

# MANAGEMENT REPORT AND ACCOUNTS

1<sup>st</sup> SEMESTER 2023



**ESTORIL-SOL, SGPS, S.A.**

Fully paid up share capital: 59.968.420 Euros

Headquartered at: Av. Dr. Stanley Ho, Edifício do Casino Estoril, 2765-190 Estoril - Cascais

Tax id number: 500 101 221

Estoril-Sol, S.G.P.S., S.A.



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Governing Bodies	3
Management Report	5
Appendix to the Management Report	15
Holders of qualified shareholdings	17
Consolidated Financial Statements	19
Notes to the Consolidated Financial Statements	25



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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**

Chairwoman	- 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	- Lisete Sofia Pinto Cardoso
	- Paulo Ferreira Alves
Alternate	- Vítor Pratas Sevilhano Ribeiro

**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

### 1<sup>st</sup> Semester 2023

#### 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 semester, we monitored the day-to-day management of the subsidiary companies regularly and in detail, paying particular attention to the execution of the new concession contract for the permanent gaming area of Estoril, which incorporates Casino Estoril and Casino Lisboa.

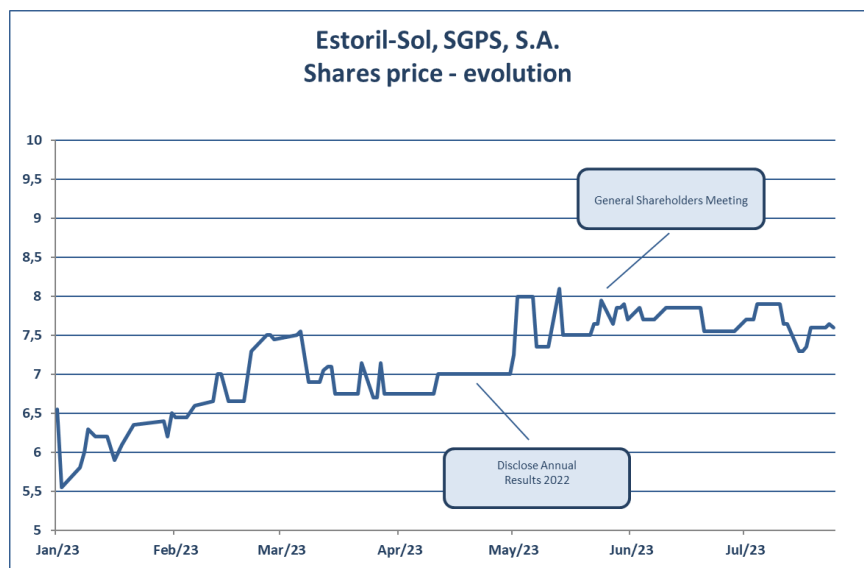
#### 2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 30<sup>th</sup> June 2023, 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).



The 2022 Annual Report and Accounts was approved at the General Shareholders' Meeting on May 26th, 2023, which did not provide for the distribution of dividends related to the 2022 financial year.

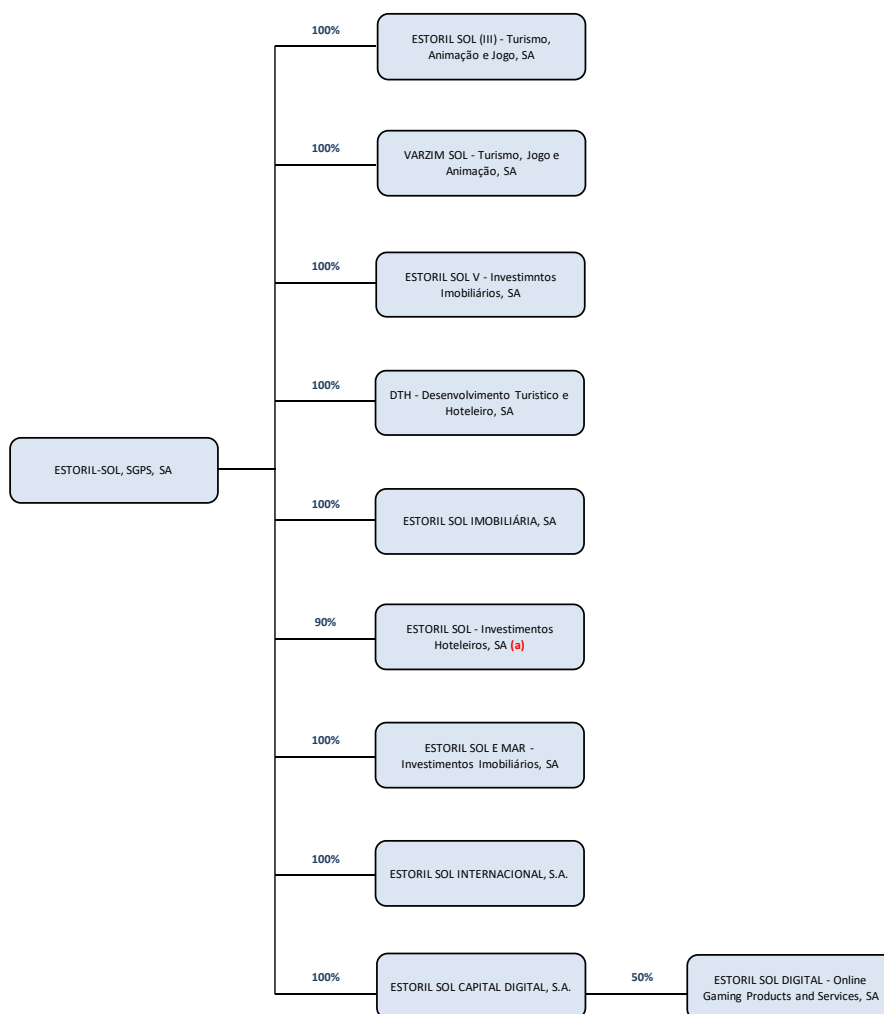
The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the first semester of 2023 were according table below:

Disclosure	Date	Qtyd	Price (Euros)			
			Open	High	Low	Close
Annual results for 2022	28/04/2023	0	7,00	7,00	7,00	7,00
Annual Shareholders Meeting	26/05/2023	1400	7,95	7,95	7,95	7,95

As at June 30th, 2023 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



4. GAME REVENUES

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

GROSS GAME REVENUES (excluding b3nus given)  
1st Semester 2023 / 2022 / 2019 (pre-pandemic)

Estoril Sol					Portugal				
2019	94 M€				2019	150,5 M€			
2022	69,6 M€	Δ 2022	Δ 2019		2022	115,1 M€	Δ 2022	Δ 2019	
2023	79,2 M€	14%	-16%		2023	130,9 M€	14%	-13%	
Casino P3voa					Regional Breakdown				
2019	22 M€				2019	2022	2023	Δ 2022	Δ 2019
2022	16,1 M€	Δ 2022	Δ 2019		Algarve	12,4 M€	15,7 M€	27%	2%
2023	18 M€	12%	-18%		Espinho	17,5 M€	19,2 M€	10%	-18%
Casino Estoril					Figueira	5,3 M€	5,7 M€	8%	-24%
2019	29,9 M€				Chaves	3 M€	3,4 M€	13%	0%
2022	22,7 M€	Δ 2022	Δ 2019		Madeira	3,2 M€	3,9 M€	22%	-15%
2023	28,3 M€	25%	-5%		Tr3ia	4,1 M€	3,7 M€	-10%	85%
Casino Lisboa					*information no available for Casino Ponta Delgada - Azores				
2019	42 M€								
2022	30,8 M€	Δ 2022	Δ 2019						
2023	32,9 M€	7%	-22%						

Comment:

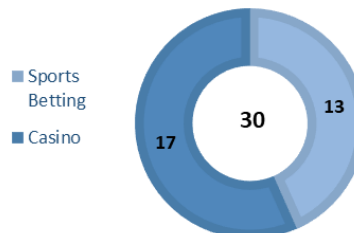
The vast majority of Gaming Concessions have not yet recovered to the revenue levels reached in 2019, the period before the Covid-19 Pandemic.

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

As of June 30, 2023, 17 entities were authorized to engage in online gambling and betting activities in Portugal. Taken as a whole, those entities hold 30 licenses, 17 licenses for sports betting and 13 licenses for online casino.

**ONLINE LICENSES**

17 Players ; 30 Licenses

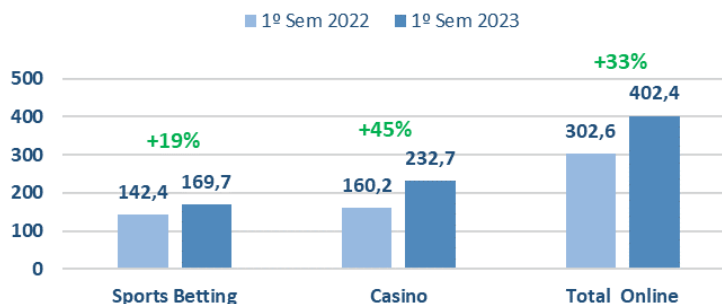


With reference to June 30th, 2023, Estoril Sol Digital holds the following licenses:

- online casino games license (license no. 3) issued by SRIJ (Portuguese Gaming Industry Regulator), valid until July 24th, 2025 after renewal for an additional period of 3 years, and renewable for periods of three years;
- online sports betting license (license nº8) issued by SRIJ (Portuguese Gaming Industry Regulator), valid until August 3rd, 2023 after renewal for an additional period of 3 years, and renewable for periods of three years.

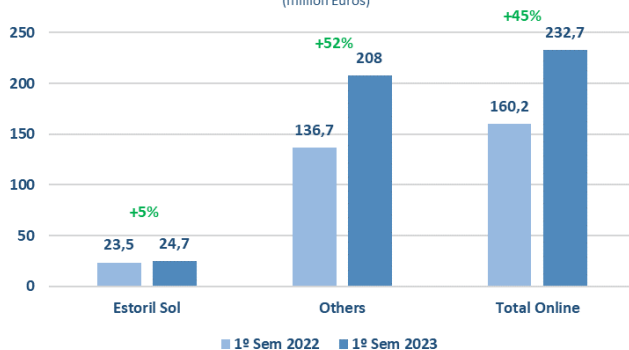
**Online Gross Game Revenues**

(million Euros)



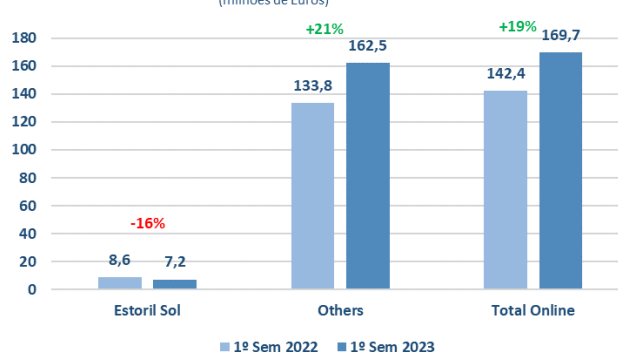
**Game Revenues - Casino**

(million Euros)



**Game Revenues - Sports Betting**

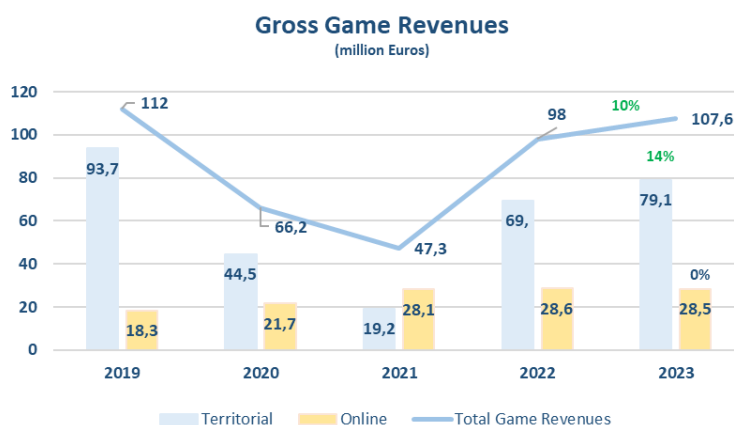
(milhões de Euros)



## 5. ESTORIL-SOL FINANCIAL ANALYSIS – 1<sup>ST</sup> SEMESTER SUMMARY

### ♣ Gross Game Revenues (deducted from bonus given)

In the first half of 2023, the Estoril Sol Group's total gaming revenues (territorial and online gaming) amounted to 107.6 million Euros, having registered an overall growth of 10%. Territorial game revenues amounted to 79.1 million euros, a growth of 14%, driven by the good performance of Casino do Estoril, with special emphasis on table games. If we take the pre-pandemic period, 2019, as a reference, territorial game revenues are still 16% below the values achieved in that period. The Estoril Sol Group's online game revenues do not show growth compared to the same period of the previous year, in contrast to the sector which saw its revenues grow by more than 30% (See table on previous page).

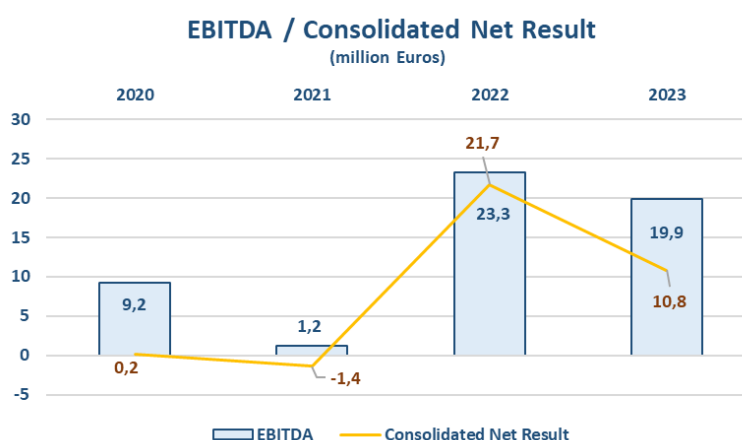


	jun/19	jun/22	jun/23	Δ 23/22	Δ 23/19
Estoril	29,8	22,6	28,2	25%	-5%
Lisboa	41,9	30,7	32,9	7%	-21%
Póvoa	22	16,1	18	12%	-18%
<b>Sub-Total Territorial</b>	<b>93,7</b>	<b>69,4</b>	<b>79,1</b>	<b>14%</b>	<b>-16%</b>
Casino and Poker	12,9	21,1	22,4	6%	74%
Sports Betting	5,3	7,5	6,1	-19%	15%
<b>Sub-Total Online</b>	<b>18,2</b>	<b>28,6</b>	<b>28,5</b>	<b>0%</b>	<b>57%</b>
<b>Estoril Sol</b>	<b>111,9</b>	<b>98</b>	<b>107,6</b>	<b>10%</b>	<b>-4%</b>

million Euros

### ◆ Group Consolidated Results

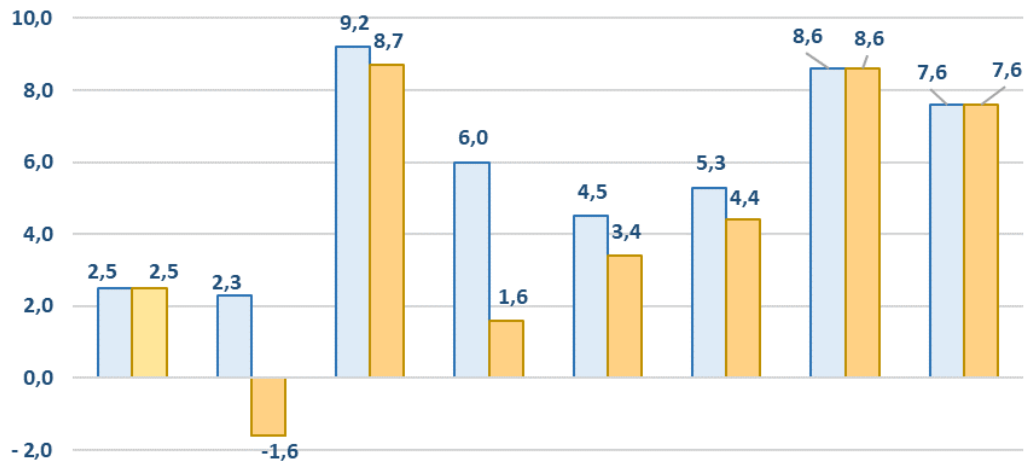
As of June 30, 2023, the Group presents positive Consolidated Net Results in the amount of 10.8 million Euros, which compares with gains of 21.7 million Euros in the same period of the previous year. It should be remembered that in 2022 all of the Group's physical casinos were operating in accordance with the measures provided for in Decree-Law No. 103/2021 of November 24, with the aim of mitigating the negative impacts felt during the pandemic period and immediately after. In 2023, only Casino da Póvoa is operating within that regulatory framework.



## ♥ Performance by Segment/Casino

**EBITDA / Net Result**

(million Euros)



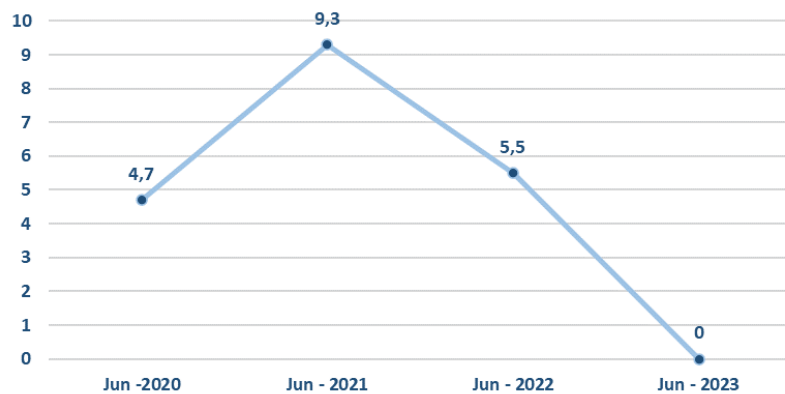
	2022	2023	2022	2023	2022	2023	2022	2023
	Estoril	Estoril	Lisboa	Lisboa	Póvoa	Póvoa	Online	Online
EBITDA	2,5	2,3	9,2	6,0	4,5	5,3	8,6	7,6
Net Result	2,5	-1,6	8,7	1,6	3,4	4,4	8,6	7,6

## ♠ Financial Debt

The good results achieved in 2022 allowed the total settlement of the Group's banking liabilities. The Group's banking liabilities, which are cyclical, arose from activity limitations that occurred during 2020 and 2021 resulting from the adoption of measures to control the Covid-19 pandemic. The Group's credit responsibilities were mainly parked in the Casino da Póvoa operation.

**Financial Debt**

(million Euros)



## 6. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

	Jun - 2023	Jun - 2022	Var %
Gross Game Revenues (deducted from bonus and other adjustments)	107 623 709	97 995 532	10%
Game Taxes	(47 705 209)	(36 595 181)	30%
<b>Receita Líquida de Imposto Jogo</b>	<b>59 918 500</b>	<b>61 400 351</b>	<b>-2%</b>
Government Grant - Lay-Off	0	2 134	
Other Revenue ( F&B / Entertainment )	4 580 333	2 395 817	91%
Operating Costs	(44 521 398)	(40 505 587)	10%
<b>EBITDA</b>	<b>19 977 435</b>	<b>23 292 715</b>	<b>-14%</b>
Amortization and Depreciation	(9 140 219)	(1 516 782)	503%
Financial costs	(53 545)	(79 665)	-33%
Corporate Income Tax (IRC)	(210)	-	
<b>Consolidated Net Result</b>	<b>10 783 460</b>	<b>21 696 267</b>	<b>-50%</b>
Equity holders of the Parent Company	6 979 512	17 418 121	-60%
Non-controlling Interests	3 803 948	4 278 146	-11%
	<b>10 783 460</b>	<b>21 696 267</b>	
Result per basic share	0,58	1,46	

## 7. SUBSEQUENT EVENTS

Between the 30th of June 2023 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 those mentioned below:

- the online sports betting license (license no. 8) issued by the Portuguese Gaming Regulation and Inspection Service was renewed for a period of 3 years, which is valid until August 3rd, 2026 and renewable for periods of three years;

## 8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n<sup>o</sup>1 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, 26th July, 2023

The Board of Directors:

- Chairwoman: 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 30<sup>th</sup> June 2023

	Nr shares 31.12.22	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 30.06.23
<b>Board of Directors</b>						
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
<b>Audit Board</b>						
Manuel Maria Reis Boto	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

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

On 30th June 2023, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, SGPS, S.A., on 30 June 2023, 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 0,02% 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.

**SOCIEDADE FIGUEIRA PRAIA, S.A.**

On 30th June 2023, ESTORIL-SOL, SGPS, S.A. held 62.565 treasury shares, and, as SOCIEDADE FIGUEIRA PRAIA, 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 30<sup>th</sup>, 2023 And DECEMBER 31<sup>st</sup>, 2022

(Amounts in Euros)

ASSETS	Notes	Jun - 23	Dec - 22
<b>NON-CURRENT ASSETS:</b>			
Tangible fixed assets			
Reversible to the State	-	4 391 031	4 506 534
Not reversible to the State	-	46 947 154	47 415 432
Tax deductions on investments	-	<u>(1 589 597)</u>	<u>(1 968 323)</u>
Total non-current assets		49 748 587	49 953 643
Intangible assets			
Right-of-use assets	9	247 293 719	2 018 709
Investment properties	-	525 546	525 546
Other non current assets	-	162 712	165 488
		<u>127 117</u>	<u>126 295</u>
		<u>297 857 682</u>	<u>52 789 681</u>
<b>CURRENT ASSETS:</b>			
Inventories			
Accounts receivable - trade	-	6 915 778	6 914 448
Current tax assets	-	270 605	441 769
Other current assets	-	23 186	23 186
Cash and cash equivalents	-	2 307 960	1 604 621
	10	<u>79 160 501</u>	<u>112 777 135</u>
Total current assets		<u>88 678 030</u>	<u>121 761 159</u>
Total assets		<u>386 535 712</u>	<u>174 550 840</u>
<b>EQUITY and LIABILITIES</b>			
<b>EQUITY:</b>			
Capital			
Treasury shares	-	59 968 420	59 968 420
Share issue premiums	-	(708 306)	(708 306)
Legal Reserves	-	960 009	960 009
Other Reserves and Retained earnings	-	11 072 425	9 429 425
Consolidated net profit	-	50 147 730	18 941 845
Equity attributable to the holders of the Parent Company	-	<u>6 979 512</u>	<u>32 848 885</u>
Equity attributable to non-controlling interests	12	128 419 789	121 440 278
Total equity		<u>6 902 661</u>	<u>13 098 713</u>
		<u>135 322 450</u>	<u>134 538 991</u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Lease liabilities			
Other non-current liabilities	-	352 526	352 526
Provisions	13	197 166 657	-
	-	<u>3 312 260</u>	<u>10 124 371</u>
Total non-current liabilities		<u>200 831 443</u>	<u>10 476 897</u>
<b>CURRENT LIABILITIES:</b>			
Lease liabilities			
Bank liabilities	-	176 086	176 086
Current tax liabilities	-	-	64 515
Other current liabilities	-	210	78 808
	13	<u>50 205 523</u>	<u>29 215 543</u>
Total current liabilities		<u>50 381 819</u>	<u>29 534 952</u>
Total liabilities		<u>251 213 262</u>	<u>40 011 849</u>
Total equity and liabilities		<u>386 535 712</u>	<u>174 550 840</u>

The notes form an integral part of these financial statements

ESTORIL-SOL, SGPS, S.A.

CONSOLIDATED INCOME STATEMENT

OF THE PERIODS ENDED ON 30th JUNE, 2023 AND 2022

(Amounts in Euros)

	Notes	Jun - 2023	Jun - 2022
<b>REVENUE:</b>			
Gaming revenues	5	107 623 709	97 995 532
Gaming taxes	5	(47 705 209)	(36 595 181)
		59 918 500	61 400 351
Government Grant - Lay-Off	5	-	2 134
Other operating revenue	5	4 580 333	2 395 817
		64 498 833	63 798 302
<b>OPERATING EXPENSES:</b>			
Cost of sales	-	(1 003 044)	(850 386)
Supplies and external services	6	(25 510 917)	(22 802 200)
Wages and salaries	7	(17 078 179)	(16 056 301)
Depreciation and amortization	9	(9 140 219)	(1 537 282)
Provisions ( (increases) / reversals )	-	-	20 500
Other operating expenses	-	(929 258)	(796 701)
Total operating expenses		(53 661 617)	(42 022 370)
Income before financial results and taxes		10 837 216	21 775 932
<b>FINANCIAL (LOSSES) AND GAINS:</b>			
Financial losses	8	(103 814)	(148 050)
Financial gains	8	50 268	68 385
		(53 545)	(79 665)
Income before taxes		10 783 670	21 696 267
Income taxes	-	(210)	-
Consolidated net income		10 783 460	21 696 267
Attributable to:			
Equity holders of the Parent Company	15	6 979 512	17 418 121
Non-controlling interests	-	3 803 948	4 278 146
		10 783 460	21 696 267
Net result per share			
Basic and diluted		0,58	1,46

The notes form an integral part of these financial statements

Net Result by Operation	Jun - 2023	Jun - 2022
Casino Estoril	(1 564 908)	2 474 264
Casino Lisboa	1 616 822	8 674 122
Casino Póvoa	4 352 313	3 415 309
Casino Online	7 607 896	8 556 291
Others	(1 228 663)	(1 423 719)
Consolidated Net Income	10 783 460	21 696 267

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL-SOL, SGPS, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31<sup>st</sup> JUNE 2023 AND 2022

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other Reserves and Retained Earnings	Consolidated net result of the year	Total	Non-controlling interests (Note 12)	Total Equity
Balance at 01 <sup>st</sup> January 2022	59 968 420	(708 306)	960 009	8 871 314	8 095 733	11 162 223	88 349 393	6 079 066	94 428 459
Application of the consolidated net profit of the year ended 31 <sup>st</sup> December 2021	-	-	-	558 111	10 604 112	(11 162 223)	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(3 000 000)	(3 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 <sup>th</sup> June 2022	-	-	-	-	-	17 418 121	17 418 121	4 278 146	21 696 267
Balance at 30 <sup>th</sup> June 2022	59 968 420	(708 306)	960 009	9 429 425	18 699 845	17 418 121	105 767 514	7 357 212	113 124 726
Balance at 01 <sup>st</sup> January 2023	59 968 420	(708 306)	960 009	9 429 425	18 941 845	32 848 885	121 440 278	13 098 713	134 538 991
Application of the consolidated net profit of the year ended 31 <sup>st</sup> December 2022	-	-	-	1 643 000	31 205 885	(32 848 885)	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(10 000 000)	(10 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 <sup>th</sup> June 2023	-	-	-	-	-	6 979 512	6 979 512	3 803 948	10 783 459
Balance at 30 <sup>th</sup> June 2023	59 968 420	(708 306)	960 009	11 072 425	50 147 730	6 979 512	128 419 789	6 902 661	135 322 450



ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIODS ENDED 30th JUNE 2023 AND 2022

(Amounts in Euros)

	<u>Notes</u>	<u>30-Jun-2023</u>	<u>30-Jun-2022</u>
<b><u>OPERATING ACTIVITIES:</u></b>			
Receipts from clients		110 394 479	99 969 214
Payments to suppliers		(28 322 461)	(24 837 358)
Payments to staff		(15 356 035)	(14 517 725)
Cash flow generated by operations		<u>66 715 983</u>	<u>60 614 131</u>
Payment of income tax		(52 397)	(117 174)
Payment of Special Gaming tax		(38 756 697)	(36 497 130)
Other payments relating to the operating activity		(8 910 991)	(2 411 516)
Cash flow from operating activities (1)		<u><u>18 995 899</u></u>	<u><u>21 588 311</u></u>
<b><u>INVESTING ACTIVITIES:</u></b>			
Receipts from:			
Interest and similar income		<u>50 268</u>	<u>67 656</u>
		<u>50 268</u>	<u>67 656</u>
Payments in respect of:			
Tangible fixed assets		(1 419 464)	(54 630)
Intangible assets		(40 902 328)	-
		<u>(42 321 792)</u>	<u>(54 630)</u>
Cash flow from investment activities (2)		<u><u>(42 271 523)</u></u>	<u><u>13 026</u></u>
<b><u>FINANCING ACTIVITIES:</u></b>			
Receipts from:			
Bank loans obtained		<u>64 513</u>	<u>18 194 570</u>
		<u>64 513</u>	<u>18 194 570</u>
Payments in respect of:			
Bank loans repaid		(64 513)	(21 686 871)
Interest and similar costs		(116 699)	(160 827)
Dividends		(10 000 000)	(3 000 000)
Amortization of lease liabilities		(159 796)	(202 728)
		<u>(10 341 007)</u>	<u>(25 050 426)</u>
Cash flow from financing activities (3)		<u><u>(10 276 494)</u></u>	<u><u>(6 855 856)</u></u>
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(33 552 119)	14 745 481
Cash and cash equivalents at the start of the period	10	112 712 620	68 687 884
Cash and cash equivalents at the end of the period	10	79 160 501	83 433 365

The notes form an integral part of these financial statements



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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 2025), which includes the exploration of the Póvoa de Varzim Casino, and the Estoril game concession (until 2037), which includes the Casino do Estoril and the Casino de Lisboa. 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 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 31<sup>st</sup> December 2022.

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> June 2023, 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 2022, 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 2023 and 31st December 2022 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Jun-23	Dec-22
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

## 5. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th June 2023 and 2022, is detailed as follows:

Nature	June - 2023					
	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	14 950 659	25 054 989	40 005 648	15 415 512	22 967 938	78 389 098
- Table based gaming and Poker	13 353 113	7 815 397	21 168 510	2 627 547	1 968 915	25 764 972
- Sports betting	-	-	-	-	7 234 873	7 234 873
- Bonuses and other fair value adjustments	(69 837)	(64 543)	(134 380)	(20 651)	(3 610 203)	(3 765 234)
	28 233 935	32 805 843	61 039 778	18 022 408	28 561 523	107 623 709
Gaming taxes:						
- Game Taxes	(14 540 935)	(16 885 203)	(31 426 138)	(6 016 016)	(10 263 055)	(47 705 209)
Other operating revenues:						
- F&B and Entertainment	2 409 176	306 952	2 716 128	244 582	-	2 960 710
- Tax deductions - Entertainment	702 962	802 540	1 505 503	-	-	1 505 503
- Supplementary income	67 338	20 657	87 995	2 182	-	90 177
- Other	17 138	5 857	22 995	378	570	23 943
	3 196 614	1 136 007	4 332 621	247 142	570	4 580 333
	16 889 614	17 056 647	33 946 261	12 253 534	18 299 038	64 498 833

Nature	June - 2022					
	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	15 086 629	24 821 292	39 907 921	13 756 803	21 806 518	75 471 243
- Table based gaming and Poker	7 651 322	5 968 656	13 619 978	2 330 390	1 949 792	17 900 160
- Sports betting	-	-	-	-	8 585 063	8 585 063
- Bonuses and other fair value adjustments	(89 610)	(110 461)	(200 071)	5 722	(3 766 585)	(3 960 934)
	<u>22 648 341</u>	<u>30 679 487</u>	<u>53 327 828</u>	<u>16 092 915</u>	<u>28 574 788</u>	<u>97 995 532</u>
Gaming taxes:						
- Special Gaming Tax (current)	(8 633 591)	(11 290 274)	(19 923 865)	(5 900 658)	(10 770 658)	(36 595 181)
- Annual Gaming Tax ( difference to minimum grant )	-	-	-	-	-	-
	<u>(8 633 591)</u>	<u>(11 290 274)</u>	<u>(19 923 865)</u>	<u>(5 900 659)</u>	<u>(10 770 658)</u>	<u>(36 595 181)</u>
Government Grants/Subsidies						
- Social Security - Lay-Off	848	1 002	1 850	284	-	2 134
- IEFP - Extraordinary incentive to resume activity	-	-	-	-	-	-
	<u>848</u>	<u>1 002</u>	<u>1 850</u>	<u>284</u>	<u>-</u>	<u>2 134</u>
Other operating revenues:						
- F&B and Entertainment	1 823 722	242 182	2 065 904	208 405	-	2 274 309
- Tax deductions - Entertainment	-	-	-	-	-	-
- Supplementary income	63 183	13 434	76 617	4 879	-	81 497
- Other	28 149	11 534	39 683	329	-	40 011
	<u>1 915 054</u>	<u>267 150</u>	<u>2 182 204</u>	<u>213 613</u>	<u>-</u>	<u>2 395 817</u>
	<u>15 930 652</u>	<u>19 657 365</u>	<u>35 588 017</u>	<u>10 406 154</u>	<u>17 804 130</u>	<u>63 798 302</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 2023 and 2022, "Supplies and external services" were as follows:

	Jun - 2023	Jun - 2022
Advertising	5 640 890	4 456 876
Fees	3 593 449	3 567 480
Gifts to customers	3 171 491	2 565 250
Subcontracts	2 283 035	1 579 782
Cleaning and laundry	1 503 015	1 457 396
Financial services (comissions)	1 494 807	1 374 600
Conservation and repairs	1 480 583	1 326 402
Energy and other fluids	1 457 099	2 093 190
Specialized work	1 224 525	801 010
Royalties	1 158 183	1 114 767
Surveillance and security	1 021 066	904 259
Rents	487 453	554 951
Communication	261 946	230 693
Insurance	242 515	198 645
Travel and hotels	161 634	76 913
Other	329 227	499 986
	<u>25 510 917</u>	<u>22 802 200</u>

## 7. STAFF COSTS

In the periods ended on 30th June 2023 and 2022, staff costs were as follows:

	Jun- 2023	Jun - 2022
Remuneration of governing bodies	1 186 277	1 182 527
Remuneration of staff	11 981 732	11 121 308
Indemnities	1 486	100 743
Charges on remuneration	2 975 443	2 789 125
Insurance	108 968	126 070
Social charges	686 013	629 501
Other	138 260	107 027
	<u>17 078 179</u>	<u>16 056 301</u>

## 8. FINANCIAL LOSSES AND FINANCIAL GAINS

Financial costs and income for the periods ended on 30th June 2023 and 2022 is detailed as follows:

Financial Costs	Jun - 2023	Jun - 2022
Interest borne:		
Financing from banks (a)	(67 655)	(118 262)
Finance and operating leasing (b)	(36 159)	(29 788)
	<u>(103 814)</u>	<u>(148 050)</u>
Financial Income	Jun - 2023	Jun - 2022
Interests from bank deposits	20 389	46 715
Exchange gains	6 785	5 100
Other	23 095	16 570
	<u>50 268</u>	<u>68 385</u>
Net financial costs	<u>(53 545)</u>	<u>(79 665)</u>

## 9. INTANGIBLE ASSETS

The breakdown of intangible assets on 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022 is as follows:

Concessão de Jogo	Jun - 2023		
	Ativo Bruto	Amortizações Acumuladas e Imparidades	Ativo Líquido
Estoril Gaming Concession			
- Casino Estoril and Casino Lisboa	253 235 666	(7 673 810)	245 561 856
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(75 364 013)	1 670 096
	330 269 775	(83 037 823)	247 231 952
Intangible assets - Online gaming license (a)	14 000	( 3 733)	10 267
Intangible assets - Online sports betting (a)	12 000	( 11 633)	367
	26 000	( 15 366)	10 634
Other intangible assets	51 133	-	51 133
	330 346 908	(83 053 189)	247 293 719
Concessão de Jogo	Dec - 2022		
	Ativo Bruto	Amortizações Acumuladas e Imparidades	Ativo Líquido
Estoril Gaming Concession			
-Casino do Estoril	153 576 455	(153 576 455)	-
-Casino de Lisboa	30 000 000	(30 000 000)	-
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(75 030 034)	2 004 075
	260 610 564	(258 606 489)	2 004 075
Intangible assets - Online gaming license (a)	14 000	( 1 733)	12 267
Intangible assets - Online sports betting (a)	12 000	( 9 633)	2 367
	260 636 564	(258 617 855)	2 018 709

In August 2022, the announcement of the international public tender regarding the Estoril Gaming Zone concession was published, which would be attributed to Estoril-Sol (III) - Turismo, Animação e Jogo S.A., a subsidiary company of Estoril Sol, SGPS, S.A.. On December 30, 2022, through Decree-Law No. 90-E/2022, the Government authorized, exceptionally, the extension of the Estoril game concession in force until the beginning of the new game concession, this extension not being able to exceed the maximum period of 6 months. On January 30, 2023, the Portuguese State and Estoril Sol (III) - Turismo, Animação e Jogo S.A. signed a concession contract for Estoril gaming zone. The new concession of the Estoril game zone began on the date the contract was signed and will end on the 31st (thirty-first) of December of the 15th (fifteenth) year after the beginning its exploitation, that is, December 31, 2037.(see also Note 13)

## 10. CASH AND CASH EQUIVALENTS

On 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022, this caption was broken down as follows:

	Jun- 2023	Dec - 2022
Cash	8 158 911	7 314 429
Bank Deposits:		
- Immediately available bank deposits	66 001 590	97 462 706
- Long term deposits (a)	5 000 000	8 000 000
Cash and bank deposits	79 160 501	112 777 135
Bank overdrafts	-	(64 515)
Cash and cash equivalents	79 160 501	112 712 620

(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 May 26<sup>th</sup>, 2023, the application of the results for the year 2022 was approved as follows:

	2022
Legal reserve	1 643 000
Other reserves and retained earnings	31 205 885
	32 848 885

## 12. NON-CONTROLLING INTERESTS

On 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022, the caption "Non-controlling interests" was broken down as follows:

	Jun - 2023				Dec - 2022			
	Opening balance	Profit / (Loss) of the period	Dividend distribution	Closing balance	Opening balance	Profit / (Loss) of the period	Dividend distribution	Closing balance
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	13 098 713	3 803 948	(10 000 000)	6 902 661	6 079 066	10 019 647	(3 000 000)	13 098 713



## 13. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022, this caption was broken down as follows:

	Jun - 2023	Dec - 2022
Other accounts payable - non-current		
Annual game consideration (a)	197 166 657	-
	197 166 657	-
Other accounts payable - current		
Current suppliers	7 513 701	8 112 205
Suppliers of investments	30 635	567 138
State and Public Sector		
Annual game consideration	15 166 667	-
Game Taxes	13 691 001	6 320 365
Social Security contribuitons	1 015 873	778 247
Other in favour of the State	1 083 888	970 394
Clients advance payments (b)	1 951 988	2 440 896
Charges with holidays payable	4 505 157	4 301 055
Responsibilities for accumulated gaming premiums (c)	2 291 165	2 346 040
Other	2 955 448	3 379 203
	50 205 523	29 215 543

- (a) Amount relating to the annual game consideration payable on January 10<sup>th</sup> of each calendar year relating to the game concession of Estoril gaming zone that began on January 31<sup>st</sup>, 2023 and ends on December 31<sup>st</sup>, 2037..
- (b) Customer advances respect to the online business, and correspond to the balance available for play or withdrawal on June 30<sup>th</sup>, 2022.
- (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 assets

On March 2<sup>nd</sup>, 2022, the arbitration agreement concerning legal actions in the Administrative and Tax Courts was formalized, in which gaming concessionaires brought an action against the State in order to re-store the economic and financial balance of concessions contracts. The parties agreed that, for the period of the concession contracts after December 31<sup>st</sup>, 2019 and with reference to the consequences and im-pacts arising from the pandemic caused by the Covid-19 disease, the aforementioned facts do not, in any way, include the issues to be addressed by the arbitral tribunal.

### Guarantees provided

On 30<sup>th</sup> June 2023 and 31<sup>st</sup> December 2022 the guarantees provided by the Group were as follows:

	Jun - 2023	Dec - 2022
Obligations related with financial counterparts of Territorial Gaming Concessions and Online Gaming Licenses	31 320 416	31 326 416
Tax lawsuits in hand / litigation	1 077 917	7 233 741
Current suppliers	32 250	39 250
	<u>32 430 583</u>	<u>38 599 407</u>

### 15. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the periods ended on 30<sup>th</sup> June 2023 and 2022 was determined as follows:

	Jun - 2023	Jun - 2022
<u>Results:</u>		
Net profit of the Equity holders of the Parent Company	<u>6 979 512</u>	<u>17 418 121</u>
<u>Number of shares:</u>		
Average weighted number of shares in circulation (Note 24)	<u>11 931 119</u>	<u>11 931 119</u>
Result per basic share, basic and diluted	<u>0,58</u>	<u>1,46</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.