

MANAGEMENT REPORT AND ACCOUNTS

1st SEMESTER 2021



ESTORIL SOL SGPS SA

ESTORIL-SOL, SGPS, 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



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Governing Bodies	3
Management Report	5
Appendix to the Management Report	19
Holders of qualified shareholdings	21
Consolidated Financial Statements	23
Notes to the Consolidated Financial Statements	29



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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

REMUNERATION COMMITTEE

- Pansy Catilina Chiu King Ho
- Jorge Armindo de Carvalho Teixeira
- Daisy Chiu Fung Ho

BOARD OF DIRECTORS

Chairman	- Pansy Catilina Chiu King Ho
Deputy-Chairman	- Mário Alberto Neves Assis Ferreira
Members	- António José de Melo Vieira Coelho
	- Calvin Ka Wing Chann
	- Daisy Chiu Fung Ho
	- Jorge Armindo de Carvalho Teixeira
	- Maisy Chiu Ha Ho
	- Miguel António Dias Urbano de Magalhães Queiroz
	- Vasco Esteves Fraga

AUDIT BOARD

Chairman	- Manuel Maria Reis Boto
Deputy-Chairmen	- Vítor Pratas Sevilhano Ribeiro
	- Paulo Ferreira Alves
Alternate	- Lisete Sofia Pinto Cardoso

COMPANY SECRETARY

Secretary:	- Carlos Alberto Francisco Farinha
Alternate:	- Artur Alexandre Conde de Magalhães Mateus

STATUTORY AUDITOR

- Deloitte & Associados, SROC, S.A. - Represented by Pedro Miguel Argente de Freitas e Matos Gomes



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Ínterim Management Report

1st Semester 2021

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, SGPS”, 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 (Casino da Póvoa). The Company has been present since 2016 through one of its subsidiaries in the online gambling business, holding two licenses, one license for online casino games and another for online sports betting.

During the course of the semester we regularly monitored in detail the current management of the subsidiary companies, giving particular attention to the negative effects caused by the limitations imposed on the normal operation of territorial-based activities within the scope of the Covid-19 pandemic containment measures decreed by the Government, to the evolution of game revenues in Portugal and in the gaming concessions operated by the Group, and to the rebalancing of gaming concession contracts and the Government's intention in this regard and also with the ending of the current gaming concessions in Portugal, namely, Estoril and Figueira da Foz.

2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 30th June 2021, 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).

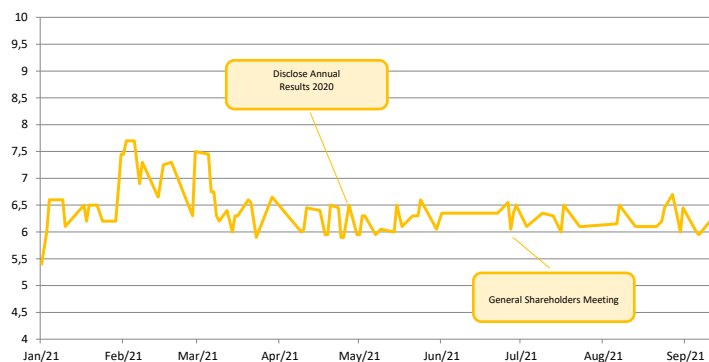
At the time this report was prepared, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, with no trading taking place during the financial year.

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.

(Euronext Lisbon: ISIN PTESO0AM0000)

Estoril-Sol, SGPS, S.A.
Shares price - evolution

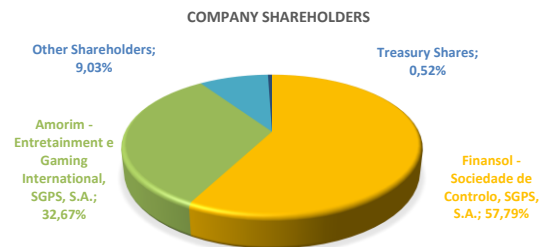


The 2020 Annual Report and Accounts was approved at the General Shareholders' Meeting on June 28th, 2021, which did not provide for the distribution of dividends related to the 2020 financial year.

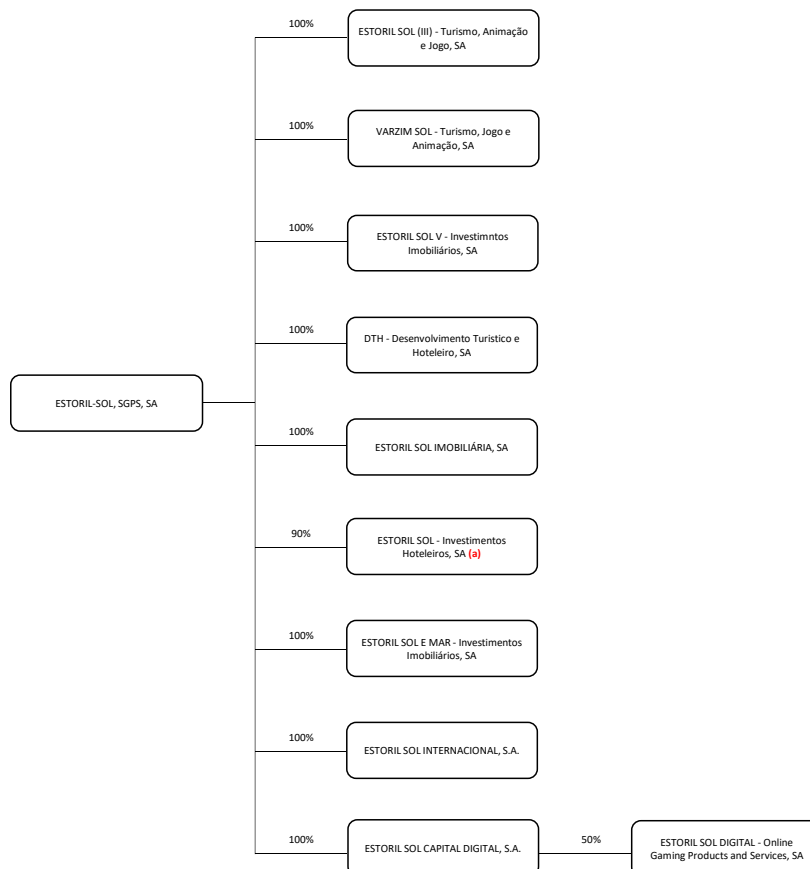
The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the first semester of 2021 were according table below:

Disclosure	Date	Qty	Price (Euros)			
			Open	High	Low	Close
Annual results for 2020	30/04/2021	1	6,50	6,50	6,50	6,50
Annual Shareholders Meeting	28/06/2021	15	6,35	6,35	6,35	6,35

As at June 30th, 2021 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics to the right.



3. ESTORIL-SOL GROUP



(a) - Holds 10% of its Share Capital

On June 30th, 2021, 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, SGPS, 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 issued 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.

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, SGPS, 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, SA – With a share capital of EUR 2,429,146, is 100% held by ESTORIL-SOL, SGPS., 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, SGPS, S.A.. Its social object is the construction, promotion, management and sale of tourist complexes and real estate. It owns an urban building in Alcoitão, whose purpose is its resale.

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, SGPS, S.A.. It owns an urban building in Estoril, whose purpose will be its resale.

ESTORIL SOL INTERNACIONAL, S.A. - With a share capital of EUR 50,000, it is 100% owned by ESTORIL-SOL, SGPS, S.A., the area of operation will be the management of international projects / operations of the Estoril Sol Group.

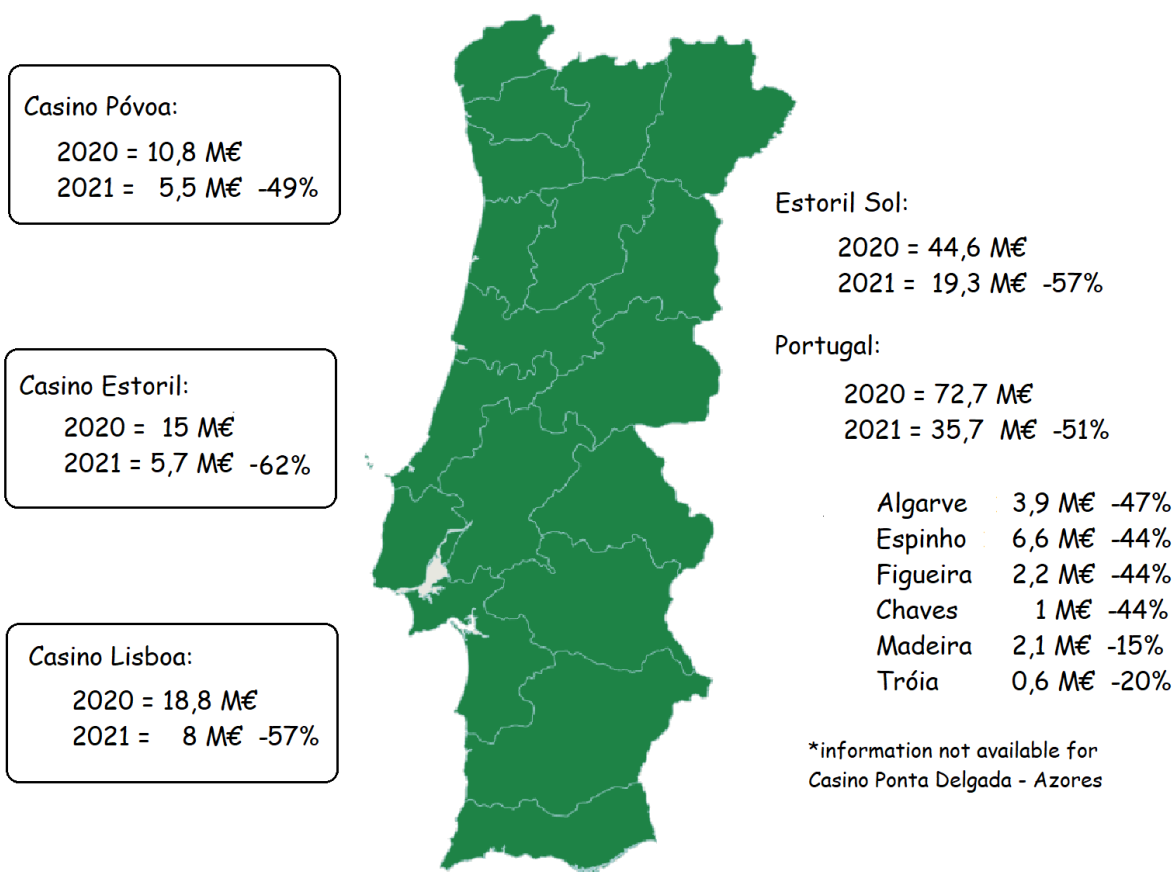
ESTORIL SOL CAPITAL DIGITAL, S.A. – With a share capital of EUR 2,000,000, it is 100% owned by ESTORIL-SOL, SGPS, S.A., whose area of operation is the online operations' management of Estoril Sol Group. In October 2020, the 50% financial stake held by the Estoril Sol Group in Estoril Sol Online, company that operates the online casino, was acquired by Estoril Sol Capital Digital, S.A..

4. GAME REVENUES

- TERRITORIAL CASINO GAME REVENUES (without the effect of bonus given)

GROSS GAME REVENUES (excluding b3nus given)

1st Semester 2021 and 2020



Important note:

During the first half of 2021, the Portuguese Government established a set of exceptional and temporary measures related to the epidemiological situation of Pandemic Covid-19, which had a significant impact on the activity of land-based casinos, of which the following stand out::

- the legal duty to close the casinos was determined by the Portuguese Government between January 14th, 2021 and May 1st, 2021.
- Casino de Lisboa closed again on June 11th and Casino do Estoril on June 18th
- There were restrictions in the opening hours of the casinos after the reopening on May 1st, 2021, namely by the imposition of anticipate the closing to the public of the casinos to 11 pm. (in normal pre-pandemic period the casinos closed at 3 am)

- **ONLINE GAME (excluding the effect of the game bonus given)**

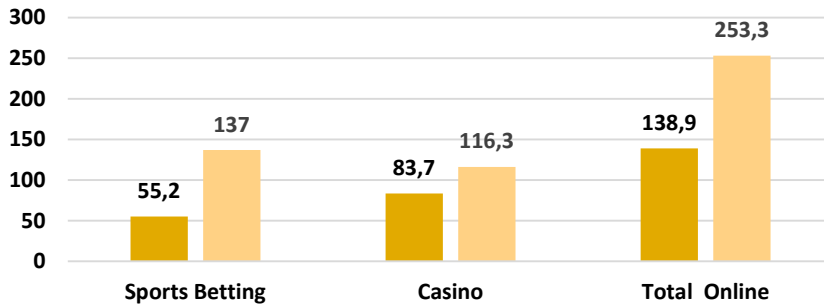
a) The sector in Portugal

As of June 30th, 2021, 15 (14 in 2020) entities were authorized to legally operate in the online gambling and betting activity in Portugal. All together, those entities hold 26 licenses (23 in June 2020), 11 (10 in 2020) licenses for sports betting and 15 (13 in 2020) licenses for casino games.

Online Gross Game Revenues

(million Euros)

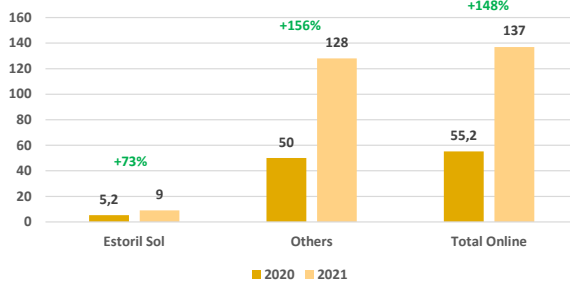
■ 2020 ■ 2021



b) The contribution of Estoril-Sol

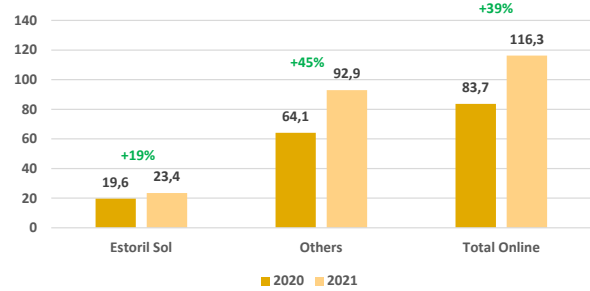
Online Gross Game Revenue - Sports Betting

(million Euros)



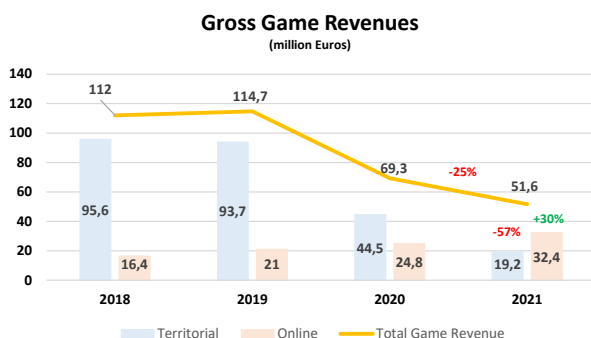
Online Gross Game Revenue- Casino

(million Euros)



5. ESTORIL-SOL FINANCIAL ANALYSIS – 1st SEMESTER SUMMARY

♣ Gross Game Revenues



	2020		2021
Estoril	14,9	-61,7%	5,7
Lisboa	18,8	-57,4%	8
Póvoa	10,8	-49,1%	5,5
Sub-Total Territorial	44,5	-56,9%	19,2
Casino	19,6	19,4%	23,4
Sports Betting	5,2	73,1%	9
Sub-Total Online	24,8	30,6%	32,4
Grupo Estoril Sol	69,3	-25,5%	51,6

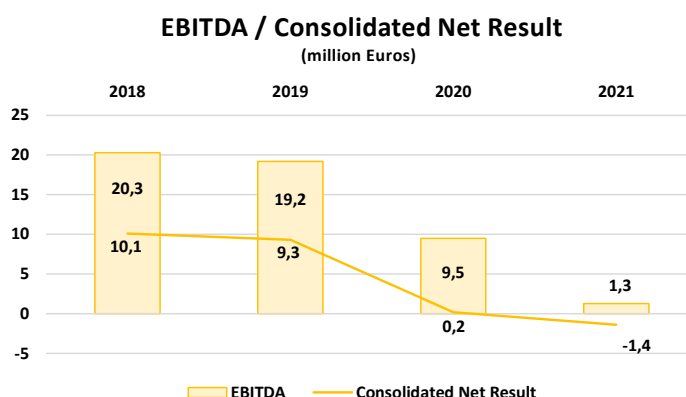
million Euros

In the first half of 2021, the Group's total game revenues (territorial and online) amounted to 51,6 million Euros, having recorded an overall decrease of 25%. The effects caused by the Covid-19 pandemic significantly affected the evolution of game revenues. The closure of the land base casinos decreed by the Portuguese Government during the period from January 14th to May 1st, and then again on the second half of June, was responsible for a 57% drop in game revenues from the land base casinos. In the opposite direction, the containment measures taken to combat the evolution of the Covid-19 pandemic benefited the majority of online commerce and services, with the online game revenues of the Estoril-Sol Group showing a growth rate of 30% compared to identical period of the previous year. Even so, this online growth was not enough to compensate for the loss of revenue from physical casinos as a result of its closure, so the global game revenues of the Estoril-Sol Group decreased, in the first half of 2021, 25% compared to the same period last year.

◆ Group Consolidated Results

In the first semester of 2021 the Group's Consolidated EBITDA decreased by 86% and amounted to 1,3 million Euros.

As at 30th June 2021 the Group reported negative consolidated net results of 1,4 million Euros, which compares to earnings of 0,2 million Euros in the same period from last year.

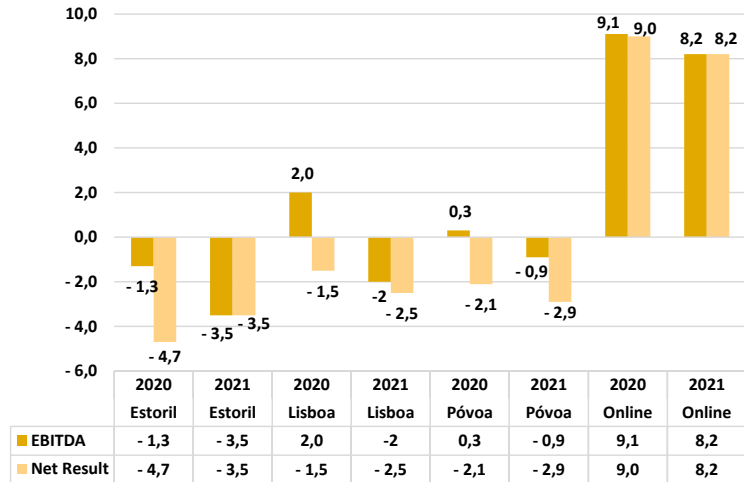


♥ Performance by Segment/Casino

During the first semester of 2020 all of the Group land based casinos worsened their results compared to the same period last year.

Despite the growth in gaming revenues, the online operation has slightly lower results than those recorded in the first half of 2020. Given the growing number of operators and licenses granted, the significant increase in the Group's marketing costs, with a view to maintaining its customer portfolio and maintenance of market shares, justifies this slight erosion of results.

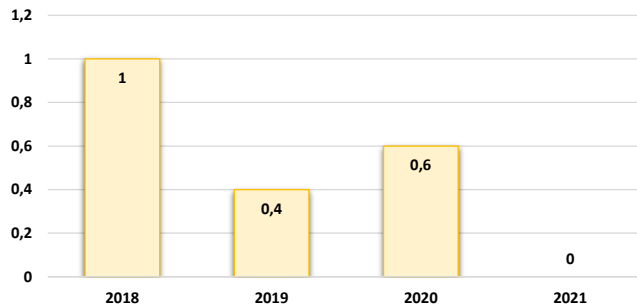
EBITDA / Net Result
(million Euros)



♠ Capex

The reduction in the volume of investment in recent years coincides with the end of the Estoril Gaming Concession, which includes the Estoril and Lisbon Casinos, in addition to the fact that at the date of this report, the terms and conditions of the specifications relating to the public tender for the award of the new game concession for Estoril are not yet known.

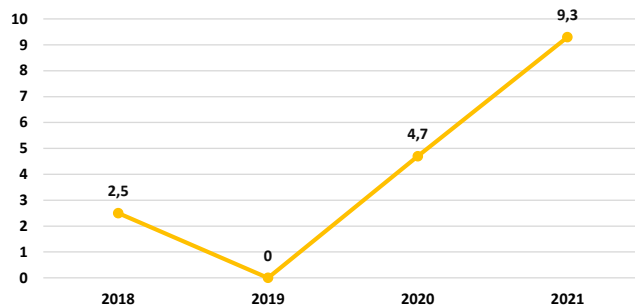
Capex
(million Euros)



♣ Financial Debt

The Group had been successively reducing its bank liabilities, however, closing and limit the opening hours of the territorial casinos during a significant part of the year 2020 and first semester 2021 forced the Group to increase its credit responsibilities in order to be able to honor its commitments, namely the payment of high annual game tax counterparts and game taxes.

Financial Debt
(million Euros)



6. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

During the first semester of 2021, the Group recorded combined gross game revenues, territorial and online, of 51,7 million Euros, with an overall decrease of 25%. Net from gaming taxes, the Group's total game revenues amounted to 25,7 million Euros, a decrease of 31% over the 37,3 million Euros achieved in the first semester of the previous year.

The evolution of game revenues was significantly affected by the effects caused by the Covid-19 pandemic, and these effects led to different behaviors regarding the evolution of game revenues, depending on whether it is a territorial or online game. The closure of physical casinos decreed by the Government during practically the entire first half of 2021 was responsible for the 57%

	Jun - 2021	Jun - 2020	Var %
Gross Game Revenue	51 752 476	69 501 436	-25,6%
Bonus and other fair value adjustments	-4 470 293	-3 261 057	37,0%
Game Taxes	-21 557 436	-28 930 028	-25,6%
Net Game Revenue	25 724 747	37 310 351	-31,1%
Government Grant - Lay-Off	3 216 249	1 041 708	208,7%
Other revenue (F&B / Entertainment)	770 764	2 078 218	-62,9%
Operating costs	-28 466 594	-30 831 435	-7,7%
EBITDA	1 245 166	9 598 842	-87,0%
Amortization and Depreciation	-2 528 914	-9 261 090	-72,7%
Financial Costs	-130 909	-139 713	-6%
Corporate Income Tax (IRC)	-	-	
Consolidated net result - 1st Semester	-1 414 659	198 039	-814%
Equity holders of the Parent Company	-5 527 908	-4 326 177	28%
Non-Controlling interests	4 113 249	4 524 216	-9%
	-1 414 659	198 039	

drop in physical gaming revenues. In the opposite direction, the containment measures adopted to combat and prevent the evolution of the Covid-19 pandemic benefited the globality of online commerce and services, with the online game revenues of the Estoril-Sol Group showing a growth rate of 30% compared to identical period of the previous year. This remarkable improvement in the online base business was not, however, sufficient to compensate for the decline recorded in the land base business, and Estoril-Sol Group's gross game revenues decreased 25% in the period under analysis.

The Group's other operating revenues were also affected by the containment measures and the consequent closure of the Estoril-Sol Group's restaurants, theatres and other entertainment spaces. These losses amounted to 1,3 million Euros, a decrease of 63% compared to the same period of the previous year.

Still within the scope of the effects caused by the Covid-19 pandemic, the Estoril-Sol Group immediately activated "Contingency Plans" in order to prevent the health and compliance with the basic rules of hygiene and safety at work in this pandemic context, of all customers, workers, external service providers and also to safeguard the assets, physical facilities and equipment, of the subsidiaries affected by the temporary closure of the casinos. Estoril-Sol applied for the simplified "Lay-Off" mechanism, which resulted in the temporary suspension of employment contracts or in the reduction of working hours of the vast majority of workers from Estoril-Sol III and Varzim-Sol, companies that hold the Estoril and Póvoa de Varzim Game Concessions, respectively. The application of this legal mechanism and the contractual review, meanwhile carried out, of all service provision contracts resulted in a 7,7% reduction in the Group's operating costs, equivalent to 2,4 million Euros.

The Group's operating results (EBITDA) decreased by 87%, influenced by the negative evolution of the revenues from the territorial operations, having reached 1,3 million Euros (9,5 million Euros in 2020). EBITDA for the land based casinos was negative by 6,9 million Euros, with the online operation reaching positive EBITDA of 8,2 million Euros.

The Consolidated Net Profit in the first semester of 2021 was negative by 1,4 million Euros compared with earnings of 0,2 million Euros in the same period from the previous year. Of these 1,4 million Euros, losses of 5,5 million Euros belong to the shareholders of Estoril-Sol, SGPS, S.A, and earnings of 4,1 million Euros to minority and non-controlling interests.

To this date, the company is unaware of the Government's intention regarding the ending of the current game concessions in Estoril and Figueira da Foz, and is available to analyze the proposals that the Government intends to formulate.

7. 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 paid and for this reason the Group Estoril-Sol does not have any overdue debt related with game taxes.

Regarding the year ended December 31, 2020, the gaming concessionaires, Estoril-Sol (III) - Turismo, Animação e Jogo, S.A. and Varzim-Sol - Animação, Turismo e Jogos, S.A., were exempted from the payment of the minimum annual contribution provided for in the respective concession contracts for 2020 and exempted from the obligations arising from articles 16 (tourism obligations) and 17 (financial autonomy ratio) both of which from the Decree-Law No. 422/89, by order of the Secretary of State for Tourism on 6.1.2021,. The same order specified that the amounts paid by the concessionaires for the realization of the annual consideration and that exceed the final amount due to that title are no longer credited to the concessionaires, without any other compensation.

The credit and compensation for amounts paid in excess is expressly provided for in paragraph 1 of Article 5 of the Concession Contract for the exploration of games of fortune or chance in the Estoril Gaming Zone, which remains unchanged, which is why the Group claims and will continue to claim the recognition of a credit for the year ended December 31, 2020 in the amount of 4,431,585.04 Euros (Note 22 to the notes to the consolidated accounts).

Consistently, and also considering the fact that the guardianship has not formally rejected the amount of the counterparty credit for the amounts paid in excess, the same was determined by the gaming concessionaire, Estoril-Sol (III), and by the Regulation and Inspection Service (SRIJ), as part of the calculation of the annual contribution for the year 2020, and is detailed as follows:

Casino Estoril – 2.534.781,50 Euros;
Casino Lisboa – 1.896.803,54 Euros;

8. SUBSEQUENT EVENTS

Between the 30th of June 2021 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, SGPS,S.A. and the other Companies of the Group, in addition to the reported below:

The Estoril-Sol Group holds on June 30th, 2021 the exploitation of game concessions in the permanent game zones of Estoril (Casino do Estoril and Casino de Lisboa) and Póvoa de Varzim (Casino da Póvoa). By imposition of the Government of Portugal, the physical casinos of the Estoril Sol Group were closed between the following days:

Casino do Estoril and Casino de Lisboa: 1st July, 2021 until 23rd July 2021.

Casino da Póvoa de Varzim: 16th July 2021 until 23rd July 2021.

According to the legal framework in force, those casinos are open every day of the year, with the exception of December 24th, for a period of twelve hours. The opening hours of the Casinos of the Estoril-Sol Group before being closed within the scope of exceptional and temporary measures relating to the epidemiological situation of the Covid-19 Pandemic, were as follows::

Casino Estoril, Póvoa: 15H to 03H

Casino de Lisboa: 15H to 03H (Sunday to Thursday)
16H to 04H (Friday and Saturday)

The Portuguese Government has, however, established a set of exceptional and temporary measures relating to the epidemiological situation of the Covid-19 Pandemic, which had a significant impact on the opening hours of commercial activities, therefore the schedules of Casinos Estoril, Lisboa and Póvoa between June 30th and the date of this report were as follows:

Casino da Póvoa de Varzim: 1st July until 16th July: 14H to 02H.

All Casinos: 24th July until the date of this report: 14H to 02H.

9. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n^o1 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, SGPS, 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, SGPS, S.A. and the companies included in the consolidation perimeter.

Estoril, 29th September, 2021

The Board of Directors:

- Chairman: Pansy Catilina Chiu King Ho

- Vice-Chairman: Mário Alberto Neves Assis Ferreira

- Directors: António José de Melo Vieira Coelho

Calvin Ka Wing Chann

Daisy Chiu Fung Ho

Jorge Armindo de Carvalho Teixeira

Maisy Chiu Ha Ho

Miguel António Dias Urbano de Magalhães Queiroz

Vasco Esteves Fraga



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Information regarding the securities issued by ESTORIL-SOL, SGPS, 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 30th June 2021

	Nr shares 31.12.20	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 30.06.21
Board of Directors						
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Maisy Chiu Ha Ho	0	-	-	-	-	0
Daisy Chiu Fung Ho	0	-	-	-	-	0
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
Audit Board						
Manuel Maria Reis Boto	0	-	-	-	-	0
Vitor Prata Sevilhano Ribeiro	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
Statutory Auditor						
Pedro Miguel Argente de Freitas e Matos Gomes	0	-	-	-	-	0



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FINANSOL, SOCIEDADE DE CONTROLO, SGPS, S.A.

On 30th June 2021, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, SGPS, S.A., on 30 June 2021, held 6.930.604 shares of ESTORIL-SOL, SGPS, 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 2,209 shares of ESTORIL-SOL, SGPS, S.A., corresponding to 0,03% 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 57,81%, and 58,11% to the voting rights.

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

On 30th June 2021, ESTORIL-SOL, SGPS, S.A. held 62.565 treasury shares, and, as AMORIM – ENTERTAINMENT E GAMING INTERNATIONAL, SGPS, 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, SGPS, S.A..



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CONSOLIDATED FINANCIAL STATEMENTS
AND
NOTES TO THE ACCOUNTS

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

ESTORIL SOL SGPS, S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON JUNE 30th, 2021 And DECEMBER 31st, 2020

(Amounts in Euros)

ASSETS	Notes	Jun - 21	Dec - 20
NON-CURRENT ASSETS:			
Tangible fixed assets			
Reversible to the State	-	7 234 586	9 023 138
Not reversible to the State	-	49 250 391	49 914 473
Tax deductions on investments	-	<u>(3 031 282)</u>	<u>(3 764 731)</u>
Total non-current assets		53 453 695	55 172 880
Intangible assets	9	3 353 598	4 025 840
Right-of-use assets	-	541 967	541 967
Investment properties	-	173 815	176 590
Other non current assets	-	<u>92 456</u>	<u>82 486</u>
		<u>57 615 530</u>	<u>59 999 763</u>
CURRENT ASSETS:			
Inventories	-	6 897 841	6 906 961
Accounts receivable - trade	-	101 117	137 304
Current tax assets	-	22 200	22 200
Other current assets	-	1 919 941	1 894 200
Cash and cash equivalents	10	<u>58 423 606</u>	<u>58 698 824</u>
Total current assets		<u>67 364 704</u>	<u>67 659 489</u>
Total assets		<u>124 980 234</u>	<u>127 659 252</u>
EQUITY and LIABILITIES			
EQUITY:			
Capital	-	59 968 420	59 968 420
Treasury shares	-	(708 306)	(708 306)
Share issue premiums	-	960 009	960 009
Legal Reserves	-	8 871 314	8 871 314
Other Reserves and Retained earnings	11	7 719 732	28 047 841
Consolidated net profit	-	<u>(5 527 908)</u>	<u>(20 328 108)</u>
Equity attributable to the holders of the Parent Company		71 283 262	76 811 170
Equity attributable to non-controlling interests	12	<u>11 908 156</u>	<u>7 794 907</u>
Total equity		<u>83 191 418</u>	<u>84 606 077</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Lease liabilities	-	217 492	217 492
Provisions	-	<u>8 230 666</u>	<u>8 182 678</u>
Total non-current liabilities		<u>8 448 158</u>	<u>8 400 170</u>
CURRENT LIABILITIES:			
Lease liabilities	-	347 290	347 290
Bank liabilities	-	9 317 300	6 565 702
Current tax liabilities	-	110 614	110 614
Other current liabilities	13	<u>23 565 454</u>	<u>27 629 399</u>
Total current liabilities		<u>33 340 658</u>	<u>34 653 005</u>
Total liabilities		<u>41 788 816</u>	<u>43 053 175</u>
Total equity and liabilities		<u>124 980 234</u>	<u>127 659 252</u>

ESTORIL-SOL, SGPS, S.A.

CONSOLIDATED INCOME STATEMENT

OF THE PERIODS ENDED ON 30th JUNE, 2021 AND 2020

(Amounts in Euros)

	Notes	30 th June	
		2021	2020
REVENUE:			
Gaming revenues	5	47 282 183	66 240 379
Gaming taxes	5	<u>(21 557 436)</u>	<u>(28 930 028)</u>
		25 724 747	37 310 351
Government Grant - Lay-Off	5	3 216 249	1 041 708
Other operating revenue	5	<u>770 764</u>	<u>2 078 218</u>
		<u>29 711 761</u>	<u>40 430 277</u>
OPERATING EXPENSES:			
Cost of sales	-	(212 333)	(558 866)
Supplies and external services	6	(13 866 856)	(15 219 423)
Wages and salaries	7	(13 980 928)	(14 521 268)
Depreciation and amortization	-	(2 454 740)	(8 903 952)
Provisions (increases) / reversals)	-	(74 174)	(357 138)
Other operating expenses	-	<u>(406 481)</u>	<u>(531 877)</u>
Total operating expenses		<u>(30 995 511)</u>	<u>(40 092 525)</u>
Income before financial results and taxes		<u>(1 283 750)</u>	<u>337 752</u>
FINANCIAL (LOSSES) AND GAINS:			
Financial losses	8	(171 422)	(154 361)
Financial gains	8	<u>40 513</u>	<u>14 648</u>
		<u>(130 909)</u>	<u>(139 713)</u>
Income before taxes		<u>(1 414 659)</u>	<u>198 039</u>
Income taxes	-	-	-
Consolidated net income		<u>(1 414 659)</u>	<u>198 039</u>
Attributable to:			
Equity holders of the Parent Company	12	(5 527 908)	(4 326 177)
Non-controlling interests	15	<u>4 113 249</u>	<u>4 524 216</u>
		<u>(1 414 659)</u>	<u>198 039</u>
Net result per share			
Basic and diluted		<u>(0,46)</u>	<u>(0,36)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL SOL SGPS S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30th JUNE 2021 AND 2020

(Amounts in Euros)

	Share Capital (Note 24)	Treasury Shares (Note 24)	Issue Premiums (Note 24)	Legal Reserve (Note 24)	Other Reserves and Retained Earnings (Note 24)	Consolidated net result of the year	Total	Non- controlling interests (Note 25)	Total Equity
Balance at 01 st January 2020	59 968 420	(708 306)	960 009	8 375 784	18 596 818	9 910 553	97 103 278	6 478 063	103 581 341
Application of the consolidated net profit of the year ended 31 st December 2019	-	-	-	495 530	9 415 023	(9 910 553)	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(3 100 000)	(3 100 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30th June 2020	-	-	-	-	-	(4 326 177)	(4 326 177)	4 524 216	198 039
Balance at 30th June 2020	59 968 420	(708 306)	960 009	8 871 314	28 011 841	(4 326 177)	92 777 101	7 902 278	100 679 379
Balance at 01 st January 2021	59 968 420	(708 306)	960 009	8 871 314	28 047 841	(20 328 108)	76 811 170	7 794 907	84 606 077
Application of the consolidated net profit of the year ended 31 st December 2020	-	-	-	-	(20 328 108)	20 318 108	(10 000)	-	(10 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30th June 2021	-	-	-	-	-	(5 527 908)	(5 527 908)	4 113 249	(1 414 659)
Balance at 30th June 2021	59 968 420	(708 306)	960 009	8 871 314	7 719 732	(5 537 908)	71 273 262	11 908 156	83 181 418

ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIODS ENDED 30th JUNE 2021 AND 2020

(Amounts in Euros)

	Notes	30-Jun-2021	30-Jun-2020
<u>OPERATING ACTIVITIES:</u>			
Receipts from clients		47 886 131	67 406 344
Payments to suppliers		(15 886 432)	(19 507 856)
Payments to staff		(10 106 376)	(13 338 586)
Cash flow generated by operations		21 893 324	34 559 902
Payment of income tax		(68 261)	(1 432)
Payment of Special Gaming tax		(23 832 355)	(54 631 101)
Other payments relating to the operating activity		(367 481)	(1 423 639)
Cash flow from operating activities (1)		<u>(2 374 772)</u>	<u>(21 496 269)</u>
<u>INVESTING ACTIVITIES:</u>			
Receipts from:			
Interest and similar income		40 513	14 648
		<u>40 513</u>	<u>14 648</u>
Payments in respect of:			
Tangible fixed assets		(100 994)	(706 317)
Intangible assets		(8 000)	-
		<u>(108 994)</u>	<u>(706 317)</u>
Cash flow from investment activities (2)		<u>(68 480)</u>	<u>(691 668)</u>
<u>FINANCING ACTIVITIES:</u>			
Receipts from:			
Bank loans obtained		58 742 657	69 735 862
		<u>58 742 657</u>	<u>69 735 862</u>
Payments in respect of:			
Bank loans repaid		(55 983 457)	(64 985 162)
Interest and similar costs		(174 612)	(147 370)
Dividends		-	(3 100 000)
Amortization of lease liabilities		(416 553)	-
		<u>(56 574 622)</u>	<u>(68 232 532)</u>
Cash flow from financing activities (3)		<u>2 168 035</u>	<u>1 503 330</u>
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(275 218)	(20 684 608)
Cash and cash equivalents at the start of the period	10	58 698 824	83 046 171
Cash and cash equivalents at the end of the period	10	58 423 606	62 361 563



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1. INTRODUCTION

Estoril-Sol, SGPS, S.A., (“Company”) is a public limited-liability company, which resulted from a change, on 18 March 2002, to the legal status of Estoril-Sol, S.A. which was constituted on 25 June 1958 and has its registered office in Av. Dr. Stanley Ho, Casino Estoril building. The company has its shares listed on a regulated market - the Euronext.

The main business sector in which the Group operates consists of the operation of physical casinos for games of chance, an activity regulated by Turismo de Portugal through the Gaming Regulation and Inspection Service, under the concession contracts of Póvoa game concession (until 2023), which includes the exploration of the Póvoa de Varzim Casino, and the Estoril game concession, which includes the Casino do Estoril and the Casino de Lisboa. In 2020, the Decree-Law nº 106-A / 2020 as of December 30, 2020 extended the concession contract for Estoril game concession until December 31, 2021, which previously ended on December 31, 2020. In addition, in 2016 one of the subsidiaries began its activity of exploring online games through the ESC Online site and started subsequently the activity related to sports betting, under the assigned licenses, valid for 3 years and renewable.

In the context of the concession contracts referred above, tangible fixed assets reversible to the state (Note 14) that will be delivered to the State at the end of the concession are recognized in the financial statements. These assets correspond essentially to gambling equipment and assets assigned to the buildings of the Póvoa de Varzim and Estoril Casinos. The building related to Casino de Lisboa will continue to be owned by the Group after the end of the concession and as such is not considered as reversible. Reversible assets are deducted of investment tax deductions, which correspond to the portion subsidized by the State for the investment made by the Group engaged in the gambling activity.

In addition, the Group also operates in the real estate sector, currently holding a number of properties in the portfolio.

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 31st December 2019.

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 30th June 2021, 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 31st December 2020, 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 30th June 2021 and 31st December 2020 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Jun-21	Dec-20
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
Estoril-Sol Internacional, S.A. (b)	Estoril	Integral	100	100
Estoril-Sol Capital Digital, S.A. (c)	Estoril	Integral	100	100

- (a) The activity of Estoril-Sol Digital began with the attribution of the license to operate games of chance online in July 2016. The scope of the activity of exploring online games, which it intends to carry out through its subsidiary Estoril-Sol Digital, Online Gaming Products and Services, S.A., Estoril-Sol (III) Animação e Jogo, S.A., a company held by the issuer, entered into an association agreement in July 2016 with Vision Gaming Holding Limited, based in Malta, whereby it became the holder of a minority interest, corresponding to 49.9998% of the capital stock of Estoril-Sol Digital, while Estoril-Sol (III) S.A. holds a majority of the capital and voting rights in said company. The association agreement foresaw the investment in the capital of Estoril-Sol Digital corresponding to 50% with the renewal of the online casino license, which happened on July 24, 2019. As at December 31, 2019, Estoril Sol (III) and Vision Gaming Holding Limited both hold a share corresponding to 50% of Estoril Sol Digital's equity. Nevertheless, Estoril Sol (III) maintains the right to nominate the Board of Directors Chairman, allowing the Group to have the control of the operations.
- (b) During the year ended on December 31, 2019, Estoril Sol, SGPS, SA, constituted a new company, Estoril Sol Internacional, S.A., whose area of activity will be the management of projects / operations in international markets, still under study and analysis as of the date of these consolidated financial statements.
- (c) During the year ended December 31, 2020, Estoril Sol, SGPS, S.A., constituted a new company, Estoril Sol Capital Digital, S.A., whose area of activity will be the management of the Group's online operations. In October 2020, this company acquired from Estoril Sol (III) the investment held in Estoril Sol Digital, Online Gaming Products and Services, S.A.. The referred transaction had no impact on the consolidated accounts.

5. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th June 2021 and 2020, is detailed as follows:

Nature	June - 2021					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	4 662 741	6 628 704	11 291 445	4 869 762	20 601 085	36 762 292
- Table based gaming	1 068 745	1 403 682	2 472 427	646 597	2 820 890	5 939 914
- Sports betting	-	-	-	-	9 050 270	9 050 270
- Bonuses and other fair value adjustments	(24 860)	(37 542)	(62 402)	4 599	(4 412 490)	(4 470 293)
	<u>5 706 626</u>	<u>7 994 844</u>	<u>13 701 470</u>	<u>5 520 958</u>	<u>28 059 755</u>	<u>47 282 183</u>
Gaming taxes:						
- Special Gaming Tax (current)	(2 865 743)	(4 016 193)	(6 881 936)	(2 758 180)	(11 917 320)	(21 557 436)
Operating grants/benefits:						
- Government grants - Lay-Off	1 254 121	1 094 472	2 348 593	867 656	-	3 216 249
Other operating revenues:						
- F&B and Entertainment	353 577	96 431	450 008	65 341	-	515 349
- Tax deductions - Entertainment	245 024	-	245 024	-	-	245 024
- Supplementary income	2 426	5 348	7 774	2 350	-	10 124
- Other	190	-	190	77	-	267
	<u>601 218</u>	<u>101 778</u>	<u>702 996</u>	<u>67 768</u>	<u>-</u>	<u>770 764</u>
	<u>4 696 222</u>	<u>5 174 901</u>	<u>9 871 123</u>	<u>3 698 203</u>	<u>16 142 435</u>	<u>29 711 761</u>
Nature	June - 2020					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	10 355 145	15 611 285	25 966 430	9 413 266	16 522 158	51 901 854
- Table based gaming	4 600 874	3 182 191	7 783 065	1 449 154	3 122 496	12 354 715
- Sports betting	-	-	-	-	5 244 867	5 244 867
- Bonuses and other fair value adjustments	(36 728)	(50 985)	(87 713)	(13 434)	(3 159 910)	(3 261 057)
	<u>14 919 291</u>	<u>18 742 491</u>	<u>33 661 782</u>	<u>10 848 986</u>	<u>21 729 611</u>	<u>66 240 379</u>
Gaming taxes:						
- Special Gaming Tax (current)	(7 478 010)	(9 396 738)	(16 874 748)	(5 431 210)	(6 624 070)	(28 930 028)
Operating grants/benefits:						
- Government grants - Lay-Off	381 014	334 450	715 464	326 244	-	1 041 708
Other operating revenues:						
- F&B and Entertainment	964 842	200 598	1 165 440	164 773	-	1 330 213
- Tax deductions - Entertainment	378 289	160 405	538 694	108 624	-	647 318
- Supplementary income	55 791	10 578	66 369	6 519	-	72 888
- Other	8 097	(0)	8 097	19 702	-	27 799
	<u>1 407 018</u>	<u>371 581</u>	<u>1 778 600</u>	<u>299 618</u>	<u>-</u>	<u>2 078 218</u>
	<u>9 229 314</u>	<u>10 051 784</u>	<u>19 281 098</u>	<u>6 043 638</u>	<u>15 105 541</u>	<u>40 430 277</u>

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.

6. SUPPLIES AND EXTERNAL SERVICES

In the periods ended on 30th June 2021 and 2020, “Supplies and external services” were as follows:

	Jun - 2021	Jun - 2020
Advertising	3 558 082	2 737 727
Fees	2 781 949	2 613 627
Financial services (comissions)	1 256 074	1 008 807
Cleaning and laundry	789 340	947 104
Conservation and repairs	705 693	1 095 281
Energy and other fluids	666 310	994 176
Gifts to customers	660 012	1 272 198
Specialized work	657 360	763 117
Subcontracts	618 052	1 184 026
Royalties	595 417	764 077
Surveillance and security	514 272	649 556
Rents	483 788	395 429
Insurance	209 085	203 917
Communication	132 250	140 885
Travel and hotels	24 195	86 260
Other	214 976	363 236
	<u>13 866 856</u>	<u>15 219 423</u>

7. STAFF COSTS

In the periods ended on 30th June 2021 and 2020, staff costs were as follows:

	Jun - 2021	Jun - 2020
Remuneration of governing bodies	1 230 168	1 139 402
Remuneration of staff	10 544 175	10 348 438
Indemnities	2 977	91 160
Charges on remuneration	1 620 477	2 255 541
Insurance	78 391	94 467
Social charges	486 001	530 965
Other	18 739	61 295
	<u>13 980 928</u>	<u>14 521 268</u>

The Estoril-Sol Group applied for the simplified “Lay-Off” mechanism, which resulted in the temporary suspension of employment contracts or in the reduction of working hours, between the 15th of January and the 1st of May 2021, for the vast majority of the employees of Estoril-Sol III and Varzim-Sol, companies that hold the Estoril and Póvoa de Varzim Game Concessions, respectively.

8. FINANCIAL LOSSES AND FINANCIAL GAINS

Financial costs and income for the periods ended on 30th June 2021 and 2020 is detailed as follows:

Financial Costs	Jun - 2021	Jun - 2020
Interest borne:		
Financing from banks	(129 340)	(99 475)
Finance and operating leasing	(42 082)	(54 886)
	<u>(171 422)</u>	<u>(154 361)</u>
Financial Income	Jun - 2021	Jun - 2020
Interests from bank deposits	35 486	3 667
Exchange gains	701	3 016
Other	4 326	7 965
	<u>40 513</u>	<u>14 648</u>
Net financial costs	<u>(130 909)</u>	<u>(139 713)</u>

9. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th June 2021 and 31st December 2020 is as follows:

Gaming Concession	Jun - 2021		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153 576 455	(153 576 455)	-
- Casino Lisboa	30 000 000	(30 000 000)	-
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(73 694 169)	3 339 940
	<u>260 610 564</u>	<u>(257 270 624)</u>	<u>3 339 940</u>
Intangible assets - Online gaming license	14 000	(8 709)	5 291
Intangible assets - Online sports betting	12 000	(3 633)	8 367
	<u>260 636 564</u>	<u>(257 282 966)</u>	<u>3 353 598</u>
Gaming Concession	Dec - 2020		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153 576 455	(153 576 455)	-
- Casino Lisboa	30 000 000	(30 000 000)	-
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(73 026 260)	4 007 849
	<u>260 610 564</u>	<u>(256 602 715)</u>	<u>4 007 849</u>
Intangible assets - Online gaming license	14 000	(6 376)	7 624
Intangible assets - Online sports betting	12 000	(1 633)	10 367
	<u>260 638 564</u>	<u>(256 610 724)</u>	<u>4 025 840</u>

Estoril Gaming Zone

The concession premium for the Estoril Gaming Zone is amortized until the year in which it expires, that is, intangible assets are being depreciated until 2020 according to the method of constant quotas with duodecimal imputation. Just at the end of the fiscal year 2020, Decree-Law n° 106-A / 2020 of December 30, 2020 extended the concession contract for the Estoril gaming zone until December 31, 2021.

As of this date, the terms and conditions of the public tender's specifications for the award of the new Game concession in Estoril's permanent game zone are not yet known.

10. CASH AND CASH EQUIVALENTS

On 30th June 2021 and 31st December 2020, this caption was broken down as follows:

	Jun- 2021	Dec - 2020
Cash	7 271 289	6 721 821
Bank Deposits:		
Immediately available bank deposits	38 152 342	41 977 029
Long term deposits (a)	12 999 974	9 999 974
Cash and cash equivalents	<u>58 423 606</u>	<u>58 698 824</u>

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

11. OTHER RESERVES AND RETAINED EARNINGS

This caption relates to income generated in prior years not attributed to Company shareholders and includes reserves made unavailable as a result of the acquisition of treasury shares amounting to 708,306 Euros. This caption also includes the accumulated impacts of the actuarial update of post-employment benefits.

At the General Shareholders' Meetings held on June 28th, 2021, the application of the results for the year 2020 was approved as follows:

	2 020
Legal reserve	-
Other reserves and retained earnings	(20 328 108)
Other variations in equity	-
Dividends	-
	<u>(20 328 108)</u>

12. NON-CONTROLLING INTERESTS

On 30th June 2021 and 31st December 2020, the caption “Non-controlling interests” was broken down as follows:

Company	Jun - 2021				Dec - 2020			
	Opening Balance	Profit / (Loss) of the period	Dividends	Closing Balance	Opening Balance	Profit / (Loss) of the period	Dividends	Closing Balance
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	7 794 907	4 113 249	-	11 908 156	6 478 063	7 416 844	(6 100 000)	7 794 907

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 30th June 2021 and 31st December 2020, this caption was broken down as follows:

	Jun - 2021	Dec - 2020
Other accounts payable - current		
Current suppliers	4 025 982	6 199 825
Suppliers of investments	35 048	66 211
State and Public Sector		
Annual gaming payment	604 211	1 616 662
Annual payment - Difference to minimum grant		
Related to current year	-	-
Installments payment schedule - approved for 2014 (a)	1 244 808	1 244 808
Special Gaming Tax (to be paid next month)	3 603 716	5 575 316
Social Security contributors	905 310	753 774
Other in favour of the State	1 075 403	790 279
Clients advance payments	1 732 425	1 901 705
Charges with holidays payable	4 348 786	4 232 234
Responsibilities for accumulated gaming premiums	2 260 766	2 235 871
Other	3 728 999	3 012 714
	<u>23 565 454</u>	<u>27 629 399</u>

- (a) These amounts are defined in payment plans approved by the Gaming Regulation and Inspection Service of Tourism of Portugal (SRIJ), which were being complied with, as follows:
Payment plan approved and in accordance with prior authorization from the Gaming Regulation and Inspection Service of Tourism of Portugal related to the minimum annual counterpart of the year 2014. This plan will be paid in three successive annual instalments of 1.244.808 Euros, with the last reimbursement being due in 2021, reason why it was classified as a current liability
- (b) Customer advances respect to the online business, and correspond to the balance available for play or withdrawal on June 30th, 2021.
- (c) This caption relates to liabilities for accrued gambling bonuses, resulting from the accrued bonuses announced in the various casinos explored by the Group.

14. 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 June 30, 2021 and December 31, 2020. The most relevant processes are as follows:

- Differences of understanding between the Group and the Tax Administration, regarding the taxation of Corporate Income Tax (IRC), relating to 2007, 2008, 2009 and 2010, in the light of non-taxation of documented expenses incurred in the course of gambling activity by its subsidiaries. In the course of the financial year of 2013, a ruling was issued against the allegations and convictions of the Group regarding the proceedings relating to the years 2007 to 2009. The Group is convinced, based on the most diverse opinions and favourable opinions of its legal advisors, that the allegations and claims of the Group are well founded, which is why an appeal was filed against this decision to higher courts.

Additionally, as of the date of these financial statements, there are prior judicial decisions in favour of the Group, as well as favourable judicial jurisprudence on this matter. Nevertheless, bank guarantees were provided in favour of the Cascais Finance Department in the amount of 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.

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 2017, 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 unlaw-fulness 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 30th June 2021 and 31st December 2021 the guarantees provided by the Group were as follows:

	Jun - 2021	Dec - 2020
Obligations related with the Special Gaming Tax	16 741 305	16 741 305
Tax lawsuits in hand / litigation	8 902 368	8 902 368
Current suppliers	39 250	39 250
	<u>25 682 923</u>	<u>25 682 923</u>

15. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the periods ended on 30th June 2021 and 2020 was determined as follows:

	Jun - 2021	Jun - 2020
<u>Results:</u>		
Net profit of the Equity holders of the Parent Company	(5 527 908)	(4 326 177)
<u>Number of shares:</u>		
Average weighted number of shares in circulation	11 931 119	11 931 119
Result per basic share, basic and diluted	<u>(0,46)</u>	<u>(0,36)</u>

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.

16. NOTE ADDED FOR TRANSLATION

The accompanying consolidated financial statements are a translation of consolidated financial statements originally issued in Portuguese, in accordance with IFRS. In the event of discrepancies, the Portuguese version prevails.