASH EQUIVALENTS

On 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018, this caption was broken down as follows:

Rubrica	September 2019	December 2018
<b>Cash</b>	<b>7 587 004</b>	<b>7 736 393</b>
Bank Deposits:		
Immediately available bank deposits	51 094 349	33 233 971
Long term deposits (a)	10 000 000	12 500 000
<b>CASH AND CASH EQUIVALENTS</b>	<b>68 681 352</b>	<b>53 470 364</b>

(a) Relating to bank deposits that may be immediately mobilized with risk of loss of interest.

## 12. OTHER RESERVES AND RETAINED EARNINGS

The balance of this caption at 30<sup>th</sup> September 2019 corresponds to the value of the caption as at 31<sup>st</sup> December 2018 plus the appropriation of part of the net profit attributable to the parent company for the year 2018 applied in accordance with the Proposal for the Application of Profits for the year 2018.

## 13. NON-CONTROLLING INTERESTS

On 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018, this caption was broken down as follows:

Company	September 2019			
	Opening Balance	Profit/(Loss) of the period	Dividends	Closing Balance
Estoril-Sol Digital	3 513 973	4 056 106	(1 620 525)	5 949 554

Company	December 2018			
	Opening Balance	Profit/(Loss) of the period	Dividends	Closing Balance
Estoril-Sol Digital	3 268 850	2 315 302	(2 070 179)	3 513 973

## 14. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018, this caption was broken down as follows:

	September 2019	December 2018
<b>OTHER ACCOUNTS PAYABLE - NON-CURRENT</b>		
Annual payment - Difference to minimum grant		
Installments payment schedule - approved for 2014 (a)	2 489 616	2 489 616
	<b>2 489 616</b>	<b>2 489 616</b>
<b>OTHER ACCOUNTS PAYABLE - CURRENT</b>		
Current suppliers	3 986 843	8 796 236
Suppliers of investments	421 236	632 306
<b>State and Public Sector</b>		
Annual gaming payment	15 462 324	20 049 726
Annual payment - Difference to minimum grant		
Related to current year	3 829 725	4 098 106
Installments payment schedule - approved for 2014 (a)	1 244 808	1 244 808
Special Gaming Tax (to be paid next month)	7 089 628	7 628 735
Social Security contribuitons	771 486	777 169
Other in favour of the State	780 585	1 103 788
Clients advance payments (b)	1 395 004	1 396 129
Charges with holidays payable	5 328 734	5 280 394
Responsabilities for accumulated gaming premiums	2 200 450	2 102 089
Other	3 694 589	3 236 797
	<b>46 205 412</b>	<b>56 346 283</b>

(a) These amounts are defined in payment plans approved by the Regulation and Inspection Service of Turismo de Portugal (SRIJ), which were being complied with, as follows:

- Instalments payment schedule - approved for 2014, that will be paid in three equal annual instalments of 1.244.808 Euros, on December 31<sup>st</sup>, 2019, 2020 and 2021.

(b) Clients advance payments: The value of "Clients advance payments" relate entirely to the online casino and refer to the balance of the internet website of the online casino, available for playing or withdraw at 30<sup>th</sup> September 2019.

(c) This amount is related with liabilities for accumulated gaming prizes. These liabilities are revised on a monthly basis, according to the accumulated prizes announced in the diverse gaming rooms of the Casinos run by the Group .

## 15. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

### Contingent liabilities

In the normal course of its business, the Group is involved in several legal proceedings. In result of their nature and provisions and according to the opinion of legal advisors, the expectation is that, from the respective outcome, there will be no material effects that are not yet recognized in the financial statements as of September 30<sup>th</sup>, 2019 and December 31<sup>st</sup>, 2018. The most relevant processes are as follows:

The main situations are the following:

- Differences in understanding between the Group and the Tax Authorities over Corporation Tax (IRC), relating to the years 2007, 2008, 2009 and 2010, with regard to the taxation of undocumented expenses in-curred in the course of the gaming activity of subsidiaries that form part of the Group and which operate games of fortune as their main activity. During the year

2013 occurred the 1st instance verdict contrary to the allegations and convictions of the Group relating to the process for the years 2007 to 2009. It is the Company's belief, grounded in favourable opinions from legal advisers, that a final decision should be favourable, which is why the Group appealed to higher courts. On the date of these financial statements there are also previous legal decisions that are in the Group's favour, as well as judicial jurisprudence which is favourable to the Group on this matter. Even so, on this date the Group has bank guarantees provided in favour of the Finance Office of Cascais amounting to 7.197.635 Euros. The Group's Board of Directors, based on the above, and based on the opinion of its legal and tax advisors, considers only to be possible and unfavourable outcome for the Group although not probable, and therefore no provision was recorded in the financial statements for the year.

- The Group carried out a collective dismissal in 2010 and 2013 in the Casinos of Lisbon, Estoril and Póvoa de Varzim in the terms established in the Law, which included 133 employees. Some of these employees brought up an action to the Court for annulment of the dismissal and reinstatement within the Group. On December 31, 2018, the collective dismissal process regarding the Casinos of Lisbon and Estoril culminated in a favorable decision for the Group, with the exception of five employees, who were reinstated in the Group's staff. The remaining employees received compensation corresponding to the legal obligations provided for in labor legislation in case of collective redundancies, in line with the provision recorded in the Group's accounts in the previous years. In addition, during the year ended December 31, 2018, the collective dismissal process regarding Casino da Póvoa presented an unfavourable decision to the Group, having the Group filed an appeal of the decision. The Group increased the provision recorded in the accounts to cover its liability, taking into account the legal opinions of its legal counsel, which amounts to approximately €+2,800,000 as of September 30<sup>th</sup>, 2019.
- In 2011 Gastronomic Evolution - Gestão de Restaurantes, Lda., a former concessionaire of three restaurants in Casino de Lisboa, filed a lawsuit against the Group requiring compensation for loss of customers in relation to expectations that would have been previously generated. The total amount claimed amounts to 906,630 Euros, which is provisioned in the financial statements as of September 30<sup>th</sup>, 2019 and December 31<sup>st</sup>, 2018
- On 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018, the Group has been involved in various cases associated with interdicted players, alleging that the concessionaires have not complied with the prohibition order, at the entrance of the various Casinos operated, to which the same customers were subject, demanding a claim for compensation for the alleged non-compliance. The Board of Directors, based on the opinion of its legal advisors and in view of the historic resolution of such cases, recognized in the financial statements as of September 30<sup>th</sup>, 2019 and December 31<sup>st</sup>, 2018, liabilities estimated at 147,000 Euros.
- In January 2009, a machine from Casino de Lisboa announced a fake Jackpot on a gaming machine of 4,232,774 Euros, and the customer involved, despite being informed about the machine error, filed a lawsuit against the Group to demand amount. The Board of Directors, supported by its legal advisors and the expert evidence prepared by the suppliers of those machines and by the Gaming Regulation and Inspection Service, where it is concluded that there has been a malfunction of the computer system which presented the prize, considers it is probable to obtain a favourable outcome for the Group, for which a provision of approximately 200,000 Euros was recorded.

### **Contingent Assets**

In January 2013, the Group, together with other gambling concessionaires with gambling in Portugal, filed a lawsuit against the Portuguese State in order to restore the economic and financial rebalancing of the concession. This process includes the challenges of monthly special income taxes and the annual liquidations of 2012 to 2013, and the liquidations of the annual counterparts from 2014 to 2016, all settled in accordance with Decree-Law - n° 275/2001, so that, in the opinion of the legal and tax advisors of the Group, in the case of favourable decision on the referred objections, the liquidations will be refunded plus interest. In September 2016, the Administrative and Fiscal Court of Sintra ruled in favour of the Group on the unlawfulness of the clearance of the income tax payment of October 2013 on automatic machines and charged the Group with its share of responsibility for the value of court expenses, which for the actions involved in this proceeding were estimated as of approximately, 2,501,000 Euros. The Board of Directors, supported by the opinion of its legal and tax advisors, recognized the corresponding liability, considering the complaint presented on the amount of these court expenses, in the amount of 1,250,000 Euros.

### Guarantees provided

On 30<sup>th</sup> September 2019 and 31<sup>st</sup> December 2018 the guarantees provided by the Group were as follows:

	September 2019	December 2018
Obligations related with the Special Gaming Tax	7 567 703	26 577 964
Tax lawsuits in hand / litigation	7 443 083	7 443 083
Current suppliers	39 250	39 250
	<b>15 050 036</b>	<b>34 060 297</b>

## 16. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the years ended on 30<sup>th</sup> September 2019 and 2018 was determined as follows:

	September 2019	September 2018
Results:		
Net profit of the Equity holders of the Parent Company	12 038 613	14 410 849
Number of shares:		
Average weighted number of shares in circulation	11 931 119	11 931 119
Result per basic share, basic and diluted	1,01	1,21

Due to the fact that there are no situations that cause dilution, the net result per diluted share is the same as the net result per basic share.







**ESTORIL-SOL, S.G.P.S., S.A.**

Capital social integralmente realizado 59.968.420 Euros

Sociedade Anónima com sede na Av. Dr. Stanley Ho, Edifício do Casino Estoril, 2765-190 Estoril - Cascais