

# MANAGEMENT REPORT AND ACCOUNTS

2023



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

**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

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## GOVERNING BODIES

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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

Chairman	- Pansy Catilina Chiu King Ho
Members	- 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	- Ana Catarina de Figueiredo Antunes Félix Pontes - 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	- Paulo Ferreira Alves - 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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Dear Shareholders,

Pursuant to the legal and statutory provisions, we hereby present and submit the Annual Report and the Separate and Consolidated Accounts, referring to the year ended 31<sup>st</sup> December 2023, for your appreciation.

## 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, SA 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 year we regularly monitored in detail the current management of the subsidiary companies, with particular attention to the execution of the new concession contract for the permanent gaming area of Estoril, which incorporates Casino Estoril and Casino Lisboa.

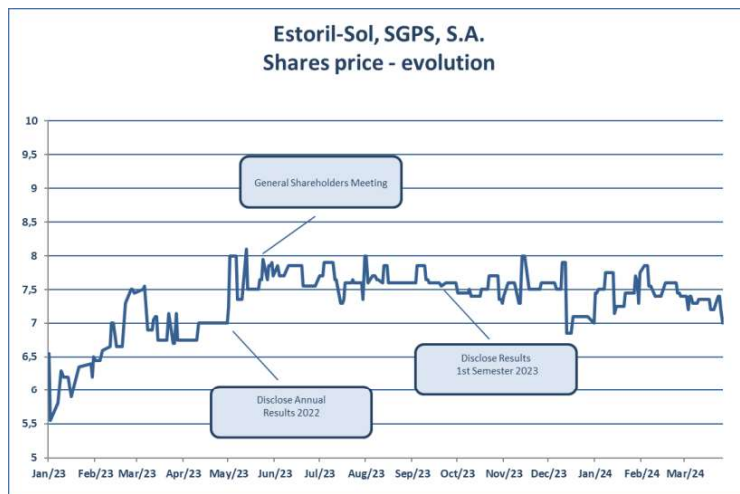
## 2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 31<sup>st</sup> December 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.

During the year 2023, 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)



## MANAGEMENT REPORT

Year 2023 - Transaction volumes and share price of Estoril-Sol, SGPS, S.A., on results release dates

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
Results - 1st Semester 2023	28/09/2023	0	7,60	7,60	7,60	7,60

As at December 31st, 2023 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics to the right:



### 3. ESTORIL-SOL GROUP OF COMPANIES



\* Detêm ações próprias correspondentes a 10% do seu Capital Social  
 \* Holds 10% of its share capital



**Gaming:**

ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A., incorporated on 26 July 2001, headquartered in Estoril, the social object of which is the operation of games of chance in areas where this is permitted by law and, in addition, may also operate in the tourism, hotel, restaurant and entertainment industries, as well as providing consultancy services in those areas of activity. This company operates the Estoril and Lisbon Casinos. Its share capital of EUR 34.000.000 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.

VARZIM SOL - ANIMAÇÃO, TURISMO E JOGO, S.A., headquartered in Póvoa de Varzim, has the social object, in particular, of operating the gambling concession of Póvoa de Varzim. This company operates the Póvoa de Varzim Casino.

It has a share capital of EUR 33.650.000, 100% held by ESTORIL SOL, S.G.P.S., S.A..

ESTORIL SOL CAPITAL DIGITAL, S.A. – With a share capital of EUR 2.000.000, it is 100% owned by ESTORIL-SOL, SGPS, SA, its area of operation is the management of the online operations of the 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 hosted at Estoril Sol Capital Digital, 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.

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.

**Real Estate:**

DTH - DESENVOLVIMENTO TURÍSTICO E HOTELEIRO, SA – With a share capital of EUR 2.429.146, is 100% held by ESTORIL-SOL, S.G.P.S., S.A.. It owns a plot of land in Monte Estoril, where the former Miramar Hotel stood.

ESTORIL - SOL IMOBILIÁRIA, S.A. - With a share capital of EUR 7.232.570, it is 100% owned by ESTORIL SOL, S.G.P.S., S.A.. Its social object is the construction, promotion, management and sale of tourist complexes and real estate. It owns an urban building in Alcoitão, whose purpose is its resale.

ESTORIL SOL E MAR - Investimentos Imobiliários, S.A. - With a share capital of EUR 1.286.000, is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.. It owns an urban building in Estoril, whose purpose will be its resale.

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.

**Food & Beverage and Hospitality:**

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.

#### 4. RELEVANT FACTS OCCURRED DURING THE YEAR

##### - Concession Contract for the exclusive operation of games of chance in the Estoril gaming area

In August 2022, the announcement 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.

The concession contract for the Estoril gaming area, including Casino Estoril Casino and Casino Lisboa, signed with the Portuguese State foresees the following financial disbursements in each year of the contract's validity. (updated for the year in which each of these installments/disbursements are paid using the evolution of the consumer price index on the continent, excluding housing):

- Fixed Annual Contribution in the amount of 15.166.667 Euros for a global amount of 227.500.005 Euros, discounted at 2022 prices;
- Variable Annual Contribution in the amount corresponding to 50% of gross gaming revenues, taking into account the applicable minimum contribution set contractually;

Additionally, the contract also provides for the payment, upon the start of operations at Casino Lisboa, of an additional financial contribution in the amount of 25.735.661 Euros;

On December 31st, 2023, the variable annual contribution depending on Estoril Concession minimum gross gaming revenues contractually foreseen for future years, at 2022 prices, subject to the evolution of the aforementioned price index, amounted to approximately 791 millions of Euros. Variable annual contributions are recognized in results in the years to which they relate.

The materialization of the assumptions considered by the Board of Directors within the scope of the aforementioned tender and the impairment analysis carried out on the right of exploitation casino games resulting from the contract signed by Estoril Sol (III) - Turismo, Animação e Jogo, S.A., namely the growth in projected revenues from land-based casinos, will be decisive for the future success of the operations and for the recovery value of the assets and the considerations assumed within the scope of the aforementioned contract.

Initially and as a result of the aforementioned public tender an injunction was filed by the other entity that presented itself for the tender within the Administrative Court of Lisboa, invoking the pre-contractual regime which resulted in the immediate suspension of the subsequent terms of the public tender. This action was judged imprudent. In this regard, there is still a legal action pending in the Administrative Court of Lisbon brought by the other contender in order to cancel the jury's decision to exclude their submitted proposal, claiming the following: the admission of the proposal submitted as there is no valid reason for exclusion and order it in first place with consequent award of the concession contract. This lawsuit does not have suspensive effects on the current concession contract in execution signed between the Portuguese State and Estoril Sol (III) - Turismo, Animação e Jogo S.A. Additionally, an injunction was also filed within the Administrative Court of Lisboa, regarding the contract formation procedure requesting that the suspension of the execution of the Estoril concession contract to be decreed. The Board of Directors is convinced of its position, understanding that the arguments presented by the Group are solid and will guarantee the maintenance of

the decision to attribution the concession of the Estoril Gaming Zone to Estoril Sol, with none of the events mentioned above preventing Estoril Sol from proceed with its plans for the new concession.

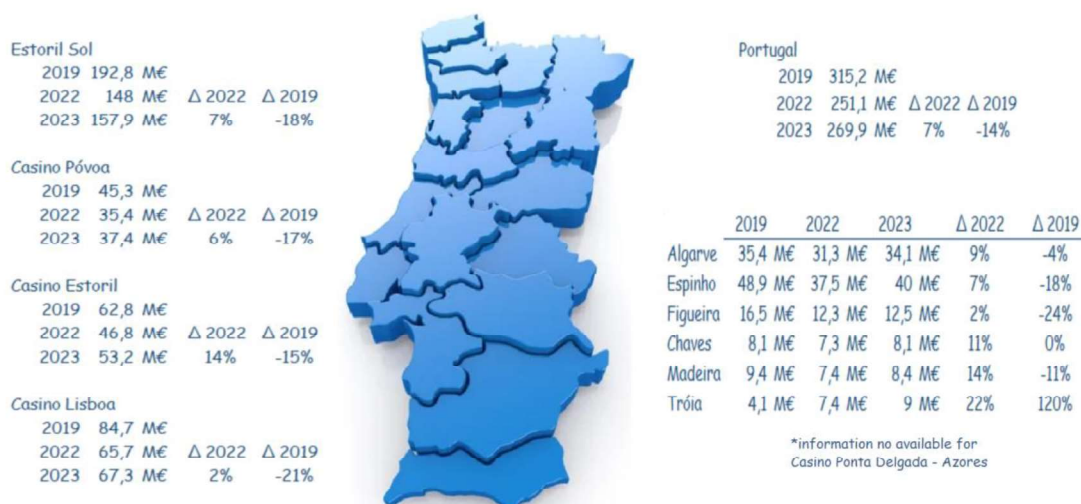
**- Arbitration agreement relating to legal actions taking place in the Administrative and Tax Courts, in which gaming concessionaires brought proceedings against the Portuguese State in order to restore the economic and financial balance of gaming concessions:**

As part of an arbitration process between Varzim Sol - Turismo, Jogo e Animação, SA, its subsidiary company and the Portuguese State, with the aim of restoring the economic and financial balance of the concession contract for exclusive exploitation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, the arbitrators who make up the Arbitration Court installed at the Commercial Arbitration Center of the Lisbon Commercial Association unanimously handed down an arbitration decision, not final and appealable, which condemned the Portuguese State to pay Varzim Sol - Turismo, Jogo e Animação, SA of compensation, in order to mitigate the losses suffered in its operations resulting from the 2011 economic crisis, corresponding to the return of the value of the differences between the annual consideration and the minimum annual consideration paid in 2012 (€2.936.068), 2013 (€5.650.625) and 2014 (€5.595.594), updated at the date of the decision. The Portuguese State filed an appeal against the arbitration decision given by the Arbitration Court located at the Commercial Arbitration Center of the Lisbon Commercial Association. Although the Group is confident in the merits of its claim, it awaits the further terms of the process.

**5. FINANCIAL ANALYSIS – CONTEXT OF THE INDUSTRY AND THE GROUP ESTORIL-SOL**

**- TERRITORIAL CASINO GAME REVENUES**

GROSS GAME REVENUES (excluding bónus given)  
2023 / 2022 / 2019 (pre-pandemic)



Values: Million Euros

Important note:

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

- **Online**

On the 28th June 2015 Legal Regime for Online Gambling and Betting (RJO) approved by decree-law 66/2015 entered into force.

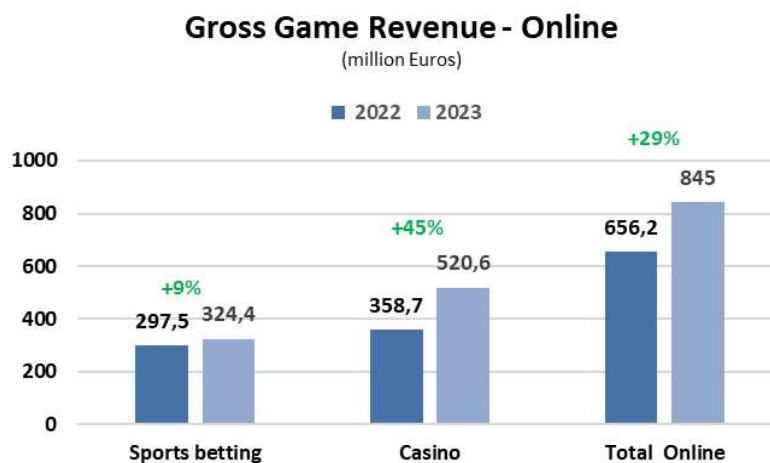
As of December 31st, 2023, 17 entities were authorized to engage in online gambling and betting activities in Portugal. Taken as a whole, those entities hold 30 licenses, 13 licenses for sports betting and 17 licenses for online casino. At the request of the operating entities, three of the thirteen sports betting licenses are temporarily suspended, and a casino is still awaiting approval of the technical system that allows it to effectively begin the activity.



With reference to December 31st, 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, 2026 after renewal for an additional period of 3 years, and renewable for periods of three years.

During 2023, online gaming in Portugal generated gross revenue (betting value after deducting paid prizes) in the global amount of 845 million Euros, a growth of 29% compared to the 656 million Euros generated in 2022.



**GROSS GAME REVENUES - Online**  
(millions Euros)

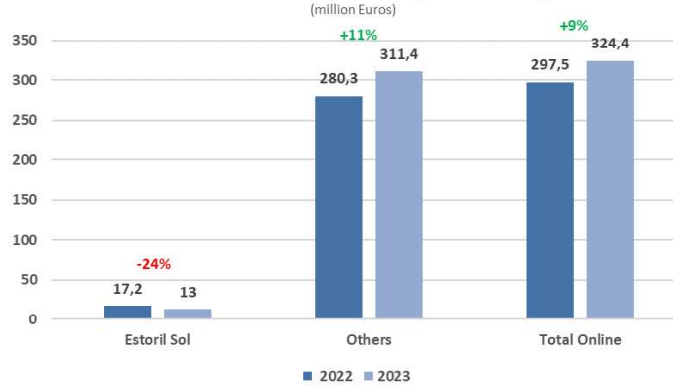
During 2023, Estoril Sol Digital recorded gross revenue from online gaming (betting value after deducting prizes paid), in the global amount of 64,9 million Euros, a decrease of 5,6% compared to 68,8 million Euros achieved in 2022.



**- Sports Betting**

The sports betting segment is responsible for 38% (45% in 2022) of the market value and generated gross revenues of 324,4 million Euros, which corresponds to a growth of 9% compared to the previous year.

**Gross Game Revenues - Sports Betting**

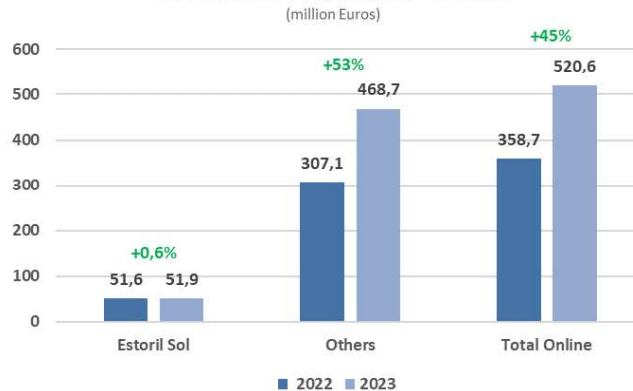


Estoril Sol Digital's gross revenue from sports betting, excluding the effect of game bonuses given, represent 4% (5,7% in 2022) of the total revenue generated in Portugal from this type of betting, amounting to 13 million Euros (17,2M€ in 2022), a decrease rate of 24% compared to the previous year.

**- Casino**

The Casino segment represents 53% (48% in 2021) of the market and generated gross revenues of 341 million Euros, which corresponds to a growth of 40% compared to the previous year.

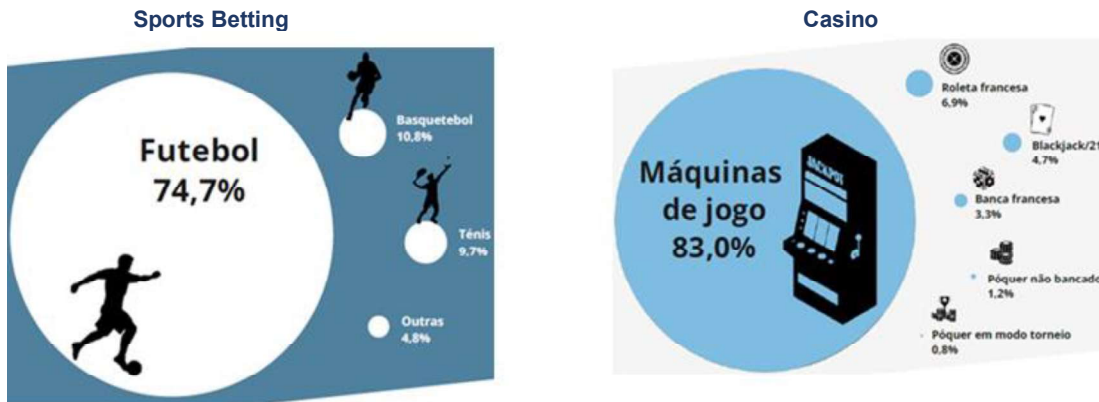
**Gross Game Revenues - Casino**



Estoril Sol Digital's gross gaming revenues, excluding the effect of game bonuses given, represent 10% (14% in 2022) of total revenues generated in Portugal, amounting to 51,9 million Euros (51,6 in 2022 ) and grew by 0,6% compared to the previous year.

**- Profile of online betting in Portugal**

Players' preference by type of game is shown below, based on activity data for the fourth quarter of 2023. (Source: Report of the 4rd Quarter of Online Gambling Activity in Portugal from the SRIJ - Portuguese Gaming Inspection and Regulation Service)



Also according to data collected from the Portuguese Gaming Inspection and Regulation Service), it is concluded that the online player profile is characterized by young individuals, mostly aged between 18 and 44 years old (representing 80% of total number of players), with the majority, 43.2%, betting simultaneously on casino games and sports betting, 31.1% betting exclusively on casino games and 25.8% placing their bets exclusively on betting sports.



6. FINANCIAL ANALYSIS – ESTORIL SOL SUMMARY

♣ Game Revenues (deducted from bonus given)

During 2023 the Group's total game revenues (territorial and online) amounted to 214,8 million Euros, having recorded an overall growth of 3%. Land-based game revenues amounted to 157,5 million euros, a growth of 7%, driven by the good performance of Casino do Estoril, with special emphasis on table games, whose (table) revenues are historically among the highest ever. If we take the pre-pandemic period, 2019, as a reference, land-based gaming revenues are still 18% below the values achieved in that period. In 2023, the Estoril Sol Group's online game revenues decreased compared to the same period of the previous year by -7%, being its origin the poor performance of the sports betting segment.

Gross Game Revenues  
(million Euros)



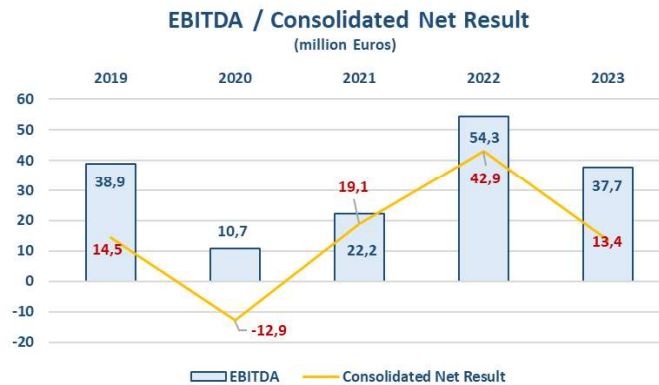
	dec-2019	dec-2022	dec-2023	Δ 23/22	Δ 23/19
Estoril	62,7	46,7	53,1	14%	-15%
Lisboa	84,4	65,5	67	2%	-21%
Póvoa	45,3	35,4	37,4	6%	-17%
<b>Sub-Total Territorial</b>	<b>192,4</b>	<b>147,6</b>	<b>157,5</b>	<b>7%</b>	<b>-18%</b>
Casino e Poker	27,7	46,2	46,6	1%	68%
Sports Betting	11	15,1	10,7	-29%	-3%
<b>Sub-Total Online</b>	<b>38,7</b>	<b>61,3</b>	<b>57,3</b>	<b>-7%</b>	<b>48%</b>
<b>Grupo Estoril Sol</b>	<b>231,1</b>	<b>208,9</b>	<b>214,8</b>	<b>3%</b>	<b>-7%</b>

million Euros

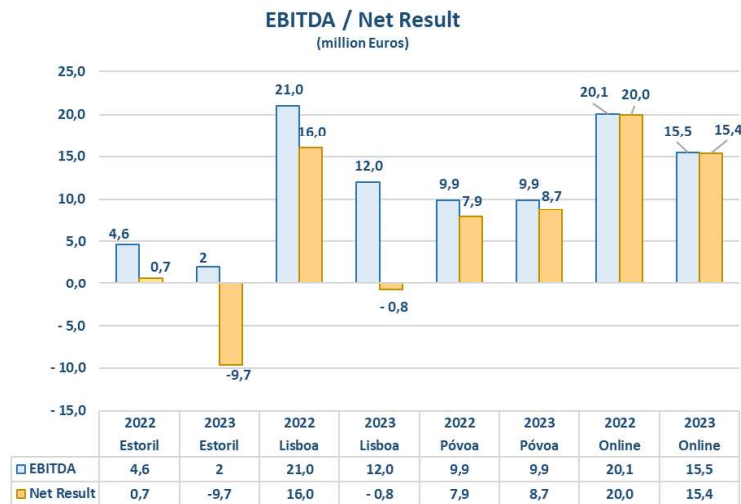
Casino	dec-2019	dec-2022	dec-2023	Δ 23/22	Δ 23/19
Estoril					
Table	15 079 340	13 928 329	21 161 489	52%	40%
Poker	1 292 179	1 962 039	2 193 606	12%	70%
Slot Machines	46 323 414	30 762 686	29 696 518	-3%	-36%
	<b>62 694 933</b>	<b>46 653 054</b>	<b>53 051 613</b>	<b>14%</b>	<b>-15%</b>
Lisboa					
Table	16 111 505	14 381 638	16 216 894	13%	1%
Slot Machines	68 308 578	51 120 326	50 830 393	-1%	-26%
	<b>84 420 083</b>	<b>65 501 964</b>	<b>67 047 287</b>	<b>2%</b>	<b>-21%</b>
Póvoa					
Table	6 086 151	4 892 485	5 093 820	4%	-16%
Slot Machines	39 190 231	30 546 697	32 270 664	6%	-18%
	<b>45 276 382</b>	<b>35 439 182</b>	<b>37 364 484</b>	<b>6%</b>	<b>-17%</b>
<b>Total Territorial / Land-Based</b>	<b>192 391 398</b>	<b>147 594 200</b>	<b>157 463 384</b>	<b>7%</b>	<b>-18%</b>

◆ **Group Consolidated Results**

In 2023, the Group achieved positive Consolidated Net Results in the amount of 13,4 million Euros, which compares with gains of 42,9 million Euros in the same period of the previous year. It should be remembered that in 2022 all of the Group's land-based 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 this sense, it is important to highlight that the 2022 results of all land-based casinos and Casino da Póvoa in 2023, benefited from the application of a lower annual variable contribution over its game revenues, as the game revenues achieved in those years were still at a lower level than that seen in the period previous to the covid-19 pandemic (2017 to 2019). In 2023, only Casino da Póvoa is operating within that regulatory framework. Casino Estoril Casino and Casino Lisboa are operating in accordance with the financial conditions applied to the new concession contract for the Estoril gaming area, valid until December 2037, and which provides for the application of an annual variable contribution corresponding to 50% of gross gaming revenue achieved in the year in question.



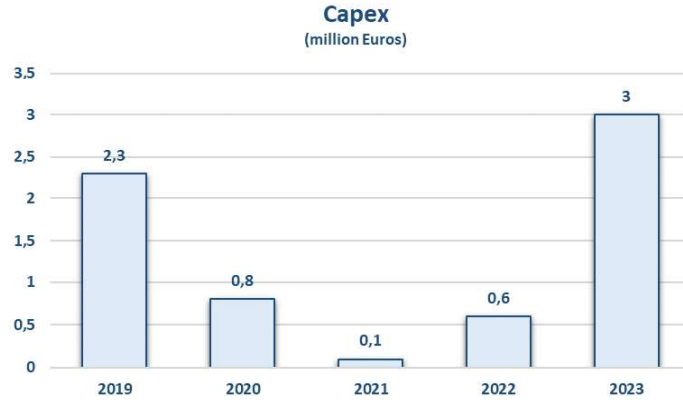
♥ **Performance by Segment/Casino**





♠ **Capex**

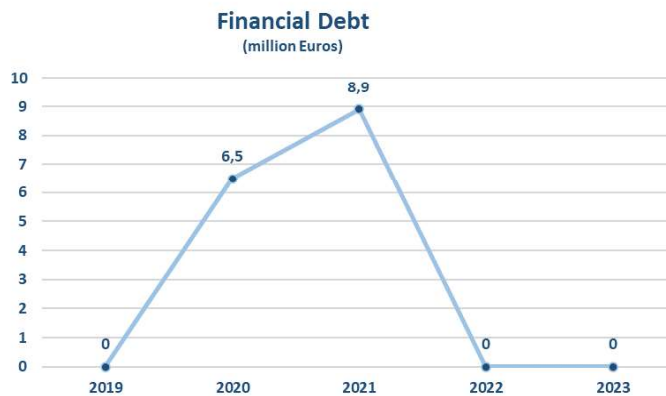
During the 2023 financial year and within the scope of the new concession contract of Estoril, which includes Casino do Estoril and Casino de Lisboa, several gaming equipment was write-off, specifically slot machines and other equipment supporting their operation, in significant quantities. In January 2023 those casinos had 1856 slot machines installed, in December 2023 those casinos only had 1383 gaming machines in operation. It is expected that the process of writing-off older gaming equipment will continue during the first half of 2024, with its replacement expected to occur from the second half of 2024 and onwards.



The acquisitions of equipment that occurred in 2023 in the amount of approximately 3 million essentially refer to investments related to the replacement of obsolete and/or damaged equipment beyond the possibility of repair in the case of Casino da Póvoa, and these acquisitions were framed within the scope of the concession contract extension until December 2025, and in the acquisition of equipment to support the operations of Casino do Estoril and Casino Lisboa, and whose installation must necessarily be prior to and preparatory to the large investments to be made with the replacement of a significant part of the gaming equipment that was transferred from the previous gaming concession, which is expected to start during the second half of 2024.

♣ **Financial Debt**

The good results achieved by the Group in 2022 and by Casino da Póvoa in 2023, allowed the full settlement of the Group's banking liabilities. The Group's banking liabilities, which were 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 liabilities were mainly parked in the Casino da Póvoa operation.



7. FINANCIAL ANALYSIS - CONSOLIDATED ACCOUNTS

	2023	2022	Var %
Gross Game Revenues (deducted from bonus and other adjustments)	214 812 526	208 873 367	3%
Game Taxes	-93 684 656	-74 703 485	25%
<b>Net Game Revenues</b>	<b>121 127 870</b>	<b>134 169 882</b>	<b>-10%</b>
Government Grant - Lay-Off	0	2 134	
Other Revenue ( F&B / Entertainment )	10 368 139	5 744 174	80%
Operating Costs	-93 831 230	-85 602 927	10%
<b>EBITDA</b>	<b>37 664 779</b>	<b>54 313 263</b>	<b>-31%</b>
Amortization and Depreciation, Impairments and Provisions	-13 925 621	-11 202 139	24%
Financial costs	-10 277 729	-163 784	6175%
Corporate Income Tax (IRC)	-86 850	-78 808	
<b>Consolidated Net Result</b>	<b>13 374 579</b>	<b>42 868 532</b>	<b>-69%</b>
Equity holders of the Parent Company	5 653 829	32 848 885	-83%
Non-controlling Interests	7 720 750	10 019 647	-23%
	<b>13 374 579</b>	<b>42 868 532</b>	
Result per basic share	0,47	2,75	

During the year 2023, the Group recorded combined gross game revenues, land-based and online, in the total amount of 214,8 million Euros, having registered an overall growth of 3% compared to the same period of the previous year. After deducting the Game Taxes, the Group's total game revenues amounted to 121,1 million euros, a decrease of 10% compared to the 134,2 million euros achieved in 2022.

The drop in the net game revenues by 10%, with gross revenues growing by 3% in the same period, is due to the fact that, compared to 2022, Casino de Estoril and Casino de Lisboa are subject to the application of annual variable contributions over game revenues higher than those seen in 2022, the year in which the Estoril gaming concession still operated within the scope of the measures provided for in Decree-Law no. 103/2021 of 24 November and which aimed to mitigate the negative impacts felt during the period of the pandemic and immediately after. When compared to 2019, the pre-pandemic period, the overall game revenues are still at a level 7% lower than that recorded in that year, and if we take land-based revenues as a reference base, these are 18% below those recorded in 2019.

The Group's operating costs increased by 10% compared to 2022 and result from the normal resumption of activity in land-based casinos and the significant reinforcement of the online segment's marketing budget (+30%) in view of the growing presence of international operators and which require to an additional effort to maintain its position in the market. The Group's operating results (EBITDA) fell by 31% and amounted to 37,7 million Euros.

The Group has recognized in its balance sheet financial liabilities related to the financial contributions assumed with the award of the new concession contract for the permanent gaming area of Estoril, Casino Estoril and Casino Lisboa, which amount to 171.024.555 Euros in December 2023 ( 155.205.722 Euros non-current and 15.818.833 Euros current). The Group records financial liabilities initially at fair value, that are subsequently measured at amortized cost, minus any interest calculated and recognized in accordance with the effective interest rate method, in accordance with the applicable legal framework (IFRS 9). The concession contract provides for the annual updating of the nominal value of financial liabilities based on the evolution of consumer price index, annual disbursements and a maturity of 15 years (2037). The financial charge in 2023 related with the calculation of the net present value of these financial liabilities amounted, in 2023, to 10,3 million Euros.

The Consolidated Net Profit of the year 2023 was positive by 13,4 million Euros which compares with earnings of 42,9 million Euros in the previous year. Of these 13,4 million Euros, 5,7 million Euros belong to the shareholders of Estoril-Sol, SGPS, S.A, and earnings of 7,7 million Euros to minority and non-controlling interests.

In 2023, only Casino da Póvoa improved its results compared to the same period in the previous year. The Online Casino, pressured by poor performance in the sports betting segment, and the casinos in Estoril and Lisboa, pressured by the demand for greater annual, fixed and variable contributions (game taxes), and still in the implementation phase of the new investments planned for the new concession, saw their results worsened when compared to the previous year. Both Casino da Póvoa and Casino Online achieved very robust positive net results in 2023.

**The future:**

The Estoril Sol Group, leader in Portugal in the casino gaming industry on a territorial basis and with a strong online presence, started in 2023 a new cycle that coincides with the attribution of the new game concession of Estoril. It is with great enthusiasm that the Group starts this new project and reinforces its leadership position in the sector. Enthusiasm is great, future challenges will certainly not be smaller. The uncertainties that still exist regarding the speed of recovery of land-based gaming revenue levels to pre-pandemic levels, which are in 2023 still 18% below when compared to 2019, the speed of execution, so far below expectations, and the demanding future financial needs arising from the significant and relevant investment to be made within the scope of new game concession in Estoril, a more demanding regulatory pressure at various levels, such as, for example, measures to combat money laundering and financing of terrorism, advise looking to the near future with moderately optimistic and prudent expectations. In view of the above, it is expected in 2024 that Casino da Póvoa and Casino Online will continue to present very robust positive net results, and still negative results in the Estoril and Lisboa operations.

The Board of Directors assessed the Group's ability to operate as a going concern, based on all relevant information, facts and circumstances, of a financial, operational or other nature, including subsequent events, at the reference date of the financial statements, available on the future. As a result of the assessment carried out, the Board of Directors concluded that the Group has adequate resources to maintain its activities, concessions and gaming license and sports betting license.

**8. HUMAN RESOURCES**

The salaries and social benefits policy adopted by the Group over the past recent years has been focus on retaining the level of fixed remuneration, promoting the increase in variable remuneration indexed to results, nevertheless, in addition the Group ensures a relevant set of social benefits such as, health insurance, medical support and reimbursement of health expenses excluded from health insurance contracts.

The Group has been encouraging the signing of protocols with several institutions in the context of social responsibility projects, particularly with the Portuguese Association of Casinos and EPIS "Entrepreneurs for Social Inclusion" in terms of support solidarity campaigns in the context of volunteer projects to support students with learning difficulties.

	Avg number employees	
	2023	2022
Casino do Estoril	343	344
Casino de Lisboa	309	303
Casino da Póvoa	217	219
Casino Online	34	34

**9. SUSTAINABILITY**

This report is issued to fulfil the obligation provided for in the Portuguese Companies Act, amended by Decree-Law 89/2017 of 28 July, by disclosing information that enables the understanding of the progress, performance, status and impact of the Estoril Sol Group's activities, specifically, environmental, social and staff-related issues, the guarantee of non-discrimination, the respect for human rights, as well as measures for fighting corruption, money laundering, terrorist financing and attempted bribery.

The information contained in this report applies across all of the Estoril Sol Group, which seeks to define and implement a group of initiatives to reinforce the bases of sustainability, integrating and deepening the various initiatives and policies already in use in some of the Group's companies.

Seeing as the issues above are essential, the Estoril Sol Group is clearly committed to guaranteeing that these matters are respected, implementing action measures – both as a whole as an economic Group or individually taking into consideration the Companies it holds – that are to be implemented at a management level and the strategic and business options that are considered at any given moment, but also with a direct reflection on the performance of all employees or those it interacts with, in its various relationships and capacities.

Under the terms and for the purposes of the legal framework in force, it is clarified that this chapter was not prepared in accordance with any national, European Union or international systems.

## **A. BUSINESS MODEL OF THE ESTORIL SOL GROUP**

From the Estoril Sol Group's point of view, the business model, more than a structure of companies and/or a mere dynamic of relationships and company holdings, must be understood within the context of its activities and its specific processes. This subject is a further development of the Management Report, the Corporate Governance Report and other elements for the presentation of accounts, to which it refers, anticipating that the joint analysis would constitute an effective added value in the perception and understanding of the business model and organization of the Estoril Sol Group.

The Estoril Sol Group company structure is headed by Estoril Sol, SGPS, S.A., the Group's parent company, and includes eight other companies, directly or indirectly held by the aforementioned Estoril Sol, SGPS, S.A.

The Estoril Sol Group focuses its activity in the sector of games of chance, specifically in games played in person, being the holder of the rights to two gaming concessions, in relation to the permanent gaming areas of Estoril and Póvoa de Varzim, and three Casinos: Casino Estoril, Casino Lisboa and Casino da Póvoa, which as a group have a considerable geographic coverage in the country and, overall, its corresponding activity is considered to represent about 63% of the gaming sector in Portugal.

Although it knows that it holds a key position in Portugal in the area of games of chance played by physically present players, the Estoril Sol Group, despite its considerable disagreement with the way the online segment of gaming was regulated in Portugal, which the State had granted exclusively to casinos and, without conceding, presented its application to operate in the online gaming and betting sector, thus keeping in step with new technologies and new trends in gaming.

By virtue of the entry into force of Decree-Law 66/2015 of 29 April, which approved the Legal Regime of Online Gaming and Betting, in September 2015, the Estoril Sol Group formed a new company, called Estoril Sol Digital, Online Gaming Products and Services, S.A., for the purpose of applying for a license in online games of chance. The license in question was granted on 25 July 2016.

Within the scope of the online gaming activity, under the direction of the aforesaid subsidiary, Estoril Sol Digital, Online Gaming Products and Services, S.A., Estoril Sol (III) – Turismo, Animação e Jogo, S.A., (company held by Estoril Sol, SGPS, S.A.), signed an associational agreement with Vision Gaming Holding Limited, based in Malta, through which the latter assumed a minority share, corresponding to 49.9998% of the share capital of Estoril Sol Digital, Online Gaming Products and Services, S.A., with Estoril Sol (III) S.A. holding the majority of the share and votes in the aforementioned company. The association agreement foresaw that the investment in the share capital of Estoril-Sol Digital corresponding to 50% when renewing the online casino license, which happened on July 24, 2019.

As at December 31st, 2023, Estoril Sol and Vision Gaming Holding Limited both hold a share corresponding to 50% equity of Estoril Sol Digital. Estoril Sol Group, through its subsidiary Estoril Sol Capital Digital, SA, which acquired the stake previously held by Estoril Sol (III), maintains the chairman of the Board of Directors and the control of operations is based in Portugal.

On December 31st, 2023, ESTORIL-SOL, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

**Gaming:**

ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A., incorporated on 26 July 2001, headquartered in Estoril, the social object of which is the operation of games of chance in areas where this is permitted by law and, in addition, may also operate in the tourism, hotel, restaurant and entertainment industries, as well as providing consultancy services in those areas of activity. This company operates the Estoril and Lisbon Casinos. Its share capital of EUR 34.000.000 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.

VARZIM SOL - ANIMAÇÃO, TURISMO E JOGO, S.A., headquartered in Póvoa de Varzim, has the social object, in particular, of operating the gambling concession of Póvoa de Varzim. This company operates the Póvoa de Varzim Casino.

It has a share capital of EUR 33.650.000, 100% held by ESTORIL SOL, S.G.P.S., S.A..

ESTORIL SOL CAPITAL DIGITAL, S.A. – With a share capital of EUR 2.000.000, it is 100% owned by ESTORIL-SOL, SGPS, SA, its area of operation is the management of the online operations of the 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 hosted at Estoril Sol Capital Digital, 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.

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.

**Real Estate:**

DTH - DESENVOLVIMENTO TURÍSTICO E HOTELEIRO, SA – With a share capital of EUR 2.429.146, is 100% held by ESTORIL-SOL, S.G.P.S., S.A.. It owns a plot of land in Monte Estoril, where the former Miramar Hotel stood.

ESTORIL - SOL IMOBILIÁRIA, S.A. - With a share capital of EUR 7.232.570, it is 100% owned by ESTORIL SOL, S.G.P.S., S.A.. Its social object is the construction, promotion, management and sale of tourist complexes and real estate. It owns an urban building in Alcoitão, whose purpose is its resale.

ESTORIL SOL E MAR - Investimentos Imobiliários, S.A. - With a share capital of EUR 1.286.000, is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.. It owns an urban building in Estoril, whose purpose will be its resale.

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.

**Food & Beverage and Hospitality:**

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.

**B - ENVIRONMENTAL ISSUES**

The Estoril Sol Group has a strong commitment to the environment and to combating climate change. Consequently, the Group has been investing in environmental protection, reducing consumption, waste and emissions.

Over the last several years, the Group has installed more efficient lighting and low-energy consumption systems in its casinos, substantially reducing its energy bill in a setting where operating and lighting casinos represent high operating costs.

The operating companies have been introducing changes in procedures regarding the use of consumables, significantly reducing paper consumption, preferring the use of digital communication methods and standardising the use of consumables, resulting in a better utilisation and lower consumption of these.

The promotion of good practices internally and externally has been a concern of the sustainability policy at the Estoril Sol Group, by informing and raising awareness among staff and the different stakeholders regarding the good practices to adopt, in the pursuit of sustainable development.

Inherent to its own activity, the Estoril Sol Group must continue investing in a strong component of light, image, temperature and atmosphere controls, which makes the use and consumption of high levels of electrical energy inevitable, as well as emissions, although these have been gradually reduced.

Without prejudice in the scope of electrical energy, the Estoril Sol Group has a project of maximisation and efficiency of means, with the objective of enhancing electrical energy savings, not only for reasons of cost control, but also, and especially, for materialising its environmental concerns.

This project, developed in partnership with reference entities in the sector in Portugal, aims not only for strictly financial reasons, such as cost control, but also and above all for the materialization of responsible environmental and social policies in line with current policies and in accordance with the Group's strategic plan. Work is expected to begin during the second half of 2024.

The Estoril Sol Group has focused on guaranteeing that all replacements of material and equipment are performed so as to guarantee high energy efficiency and the basic objective of savings in the levels of energy expended:

In terms of the water used, there has been a strong push to raise the awareness of the employees to save water. Water usage in most of the taps is now controlled by the installation of timers, especially in bathroom facilities (where dispensers of hygiene and paper products were also installed to control quantities used). Furthermore, the use of water fountains has been a rather successful measure among employees, providing means while significantly saving water.

Regarding liquid and solid waste, the Estoril Sol Group complies with the most rigorous environmental rules, and its facilities are subject to regular inspection by the licencing authorities, in particular. Rubbish is separated in accordance with strict recycling rules that are known by all and which are followed in a joint effort adhered to by all the employees. The company systematically collects cooking oils in an effort to decrease environmental pollution and its potential reuse.

**European Union green taxonomy**

Pursuant to article 8 of the “Taxonomy Regulation – EU 2020/852” and article 10 of the “Delegated Regulation (EU 2021/2178) – Climate Delegated Act”, of January 1, 2022, Non-Financial Companies disclose the proportion of economic activities eligible and not eligible for the taxonomy in relation to their total turnover, capital expenditures and operating expenses.

ESTORIL-SOL, SGPS, S.A., holding company of the Estoril Sol Group, holds, indirectly, through subsidiary companies, interests in the Tourism sector and, in particular, in the activity of gambling in Casinos, through the exploration of concessions of games of fortune or gambling in the permanent gambling zones of Estoril (Casino do Estoril and Casino de Lisboa) and Póvoa de Varzim (Casino da Póvoa). The Company has been present since 2016 through one of its subsidiaries in the online gaming business, holding two licenses, one for operating online games of chance or gambling and the other for online sports betting.

From the analysis carried out on the operations of the Estoril Sol Group, it is concluded that they are not eligible, on the present date, for the purposes of applicability of the “Delegated Climate Act”, in accordance with Annex I – Mitigation of Climate Change and Annex II – Adaptation to Climate Change.

Below are the summary tables prepared pursuant to Annex II of Commission Regulation (EU) 2021/2178:

Turnover: thousands euros

Economic activities	Codes (2)	Turnover (3)	Turnover Ratio (4) %	Turnover n-1
<b>A. Activities Eligible for Taxonomy</b>				
A.1 Environmentally sustainable activities (Aligned with Taxonomy)				
Total Turnover		0	0%	0
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Total A2		0	0%	0
Total A1 + A2		0	0%	0
<b>B. Activities Not Eligible for Taxonomy</b>				
Total Turnover		131 496	100%	139 916
A+B		131 496	100%	139 916



MANAGEMENT REPORT

Capital Expenses (CAPEX)

thousands euros

Economic activities	Codes(2)	Turnover(3)	Turnover Ratio (4) %	Turnover n-1
A. Activities Eligible for Taxonomy				
A.1 Environmentally sustainable activities (Aligned with Taxonomy)				
Total Capex		0	0%	0
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Total A2		0	0%	0
Total A1 + A2		0	0%	0
B. Activities Not Eligible for Taxonomy				
Total Capex		205 046	100%	1 084
A+B		205 046	100%	1 084

\*Absolute Capital Expenditures (CAPEX) include investments made in tangible fixed assets, intangible assets and right-of-use assets.

Operational Expenses (OPEX)

thousands euros

Economic activities	Codes(2)	Turnover(3)	Turnover Ratio (4) %	Turnover n-1
A. Activities Eligible for Taxonomy				
A.1 Environmentally sustainable activities (Aligned with Taxonomy)				
Total Opex		0	0%	0
A.2 Activities eligible for the taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Total A2		0	0%	0
Total A1 + A2		0	0%	0
B. Activities Not Eligible for Taxonomy				
Total Opex		107 300	100%	96 805
A+B		107 300	100%	96 805

## C - SOCIAL ISSUES

Over the years, the Estoril Sol Group has been incorporating the social responsibility aspect into the definition of its management strategies and the annual program of its activities, intervening in the communities close to the areas of its operations, both directly and indirectly, one of its permanent objectives being the support and involvement in places promoting culture, recreation, education, sports, health and well-being.

In line with this guidance, the various companies that make up the Estoril Sol Group maintained a proactive and consistent attitude in 2023, implementing those objectives in various actions and initiatives.

The Estoril Sol Group's social responsibility results from the voluntary integration of its social concerns in the various operations and interactions with customers, employees, partners and suppliers.

The Estoril Sol Group has multiple social concerns, but we must not omit the special importance given to the topic of Responsible Gaming, given that the core of its business activity focuses on the operation of games of chance.

Responsible Gaming is essentially a programme that seeks to guarantee that a player's behaviour, as it interacts with a game, is guided by conscious and rational choices, ensuring that the player exercises full control of the time and money that he can spend, with a clear conscience, in a manner that ensures there is no risk to his family, social and professional responsibilities, dignity and well-being.

The basic principle – always defended and communicated by the Estoril Sol Group in its various intervention means – in which it is a pioneer – is that gaming is and should always be considered a recreational and entertaining activity, no matter how it is played, whether online, in casinos or in bingo halls. The important thing to consider is that in situations where the player does not have these values and principles in mind, and in that sense does not act in accordance with them, gaming may have harmful effects, affecting not only the players but their families and anyone with whom they interact, with repercussions on their social environments, potentially leading to extreme situations of excessive and unregulated playing and to addictive behaviors and practices.

Therefore, at the social level, one of the main priorities of the Estoril Sol Group, is the promotion of and respect for the guidelines of Responsible Gaming and, as such, everything it offers is developed in accordance with the parameters of Responsible Gaming and in the prevention of addictive behaviors.

To this end, the Estoril Sol Group has developed several initiatives, of which we would like to highlight the following: The general availability, on all of the Group's online sites and in its casinos, of information regarding the responsible gaming policy, with specific advice and information on organizations specialized in helping in situations of addiction. Daily awareness and counselling from professionals in the gaming areas, recommending to customers behaviors that are adjusted to their player characteristics. Additionally, a constant concern for effectively monitoring and preventing minors and people prohibited to play from entering its casinos.

Further, within the scope of social concerns, the Estoril Sol Group has been increasingly pushing for the establishment of protocols with various organizations in the area of social responsibility projects, guaranteeing closer proximity to the communities where the various Group companies are located.

Specifically, the Estoril Sol Group has established protocols and partnerships of various types, with institutions of social solidarity, both directly and indirectly providing effective support in specific aid initiatives, both to individuals and communities that are disadvantaged or affected by catastrophes, including:

- the Portuguese Association of Casinos, supporting solidarity campaigns;
- the Cascais City Hall and various event organizing entities in the promotion of celebrations, concerts and festivals, in the majority of cases, events intended for the whole family, many of them geared specifically to children, open and free to all;
- the Lisbon City Hall, through partnerships in the area of sports and culture. Specifically providing support to the implementation of a national foot race at the Parque das Nações, supporting events at Lisbon festivals and free cultural shows.
- the Póvoa de Varzim City Hall, for holding cultural and sporting events;
- allocation to City Halls, in the areas where the casinos are located, of a significant portion of revenue from gaming taxes paid by concessionaires, to be used in promoting tourist areas and supporting cultural projects both at city and national levels;
- Group companies are also obligated to allocate a percentage of their gross revenue to the implementation of cultural and sporting events and the promotion of tourism;
- entities responsible for professional training and social integration, specifically through the assignment of professional internships and training; at the Estoril Casino, for example, the Estoril Sol Group has a strong and long-lasting partnership with the Estoril Hotel School, offering internships to its students, with strong possibilities of employment with the Group;
- the promotion and implementation of professional certification courses for dealers, in a partnership with the SRIJ (Gaming Regulation and Inspection Services) and the Estoril Hotel School, where hundreds of young people earned professional qualifications needed for the access to the profession, many of whom will be employed by the Group's casinos.
- supporting students in the Erasmus program;
- supporting doctoral scholarships for students who wish to do research into any of the variables of gaming;

The Estoril Sol Group is aware that its gaming operations and the characteristics of its spaces, of recognized splendor, are extremely appealing to the community surrounding these spaces, which, for one reason or another, is attracted to enter. From that perspective, and using a rationale of availability and proximity, the Estoril Sol Group provides access under the legally admissible terms, which is limited as necessary and always conscientious, allowing communities to enjoy the spaces they find attractive, even if, in many cases, that does not mean - nor would it ever mean – involvement in gambling.

#### **D - Employment-related issues**

The Estoril Sol Group policy regarding its employees is one of the aspects of the Group's social responsibility, where a focus on acting according to a set of essential principles and values applies to the various structures and hierarchies across the Group. This has led to the design and implementation of an expanded set of measures, some of which are still in the phase of development and testing of results.

Among those important principles and values, and always keeping in mind the key principle of employees as human beings as well as conciliating their professional with their personal life, the Estoril Sol Group would like to highlight the following:

- Fair compensation of its employees, providing wages and benefits in accordance with national legislation, European and International standards and directives and applicable collective bargaining, considered by all as being above average in the sector;
- Establishing work schedules according to applicable legal and contractual provisions in order to balance and reconcile professional life, family life and free time;
- Prohibition and rejection of child labor;
- Beyond that which is established by law, compliance with legal rules regarding holiday time off, national holidays, absences and leaves, specifically those related to parental leave, namely the allocation of a supplementary illness benefit, prescription co-pays for the employee and household, the possibility of providing in-house medical services, curative medicine and nursing care, in addition to health insurance extended to participating family members. The companies also offer a flexible system for recovering time off, allowing employees to trade shifts among themselves and with the company to accommodate family life;
- Promotion of safety in the workplace environment, providing safe and healthy work conditions;
- Promotion of health in the workplace environment, applying the legal norms in effect regarding occupational health;
- Respect for the freedom of association and exercise of labor union rights within its establishments;
- Non-discrimination on the basis of gender, race, religion or others where there could be differentiation, both during the recruiting and hiring processes and in the fulfilment of professional activities under work contracts;
- Promotion of employability of foreign workers, applying the legal standards in effect regarding foreign labor, respecting the same standards and rights applicable to national workers;

- Development of its disciplinary practices in strict compliance with procedural standards and the adversarial procedures provided for in law;
- Promotion of life-long learning both within and outside the Group's companies;
- Rejection of harassment or abuse, promotion of the employee's rights to report and file a complaint any time they have knowledge of any breach of legality or duties or any other similar situation that legitimizes the complaint/report, with the guarantee that the Group's companies will follow through on the complaint/report.

Some of the measures implemented regarding these principles and values, due to their relevance and scope, call for a more detailed mention.

Therefore, in regard to employee wages, for example, we must point out that over the past few years the Estoril Sol Group has adopted a policy of remuneration and social benefits that favors the limitation of fixed wages, promoting an increase of variable wages tied to results, thus achieving an effective stimulus of employee dedication and performance, of motivation for teamwork and of reaching overall results that are as favorable as possible.

In addition, the Estoril Sol Group has guaranteed a significant set of benefits and social perks in the area of health, specifically: health insurance, medical support and prescription co-pays.

In this regard, it is worth remembering that Estoril Sol (III) Turismo, Animação e Jogo, S.A., a company that operates the Estoril Casino and the Lisbon Casino and which employs 655 workers, signed a new Business Agreement that ensures the maintenance of benefits and social perks that set apart, in a positive manner, these employees and the Estoril Sol Group in the country's employment landscape.

In fact, the Business Agreement signed, and the terms and conditions reached clearly reveal the indispensable and significant collaboration of the Workers' Committee, with whom the management body has an excellent relationship and its complete harmony with the SITESE – Workers and Service Technicians Syndicate and the SPBC – Professional Dealers Syndicate.

On the other hand, within a professional context that is constantly changing, training in all its aspects is increasingly a felt need among professionals and encouraged by Group companies to improve skills and abilities.

With this objective, several training initiatives were carried out by the Estoril Sol Group in 2023, operating in various education and training areas, excelling in the areas of gaming, compliance and personal and group security;

In addition to these measures, the concern for security in its operations and that of its employees is also a focal theme in the Estoril Sol Group policy.

This security policy has two aspects at its core: on the one hand, employee security in the face of potential abuse by customers, whether in accessing gaming areas, or in those areas; furthermore, the safety (hygiene and health) of employees in the face of risks inherent to the duties they each perform.

In the first of the two aspects, and considering the specific characteristics of its operations, the Estoril Sol Group ensures special security conditions for its employees, not only through an internal private security service, with staff trained specifically for control and security duties, supplemented with the hiring of a specialized security company. Added to these are electronic security systems, duly notified and authorized by legal entities.

Keeping in mind the prevention and minimization of the risks inherent in their activities, they have specialized technical surveillance services at their disposal, responsible for the strict enforcement of the physical safety standards for customers, staff and facilities as well as compliance with the legislation that oversees the gaming sector in Portugal. Furthermore, it is important to not forget that Portuguese casinos are subject to a constant, on-site, monitoring by the State using Gaming Inspection Services from the Portugal Tourism Institute, I.P.

Periodically, with the cooperation of an outside entity, risk analyses are made of the established procedures and physical safety of assets.



In the second aspect mentioned above, the Estoril Sol Group has the support of a company providing Hygiene, Safety and Occupational Health services in order to guarantee the proper management of risks associated with the main activities carried out. This service includes awareness-raising sessions and plans for an evacuation drill at locations where employees usually exercise their duties.

In addition to this partnership, a group of first responders was created, qualified and trained for basic life support, in the event of an emergency. This team of first responders consists of internal staff of the Estoril Sol Group.

Additionally, companies in the Group annually monitor and evaluate workplace accidents and develop corrective measures. In 2023, considering all the employees of the Estoril Sol Group, the number of workplace accidents was very small and none of them was a fatal accident.



**E - EQUALITY BETWEEN MEN AND WOMEN AND NON-DISCRIMINATION**

Of around 900 employees that were part of the Estoril Sol Group workforce during 2023, 79% were men and 21% were women.

Total Nr Employees	 Male	 Female
Casino Estoril e Lisboa	77%	23%
Casino Póvoa	84%	16%
Casino Online	48%	52%

The employee average age was 46.

For quite some time, the diversity of its human resources structure being evident, the Estoril Sol Group has assumed the commitment of promoting equality in all its aspects, based on age, gender, qualifications, personal choices and/or professional experience.

Relative weight in management positions	 Male	 Female
Casino Estoril e Lisboa	88%	12%
Casino Póvoa	62%	38%
Casino Online	33%	66%

At the Estoril Sol Group, we encourage a culture of sharing, cooperation, active dialogue, which is open to contradictory voices and conducive to the emergence of new ideas, even if unorthodox or disruptive. We believe that the strengthening of a culture of diversity and inclusion should serve as a reference to employees and their alignment with company values and, at the same time, contribute to a continual renewal of business that is in line with the expectations of the various stakeholders.

Equality of opportunities is defended, and no type of discrimination is allowed in the workplace, be it related to age, gender, race, social origin, religion, sexual orientation and physical aptitude, regardless of the hierarchical level from where that discrimination stems.

The Estoril Sol Group seeks to actively promote gender diversity during the employee's time within the company, specifically in the following ways:

- in recruiting processes, it is the Estoril Sol Group's recommended policy that recruiters present a list of candidates that is balanced in terms of representation of both genders;
- in the various hierarchical levels and functional, structural, and organizational roles, it is the Estoril Sol Group's recommended policy that teams from the different companies / employing entities consist of members from both genders, in a balanced manner, while still appropriately matching each employee to the duties to be performed;

- all performance evaluations, promotions and salary review procedures are subject to careful and objective monitoring, in order to guarantee a proper and balanced management in all teams, without favoritism and/or discrimination, positive or negative, and in strict conditions of equality.

Finally, seeing as ethics is an integral part of culture and corporate values at the Estoril Sol Group, a Code of Conduct was approved.

This Code of Conduct establishes the ethical principles and basic rules of conduct, which should govern the actions and performance of all Group employees, including equality of treatment, non-discrimination and the prohibition of harassment. The Code of Conduct applies to all Group professionals, regardless of their duties, their position in the hierarchy and/or any other factor.

## **F - HUMAN RIGHTS**

Human rights directly contribute to a more inclusive and sustainable growth of the country's economy. Portuguese, European and International legislation protect human rights in an encompassing and effective manner. Through its operations and the way it manages, develops and carries out its business, in general, and, specifically, through the approval of the Code of Conduct and the implementation of measures it proposes, it guarantees the strict compliance with the legislation in force for defending and respecting the human rights of all those with whom it interacts.

## **G – RIGHT TO DATA PROTECTION**

The Estoril-Sol Group has always observed strict discipline regarding the privacy and guarantee of the rights of the personal data holders that, by commercial option, whether by legal imposition, was collecting and treating, in compliance with national and community legislation in namely Law 103/2015, of 24th August.

It is well known that casinos, like no other establishment in Portugal, have long had identification services and that even after such services are not necessary, casinos continue to collect and treat certain personal data by legal are duly pre-serviced in a database administered by the Portuguese Service of Regulation and Inspection of Games (SRIJ), imposing, by law, to the employees of the concessionaires the duty of secrecy.

In line with recent legislative developments in the field of registration and processing of personal data, notably those resulting from the entry into force of Regulation (EU) No 2016/679 of 27 April 2016, the Estoril-Sol Group appointed in each of its companies a Data Protection Officer, which took responsibility for the management and organization of policies for the collection and processing of personal data, ensuring, on the one hand, that companies to produce and make available, at appropriate places, the regulatory informational instruments on such matters, on the other hand the internal development of the collective conscience on related topics and the implementation of good practices, and on the other hand the coordination of the management of the existing data, ensuring full protection of the rights of holders and the adequate use of existing data.



## **H - FIGHT AGAINST CORRUPTION, MONEY LAUNDERING AND TERRORIST FINANCING CRIMES**

Within the scope of operating games of chance, the concerns and measures for fighting corruption, money laundering and terrorist financing take on particular significance.

In this battle, which should be fought by all, the Estoril Sol Group approved a Code of Compliance during 2017, applicable to its corporate bodies and all its employees as they perform their duties.

In order to ensure strict compliance of the principles, rules and norms established in this matter, the Estoril Sol Group appointed a Compliance Officer who has carried out a process of identifying risks and evaluating a strategy for improvement and awareness, intended for all resources, from a perspective and with the objective of "being fully compliant".

The formalization of these rules, most of which were already in practice at the Estoril Sol Group, allowed for a careful and methodical systemization and a binding disclosure, with the general purpose of contributing to the creation of an organizational model that enables the identification, mitigation and, if possible, elimination of risks to which the Estoril Sol Group is exposed.

At its core, that task seeks to take the risks, most of which have been identified, and link them to the standards to which the Estoril Sol Group is subject (whether general or special, inherent to the particularities of the activities it carries out) and among these norms, those specifically related to the prevention and repression of corruption, money laundering and terrorist financing crimes.

According to the norms established, both nationally and internationally, and for the purpose of preventing gaming activities, and casinos in particular, from being used as the means for money laundering operations, the Estoril Sol Group has the duty, which it fulfils with the strictness incumbent on it, to communicate to the legal authorities the existence of operations that raise well-founded suspicions, and within the applicable legal framework.

The Code of Compliance imposes on company bodies and all Estoril Sol Group employees a set of obligations, among which we highlight the following:

- Duty to identify: The identity of customers in situations that are deemed suspect must be required, verified and recorded;
- Duty to refuse: The completion of any transactions in situations that are deemed suspect must be refused;
- Duty to communicate: The management body or designated person responsible must, at its own initiative, guarantee that any situation it considers irregular and that it becomes aware of or regarding which it has suspicions is immediately communicated to the Attorney General of the Republic and the Financial Information Unit;

Duty to cooperate: the corporate governing bodies, as well as all Estoril Sol Group employees, must ensure their prompt and complete willingness to cooperate when requested by the Attorney General of the Republic and/or the Financial Information Unit within the scope of their responsibilities;

- Duty to maintain confidentiality: Criminal investigations must be considered bound to absolute confidentiality, and as such it is strictly forbidden to disclose to customers or third parties (specifically to those who transmitted the communications as legally required) that a criminal investigation is in progress;
- Duty to train: The Estoril Sol Group must adopt the necessary measures so that its employees, whose duties are especially significant for the purposes of preventing money laundering and terrorist financing, have the appropriate knowledge for the duties imposed by the legislation in effect and should organize specific and periodic training programs adapted to the various sectors of activity;
- Duty to verify the issuance of cheques: Special measures must be adopted to take care in cases when payments by cheque are accepted, specifically in gaming rooms, taking precautions that these fulfil the legal requirements and are only used in situations that are specifically provided for by law.

In implementing the inherent measures – equipped with a Code of Compliance that is scrupulously followed, plus having appointed a Compliance Officer – the Estoril Sol Group has placed itself at the level of entities that, in an organized and diligent manner, ensure the fight against corruption, money laundering and terrorist financing.

In addition to a Compliance Code, the Estoril Sol Group has approved and widely disseminated a Code of Ethics and Professional Conduct.

The Code of Ethics and Professional Conduct embodies the principles of action and the mission of the Group Estoril Sol, constituting a guide for the daily action of everyone to whom it is addressed, so that they can guide their decisions, their behaviors, their actions and omissions in accordance with those that are recognized, are the principles and values of the Group Estoril Sol.

Specifically, this Code aims to:

- Establish standards of professional behaviour with regard to the Group's relations with its Employees, among themselves, between them with partners, customers, suppliers and other Interested Persons, internal or external, namely with public institutions and entities;
- Create mechanisms to prevent infringements and prohibited conduct or that, in some way, are worthy of censorship;
- Create the monitoring and control mechanisms that ensure the intended effectiveness of the entire content of this Code.

Along with the direct compliance with legal and regulatory standards, it is through the commitment to comply with this Code that each and every one assumes itself as an integral part of the Estoril Sol Group's identity, respecting and proclaiming the principles and values for this defended.

The non-observance of the rules contained in this Code of Ethics and Professional Conduct determines, for its Recipients, civil liability (contractual or non-contractual), criminal or administrative offense that may apply to the case, without prejudice to disciplinary or statutory liability in the case of non-compliance by Employees.

All Recipients have a duty to report, through the available channels, any violation of this Code of which they are aware, with the express guarantee that there will be no retaliation against anyone who, in good faith, reports abnormal conduct, using the procedures established for this purpose end.

Participations must be submitted in writing to the body responsible for monitoring and supervising this Code through the email address:

[whistleblowing@estoril-sol.com](mailto:whistleblowing@estoril-sol.com) or sent, by letter to Apartado 383, 2766-801 Estoril, being able to follow (or not) the formulary model available at [www.estorilsolsgps.com](http://www.estorilsolsgps.com)

#### **F - ATTEMPTED BRIBERY**

Bribery attempts are an inherent risk of any business activity, but it is well known that gaming activities are especially vulnerable to this type of practice. In any case, the Estoril Sol Group projects and instills in each and every one of its employees ethical behaviour that seeks to overcome and remove inherent risks.

We emphasize that the Estoril Sol Group has always vehemently condemned these practices, communicating and reiterating this principle to its employees.

In any event, the Estoril Sol Group intends to formalize a specific policy and develop awareness and refreshment initiatives for all its employees in a perspective of fighting bribery, specifically identifying risks, alerting to the behaviour and establishing procedures for communicating irregularities.

Naturally, any irregularities detected during the course of their duties – applicable also to matters of fighting corruption, money laundering and terrorist financing – must be communicated to Gaming Inspection Services / Portugal Tourism, I.P., without prejudice to their monitoring responsibilities.

#### **10. FINANCIAL POLICY OF THE GROUP**

The Companies of the Estoril Sol Group pursue a financial policy based on the preservation of its financial independence, fundamentally based on the resources released each year.

With the support of various banks, the subsidiary use a number of variable rate financial instruments, the maturities of which are negotiated according to the foreseeable ability to release funds.

## 11. RISK MANAGEMENT

In the normal course of their activities the Group Companies, as concessionaires of gaming operations, are exposed to a number of risks and uncertainties, as identified below:

### Physical and Contractual Risk:

The companies of the Group, aiming to prevent and minimize the risk inherent to their economic activities, have specialized technical services of supervision and control, responsible for the strict fulfillment of the standards of physical safety of customers, employees and installations and also compliance with the legislation that regulates the Gaming activity in Portugal, and it should be pointed out that Portuguese Casinos are subject to the permanent supervision by the State through the Gambling Inspection Service of the Instituto do Turismo de Portugal I.P. Periodically, with the collaboration of an external entity, risk analyses are carried out on the procedures used and on the physical safety of the assets.

Concessions for operations in gambling and games of chance in the gaming areas of Estoril and Póvoa de Varzim are operated within the normative context of the contractual and legal framework of the corresponding concession contracts and of the specific legislation governing the sector of gaming activities at casinos, as they are subject to permanent inspection by the State, via the Serviço de Inspeção de Jogo do Turismo de Portugal, I.P.

The Estoril-Sol Group, through its subsidiaries, operates under the concession contracts, Póvoa Varzim permanent game concession area (until 2025), which includes the exploration of Casino da Póvoa, and the Estoril concession contract (until 2022), which includes Casino do Estoril and Casino de Lisboa. In August 2022, the announcement of the international public tender regarding the Estoril Gaming Zone concession was published, which would be awarded 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 area. 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.

Estoril Sol is also present in the online business regulated by the “Legal Regime for Online Gambling and Betting (RJO)”, approved by Decree-Law No. 66/2015, holding 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 on August 4th, 2017 and valid until August 3rd, 2026 after renewal for an additional period of 3 years, and renewable for periods of three years;.

**Business Risk:**

Pursuant to the concession contracts, the Portuguese State grants concessionaries exclusive rights to gambling and operations of games of chance, in exchange for high initial payments and high annual tax rates. Nevertheless, the Portuguese State has proven to be unable to regulate its citizens' access to countless online casinos that abound today and which constitute a growing factor of unfair competition, both because they account for a significant increase in illicit supply and because they constitute a flagrant source of tax evasion.

**Cyber Risk:**

Given the characteristics of the online gaming business, there is the risk of cyber attacks on the network and online platforms of the company that impact critical business information. In order to address this risk, a number of audits are carried out periodically, such as security audits, intrusion tests and vulnerability assessments.

**Financial Risk:**

The significant investments that the Group Companies have made in recent years, among which we would draw attention to the amount paid for Fixed Annual Contribution the of the new concession contract for the gaming area of Estoril (Estoril and Lisboa) and the first extension until 2023 for the Póvoa de Varzim concession, and the investments made regarding the renewal, modernization and expansion of the Casinos, have, in the recent past, involved increased indebtedness which, combined with the changes in market interest rates, resulted in increased financial costs and a potential liquidity risk.

Depending on the operating funds that are freed up, we feel the financial risk to which the associated undertakings are exposed is minimal, and the same understanding has prevailed in the examination carried out by financial institutions, as shown by the fact that assets guarantees are dispensed with for operations under contract.

**Credit Risk:**

Portuguese legislation forbids casino concessionaries from granting credit to gaming activities, and so, in this regard, Group Companies are not exposed to credit risk. Other revenue from restaurant and entertainment activities, which account for only 3,0% of revenue, therefore represents insignificant exposure.

**Exchange rate Risk:**

All operations are carried out in Euros, and so the Company has no exchange rate exposure.

## 12. SUBSEQUENT FACTS

Between December 31st, 2023 and the date of this report, there were no relevant facts that could materially affect the financial position and future results of Estoril-Sol, SGPS, S.A. and the other Group Companies, in addition to those indicated below:

In January 2024, Estoril Sol III – Turismo, Animação e Jogo, S.A. settled 15.818.833 Euros relating to the annual fixed contribution for the year 2024 under the terms and conditions set out in the concession contract for the exploration of games and fortune or chance in the Estoril gaming area (Estoril e Liosboa). (Note 28 to the consolidated financial statements).

## 13. DECLARATIONS

- Declaration of true, complete and appropriate information

The members of the Board of Directors of Estoril-Sol, S.G.P.S., S.A. assume responsibility for the veracity of the information contained in this Annual Report, certifying that there are no omissions that they are aware of, which faithfully portrays the evolution of the business, performance and position of the company and of the companies included in the consolidation perimeter, and that it contains an appropriate description of the main risks and uncertainties that face the companies of the Group. The separate and consolidated financial statements, prepared in conformity with the applicable accounting standards, reflect a true and appropriate image of the assets and liabilities and of the financial situation and results of the issuer, as well as of the companies included in the consolidation perimeter.

## 14. ACKNOWLEDGMENTS

The Board of Directors wants to publicly express its gratitude to all customers of the Estoril-Sol Group for the preference and confidence shown, to suppliers and Credit Institutions for the cooperation received.

The Board of Directors also expresses its appreciation and thanks to all of those who, cooperated with us during the year, namely to the members of all members of the Governing Bodies, with special thanks to all the workers of Estoril Sol Group of companies, for their high sense of responsibility with which they faced the difficult - but indispensable - management actions that we undertake.

## MANAGEMENT REPORT

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Estoril, 26<sup>th</sup> of April, 2024

### The Board of Directors

- Chairman
- Pansy Catilina Chiu King Ho
  
- Vice-Chairman
- Mário Alberto Neves Assis Ferreira
  
- Directors
- Ana Catarina de Figueiredo Antunes Félix Pontes
  
- 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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**PART I – SHAREHOLDINGS STRUCTURES, ORGANISATION AND CORPORATE GOVERNANCE**

**A. SHAREHOLDING STRUCTURE**

**I. Share capital structure**

**1. Share capital structure**

The share capital of the Company is €59,968,420.00, which is fully paid-up, and is represented by 11,993,684 shares with a nominal value of €5.00 each.

The Company holds 62,565 treasury shares.

All the shares representing the share capital of the Company - ordinary, registered and bearer shares - are admitted for trading, and there are no categories of shares with special rights or duties.

Shareholder	No of Shares 31-Dec-2023	% Share Capital	% Voting rights
Finansol - Sociedade de Controlo, SGPS, S./	6 930 604	57,79%	58,09%
Sociedade Figueira Praia, S.A.	3 917 793	32,67%	32,84%
Other shareholders	1 082 722	9,03%	9,07%
Treasury shares	62 565	0,52%	—
<b>Total</b>	<b>11 993 684</b>	<b>100,00%</b>	<b>100,00%</b>

**2. Restrictions on the transfer and ownership of shares**

There are restrictions as to the transferability of shares resulting from the provisions under Council of Ministers Resolution no. 115/99 (2nd series), as published in the D.R. II series no. 184, dated 9 August 1999, which obliges the company to observe the requirements provided for under art. 17 of Decree Law no. 422/89, of 2 December, within the following terms:

*" 1 - The equity of concessionary companies must not be less than 30% of the total net assets, and the percentage should be raised to 40% of such assets as of the sixth year after concluding the concession contract, without prejudice to the corresponding minimum share capital to be set, for each one, under the regulatory decree, to which article 11 pertains.*

*2 – At least 60% of the share capital shall always be represented by either registered shares or bearer shares, under a registration system, and it is mandatory for concessionary companies to notify the Inspectorate-General for Gaming with regard to all transfers of property or the usufruct of these, within 30 days after registration in the company's appropriate book or via an equivalent formality.*

*3 – The purchase, in any capacity, of the holding or ownership of shares representing more than 10% of the capital or as a direct or indirect result of which there is a change in the control of the concessionaries by others, whether natural or legal persons, shall require permission from the member of the Government in charge of tourism, lest the purchasing parties be prevented from exercising their respective social rights.*

*4 - If the said party purchasing the shares is a legal person, authorization may condition the transfer in subjecting the purchasing party to the system set forth under this article.*

*5 – The regulatory decree to which article 11 pertains may prevent or limit direct or indirect participation in the share capital on the part of a concessionary by (an)other concessionary(ies), and any purchases that violate the provisions of the said regulatory decree shall become null and void."*

**3. Own shares**

The Company holds 62,565 treasury shares representing 0,52% of its share capital.

Year of Acquisition	No.of shares	Nominal value	Total nominal	Total premiums	Total
2001	34 900	5	174 500	280 945	455 445
2002	43	5	215	184	399
2007	22	5	110	88	198
2008	27 600	5	138 000	114 264	252 264
Total	62 565		312 825	395 481	708 306

Euros

**4. Significant agreements with ownership clauses**

To the best of the knowledge of the Board of Directors, Estoril-Sol is not party to any significant agreement which takes effect, either being affected or terminated upon a change of control in the Company, following a takeover bid, without prejudice to the standard clauses in banking practice relating to the issuance of debt securities and financing contracts.

**5. Defensive measures in case of change of shareholding control**

No defensive measures were adopted, because it is understood that they are not justified, bearing in mind the Company's shareholder structure remains stable for several years and the existence of two reference shareholders that concentrate 90.46% of the share capital (the percentage of free-float is manifestly reduced).

**6. Shareholders' agreements**

The Company is not aware of shareholder agreements that may restrict the transfer of securities or voting rights.

## II. Shareholdings and holding of bonds

### 7. Qualified shareholdings

The Company has two shareholders of reference which, together, control, directly and indirectly, around 90,45% of the share capital and 90,93% of the voting rights.

As at 31 December 2023, the structure of qualifying holdings in Estoril-Sol, SGPS, S.A., calculated in accordance with article 20 of the Portuguese Securities Code ("CVM"), was as follows:

Shareholder	No of Shares 31-Dec-2023	% Share Capital	% Voting rights
Finansol - Sociedade de Controlo, SGPS, S./	6 930 604	57,79%	58,09%
Sociedade Figueira Praia, S.A.	3 917 793	32,67%	32,84%
Other shareholders	1 082 722	9,03%	9,07%
Treasury shares	62 565	0,52%	---
<b>Total</b>	<b>11 993 684</b>	<b>100,00%</b>	<b>100,00%</b>

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

On 31 December 2023 ESTORIL SOL, S.G.P.S., S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, S.G.P.S., S.A., on 31 December 2022, held 6.930.604 shares of ESTORIL-SOL, S.G.P.S., S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 2.209 shares of ESTORIL-SOL, S.G.P.S., 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 81%, and 58,11% to the voting rights.

#### SOCIEDADE FIGUEIRA PRAIA, S.A.

On 31 December 2023, ESTORIL-SOL, S.G.P.S., 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, S.G.P.S., S.A..

**8. Number of shares and bonds held by the members of governing bodies, submitted under paragraph 5 of article 447 of the Portuguese Companies Act**

Information regarding the securities issued by ESTORIL-SOL, S.G.P.S., 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 31 December 2022.

	Nr shares 31.12.22	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 31.12.23
<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
Ana Catarina de Figueiredo Antunes Félix Pontes	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

**9. Powers of the Board of Directors for share capital increases**

Within the terms of Article 23 of the Articles of Association of the Company, the Board of Directors enjoys the broadest management powers, as it can decide on any matter pertaining to company management, namely regarding:

- a. The election of its Chairman and Deputy Chairman, if the General Meeting itself has not made such an appointment;
- b. The co-opting of replacement directors;
- c. The creation, make-up, competence and working of the Executive Committee;
- d. The request for convening General Meetings;
- e. The annual report and accounts to be submitted to the General Meeting;
- f. Proposals to the General Meeting for the provision of warranties and personal or real guarantees by the Company;
- g. The proposal to the General Meeting of major extensions or reductions to the activity of the Company;
- h. Important modifications in the organization of the company;
- i. The establishment or cessation of lasting and important cooperation with other companies;
- j. Proposal to the General Meeting for an increase or reduction in the share capital;
- k. Proposal to the General Meeting of projects for the merger, division or transformation of the Company;
- l. Deliberation on increases in share capital, on one or more occasions, up to an absolute maximum increase of one million six hundred thousand and twenty-one thousand and ninety-three Euros and seventeen cents, for contributions in cash, provided that, in compliance with imperative legal standards, the increase is intended to be subscribed by directors, company employees and other people or entities providing services pertaining to the same, to

be identified under the terms and conditions decided in the General Meeting [article 5.2 of the Articles of Association, *ex vi* of line l) of Article 23.1 of the same document];

- m. The appointment and dismissal of employees, and setting their salary or compensation, if applicable;
- n. The constitution of representatives or attorneys and the revocation of mandates granted;
- o. Representing the company, either directly or via representatives, either in or out of court, actively and passively, namely proposing, contesting and pursuing lawsuits, giving evidence, acquiescing or desisting, as well as assuming commitments in voluntary arbitration;
- p. The exercise of company rights corresponding to its holdings in the capital of other companies;
- q. The execution and bringing about of compliance with legal and statutory precepts and the decisions of the General Meeting;
- r. Any other matter on which any director requests the deliberation of the Board.

#### **10. Business relationship between holders of qualified shareholdings and the Company**

There are no significant commercial relationships between holders of qualified shareholdings and the Company.

### **B. GOVERNING BODIES AND COMMITTEES**

#### **I. Shareholders' general meeting**

##### **a) Composition of the Board of the Shareholders' General Meeting**

#### **11. Board of the Shareholders' General Meeting identification of members and mandate**

The Board of the General Meeting, pursuant to Article 11 of the Articles of Association, comprises a Chairman, a Deputy Chairman and a Secretary, or only a Chairman and a Secretary, as decided by the General Meeting, who may or may not be shareholders. If there is a Deputy Chairman, he will replace the Chairman in his absence and impediment.

By reference to 31st December 2023, the composition of the Board of the General Meeting is currently as follows:

Chairman: .....	Dr. Pedro Canastra de Azevedo Maia
Deputy Chairman: .....	Dr. Tiago Antunes da Cunha Ferreira de Lemos
Secretary: .....	Dr <sup>a</sup> . Marta Horta e Costa Leitão Pinto Barbosa

The Chairman of the Board of the General Meeting, in performing its duties, receives the collaboration of the other members of the Board and of the services of the Company that are at his entire disposal to attend to his requests and to help him in the preparation and the practice of all the acts within his power.

We would draw attention to the collaboration provided in the preparation and realization of the General Meetings, and especially, the very close collaboration of the Administrative and Financial Board and of the Legal Services Board.

The Chairman, the Deputy Chairman and the Secretary of the Board were re-elected in the General Meeting of 28th June 2021, for the years 2021 to 2024.

**b) Exercising voting rights**

**12. Possible restrictions on voting rights**

According to the provisions in article 10.1 of the Articles of Association of Estoril-Sol, SGPS, SA, it was established, in accordance with and with respect for the legal provisions applicable, that: "The General Meeting is constituted by the shareholders that hold, at least, one hundred shares, provided that these shares have been registered or deposited in the Company's safes up to five days before the date booked for the General Meeting, or the shares have been deposited with a financial intermediary, if they are nominal shares, or registered in registered securities accounts, if they are nominal or registered shares, and the declaration that this is so is received in the Company by that date."

Within the terms of Article 10.3 of the Articles of Association, every hundred shares correspond to one vote.

**13. Maximum percentage of voting rights that may be exercised by a single or group of shareholders, under paragraph 1 of Article 20 of the Portuguese Securities Code**

Estoril-Sol articles of association or other instruments do not impose any maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any of the relations referred to in Article 20(1) of the CVM.

**14. Deliberative Quorum**

Whether upon the first or second call, decisions on statutory changes, merger, division, transformation or winding-up of the company, election of the Remuneration Committee and of the Advisory Board, suppression or limitation of the pre-emptive right in share capital increases and the appointment of company liquidators have to be approved by the majority of the votes corresponding to the share capital (article 13.3 of the Articles of Association).

## II. Management and Supervision

### a) Composition (during 2021)

#### 15. Identification of the adopted governance model

The Estoril-Sol's model of governance is based on the traditional Portuguese model (also known as the "Latin model"), which comprises a Board of Directors, an Audit Board and a Statutory Auditor.

#### 16. Rules for nominating and replacing Board Members

The rules applicable to the appointment and replacement of the members of the Board of Directors follow the imperative standards applicable, as well as the provisions in the Articles of Association.

Within the terms of the Articles of Association of the Estoril-Sol, the administration of the Company is the responsibility of a Board of Directors comprising three to eleven directors, with an odd number thereof, shareholders or not, elected by the General Meeting.

The Articles of Association of the Estoril-Sol allow, within the terms of Article 392 of the CCC, for a minority that represents, at least, 10% of the share capital of the Company and that has voted against a winning proposal in the election of the Board of Directors, has the right to appoint a Director.

The General Meeting that elects the Board of Directors may appoint one of its members to perform the duties of the Chairman of the Board and one or two for Deputy Chairmen. If these are not appointed by the General Meeting, it is up to the directors to choose the Chairman of the Board of Directors and the Deputy Chairman/Chairmen from among themselves, and may replace them at any time.

Within the terms of the law, when the number of directors is increased during a mandate, or when a director is appointed by cooptation, the mandate of the new directors ends at the same time as those who are in office.

The mandate of the members of administration is for four years, where an election year is deemed to be a complete calendar year, and there is no restriction to directors' re-election.

Within the terms of Article 23 of the Articles of Association of the Company, the Board of Directors enjoys the broadest management powers, as it can decide on any matter pertaining to company management, namely regarding:

- a. The election of its Chairman and Deputy Chairman, if the General Meeting itself has not made such an appointment;
- b. The co-opting of replacement directors;
- c. The creation, make-up, competence and working of the Executive Committee;
- d. The request for convening General Meetings;
- e. The annual report and accounts to be submitted to the General Meeting;
- f. Proposals to the General Meeting for the provision of warranties and personal or real guarantees by the Company;
- g. The proposal to the General Meeting of major extensions or reductions to the activity of the Company;
- h. Important modifications in the organization of the company;
- i. The establishment or cessation of lasting and important cooperation with other companies;
- j. Proposal to the General Meeting for an increase or reduction in the share capital;
- k. Proposal to the General Meeting of projects for the merger, division or transformation of the Company;

l. Deliberation on increases in share capital, on one or more occasions, up to an absolute maximum increase of one million six hundred thousand and twenty-one thousand and ninety-three Euros and seventeen cents, for contributions in cash, provided that, in compliance with imperative legal standards, the increase is intended to be subscribed by directors, company employees and other people or entities providing services pertaining to the same, to be identified under the terms and conditions decided in the General Meeting [article 5.2 of the Articles of Association, *ex vi* of line l) of Article 23.1 of the same document];

m. The appointment and dismissal of employees, and setting their salary or compensation, if applicable;

n. The constitution of representatives or attorneys and the revocation of mandates granted;

o. Representing the company, either directly or via representatives, either in or out of court, actively and passively, namely proposing, contesting and pursuing lawsuits, giving evidence, acquiescing or desisting, as well as assuming commitments in voluntary arbitration;

p. The exercise of company rights corresponding to its holdings in the capital of other companies;

q. The execution and bringing about of compliance with legal and statutory precepts and the decisions of the General Meeting;

r. Any other matter on which any director requests the deliberation of the Board.

### 17. Composition of the Board of Directors

In addition to the information provided in the previous point of this report (section 16), under this Paragraph 17 should be noted that the composition of the Board of Directors on December 31, 2023 was as follows:

Composition of the Board of Directors:

Chairman: Dr<sup>a</sup>. Pansy Catllina Chiu King Ho

Deputy Chairman: Dr. Mário Alberto Neves Assis Ferreira

Members: Dr<sup>a</sup>. Maisy Chiu Ha Ho  
Dr<sup>a</sup> Daisy Chiu Fung Ho  
Eng. António José de Melo Vieira Coelho  
Dr. Vasco Esteves Fraga  
Dr. Jorge Armindo de Carvalho Teixeira  
Dr. Calvin Ka Wing Chann  
Dr<sup>a</sup>. Ana Catarina de Figueiredo Antunes Félix Pontes\*

\*The mandate began on September 1<sup>st</sup>, 2023 until the moment the replaced Member of the Board of Directors resumes the full exercise of the mandate.

With effect from September 1<sup>st</sup>, 2023, Dr. Miguel António Dias Urbano de Magalhães Queiroz temporarily suspended his mandate as Member of the Board of Directors of Estoril-Sol, SGPS, S.A.

The other members of the Board of Directors were elected in the General Meeting of 28th June 2021, for the years 2021 to 2024.



The members of the Board of Directors first election occurred in the year:

- Dr<sup>a</sup> Pansy Catilina Chiu King Ho – 2010
- Dr. Mário Alberto Neves Assis Ferreira – 1984
- Dr<sup>a</sup>. Maisy Chiu Ha Ho – 2020
- Dr<sup>a</sup> Daisy Chiu Fung Ho – 2021
- Eng.º António José de Melo Vieira Coelho – 2000
- Dr. Vasco Esteves Fraga – 2002
- Dr. Jorge Armindo de Carvalho Teixeira – 2006
- Dr. Calvin Ka Wing Chann – 2013
- Dr. Miguel António Dias Urbano de Magalhães Queiroz – 2013\*
- Dr<sup>a</sup> Ana Catarina de Figueiredo Antunes Félix Pontes – 01st September 2023 replacing Dr. Miguel António Dias Urbano de Magalhães Queiroz

\* temporarily suspended the mandate with effect from September 1st, 2023.

#### **18. Distinction between executive and nonexecutive members**

The Board of Directors, with a collegial structure and jointly responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor that is not a member of the Audit Board, pursuant to paragraph 1 b). Article 413 of the CSC.

#### **19. Professional qualifications and curricular references of the members of the Board of Directors**

##### PANSY CATILINA CHIU KING HO

Has specific training in International Management, Marketing and International Studies from the University of Santa Clara and has a PhD in Business Management from the University of Johnson & Wales.

Her main professional activity in recent years, specifically in Portugal, Hong Kong and Macau, includes the position as Director of MGM Grand Paradise, SA, of Shun Tak Holdings Limited, of STDM – Sociedade de Turismo e Diversões de Macau, SA., of Macau Tower Convention & Entertainment Centre, of Air Macau Company Limited, of Estoril Sol, SGPS, SA, of SGAL – Sociedade gestora da Alta de Lisboa, SA and Posse – SGPS, SA.

She currently holds the position of Member of the Board of Directors of Estoril-Sol, SGPS to which she was appointed on 31 May 2010, by cooptation, in replacement and upon the decease of Sr. António José Pereira.

On 31 December 2023 she held no shares in the share capital of Estoril-Sol, SGPS, SA.

MÁRIO ALBERTO DAS NEVES ASSIS FERREIRA (Deputy Chairman)

Has a graduate degree in law from Universidade Clássica of Lisbon as well as a degree in business administration from the Gestúlio Vargas Foundation in Rio de Janeiro. He is a Member of the Advisory Board of ISEG - Instituto Superior de Economia e Gestão (Institute of Higher Education in Economics and Management), Member of the Advisory Board of the Faculty of Economics and Business Sciences of Universidade Lusíada in Lisbon, as well as Member of the Advisory Board of the Graduate Degree in Tourism of the Universidade Lusófona de Humanidades e Tecnologias and Member of the Board of the School of the Faculty of Human Mobility.

In the last five years he has developed his professional activity as Chairman of Board of Directors in companies of the Estoril-Sol Group.

He currently holds the post of Deputy Chairman of the Board of Directors of Estoril-Sol, SGPS.

On 31 December 2023 he held 601 shares in the share capital of Estoril-Sol, SGPS, SA.

MAISY CHIU HA HO

Has specific training in Arts, specializing in Psychology and Telecommunications, from the University of Pepperdine, California, United States of America.

Her main professional activity carried out in recent years, namely in Macau and Hong Kong, includes the position of President and Executive Director of Unitas Holding Ltd, and the position of Director Shun Tak Holdings Limited stand out. She assumed the position of Member of the Board of Directors of Estoril-Sol, SGPS on June 24th, 2020, by cooptation, after being nominated as Chairman of the Board of Directors, Ms. Pansy Catilina Chiu King Ho in substitution and for the death of Mr. Dr. Stanley Hung Sun Ho.

On 31 December 2023 she held no shares in the share capital of Estoril-Sol, SGPS, SA.

DAISY CHIU FUNG HO

Degree in Business Management from the University of Southern California in the United States in 1987 and a Master's in Business Management from the University of Toronto in Canada in 1990. Of the professional activity carried out in the last five years in Portugal, Macau and Hong Kong, we highlight the functions performed as Chairman of the Board of Directors, in Portugal, of Orintenjoy, S.A and Credicapital, SGPS,S,A, in Macau of SJM Resorts, S.A. and in Hong Kong from SJM Holdings Limited.

She was elected, on June 28, 2021, for the first time to the Board of Directors of Estoril-Sol, SGPS.

As at 31 December 2023, she did not hold shares representing the share capital of Estoril-Sol, SGPS, SA.

ANTÓNIO JOSÉ DE MELO VIEIRA COELHO

Has a graduate degree in Radiotechnology from Escola Náutica Infante D. Henrique (Shipping School).

In the last five years he has developed his professional activity as Voting Member of the Board of Directors in companies of the Estoril Sol Group.

He currently serves as a Voting Member of the Board of Directors of Estoril-Sol, SGPS, to which he was first elected on 24 April 2000.

On 31 December 2023 he did not hold any shares in the share capital of Estoril-Sol, SGPS, SA

VASCO ESTEVES FRAGA

Has a graduate degree in Finance from the Instituto Superior de Economia (Higher Institute of Economics). In the last five years he has developed his professional activity as Voting Member of the Board of Directors in companies of the Estoril Sol Group, and as a member of the General Audit Board of the Banco Comercial Português (Millennium BCP). He is currently director of SGAL – Sociedade Gestora da Alta de Lisboa, SA. He currently serves as a Voting Member of the Board of Directors of Estoril-Sol, SGPS, to which he was first elected on 2 May 2006.

On 31 December 2023 he held 608 shares in the share capital of Estoril- Sol, SGPS, SA.

JORGE ARMINDO DE CARVALHO TEIXEIRA

Has a graduate degree in economics from the Faculty of Economics of the University of Porto, where he lectured from 1976 to 1992.

His professional activities over the last five years include the post of Chairman of the Board of Directors in several companies, among them Amorim – Entertainment e Gaming International, SGPS,SA, Amorim Turismo, Serviços Gestão, SA, Edifer Angola, SA, Iberpartners – Gestão e Reestruturação de Empresas, SA, Troia Peninsula Investimentos, SGPS, SA and Estoril Sol, SGPS, SA.

He has been a Voting Member of the Board of Directors of Estoril-Sol, SGPS, SA since 31 January 2006.

On 31 December 2023 he did not hold any shares in the share capital of Estoril-Sol, SGPS, SA

CALVIN KA WING CHANN

Graduate in Civil Engineering from the University of Westminster in London.

Certified member of Chartered Association of Certified Accountants (ACCA).

Worked in London at Halcrow Fox & Associates and Leigh Philip & Partners, Chartered Accountants.

He has been a Voting Member of the Board of Directors of Estoril-Sol,SGPS,S.A since 04th February 2013.

On 31 December 2023 he held 1000 shares in the share capital of Estoril- Sol, SGPS, SA

ANA CATARINA DE FIGUEIREDO ANTUNES FÉLIX PONTES

Law Degree from the Faculdade de Direito da Universidade de Lisboa, Lisbon.

Held several legal advisory positions in Macau from 1999 to 2012, namely at the Macau Tourism Office and the Macau Grand Prix Commission, both bodies belonging to the Macau Special Administrative Region.

Since 2013, she has held a position as Legal Advisor at Shun Tak Holdings (Macau) Ltd.

Fluent in Portuguese, English, French and Cantonese.

She was elected, for the first time, as a member of the Board of Directors of Estoril-Sol, SGPS, SA on September 1<sup>st</sup>,2023

As of December 31, 2023, she did not hold shares representing the share capital of Estoril -Sol, SGPS, S.A.

MIGUEL ANTÓNIO DIAS URBANO DE MAGALHÃES QUEIROZ

Law Degree from the Universidade Católica Portuguesa, Lisbon, in 1986.

Lawyer admitted to the Bar Association in Portugal since 1987.

Admitted to the Lawyers Association of Macau (Founder – 1987).

Admitted as Private Notary in Macau (1991).

Legal Advisor at Lisbon City Hall from 1985 until 1987.

Partner and Attorney at Soc. de Advogados RC, Lawyers – Macau 1987 until 1996.

Since 1996 he has been member of the Board of Directors of STDM – Departamento de Investimentos, - Portugal, as well as other companies from STDM Group in Portugal.

He has been a Voting Member of the Board of Directors of Estoril-Sol, SGPS, S.A since 04th February 2013.

On 31 December 2023 he did not hold any shares in the share capital of Estoril-Sol, SGPS, SA

**20. Significant family, business and commercial relationships between members of the Board of Directors and shareholders with attributed qualified shareholdings**

The Company is not aware of any family, professional or commercial, customary and meaningful relationships between members of the Board of Directors of the Company and any qualified shareholder of the Company.

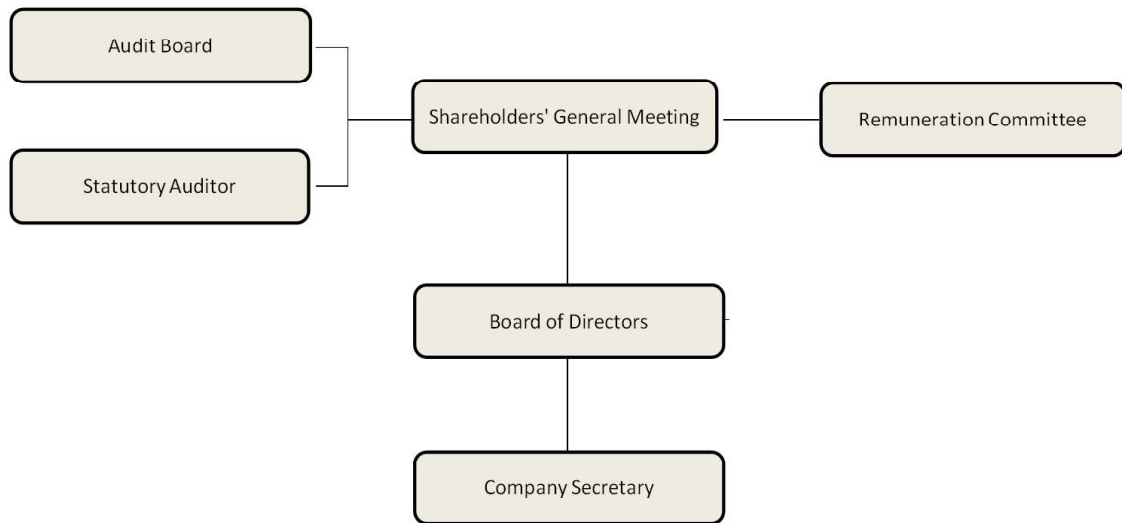
**21. Division of powers between the different boards, committees and / or departments within the Company, including the delegation of powers, particularly with regards to the delegation of the Company's daily management**

Taking into consideration the reduced size of the Company, there is no division of duties between the members of the corporate offices and departments of the Company, specifically the distribution of areas of responsibility among the members of the Company's Board of Directors.

The competences of the management and Audit Boards, as well as of the committees and/or departments of the Company are those that are defined in the Articles of Association, there being no complex model of internal organization with regard to the day-to-day management of Estoril-Sol, neither is there any distribution of areas of responsibility by the members of the Board of Directors.

Within the scope of its activity of managing of shareholdings, the Board of Directors has a small Administrative Support Service.

Below, we will introduce the organization chart of the governing bodies of Estoril Sol:



**b) Operating rules**

**22. Internal Regulation of the Board of Directors**

The Internal Regulation of the Board of Directors and Executive Committee of the Board of Directors are available for consultation at the Company's website [www.estoril-solsgps.com](http://www.estoril-solsgps.com)

**23. Number of meetings held and attendance level of each member of the Board of Directors**

The Board of Directors meets on a regular basis, and that regularity is, in principle, once monthly, and always whenever there are issues that justify convening it.

Boards occur in conformity with a previously set schedule and their work agendas are previously given out to all members of the Board, as well as their minutes and supporting documents.

Given the specific composition of the Board of Directors of the Company, meetings of the Board of Directors have been held by telematic means.

The Board of Directors met twelve (12) times in 2023, with the respective members presenting the following level of attendance:

## GOVERNANCE REPORT

### Board meetings during 2023

Member	Attendance	Representation	Attendance percentage (a)
Pansy Catilina Chiu King Ho	6	0	50%
Mário Alberto Neves Assis Ferreira	12	0	100%
Maisy Chiu Ha Ho	5	0	42%
Daisy Chiu Fung Ho	6	0	50%
António José de Melo Vieira Coelho	12	0	100%
Vasco Esteves Fraga	12	0	100%
Jorge Armindo de Carvalho Teixeira	12	0	100%
Calvin Ka Wing Chann	10	0	83%
Miguel António Dias Urbano de Magalhães Queiroz (b)	8	0	100%
Ana Catarina de Figueiredo Antunes Félix Pontes (c)	4	0	100%

(a) Percentage with reference to attendance

(b) Mandate temporarily suspended on 01st September 2023

(c) The mandate began on September 1st, 2023 until the moment the replaced Director resumes the full exercise of his mandate

Estoril-Sol, SGPS, S.A. is a holding company with operations managed by its subsidiaries, mainly related with gaming concessions operated by “Estoril-Sol (III). Turismo, Animação e Jogo S.A.” and “Varzim-Sol – Turismo, Jogo e Animação, S.A.”. These subsidiaries have their own management structure, Executive Committees which meet on average every two weeks, and on which the current management of operations has been delegated by the respective Board of Directors. The minutes of the meetings of the Executive Committees of the operating companies are promptly disclosed to the members of the Board of Directors of Estoril Sol SGPS, SA, or whenever they request it, allowing them to be at any moment aware of all activity and decisions taken within the operating companies of the Estoril Sol Group.

In addition, the fact that Estoril Sol SGPS, SA has appointed, since 2008, a company secretary who centralizes all information related to the decisions taken within the companies of the Group and in control of Estoril-Sol, SGPS, SA, constituting the repository of the minutes related to the decisions taken in the meetings of the Board of Directors and Executive Committee of the operating companies. This information repository is available to be consulted or requested as long as legitimately and justifiably.

#### 24. Competent Bodies of the Company to appraise the performance of executive directors

The Remuneration Committee is within the Estoril Sol SGPS, SA, the appropriate body to appraise the performance of the Board of Directors Executive Committee members.

#### 25. Predetermined criteria for evaluating the performance of executive directors

The performance of executive directors is taken in accordance with the following guiding principles:

- The duties and responsibilities assumed by the executive directors, taking also in consideration the responsibilities assumed in Estoril-Sol, SGPS, S.A. subsidiaries, and in any rewards earned within these ones.
- The economic situation of the Company, as well as the Company's interests in the long term and real company growth and value added for the shareholders.
- General market conditions for comparable situations among other companies in the same sector, listed on Euronext Lisbon and equivalent size, taking into account the competitiveness of the remuneration framework proposed.

## 26. Availability of the members of the Board of Directors

From the point of view of the needs of the Company, ordinary and / or extraordinary, the members of the Board have always shown full dedication and availability.

Notwithstanding, it should be noted that each of them occupies the following positions in other entities:

### PANSY CATILINA CHIU KING HO

#### ❖ Within the Group Estoril-Sol

In Portugal:

*Chairman of the Board of Directors:*

ESTORIL SOL, SGPS, SA

- DTH – Desenvolvimento Turístico e Hoteleiro, S.A.
- Estoril Sol III – Turismo, Animação e Jogo, S.A.

*Chairman of the Remuneration Committee*

ESTORIL SOL, SGPS, SA

#### ❖ Outside the Group Estoril-Sol

In Portugal:

*Chairman of the Board of Directors:*

- STDN - Investimentos, SGPS, SA
- STDN - Investimentos Imobiliários, S.A
- Central de Aplicações, SGPS, SA
- Guinor, Companhia de Desenvolvimento Imobiliário, SGPS, SA
- POSSE – Sociedade Gestora de participações Sociais, SGPS, SA
- SGAL - Sociedade Gestora da Alta de Lisboa, SA
- Brightask – Investimentos e Gestão, S.A
- Finansol – Sociedade de Controlo, SGPS, S.A.
- IMO-DOZE – Gestão Mobiliária e Imobiliária, S.A.
- Guinchotel – Atividades Hoteleiras, Lda
- STDN – Gestão de Investimentos, Unipessoal, Lda
- *Chairman of the Remuneration Committee*
- Finansol – Sociedade de Controlo, SGPS, SA

-

In Macau:

*Chairman of the Board of Directors:*

- Macau Tower Convention & Entertainment Centre
- Sociedade de Turismo e Desenvolvimento Insular SA
- King Power Duty Free (Macau) Company Limited
- King Power Macau Seaport Duty Free Company Ltd

*Deputy-Chairman and Director*

- Macau International Airport Company Ltd
- China Duty Free (Macau) Limited
- MGM China Holdings Limited

*Member of the Board of Directors:*

- Macauport – Sociedade de Administração de Portos, SARL
- Air Macau Company Limited
- STDN – Hotels and Investments Limited
- Sociedade de Turismo e Diversões de Macau, S.A.
- MGM Grand Paradise Limited

In Hong Kong:

*Chairman of the Board of Directors*

SHUN TAK Holdings Limited

*Deputy-Chairman, Member of the Board of Directors and Chief Executive Officer*

SHUN TAK – China Travel Shipping Investments Limited

*Member of the Board of Directors:*

- HONG KONG International Airport Terminal Services Limited
- 
- 

#### **MÁRIO ALBERTO NEVES ASSIS FERREIRA**

❖ Within the Group Estoril-Sol

- Deputy Chairman of the Board of Directors
  - o Estoril-Sol, SGPS, S.A.
- Estoril Sol (III) - Turismo, Animação e Jogo S.A

❖ Outside the Group Estoril-Sol

- Membro do Conselho de Curadores da Cruz Vermelha Portuguesa - Cascais
- Membro do Conselho Consultivo do ISEG-Instituto Superior de Economia e Gestão
- Membro do Conselho Consultivo da Faculdade de Ciências da Economia e da Empresa da Universidade Lusíada de Lisboa
- Membro do Conselho Consultivo da Licenciatura em Turismo da Universidade Lusófona de Humanidades e Tecnologias
- Membro do Conselho de Escola da Faculdade de Motricidade Humana
- Membro do Conselho de Curadores da Fundação Luso-Brasileira
- Presidente da Fundação Memória da Beira Serra
- Presidente do Conselho Fiscal da Casa da América Latina
- Presidente da Assembleia Geral da Associação da Amizade Luso-Marroquina
- Director da Revista "Egoísta"
- Membro da Associação Portuguesa de Escritores
- Membro da SHIP – Sociedade Histórica da Independência de Portugal
- Membro da Academia de Letras e Artes de Portugal como Académico na Classe de Letras
- Membro do Centro Nacional de Cultura
- Membro do Conselho Superior da Associação de Turismo de Cascais

#### **MAISY CHIU HA HO**

❖ Within the Group Estoril-Sol

In Portugal:

*Member of the Board of Directors:*

- ESTORIL SOL, SGPS, SA
  - o ESTORIL SOL III – Turismo, Animação e Jogo, S.A

❖ Outside the Group Estoril-Sol

In Portugal

*Member of the Board of Directors:*

FINANSOL – Sociedade de Controlo, SGPS, S.A.

In Macau:

*Member of the Board of Directors:*

STDM – Investimentos e Hotéis, Limitada  
Sociedade de Turismo e Desenvolvimento Insular, S.A.R.L  
Sociedade de Turismo e Diversões de Macau, S.A.  
Sociedade de Jogos de Macau, S.A.  
STDM – Administração de Propriedades, Lda.



- In Hong Kong:
  - Chairman of the Board of Directors*
  - Unitas Holding Limites
- *Member of the Board of Directors:*
  - SHUN TAK Holdings Limited
  - SHUN TAK – China Travel Shipping Investments Limited ~

- **DAISY CHIU FUNG HO**

❖ Within the Group Estoril-Sol

*Member of the Board of Directors:*

- Estoril Sol, SGPS, S.A.
- Estoril Sol III - Turismo, Animação e Jogo, S.A.
- 

❖ Outside the Group Estoril-Sol

In Portugal:

*Chairman of the Board of Directors:*

- Credicapital, SGPS, S.A.
- Malha 5 – Investimentos Imobiliários, S.A.
- IMO 8 – Sociedade de Investimentos Imobiliários, Lda
- Orientenjoy, S.A.

*Member of the Board of Directors*

- Finansol – Sociedade de Controlo, SGPS,S.A. (and Member of the Remuneration Committee)
- SGAL – Sociedade Gestora da Alta de Lisboa, S.A.
- STDM – Gestão de Investimentos, Unipessoal, Lda
- STDM -Investimentos Imobiliários, S.A.

In Macau

*Chairman of the Board of Directors:*

- SJM Resorts, S.A:
- *Member of the Board of Directors.*
  - Sociedade de Turismo e Diversões de Macau, S.A.
  - o Sociedade de Turismo e Desenvolvimento Insular S.A.
  - o Macau International Airport Company Limited
  - o Macau Tower Convention & Entertainment Centre
  - o King Power Macau Seaport Duty Free Company Limited
  - o King Power Duty Free (Macau) Company Limited
  - o STDM - Hotels and Investments Limited
  - o MACAUPORT – Sociedade de Administração de Portos, SARL

In Hong Kong

*Chairman of the Board of Directors:*

- SJM Holdings Limited
- *Member of the Board of Directors.*
  - Shun Tak Holdings Limited
  - o Shun Tak – China Travel Shipping Investments Limited

## ANTÓNIO JOSÉ DE MELO VIEIRA COELHO

### ❖ Within the Group Estoril-Sol

#### *Member of the Board of Directors:*

- Estoril Sol, SGPS, S.A.
- Estoril Sol III - Turismo, Animação e Jogo, S.A.
- Varzim Sol – Turismo, Animação e Jogo, S.A.
- Estoril Sol - Investimentos Hoteleiros, S.A.
- Estoril Sol e Mar - Investimentos Imobiliários, S.A.
- DTH – Desenvolvimento Turístico e Hoteleiro, S.A.
- Estoril Sol Imobiliária, S.A.
- Estoril Sol V - Investimentos Imobiliários, S.A.
- o Estoril Sol Digital – Online Gaming Products and Services, S.A.
- o Estoril Sol Digital Capital Digital, S.A.
- o Estoril Sol Internacional, S.A.
- 

### ❖ Outside the Group Estoril-Sol

#### *Member of the Board of Directors:*

- STDM - Investimentos Imobiliários, S.A.
- 

## VASCO ESTEVES FRAGA

### ❖ Within the Group Estoril-Sol

#### *Member of the Board of Directors:*

- Estoril Sol, SGPS, S.A.
- Estoril Sol III - Turismo, Animação e Jogo, S.A.
- Varzim Sol - Turismo, Animação e Jogo, S.A.
- o Estoril Sol Digital – Online Gaming Products and Services, S.A.
- o Estoril-Sol Investimentos Hoteleiros, S.A.;
- o Estoril-Sol e Mar - Investimentos Imobiliários, S.A.;
- o DTH – Desenvolvimento Turístico e Hoteleiro, S.A.;
- o Estoril-Sol Imobiliária, S.A.;
- o Estoril-Sol (V) Investimentos Imobiliários, S.A

### ❖ Outside the Group Estoril-Sol

#### *Member of the Board of Directors:*

- SGAL - Sociedade Gestora da Alta de Lisboa, SA
- 

## JORGE ARMINDO DE CARVALHO TEIXEIRA

### ❖ Within the Group Estoril-Sol

#### *Member of the Board of Directors:*

- o Estoril Sol, SGPS, S.A
- o DTH – Desenvolvimento Turístico e Hoteleiro, S.A.

❖ Outside the Group Estoril-Sol

*Chairman of the Board of Directors:*

- Iberpartners - Gestão e Reestruturação de Empresas S.A
- Fundação do Alto da Lixa
- Eleven - Restauração e Catering, S.A.
- 

*Member of the Board of Directors:*

- Amorim Turismo, SGPS, S.A
- New Coffee S.A.
- 

**CALVIN KA WING CHANN**

❖ Within the Group Estoril-Sol

*Chairman of the Board of Directors*

- Varzim Sol - Turismo, Animação e Jogo, S.A.
- Estoril-Sol Investimentos Hoteleiros, S.A.;
- Estoril-Sol e Mar - Investimentos Imobiliários, S.A.;
- Estoril-Sol Imobiliária, S.A.;
- Estoril-Sol (V) Investimentos Imobiliários, S.A.;
- Estoril Sol Digital – Online Gaming Products and Services, S.A.;

*Member of the Board of Directors*

- Estoril Sol, SGPS, S.A.
- Estoril Sol III - Turismo, Animação e Jogo, S.A.
- DTH – Desenvolvimento Turístico e Hoteleiros, S.A.;
- Estoril Sol Capital Digital, S.A.;
- Estoril Sol Internacional, S.A

❖ Outside the Group Estoril-Sol

*Member of the Board of Directors:*

- BRIGHTASK-Gestão de Investimentos, S.A.
- CENTRAL DE APLICAÇÕES – SGPS, S.A.
- CREDICAPITAL-Sociedade Gestora de Participações, S.A.
- FINANSOL – Sociedade de Controlo, S.A.
- GUINCHOTEL – Actividades Hoteleiras, Lda.
- GUINOR Companhia de Desenvolvimento Imobiliário, SGPS, S.A.
- IMAPEX, Sociedade de Construções e Investimentos Imobiliários, S.A.
- IMO 12 – Gestão Mobiliária e Imobiliária, S.A.
- IMO 8 – Sociedade de Investimentos Imobiliários, S.A.
- MALHA 5 – Investimentos Imobiliários, S.A.
- POSSE, SGPS, S.A.
- STDM – Investimentos, SGPS, S.A.
- STDM – Investimentos Imobiliários, S.A.
- STDM – Gestão de Investimentos, Unipessoal, Lda.
- Orientenjoy, S.A.

## **ANA CATARINA DE FIGUEIREDO ANTUNES FÉLIX PONTES**

### ❖ Within the Group Estoril-Sol

#### *Member of the Board of Directors:*

- Estoril Sol, SGPS, S.A.
- Estoril Sol III - Turismo, Animação e Jogo, S.A.
- Estoril Sol - Investimentos Hoteleiros, S.A.
- Estoril Sol e Mar - Investimentos Imobiliários, S.A.
- DTH – Desenvolvimento Turístico e Hoteleiro, S.A.
- Estoril Sol Imobiliária, S.A.
- Estoril Sol (V) - Investimentos Imobiliários, S.A.

### ❖ Outside the Group Estoril-Sol

#### *Member of the Board of Directors:*

- BRIGHTASK - Gestão de Investimentos, S.A.;
- FINANSOL, Sociedade de Controlo, SPGS, S.A.;
- Guinchotel - Actividades Hoteleiras, Lda.;
- IMAPEX, Sociedade de Construções e Investimentos Imobiliários, S.A.
- IMO 12 - Gestão Mobiliária e Imobiliária, S.A.;
- STDM - Investimentos, SPGS, S.A.;
- CREDICAPITAL - Sociedade Gestora de Participações, S.A.;
- SGAL - Sociedade de Mediação Imobiliária, S.A.;
- SGAL - Sociedade Gestora da Alta de Lisboa, S.A.;

## **MIGUEL ANTÓNIO DIAS URBANO DE MAGALHÃES QUEIROZ**

### ❖ Within the Group Estoril-Sol

#### *Member of the Board of Directors*

- Estoril-Sol, SGPS, S.A.
- Estoril-Sol III - Turismo, Animação e Jogo, S.A.
- Varzim Sol - Turismo, Animação e Jogo, S.A.
- DTH - Desenvolvimento Turístico e Hoteleiro, S.A
- Estoril-Sol - Investimentos Hoteleiros, S.A.
- Estoril-Sol Imobiliária, S.A.
- Estoril-Sol V - Investimentos Imobiliários, S.A.
- Estoril Sol e Mar - Investimentos Imobiliários, S.A.

### ❖ Outside the Group Estoril-Sol

#### *Member of the Board of Directors:*

- BRIGHTASK-Gestão de Investimentos, S.A.
- FINANSOL - Soc. De Controlo, SGPS, S.A.
- GUINCHOTEL – Actividades Hoteleiras, Lda.
- IMAPEX, Sociedade de Construções e Investimentos Imobiliários, S.A.
- IMO 12 – Gestão Mobiliária e Imobiliária, S.A.
- STDM – Investimentos, SGPS, S.A.
- STDM – Gestão de Investimentos, Unipessoal, Lda.
- Portline -Transportes Marítimos Internacionais, S.A.
-

- Portline Bulk International, S.A.
- Portline Ocean, S.A.
- 
- *Chairman of the Annual General Meeting:*
- Portline -Transportes Marítimos Internacionais, S.A.
- Portline Bulk International, S.A.
- Portline Ocean, S.A.

**c) Committees within the Board of Directors**

**27. Identification of Committees created within the Board of Directors**

No specialized committee has been created within the Board of Directors.

The Board of Directors, with a collegial structure and jointly responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor that is not a member of the Audit Board , pursuant to paragraph 1 b). Article 413 of the CSC

**28. Composition of the Executive Committee**

No specialized committee has been created within the Board of Directors.

**29. Internal Committees and Advisory Groups of the Board of Directors**

Not applicable to the Company since it has no specialized committee within the board of directors. The Board of Directors, with a collegial structure and jointly responsible for the decisions it adopts.

**III. Audit**

**a) Composition**

**30. Identification of the Auditing Bodies**

The supervision of Estoril-Sol is the responsibility of a Audit Board comprising three to five effective members and one or two alternates, respectively, shareholders or not, and to a Statutory Auditor or Firm of Statutory Auditors which is not a member of the Audit Board. (article 25 of the Articles of Association).

**31. Composition**

Composition of the Audit Board at 31<sup>st</sup> December 2023 :

Chairman: Dr. Manuel Maria Reis Boto  
Members: Dr. Paulo Ferreira Alves  
Dr.<sup>a</sup>. Lisete Sofia Pinto Cardoso

Statutory Auditor:

Deloitte & Associado, SROC. No. 43 - Represented by Pedro Miguel Argente de Freitas e Matos Gomes, Statutory Auditor no. 1172. The external auditor was re-elected for four years in the General Meeting of 27<sup>th</sup> June 2021, upon the proposal of the Audit Board.

The members of the Audit Board in office on December 31st, 2021 were re-elected at the General Meeting of June 27th, 2021, for a four-year term corresponding to the four-year period of 2017/2020. The term of office of the members of the Audit Board is four years, with the election year being considered as a complete calendar year, with no restriction on reelection.

The Audit Board deliberates with a simple majority of its members, all of whom have equal voting rights and the decisions are taken by majority vote.

As mentioned in the previous point, in accordance with article 25 of the Articles of Association, the Company's supervision is the responsibility of a Fiscal Council made up of three or five effective members and one or two alternates, shareholders or not, and a statutory auditor or company of statutory auditors who is not a member of that Board.

### **32. Independence**

The members of the Audit Board of the Estoril-Sol comply with the rules of incompatibility set out in paragraph 1 of Article 414.-A and meet the criteria of independence set out in Article 414.5, both of the CCC.

### **33. Professional Qualifications**

#### **MANUEL MARIA REIS BOTO**

Degree in Finance from Instituto Superior de Economia e Gestão (ISEG) 1975.

Statutory Auditor n°523.

It was elected for the first time to be a member of the Audit Board of the company at the General Meeting of 26<sup>th</sup> May 2017.

As of December 31st, 2023, does not hold shares representing the capital of Estoril-Sol, SGPS, SA.

#### **PAULO FERREIRA ALVES**

Degree in Law from the Law University of Lisbon, 1990.

Degree in European Studies at the Institute of European Studies of Law University of Lisbon, 1992.

Holds an MBA in Management and Taxation from the Institute of Higher Financial and Tax Studies (IESF), 1995

Specialization in Economic and Legal Sciences at the Law University of Lisbon, 2014.

It was elected for the first time to be a member of the Audit Board of the company at the General Meeting of 26<sup>th</sup> May 2017.

As of December 31st, 2023, does not hold shares representing the capital of Estoril-Sol, SGPS, SA.

**LISETE SOFIA PINTO CARDOSO (Alternate)**

Degree in Economics from the University of Coimbra, 1993.

It was elected for the first time to be a member of the Audit Board of the company at the General Meeting of 26<sup>th</sup> May 2017.

As of December 31st, 2023, does not hold shares representing the capital of Estoril-Sol, SGPS, SA.

**b) Operating rules**

**34. Internal Regulation and Annual Activity Report**

The operating rules of the Audit Board are defined in the Articles of Association of the Company (Chapter V - Article 25 to 28) and can be found on the Website ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)).

**35. Statutory Audit Board Meetings**

The Audit Board meets whenever it is considered that there is an issue that warrants a meeting, with meetings being held at least once per quarter.

Meetings occur in conformity with the decision of the Chairman with minutes being drawn up of all the meetings.

The Audit Board met six (6) times during 2023.

Members	Attendance	Representation	Attendance percentage (a)
Manuel Maria Reis Boto	6	0	100%
Paulo Ferreira Alves	6	0	100%
Lisete Sofia Pinto Cardoso	6	0	100%

(a) Percentage with reference to attendance

**36. Availability of the members of the Statutory Board members**

All members of the Audit Board of the Company demonstrated, consistently, its willingness to exercise their functions, having appeared regularly at board meetings and participated in its work.

**MANUEL MARIA REIS BOTO**

❖ Outside Group Estoril-Sol

- Saipem  
Chairman of the Audit Board (Brasil)
  
- Ordem dos Revisores Oficiais de Contas  
Member Assembly of Representatives
  
- Ordem dos Economistas  
Chairman Audit oardl
  
- Reis Botos Consultores (Unipessoal), Lda  
Partner / Manager
  
- Casa Agrícola Catarina Velha, Lda  
Partner / Manager

**PAULO FERREIRA ALVES**

❖ Outside Group Estoril-Sol

- BDO & Associados, SROC, Lda  
Board Member and Senior Tax Partner
  
- BDO Consulting, Lda  
Board Member
  
- BDO Outsourcing, Lda  
Board Member
  
- Member of the Audit Board:
  - Netjets – Transportes Aéreos S.A.;
  -
  
- Others:
  - CAAD, Centro de Arbitragem Administrativa - Referee Judge.

**LISETE SOFIA PINTO CARDOSO**

❖ Outside Group Estoril-Sol

- Makro – Cash & Carry Portugal, S.A  
Chairman of the Audit Board
  
- Faber Capital, SCR, S.A.  
Chairman of the Audit Board



- Empresa de Electricidade da Madeira, S.A.  
Member of the Audit Board

- Travel Tailors Portugal  
Owner and Partner

### **c) Duties and Competencies**

#### **37. Intervention by the Statutory Audit Board for the purpose of hiring additional services to the Statutory External Auditor**

The Statutory Audit Board is responsible for the approval of additional audit services to the Statutory External Auditor.

#### **38. Other duties carried out by the Statutory Audit Board**

The Audit Board has the powers and is subject to the duties established at law and in the Articles of Association of Estoril-Sol, and may perform all the acts of verification and inspection that it considers convenient for the fulfilment of its obligations of supervision, and is particularly responsible for:

- supervising the administration of the Company and checking on the observance of the law and the Articles of Association of the Company;
- verifying the precision of the accounting documents prepared by the Board of Directors and supervising the respective review;
- proposing the appointment of the Statutory Auditor to the General Meeting;
- calling the General Meeting whenever the Chairman of the respective Board does not do so when he should;
- preparing the annual report on its activity and presenting an opinion on the Board of Directors' Report.

## **IV. Statutory external auditor**

### **39. Identification**

Statutory Auditor:

Deloitte & Associado, SROC. No. 43 - Represented by Pedro Miguel Argente de Freitas e Matos Gomes, Statutory Auditor no. 1172. The external auditor was elected for four years in the General Meeting of 28<sup>th</sup> June 2021, for the year 2021-2024, upon the proposal of the Audit Board.

### **40. Permanence in Functions**

The external auditor was elected for the first time for a period of four years (2017/2020) in the General Meeting of 26<sup>th</sup> May 2017, upon the proposal of the Audit Board.

#### **41. Other services provided to the Company**

The Statutory Auditors additionally provides to the Company, the services of external auditors.

### **V External auditor**

#### **42. Identification**

Deloitte & Associado, SROC. No. 43 - Represented by Pedro Miguel Argente de Freitas e Matos Gomes, Statutory Auditor no. 1172. The external auditor was elected for four years in the General Meeting of 28<sup>th</sup> June 2021.

#### **43. Permanence in Functions**

Deloitte & Associado, SROC. No. 43 - Represented by Pedro Miguel Argente de Freitas e Matos Gomes, Statutory Auditor no. 1172. The external auditor was elected for the first time in the General Meeting of 26<sup>th</sup> May 2017 for four years (2017/2020), upon the proposal of the Audit Board.

#### **44. Policy and frequency of rotation of the external auditor**

Please see point 43 above from this same report.

#### **45. External Auditor assessment**

According to the model of the corporate governance, the election or removal of the Statutory Auditor / External Auditor is decided at the General Assembly upon the proposal of the Audit Board.

The Audit Board undertakes an annual overall assessment of the External Auditor in which includes an assessment of their independence.

#### **46. Additional work, other than audit services, performed by the External Auditor and hiring process**

During the year ended December 31st, 2023 were not performed by the external auditor other works than audit work.

#### **47. Remuneration of the External Auditor**

In 2023 the said Statutory Auditor earned 167.000 Euros for the services provided exclusively to Estoril-Sol, SGPS, S.A.

### **C. INTERNAL REGULATION**

#### **I. Articles of Association**

#### **48. Rules applicable in the case of amendments to the Company's Articles of Association**

The amendments of the company's Articles of Association is subject to the imperative rules of the law such as those set out in the Articles of Association.

- Resolutions on statutory changes, merger, spin-off, transformation or dissolution of the company, election of the Remuneration Committee and Advisory Board, suppression or limitation of the preemptive right in capital increases and designation of liquidators of the company, must be approved by majority of votes corresponding to share capital (article 13, paragraph 3 of the Articles of Association).
- Regarding the management of the company, shareholders can only deliberate at the request of the Board of Directors (Article 12, paragraph 5 of the Articles of Association).
- The share capital may be raised by simple decision of the Board of Directors, for one or more times, up to the maximum and absolute increase limit of one million six hundred and twenty-one thousand and ninety-three Euros and seventeen cents, for entries in money, as long as the mandatory legal rules are respected, the increase is intended to be subscribed by Board members, company employees or other persons or entities with the provision of services relevant to it, to be identified in the terms and conditions decided at the General Meeting (article 5 n° 2 of the Statutes).
- The resolution of the General Meeting that suppresses or limits the preemptive right of the shareholders in capital increases for cash contributions, resolved by the General Meeting or by the Board of Directors, must be approved by a majority of the votes corresponding to the share capital (article 5, No. 3 of the Statutes).
- The share capital of the company will be increased annually, up to a maximum limit of 15% of the share capital increase at any time, through the incorporation of a special incorporation reserve, provided that the reserve amount is equal to or greater than 3% of the share capital carried out at each moment (Article 31, paragraph 6 of the Statutes).

### **II – Reporting Irregularities**

#### **49. Policy on reporting Irregularities**

Subsidiary companies that are gaming concessionaries are subject to supervision by the Serviço de Inspeção de Jogo do Turismo de Portugal, I.P., to which it is mandatory to notify any irregularities found, as part of their operations.

The Company formalized a policy and initiatives for communicating irregularities in accordance with the provisions of article 420, no. 1, al. j) the Commercial Companies Code.

Within the scope of operating games of chance, the concerns and measures for fighting corruption, money laundering and terrorist financing take on particular significance.

In this battle, which should be fought by all, the Estoril Sol Group approved a Code of Compliance during 2017, applicable to its corporate bodies and all its employees as they perform their duties.

In order to ensure strict compliance of the principles, rules and norms established in this matter, the Estoril Sol Group appointed a Compliance Officer who has carried out a process of identifying risks and evaluating a strategy for improvement and awareness, intended for all resources, from a perspective and with the objective of “being fully compliant”.

The formalization of these rules, most of which were already in practice at the Estoril Sol Group, allowed for a careful and methodical systemization and a binding disclosure, with the general purpose of contributing to the creation of an organisational model that enables the identification, mitigation and, if possible, elimination of risks to which the Estoril Sol Group is exposed.

At its core, that task seeks to take the risks, most of which have been identified, and link them to the standards to which the Estoril Sol Group is subject (whether general or special, inherent to the particularities of the activities it carries out) and among these norms, those specifically related to the prevention and repression of corruption, money laundering and terrorist financing crimes.

According to the norms established, both nationally and internationally, and for the purpose of preventing gaming activities, and casinos in particular, from being used as the means for money laundering operations, the Estoril Sol Group has the duty, which it fulfils with the strictness incumbent on it, to communicate to the legal authorities the existence of operations that raise well-founded suspicions, and within the applicable legal framework.

The Code of Compliance imposes on company bodies and all Estoril Sol Group employees a set of obligations, among which we highlight the following:

- Duty to identify: The identity of customers in situations that are deemed suspect must be required, verified and recorded;
- Duty to refuse: The completion of any transactions in situations that are deemed suspect must be refused;
- Duty to communicate: The management body or designated person responsible must, at its own initiative, guarantee that any situation it considers irregular and that it becomes aware of or regarding which it has suspicions is immediately communicated to the Attorney General of the Republic and the Financial Information Unit;

Duty to cooperate: the corporate governing bodies, as well as all Estoril Sol Group employees, must ensure their prompt and complete willingness to cooperate when requested by the Attorney General of the Republic and/or the Financial Information Unit within the scope of their responsibilities;

- Duty to maintain confidentiality: Criminal investigations must be considered bound to absolute confidentiality, and as such it is strictly forbidden to disclose to customers or third parties (specifically to those who transmitted the communications as legally required) that a criminal investigation is in progress;

- Duty to train: The Estoril Sol Group must adopt the necessary measures so that its employees, whose duties are especially significant for the purposes of preventing money laundering and terrorist financing, have the appropriate knowledge for the duties imposed by the legislation in effect and should organise specific and periodic training programmes adapted to the various sectors of activity;
- Duty to verify the issuance of cheques: Special measures must be adopted to take care in cases when payments by cheque are accepted, specifically in gaming rooms, taking precautions that these fulfil the legal requirements and are only used in situations that are specifically provided for by law.

In implementing the inherent measures – equipped with a Code of Compliance that is scrupulously followed, plus having appointed a Compliance Officer – the Estoril Sol Group has placed itself at the level of entities that, in an organised and diligent manner, ensure the fight against corruption, money laundering and terrorist financing.

In addition to a Compliance Code, the Estoril Sol Group has approved and widely disseminated a Code of Ethics and Professional Conduct.

The Code of Ethics and Professional Conduct embodies the principles of action and the mission of the Group Estoril Sol, constituting a guide for the daily action of everyone to whom it is addressed, so that they can guide their decisions, their behaviours, their actions and omissions in accordance with those that are recognized, are the principles and values of the Group Estoril Sol.

Specifically, this Code aims to:

- Establish standards of professional behaviour with regard to the Group's relations with its Employees, among themselves, between them with partners, customers, suppliers and other Interested Persons, internal or external, namely with public institutions and entities;
- Create mechanisms to prevent infringements and prohibited conduct or that, in some way, are worthy of censorship;
- Create the monitoring and control mechanisms that ensure the intended effectiveness of the entire content of this Code.

Along with the direct compliance with legal and regulatory standards, it is through the commitment to comply with this Code that each and every one assumes itself as an integral part of the Estoril Sol Group's identity, respecting and proclaiming the principles and values for this defended.

The non-observance of the rules contained in this Code of Ethics and Professional Conduct determines, for its Recipients, civil liability (contractual or non-contractual), criminal or administrative offense that may apply to the case, without prejudice to disciplinary or statutory liability in the case of non-compliance by Employees.

All Recipients have a duty to report, through the available channels, any violation of this Code of which they are aware, with the express guarantee that there will be no retaliation against anyone who, in good faith, reports abnormal conduct, using the procedures established for this purpose end.

Participations must be submitted in writing to the body responsible for monitoring and supervising this Code through the email address:

[whistleblowing@estoril-sol.com](mailto:whistleblowing@estoril-sol.com) or sent, by letter to Apartado 383, 2766-801 Estoril, being able to follow (or not) the formulary model available at [www.estorilsolsqps.com](http://www.estorilsolsqps.com)

### **III – Internal Control and Risk Management**

#### **50. Individuals, bodies or committees responsible for internal audit and / or implementation of internal control systems**

Estoril-Sol considers to be of great importance and relevance the implementation of internal control systems. This results, essentially, from the relevance of the sector in which operate the major subsidiaries of the Company. The companies of the Group, aiming to prevent and minimize the risk inherent to their economic activities, have specialised technical services of supervision and control, responsible for the strict fulfillment of the standards of physical safety of customers, employees and installations and also compliance with the legislation that regulates the Gaming activity in Portugal, and it should be pointed out that Portuguese Casinos are subject to the permanent supervision by the State through the Gambling Inspection Service of the Instituto de Turismo de Portugal I.P.

The management of economic and financial risk of the Company and its business associates is continuously monitored by the Board of Directors collaboration with the Operational Management, Security and CCTV Directors, and with the Planning and Control Department.

The board of Directors has been promoting the necessary and appropriate conditions to enable effective monitoring of the management of risks inherent in the Company and Subsidiaries Companies of Estoril-Sol Group, as well as the internal control system, and maintains regular monitoring on the work done.

The Audit Board evaluates the effectiveness of internal control and risk management systems.

#### **51. Hierarchy/or functional relationships with other Company's Bodies**

Please see answer to the previous point (Point 50) of this Report.

#### **52. Other Functional Areas with Risk Control Competencies**

Please see answer to the previous point (Point 50) of this Report.

### 53. Identification and Classification of Risks

Within the scope of its activity of managing of shareholdings, Estoril-Sol, as the holding company of the Estoril-Sol Group, assumes various kinds of risk that arise namely from the gaming concessions, these being the following: Business risks, Contractual risks, Physical risks, Financial and currency exchange risks.

#### Business Risk:

The associated companies Estoril Sol (III) – Turismo, Animação e Jogo, S.A. and Varzim Sol – Turismo, Jogo e Animação, S.A. operate gaming concessions in Casinos. In the last few years, this Sector of activity has been experiencing increased technological growth, particularly focused on slot machines, which requires the ongoing renewal of the product range. The Group's concessionaries systematically keep up with this growth, by visiting manufacturers, taking part in international specialty trade shows and regularly investing in new equipment under the close watch of the Board of Directors of Estoril-Sol.

Pursuant to the concession contracts, the Portuguese State grants concessionaries exclusive rights to gambling and operations of games of chance, in exchange for high initial payments and high annual tax rates. Nevertheless, the Portuguese State has proven to be unable to regulate its citizens' access to countless online casinos that abound today and which constitute a growing factor of unfair competition, both because they account for a significant increase in illicit supply and because they constitute a flagrant source of tax evasion.

#### Contractual Risks:

Concessions for operations in gambling and games of chance in the gaming areas of Estoril and Póvoa de Varzim are operated within the normative context of the contractual and legal framework of the corresponding concession contracts and of the specific legislation governing the sector of gaming activities at casinos, as they are subject to permanent inspection by the State, via the Serviço de Inspeção de Jogo do Turismo de Portugal, I.P.. The Estoril-Sol Group ensures a systematic surveillance of all operations in order to ensure scrupulous compliance with the law.

The Estoril-Sol Group, through its subsidiaries, operates under the concession contracts, Póvoa Varzim permanent game concession area (until 2025), which includes the exploration of Casino da Póvoa, and the Estoril concession contract (until 2022), which includes Casino do Estoril and Casino de Lisboa. The Estoril-Sol Group, through its subsidiaries, operates under the concession contracts, Póvoa Varzim permanent game concession area (until 2025), which includes the exploration of Casino da Póvoa, and the Estoril concession contract (until 2022), which includes Casino do Estoril and Casino de Lisboa. 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.

Estoril Sol is also present in the online business regulated by the “Legal Regime for Online Gambling and Betting (RJO)”, approved by Decree-Law No. 66/2015, holding 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 on August 4th, 2017 and valid until August 3rd, 2023 after renewal for an additional period of 3 years, and renewable for periods of three years;

**Physical Risks:**

The Group’s Companies, which aim to prevent and minimize the risk inherent to its economic activities, have specialized technical surveillance services that are responsible for strict compliance with standards that govern the physical safety of clients, employees and facilities.

With cooperation from an external body, we periodically conduct risk analyses of instituted procedures and of the physical safety of assets, with the implementation of corrective actions for the risks identified.

**Cybernetic risk:**

Given the characteristics of the online gaming business, there is the risk of cyber attacks on the network and online platforms of the company that impact critical business information. In order to address this risk, a number of periodic audits are carried out, including security audits, intrusion tests and vulnerability assessments

**Financial and Currency Exchange Risks:**

The significant investments that the Group companies have made in the last few years as a result of the extension of concession contracts, with an initial payment pertaining to Lisbon Casino as well as investments which are regularly made for reasons pertaining to renewal, modernization and expansion of the Casinos, have involved increased indebtedness which, combined with the changes in market interest rates, resulted in increased financial costs and a potential liquidity risk.

Depending on the operating funds that are freed up, it is felt that the financial risk to which the associated undertakings are exposed is minimal, and the same understanding has prevailed in the examination carried out by financial institutions, as shown by the fact that assets guarantees are dispensed with for operations under contract.

Portuguese legislation forbids casino concessionaries from granting credit to gaming activities, and so, in this regard, Group Companies are not exposed to credit risk. Other revenue from restaurant and entertainment activities, which account for only 3% of revenue, therefore represents insignificant exposure.

Every medium-term operation is carried out in Euros, and a few imports with 30-day credit are exceptionally conducted in US Dollars, and so the Company has only minimal exchange rate exposure.

**54. Description of the risk management processes, identification, assessment, monitoring, control and risk management**

Please see answer to the previous point (Point 50) of this Report.



### **55. Description of the main features of risk management and internal control systems in relation to the preparation and disclosure of financial information**

One of the main duties of the Board of Directors of Estoril-Sol together with the respective governing bodies from the major subsidiaries of the Company, is to ensure the right conditions for the preparation and disclosure of the Group Financial Information, while ensuring: reliability, transparency, consistency and accuracy of the financial information prepared and disclosed. Among the key elements of the internal control systems implemented by the Company related with the preparation and disclosure of financial information, we highlight the following:

- The individual financial statements and budget control are prepared on a monthly basis and approved in the Council of Directors ;
- - The heads of operating departments of subsidiaries are required to justify significant deviations from budgeted amounts on a monthly basis ;
- - The consolidated financial statements are prepared quarterly and approved by the Board of Directors;-
- The Statutory Auditor and External Auditor perform an annual audit and half year limited individual and consolidated financial statements ;
- - The Audit Board meets at least once every quarter, analyzes the individual and consolidated financial statements for the three and six months;
- - The Audit Board meets at least once every quarter, to examine and approve the annual and consolidated financial statements for the year
- ;- The annual report is prepared by the Finance Department , approved by the Board of Directors and the Audit Board , and its content is reviewed by the Statutory Auditors .

## **IV – Investor relations**

### **56. Investor Relations Department**

Luis Pedro Matos Lopes  
Av. Clotilde, n.º 331  
2765-237 Estoril  
Tel. 214667873  
Fax. 214667963  
Email: [relacao.investidor@estoril-sol.com](mailto:relacao.investidor@estoril-sol.com)

This service is responsible for supporting the investor, with the competence, in particular, of communicating to the market all information regarding results, events or any facts regarding Estoril-Sol that are of interest to the financial community, while also ensuring the provision of information and clarifications required by shareholders, investors and analysts. In this context, it is the service responsible for providing a complete, rigorous, transparent, efficient and available relationship with shareholders, investors and analysts, namely with regard to the disclosure of privileged information and mandatory information. It is also the service responsible for monitoring the evolution of the market and the shareholder base, and must collaborate with the commercial areas in the disclosure of institutional information and Estoril-Sol's activity.

**57. Legal representative for Capital Market Relations**

As at December 31st, 2023 the company representative for market relations was Mr. Luís Pedro Matos Lopes, whose contact details are:

Av. Clotilde, n.º 331  
2765-237 Estoril  
Tel. 214667873  
Fax. 214667963  
Email: [relacao.investidor@estoril-sol.com](mailto:relacao.investidor@estoril-sol.com)

**58. Information Requests**

Being the information request so rare, the representative for market relations ensures a prompt answer to all requests for information that are formulated.

**V – Website**

**59. Address**

The Company has available to investors a place on the Internet ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)) through which discloses financial information relating to its individual and consolidated operations and commercial "links" to the "sites" of its associated companies, Estoril Sol (III ) and Varzim Sol

**60. Location of the information mentioned in Article 171 of the Commercial Companies Code**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
- Company identification.

**61. Location where the Articles of Association, Bodies and Committees' Regulations can be found**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
- Company / Articles of Association.

**62. Location where is provided information about the identity of the governing bodies, the representative for market relations, the Investor Relations Department, functions and means of access**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
- Company / Governing Bodies.

**63. Location where is provided the documents of accounting and calendar of corporate events**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
– Financial Reports and Accounts.

**64. Location where is provided the notice to General Meeting and all related information**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
- Disclosures / General Meetings.

**65. Location where the historical archives are available with resolutions adopted at the Company's General, the represented share capital and the voting results, with reference to the previous 3 years**

This information is available on the Internet site ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)), the following menu:  
- Disclosures / General Meetings.

**D – Remuneration**  
**(Report For the Purposes of Article 26ºG Securities Code)**

**I – Competence**

**66. Competence for determining the remuneration of Governing Bodies, Executive Directors and Company's persons discharging managerial responsibilities (“dirigentes”)**

Within the terms of Article 34 of the Articles of Association, the Remuneration Committee of the Estoril-Sol comprises three members (shareholders or not), elected by the General Meeting. The remuneration of the members of the corporate offices will be established by the Remuneration Committee, which shall consist of fixed amounts and/or percentages on profits from the fiscal year not occurring on distributions of reserves or on any non-distributable part of such profits, and, overall, such percentages may not exceed eleven percent for the Board of Directors and two percent for the Audit Board.

Similarly, it is for the Remuneration Committee establishing remuneration in cases where there is due and, members of the General Meeting.

**67. Composition of the Remuneration Committee, identification of other individuals and entities hired to provide support and advisors statement of independence**

Within the terms of Article 34 of the Articles of Association, the Remuneration Committee of the Estoril-Sol comprises three members (shareholders or not), elected by the General Meeting of 28<sup>th</sup> June 2021 for the years 2021 to 2024.

At December 31st, 2023, the Remuneration Committee comprises the following shareholders:

- Dr<sup>a</sup>. Pansy Catilina Chiu King Ho;
- Dr. Jorge Armindo de Carvalho Teixeira;
- Dr. Calvin Ka Wing Chann.

**68. Knowledge and Experience of the members of the Shareholders' Remuneration Committee**

The experience and qualifications of the members of the Remuneration Committee are mirrored in the curricula, as points 19 and 26 above, this same report.

All members of the Remuneration Committee are simultaneously members of the Board of Directors of ESTORIL-SOL.

The company did not hire outside elements or organizations to provide support to the Remuneration Committee.

**69. Description of the remuneration policy of the board of directors and the supervisory board, as provided for in article 2 of Law 28/2009, of 19 June**

The remuneration policy of the management and supervisory bodies was subject to approval in the General Meeting of 29 June 2020. The proposal on the policy of remuneration was unanimously approved by those present (shareholders who owned 90,47% of the share capital were present or duly represented).

The text that was subject to shareholder approval in the said General Meeting, which was point 6 on the agenda, is transcribed below.

*“The policy of remuneration, general criteria and guiding principles*

*The policy of remuneration of the members of the management and supervisory bodies of Estoril Sol, SGPS, S.A. seek to promote the long term alignment of the interests of the members of these bodies with the interests of the Company.*

*The principles to be observed in setting the remunerations are the following:*

*a) Functions performed*

*The functions actually performed by each of the members and the responsibilities that are associated to them in a substantive and not merely formal sense should be taken into consideration.*

*The appraisal of the functions effectively performed should be based on a variety of criteria including responsibility, experience required, technical requirements of the functions, availability, institutional representation, time dedicated, value added of certain kinds of intervention.*

*Within the framework of the assessment and classification of functions to establish remuneration, the functions performed in companies controlled by Estoril Sol SGPS, S.A. and any remuneration received from them are also analysed.*

*b) Economic situation of the Company*

*The economic situation of the Company should be taken into consideration, as well as the long-term interests and real growth of the Company and the creation of value for shareholders.*

*c) General market conditions for comparable situations*

*The setting of the remuneration of the members of the management and supervisory bodies of the Company should take into consideration the competitiveness of the framework of remuneration proposed. In fact, only within this framework is it possible to attract and retain competent professionals, with a level of performance appropriate to the complexity and responsibility of the duties assumed.*

*The setting of the remuneration of the members of the management and supervisory bodies should use the remuneration on offer in companies of the gaming sector and companies listed on the EuronextLisboa, of an equivalent size to that of Estoril Sol, SGPS, S.A. as a reference.*

*1. The concrete options for the remuneration policy that we submitted to the appreciation of the shareholders of the Company are the following:*

*1.1. Board of Directors*

*The remuneration of the remunerated members of the Board of Directors of Estoril Sol, SGPS, SA comprises a fixed amount paid 14 times per year.*

*1.2. Audit Board*

*The remuneration of the members of the Audit Board of Estoril Sol, SGPS, SA also comprises a fixed amount established in accordance with the normal market practice and prices for this type of service, paid 14 times per year.*

*1.3. Statutory Auditor*

*The Statutory Auditor of the Company has an annual remuneration that is also fixed, established in accordance with the normal market level of fees for this type of service.*

*The Remuneration Committee”*

## **70. Remuneration of the Board of Directors**

The structure of the Board of Directors remuneration and basis for determining it are those contained in the remuneration policy approved at the General Meeting of May 21th, 2013 and transcribed in the previous point (Point 69) of this report.

**71. Variable Remuneration of the Board members**

The remuneration of the executive directors may include, but this has not been the case, a variable component, within the terms of Article 34 of the Articles of Association of the Company. The variable component depends on the desire manifested in the General Meeting by the shareholders.

In any case, it is important to clarify (i) that the attribution of a variable remuneration is dependent on the will that, in this sense, be manifested by the shareholders gathered at the General Meeting and (ii) that the attribution of variable base remunerations has not been applied.

**72. Deferred payment of the remuneration's variable component**

Not applicable in the case of the Company, please see answer provided in the previous point (Point 71) of this Report.

**73. Criteria that underlie the allocation of variable remuneration in shares and their maintenance**

The remuneration of the members of the corporate offices, in accordance with Article 34 of the Articles of Association, will be established by the Remuneration Committee, which shall consist of fixed amounts and/or percentages on profits from the fiscal year not occurring on distributions of reserves or on any non-distributable part of such profits, and, overall, such percentages may not exceed eleven percent for the Board of Directors and two percent for the Audit Board.

**74. Criteria that underlie the allocation of variable remuneration in options**

Not applicable in the case of the Company, please see answer provided in the previous point (Point 73) of this Report

**75. Main parameters and reasoning concerning annual bonuses and any other non-cash benefits**

The parameters and reasoning concerning annual bonuses are foreseen in the remuneration policy, approved at the General Meeting of May 31st, 2022, detailed in point 69 of this same report, as below.

- a) The functions performed;
- b) The economic situation of the Company
- c) General market conditions for comparable situations

**76. Main characteristics of complementary pension or early retirement schemes for the Administrators**

By the Articles of Association approved in the General Meeting of 29 May 1998, Estoril Sol, SGPS, SA again confirmed, in article 36, the right to a retirement pension paid by the company to the former directors who had already retired, based on the previous article 25 of the Articles of Association that were then altered, and the same rights and benefits as those of directors, in office at that time, who had or would have then completed ten years of service – after entering retirement - rights and benefits to be regulated in a contract to be agreed between the Company and these directors.

Besides the pensions that arise from commitments assumed with retired directors, with regard to the others, accounting principles require provisions to be set up, notwithstanding the fact that this is not a constituted right, whether this be definitive or provisional. On this basis, Estoril Sol, based on an actuarial study updated each year, has reflected a provision in its accounts which on 31 December 2023 was 775.405 Euros, equal to the liabilities assumed in the case of the directors who had already retired, who receive an annual retirement pension broken down individually as follows: Patrick Wing Ming Huen 42.000 Euros and Ambrose Shu Fai So 42.000 Euros.

**IV – Disclosure of remuneration**

**77. Indication of the annual remuneration earned, in aggregate and individual amount, by the Company's members of the Board of Directors**

The members of the Board of Directors only received fixed remuneration in 2023, for the global amount of 84.000 Euros, broken down as follows:

Member	Office	Fixed Remuneration	Variable Remuneration	Total
Pansy Catilina Chiu King Ho	Chairman of Board of Directors	42 000,00	0,00	42 000,00
Jorge Armindo de Carvalho Teixeira	Member of Board of Directors	42 000,00	0,00	42 000,00
			TOTAL (€)	84 000,00

**78. Any amounts paid by other companies in a control or group or that they are subject to the same domain as that of the Company**

The members who comprise the boards of various operational companies of the Estoril Sol Group received overall remunerations paid by other companies in a control or group relationship amounting to a total of 1.769.714 Euros, broken down individually as follows:

Member	Office	Fixed Remuneration	Variable Remuneration	Total
Pansy Catilina Chiu King Ho	Chairman of the Board of Directors	42 000,00	0,00	42 000,00
Mário Alberto Neves Assis Ferreira	Deputy Chairman	320 000,00	0,00	320 000,00
Maisy Chiu Ha Ho	Board of Directors	0,00	0,00	0,00
Daisy Chiu Fung Ho	Board of Directors	0,00	0,00	0,00
António José de Melo Vieira Coelho	Board of Directors	420 000,00	0,00	420 000,00
Vasco Esteves Fraga	Board of Directors	320 000,00	0,00	320 000,00
Jorge Armindo de Carvalho Teixeira	Board of Directors	42 000,00	0,00	42 000,00
Calvin Ka Wing Chann	Board of Directors	420 000,00	0,00	420 000,00
Miguel António Dias Urbano de Magalhães Queiroz	Board of Directors	205 714,00	0,00	205 714,00
Ana Catarina de Figueiredo Antunes Félix Pontes	Board of Directors	0,00	0,00	0,00
			TOTAL (€)	1 769 714,00

**79. Compensation paid in the form of profit sharing and/or bonus payments**

It has not been paid by the Company to members of the Governing Bodies any remuneration on profit sharing or bonuses.

**80. Compensation paid or owed to former executive directors following loss of office**

It has not been paid by the Company to former executive directors any compensation following loss of office.



### **81. Remuneration of the Statutory Audit Board**

The members of the Audit Board only received fixed remuneration in 2023, for the global 56.000 Euros, broken down as follows:

Manuel Maria Reis Boto 24.000 Euros;

Paulo Ferreira Alves 16.000 Euros;

Lisete Sofia Pinto Cardoso 16.000 Euros.

In 2023, the said Statutory Auditor earned 167.000 Euros for the services provided exclusively to Estoril-Sol, S.P.G.S., S.A..

### **82. Remuneration of the Chairman of the Board of the Shareholders' General Meeting**

The annual remuneration of the Chairman of the Board of the Shareholders' General Meeting is € 4.000 Euros. (for the year 2023).

## **V – Agreements with remuneration implications**

### **83. Contractual limitations on compensations to be paid upon to director's dismissal without due cause and its relation with the variable component of the remuneration**

There are no agreements in place that establish amounts to be paid in case of dismissal without due cause, without prejudice to the applicable legal provisions.

### **84. Reference to the existence and description, stating the sums involved, of the agreements between the company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the Company**

There are no agreements made between the company and members of the Board of Directors, that provide for compensation in cases of dismissal, unfair dismissal or termination of employment following a change in Company control.

**VI – Share attribution plans or stock options**

**85. Identification of the plan and recipients**

There are no share attribution plans or stocks options within the Company.

**86. Plan Features**

Not applicable. See previous point (85)

**87. Option rights granted to acquire shares (“stock options”) where the beneficiaries are company employees**

Not applicable. See previous point (85)

**88. Control mechanisms in any system of employee participation in the capital**

Until 31st December, 2023 it has not been foreseen any system of employee participation in the Company's Capital

**E – Relevant transactions with related parties**

**I – Mechanisms and control procedures**

**89. Mechanisms for monitoring transactions with related parties**

During 2023, no business was conducted between the company and the members of its administrative and supervisory bodies, holders of qualifying holdings or companies that are controlled by or grouped under the Company.

**90. Transactions subjected to control during 2023**

Please see answer to previous point (89)

**91. Description of the procedures and criteria for intervention of the Statutory Audit Board for the purpose of preliminary assessment of the business carried out between the Company and holders of qualified shareholdings or entities that are in a relation with them, under the terms of article 20 of the Portuguese Securities Code**

During 2023 no business was conducted between the company and holders of qualifying holdings or entities that are in any group or control relationship with them, within the terms of Article 20 of the SC.

There have been no material business with holders of qualifying holdings or entities that are in a relationship with them. For that reason there was not the need to obtain a prior opinion of the Audit Board for this purpose. With regard to the procedures and criteria required to define the relevant level of significance of these deals and other conditions for intervention, taking into account the specificities of Estoril-Sol, namely its shareholder structure, there was not until now the formalization of these procedures and conditions, nevertheless all business of the company, regardless of its relevance, take the necessary safeguard of all Estoril-Sol shareholders' interests.

## **II – Elements related to transactions**

### **92. Information on transactions with related parties**

The relevant information about the business with related parties can be found in note 15 of the Notes to the separate accounts of the Company, available on the Company website ([www.estoril-solsgps.com](http://www.estoril-solsgps.com)) and also on the official website of the Committee on Securities Market ([www.cmvm.pt](http://www.cmvm.pt)).

## PART II – STATEMENT OF COMPLIANCE

This Corporate Governance Report presents the description of the corporate governance structure in force at Estoril-Sol, also presenting the policies and practices whose adoption, under the validity of this model, is necessary and appropriate to ensure governance aligned with the best practices in this field.

### 1 . Identification of the adopted Corporate Governance Code

Estoril-Sol ensure that the governance report is presented in compliance with the legal requirements of article 245-A of the CVM and discloses, in the light of the principle comply or explain, the degree of compliance with the IPCG Recommendations included in the Code IPCG Corporate Governance Report 2018 (revised in 2023), model that is adopted here by Estoril-Sol

Estoril-Sol, in addition to adopting the 2018 Corporate Governance model of the IPCG, observed the Notes on the interpretation of the same (Note No. 1 of May 2018) and Note No. 2 of January 2020) elements that are available in different versions at <https://cgov.pt>, namely at:

<https://cgov.pt/base-de-dados/codigos-de-governo>

The information and disclosure duties required by law and by the various CMVM guidelines and recommendations are also fulfilled. This Corporate Governance Report must be assessed as an integral part of the Estoril-Sol accounts documents reported for the 2023 fiscal year, as well as its Sustainability Report.

### 2 Analysis of compliance with the adopted Corporate Governance Code

The integrated and effective management of the Estoril-Sol Group is a purpose of the Board of Directors of Estoril-Sol, which, encouraging transparency in the relationship with investors and the market, has guided its performance through the permanent search for value creation, in promotion of the legitimate interests of shareholders, employees and other stakeholders. In this perspective, Estoril-Sol has been encouraging and promoting all actions aimed at adopting the best Corporate Governance practices, basing its policy on high ethical standards of social and environmental responsibility and with decisions increasingly based on criteria of sustainability.

For the purposes of complying with the provisions of paragraph o) of paragraph 1 of article 245-A of the CVM (Securities Code), the following are listed the Recommendations of the IPCG 2018 Corporate Governance Code, which the Company has complied with , with express indication of those that are adopted by Estoril-Sol and those that are not, together with the point in the Report where they are treated.

Without prejudice, it is noted that the consideration of the recommendations and the assessment of the respective compliance, in light of the aforementioned principle of comply or explain, cannot fail to take into account the specificities of the structure and organization of Estoril-Sol and, in that To this extent, it cannot fail to deserve a special reflection on the suitability and relevance of each recommendation to its reality and circumstances.

**Chapter I - COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES  
AND THE COMMUNITY AT LARGE**

**I.1 The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large.**

Recommendation partially adopted.  
Report: 50 to 53.

**I.2 The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.**

Recommendation not adopted.

**Chapter II - COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES**

**II.1 Information**

**II.1.1 The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.**

Recommendation adopted.  
Report: 49, 56 to 65.

**II.2 Diversity in the Composition and Functioning of the Corporate Bodies**

**II.2.1 Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.**

Recommendation not adopted.  
Report: 16 to 19, 24, 25.

As a result of the curricular analysis of the members of the Company's Governing Bodies, the complementarity of training and experience is guaranteed, given the specificity of the activities carried out by the group of companies that make up the Estoril Sol Group.

As for the issues of gender diversity as well as "Equality between Women and Men and Non-Discrimination", Estoril Sol, SGPS, SA appointed Ms. Pansy Ho as Chairman of the Board of Directors at the General Meeting of June 29, 2020. With the election of the Governing Bodies for the four-year period (2021-2024) at the General Meeting of June 28, 2021, the Company confirmed compliance with gender quotas, in accordance with the legal provisions on "Equality between Women and Men and Non-Discrimination".

**II.2.2 The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up.**

Recommendation adopted.  
Report: 15 to 17, 22,23,37,38.

**II.2.3 The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.**

Recommendation adopted.  
Report: 23, 30 to 36.

**II.2.4 The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for nonemployees, as set forth in the applicable law.**

Recommendation adopted.  
Report: 49.  
Estoril Sol, widely approved and disseminated a Code of Ethics and Professional Conduct., A policy for communicating irregularities was established and adopted within the scope this Code.

**II.2.5 The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.**

Recommendation not applicable.  
Report: 28, 67, 68.  
There is a Remuneration Committee. In view of the size and complexity of Estoril Sol, it is under-stood that the creation of other specialized internal commissions is not justified.

### **II.3 Relations between Corporate Bodies**

**II.3.1 The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.**

Recommendation adopted.  
Report: 23, 50 to 55.  
Although with preferential access by the respective administrative areas, due to their specialization and information specificities, the elements indicated are available, or can be made available on request, without any reservations, to all members of the governing bodies

**II.3.2 Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.**

Recommendation adopted.  
Report: 23, 35.  
In accordance with / please also refer to recommendation I.3.1

#### **II.4 Conflicts of Interest**

**II.4.1 By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.**

Recommendation adopted.

Report: 20, 32.

Without prejudice to the legal and regulatory duties that in this regard, the members of the corporate bodies are responsible, there is a general duty and commitment of transparency and good faith that leads the Company to take for good the information provided by the said members, both in quantity and in quality

**II.4.2 The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.**

Recommendation adopted.

To this date, no conflict situation has arisen that could justify the recommended adoption of procedures. Non interference in the decision making process would, from the outset, be ensured by the application of the legal rules preventing voting.

In the proposals submitted to the General Meeting for election of Governing Bodies, it being apparent that there might be a conflict of interest with any of its members, it was expressly authorized to exercise any positions in companies directly or indirectly participated by the proposing companies, without defining any restriction of access to sensitive information by the members of the Governing Bodies in this situation

#### **II.5 Transactions with Related Parties**

**II.5.1 The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.**

Recommendation not adopted.

The Company is unaware of the existence of significant commercial relations between the holders of qualifying holdings and the Company, as referred to in Point 10 of this Report

### **Chapter III - SHAREHOLDERS AND GENERAL MEETING**

**III.1 The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.**

Recommendation not adopted.

Report: 12, 13.

Under the terms of the same 10, no. 3 of the Estoril Sol Articles of Association, one hundred shares correspond to one vote. Shareholders with a number of shares lower than that conferring voting rights may be grouped in such a way as to complete the number required for the exercise of voting rights (one vote for every hundred shares) and be represented by one of the grouped (Article 10, paragraph 4 of the Articles of Association).

This is a statutory matter that the shareholders understood not to modify.

**III.2 The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.**

Recommendation not applicable.

Report: 12.

The company did not issue shares with special rights, including those referred to in this recommendation

**III.3 The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.**

Recommendation not adopted.

In matters considered especially relevant - namely the election of bodies admittedly very close to the Board of Directors - and in view of the strategic nature of the economic activity developed by the Estoril Sol Group, Article 13, paragraph 3 of the Articles of Association impose qualified majority shareholders to take decisions, either on the first or second call (see point 14 of the Report).

**III.4 The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.**

Recommendation not adopted.

Report: 12.

Voting by correspondence is permitted, but the possibility of voting by electronic means is not expressly provided for.

**III.5 The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.**

Recommendation not adopted.

No solution has yet been implemented in this regard.

**III.6 The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.**

Recommendation not applicable.

Report: 5

To this date, no defensive measures have been adopted.

**III.7 The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.**

Recommendation adopted.

Report: 2, 4 to 6.

Without prejudice to the statutory restrictions on the transferability and ownership of shares, no measures were adopted with the nature of those described in the Recommendation.



## Chapter IV · MANAGEMENT

### IV.1 Management Body and Executive Directors

**IV.1.1 The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.**

Recommendation adopted.

Report: 16.

The Board of Directors ensures that it acts in accordance with the objectives and social interests, and has not delegated powers in the context of the matters indicated. The approval and entry into force of a Code of Conduct and a Sustainability Code show a transversal concern with a performance consistent with the principles defended.

**IV.1.2 The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.**

Recommendation not adopted.

Report: 18.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor who is not a member of the Audit Board, under the terms of paragraph b) of paragraph 1 of Article 413 of the CSC.

### IV.2 Management Body and Non-Executive Directors

**IV.2.1 Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the nonexecutive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation.**

Recommendation not Adopted.

A lead independent director has not been appointed.

**IV.2.2 The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.**

Recommendation not adopted.

Report: 17, 18, 31.

In view of the characteristics, shareholder structure and dimension of Estoril Sol, it considers the adequacy of the number of elements of the management and supervisory body to be ensured.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor who is not a member of the Audit Board, under the terms of paragraph b) of paragraph 1 of Article 413 of the CSC.

**IV.2.3 The number of non-executive directors is greater than the number of executive directors.**

Recommendation not adopted.

Report: 18.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor who is not a member of the Audit Board, under the terms of paragraph b) of paragraph 1 of Article 413 of the CSC.

**IV.2.4 The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of:**

- i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate;**
- ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years;**
- iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person;**
- iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director;**
- v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake;**
- vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.**

Recommendation not adopted.

Taking into account, essentially, and on the one hand, the shareholding structure of the company and, on the other hand, the specificity of the economic activity indirectly developed by Sociedade, which has privileged the progression of the company's staff and of the Group's companies to the management of this company, no independent member of the Board is identified in the management, in the light of the aforementioned criteria.

**IV.2.5 The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).**

Recommendation not applicable.

In accordance with previous recommendation.

## Chapter V · SUPERVISION

**V.1 With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.**

Recommendation adopted.

Report: 18, 24, 37, 38.

**V.2 The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.**

Recommendation not adopted.

Report: 17, 18, 31.

In view of the characteristics, shareholder structure and dimension of Estoril Sol, it considers the adequacy of the number of elements of the management and supervisory body to be ensured.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor who is not a member of the Audit Board, under the terms of paragraph b) of paragraph 1 of Article 413 of the CSC.

## **Chapter VI · PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS**

### **VI.1 Annual Performance Assessment**

**VI.1.1 The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.**

Recommendation adopted.

Report: 18, 24, 25.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts, and a supervisory structure composed of a Audit Board and a Statutory Auditor who is not a member of the Audit Board, under the terms of paragraph b) of paragraph 1 of Article 413 of the CSC.

The Board of Directors makes an annual assessment of its performance, namely with regard to the discussion and report related to the end of each financial year and projection / budgeting for the following financial year.

### **VI.2 Remunerations**

**VI.2.1 The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.**

Recommendation not adopted.

Report: 66 to 68.

Remuneration setting is the responsibility of the Remuneration Committee.

All members of the Remuneration Committee are members of the Board of Directors. Without prejudice, Estoril Sol understands that the rigor of the members of its Remuneration Committee is not compromised, since they are elected by the General Meeting, have recognized know-how and experience in matters of remuneration policy and, over the years, successive members have performed their duties with total impartiality, transparency and objectivity in accordance with the applicable remuneration criteria.

**VI.2.2 The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.**

Recommendation adopted.

Report: 66 to 68.

Remuneration setting is the responsibility of the Remuneration Committee.

All members of the Remuneration Committee are members of the Board of Directors. Without prejudice, Estoril Sol understands that the rigor of the members of its Remuneration Committee is not compromised, since they are elected by the General Meeting, have recognized know-how and experience in matters of remuneration policy and, over the years, successive members have performed their duties with total impartiality, transparency and objectivity in accordance with the applicable remuneration criteria.

**VI.2.3 The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.**

Recommendation adopted.

Report: 80.

**VI.2.4 In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.**

Recommendation not adopted.

This presence will be ensured, if and to the extent that the topics on the Agenda justify it and such presence is required by shareholders.

**VI.2.5 Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.**

Recommendation adopted.

Report: 67.

The Remuneration Setting Committee may freely decide to hire the necessary or convenient consultancy services for the exercise of its functions, if it deems it necessary or convenient. Without prejudice, the company is not aware that these services have been contracted.

**VI.2.6 The remuneration committee ensures that such services are provided independently.**

Recommendation adopted.

Report: 67.

**VI.2.7 The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.**

Recommendation not adopted.

Report: 67.

**VI.2.8 In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.**

Recommendation not adopted.

The Board of Directors, with a collegial structure and jointly and severally responsible for the decisions it adopts.

Although it is admitted that the General Meeting may decide to assign a variable component of remuneration to the members of the Board of Directors (see Report: 69, 71 - art. 34 of the Articles of Association, 73), it has not been verified the attribution of variable remuneration.

**VI.2.9 A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.**

Recommendation not adopted.

In accordance to previous recommendation.

**VI.2.10 When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.**

Recommendation not applicable.

Although it is admitted that the General Meeting may decide to assign a variable component of remuneration to the members of the Board of Directors (see Report: 69, 71 - art. 34 of the Articles of Association, 73), it has not been verified the attribution of variable remuneration.

**VI.2.11 The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.**

Recommendation not adopted.

Although it is admitted that the General Meeting may decide to assign a variable component of remuneration to the members of the Board of Directors (see Report: 69, 71 - art. 34 of the Articles of Association, 73), it has not been verified the attribution of variable remuneration.

### **VI.3 Appointments**

**VI.3.1 The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.**

Recommendation not adopted.

Report: 19, 26.

As already mentioned, the Company has privileged the progression of staff of the company and of the Group companies to integrate the Board of Directors, duly justified and with demonstration of adequacy of profile, knowledge and curricular experience.

The supervisory body is essentially proposed for its demonstrated experience, especially considering the specificities of the activity indirectly performed by the Company. This demonstration is made by the personal knowledge of those responsible for the proposals and, as well, by the availability of the curricula of the members of the corporate bodies.

**VI.3.2 The committee for the appointment of members of corporate bodies includes a majority of independent directors.**

Recommendation not applicable. Estoril Sol's size does not justify the attribution of specialized skills to a remuneration committee.

**VI.3.3 Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.**

Recommendation not applicable.

The size and shareholder structure of Estoril Sol, free-float 9%, do not justify the attribution of specialized skills to a nominations committee.

**VI.3.4 The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.**

Recommendation not applicable.

The size and shareholder structure of Estoril Sol, free-float 9%, do not justify the attribution of specialized skills to a nominations committee.

## Chapter VII · INTERNAL CONTROL

**VII.1 The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.**

Recommendation adopted.

Report: 50 to 55.

**VII.2 The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body.**

Recommendation not adopted.

There are no specialized risk committees.

**VII.3 The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.**

Recommendation adopted.

Report: 23, 50 to 55.

**VII.4 The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.**

Recommendation adopted.  
Report: 23, 50 to 55.

**VII.5 The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.**

Recommendation adopted.  
Report: 24, 25.

The management carries out an annual assessment, particularly regarding the discussion and report relating to the end of each financial year and projection/budgeting for the following financial year.

**VII.6 Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.**

Recommendation adopted.  
Report: 50 to 55.

**VII.7 The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.**

Recommendation not adopted.

The Group recognizes that it is still at an embryonic stage in the process of implementing internal policies/methodologies related to the capture, organization and processing of data related to environmental and social sustainability matters.

**VII.8 The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.**

Recommendation not adopted.

**VII.9 The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.**

Recommendation not adopted.

**VII.10 The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.**

Recommendation adopted.  
Report: 38 to 50.

**VII.11 The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.**

Recommendation adopted.

Report: 38, 50.

## Chapter VIII · INFORMATION AND STATUTORY AUDIT OF ACCOUNTS

### VIII.1 Information

**VIII.1.1 The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.**

Recommendation adopted.

Report: 38, 50 to 55.

These duties are part of the legal and statutory powers of the supervisory body, and there is no express provision for them in the regulations of this corporate body.

### VIII.2 Statutory Audit and Supervision

**VIII.2.1 By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.**

Recommendation adopted.

Report: 38, 45.

It is the responsibility of the Supervisory Board to supervise the activity and independence of the Statutory Auditor and the External Auditor. These are the responsibilities of the supervisory body, and there is no express provision for them in internal regulations.

**VIII.2.2 The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.**

Recommendation adopted.

Report: 38, 45.

The Supervisory Board is the first recipient of all information produced by the Statutory Auditor and the External Auditor.

**VIII.2.3 The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.**

Recommendation adopted.

Report: 38, 45.

The Supervisory Board carries out an annual assessment of the work carried out, the independence and suitability for carrying out the functions of the Statutory Auditor and the External Auditor. The assessment of the activity carried out by the Statutory Auditor can be consulted in the information contained in the Annual Report and Opinion of the Supervisory Board.



### **3 Other information**

The Company complies with most of the recommendations of governance of the Code of Governance adopted. Despite the reformulation operated by the CMVM, in particular the entry into force of Regulation No. 4/2013 and all related documentation - the CMVM Code adopted by Estoril-Sol, still contains many aspects that are directed to issuers of shares admitted to trading on a regulated market whose size, social purpose, and especially the degree of dispersion of the capital market does not correspond to concrete and stable characteristics of Estoril-Sol.

In fact, and in particular the circumstance of the free-float (capital dispersed on the market) being around 6.93 % of the share capital, necessarily has consequences in terms of the concrete appropriateness of the Company's model of governance, justifying the inappropriateness of the adoption or application of some recommendations of the Code of Governance divulged by the CMVM and adopted by Estoril-Sol which consider and use as a reference public companies with very different characteristics for those of Estoril-Sol.

## PROPOSAL FOR THE APPLICATION OF THE ANNUAL RESULT

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Estoril-SGPS, S.A. net profit for the year 2023, calculated on the basis of the separate financial statements, was positive by 5,7 million euros, compared to a positive net profit of 32,8 million euros recorded in the previous year.

The uncertainties that still exist regarding the speed of recovery of game revenues from land-based casinos to pre-pandemic levels, in 2023 they still were 18% below 2019 numbers, the speed of execution, so far below expectations, and the demanding future financial needs arising from the investments to be made within the scope of the new game concession of Estoril, advise looking at the near future with moderately optimistic and prudent expectations.

In this context and in accordance with legal and statutory provisions, the Board of Directors of Estoril-Sol, SGPS, S.A., proposes that:

- a) That the Net Profit for the Year 2023, calculated based on the separate financial statements, positive in the amount of 5.653.829 Euros, be appropriated as follows.:

- to "Legal Reserve" .....	300.000 Euros
- to "Other Variations in Equity" .....	2.853.829 Euros
- to "Other Reserves and Retained Earnings" .....	500.000 Euros
- to be distributed as dividends* .....	2.000.000 Euros

\*corresponds to a dividend per share in the amount of 0,1676 Euros

Estoril, 26<sup>th</sup> of April 2024

The Board of Directors

- |                 |   |
|-----------------|---|
| - Chairman      | - Pansy Catilina Chiu King Ho                     |
| - Vice-Chairman | - Mário Alberto Neves Assis Ferreira              |
| - Directors     | - Ana Catarina de Figueiredo Antunes Félix Pontes |
|                 | - António José de Melo Vieira Coelho              |
|                 | - Calvin Ka Wing Chann                            |
|                 | - Daisy Chiu Fung Ho                              |
|                 | - Jorge Armindo de Carvalho Teixeira              |
|                 | - Maisy Chiu Ha Ho                                |
|                 | - Vasco Esteves Fraga                             |

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INFORMATION TO BE PROVIDED PURSUANT  
TO ARTICLE 447, N°5 OF THE COMMERCIAL COMPANIES CODE

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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 31st December 2023.

	Nr shares 31.12.22	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 31.12.23
<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
Ana Catarina de Figueiredo Antunes Félix Pontes	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, S.G.P.S., S.A.**

On 31st December 2023, ESTORIL SOL, S.G.P.S., S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, S.G.P.S., S.A., on 31 December 2021, held 6.930.604 shares of ESTORIL-SOL, S.G.P.S., S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 2.209 shares of ESTORIL-SOL, S.G.P.S., 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 31st December 2023, ESTORIL-SOL, S.G.P.S., 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, S.G.P.S., S.A..

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SEPARATE FINANCIAL STATEMENTS  
AND  
NOTES TO THE ACCOUNTS

BALANCE SHEET – SEPARATE ACCOUNTS

ESTORIL-SOL, SGPS,S.A.

STATEMENTS OF FINANCIAL POSITION ON 31st DECEMBER 2023 AND 2022

(Amounts stated in Euros)

<u>ASSETS</u>	<u>Notes</u>	<u>31-Dec-2023</u>	<u>31-Dec-2022</u>
<b>NON - CURRENT ASSETS:</b>			
Right-of-use assets	12	-	11 537
Investments in subsidiaries	11	134 908 666	112 113 422
Other non-current assets	13	731	732
Total non-current assets		134 909 397	112 125 691
<b>CURRENT ASSETS:</b>			
Current tax asset	16	-	23 186
Other current assets	14	3 688 343	3 460 169
Cash and cash equivalents	17	1 873 708	20 233 190
Total current assets		5 562 051	23 716 545
Total assets		140 471 448	135 842 236
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>EQUITY</b>			
Capital	18	59 968 420	59 968 420
Own shares	18	(708 306)	(708 306)
Share issue premiums	18	960 009	960 009
Legal reserves	19	11 072 425	9 429 425
Other reserves and retained earnings	19	30 410 886	3 859 777
Other variations in equity	19	19 742 930	15 082 068
Net profit of the year	20	5 653 829	32 848 885
Total equity		127 100 193	121 440 278
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Provisions	7	944 250	1 573 635
Lease liabilities	21	-	6 915
Total non-current liabilities		944 250	1 580 550
<b>CURRENT LIABILITIES:</b>			
Lease liabilities	21	-	5 167
Current tax liability	16	30 000	34 000
Other current liabilities	22	12 397 005	12 782 241
Total current liabilities		12 427 005	12 821 408
Total liabilities		13 371 255	14 401 958
Total equity and liabilities		140 471 448	135 842 236

The accompanying notes form an integral part of the statement of financial position as of 31 December 2023.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

ESTORIL-SOL, SGPS, S.A.

INCOME STATEMENT

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in Euros)

	Notes	2023	2022
<u>OPERATING COSTS</u>			
Supplies and services	4	(870 531)	(823 938)
Personnel costs	5	(920 039)	(253 931)
Depreciation and amortization	6	(11 536)	(8 714)
Other operating expenses	8	(700)	(29 387)
Total operating costs		(1 802 806)	(1 115 970)
Operating results		(1 802 806)	(1 115 970)
<u>NET FINANCIAL ITEMS:</u>			
Financial expenses	9	(3 994)	(3 637)
Gains/(losses) on subsidiaries	7, 11	7 490 629	34 002 492
Profit before tax		5 683 829	32 882 885
Income tax	10	(30 000)	(34 000)
Net profit for the year		5 653 829	32 848 885
Net profit for the year		5 653 829	32 848 885
Items that will not be subsequently reclassified to results			
- Actuarial Gains / (Losses) related with post-employment benefit plans	7	6 088	242 000
Net profit of the year		5 659 917	33 090 885

The accompanying notes form an integral part of the income statement  
of the year as of 31 December 2023.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

## STATEMENTS OF CHANGES IN EQUITY

ESTORIL-SOL, SGPS, S.A.

### STATEMENTS OF CHANGES IN EQUITY

OF THE YEARS ENDED ON 31<sup>st</sup> DECEMBER 2023 AND 2022

(Amounts expressed in Euros)

	Notes	Capital (Note 18)	Own shares (Note 18)	Share issue premiums (Note 18)	Legal reserves (Note 19)	Other reserves and retained earnings (Note 19)	Other variations in equity (Note 19)	Net profit of the year (Note 20)	Total equity
Balance at 1 January 2022		59 968 420	(708 306)	960 009	8 871 314	941 211	7 154 522	11 162 223	88 349 393
Appropriation of net profit for the year ended in 31 December 2021	20	-	-	-	558 111	2 676 566	7 927 546	(11 162 223)	-
Comprehensive income for the year ended in 31 December 2022	7	-	-	-	-	242 000	-	32 848 885	33 090 885
Balance at 31 December 2022		59 968 420	(708 306)	960 009	9 429 425	3 859 777	15 082 068	32 848 885	121 440 278
Appropriation of net profit for the year ended in 31 December 2022	20	-	-	-	1 643 000	9 743 222	21 462 663	(32 848 885)	-
Reclassification of attributed profits	11 and 19					16 801 800	(16 801 800)		
Comprehensive income for the year ended in 31 December 2023	7	-	-	-	-	6 088	-	5 653 829	5 659 917
Balance at 31 December 2023		59 968 420	(708 306)	960 009	11 072 425	30 410 886	19 742 930	5 653 829	127 100 193

The accompanying notes form an integral part of the statement of changes in equity for the year ended 31 December 2023.

THE ACCOUNTANT

THE ACCOUNTANT

## CASH FLOW STATEMENTS

ESTORIL-SOL, SGPS, S.A.

### CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

(Amounts expressed in Euros)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>OPERATING ACTIVITIES:</u>			
Cash paid to suppliers		(918 916)	(812 473)
Cash paid to employees		(1 529 883)	(362 327)
Flows (used in)/generated by operations		<u>(2 448 799)</u>	<u>(1 174 800)</u>
Payments related to income tax		(10 519)	(71 250)
Other payments related to operating activities		(4 208)	(36 161)
Net cash (used in)/from operating activities (1)		<u><u>(2 463 526)</u></u>	<u><u>(1 282 212)</u></u>
<u>INVESTING ACTIVITIES:</u>			
Cash received relating to:			
Financing granted to related parties	15	-	2 660 000
Dividends	11	13 000 000	6 301 802
		<u>13 000 000</u>	<u>8 961 802</u>
Cash paid relating to:			
Investments in subsidiaries	11	(28 300 000)	-
Financing granted to related parties	15	(215 980)	(268 096)
		<u>(28 515 980)</u>	<u>(268 096)</u>
Net cash (used in)/from investing activities (2)		<u><u>(15 515 980)</u></u>	<u><u>8 693 706</u></u>
<u>FINANCING ACTIVITIES:</u>			
Cash paid relating to:			
Lease liabilities payments	15	(4 353)	(9 110)
Loans obtained from related companies	15	(372 389)	(7 097)
Interest and similar costs		(3 234)	(2 641)
		<u>(379 976)</u>	<u>(18 848)</u>
Cash received relating to:			
Loans obtained from related companies	15	-	13 902
		-	13 902
Net cash (used in)/from used in financing activities (3)		<u><u>(379 976)</u></u>	<u><u>(4 946)</u></u>
Net increase/(decrease) in cash and cash equivalents (4) = (1) + (2) + (3)		(18 359 482)	7 406 548
Cash and cash equivalents at the beginning of the year	17	20 233 190	12 826 642
Cash and cash equivalents at the end of the year	17	1 873 708	20 233 190

The accompanying notes form an integral part of the cash flow statement  
for the year ended 31 December 2023.

THE ACCOUNTANT

THE BOARD OF DIRECTORS



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1. INTRODUCTION

Estoril-Sol, S.G.P.S., 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. As a result, all operations that had been carried out were transferred to companies incorporated for this purpose, assuming the status of its subsidiaries. In turn, the parent company’s main operations involved holdings management with its shares listed on the Euronext Lisbon.

The main business sector in which the subsidiaries operates consists of the operation of physical casinos of games, an activity regulated by Turismo de Portugal through the Gaming Regulation and Inspection Service, under the concession contracts of the 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 Estoril Casino and the Lisboa Casino.

At the end of the 2021 financial year, and within the context of the Covid-19 pandemic, whose measures adopted by the Government to contain the disease, admittedly produced significant negative impacts in game concessions operations, first of all due to the imposition of the closure of casinos for long periods of time during the course of the years 2020 and 2021, and by other several restrictions, namely in terms of timetables and capacity allowed within the casinos during the periods in which it was possible to resume activity, Decree-Law No. 103/2021 of 24th November and Order No. 80/2021 of 13th December, from the Minister of State, Economy and Digital Transition, were published, provided for the possibility to extend the expiration date of the concession contracts, Estoril until December 31st, 2022 and Póvoa until December 31st, 2025. They also came to define under what terms the extension could occur, allowing gaming concessionaires to present the assessment of the economic and financial rebalance of the concession contracts and determine the eligible requirements that should be met in order to allow for the rebalance of the contracts. The amendments to the concession contracts for Estoril and Póvoa gaming areas were formalized on March 2nd, 2022. On the same day, March 2, 2022, the establishment of an arbitration agreement following the withdrawal of the lawsuits that ran in the Administrative and Tax Courts was also formalized.

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.

In addition, in 2016 on 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.

Under the aforementioned concession contracts, reversible tangible fixed assets are recognized in the financial statements of the subsidiaries that will be delivered to the State at the end of the concession. 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 subsidiary Estoril-Sol (III) – Turismo, Animação e Jogo, S.A. after the end of the concession and as such is not considered as being reversible.

The Company's social object is the management of shareholdings.

The attached financial statements are presented in Euros, given that this is the currency preferentially used in the economic environment in which the Company operates, and refer to the Company in separate terms.

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union, and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"), for approval and publication in accordance with the legislation in force.

The accompanying financial statements do not include the effect of the consolidation of assets, liabilities, income and expenses, which will be made in the consolidated financial statements. The effect of the consolidation is to increase the assets, liabilities and operating income net of gaming taxes by 204.148.545 Euros, 198.829.082 Euros and 131.496.009 Euros, respectively.

These financial statements were approved by the Board of Directors on April 26th, 2024 and are subject to the approval of the Company's shareholders at a General Meeting of Shareholders to be held.

## 2. MAIN ACCOUNTING POLICIES

### 2.1 Bases of presentation

The financial statements were prepared on the basis of the continuity of operations, according to which the assets are to be realized and the liabilities settled in the normal course of operations and from the accounting books and records of the Company.

The Board of Directors carried out an assessment of the Company's ability to operate, based on all relevant available information, facts and circumstances, of a financial, commercial or other nature, including subsequent events, at the reference date of the financial statements (Note 27). As a result of the evaluation carried out (Note 25), the Board of Directors concluded that the Company has adequate resources to maintain its activities, with no intention to cease activities in the short term, and therefore considered it appropriate to use the assumption of continuity of operations. In the preparation of the financial statements, based on the Company's books and accounting records. In addition, the concession contracts for the Estoril and Póvoa de Varzim Gaming Zone, attributed to their subsidiaries, authorize the exploitation of the Casino Lisboa and Estoril and Casino da Póvoa, under the terms of the respective concession and applicable legislation, until December 31st, 2037 and 2025 (Note 1), respectively.



Bearing in mind the expected results obtained from operating gaming activities in the concession areas, as well as the value in use of the respective assets for an exclusive concessionaire for operating games, no losses are expected on those assets that are not registered on 31 December from 2023.

The Company prepared, pursuant to the legislation in force, consolidated financial statements for separate approval.

Relevant facts occurred during the year:

**- Concession Contract for the exclusive operation of games of chance in the Estoril gaming area**

In August 2022, the announcement 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.

The concession contract for the Estoril gaming area, including Casino Estoril Casino and Casino Lisboa, signed with the Portuguese State foresees the following financial disbursements in each year of the contract's validity. (updated for the year in which each of these installments/disbursements are paid using the evolution of the consumer price index on the continent, excluding housing):

- Fixed Annual Contribution in the amount of 15.166.667 Euros for a global amount of 227.500.005 Euros, discounted at 2022 prices;
- Variable Annual Contribution in the amount corresponding to 50% of gross gaming revenues, taking into account the applicable minimum contribution set contractually;

Additionally, the contract also provides for the payment, upon the start of operations at Casino Lisboa, of an additional financial contribution in the amount of 25.735.661 Euros;

On December 31st, 2023, the variable annual contribution depending on Estoril Concession minimum gross gaming revenues contractually foreseen for future years, at 2022 prices, subject to the evolution of the aforementioned price index, amounted to approximately 791 million of Euros. Variable annual contributions are recognized in results in the years to which they relate.

The materialization of the assumptions considered by the Board of Directors within the scope of the aforementioned tender and the impairment analysis carried out on the right of exploitation casino games resulting from the contract signed by Estoril Sol (III) - Turismo, Animação e Jogo, S.A., namely the growth in projected revenues from land-based casinos, will be decisive for the future success of the operations and for the recovery value of the assets and the considerations assumed within the scope of the aforementioned contract.

The equity of Estoril Sol (III) cannot be less than 30% of total net assets, and must rise to 40%, from the sixth year after the conclusion of the concession contract, which occurred on December 31 2023.

Initially and as a result of the aforementioned public tender an injunction was filed by the other entity that presented itself for the tender within the Administrative Court of Lisboa, invoking the pre-contractual regime which resulted in the immediate suspension of the subsequent terms of the public tender. This action was judged im-prudent. In this regard, there is still a legal action pending in the Administrative Court of Lisbon brought by the other contender in order to cancel the jury's decision to exclude their submitted proposal, claiming the following: the admission of the proposal submitted as there is no valid reason for exclusion and order it in first place with consequent award of the concession contract. This lawsuit does not have suspensive effects on the current concession contract in execution signed between the Portuguese State and Estoril Sol (III) - Turismo, Animação e Jogo S.A. Additionally, an injunction was also filed within the Administrative Court of Lisboa, regarding the contract formation procedure requesting that the suspension of the execution of the Estoril concession contract to be decreed. The Board of Directors is convinced of its position, understanding that the arguments presented by the Group are solid and will guarantee the maintenance of the decision to attribution the concession of the Estoril Gaming Zone to Estoril Sol, with none of the events mentioned above preventing Estoril Sol from proceed with its plans for the new concession.

**- Arbitration agreement relating to legal actions taking place in the Administrative and Tax Courts, in which gaming concessionaires brought proceedings against the Portuguese State in order to restore the economic and financial balance of gaming concessions:**

As part of an arbitration process between Varzim Sol - Turismo, Jogo e Animação, SA, its subsidiary company and the Portuguese State, with the aim of restoring the economic and financial balance of the concession contract for exclusive exploitation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, the arbitrators who make up the Arbitration Court installed at the Commercial Arbitration Center of the Lisbon Commercial Association unanimously handed down an arbitration decision, not final and appealable, which condemned the Portuguese State to pay Varzim Sol - Turismo, Jogo e Animação, SA of compensation, in order to mitigate the losses suffered in its operations resulting from the 2011 economic crisis, corresponding to the return of the value of the differences between the annual consideration and the minimum annual consideration paid in 2012 (€2.936.068), 2013 (€5.650.625) and 2014 (€5.595.594), updated at the date of the decision. The Portuguese State filed an appeal against the arbitration decision given by the Arbitration Court located at the Commercial Arbitration Center of the Lisbon Commercial Association. Although the Group is confident of the merits of its claim, when the subsequent terms of the process are reached.

## 2.2 Financial investments

Investments in subsidiaries are recognized under the equity method. In accordance with the equity method, financial investments are initially recorded at acquisition cost and subsequently adjusted based on changes in the Company's share of the net assets of the related entities after acquisition. The Company's results include its share in the results of these entities.

The excess of the acquisition cost over the fair value of identifiable assets and liabilities of each entity acquired on the acquisition date is recognized as goodwill and is kept in the financial investment value. If the difference between the acquisition cost and the fair value of the net assets and liabilities acquired is negative, this is recognized as income of the year.

An assessment is made of the financial investments when there is an indication that an asset could be impaired, with any impairment losses being recognized as costs in the income statement.

In addition, dividends received from these companies are recorded as a decrease in the value of investments in subsidiaries.

Unrealized gains in transactions with subsidiaries, jointly controlled companies and associate companies are eliminated proportionally to the Company's interest in them, against the corresponding investment caption. Unrealized losses are similarly eliminated, but only up to the point in which the loss does not arise from a situation in which the asset transferred is impaired.

### 2.3 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (as well as the corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial

direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired, when necessary.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group uses this practical expedient.

#### 2.4 Accrual accounting

Expenses and income are recognized in the year they relate to, in accordance with the principle of accrual accounting, irrespective of when the transactions are invoiced. Expenses and income for which the real value is not known are estimated.

Costs and revenues imputable to the current year where the expenses and income will only occur in future periods, together with the expenses and income that have already occurred, but which relate to future periods and which will be imputed to the results of each of these periods, for the value corresponding to them, are stated in the accruals and deferrals captions.

## 2.5 Income tax

Income tax corresponds to the sum of current tax and deferred tax. Current tax and deferred tax are entered in results, except when the deferred tax is related with items recorded directly in equity. In these cases the deferred tax is also stated in equity.

The current tax on income is calculated based on the taxable profit of the year of the various entities included in the consolidation perimeter. The taxable profit differs from the book result as it excludes diverse expenses and income that will only be deductible or taxable in subsequent years, as well as expenses and income that will never be deductible or taxable in accordance with the tax rules in force.

Deferred tax relates to temporary differences between the amounts of the assets and liabilities for the purpose of the reporting of accounts and the respective amounts for the purpose of taxation, as well as the results of tax benefits obtained and of temporary differences between the fiscal result and the book result.

Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for deductible temporary differences, although this recognition only occurs when there is a reasonable expectation of sufficient future taxable profits to use these deferred tax assets. On each reporting date these deferred tax assets are re-assessed and are adjusted according to the expectations regarding their future use.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be in force on the date of the reversal of the corresponding temporary differences, based on the tax rates (and fiscal legislation) that are formally issued on the reporting date.

Compensation between deferred tax assets and liabilities is only permitted when: (i) the Company has a legal right to perform compensation between such assets and liabilities for the purpose of settlement; (ii) these assets and liabilities are related with taxation on income raised by the same fiscal authority and (iii) the Company has the intention to perform the compensation for the purpose of settlement.

The Company is covered by the Special Regime for Taxation of Groups of Companies (Regime Especial de Tributação de Grupos de Sociedades "RETGS"), as established in articles 69º of the Portuguese Corporate Income Tax Code (CIRC) and covers all the companies in which it has a direct or indirect holding of at least 75% of the respective capital (collectively referred to as the "Group") and which are, at the same time, resident in Portugal and taxed under Corporation Tax (IRC). As such, are excluded the companies whose main activity is games, namely Estoril-Sol (III) - Turismo Animação e Jogo S.A., Varzim Sol - Turismo Animação e Jogo S.A. and Estoril-Sol Digital, Online Gaming Products and Services, S.A., since there is no incidence of IRC.

Under this regime the taxable profit of the group relating to each tax period is calculated by the controlling company (Estoril-Sol, S.G.P.S., SA), through the algebraic sum of taxable profits and tax losses obtained in the individual periodic statements for each of the companies belonging to the group.

The following companies are part of the RETGS:

- Estoril-Sol, S.G.P.S., S.A.;
- DTH - Desenvolvimento Turístico e Hoteleiro, S.A.;
- Estoril-Sol Imobiliária, S.A.;
- Estoril-Sol (V) - Investimentos Imobiliários, S.A.;
- Estoril-Sol e Mar - Investimentos Imobiliários, S.A.;
- Estoril-Sol-Investimentos Hoteleiros, S.A.

- Estoril-Sol Internacional, S.A.

## 2.6 Financial asstes and liabilities

### 2.6.1 Other current assets

Other current assets are recognized at amortized cost, using the effective interest rate, or at its nominal value, which is understood to correspond to the amortized cost, to the extent that it is expected to be received in the short term and that it does not differ significantly from its fair value at the date of the arrangement, less any impairment losses. Impairment losses for these assets based on the respective expected credit losses. The amount of the expected loss is updated at each reporting date to reflect changes in the credit risk since the initial recognition of the respective financial instrument. The impairment loss is recognized in the statement of profit and loss of the period, in which such situation occurs.

The Entity recognizes expected lifetime impairment when there is a significant increase in its credit risk after initial recognition. However, and namely, regarding Accounts receivable from related parties, if there is no increase in the credit risk of the respective financial instrument, the Company measures the impairment loss of that instrument for an amount equivalent to the expected losses in the twelve-month period (“12 months expected credit losses”).

The expected lifetime losses represent the impairment losses that result from all possible default events in the expected life of the financial instrument. In contrast, expected 12-month losses represent the portion of lifetime losses that are expected to result from default events in the financial instrument that are considered likely to occur twelve months after the financial reporting date.

### Measurement and recognition of expected credit loss

The measurement of expected impairment losses reflects the estimated probability of default, the probability of loss due to that default (i.e. the magnitude of the loss if a default occurs) and the Company’s actual exposure to that default.

The valuation of the probability of default and loss due to this default is based on existing historical information, adjusted for future forward information as described above.

As for the exposure to the default, for financial assets, it is represented by the gross book value of the assets at each reporting date. For financial assets, the expected impairment loss is estimated as the difference between all contractual cash flows due to the Company as agreed between the parties and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Note 25 presents in detail the definitions and policies followed by the Company in determining a significant increase in credit risk, a default event, recognition of impairment losses and write-off policy (derecognition).

#### 2.6.2 Cash and cash equivalents

The caption of cash and cash equivalents includes cash, bank deposits, term bank deposits and other cash applications that can be immediately mobilized with insignificant risk of loss of value.

#### 2.6.3 Other current liabilities

Other current liabilities are initially recorded at fair value and are subsequently measured at amortized cost, discounted from any interest calculated and recognized in accordance with the effective interest rate method.

#### Derecognition of financial assets and liabilities

The Company only derecognizes financial assets when its contractual rights to the cash flow arising from of these assets expire, or when the financial assets and all the significant risks and benefits associated to their ownership are transferred to another entity. Financial assets transferred in relation to which the Company retained some significant risks and benefits are derecognized, provided that control over them has been transformed.

The Company only derecognizes financial liabilities when the corresponding obligation is settled, cancelled or expires.

### 2.7 Provisions, post-employment benefits, contingent liabilities and contingent assets

#### Provisions

Provisions are acknowledged by the Company when and only when there is a present obligation (legal or implied) resulting from a past event, for the resolution of which it will likely become necessary to spend internal resources, the amount of which may be reasonably estimated.

The recognised amount of the provisions consists in the present value of the best estimate on the reporting date of the resources necessary to settle the obligation. This estimate is determined taking into consideration the risks and uncertainties associated to the obligation.

Provisions are revised on the reporting date and are adjusted so as to reflect the best estimate on this date.

#### Post-employment benefits

With regard to the defined benefit plans, the corresponding cost is determined using the projected unit credit method, where the respective liabilities are determined based on actuarial studies carried out on each reporting date by independent actuaries.

The costs of past services is recognized in results on a linear basis during the period until the corresponding benefits are acquired. They are recognized immediately as the benefits have been totally acquired.

The liability associated to the benefits guaranteed recognized in the balance sheet represents the present value of the corresponding obligation, adjusted by actuarial gains and losses. The effects resulting from the

change in assumptions are considered actuarial gains or losses and are recognized directly in reserves (other comprehensive income).

#### Contingent liabilities

Contingent liabilities are not recognized in the financial statements, being disclosed whenever the possibility of there being an outflow of resources including economic benefits is not remote nor probable.

#### Contingent assets

Contingent assets are not recognised in the financial statements, being disclosed when the existence of a future economic influx of resources is probable.

### 2.8 Classification of the statement of financial position

Assets realizable and liabilities payable, for which the Company does not have the unconditional right to defer payment for more than twelve months as from the date of the statement of financial position, that are expected to be realized in the normal course of operations, or are held with the intention of being traded, are classified as current assets and liabilities. All other assets and liabilities are classified as non-current.

### 2.9 Cash flow statement

The statement of cash flows is prepared in accordance with IAS 7 – Statements of cash flows, using the direct method. The Company classifies assets with a maturity of less than three months under the caption cash and cash equivalents, and for which the risk of change in value is insignificant. For purposes of the statement of cash flows, the caption cash and cash equivalents also includes bank overdrafts included in the balance sheet under the caption obtained financing.

Cash flows are classified, in the statement of cash flows, depending on their nature, into (1) operating activities, (2) investing activities and (3) financing activities.

Operating activities essentially comprise receipts from customers and payments to suppliers and personnel. They also include payments of net indirect taxes and income tax.

The cash flows involved in investing activities include, namely, acquisitions and disposals of financial investments, dividends received from associated companies and receipts and payments arising from the purchase and sale of intangible and tangible assets.

Cash flows related to financing activities include, namely, payments and receipts relating to loans obtained, lease agreements, payments related to interest and related expenses and payment of dividends.



#### 2.10 Net result per share

Basic earnings per share is calculated by dividing the earnings attributable to common equity holders of the parent company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share equal basic earnings, as there are no interests in convertible preferred shares or stock options.

#### 2.11 Equity

The Group seeks to maintain an adequate level of Equity that allows it not only to ensure the continuity and development of its activity, but also to provide adequate remuneration for its shareholders and the optimization of the cost of capital.

##### Subscribed capital

In compliance with the provisions of article 272 of Código das Sociedades Comerciais (CSC), the company's contract indicates the period for paying up the capital subscribed and not paid up on the date of the deed.

##### Own shares

In compliance with the provisions of article 324 of the CSC, while the shares belong to the company, they must:

a) Suspension of all rights inherent to shares, except for the holder's right to receive new shares in case of capital increase by incorporation of reserves;

b) A reserve for an amount equal to that for which they are accounted for becomes unavailable.

##### Legal reserve

According to article 295 of the CSC, at least 5% of the result determined in the Company's separate financial statements must be allocated to the constitution or reinforcement of the legal reserve until it represents at least 20% of the share capital. The legal reserve is not distributable except in the event of liquidation and can only be used to absorb losses, after all other reserves have been exhausted, or for incorporation into the share capital (article 296 of the CSC).

##### Retained earnings

This item reflects the appropriation of results, from previous years, realized and not distributed.

2.12 Events after the balance sheet date

Events which occur after the of balance sheet date and which provide additional information regarding conditions that existed on the of balance sheet date (events after the balance sheet date that give rise to adjustments) are reflected in the financial statements. Events which occur after the balance sheet date which provide information on conditions that may occur after the balance sheet date (that do not give rise to adjustments) are disclosed in the financial statements, if they are considered material.

3 CHANGES IN ACCOUNTING POLICIES, JUDGMENTS, ESTIMATES AND CORRECTION OF FUNDAMENTAL ERRORS

Except for the impact of the adoption of the new standards and interpretations or their amendments that came into effect for the years beginning on January 1, 2023, during the year 2023 there were no changes in accounting policies, compared to those considered in the preparation of the consolidated financial information relating to the financial year 2022, in accordance with the provisions of IFRS, nor have material errors relating to prior periods been recognized

Relevant estimates in the preparation of the financial statements

In the preparation of the financial statements, the Board of Directors was based on the knowledge and experience of past and/or current events and assumptions regarding future events to determine the accounting estimates.

The most significant accounting estimates, reflected in the financial statement for the year ended December 31, 2023 include:

- Analyzes of impairment of non-current assets;
- Registration of provisions;

In the year ending December 31, 2023, the Board of Directors, as a result of its level of revenue and results recorded in 2023 in the Estoril Game Concession, as well as the expected effect of the financial commitments payable to the State until the end of the concession of that gaming area carried out an impairment analysis of the respective non-current assets. The aforementioned analysis did not result in the recording of any impairment in non-current assets, allocated to the concession of the Estoril gaming area.

These estimates were determined based on the best information available at the date of preparation of the financial statements. However, given the number of qualitative factors involved, events may occur in subsequent periods that, due to their timing, were not considered in these estimates. Significant changes to these estimates that occur after the date of the financial statements are recorded in profit or loss prospectively in accordance with IAS 8.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Amendments to IFRS of mandatory application in 2023

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2023:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
IFRS 17 - Insurance Contracts	1-Jan-23	IFRS 17 replaces IFRS 4 and applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as some guarantees and some financial instruments with discretionary participation characteristics. In general terms, IFRS 17 provides a more useful and consistent accounting model for insurance
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets, including those held in relation to
Amendments to IAS 1 - Disclosure of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	IAS 12 now requires an entity to recognize deferred tax when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. However, it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or to the related asset. This is particularly important when determining the existence of temporary differences on initial recognition of the asset or liability, as the initial recognition exception does not apply to transactions

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	Immediately and 1-Jan-23 <sup>1</sup>	These changes come as part of the implementation of the OECD's Global Anti-Base Erosion ("Globe") rules, which may have significant impacts on the calculation of deferred taxes that are difficult to estimate at the time these amendments were issued.  These amendments introduce a temporary exception to the accounting of deferred taxes arising from the
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There were no significant effects on the Group's financial statements for the year ended 31 December 2023, from the adoption of the above standards, interpretations, amendments and revisions.

### New IFRS or revised IFRS adopted with mandatory application in future years

The following standards, interpretations, amendments and revisions, with mandatory application in the coming years, were, as of the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-24	This amendment aims to clarify the classification of liabilities as current or non-current balances according to the rights an entity has to defer its payment at the end of each reporting period.  The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant.  However, if the right to defer settlement for at least
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" according to the principles of IFRS 15,.

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These standards, although endorsed by the European Union, were not adopted by the Group in 2023, since their application is not mandatory. It is not expected that the future adoption of the referred amendments to have significant impacts on the consolidated financial statements.

### Other standards

The following accounting standards and interpretations have been issued by the IASB and are not yet endorsed by the European Union:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Standard / Interpretation	Applicable in the European Union in the financial	
	1-Jan-24	
Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier financing arrangements		These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.
	1-Jan-25	
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability		This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period. If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction

These standards have not yet been endorsed by the European Union and as such were not applied by the Group in the year ended 31 December 2022.

For these standards and interpretations, issued by the IASB but not yet endorsed by the European Union, the Board of Directors does not consider that significant impacts on the consolidated financial statements will arise for their future adoption.

4 EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" in the years ended 31 December 2023 and 2022 has the following composition:

	2023	2022
Specialised work	458 025	473 615
Royalties / Licenses (a)	288 805	272 294
Fees	38 449	1 725
Bank / Financial services	28 531	25 799
Representation expenses	21 897	23 921
Travel and hotels	10 661	-
Insurance	8 599	5 766
Energy and other fluids	8 477	8 706
Rents	4 316	8 912
Legal advisory	1 925	1 210
Conservation and repairs	731	1 990
Communication	116	-
	870 531	823 938

5. STAFF COSTS

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

The caption "Personnel Costs" in the years ended 31 December 2023 and 2022 has the following composition:

	2023	2022
Remuneration of the Corporate Offices	150 503	154 803
Charges on remuneration	63 695	60 791
Post-employment benefits (Note 7)	41 000	13 000
Indemnities (Note 7)	652 497	-
Insurance	2 379	20 215
Cost of social welfare	9 965	5 122
	<u>920 039</u>	<u>253 931</u>

In the years ended December 31st, 2023 and 2022, the average number of employees serving the Company amounts to 18 employees.

6. DEPRECIATION AND AMORTIZATION

The caption "Amortization and depreciation", in the years ended December 31<sup>st</sup>, 2023 and 2022, has the following composition:

	2023	2022
Right-of-use assets (Note 12)	11 536	8 714
	<u>11 536</u>	<u>8 714</u>

In addition, the following expenses related to right-of-use assets were recognized in 2023 and 2022:

	2023	2022
Financial expenses with lease liabilities	3 994	3 637
Contrats < 12 months	4 353	5 167
	<u>8 347</u>	<u>8 804</u>

7. PROVISIONS

The movement in provisions in the years ended on 31<sup>st</sup> December of 2023 and 31<sup>st</sup> December of 2022 was as follows:

	2023				Closing balance
	Opening balance	Increases	Reversals	Write-off	
Provisions for pensions (Note 5)	1 409 405	41 000	(6 088)	(668 912)	775 405
Losses in subsidiaries (Note 11)	164 230	4 615	-	-	168 845
	164 230	4 615	-	-	168 845
	<u>1 573 635</u>	<u>45 615</u>	<u>(6 088)</u>	<u>(668 912)</u>	<u>944 250</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

	2022				Closing balance
	Opening balance	Increases	Reversals	Write-off	
Provisions for pensions (Note 5)	1 774 779	13 000	(242 000)	(136 374)	1 409 405
Losses in subsidiaries (Note 11)	3 440 426	79 440	(3 355 636)	-	164 230
	3 440 426	79 440	-	-	164 230
	<u>5 215 205</u>	<u>92 440</u>	<u>-</u>	<u>(52 375)</u>	<u>1 573 635</u>

Provisions for pensions / Post-employment benefits

By the Articles of Association approved in the General Meeting of 29 May 1998, Estoril-Sol, S.G.P.S., S.A. confirmed, in article 36, the right to a retirement pension paid by the company to the former directors who had already retired, based on the previous article 25 of the Articles of Association that were then altered, and the same rights and benefits as those to the directors, in office at that time, who had or would come to complete ten years of service - after entering retirement - rights and benefits to be regulated in a contract to be agreed between the Company and these directors.

On December 31st, 2023 and 2022, the Company obtained actuarial studies prepared by a specialized and accredited independent entity. The present value of the above-mentioned liabilities was estimated at 775.405 Euros and 1.409.405 Euros, respectively.

At December 31, 2023 and 2022, these studies were carried out using the "Projected credit unit" method and considered the following key assumptions and technical and actuarial bases at that date:

	2023	2022
Discount rate	3,35%	3,05%
Rate of growth of pensions	0,00% p.a.	0,00% p.a.
Mortality table		
- Before retirement	n.a	n.a.
- After retirement	GKF95	GKF95
Invalidity table	n.a	n.a.
Table of departures	n.a	n.a.
Retirement age	n.a	n.a.

In the years ended December 31, 2023 and 2022, the movement in the value of the liabilities was as follows:

	Dec - 2023	Dec - 2022
Present value of the defined benefit obligation at beginning of the year:	1 409 405	1 774 779
Benefits paid	(668 912)	(136 374)
Post-employment benefits (Note 5)	41 000	13 000
Actuarial gains and losses	(6 088)	(242 000)
Present value of the defined benefit obligation at the end of the year:	<u>775 405</u>	<u>1 409 405</u>

During the 2023 financial year, Estoril-Sol, SGPS, S.A reached an extrajudicial agreement with one of the effective beneficiaries of the post-employment plan in force in order for him to immediately stop benefiting from it, without the possibility of returning. This agreement resulted in the payment of the global amount of 1.200.000 Euros, of which 585.000 Euros correspond to the estimated liability of the post-employment plan, with the remainder, in the amount of 615.000 Euros, being recorded in results for the year (Note 5).

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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The impacts of the actuarial update verified in the year ended December 31<sup>st</sup>, 2023 result from the changes in assumptions considered, namely, the change in the discount rate used from 3,05% in 2022 to 3,35% in 2023.

At 31 December 2023, the impact of a discount rate reduction of 0,5%, used in the actuarial calculation, would correspond to an increase in the present value of liabilities by approximately 16.000 Euros (41.000 Euros in 2022).

### 8. OTHER OPERATING EXPENSES

The caption "Other operating expenses" in the years ended 31 December of 2023 and 2022 has the following composition:

	2023	2022
Other taxation and rates	641	1 370
Membership fees	-	2 500
Sundries	59	25 517
	700	29 387

### 9. FINANCIAL EXPENSES

The financial expenses recognized in the years ended on 31 December of 2023 and 2022 has the following composition:

	2023	2022
Financial expenses:		
Lesings	3 994	3 637
	3 994	3 637

### 10. INCOME TAX

The Company is subject to corporation income tax at the rate of 21% plus a Municipal Surcharge of 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%.

In addition, taxable income for the year ended 31 December 2023 in excess of 1.500.000 Euros is subject to a State Surcharge under the terms of article 87-A of the Corporation Income Tax Code at the following rates:

- 3% for taxable profit between 1.500.000 Euros and 7.500.000 Euros;
- 5% for taxable profit between 7.500.000 Euros and 35.000.000 Euros;
- 9% for taxable profit exceeding 35.000.000 Euros;

In addition, net finance costs for 2023 and following years are deductible for determining annual taxable income according with the greater of the following limits:

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



NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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Pursuant to article 88° of the CIRC, the Company is also subject to autonomous taxation on a set of charges at the rates provided for in the mentioned article.

In accordance with legislation in force, the tax declarations are subject to revision and correction by the tax authorities during a period of four years (five years for the Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, complaints or objections are under way, in which cases, depending on the circumstances, deadlines for filing such statements are extended or suspended. In this way, the Company's tax declarations of the years from 2020 to 2023 could still be subject to revision.

The Company is covered by the RETGS, headed by the Company (Note 2.5), being in compliance with all the requirements listed in Article 69° of the CIRC.

Income tax expense as of 31 December 2023 and 2022 has the following composition:

	2023	2022
Profit before tax	5 683 829	32 882 885
Permanent differences		
Earnings/Losses in subsidiaries (Note 11)	(7 490 629)	(34 002 492)
Payment of post-employment benefits (Note 7)	(668 912)	(136 374)
Other non-taxable income	(285)	-
Other non-deductible expenses	41 000	39 186
	<u>(8 118 826)</u>	<u>(34 099 680)</u>
Result for tax purposes	(2 434 997)	(1 216 795)
Tax rate	21%	21%
	<u>(511 349)</u>	<u>(255 527)</u>
Assets not recognized (a)	<u>511 349</u>	<u>255 527</u>
Autonomous taxation	30 000	34 000
Income tax of the year	<u>30 000</u>	<u>34 000</u>
Effective tax rate	<u>0,53%</u>	<u>0,10%</u>

(a) Deferred tax assets relating to reportable tax losses were not recognized, since the Company does not expect to report subsequent taxable profits that allow the recovery of those assets.

In accordance with the legislation approved by the 2023 State Budget, losses available on the date of entry into force of the respective budget are available for deduction without a carry-over period and limited to the deduction of 65% of taxable income.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

As of December 31, 2023 and 2022, the reportable tax losses amounted to 10.784.163 Euros and 8.349.166 Euros respectively, and were generated as follows:

Generated in :	2023	2022
2015	1 191 504	1 191 504
2016	2 446 413	2 446 413
2017	715 966	715 966
2018	780 411	780 411
2019	840 492	840 492
2020	982 932	982 932
2021	174 653	174 653
2022	1 216 795	1 216 795
2023	2 434 997	-
	<u>10 784 163</u>	<u>8 349 166</u>

(a) From 2023 onwards, tax losses no longer have a reporting deadline.

11. INVESTMENTS IN SUBSIDIARIES

As of December 31, 2023 and 2022, the Company holds the following financial investments accounted for under the equity method:

Subsidiary	Assets	Liabilities	Income	% held	Equity	Net profit/loss	2023			
							Equity parts	Provisions (Note 7)	Gains/(losses) on subsidiaries	Gains/(losses) on subsidiaries (Note 7)
Estoril Sol (III) - Turismo, Animação e Jogo, S.A. (a)	293 169 606	198 068 208	129 872 747	100%	95 101 176	(10 616 676)	95 101 176	-	(10 616 676)	-
Varzim Sol - Turismo, Jogo e Animação, S.A. (a)	15 520 715	2 841 249	38 229 419	100%	12 679 466	8 054 316	12 679 466	-	8 054 316	-
Estoril Sol V - Investimentos Imobiliários, S.A.	50	31 614	-	100%	(31 564)	(1 341)	-	(31 564)	-	(1 341)
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	3 371 017	2 929 028	-	100%	441 989	(122 990)	441 588	-	(122 990)	-
Estoril Sol Imobiliária, S.A.	7 813 323	1 106	-	100%	7 812 217	2 733 511	7 812 217	-	2 733 511	-
Estoril Sol - Investimentos Hoteleiros, S.A.	9 004 323	-	-	90%	9 004 323	(2 694)	9 004 323	-	(2 694)	-
Estoril Sol e Mar - Investimentos Imobiliários, S.A.	1 386 121	374 522	-	100%	1 011 599	(24 688)	1 011 599	-	(24 688)	-
Estoril Sol Internacional, S.A.	2 828	140 110	-	100%	(137 282)	(3 274)	-	(137 281)	-	(3 274)
Estoril Sol Capital Digital, S.A.	8 923 647	65 350	7 720 750	100%	8 858 297	7 474 465	8 858 297	-	7 474 465	-
							<u>134 908 666</u>	<u>(168 845)</u>	<u>7 495 244</u>	<u>(4 615)</u>

Subsidiary	Assets	Liabilities	Income	% held	Equity	Net profit/loss	2022			
							Equity parts	Provisions (Note 7)	Gains/(losses) on subsidiaries	Gains/(losses) on subsidiaries (Note 7)
Estoril Sol (III) - Turismo, Animação e Jogo, S.A. (a)	102 132 422	24 714 570	117 401 560	100%	77 417 852	16 650 029	77 417 852	-	16 650 029	-
Varzim Sol - Turismo, Jogo e Animação, S.A. (a)	8 880 337	4 255 187	36 903 835	100%	4 625 150	7 980 786	4 625 150	-	4 625 150	3 355 636
Estoril Sol V - Investimentos Imobiliários, S.A.	50	30 273	-	100%	(30 223)	(1 107)	-	(30 223)	-	(1 107)
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	3 351 380	2 786 802	-	100%	564 578	(281 769)	564 578	-	(281 769)	-
Estoril Sol Imobiliária, S.A.	5 079 812	1 106	-	100%	5 078 706	(4 724)	5 078 706	-	(4 724)	-
Estoril Sol - Investimentos Hoteleiros, S.A.	9 009 477	2 460	-	90%	9 007 017	(2 460)	9 007 017	-	(2 460)	-
Estoril Sol e Mar - Investimentos Imobiliários, S.A.	1 386 923	350 636	-	100%	1 036 287	(23 152)	1 036 287	-	(23 152)	-
Estoril Sol Internacional, S.A.	6 080	140 087	-	100%	(134 007)	(78 333)	-	(134 007)	-	(78 333)
Estoril Sol Capital Digital, S.A.	14 434 338	50 506	10 019 647	100%	14 383 832	9 743 222	14 383 832	-	9 743 222	-
							<u>112 113 422</u>	<u>(164 230)</u>	<u>30 726 296</u>	<u>3 276 196</u>

(a) The equity of these subsidiaries for the purposes of applying the equity method in the years ended 31 December 2023 and 2022 is adjusted by the effect of the reclassification of the tax deductions to the investment, which are not classified in equity in accordance with IFRS.

Additionally, the equity and net results of these subsidiaries are adjusted for the effect of IFRS 16 - Leases in accordance with IFRS (Note 3).

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

The movement in the item "Investments in subsidiaries" was as follows:

	2023	2022
Opening balance	112 113 422	83 801 412
Gains / Losses imputed from subsidiaries	7 495 244	30 726 296
Acquisitions / Capital increases / Reimbursements (a)	28 300 000	-
Dividends Distribution (b)	(13 000 000)	(2 414 286)
Closing balance	<u>134 908 666</u>	<u>112 113 422</u>

(a) During the years 2023 and 2022, the Company made supplementary capital/equity payments to its subsidiaries, as follows:

	2023	2022
Capital increase made in Estoril Sol III, S.A.	28 300 000	-
Total	<u>28 300 000</u>	<u>-</u>

The reinforcement of Estoril Sol III's equity occurs at the moment that it begins the new contract of Estoril Gaming Concession which incorporates Casino Estoril and the Casino Lisboa, and aims to allow it to execute the investment plan defined for the new concession, meets the initial financial obligations set out in the concession contract and meets the requirements defined therein, namely the financial autonomy ratio of its own capital.

(b) On December, 2023, Estoril Sol Capital Digital S.A. paid to Estoril Sol SGPS, S.A., dividends in the total amount of 13.000.000 Euros, in the form of an advance payment on profits for the year 2023 and distribution of retained earnings.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

12. RIGHT-OF-USE ASSETS

During the years ended December 31, 2023 and 2022, the movement in “Right-of-use-assets”, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	2023	2022
	Transport Equipment	Transport Equipment
Gross assets:		
Balance at 1st January	77 726	64 749
New contracts	-	12 977
Closing balance	<u>77 726</u>	<u>77 726</u>
Depreciation and accumulated impairment losses:		
Balance at 1st January	66 189	57 475
Depreciation of the year (Note 6)	<u>11 536</u>	<u>8 714</u>
Closing balance	<u>77 726</u>	<u>66 189</u>
Net amount	<u>-</u>	<u>11 537</u>

The item “Vehicles” refers to car rental contracts used by the Company's employees, for periods between 2 to 4 years. These contracts do not provide for the existence of relevant extension or termination clauses or amounts of residual value guarantees.

13. OTHER NON-CURRENT ASSETS

At 31 December 2023 and 2022, the caption “Other non-current assets” was composed as follows:

	2023	2022
State and other public entities	<u>731</u>	<u>732</u>
	<u>731</u>	<u>732</u>

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

14. OTHER CURRENT ASSETS

At 31<sup>st</sup> December 2023 and 2022, the caption "Other current assets" had the following composition:

	2023			2022		
	Gross value	Impairments	Net value	Gross value	Impairments	Net value
Receivables from related parties (Note 15)	3 671 237	(19 521)	3 651 716	3 455 258	(19 521)	3 435 737
Advance payments	36 627	-	36 627	24 432	-	24 432
	<u>3 707 864</u>	<u>(19 521)</u>	<u>3 688 343</u>	<u>3 479 690</u>	<u>(19 521)</u>	<u>3 460 169</u>

15. RELATED PARTIES

On 31<sup>st</sup> December of 2023 and 2022 the Company had the following balances with related parties:

Related party	2023		2022	
	Other current assets (Note 14)	Other current liabilities (Note 22)	Other current assets (Note 14)	Other current liabilities (Note 22)
Holding company				
- Finansol - Sociedade de Controlo, SGPS, S.A.	171 252	-	171 221	-
Subsidiaries				
- Estoril Sol (III) - Turismo, Animação e Jogo, S.A.	44 920	-	-	363 768
- DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	2 902 844	-	2 757 162	-
- Estoril Sol Imobiliária, S.A.	-	3 161 875	-	3 165 342
- Estoril Sol - Investimentos Hoteleiros, S.A.	-	9 004 323	-	9 009 477
- Estoril Sol V - Investimentos Imobiliários, S.A.	30 507	-	29 166	-
- Estoril Sol e Mar - Investimentos Imobiliários, S.A.	365 434	-	341 549	-
- Estoril Sol Internacional, S.A.	138 835	-	138 699	-
- Estoril Sol Capital Digital, S.A.	17 445	-	17 430	-
Impairment losses:				
- Estoril Sol V - Investimentos Imobiliários, S.A.	(19 521)	-	(19 521)	-
	<u>3 651 716</u>	<u>12 166 198</u>	<u>3 435 706</u>	<u>12 538 587</u>

In the years ended on 31 December 2023 and 2022 there were no transactions between related parties.

As of 31<sup>st</sup> December 2023 and 2022, the caption "Other current liabilities" relates to financing granted by its subsidiaries, which are classified in current liabilities as the unconditional right to defer payment over more than twelve months is not contractually defined.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Reconciliation of liabilities resulting from financing activities:

Below are the changes in the Company's liabilities resulting from financing activities, both cash and non-cash. Liabilities resulting from financing activities are those whose cash flows have been, or will be, classified as financing in the statement of cash flows:

Reconciliation of liabilities arising from financing activities						
	Balance at 31 Dez-2022	Financing cash flows	New leasing contracts (Note 12)	Disposals of leasing contracts	Other changes (i)	Balance at 31 de Dez-2023
Other current liabilities from Related Parties (Notes 15 and 22)	12 538 587	(372 389)	-	-	-	12 166 198
Lease liabilities	12 082	(4 353)	-	(7 758)	29	-
	<u>12 550 669</u>	<u>(376 742)</u>	<u>-</u>	<u>(7 758)</u>	<u>29</u>	<u>12 166 198</u>

Reconciliation of liabilities arising from financing activities						
	Balance at 31 Dez-2021	Financing cash flows (i)	New leasing contracts (Note 12)	Disposals of leasing contracts (Note 12)	Other changes (ii)	Balance at 31 de Dez-2022
Other current liabilities from Related Parties (Notes 15 and 22)	12 531 782	6 805	-	-	-	12 538 587
Lease liabilities	7 948	(9 110)	12 977	-	267	12 082
	<u>12 539 730</u>	<u>(2 305)</u>	<u>12 977</u>	<u>-</u>	<u>267</u>	<u>12 550 669</u>

- (i) The cash flows resulting from Other current liabilities of Related parties and Lease liabilities make up the net amounts of receipts and payments relating to Financing owed from related parties and amortization of lease agreements in the statement of cash flows.
- (ii) This caption includes the net effect of the financial discount referring to payments made to creditors by leasing.

16. CURRENT TAX ASSETS AND LIABILITIES

As at 31 December 2023 and 2022, the captions "Current tax assets" and "Current tax liabilities" in the statement of financial position are made up as follows:

	2023	2022
Current assets:		
Payment on Account (IRC)	-	23 186
	<u>-</u>	<u>23 186</u>
Current Liabilities:		
Estimated Corporate Income Tax (Note 10)	30 000	34 000
	<u>30 000</u>	<u>34 000</u>

17. CASH AND CASH EQUIVALENTS

On December 31, 2023 and 2022, "Cash and cash equivalents" includes cash, immediately available bank deposits (less than or equal to three months) net of bank overdrafts and other negotiable securities quoted on the secondary market, and has the following composition:

	2023	2022
Cash	2 016	2 140
Immediately available bank deposits	1 871 692	20 231 050
Cash and cash equivalents	<u>1 873 708</u>	<u>20 233 190</u>

In the years ended December 31, 2023 and 2022, the Company recorded the following non-monetary investment and financing transactions in the cash flow statement:

- The Company acquired assets through lease contracts, as disclosed in Notes 12 and 15, in the amount of approximately 12.977 Euros in 2022. In 2023, no assets were acquired through lease contracts

18. CAPITAL

Estoril-Sol, S.G.P.S., S.A., an issuer of securities ("shares") admitted to trading on a regulated market, as at December 31<sup>st</sup>, 2022 and 2021, has a share capital of € 59.968.420 (fifty nine million, nine hundred and sixty eight thousand, four hundred and twenty euros), represented by 11,993,684 registered shares (ISIN Code PTES00AM0000), with a unit par value of five Euros each.

Treasury shares

The treasury shares were acquired by the Company as follows:

Year of Acquisition	No.of shares	Nominal value	Total nominal	Total premiums	Total
2001	34 900	5	174 500	280 945	455 445
2002	43	5	215	184	399
2007	22	5	110	88	198
2008	27 600	5	138 000	114 264	252 264
Total	<u>62 565</u>		<u>312 825</u>	<u>395 481</u>	<u>708 306</u>

As a result of the treasury shares acquired, a reserve of 708.306 Euros was made unavailable, which was included under "Other reserves and retained earnings" (Note 19).

Legal persons with a stake of over 20% in the share capital on 31 December of 2023 and 2022:

- Finansol, Sociedade de Controlo, S.G.P.S, S.A., with 57.79% (a)
- Sociedade Figueira Praia, S.A., with 32.67%

(a) This entity is controlled by the Macau Tourism and Entertainment Society (STDM, headquartered in Macau)

Share issue premiums

The amount recorded under this caption results from the obtained gains on capital increases, which occurred in previous years. According to the legislation in force, the use of the amount included in this item follows the regime applicable to the legal reserve, that is, it shall not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted or incorporated in the capital. On 31 December of 2023 and 2022 the amount recorded at "Share issue premiums" amounted to 960.009 Euros.

19. RESERVES

Legal reserve

In accordance with current legislation the Company must transfer at least 5% of its annual net profit to a legal reserve until the reserve reaches at least 20% of share capital. The reserve cannot be distributed, except upon liquidation of the company, but may be used to absorb losses after all the other reserves.

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 Euro 708.306. This caption also includes the accumulated impacts of the actuarial update of post-employment benefits (Note 7).

Other variations in equity

As at December 31, 2023 and 2022, the caption "Other variations in equity" refers essentially to unallocated results of subsidiaries, which are appropriated as a result of applying the equity method. In 2023, the company transferred 16.801.800 Euros to retained earnings relating to dividends received in 2023 and 2022 from its subsidiary Estoril Sol Capital Digital, S.A.

20. APPLICATION OF RESULTS AND DIVIDENDS

In accordance with the resolutions adopted at the General Shareholders' Meeting held on May 26, 2023 and May 31, 2022, the results for the years ended December 31, 2022 and 2021 were applied as follows:

	2023	2022
Legal reserve	1 643 000	558 111
Other reserves and retained earnings	9 743 222	7 927 546
Other variations in equity	21 462 663	2 676 566
	32 848 885	11 162 223



NOTES TO THE SEPARATE FINANCIAL STATEMENTS

21. LEASE LIABILITIES

As of December 31, 2023 and 2022, the maturity of amortizations falling due for lease contracts expires as follows:

	2023	2022
2023	-	5 167
2024 and following	-	6 915
	<u>-</u>	<u>12 082</u>

22. OTHER CURRENT LIABILITIES

As of 31 December 2023 and 2022, this caption had the following composition:

	2023	2022
Suppliers	348	4 594
State and other public entities (a)	9 273	11 766
Other creditors:		
Charges with holidays to be paid	45 418	34 849
Specialised work - Fees	114 636	130 526
Others	61 132	61 919
Accounts payable to related parties (Note 15)	12 166 198	12 538 587
	<u>12 397 005</u>	<u>12 782 241</u>

(a) On 31 December 2023 and 2022 this caption is composed as follows:

	2023	2022
Social Security contributions	4 931	6 287
Other taxes	4 342	5 479
	<u>9 273</u>	<u>11 766</u>

23. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

On 31<sup>st</sup> December of 2023 and 31<sup>st</sup> December of 2022 the Company had presented the following guarantees:

	2023	2022
For tax demands in hand / litigation	8 000	8 000
	<u>8 000</u>	<u>8 000</u>

24. REMUNERATION OF KEY MEMBERS OF THE COMPANY

The remunerations of the key members of the Company's management in the years ended 31 December 2023 and 2022 relate fully to fixed remunerations in the amount of 84.000 Euros in each of these years (Note 5).

25. FINANCIAL INSTRUMENTS

At 31 December 2023 and 2022 the main assets and liabilities financial instruments, recorded at amortized cost, were as follows:

	2023	2022
Financial assets:		
Receivables	3 651 716	3 435 737
Cash and cash equivalents	1 873 708	20 233 190
	<u>5 525 424</u>	<u>23 668 927</u>
Financial liabilities:		
Lease liabilities	-	12 082
Payables	12 397 005	12 782 241
	<u>12 397 005</u>	<u>12 794 323</u>

In what concerns to current accounts receivable and account payable and cash and cash equivalents, the Company considers, in the light of specific characteristics of these financial instruments, that the fair value does not differ significantly from their book value, therefore it is not necessary, under the terms of IFRS 13 to present its fair value by measurement levels.

In the normal course of its activity the Company is exposed to a variety of financial risks that can change its asset value. Financial risk is understood to be the probability of obtaining results other than those expected, whether these be positive or negative, materially and unexpectedly changing the asset value of the Company.

In order to minimize the potential impact of these risks, the Company adopts a strict and consistent financial policy based on two vitally important instruments:

- approval of the annual budget and the respective revision and analysis of deviations on a monthly basis, and;
- the elaboration of financial and cash-flow planning, which is also reviewed on a monthly basis.

The financial risks which can possibly impact on the activities undertaken by the Company are those presented below:

Liquidity risk:

The management of the liquidity risk is based on maintaining an adequate level of available cash and on the contracting of credit limits that help not only to ensure the normal development of the Company's activities but also to cater for any operations of an extraordinary nature.

According to the monetary resources freed up by the subsidiary companies over which the Company has control, we feel the financial risk to which the Company is exposed is minimal, and the same understanding has prevailed in the examination carried out by financial institutions, as shown by the fact that asset guarantees are dispensed with for operations under contract.

Credit risk

Credit risk is mainly related to the accounts receivable resulting from the operations with related parties. This risk is monitored on a regular basis by each of the Company's businesses with the objective of:

- monitor the evolution of the level of credit granted;

- to analyse the financial capability of related parties on a regular basis.

The Company's financial assets relate primarily to short-term related party accounts receivable for which it adopts the expected 12-month loss model.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from internal and external sources, when available, of actual and forecasted economic information related to the Company's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the above mentioned, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is recurring a breach of payment terms by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

(iii) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, namely with the publication of the foreclosure of the debtor.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Interest rate risk

The Company's exposure to interest rate risk arises from the existence, in the balance sheet of its subsidiaries, of financial assets and liabilities, contracted at a variable rate. The change in market rates has a direct impact on the amount of interest paid, causing consequent cash variations.

If the market interest rates had been 1% higher during the years ended on 31st December 2022 and 2021, the results from its subsidiaries of those years would have increased by approximately 49.000 Euros and 82.000 Euros, respectively.

26. STATUTORY AUDITOR'S FEES

The statutory auditor's fees in 2023 and 2022 were 167.000 Euros and 160.500 Euros, respectively, plus VAT at the current rate, and are exclusively related to legal review and auditing of the Company's separate and Consolidated financial statements.

27. EVENTS AFTER THE BALANCE SHEET DATE

Between December 31, 2023 and the date of this report, no relevant facts occurred that could materially affect the financial position and future results of Estoril-Sol, SGPS, S.A. and the other companies in the Group.

28. NOTE ADDED FOR TRANSLATION

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

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 DECEMBER 31st, 2023 And DECEMBER 31<sup>st</sup>, 2022  
(Amounts in Euros)

ASSETS	Notes	Dec - 23	Dec - 22
<b>NON-CURRENT ASSETS:</b>			
Tangible fixed assets			
Reversible to the State	14	4 546 659	4 506 534
Not reversible to the State	14	47 261 892	47 415 432
Tax deductions on investments	15	<u>(1 909 886)</u>	<u>(1 968 323)</u>
Total non-current assets		49 898 665	49 953 643
Intangible assets	16	189 709 064	2 018 709
Right-of-use assets	17	516 839	525 546
Investment properties	18	159 937	165 488
Other non current assets	-	<u>126 719</u>	<u>126 295</u>
		<u>240 411 224</u>	<u>52 789 681</u>
<b>CURRENT ASSETS:</b>			
Inventories	20	9 695 001	6 914 448
Accounts receivable - trade	21	297 838	441 769
Current tax assets	19	6 028	23 186
Other current assets	22	2 007 002	1 604 621
Cash and cash equivalents	23	<u>92 202 900</u>	<u>112 777 135</u>
Total current assets		<u>104 208 769</u>	<u>121 761 159</u>
Total assets		<u>344 619 993</u>	<u>174 550 840</u>
<b>EQUITY and LIABILITIES</b>			
<b>EQUITY:</b>			
Capital	24	59 968 420	59 968 420
Treasury shares	24	(708 306)	(708 306)
Share issue premiums	24	960 009	960 009
Legal Reserves	24	11 072 425	9 429 425
Other Reserves and Retained earnings	24	50 153 816	18 941 845
Consolidated net profit	-	<u>5 653 829</u>	<u>32 848 885</u>
Equity attributable to the holders of the Parent Company		127 100 193	121 440 278
Equity attributable to non-controlling interests	25	<u>5 319 463</u>	<u>13 098 713</u>
Total equity		<u>132 419 656</u>	<u>134 538 991</u>
<b>LIABILITIES:</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Lease liabilities	26	289 143	352 526
Provisions	27	2 745 200	10 124 371
Other non-current liabilities		<u>155 205 722</u>	<u>-</u>
Total non-current liabilities		<u>158 240 065</u>	<u>10 476 897</u>
<b>CURRENT LIABILITIES:</b>			
Lease liabilities	26	227 821	176 086
Bank liabilities	26	-	64 515
Current tax liabilities	19	86 850	78 808
Other current liabilities	28	<u>53 645 601</u>	<u>29 215 543</u>
Total current liabilities		<u>53 960 272</u>	<u>29 534 952</u>
Total liabilities		<u>212 200 337</u>	<u>40 011 849</u>
Total equity and liabilities		<u>344 619 993</u>	<u>174 550 840</u>

The notes form an integral part of these financial statements

ACCOUNTANT

BOARD OF DIRECTORS

CONSOLIDATED PROFIT AND LOSS STATEMENTS

ESTORIL-SOL, SGPS, S.A.

CONSOLIDATED INCOME STATEMENT

OF THE YEARS ENDED ON 31st DECEMBER, 2023 AND 2022

(Amounts in Euros)

	Notes	Dec - 2023	Dec - 2022
<b>REVENUE:</b>			
Gaming revenues	6	214 812 526	208 873 367
Gaming taxes	6	(93 684 656)	(74 703 485)
		121 127 870	134 169 882
Government Grant - Lay-Off	6	-	2 134
Other operating revenue	6	10 368 139	5 744 174
		131 496 009	139 916 190
<b>OPERATING EXPENSES:</b>			
Cost of sales	7	(2 026 400)	(1 897 685)
Supplies and external services	8	(53 152 149)	(48 166 898)
Wages and salaries	9	(36 659 152)	(33 601 059)
Depreciation and amortization	10	(16 661 302)	(3 314 112)
Impairments - inventories ( (increases) / reversals )	20	2 737 410	-
Impairments - accounts receivable ( (increases) / reversals )	21 e 22	(2 975)	(150 512)
Provisions ( (increases) / reversals )	27	1 246	(7 737 515)
Impairment of non-depreciable / amortizable investments	-	987	-
Other operating expenses	11	(1 994 516)	(1 937 285)
Total operating expenses		(107 756 851)	(96 805 066)
Income before financial results and taxes		23 739 158	43 111 124
<b>FINANCIAL (LOSSES) AND GAINS:</b>			
Financial losses	12	(10 533 649)	(276 763)
Financial gains	12	255 920	112 979
		(10 277 729)	(163 784)
Income before taxes		13 461 429	42 947 340
Income taxes	13	(86 850)	(78 808)
Consolidated net income		13 374 579	42 868 532
Attributable to:			
Equity holders of the Parent Company	-	5 653 829	32 848 885
Non-controlling interests	25	7 720 750	10 019 647
		13 374 579	42 868 532
Net result per share			
Basic and diluted	32	0,47	2,75

The notes form an integral part of these financial statements

ACCOUNTANT

BOARD OF DIRECTORS

## CONSOLIDATED OTHER COMPREHENSIVE INCOME (OCI)

Estoril Sol, SGPS, S.A.

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

OF THE YEARS ENDED ON 31<sup>st</sup> DECEMBER 2023 AND 2022

(Amounts in Euros)

	Notes	2023	2022
Consolidated net result of the year	5	13 374 579	42 868 532
Components of other comprehensive income (OCI):			
Items that will not be reclassified subsequently to profit or loss			
- Actuarial Gains / (Losses) related with post-employment benefit plans	27	6 088	242 000
Consolidated comprehensive income of the year		<u>13 380 667</u>	<u>43 110 532</u>
Attributable to:			
Equity holders of the parent		5 659 917	33 090 885
Non-controlling interests		<u>7 720 750</u>	<u>10 019 647</u>
		<u>13 380 667</u>	<u>43 110 532</u>

The notes form an integral part of these financial statements

ACCOUNTANT

BOARD OF DIRECTORS



## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL-SOL SGPS, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 31st JUNE 2023 AND 2022

(Amounts in Euros)

	Notes	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	24	-	-	-	558 111	10 604 112	(11 162 223)	-	-	-
Dividends paid to Non-controlling interests	25	-	-	-	-	-	-	-	(3 000 000)	(3 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 31 <sup>st</sup> December 2022		-	-	-	-	242 000	32 848 885	33 090 885	10 019 647	43 110 532
Balance at 31 <sup>st</sup> December 2022		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
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	24	-	-	-	1 643 000	31 205 885	(32 848 885)	-	-	-
Dividends paid to Non-controlling interests	25	-	-	-	-	-	-	-	(15 500 000)	(15 500 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 31 <sup>st</sup> December 2023		-	-	-	-	6 088	5 653 829	5 659 917	7 720 750	13 380 667
Balance at 31 <sup>st</sup> December 2023		59 968 420	(708 306)	960 009	11 072 425	50 153 818	5 653 829	127 100 193	5 319 463	132 419 656

The notes form an integral part of these financial statements

ACCOUNTANT

BOARD OF DIRECTORS

CONSOLIDATED CASH FLOW STATEMENTS

ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE YEARS ENDED 31<sup>st</sup> DECEMBER 2023 AND 2022

(Amounts in Euros)

	Notes	2023	2022
<u>OPERATING ACTIVITIES:</u>			
Receipts from clients		221 964 282	214 390 119
Payments to suppliers		(56 641 190)	(47 661 445)
Payments to staff		(36 406 087)	(31 350 660)
Cash flow generated by operations		128 917 005	135 378 014
Payment of income tax		(53 707)	(131 080)
Payment of Special Gaming tax		(79 946 721)	(75 730 723)
Other payments relating to the operating activity		(9 175 625)	(3 101 281)
Cash flow from operating activities (1)		39 740 951	56 414 930
<u>INVESTING ACTIVITIES:</u>			
Receipts from:			
Interest and similar income		90 740	129 979
		90 740	129 979
Payments in respect of:			
Tangible fixed assets		(3 239 573)	(98 570)
Intangible assets		(41 091 338)	(14 000)
		(44 330 911)	(112 570)
Cash flow from investment activities (2)		(44 240 171)	17 409
<u>FINANCING ACTIVITIES:</u>			
Receipts from:			
Bank loans obtained		-	38 246 426
		-	38 246 426
Payments in respect of:			
Bank loans repaid		-	(47 065 911)
Interest and similar costs		(213 091)	(268 527)
Dividends		(15 500 000)	(3 000 000)
Amortization of lease liabilities		(297 409)	(319 591)
		(16 010 500)	(50 654 029)
Cash flow from financing activities (3)		(16 010 500)	(12 407 603)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(20 509 720)	44 024 736
Cash and cash equivalents at the start of the period	23	112 712 620	68 687 884
Cash and cash equivalents at the end of the period	23	92 202 900	112 712 620

The notes form an integral part of these financial statements

ACCOUNTANT

BOARD OF DIRECTORS

1. INTRODUCTION

Estoril-Sol, S.G.P.S., 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. As a result, all operations that had been carried out were transferred to companies incorporated for this purpose, assuming the status of its subsidiaries. In turn, the parent company’s main operations involved holdings management with its shares listed on the Euronext Lisbon.

The main business sector in which the subsidiaries operates consists of the operation of physical casinos of games, an activity regulated by Turismo de Portugal through the Gaming Regulation and Inspection Service, under the concession contracts of the 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 Estoril Casino and the Lisboa Casino.

At the end of the 2021 financial year, and within the context of the Covid-19 pandemic, whose measures adopted by the Government to contain the disease, admittedly produced significant negative impacts in game concessions operations, first of all due to the imposition of the closure of casinos for long periods of time during the course of the years 2020 and 2021, and by other several restrictions, namely in terms of timetables and capacity allowed within the casinos during the periods in which it was possible to resume activity, Decree-Law No. 103/2021 of 24th November and Order No. 80/2021 of 13th December, from the Minister of State, Economy and Digital Transition, were published, provided for the possibility to extend the expiration date of the concession contracts, Estoril until December 31st, 2022 and Póvoa until December 31st, 2025. They also came to define under what terms the extension could occur, allowing gaming concessionaires to present the assessment of the economic and financial rebalance of the concession contracts and determine the eligible requirements that should be met in order to allow for the rebalance of the contracts. The amendments to the concession contracts for Estoril and Póvoa gaming areas were formalized on March 2nd, 2022. On the same day, March 2, 2022, the establishment of an arbitration agreement following the withdrawal of the lawsuits that ran in the Administrative and Tax Courts was also formalized.

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.

In addition, in 2016 on 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.

Under the aforementioned concession contracts, reversible tangible fixed assets are recognized in the financial statements of the subsidiaries that will be delivered to the State at the end of the concession. 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 subsidiary Estoril-Sol (III) – Turismo, Animação e Jogo, S.A. after the end of the concession and as such is not considered as being reversible.

In addition, the Group also operates in the real estate sector, currently holding a number of properties in the portfolio (Note 20).

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), as adopted by the European Union, and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”), for approval and publication in accordance with the legislation in force.

These consolidated financial statements were approved by the Board of Directors on April 26th, 2024 and are subject to the approval of the Company’s shareholders at a General Meeting of Shareholders to be held.

## 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), considering the standards of IFRS as adopted by the European Union.

The Board of Directors carried out an assessment of the Company's ability to operate, based on all relevant available information, facts and circumstances, of a financial, commercial or other nature, including subsequent events, at the reference date of the financial statements (Note 31). As a result of the evaluation carried out (Note 30), the Board of Directors concluded that the Company has adequate resources to maintain its activities, with no intention to cease activities in the short term, and therefore considered it appropriate to use the assumption of continuity of operations. in the preparation of the financial statements, based on the Company's books and accounting records. In addition, the concession contracts for the Estoril and Póvoa de Varzim Gaming Zone, attributed to their subsidiaries, authorize the exploitation of the Casino Lisboa and Estoril and Casino da Póvoa, under the terms of the respective concession and applicable legislation, until December 31st, 2037 and 2025 (Note 1), respectively.

Bearing in mind the expected results obtained from operating gaming activities in the concession areas, as well as the value in use of the respective assets for an exclusive concessionaire for operating games, no losses are expected on those assets that are not registered on 31 December from 2023.

Relevant facts occurred during the year:

**- Concession Contract for the exclusive operation of games of chance in the Estoril gaming area**

In August 2022, the announcement 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.

The concession contract for the Estoril gaming area, including Casino Estoril Casino and Casino Lisboa, signed with the Portuguese State foresees the following financial disbursements in each year of the contract's validity. (updated for the year in which each of these installments/disbursements are paid using the evolution of the consumer price index on the continent, excluding housing):

- Fixed Annual Contribution in the amount of 15.166.667 Euros for a global amount of 227.500.005 Euros, discounted at 2022 prices;
- Variable Annual Contribution in the amount corresponding to 50% of gross gaming revenues, taking into account the applicable minimum contribution set contractually;

Additionally, the contract also provides for the payment, upon the start of operations at Casino Lisboa, of an additional financial contribution in the amount of 25.735.661 Euros;

On December 31st, 2023, the variable annual contribution depending on Estoril Concession minimum gross gaming revenues contractually foreseen for future years, at 2022 prices, subject to the evolution of the aforementioned price index, amounted to approximately 791 million of Euros. Variable annual contributions are recognized in results in the years to which they relate.

The materialization of the assumptions considered by the Board of Directors within the scope of the aforementioned tender and the impairment analysis carried out on the right of exploitation casino games resulting from the contract signed by Estoril Sol (III) - Turismo, Animação e Jogo, S.A., namely the growth in projected revenues from land-based casinos, will be decisive for the future success of the operations and for the recovery value of the assets and the considerations assumed within the scope of the aforementioned contract.

The equity of Estoril Sol (III) cannot be less than 30% of total net assets, and must rise to 40%, from the sixth year after the conclusion of the concession contract, which occurred on December 31 2023.

Initially and as a result of the aforementioned public tender an injunction was filed by the other entity that presented itself for the tender within the Administrative Court of Lisboa, invoking the pre-contractual regime which resulted in the immediate suspension of the subsequent terms of the public tender. This action was judged im-prudent. In this regard, there is still a legal action pending in the Administrative Court of Lisbon brought by the other contender in order to cancel the jury's decision to exclude their submitted proposal, claiming the following: the admission of the proposal submitted as there is no valid reason for exclusion and order it in first place with consequent award of the concession contract. This lawsuit does not have suspensive effects on the current concession contract in execution signed between the Portuguese State and Estoril

Sol (III) - Turismo, Animação e Jogo S.A. Additionally, an injunction was also filed within the Administrative Court of Lisboa, regarding the contract formation procedure requesting that the suspension of the execution of the Estoril concession contract to be decreed. The Board of Directors is convinced of its position, understanding that the arguments presented by the Group are solid and will guarantee the maintenance of the decision to attribute the concession of the Estoril Gaming Zone to Estoril Sol, with none of the events mentioned above preventing Estoril Sol from proceeding with its plans for the new concession.

**- Arbitration agreement relating to legal actions taking place in the Administrative and Tax Courts, in which gaming concessionaires brought proceedings against the Portuguese State in order to restore the economic and financial balance of gaming concessions:**

As part of an arbitration process between Varzim Sol - Turismo, Jogo e Animação, SA, its subsidiary company and the Portuguese State, with the aim of restoring the economic and financial balance of the concession contract for exclusive exploitation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, the arbitrators who make up the Arbitration Court installed at the Commercial Arbitration Center of the Lisbon Commercial Association unanimously handed down an arbitration decision, not final and appealable, which condemned the Portuguese State to pay Varzim Sol - Turismo, Jogo e Animação, SA of compensation, in order to mitigate the losses suffered in its operations resulting from the 2011 economic crisis, corresponding to the return of the value of the differences between the annual consideration and the minimum annual consideration paid in 2012 (€2.936.068), 2013 (€5.650.625) and 2014 (€5.595.594), updated at the date of the decision. The Portuguese State filed an appeal against the arbitration decision given by the Arbitration Court located at the Commercial Arbitration Center of the Lisbon Commercial Association. Although the Group is confident of the merits of its claim, when the subsequent terms of the process are reached.

## 2.2. Principles of consolidation

The consolidation methods adopted by the Group are the following:

### a) Controlled companies

Shareholdings in controlled companies, or rather, in which the Group holds, directly or indirectly more than 50% of the voting rights in a General Meeting of Shareholders or has the power to control their financial and operational policies (definition of control used by the Group), were included in these consolidated financial statements by the purchase method of consolidation. The equity and net result of these companies corresponding to the participation of third parties therein, is presented separately in the consolidated statement of the financial position and in the consolidated income statement, respectively, in the "Minority interests" caption, which on the date of these financial statements had no value.

Companies included in the consolidation are indicated in Note 4.

When losses attributable to shareholders without control exceed the respective interest in the equity of the controlled company, the Group absorbs this excess and any additional losses, except when those shareholders have an obligation or have manifested an intention to do so and are able to cover these losses. If the controlled company subsequently reports profits, the Group appropriates all the profits until the part of the losses absorbed by the Group relating to those shareholders has been recovered.

The assets, liabilities and contingent liabilities of controlled companies are measured by their respective fair value on the acquisition date. Any excess of the acquisition cost over the fair value of the net assets acquired is recognised as goodwill (Note 2.4). If the difference between the acquisition cost and the fair value of the net assets acquired is negative, this is recognised as a result of the period. The interests of share-

holders without control are presented by the respective proportion of the fair value of the assets and liabilities identified.

Whenever necessary, adjustments are made to the financial statements of sub-companies to adapt their accounting policies to those used by the Group. The transactions, balances and dividends distributed between Group companies are eliminated in the consolidation process.

Changes in the interests held by the Group in controlled entities

Changes in the interests held by the Group in controlled entities that do not result in the loss of control over them are accounted for as equity transactions. The book values of interests held by the Group and non-controlling interests are adjusted to reflect changes in their relative interests (percentage held in control) held in them. Any difference between the amount by which non-controlling interests are adjusted and the fair value received or paid is recognized directly in retained earnings and attributed to the Group's holders.

When the Group loses control of an entity, a gain or loss is recognized in profit or loss, calculated as the difference between (i) the sum of the fair value received and the fair value of any interest retained in the entity and (ii) the net book value of the assets (including goodwill) and liabilities of that entity and any non-controlling interests. All amounts previously recognized in the statement of comprehensive income in relation to that entity are accounted for as if the Group had written off the corresponding assets or liabilities of the subsidiary (i.e., by reclassifying them to profit or loss).

The fair value of any interest retained in the former subsidiary on the date that control is lost corresponds to its fair value for the purposes of IFRS 9, which corresponds to the cost upon initial recognition of an investment in an associate not controlled by the Group.

b) Associate companies

An associate company is an entity in which the Group exercises significant influence, but does not have control or joint control, through participation in the decisions relating to its financial and operational policies.

Financial investments in associate companies (Note 4) are recorded using the equity pick-up method, except when they are classified as held for sale, with the participations being initially stated at acquisition cost, to which the difference between this cost and the value proportional to the participation in the equity of these companies, reported on the acquisition date or on the first application of this method, is added or subtracted.

In accordance with the equity pick-up method, shareholdings are adjusted periodically by the value corresponding to the participation in the net results of the associate companies, by other variations in their equity, as well as by the recognition of impairment losses, against financial gains or losses.

Furthermore, dividends received from these companies are stated as a reduction in the value of the financial investments.

The Group suspends the application of the equity pick-up method when the investment in the associate company is reduced to zero and a liability is only recognised if there are legal or constructive obligations before associate companies or their creditors. If the associate company subsequently produces profits, the equity pick-up method is resumed after its part in the profits is equal to the part of the unrecognised losses.

Each year an assessment is made of the investments in associate companies and, when there are indications that the asset could be impaired, the impairment losses that are demonstrated to exist are stated as a cost. When impairment losses recognised in previous periods cease to exist they are reversed up to the limit of the impairment recorded.

Whenever necessary, adjustments are made to the financial statements of associate companies to adapt their accounting policies to those used by the Group.

### 2.3. Tangible fixed assets

Tangible fixed assets are initially recorded at acquisition cost, which includes the cost of purchase, any costs directly attributable to the activities necessary to place the assets in the location and condition necessary for them to operate as intended. Arising from the exception allowed for in IFRS 1, revaluations made to tangible assets, in years prior to 01 January 2004, were maintained, with this reassessed value being designated at cost value for the purposes of the IFRS.

Other tangible fixed assets are stated at acquisition cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated, after the time when the asset is ready to be used, in accordance with the straight line method with duodecimal imputation, in conformity with the estimated useful life for each group of assets.

The useful lives and method of depreciation of the various assets are revised annually. The effect of any change in these estimates is recognised prospectively in the income statement.

Tangible fixed assets allocated to the gaming concessions are revertible to the State at the end of the respective concessions (“reversible tangible fixed assets”), being depreciated in accordance with the straight line method according to their useful lives, always paying attention to the number of years remaining until the end of the respective concessions, as follows:

<u>Concession</u>	<u>End of the concession</u>
Estoril and Lisbon Casino	2037
Póvoa Casino	2025

Decree-Law No. 103/2021 of 24 November 2021 and Order No. 80/2021 of 13 December provide for the possibility to extend the concession contracts for the Estoril and Póvoa gaming areas. As a result of the two publications, amendments were formalized in March 2022 to the concession contracts for both gaming zones, thus extending the concession contract for the Estoril gaming area until December 31st, 2022 and the concession contract for Póvoa gaming area until December 31st, 2025.

Additionally, on January 30, 2023, the Portuguese State and Estoril Sol (III) - Turismo, Animação e Jogo, S.A. signed an exclusive concession contract to operate casino games in the gaming area of Estoril. The concession of Estoril gaming area 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 of the concession exploration, that is, December 31st, 2037.

The useful life defined for the non-current assets allocated to the concession contract for the Póvoa gaming area was, following the above, revised, having been extended until December 31, 2025, corresponding to the new end date of the concession contract .



Other tangible fixed assets (“Tangible fixed assets non-revertible to the State”) are depreciated using the straight line method with duodecimal imputation during the following estimated useful lives:

Homogenous class	Years
Buildings and other constructions	20 - 50
Basic equipment	3 - 10
Vehicles	3 - 4
Office equipment	3 - 10
Other tangible fixed assets	3 - 10

Current maintenance and repair costs are recorded as a cost when incurred. Improvements are recorded as assets only in those cases concerning increased future economic benefits and which correspond to the replacement of goods, which are written down.

The gain (or loss) resulting from the sale or write-off of a tangible fixed asset is determined as the difference between the amount received in the transaction and the net book value of the asset and is recognised in results in the year in which the write-off or sale takes place.

#### 2.4. Leases

The Group applied IFRS 16 using the simplified method (Note 3) and, consequently, the comparative information has not been restated and is presented in accordance with IAS 17. Details of the accounting policies under IAS 17 and IFRS 16 are separately presented below.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured (as well as the corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired, when necessary. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group uses this practical expedient.

## 2.5. Intangible assets

Intangible assets essentially correspond to the premiums paid for the operating rights in the gaming areas of Estoril and Póvoa during the period that was negotiated with the Portuguese Government. The Estoril gaming area includes Estoril Casino and Lisbon Casino, with operations at the latter having begun on 19 April 2006. These premiums are stated at acquisition cost less amortization and any accumulated impairment losses. Intangible assets are acknowledged only when it is likely that the Group will derive future economic benefits from them, and that they are both controllable and reliably measured.

Amortization is calculated using the straight line method, from the moment that the assets are available for use, according to the estimated useful life, with the end of the respective concessions being considered as follows:

<u>Concession</u>	<u>End date of the concession</u>
Estoril and Lisbon Casinos	2037
Póvoa Casino	2025
Casino Online / Sports Betting	2025/2026 (renewal for periods of three years)

Decree-Law No. 103/2021 of 24 November 2021 and Order No. 80/2021 of 13 December provide for the possibility to extend the concession contracts for the gaming areas of Estoril and Póvoa. As a result of the two publications, amendments were formalized in March 2022 to the concession contracts for both gaming zones, thus extending the concession contract for Estoril until December 31st, 2022 and Póvoa until December 31st, 2025.

Additionally, on January 30, 2023, the Portuguese State and Estoril Sol (III) - Turismo, Animação e Jogo, S.A. signed an exclusive concession contract to operate casino games in the gaming area of Estoril. The concession of Estoril gaming area 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 of the concession exploration, that is, December 31st, 2037.

## 2.6. Impairment of assets

Whenever there is any indicator that the Company's tangible fixed assets, intangible assets and investment properties could be impaired, an estimate is made of its recoverable value in order to determine the extent of the impairment loss (according to the case). When the recoverable value of an individual asset cannot be determine, the recoverable value of the cash generating unit to which this asset belongs is estimated.

The recoverable value of the asset or of the cash generating unit is the higher between (i) the fair value less sale costs and (ii) the usage value. In the determination of the usage value, the estimated future cash flows are discounted using a discount rate that reflects the expectations of the market concerning the temporal value of the money and regarding the specific risks of the asset or of the cash generating unit in relation to which the estimates of future cash flows have not been adjusted.

Whenever the net book value of the asset or of the cash generating unit is higher than its recoverable value, an impairment loss is recognised. An impairment loss is immediately entered in the income statement, except if this loss compensates a surplus revaluation recorded in equity. In this latter case, this loss will be treated as a decrease in that revaluation.

The reversal of impairment losses recognised in previous years is recorded when there is evidence that the impairment losses recognised previously no longer exist or have reduced. The reversal of impairment losses is recognised in the income statement in the respective caption of “Reversals of impairment losses”. Impairment losses are reversed up to the limit of the amount that would be recognised (net of amortization) if the loss had not been recorded.

## 2.7. Tax deductions by investment

Under the Gaming Concession Contracts, the Group has the right to annually deduct the following expenses from the gaming tax:

1. Losses from the operation of the Tamariz Bathing Complex, on the basis set forth by line c) of article 6 of Regulatory Decree 56/84;
2. Expenses pertaining to compliance with the obligations set forth under section 1 of article 5 of Decree Law no. 275/01, of 17 October;
3. Expenses with the purchase, renewal and replacement of gaming equipment, up to 50% of its value, pursuant to paragraph d) of article 6 of Regulatory Decree 56/84;
4. Expenses with projects for the execution of works for the modernizing and expanding of gaming equipment, for up to 50% of its value, pursuant to paragraph d) of article 6 of Regulatory Decree 56/84;
5. Expenses with the automation of the system used for issuing access cards leading to Game Rooms and for controlling revenues and internal television and surveillance circuits, the value of which amounts to 100% of such expenses, pursuant to paragraph e) of article 6 of Regulatory Decree 56/84.

The tax deductions corresponding to the losses referred in 1) and the charges mentioned in 2) are fully recorded in the income statement for the year to which they relate, the remaining amounts being recorded as a deduction from tangible fixed assets and recognized in the income statement over the useful life of the assets correspondents. The tax deductions corresponding to the charges mentioned in 3) are not applicable to the new concession contract for the Estoril permanent gaming area.

### Game Taxes

The Special Gaming Tax is applied on gross game revenues from activities carried out by Estoril Sol (III) – Turismo, Animação e Jogo, S.A., which currently operates Casino Estoril and Casino Lisboa, and by Varzim Sol – Turismo, Jogo and Animação, S.A. (“Varzim Sol”), which operates the Casino da Póvoa.

In accordance with clause 7 contained in the Notice from the Ministry of Economy, represented there by the SRIJ - Gaming Regulation and Inspection Services, dated December 14, 2001, published in the III Series of the Official Gazette “Diário da República” nº27 of February 1, 2002, the concessionaire is obliged to pay a special tax for the exercise of the gaming activity, with no other general or local taxation being required in relation to the exercise of that activity or any others to which it is obligated in this contract, the respective settlement and collection being processed in accordance with articles 84. and following of Decree-Law No. 422/89 (Note 28), taking into account the framework established in Decree-Law No. 103/2021 of November 24, in the amendments signed to the concession contracts and in the new concession contract for the permanent gaming area of the Estoril (Casino do Estoril and Casino de Lisboa) which will be in force until December 31st, 2037.

In this sense, the activities carried out by these companies are not subject to taxation under Corporate Income Tax (IRC).

2.8. Investment properties

Investment properties essentially consist of buildings held to obtain rents or for appreciation of the capital (or both), and are not intended for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of the business.

Investment properties are initially measured at cost (which includes transaction costs). Subsequently, investment properties are measured in accordance with the cost model.

Costs incurred related with investment properties in use, namely, maintenance, repairs, insurance and taxation on properties are recognised as a cost in the period that they relate to. Improvements in investment properties in relation to which there are expectations that they will generate additional future economic benefits are capitalised in the "Investment properties" caption.

Investment properties are depreciated in accordance with the straight line method with duodecimal imputation during the following estimated useful lives:

Homogenous class	Years
Buildings and other constructions	8 to 50

2.9. Inventories

Inventories are recorded at cost or net realizable value, whichever is lower. The net realizable value represents the estimated sale price less all the costs estimated and necessary to conclude the inventories and to make the sale.

The costing method of inventories adopted by the Company is the average cost.

2.10. Accrual accounting

Expenses and income are recognised in the year they relate to, in accordance with the principle of accrual accounting, irrespective of when the transactions are invoiced. Expenses and income for which the real value is not known are estimated.

Expenses and income imputable to the current year where the expense and income on which will only take place in future periods, together with the expenses and income that have already occurred, but which relate to future periods and which will be imputed to the results of each of these periods, for the value corresponding to them, are stated in the deferrals captions.

Financial interest and income are recognised in accordance with the principle of accrual accounting and in accordance with the effective interest rate applicable.

## 2.11. Income tax

Income tax corresponds to the sum of current taxation and deferred taxation. Current tax and deferred tax are recorded in the Income Statement except when the deferred tax is related with items entered directly in equity. In these cases the deferred tax is also stated in equity.

Current tax on income is calculated based on the taxable profit of the year of the various entities included in the consolidation perimeter. The taxable profit differs from the accounting result as it excludes diverse expenses and income that will only be deductible or taxable in subsequent years, as well as expenses and income that will never be deductible or taxable in accordance with the tax rules in force.

Deferred tax relates to the temporary differences between the amounts of the assets and liabilities for accounts reporting purposes and the respective amounts for the purposes of taxation, as well as the results of tax benefits obtained and of temporary differences between the fiscal and accounting results.

Deferred tax liabilities are generally recognised for all temporary taxable differences.

Deferred tax assets are recognised for temporary deductible differences, although this recognition only occurs when there are reasonable expectations of future tax profits that are sufficient for these deferred tax assets to be used. These deferred tax assets are revised on each reporting date, these being adjusted according to expectations regarding their future use.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be in force on the date of the reversal of the corresponding temporary differences, based on the tax rates (and fiscal legislation) that are formally issued on the reporting date.

Compensation between assets and deferred tax liabilities is only permitted when: (i) the Company has a legal right to compensate between these assets and liabilities for the purposes of liquidation; (ii) these assets and liabilities are related with income taxation raised by the same tax authority (i) and (iii) the Company intends to perform this compensation for the purposes of liquidation.

The Group estimates income tax in accordance with the Special Regime for the Taxation of Groups of Companies ("RETGS"), in accordance with article 69º of the CIRC. It includes all companies in which the dominating company has a direct or indirect participation of at least 75%, being these companies resident in Portugal and subject to general corporation income tax regime (Imposto sobre o Rendimento das Pessoas Coletivas – "IRC"). In this context, the subsidiaries whose main activity is gaming exploration, namely Estoril-Sol (III) – Turismo, Animação e Jogo, S.A. ("Estoril-Sol (III)"), Varzim Sol – Turismo, Animação e Jogo, S.A. ("Varzim Sol"), Estoril-Sol Digital and Online Gaming Products and Services, S.A. ("Estoril-Sol Digital"), are excluded from RETGS. The activity of the first two companies as concessionaries and licensed, in accordance with clause 7 of the notice from Ministry of Economy, represented by the Gaming Regulation and Inspection Service, dated December 14, 2001, published in the III Series of the Diário da República no. 27 of February 1, 2002, are obliged to payment of a special gaming tax for the exercise of gaming activity, other general or local taxation relating to the exercise of that activity or any other taxation under this agreement, and the respective settlement and recovery under the terms of articles 84º and following of Decree-Law no. 422/89. According to this regime, the Group's taxable profit for each of the tax periods is calculated by the parent company (Estoril-Sol, S.G.P.S., S.A.), by means of the algebraic sum of taxable profits and tax losses recorded in the individual periodic declarations of each of the companies belonging to the group. Regarding Estoril-Sol Digital, the company is obligated to pay a special online gambling tax under the terms of Article 88º of Decree-Law no. 66/2015. Additionally, the subsidiary Estoril Sol Capital Digital, S.A., incorporated during the year ended December 31, 2020, is excluded from the RETGS.

In accordance with this regime, the Group's taxable profit for each tax period is calculated by the dominant company (Estoril-Sol, SGPS, SA), using the algebraic sum of taxable profits and tax losses determined in the individual periodic tax returns. each of the companies belonging to the Group

The following companies are part of this system:

- Estoril Sol, SGPS, S.A;
- DTH – Desenvolvimento Turístico e Hoteleiro, S.A.;
- Estoril Sol Imobiliária, S.A.;
- Estoril Sol V – Investimentos Imobiliários, S.A.;
- Estoril Sol e Mar – Investimentos Imobiliários, S.A.;
- Estoril Sol Investimentos Hoteleiros, S.A.
- Estoril Sol Internacional, S.A.

## 2.12. Financial instruments

Financial instruments (financial assets and financial liabilities) are recognized when the Group becomes a contractual party of the respective instrument that gives the Group the right or obligation to receive or pay a certain amount to a third party.

### Customers and other accounts receivable

Clients and other accounts receivable and other current assets are recognized at amortized cost, using the effective interest rate, or at its nominal value, which is understood to correspond to the amortized cost, to the extent that it is expected to be received in the short term and that it does not differ significantly from its fair value at the date of the arrangement, less any impairment losses. impairment losses for these assets are recognized based on the respective expected credit losses. The amount of the expected loss is updated at each reporting data to reflect changes in the credit risk since the initial recognition of the respective financial instrument. The impairment loss is recognized in the statement of profit and loss of the period, in which such situation occurs.

The Group recognizes expected lifetime impairment when there is a significant increase in its credit risk after initial recognition. However, and namely, regarding Accounts receivable from related parties, if there is no increase in the credit risk of the respective financial instrument, the Group measures the impairment loss of that instrument for an amount equivalent to the expected losses in the twelve-month period (“12 months expected credit losses”).

The expected lifetime losses represent the impairment losses that result from all possible default events in the expected life of the financial instrument. In contrast, expected 12-month losses represent the portion of lifetime losses that are expected to result from default events in the financial instrument that are considered likely to occur twelve months after the financial reporting date.

### Measurement and recognition of expected credit losses

The measurement of expected impairment losses reflects the estimated probability of default, the probability of loss due to that default (i.e. the magnitude of the loss if a default occurs) and the Group's actual exposure to that default.

The valuation of the probability of default and loss due to this default is based on existing historical information, adjusted for future forward information as described above.

As for the exposure to the default, for financial assets, it is represented by the gross book value of the assets at each reporting date. For financial assets, the expected impairment loss is estimated as the difference between all contractual cash flows due to the Group as agreed between the parties and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Note 30 presents in detail the definitions and policies followed by the Group in determining a significant increase in credit risk, a default event, recognition of impairment losses and write-off policy (derecognition).

#### Cash and cash equivalents

The amounts included in the caption of cash and cash equivalents correspond to the amounts in cash, bank deposits and other cash applications that can be immediately mobilized with insignificant risk of loss of value.

#### Other accounts payable

Accounts payable are recognized initially at fair value, being subsequently recognized at amortized cost, discounted by any interest calculated and recognized in accordance with the effective interest rate method.

#### Financing obtained

Loans are recognised initially for the value received, net of issuing expenses. In subsequent periods, loans are carried at amortised cost; any difference between the amounts received (net of issuing costs) and the value payable is recognised in the statement of comprehensive income during the period of the loans using the effective interest rate method.

Loans which fall due in less than twelve months are classified as current liabilities, unless the Group has the unconditional right to defer the settlement of the liabilities for more than twelve months after the date of the statement of the financial position.

### 2.13. Provisions, post-employment benefits, contingent liabilities and contingent assets

#### Provisions

Provisions are only recognised when the Company has a present obligation (legal or implied) resulting from a past event, for the resolution of which it will likely become necessary to spend internal resources, the amount of which may be reasonably estimated.

The amount of provisions recognised consists of the present value of the best estimate on the reporting date of the resources necessary to settle the obligation. This estimate is determined taking the risks and uncertainties associated to the obligation into consideration.

Provisions for restructuring costs are only recognized when there is a formal and detailed plan, identifying the main characteristics of the plan and after having communicated these facts to the entities involved.

Provisions are revised on the reporting date and are adjusted in order to reflect the best estimate on that date.



Post-employment benefits

I - Defined benefit plans

With regard to the defined benefit plans, the corresponding cost is determined using the projected unit credit method, with the respective liabilities being determined based on actuarial studies carried out on each reporting date by independent actuaries.

The cost of the past services is recognised in results on a linear basis during the period until the corresponding benefits are acquired. They are recognised immediately in as the benefits are fully acquired.

The liability associated to the benefits guaranteed recognized in the balance sheet represents the present value of the corresponding obligation, adjusted by actuarial gains and losses.

The effects resulting from the change in assumptions are considered actuarial gains or losses and are recognized directly in reserves (other comprehensive income).

Contingent liabilities

Contingent liabilities are not recognized in the financial statements, being disclosed whenever the possibility of there being an outflow of resources including economic benefits is not remote, nor probable.

Contingent assets

Contingent assets are not recognised in the financial statements, being disclosed when the existence of a future economic influx of resources is probable.

2.14. Revenue

Revenues are recognized in the income statement when the transfer of control of the good or service provided to the buyer occurs and the amount of the income is reasonably quantified.

The recognized revenue refers essentially to the gaming activity in the Estoril and Póvoa de Varzim Gaming Concessions and to the online activity of Online casino gaming and sports betting. Revenues from slot machines and table gaming resulting from a significant volume of transactions, as well as those resulting from online games, are determined daily under the supervision of Turismo de Portugal through the Gaming Regulation and Inspection Service and are derived from the difference between the amount of bets placed and the prizes awarded and paid, as well as from accumulated prizes. In addition, the Group recognizes the revenue from sales resulting from F&B and entertainment activities.

The Group recognizes revenues from different businesses:

Provision of services associated with the operation of games of chance: With regard to services associated with the operation of games of chance, the Group believes that the obligation to deliver the service, depending on its nature, occurs at the moment where the respective service is provided. It is considered that the timing of the recognition of the obligation of unique performance of each of those services occurs at a specific point in time, when the control of the services provided is transferred to the customer.

Sales associated with the food & beverage and entertainment activities: With regard to sales associated with the F&B and entertainment activities, the Group believes that the performance obligation is fulfilled at the moment when it transfers control of the goods or services, that is, at the time in which it proceeds to its delivery or realization, with no other significant performance obligations to be fulfilled as of that moment. In this way, the recognition of the respective revenue occurs in a moment of time, with the fulfilment of the respective performance obligations.

2.15. Financial charges with financing obtained

The financing expense related to the acquisition, construction or production of qualifying assets that require a substantial period of time to be available for use are capitalized up to the date of transfer from assets under construction to assets subject to depreciation. Other financing expenses are recognized in the income statement when incurred.

2.16. Classification of the statement of the financial position

Assets realizable and liabilities payable, for which the Group does not have the unconditional right to defer payment for more than twelve months as from the date of the statement of financial position, that are expected to be realized in the normal course of operations, or are held with the intention of being traded, are classified as current assets and liabilities. All other assets and liabilities are classified as non-current

2.17 Cash flow statement

The statement of cash flows is prepared in accordance with IAS 7 – Statements of cash flows, using the direct method. The Company classifies assets with a maturity of less than three months under the caption cash and cash equivalents, and for which the risk of change in value is insignificant. For purposes of the statement of cash flows, the caption cash and cash equivalents also includes bank overdrafts included in the balance sheet under the caption obtained financing.

Cash flows are classified, in the statement of cash flows, depending on their nature, into (1) operating activities, (2) investing activities and (3) financing activities.

Operating activities essentially comprise receipts from customers and payments to suppliers and personnel. They also include payments of net indirect taxes, gaming taxes and income tax.

The cash flows involved in investing activities include, namely, acquisitions and disposals of financial investments, dividends received from associated companies and receipts and payments arising from the purchase and sale of intangible and tangible assets.

Cash flows related to financing activities include, inter alia, payments and receipts relating to loans obtained, lease agreements, payments related to interest and related expenses and payment of dividends.

#### 2.18 Net result per share

Basic earnings per share is calculated by dividing the earnings attributable to common equity holders of the parent company by the weighted average number of common shares outstanding during the period.

Diluted earnings per share equal basic earnings, as there are no interests in convertible preferred shares or stock options.

#### 2.19 Equity

The Group seeks to maintain an adequate level of Equity that allows it not only to ensure the continuity and development of its activity, but also to provide adequate remuneration for its shareholders and the optimization of the cost of capital.

##### Subscribed capital

In compliance with the provisions of article 272 of the Commercial Companies Code (CSC), the company's contract indicates the period for paying up the capital subscribed and not paid up on the date of the deed.

##### Own shares

In compliance with the provisions of article 324 of the CSC, while the shares belong to the company, they must:

a) Suspension of all rights inherent to shares, except for the holder's right to receive new shares in case of capital increase by incorporation of reserves;

b) A reserve for an amount equal to that for which they are accounted for becomes unavailable.

##### Legal reserve

According to article 295 of the CSC, at least 5% of the result determined in the Company's separate financial statements must be allocated to the constitution or reinforcement of the legal reserve until it represents at least 20% of the share capital. The legal reserve is not distributable except in the event of liquidation and can only be used to absorb losses, after all other reserves have been exhausted, or for incorporation into the share capital (article 296 of the CSC).

##### Retained earnings

This item reflects the appropriation of results, from previous years, realized and not distributed.

#### 2.20 Subsequent events

Events which occur after the close date of the year and which provide additional information regarding conditions that existed on the close date of the year are reflected in the consolidated financial statements.

Events which occur after the close date of the year and which provide additional information regarding conditions that occur after the close date of the year are disclosed in the Notes to the consolidated financial statements, if material.

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

Except for the impact of the adoption of the new standards and interpretations or their amendments that came into effect for the years beginning on January 1, 2022, during the year 2022 there were no changes in accounting policies, compared to those considered in the preparation of the consolidated financial information relating to the financial year 2019, in accordance with the provisions of IFRS, nor have material errors relating to prior periods been recognized

Relevant estimates in the preparation of the financial statements

In the preparation of the financial statements, the Board of Directors was based on the knowledge and experience of past and/or current events and assumptions regarding future events to determine the accounting estimates.

The most significant accounting estimates, reflected in the financial statement for the year ended December 31, 2023 include:

- Analyzes of impairment of non-current assets;
- Registration of provisions;
- Impairment analysis of inventories (real estate portfolio).

In the year ending December 31, 2023, the Board of Directors, as a result of its level of revenue and results recorded in 2023 in the Estoril Game Concession, as well as the expected effect of the financial commitments payable to the State until the end of the concession of that gaming area carried out an impairment analysis of the respective non-current assets. The aforementioned analysis did not result in the recording of any impairment in non-current assets, allocated to the concession of the Estoril gaming area.

The Board of Directors periodically evaluates possible liabilities arising from past events, the likelihood of which implies recognition of a provision and/or disclosure in the consolidated financial statements (Notes 27 and 29).

These estimates were determined based on the best information available at the date of preparation of the financial statements. However, given the number of qualitative factors involved, events may occur in subsequent periods that, due to their timing, were not considered in these estimates. Significant changes to these estimates that occur after the date of the financial statements are recorded in profit or loss prospectively in accordance with IAS 8.

Amendments to IFRS of mandatory application in 2023

Up to the date for approving these financial statements, the European Union endorsed the following accounting standards, interpretations, amendments, and revisions, mandatorily applied to the financial year beginning on 1 January 2023:

Standard / Interpretation	Applicable in the European Union in the financial years begun on or after	
IFRS 17 - Insurance Contracts	1-Jan-23	IFRS 17 replaces IFRS 4 and applies to all insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as some guarantees and some financial instruments with discretionary participation characteristics. In general terms, IFRS 17 provides a more useful and consistent accounting model for insurance
Amendments to IFRS 17 - Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information	1-Jan-23	This amendment to IFRS 17 relates to the presentation of comparative information for financial assets in the initial application of IFRS 17. The amendment adds a transition option that allows an entity to apply an 'overlay' to the classification of a financial asset in the comparative period(s) presented in initially applying IFRS 17. The overlay allows all financial assets including those held in relation to
Amendments to IAS 1 - Disclosure of Accounting Policies	1-Jan-23	These amendments aim to assist the entity in disclosing 'material' accounting policies, previously referred to as 'significant' policies. However, due to the absence of this concept in IFRS, it was decided to replace it by the concept "materiality", a concept already known to users of financial statements
Amendments to IAS 8 - Defining Accounting Estimates	1-Jan-23	The amendment clarifies the distinction between change in accounting estimate, change in accounting policy and correction of errors. In addition, it clarifies
Amendments to IAS 12 - Deferred Taxes related to Assets and Liabilities arising from a Single Transaction	1-Jan-23	IAS 12 now requires an entity to recognize deferred tax when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. However, it is a matter of professional judgment whether such deductions are attributable to the liability that is recognized in the financial statements or to the related asset. This is particularly important when determining the existence of temporary differences on initial recognition of the asset or liability, as the initial recognition exception does not apply to transactions

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules	Immediately and 1-Jan-23 <sup>1</sup>	These changes come as part of the implementation of the OECD's Global Anti-Base Erosion ("Globe") rules, which may have significant impacts on the calculation of deferred taxes that are difficult to estimate at the time these amendments were issued. These amendments introduce a temporary exception to the accounting of deferred taxes arising from the
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There were no significant effects on the Group's financial statements for the year ended 31 December 2023, from the adoption of the above standards, interpretations, amendments and revisions.

### New IFRS or revised IFRS adopted with mandatory application in future years

The following standards, interpretations, amendments and revisions, with mandatory application in the coming years, were, as of the date of approval of these financial statements, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years initiated in or after	
Amendments to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current	1-Jan-24	This amendment aims to clarify the classification of liabilities as current or non-current balances according to the rights an entity has to defer its payment at the end of each reporting period. The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists but should not consider whether the entity will or will not exercise that right), or by events occurring after the reporting date, such as the breach of a covenant. However, if the right to defer settlement for at least
Amendments to IFRS 16 - Lease Liabilities in Sale and Leaseback Transactions	1-Jan-24	This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as a "sale" according to the principles of IFRS 15,.

These standards, although endorsed by the European Union, were not adopted by the Group in 2023, since their application is not mandatory. It is not expected that the future adoption of the referred amendments to have significant impacts on the consolidated financial statements.

Other standards

The following accounting standards and interpretations have been issued by the IASB and are not yet endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial	
	1-Jan-24	
Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier financing arrangements		These amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.
	1-Jan-25	
Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability		This amendment aims to clarify how to assess the exchangeability of a currency, and how the exchange rate should be determined when it is not exchangeable for a long period. If a currency cannot be exchanged for another currency, an entity must estimate the exchange rate at the measurement date of the transaction

These standards have not yet been endorsed by the European Union and as such were not applied by the Group in the year ended 31 December 2022.

For these standards and interpretations, issued by the IASB but not yet endorsed by the European Union, the Board of Directors does not consider that significant impacts on the consolidated financial statements will arise for their future adoption.

4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

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 31<sup>st</sup> December 2023 and 2022 are the following:

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

- (a) Estoril-Sol Digital's activity started with the granting of the license to exploit online casino games in July 2016. Within the scope of the online operation, which is carried out through that subsidiary, Estoril-Sol (III), a company owned by the issuer, signed in July 2016 with the company, Vision Gaming Holding Limited ("Vision Gaming"), based in Malta, an association agreement, through which on December 31, 2023 and 2022, the Estoril Sol Group and Vision Gaming both hold a share corresponding to 50% of the share capital of that entity, which attributes to Vision Gaming mere protective rights. The Estoril Sol Group, which is entitled to variable returns from its involvement in the aforementioned activity and is exposed to risks resulting from the same, such as reputational risk, among others, assured, within the scope of the aforementioned agreement, the right to appoint the Chairman of the Board of Directors of said entity, which allows it, through its casting vote, to hold and exercise effective control over the operations of Estoril Sol Digital.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. REPORTING BY SEGMENTS

The segments reportable by the Group are based on the identification of the segments according to the financial information that is internally reported to the Board of Directors and which serves as support for the same in the evaluation of business performance and in taking decisions regarding the allocation of resources to be used. The segments identified by the Group for segment reporting are thus consistent with the manner in which the Board of Directors analyses its business, corresponding to the concession of the operation “Estoril Game Concession” which includes the Estoril and Lisbon Casinos, “Póvoa de Varzim Game Concession”, which includes the Póvoa Casino, the license to explore online games by Estoril-Sol Digital, the “Licence for Online Gambling” and the “Other” segment, which essentially includes the effects of Estoril-Sol, S.G.P.S., S.A. and the other operating activities of the Group.

On 31<sup>st</sup> December 2023 and 2022, the information by business segment, is as follows:

	December - 2023						
	Estoril Game Zone		Sub-Total	Póvoa Casino	License for Online Gambling	Other	Total
	Estoril Casino	Lisboa Casino			Casino Online		
Operating revenue	33 061 696	35 736 730	68 798 426	26 278 020	36 419 563	-	131 496 009
Result of the segment	(9 772 874)	(843 798)	(10 616 672)	8 054 316	15 441 500	495 435	13 374 579
Net assets	123 715 573	169 454 032	293 169 606	15 520 715	18 930 260	16 999 413	344 619 993
Net liabilities	97 335 695	100 732 514	198 068 208	2 841 249	8 291 332	2 999 548	212 200 337
Investimento activos:							
- tangible fixed (Note 14)	1 348 441	971 127	2 319 568	506 584	129 746	-	2 955 898
- intangible (Note 16)	100 897 777	100 897 777	201 795 554	-	12 000	-	201 807 554
- Right-of-use Assets (Note 17)	109 181	109 181	218 362	48 958	14 992	-	282 312
- tax deductions on investments (Note 15)	270 223	215 772	485 995	238 079	-	-	724 074
Depreciation and amortization (Note 10)	(6 932 947)	(7 970 134)	(14 903 081)	(1 721 702)	(36 519)	-	(16 661 302)
Impairments (Note 20 and 21)	(1 488)	(1 488)	(2 975)	-	-	2 737 410	2 734 435
Provisions - increases (Note 27)	-	-	-	-	-	-	-
Provisions - reversals (Note 27)	-	-	-	1 246	-	-	1 246
Indemnities - included in "Personal costs" (Note 9)	1 273	150	1 423	970	-	652 497	654 890
Average number of employees (Note 9)	343	309	652	217	34	25	928

	December - 2022						
	Estoril Game Zone		Sub-Total	Póvoa Casino	License for Online Gambling	Other	Total
	Estoril Casino	Lisboa Casino			Casino Online		
Operating revenue	33 695 562	42 965 801	76 661 363	24 258 555	38 996 272	-	139 916 190
Result of the segment	708 207	15 918 471	16 626 678	7 727 711	20 039 293	(1 525 150)	42 868 532
Net assets	28 591 619	72 968 183	101 559 801	8 916 090	34 860 925	29 214 024	174 550 840
Net liabilities	11 428 117	13 063 430	24 491 547	4 286 213	8 663 497	2 570 592	40 011 849
Investimento activos:							
- tangible fixed (Note 14)	33 057	32 294	65 350	531 190	9 292	-	605 832
- intangible (Note 16)	-	-	-	-	14 000	-	14 000
- Right-of-use Assets (Note 17)	99 678	99 678	199 356	13 846	237 877	12 976	464 055
- tax deductions on investments (Note 15)	-	-	-	262 669	-	-	262 669
Depreciation and amortization (Note 10)	(104 394)	(1 159 877)	(1 264 271)	(1 868 946)	(169 777)	(11 118)	(3 314 112)
Impairments (Note 16 and 21)	(75 256)	(75 256)	(150 512)	-	-	-	(150 512)
Provisions - increases (Note 27)	(3 900 000)	(3 900 000)	(7 800 000)	-	-	-	(7 800 000)
Provisions - reversals (Note 27)	-	-	-	62 485	-	-	62 485
Indemnities - included in "Personal costs" (Note 9)	51 163	51 163	102 325	1 212	-	-	103 537
Average number of employees (Note 9)	344	303	647	219	34	25	925

Segment revenues arise from transactions with external customers. There are no transactions between segments. The accounting policies used in the preparation of the financial information presented by segment are consistent with those used in the preparation of the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATING INCOME BY NATURE

The consolidated operating income, in the years ended on 31<sup>st</sup> December 2023 and 2022, is split in the following manner:

Nature	December - 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	29 586 752	50 830 393	80 417 145	32 270 664	47 344 137	160 031 946
- Table based gaming and Poker	23 659 577	16 484 467	40 144 044	5 113 235	4 485 293	49 742 572
- Sports betting	-	-	-	-	13 071 175	13 071 175
- Bonuses and other fair value adjustments	(194 716)	(267 574)	(462 290)	(19 415)	(7 551 462)	(8 033 167)
	<u>53 051 613</u>	<u>67 047 286</u>	<u>120 098 899</u>	<u>37 364 484</u>	<u>57 349 143</u>	<u>214 812 526</u>
Gaming taxes:						
- Game Taxes	(27 014 389)	(34 086 305)	(61 100 694)	(11 626 168)	(20 957 794)	(93 684 656)
Other operating revenues:						
- F&B and Entertainment	4 981 684	618 855	5 600 539	534 496	-	6 135 035
- Tax deductions - Entertainment	1 527 960	1 905 580	3 433 540	-	-	3 433 540
- Supplementary income	277 702	45 234	322 936	4 053	-	326 989
- Other	237 127	206 079	443 206	1 155	28 214	472 575
	<u>7 024 472</u>	<u>2 775 749</u>	<u>9 800 221</u>	<u>539 704</u>	<u>28 214</u>	<u>10 368 139</u>
	<u>33 061 696</u>	<u>35 736 730</u>	<u>68 798 426</u>	<u>26 278 020</u>	<u>36 419 563</u>	<u>131 496 009</u>

Nature	December - 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	30 833 100	51 120 326	81 953 426	30 546 697	47 384 118	159 884 241
- Table based gaming and Poker	16 002 293	14 614 018	30 616 311	4 893 650	4 328 926	39 838 887
- Sports betting	-	-	-	-	17 235 882	17 235 882
- Bonuses and other fair value adjustments	(182 339)	(232 380)	(414 719)	(1 165)	(7 669 759)	(8 085 643)
	<u>46 653 054</u>	<u>65 501 964</u>	<u>112 155 018</u>	<u>35 439 182</u>	<u>61 279 167</u>	<u>208 873 367</u>
Gaming taxes:						
- Special Gaming Tax (current)	(17 570 323)	(23 171 726)	(40 742 049)	(11 657 562)	(22 303 874)	(74 703 485)
	<u>(17 570 323)</u>	<u>(23 171 726)</u>	<u>(40 742 049)</u>	<u>(11 657 562)</u>	<u>(22 303 874)</u>	<u>(74 703 485)</u>
Government Grants/Subsidies						
- IEFP - Extraordinary incentive to resume activity	925	925	1 850	284	-	2 134
	<u>925</u>	<u>925</u>	<u>1 850</u>	<u>284</u>	<u>-</u>	<u>2 134</u>
Other operating revenues:						
- F&B and Entertainment	4 274 024	556 998	4 831 022	467 015	-	5 298 037
- Supplementary income	162 516	49 338	211 854	7 309	-	219 163
- Other	175 366	28 301	203 667	2 327	20 979	226 973
	<u>4 611 906</u>	<u>634 638</u>	<u>5 246 544</u>	<u>476 651</u>	<u>20 979</u>	<u>5 744 174</u>
	<u>33 695 562</u>	<u>42 965 801</u>	<u>76 661 363</u>	<u>24 258 555</u>	<u>38 996 272</u>	<u>139 916 190</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. COST OF SALES

In the years ended on 31<sup>st</sup> December 2023 and 2022, this caption is broken down as follows:

	2023				Total
	Goods	Finished and intermediate products	Products and work in progress	Raw materials and consumables	
Opening balance	6 033 630	3 333 132	-	285 096	9 651 858
Purchases	-	-	26 086	2 045 636	2 071 722
Adjustments	-	(3 333 132)	3 333 132	(2 179)	(2 179)
Closing balance (Note 20)	6 033 630	-	3 359 218	302 153	9 695 001
Cost of goods sold and materials consumed	-	-	-	2 026 400	2 026 400

	2022				Total
	Goods	Finished and intermediate products	Products and work in progress	Raw materials and consumables	
Opening balance	6 033 630	3 333 132	-	276 010	9 642 772
Purchases	-	-	-	1 901 861	1 901 861
Adjustments	-	-	-	4 910	4 910
Closing balance (Note 20)	6 033 630	3 333 132	-	285 096	9 651 858
Cost of goods sold and materials consumed	-	-	-	1 897 685	1 897 685

8. EXTERNAL SUPPLIES AND SERVICES

In the years ended on 31<sup>st</sup> December 2023 and 2022, external supplies and services were as follows:

	Dec - 2023	Dec - 2022
Advertising	11 503 992	8 495 449
Fees	7 617 323	7 899 130
Gifts to customers	5 989 293	5 515 226
Subcontracts	5 347 470	3 615 055
Conservation and repairs	3 467 043	2 940 957
Specialized work	3 111 322	2 260 740
Cleaning and laundry	3 031 476	2 907 068
Energy and other fluids	2 981 038	4 879 522
Financial services (comissions)	2 916 738	2 969 869
Surveillance and security	2 054 450	1 856 986
Royalties	2 031 283	2 006 974
Rents	890 408	915 770
Communication	543 155	538 553
Insurance	483 110	398 570
Travel and hotels	266 515	185 645
Other	917 533	781 383
	<u>53 152 149</u>	<u>48 166 898</u>

As at 31 December 2023 and 2022, the item "Supplies and external services" includes expenses with related parties in the amount of 6.299.127 Euros and 6.607.083 Euros, respectively (Note 34).

9. PERSONNEL COSTS

In the years ended 31 December 2023 and 2022, the caption "Personnel costs" is detailed as follows:

	Dec- 2023	Dec - 2022
Remuneration of governing bodies	2 469 554	2 429 423
Remuneration of staff	25 272 238	23 527 926
Indemnities	654 890	103 537
Charges on remuneration	6 115 744	5 698 560
Insurance	229 416	218 166
Social charges	1 392 908	1 294 150
Post-employment benefits (Note 27)	41 000	13 000
Other	483 401	316 297
	<u>36 659 152</u>	<u>33 601 059</u>

During the years ended on 31 December 2023 and 2022, the average number of staff in the service of the Group was 926 and 925 employees, respectively.

10. DEPRECIATION AND AMORTIZATION

In the years ended on 31<sup>st</sup> December 2023 and 2022, the Group booked the following depreciations:

	2023	2022
Tangible fixed assets (Note 14)		
Reversible to the State	1 856 887	1 759 556
Non-reversible to the State	1 173 157	1 304 211
Tax deductions on investments (Note 15)	<u>(782 511)</u>	<u>(717 085)</u>
Net	2 247 533	2 346 682
Intangible assets (Note 16)	14 117 198	677 869
Right of use assets (Note 17)	291 020	284 010
Investment properties (Note 18)	5 551	5 551
	<u>16 661 302</u>	<u>3 314 112</u>

Additionally, the following amounts of expenses related to right-of-use assets were recognized in 2023 and 2022:

	2023	2022
Expenses related to short-term leases (Note 8)	890 408	915 770
Financial expenses with lease liabilities (Note 12)	77 373	72 133
	<u>967 781</u>	<u>987 903</u>

As of 31 December 2023, the Group is committed to short-term leases in the amount of approximately 228.000 Euros (176.000 Euros in 2022).

11. OTHER OPERATING EXPENSES

In the years ended 31 December 2023 and 2022, the caption "Other operating expenses" is detailed as follows:

	2023	2022
Offer of own goods and services	1 289 133	1 206 966
Quotas	113 511	142 056
Other taxation and rates	166 163	97 860
Sundries expenses	81 200	63 829
Donations	76 610	76 095
Losses in inventories	2 688	2 010
Other	265 211	348 469
	<u>1 994 516</u>	<u>1 937 285</u>

12. FINANCIAL EXPENSES AND FINANCIAL INCOME

The captions "Financial expenses and Financial income" for the years ended 31 December 2023 and 2022 are as follows:

Financial Costs	Dec - 2023	Dec - 2022
Amortized cost/effective interest on financial liabilities:		
Game Concession Contract (a)	(10 308 339)	-
Interest borne:		
Financing from banks (b)	(147 938)	(204 630)
Finance and operating leasing (c)	(77 373)	(72 133)
	<u>(10 533 649)</u>	<u>(276 763)</u>
Financial Income	Dec - 2023	Dec - 2022
Interests from bank deposits	185 569	53 410
Exchange gains	19 903	20 495
Other	50 449	39 074
	<u>255 920</u>	<u>112 979</u>
Net financial costs	<u>(10 277 729)</u>	<u>(163 784)</u>

(a) The Group has recognized in its financial position financial liabilities related to financial guarantees/disbursements assumed with the award of the new gaming area concession contract of Estoril which amount to 171.024.555 Euros in December 2023 (Note 28). The Group records financial liabilities, current and non-current, initially at fair value, and subsequently measured at amortized cost, minus any interest calculated and recognized in accordance with the effective interest rate method. The concession contract provides for the annual updating of the nominal value of financial liabilities based on the consumer price index, annual disbursements and a maturity 15 years (2037).

(b) During the years ended December 31, 2023 and 2022, the Group did not bear financial charges with qualifying assets that could be capitalized, so that said charges were recognized in the income statement when incurred.

(c) As of December 31, 2023 and 2022, the respective item includes financial expenses related to lease liabilities taking into account the application of IFRS 16 in 2019 (Note 10).

### 13. INCOME TAX OF THE YEAR

The Company is subject to corporation income tax at the rate of 21% plus a Municipal Surcharge of 1.5% of taxable income, resulting in a maximum aggregate tax rate of 22.5%. In addition, taxable income for the year ended 31 December 2023 in excess of 1.500.000 Euros is subject to a State Surcharge under the terms of article 87-A of the Corporation Income Tax Code at the following rates:

- 3% for taxable profit between 1.500.000 Euros and 7.500.000 Euros;
- 5% for taxable profit between 7.500.000 Euros and 35.000.000 Euros;
- 9% for taxable profit exceeding 35.000.000 Euros;

In addition, net finance costs for 2023 and following years are deductible for determining annual taxable income according with the greater of the following limits:

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

Net finance costs considered to be excessive in a given tax period may be deductible over the following five periods, after the net financing costs for that period, provided that they do not exceed the above mentioned limits.

On the other hand, when the financing expenses deducted are less than the 30% limit of profit before depreciation, net financing expenses and taxes, the unused part is added for the purposes of determining the maximum deductible amount, up to the following fifth taxation period.

Pursuant to article 88 of the CIRCE, the Company is also subject to autonomous taxation on a set of charges at the rates provided for in the mentioned article.

In accordance with legislation in force, the tax declarations are subject to revision and correction by the tax authorities during a period of four years (five years for the Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, complaints or objections are under way, in which cases, depending on the circumstances, deadlines for filing such statements are extended or suspended. In this way, the Company's tax declarations of the years from 2020 to 2023 could still be subject to revision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The cost of taxation on income on 31<sup>st</sup> December 2023 and 2022 is broken down as follows:

	2023	2022
Pre-Tax Profit	13 461 429	42 947 340
Write-off of the Result of Companies exempt from IRC and subject to the Special Gaming Tax	(12 879 140)	(44 614 137)
Pre-Tax Profit of the Companies (REGTS)	582 289	(1 666 797)
Impairment reversal (inventories)	(2 737 410)	-
Non-deductible costs		
Other non-deductible costs	41 000	39 186
	41 000	39 186
Other non-taxable income	(235)	(136 134)
	(235)	(136 134)
Result for tax purposes	(2 114 356)	(1 763 745)
Nominal tax rate	21%	21%
	(444 015)	(370 386)
Non-registered assets (a)	444 015	370 386
Autonomous taxation	86 850	78 808
Income tax of the year	86 850	78 808
Effective tax rate	0,6%	0,2%

(a) Deferred tax assets relating to reportable tax losses were not recognized, since the Group does not expect to report subsequent taxable profits that allow the recovery of those assets

In accordance with the legislation approved by the 2023 State Budget, losses available on the date of entry into force of the respective budget are available for deduction without a reporting period and limited to the deduction of 65% of taxable income. To date, tax losses were deducted for a period of 5 years and their deduction limited to 70% of taxable income.

As of December 31st, 2023 and 2022, the reportable tax losses were as follows:

Generated in	2023	2022
2015	1 191 504	1 191 504
2016	2 446 413	2 446 413
2017	746 153	746 153
2018	780 411	780 411
2019	1 185 524	1 185 524
2020	5 574 161	5 574 161
2021	474 054	474 054
2022	1 763 745	1 763 745
2023	2 114 356	-
	<u>16 276 321</u>	<u>14 161 965</u>

As of 2023, tax losses no longer have a reporting deadline.



14. TANGIBLE FIXED ASSETS

As a result of the concession contract for the operation of gambling in the Estoril and Póvoa gaming zones, part of the Group's tangible fixed assets are reversible to the Portuguese State, essentially the assets related to gambling equipment and related assets to the Casinos of the Estoril and Póvoa gaming concession.

Tangible fixed assets reversible to the State

During the years ended on 31<sup>st</sup> December 2021 and 2020, the movement in tangible assets, as well as in the respective depreciation and accumulated impairment losses, was as follows:

Year 2023 - Tangible fixed assets revertible to the State						
	Buildings and other constructions	Basic equipment	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:						
Opening balance	135 400 436	101 892 303	2 628 541	60 674	-	239 981 954
Acquisitions	-	1 898 769	3 184	-	33 567	1 935 520
Write-off	(147 490)	(11 277 128)	(51 089)	-	-	(11 475 707)
Closing balance	135 252 946	92 513 944	2 580 636	60 674	33 567	230 441 767
Depreciation and accumulated impairment losses:						
Opening balance	133 292 263	99 501 893	2 620 591	60 674	-	235 475 421
Depreciation of the year (Note 10)	803 531	1 046 840	6 516	-	-	1 856 887
Write-off	(135 199)	(11 251 170)	(50 830)	-	-	(11 437 199)
Closing balance	133 960 595	89 297 563	2 576 277	60 674	-	225 895 109
Net amount	1 292 351	3 216 381	4 360	-	33 567	4 546 659

In the years ended 2023 and 2022, the item "Buildings and other constructions" essentially includes works and improvements related to the buildings where the casinos operated by the Group operate.

In the years ended 2023 and 2022, the item "Basic Equipment" refers essentially to the gambling equipment used in casinos operated by the Group.

During the 2023 financial year and within the scope of the new Estoril gaming concession that includes the Casino do Estoril and Casino de Lisboa, several gaming equipment was write-off, specifically slot machines and other equipment supporting its operation, in very significant quantities. In January 2023 those casinos had 1856 slot machines installed, in December 2023 those casinos only had 1383 gaming slot machines in operation. It is expected that during the first half of 2024 the process of writing-off older gaming equipment will continue, being its replacement expected to occur from the second half of 2024 and onwards.

The acquisitions of equipment that occurred in 2023 in the amount of approximately 1,9 million essentially relate to investments related to the replacement of obsolete and/or damaged equipment beyond the possibility of repair in the case of Casino da Póvoa, with these acquisitions falling within the scope of the extension of the concession contract until December 2025, and the acquisition of equipment to support the operations of Casino do Estoril and Casino Lisboa, and whose installation must necessarily be prior and preparatory to the large investments to be made with the significant replacement of the gaming equipment that was transferred from the previous gaming concession, and which is expected to occur from the second half of 2024 and onwards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2022 - Tangible fixed assets revertible to the State

	Buildings and other constructions	Basic equipment	Office equipment	Other tangible fixed assets	Total
Gross amount:					
Opening balance	135 409 301	108 197 413	2 829 758	60 674	246 497 146
Acquisitions	16 943	494 873	2 344	-	514 160
Write-off	(25 808)	(6 799 983)	(203 561)	-	(7 029 352)
Closing balance	135 400 436	101 892 303	2 628 541	60 674	239 981 954
Depreciation and accumulated impairment losses:					
Opening balance	132 437 328	105 429 684	2 817 531	60 674	240 745 217
Depreciation of the year (Note 10)	880 743	872 192	6 621	-	1 759 556
Write-off	(25 808)	(6 799 983)	(203 561)	-	(7 029 352)
Closing balance	133 292 263	99 501 893	2 620 591	60 674	235 475 421
Net amount	2 108 173	2 390 410	7 950	-	4 506 534

Tangible fixed assets non-revertible to the State

During the years ended December 31, 2023 and 2022, movements in Tangible fixed assets not reversible as follows:

Year 2023 - Tangible fixed assets non-revertible to the State

	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance	16 513 836	61 578 288	10 025 555	20 744	1 496 039	21 618	57 010	89 713 090
Acquisitions	-	-	197 595	-	15 656	-	806 364	1 019 615
Write-off	-	-	(48 291)	-	-	-	-	(48 291)
Closing balance	16 513 836	61 578 288	10 174 859	20 744	1 511 695	21 618	863 374	90 684 414
Depreciation and accumulated impairment losses:								
Opening balance	-	32 132 303	8 647 564	20 744	1 476 360	20 685	-	42 297 656
Depreciation of the year (Note 10)	-	1 066 846	92 807	-	13 504	-	-	1 173 157
Write-off	-	-	(48 291)	-	-	-	-	(48 291)
Closing balance	-	33 199 149	8 692 080	20 744	1 489 864	20 685	-	43 422 522
Net amount	16 513 836	28 379 139	1 482 779	-	21 831	933	863 374	47 261 892

The caption “Land and natural resources” and “Buildings and other constructions” consist essentially of the building and land regarding to the Casino de Lisboa, which is not reversible to the State at the end of the concession.

Year 2022 - Tangible fixed assets non-revertible to the State

	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance	16 513 836	61 578 288	10 162 098	20 744	1 513 655	21 618	-	89 810 239
Acquisitions	-	-	32 462	-	2 200	-	57 010	91 672
Adjustments / Transfers	-	-	-	-	-	-	-	-
Write-off	-	-	(169 005)	-	(19 816)	-	-	(188 821)
Closing balance	16 513 836	61 578 288	10 025 555	20 744	1 496 039	21 618	57 010	89 713 090
Depreciation and accumulated impairment losses:								
Opening balance	-	31 065 333	8 650 371	20 744	1 425 136	20 685	-	41 182 269
Depreciation of the year (Note 10)	-	1 066 970	166 198	-	71 043	-	-	1 304 211
Write-off	-	-	(169 005)	-	(19 819)	-	-	(188 824)
Closing balance	-	32 132 303	8 647 564	20 744	1 476 360	20 685	-	42 297 656
Net amount	16 513 836	29 445 985	1 377 991	-	19 679	933	57 010	47 415 432

15. TAX DEDUCTIONS ON INVESTMENT

During the year ended on 31<sup>st</sup> December 2023 and 2022, the Company benefited from the following tax deductions on investments:

Tax deductions on investments	Dec - 2023			
	Opening Balance	Investment year	Income of the year (Note 10)	Closing Balance
Estoril Casino	-	270 223	( 16 886)	253 337
Lisboa Casino	-	215 772	( 12 973)	202 799
Póvoa de Varzim Casino	1 968 323	238 079	( 752 652)	1 453 750
	<u>1 968 323</u>	<u>724 074</u>	<u>( 782 511)</u>	<u>1 909 886</u>

Tax deductions on investments	Dec - 2022			
	Opening Balance	Investment year	Income of the year (Note 10)	Closing Balance
Estoril Casino	-	-	-	-
Lisboa Casino	-	-	-	-
Póvoa de Varzim Casino	2 422 739	262 669	( 717 085)	1 968 323
	<u>2 422 739</u>	<u>262 669</u>	<u>( 717 085)</u>	<u>1 968 323</u>

The attribution of tax deductions against the Special Gaming Tax payable is exclusively related to the acquisition of gaming equipment, being necessary to obtain the prior authorization of the Gaming Regulation and Inspection Service.

16. INTANGIBLE ASSETS

During the years ended on 31<sup>st</sup> December 2023 and 2022, the movement in intangible assets, as well as in the respective amortization and accumulated impairment losses, was as follows:

	Dec - 2023	Dec - 2022
	Gaming Concession Rights	Gaming Concession Rights
Gross amount		
Opening balance	260 636 564	260 644 564
Acquisitions	201 807 554	14 000
Disposals / Write-off (a)	(183 588 455)	(22 000)
Closing balance	<u>278 855 663</u>	<u>260 636 564</u>
Amortization and accumulated impairment losses:		
Opening balance	258 617 855	257 961 986
Disposals / Write-off (a)	(183 588 455)	(22 000)
Amortization of the year (Note 10)	14 117 198	677 869
Closing balance	<u>89 146 599</u>	<u>258 617 855</u>
Net assets	<u>189 709 064</u>	<u>2 018 709</u>

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

	December - 2023		
	Gross Assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
- Casino Estoril and Casino Lisboa	201 618 544	(13 441 236)	188 177 308
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(75 697 996)	1 336 113
	<u>278 652 653</u>	<u>(89 139 232)</u>	<u>189 513 421</u>
Intangible assets - Online gaming license (a)	14 000	(5 734)	8 266
Intangible assets - Online sports betting (a)	12 000	(1 633)	10 367
	<u>26 000</u>	<u>(7 367)</u>	<u>18 633</u>
Other intangible asstes	177 010	-	177 010
	<u>278 855 663</u>	<u>(89 146 599)</u>	<u>189 709 064</u>
	December - 2022		
	Gross Assets	Accumulated Amortization	Net Assets
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	(75 030 034)	2 004 075
	<u>260 610 564</u>	<u>(258 606 489)</u>	<u>2 004 075</u>
Intangible assets - Online gaming license (a)	14 000	(1 733)	12 267
Intangible assets - Online sports betting (a)	12 000	(9 633)	2 367
	<u>260 636 564</u>	<u>(258 617 855)</u>	<u>2 018 709</u>

(a) With reference to December 31<sup>st</sup>, 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 24<sup>th</sup>, 2025 after renewal for an additional period of 3 years, and renewable for periods of three years;
- online sports betting license (license n°8) issued by SRIJ (Portuguese Gaming Industry Regulator), valid until August 3<sup>rd</sup>, 2026 after renewal for an additional period of 3 years, and renewable for periods of three years.

During the year ended December 31, 2023, the Group renewed by the second time the license to operate online sports betting, for an additional period of 3 years, for the amount of 12.000 Euros, valid until August 03, 2026, if it is not extended under the terms and conditions set out in the RJO.

Estoril Gaming Concession (Casino Estoril and Casino Lisboa)

During the year 2021, Decree-Law No. 103/2021 of 24 November 2021 and Order No. 80/2021 of 13 December provide for the possibility to extend the concession contracts for the gaming areas of Estoril and Póvoa. As a result of the two publications, amendments were formalized on the 2<sup>nd</sup> March 2022 to the concession contracts for both gaming zones, thus extending the concession contract for Estoril until December 31<sup>st</sup>, 2022 and Póvoa until December 31<sup>st</sup>, 2025.

In August 2022, the announcement 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.

The concession contract for the Estoril gaming area, including Casino Estoril Casino and Casino Lisboa, signed with the Portuguese State foresees the following financial disbursements in each year of the contract's validity. (updated for the year in which each of these installments/disbursements are paid using the evolution of the consumer price index on the continent, excluding housing):

- Fixed Annual Contribution in the amount of 15.166.667 Euros for a global amount of 227.500.005 Euros, discounted at 2022 prices;
- Variable Annual Contribution in the amount corresponding to 50% of gross gaming revenues, taking into account the applicable minimum contribution set contractually;

Additionally, the contract also provides for the payment, upon the start of operations at Casino Lisboa, of an additional financial contribution in the amount of 25.735.661 Euros;

On December 31st, 2023, the variable annual contribution depending on Estoril Concession minimum gross gaming revenues contractually foreseen for future years, at 2022 prices, subject to the evolution of the aforementioned price index, amounted to approximately 791 million of Euros. Variable annual contributions are recognized in results in the years to which they relate.

In the year ending December 31, 2023, the Board of Directors, as a result of its level of revenue and results recorded in 2023 in the Estoril Gaming Concession, as well as the expected effect of the annual contributions payable to the State until the end of the concession of that gaming area carried out an impairment analysis of the respective non-current assets. The aforementioned analysis did not result in the recording of any impairment in non-current assets, allocated to the concession of the Estoril gaming area.

For this purpose, based on the characteristics and nature of the activity carried out, the discounted cash flow method was used, based on financial projections of cash flow until the end of the concession period. The projections were discounted, on December 31, 2023, with a WACC rate of 6.5%, having considered, in the projections for the year ending on December 31, 2023, a progressive recovery of revenues to pre-pandemic levels until the end of the concession contract.

17. RIGHT-OF-USE ASSETS

During the years ended on 31<sup>st</sup> December, 2023 and 2022, the movement in "Right-of-use assets", as well as in the respective depreciation and accumulated impairment losses, was the following:

2023			
	Buildings and other constructions	Transport Equipment	Total
Gross amount:			
Opening balance on 1 de january 2023	449 259	1 485 259	1 934 518
New contracts	-	282 312	282 312
Closing balance 31st december 2023	<u>449 259</u>	<u>1 767 571</u>	<u>2 216 830</u>
Depreciation and accumulated impairment losses:			
Opening balance on 1 de january 2023	292 608	1 116 365	1 408 973
Depreciation of the year (Note 10)	<u>78 542</u>	<u>212 478</u>	<u>291 020</u>
Closing balance 31st december 2023	<u>371 150</u>	<u>1 328 842</u>	<u>1 699 993</u>
Net amount	<u><u>78 110</u></u>	<u><u>438 729</u></u>	<u><u>516 839</u></u>
2022			
	Buildings and other constructions	Transport Equipment	Total
Gross amount:			
Opening balance on 1 de january 2022	229 134	1 241 329	1 470 463
New contracts	<u>220 125</u>	<u>243 930</u>	<u>464 055</u>
Closing balance 31st december 2022	<u>449 259</u>	<u>1 485 259</u>	<u>1 934 518</u>
Depreciation and accumulated impairment losses:			
Opening balance on 1 de january 2022	218 075	906 888	1 124 963
Depreciation of the year (Note 10)	<u>74 533</u>	<u>209 477</u>	<u>284 010</u>
Closing balance 31st december 2022	<u>292 608</u>	<u>1 116 364</u>	<u>1 408 973</u>
Net amount	<u><u>156 651</u></u>	<u><u>368 895</u></u>	<u><u>525 546</u></u>

The item "Buildings and other constructions" refers to the lease agreement for the Estoril Sol Digital facilities, in Oeiras, ending in 2024, renewable for additional periods of 3 years and the car parking space concession agreement, in Póvoa de Varzim, ending in 2023.

The item "Vehicles" refers to car rental contracts used by the Group's employees, for periods between 2 and 5 years. These contracts do not provide for the existence of relevant extension or expiration clauses or guarantees of residual value.

18. INVESTMENT PROPERTIES

During the years ended on 31<sup>st</sup> December 2023 and on 31 December 2022, the movement in investment properties, as well as in the respective depreciation and accumulated impairment losses, was the following

	Dec - 2023	Dec - 2022
Gross amount:		
Opening balance	282 509	282 509
Closing balance	282 509	282 509
Depreciation and impairment losses:		
Opening balance	117 021	111 470
Depreciation of the year (Note 10)	5 551	5 551
Closing balance	122 572	117 021
Net value	159 937	165 488

Investment properties is made up principally from an apartment held by Estoril-Sol (III) - Turismo, Animação e Jogo, S.A., in Monte Estoril. As of December 31, 2023 and 2022, the investment properties' book value does not differ significantly from its market value.

19. CURRENT TAX ASSETS AND LIABILITIES

The items "Current tax assets" and "Current tax liabilities" at 31 December 2023 and 2022 were made up as follows:

	Dec- 2023	Dec - 2022
Current assets:		
Payment on Account (IRC)	6 028	23 186
	6 028	23 186
Current Liabilities:		
Corporate Income Tax (IRC)	86 850	78 808
	86 850	78 808

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20. INVENTORIES

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

	Dec - 2023			Dec - 2022		
	Gross Amount	Impairment Losses	Net Amount	Gross Amount	Impairment Losses	Net Amount
Goods	6 033 630	-	6 033 630	6 033 630	(2 737 410)	3 296 220
Finished and intermediate products	-	-	-	3 333 132	-	3 333 132
Products and Work in Progress	3 359 218	-	3 359 218	-	-	-
Raw materials, secondary materials and consumables	302 153	-	302 153	285 096	-	285 096
	<u>9 695 001</u>	<u>-</u>	<u>9 695 001</u>	<u>9 651 858</u>	<u>(2 737 410)</u>	<u>6 914 448</u>

The caption “Goods” essentially comprises a fraction of offices in Estoril and a Warehouse in Alcoitão held by the Group which is intended for resale.

In the year ended December 31, 2023, as a result of the proposals received following tender for the sale of the property associated with the Alcoitão Warehouse, the Group reversed the impairment losses accumulated recorded in previous years, with no losses expected on December 31, 2023 resulting from its implementation.

The caption “Products and Work in Progress” relates to a plot of land where the old ruins of the Hotel Miramar stand. The Group’s subsidiary, DTH – Desenvolvimento, Turístico e Hoteleiro, S.A., began in 2023 the development of a real estate project on the plot where the old ruins of the Hotel Miramar are located. (Note 7).

The caption “Raw materials, secondary materials and consumables” is almost totally made up from food and drink products intended for sale in the diverse bars and restaurant areas of Estoril and Póvoa de Varzim Casinos.

21. CUSTOMERS

At 31 December 2023 and 2022, the caption “Clients and other accounts receivable” had the following composition:

	Dec - 2023	Dec - 2022
Customers current account	297 838	441 769
Impairment	-	-
	<u>297 838</u>	<u>441 769</u>
Customers doubtful debts	1 882 703	1 903 981
Impairment	(1 882 703)	(1 903 981)
	<u>-</u>	<u>-</u>
	<u>297 838</u>	<u>441 769</u>



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Customers account customers' debts are related with the activities of entertainment and restaurants. These are subject to evaluation by the credit control debts are subject to impairment losses according to the expected credit losses model.

On 31 December 2023 and 2022 there were no outstanding balances receivable for periods of 6 months or more that did not have an impairment.

The Group does not grant credit in its gaming activity, although there are situations where amounts can not be received, related with the means of payment used. Whenever an unfunded cheque is detected related with the gaming activity, a provision is immediately set up for the full amount, irrespective of the efforts for its collection that may be made in the future in order to effectively receive the amounts in cash.

Reinforcements of impairment losses in the years ended December 31, 2023 and 2022 amount to 2.975 Euros and to 150.512 Euros, respectively.

22. OTHER CURRENT ASSETS

At 31 December 2023 and 2022, the caption "Other current assets" had the following composition:

	Gross amount Dec - 2023	Accumulated impairment losses	Net amount Dec - 2023	Gross amount Dec - 2022	Accumulated impairment losses	Net amount Dec - 2022
State and Public Sector						
Annual gaming consideration - Póvoa - 2021 (b)	698 006	( 698 006)	-	698 006	( 698 006)	-
VAT - in favour of the company	286 893	-	286 893	269 993	-	269 993
Advance payments to suppliers	15 445	-	15 445	11 396	-	11 396
Accounts receivable from related parties (Note 34)	171 251	-	171 251	174 172	-	174 172
Deferrals:						
Insurance	575 051	-	575 051	478 254	-	478 254
Fees with maintenance, technical assistance and licences	87 684	-	87 684	190 878	-	190 878
Other deferrals	148 554	-	148 554	117 640	-	117 640
Accrued income	252 908	-	252 908	-	-	-
Commercial areas renters	294 456	-	294 456	233 690	-	233 690
Withholding and guarantee deposits	20 000	-	20 000	20 000	-	20 000
Other accounts receivable	154 760	-	154 760	108 598	-	108 598
	<u>2 705 008</u>	<u>( 698 006)</u>	<u>2 007 002</u>	<u>2 302 627</u>	<u>( 698 006)</u>	<u>1 604 621</u>

- (a) (b) Varzim-Sol claims a credit in the amount of 698.006 Euros, related to payments made by the entity during the 2021 financial year to the National Institute of Tourist Training on account of the amounts payable as an annual contribution for the year 2021, meanwhile, regularized with the signature of the amendment to the concession contract for the Póvoa gaming zone, in accordance with the provisions contained in Decree-Law No. 103/2021 of 24 November and Order No.80/2021 from the Minister of State, Economy and Digital Transition. In the year ended December 31, 2021, as a result of the Group's expectation that the aforementioned credit would not be returned by the supervisory authority, the Group recognized an impairment loss relating to that same amount, without prejudice to continuing to promote the recognition and compensation of this credit by the supervisor authority (Turismo de Portugal).

23. CASH AND CASH EQUIVALENTS

At 31 December 2023 and 2022 this caption had the following composition:

	Dec- 2023	Dec - 2022
Cash	8 127 666	7 314 429
Bank Deposits:		
- Immediately available bank deposits	57 075 234	97 462 706
- Long term deposits (a)	27 000 000	8 000 000
Cash and bank deposits	92 202 900	112 777 135
Bank overdrafts	-	(64 515)
Cash and cash equivalents	92 202 900	112 712 620

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

In the years ended 31 December 2023 and 2022, the Group recorded the following non-monetary investment and financing transactions in the consolidated statement of cash flows:

- The Group acquired assets through lease agreements, as disclosed in Notes 17 and 26, in the amount of approximately 282.000 Euros (464.000 Euros in 2022);
- The Group acquired tangible fixed assets and intangible assets, which had not yet been liquidated at the date of the financial position, as disclosed in Note 28, in the amount of 244.000 Euros (567.000 Euros in 2022) and 171.025.000 Euros, respectively.

24. CAPITAL

Estoril-Sol, S.G.P.S., S.A., an issuer of securities (“shares”) admitted to trading on a regulated market, as at December 31<sup>st</sup>, 2023 and 2022, has a share capital of € 59.968,420 (fifty nine million, nine hundred and sixty eight thousand, four hundred and twenty euros), represented by 11.993.684 registered shares (ISIN Code PTESO0AM0000), with a unit par value of five Euros each.

Treasury shares

The treasury shares were acquired by the Company as follows:

Year of Acquisition	No.of shares	Nominal value	Total nominal	Total premiums	Total
2001	34 900	5	174 500	280 945	455 445
2002	43	5	215	184	399
2007	22	5	110	88	198
2008	27 600	5	138 000	114 264	252 264
Total	62 565		312 825	395 481	708 306

As a result of the treasury shares acquired, a reserve of 708,306 Euros was made unavailable, which was included under “Other reserves and retained earnings” (Note 19).

Legal persons with a stake of over 20% in the share capital on 31 December of 2023 and 2022:

- Finansol, Sociedade de Controlo, S.G.P.S, S.A., with 57.79% (a)
- Sociedade Figueira Praia, S.A., with 32.67%

(a) This entity is controlled by the Macau Tourism and Entertainment Society (STDM, headquartered in Macau);

Share issue premiums

The amount recorded under this caption results from the obtained gains on capital increases, which occurred in previous years. According to the legislation in force, the use of the amount included in this item follows the regime applicable to the legal reserve, that is, it shall not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted or incorporated in the capital. On 31 December of 2023 and 2022 the amount recorded at “Share issue premiums” amounted to 960.009 Euros.

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 Euro 708.306. This caption also includes the accumulated impacts of the actuarial update of post-employment benefits (Note 27).

In accordance with the resolutions adopted at the General Shareholders’ Meeting held on May 26, 2023 and May 31, 2022, the results for the years ended December 31, 2022 and 2021 were applied as follows:

	2023	2022
Legal reserve	1 643 000	-
Other reserves and retained earnings	31 205 885	(20 328 108)
	<u>32 848 885</u>	<u>(20 328 108)</u>

The Board of Directors proposes that the Net Result for the 2023 financial year, calculated based on separate financial statements, positive in the amount of 5.653.829 Euros, was applied as follows: Legal reserve in the amount of 300.000 Euros, Other changes in equity in the amount 2.853.829 Euros, Other reserves and retained earnings in the amount of 500.000 Euros and for dividends distribution in the amount of 2.000.000 Euros, corresponding to a gross dividend per share in the amount of 0,168 Euros.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. NON-CONTROLLING INTERESTS

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

	Dec - 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	7 720 750	(15 500 000)	5 319 463	6 079 066	10 019 647	(3 000 000)	13 098 713

26. LEASE LIABILITIES AND BANK LIABILITIES

As of December 31, 2023 and 2022, the Group's liabilities with financing obtained were as follows:

Nature of the financing	Dec - 2023		Dec - 2022	
	Nominal Value	Balance sheet Value	Nominal Value	Balance sheet Value
Current financing:				
- Current accounts	-	-	-	-
- Bank overdrafts (Note 23)	-	-	64 515	64 515
	-	-	64 515	64 515

The average interest rate on financing including commissions and other charges in the years 2022 were 5,62%.

As of December 31st, 2023 and 2022, the maturity of amortizations falling due for lease contracts expires as follows:

	2023	2022
2023	n.a.	176 086
2024	227 821	176 234
2025	112 218	176 292
2026 and following	176 925	-
	516 964	528 611

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of liabilities resulting from financing activities:

Below are the changes in the Group's liabilities resulting from financing activities, both cash and non-cash. Liabilities resulting from financing activities are those whose cash flows have been, or will be, classified as financing in the consolidated cash flow statement:

Reconciliation of liabilities arising from financing activities						
Natureza dos financiamentos	01/01/2022					31/12/2023
	Opening Balance	Cash Flows (i)		New leasing contracts (Note 17)	Others (ii)	Closing Balance
		Payments	Receivings			
Lease liabilities	528 612	(297 409)	-	282 312	3 449	516 964
	528 612	(297 409)	-	282 312	3 449	516 964
Current financing:						
- Bank overdrafts (Note 23)	64 515	-	-	-	(64 515)	-
	64 515	-	-	-	(64 515)	-
	593 127	(297 409)	-	282 312	(61 066)	516 964

Reconciliation of liabilities arising from financing activities						
Natureza dos financiamentos	01/01/2021					31/12/2022
	Opening Balance	Cash Flows (i)		New leasing contracts (Note 17)	Others (ii)	Closing Balance
		Payments	Receivings			
Lease liabilities	375 555	(319 591)	-	464 055	8 593	528 612
	375 555	(319 591)	-	-	-	528 612
Current financing:						
- Current accounts	8 884 000	(47 065 911)	38 181 911	-	-	-
- Bank overdrafts (Note 23)	-	-	64 515	-	-	64 515
	8 884 000	(47 065 911)	38 246 426	-	-	64 515
	9 259 555	(47 385 502)	38 246 426	-	-	593 127

(i) The cash flows resulting from the lease liabilities make up the payment amounts related to the Amortization of lease contracts in the consolidated cash flow statement.

(ii) This caption includes the net effect of the financial discount referring to payments made to creditors per lease.

27. PROVISIONS

The movement in the provisions accounts in the years ended on 31<sup>st</sup> December 2023 and 2022 is as follows:

	Movement from January to December 2023				Balance Dec - 2023
	Balance Dec - 2022	Increases	Reversals	Utilizations	
Provisions for pensions	1 409 405	41 000	(6 088)	(668 912)	775 405
Legal proceedings in hand	8 645 100	-	(1 246)	(6 743 925)	1 899 929
Other risks and charges	69 866	-	-	-	69 866
	8 714 966	-	(1 246)	(6 743 925)	1 969 795
	10 124 371	41 000	(7 334)	(7 412 837)	2 745 200

	Movement from January to December 2022				Balance Dec - 2022
	Balance Dec - 2021	Increases	Reversals	Utilizations	
Provisions for pensions	1 774 779	13 000	(242 000)	(136 374)	1 409 405
Legal proceedings in hand	1 030 097	7 800 000	(62 485)	(122 512)	8 645 100
Other risks and charges	69 866	-	-	-	69 866
	1 099 963	7 800 000	(62 485)	(122 512)	8 714 966
	2 874 742	7 813 000	(304 485)	(258 886)	10 124 371

There are differences of understanding between the Group and the Tax Administration, with regard to taxation in terms of Corporate Income Tax (IRC), relating to the years 2007, 2008, 2009 and 2010, within the scope of taxation of non-recurring expenses, non-documented expenses incurred in the course of the gaming activity by the subsidiaries that are part of the Group and whose main activity is the exploration of games of chance or fortune in the amount of approximately 5.629.000 Euros. With regard to the judicial proceeding for the year of 2010, during 2021, a decision was issued by the Administrative and Tax Court of Sintra, which upheld the legal objection filed by Estoril Sol, determining, as a result, (i) the annulment of the impugned IRC settlement act in the global amount of 819.808 Euros, and (ii) the conviction of the Tax Authority to pay Estoril Sol the amount of 120.325 Euros as compensation for the provision of guarantee. The Tax Authority appealed to the Central Courts, with counter-claims filed by Estoril Sol.

In 2022 and with reference to the judicial process referring to the years 2007, 2008, 2009, a decision was issued by the Central Administrative Court of the South in order to confirm the 2013 decision of the Administrative and Fiscal Court of Sintra, which ruled that the request for judicial challenge was unfounded of the additional IRC settlement acts relating to those years presented by Estoril Sol. As it was not satisfied with the decision, an appeal for revision was filed with the Supreme Administrative Court. In September 2022, the Supreme Administrative Court issued a judgment in the sense of not admitting the review appeal. There is no appeal against this decision, thus consolidating the decision rendered in the legal system.

In light of the above, Estoril Sol (III) – Turismo, Animação e Jogo S.A. constituted in 2022 a provision in the amount of 7.800.000 Euros with reference to the outstanding tax plus interest and charges relating to the years 2007, 2008, 2009 and 2010. During the 2023 financial year Estoril Sol (III), S.A. paid 6.473.925 Euros relating to the additional settlement of IRC for the years 2007, 2008 and 2009, thus complying with the ruling handed down in September 2022 by the Supreme Administrative Court.

Provisions for pensions / Post-employment benefits

By the Articles of Association approved in the General Meeting of 29 May 1998, Estoril-Sol, S.G.P.S., S.A. confirmed, in article 36, the right to a retirement pension paid by the company to the former directors who had already retired, based on the previous article 25 of the Articles of Association that were then altered, and the same rights and benefits as those to the directors, in office at that time, who had or would come to complete ten years of service - after entering retirement - rights and benefits to be regulated in a contract to be agreed between the Company and these directors.

On December 31, 2023 and 2022, the Company obtained actuarial studies prepared by a specialized and accredited independent entity. The present value of the above-mentioned liabilities was estimated at 775.405 Euros and 1.409.405 Euros, respectively.

At December 31, 2023 and 2022, these studies were carried out using the “Projected credit unit” method and considered the following key assumptions and technical and actuarial bases at that date:

	2023	2022
Discount rate	3,35%	3,05%
Rate of growth of pensions	0,00% p.a.	0,00% p.a.
Mortality table		
- Before retirement	n.a	n.a.
- After retirement	GKF95	GKF95
Invalidity table	n.a	n.a.
Table of departures	n.a	n.a.
Retirement age	n.a	n.a.

In the years ended December 31st, 2023 and 2022, the movement in the value of the liabilities was as follows:

	Dec - 2023	Dec - 2022
Present value of the defined benefit obligation at beginning of the year:	1 409 405	1 774 779
Benefits paid	(668 912)	(136 374)
Post-employment benefits (Note 5)	41 000	13 000
Actuarial gains and losses	(6 088)	(242 000)
Present value of the defined benefit obligation at the end of the year:	<u>775 405</u>	<u>1 409 405</u>

During the 2023 financial year, Estoril-Sol, SGPS, S.A reached an extrajudicial agreement with one of the effective beneficiaries of the post-employment plan in force in order for him to immediately stop benefiting from it, without the possibility of returning. This agreement resulted in the payment of the global amount of 1.200.000 Euros, of which 585.000 Euros correspond to the estimated liability of the post-employment plan, with the remainder, in the amount of 615.000 Euros, being recorded in results for the year (Note 5).

The impacts of the actuarial update verified in the year ended December 31st, 2023 result from the changes in assumptions considered, namely, the change in the discount rate used from 3,05% in 2022 to 3,35% in 2023.

At 31 December 2023, the impact of a discount rate reduction of 0,5%, used in the actuarial calculation, would correspond to an increase in the present value of liabilities by approximately 16.000 Euros (41.000 Euros in 2022).

Provisions for other risks and charges

The provision for ongoing legal proceedings in hand is intended to cover the estimated liabilities based on information from the lawyers and legal advisors, arising from legal proceedings brought against the Group, the information of which is detailed in Note 29.

Provisions in the year ended on December 31, 2023 correspond, essentially, to liabilities arising from the following processes:

- Clients forbidden, 592.000 Euros;
- Jackpot, 200.000 Euros.

- On 31 December 2023 and 2022, the Group has been involved in various cases associated with interdicted players, alleging that the concessionaires have not complied with the prohibition order, at the entrance of the various Casinos operated, to which the same customers were subject, demanding a claim for compensation for the alleged non-compliance. The total amount claimed for the main processes of this nature amounts, on December 31, 2023, to 982.000 Euros. The Board of Directors, based on the opinion of its legal advisors and in view of the historic resolution of such cases, recognized in the financial statements as of December 31, 2023 and 2022, liabilities estimated at 592.000 Euros in both years.

- In January 2009, a machine from Casino de Lisboa announced a fake Jackpot on a gaming machine of 4.232.774 Euros, and the customer involved, despite being informed about the machine error, filed a lawsuit against the Group to demand amount. The Board of Directors, supported by its legal advisors and the expert evidence prepared by the suppliers of those machines and by the Gaming Regulation and Inspection Service, where it is concluded that there has been a malfunction of the computer system which presented the prize, considers it is probable to obtain a favourable outcome for the Group, for which a provision of approximately 200.000 Euros was recorded.

At that date, taking into account the uncertainties inherent in this type of proceedings, the current liability resulting from these settlements was estimated based on the opinions of the Group's legal advisors and based on the arguments presented by the Group in the respective claims, considering the estimated timing of payment, which depends on judicial developments of the respective proceedings.



28. OTHER CURRENT AND NON-CURRENT LIABILITIES

The caption “Other current liabilities” and “Non-current liabilities” in the years ended on 31 December 2023 and 2022 were as follows:

	Dec - 2023	Dec - 2022
Other accounts payable - non-current		
Estoril Gaming Zone - Concession Contract (a)	155 205 722	-
	<u>155 205 722</u>	<u>-</u>
Other accounts payable - current		
Current suppliers	7 782 848	8 112 205
Suppliers of investments	244 187	567 138
State and Public Sector		
Estoril Gaming Zone - Concession Contract (a)	15 818 833	-
Game Taxes	17 525 385	6 320 365
Social Security contribuitons	823 217	778 247
Other in favour of the State	860 978	970 394
Clients advance payments (b)	3 078 283	2 440 896
Charges with holidays payable	4 879 229	4 301 055
Responsabilities for accumulated gaming premiums (c)	2 219 165	2 346 040
Other	383 476	3 379 203
	<u>53 615 601</u>	<u>29 215 543</u>

- a) The Group has recognized in its financial position financial liabilities related to financial commitments incurred with the award of the new concession contract for the permanent gaming area of Estoril, Casino Estoril and Casino Lisboa, which amount to 171.024.555 Euros in December 2023 (155.205.722 non-current Euros and 15.818.833 current Euros). The Group records financial liabilities initially at fair value, subsequently being measured at amortized cost, discounted from any interest calculated and recognized in accordance with the effective interest rate method. The contract of concession provides for the annual updating of the nominal value of financial liabilities based on the evolution of the consumer index price, annual disbursements and a maturity of 15 years (2037).
- b) Customer advance payments respect to the online business, and correspond to the balance available for play or withdrawal at 23:59 from December 31st, 2022 (includes game credits that can be withdrawn immediately and other credits, such as bonuses, not available for immediate withdrawal);
- c) This caption relates to liabilities for accrued gambling bonuses, resulting from the accrued bonuses announced in the various casinos operated by the Group.

As of December 31st, 2023 and 2022, “Current Suppliers” includes accounts payable to related entities, ICE Elite Ltd and GAMING ONE Limited, in the total amount of 788.823 Euros and 1.377.319 Euros, respectively (Note 34).

29. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

Contingent assets

On March 2nd, 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 restore the economic and financial balance of concessions contracts. The parties agreed that, for the period of the concession contracts after December 31st, 2019 and with reference to the consequences and impacts 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.

As part of an arbitration process between Varzim Sol - Turismo, Jogo e Animação, SA, its subsidiary company and the Portuguese State, with the aim of restoring the economic and financial balance of the concession contract for exclusive exploitation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, the arbitrators who make up the Arbitration Court installed at the Commercial Arbitration Center of the Lisbon Commercial Association unanimously handed down an arbitration decision, not final and appealable, which condemned the Portuguese State to pay Varzim Sol - Turismo, Jogo e Animação, SA of compensation, in order to mitigate the losses suffered in its operations resulting from the 2011 economic crisis, corresponding to the return of the value of the differences between the annual consideration and the minimum annual consideration paid in 2012 (€2.936.068), 2013 (€5.650.625) and 2014 (€5.595.594), updated at the date of the decision. The Portuguese State filed an appeal against the arbitration decision given by the Arbitration Court located at the Commercial Arbitration Center of the Lisbon Commercial Association. Although the Group is confident in the merits of its claim, it awaits the further terms of the process.

Guarantees provided

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

	Dec - 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>

30. FINANCIAL INSTRUMENTS

At 31st December 2023 and 2022 the main financial assets and liabilities, recorded at amortized cost, were as follows:

	2023	2022
Financial assets:		
Receivables	1 620 270	1 259 618
Cash and cash equivalents (Note 23)	<u>92 202 900</u>	<u>112 777 135</u>
	<u>93 823 170</u>	<u>114 036 753</u>
Financial liabilities:		
Payables	208 821 323	29 215 543
Lease and Bank liabilities (Note 26)	<u>516 964</u>	<u>593 127</u>
	<u>209 338 287</u>	<u>29 808 670</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In what concerns to current accounts receivable and account payable and cash and cash equivalents, the Group considers, in the light of specific characteristics of these financial instruments, that the fair value does not differ significantly from their book value, therefore it is not necessary, under the terms of IFRS 13 to present its fair value by measurement levels.

In the normal course of its activity the Estoril-Sol Group is exposed to a variety of financial risks that can change its asset value. Financial risk is understood to be the probability of obtaining results other than those expected, whether these be positive or negative, materially and unexpectedly changing the asset value of the Group.

In order to minimise the potential impact of these risks, the Group adopts a strict and consistent financial policy based on two vitally important instruments:

- approval of the annual budget and the respective revision and analysis of deviations on a monthly basis, and;
- the elaboration of financial and cash-flow planning, which is also reviewed on a monthly basis.

The financial risks which can possibly impact on the activities undertaken by the Group are those presented below:

### Liquidity risk:

The management of the liquidity risk is based on maintaining an adequate level of available cash and on the contracting of credit limits that help not only to ensure the normal development of the Group's activities but also to cater for any operations of an extraordinary nature.

According to the monetary resources freed up by the companies that comprise the Group, we feel the financial risk to which the Group is exposed is minimal, and the same understanding has prevailed in the examination carried out by financial institutions, as shown by the fact that asset guarantees are dispensed with for operations under contract, further reinforced by the no less relevant fact that over the years the Group has been successively reducing its financial liabilities, thereby complying with the commitments assumed.

Financial liabilities at 31 December 2023 and 2022 mature as follows:

2023				
Financial liabilities	Up to 1 year	1 to 2 years	+ 2 years	Total
<u>Remunerated:</u>				
Lease and Bank liabilities	227 821	112 218	176 925	516 964
<u>Not Remunerated:</u>				
Trade and other payables	<u>53 615 601</u>	<u>16 178 012</u>	<u>139 027 710</u>	<u>208 821 323</u>
	<u>53 843 422</u>	<u>16 290 230</u>	<u>139 204 635</u>	<u>209 338 287</u>
2022				
Financial liabilities	Up to 1 year	1 to 2 years	+ 2 years	Total
<u>Remunerated:</u>				
Lease and Bank liabilities	240 601	176 234	176 292	593 127
<u>Not Remunerated:</u>				
Trade and other payables	<u>29 215 543</u>	<u>-</u>	<u>-</u>	<u>29 215 543</u>
	<u>29 456 144</u>	<u>176 234</u>	<u>176 292</u>	<u>29 808 670</u>

Interest rate risk

The Group's exposure to the interest rate risk stems from the existence, in its balance sheet, of financial assets and liabilities, taken out at variable rates. A change in the market rates has a direct impact on the value of the interest received and/or paid, causing consequent variations in cash.

If the market interest rates had been 1% higher during the years ended on 31<sup>st</sup> December 2022, the financial costs of those years would have increased by approximately 49.000 Euros. As of December 31, 2023, the Group had not contracted debt with credit institutions

Exchange rate risk

All operations are carried out in Euros, with the exception of some current imports, which periods of no more than 45 days, which are conducted in US Dollars, and so the Group has only minimal exchange rate exposure.

Credit risk:

Credit risk is mainly related to the accounts receivable resulting from the operations with related parties. This risk is monitored on a regular basis by each of the Company's businesses with the objective of:

- monitor the evolution of the level of credit granted;
- to analyze the financial capability of related parties on a regular basis.

The Company's financial assets relate primarily to short-term related party accounts receivable for which it adopts the expected 12-month loss model.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from internal and external sources, when available, of actual and forecasted economic information related to the Company's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the above mentioned, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is recurring a breach of payment terms by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

(iii) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, namely with the publication of the foreclosure of the debtor.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

31. EVENTS AFTER THE BALANCE SHEET DATE

In January 2024, Estoril Sol III – Turismo, Animação e Jogo, S.A. settled 15,818,833 Euros relating to the annual fixed contribution for the year 2024 under the terms and conditions set out in the concession contract for the Estoril gambling area (Note 28).

32. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic and diluted share of the years ended on 31st December 2023 and on 31 December 2022 was determined as follows:

	2023	2022
<u>Results:</u>		
Net profit of the Equity holders of the Parent Company	5 653 829	32 848 885
<u>Number of shares:</u>		
Average weighted number of shares in circulation (Note 24)	11 931 119	11 931 119
Result per basic share, basic and diluted	0,47	2,75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

33. REMUNERATION OF THE KEY MEMBERS OF THE COMPANY

Remuneration of the key members of the Group in the years ended 31 December 2023 and 2022 amounted to 1.853.714 Euros and 1.968.000 Euros, respectively (note 9).

34. RELATED PARTIES

The balances as of December 31, 2023 and 2022 and the transactions carried out with related companies, excluded from consolidation, in the years then ended, are as follows:

Related party	2023		2022	
	Other current assets (Note 13)	Other current liabilities (Note 21)	Other current assets (Note 13)	Other current liabilities (Note 21)
- Finansol - Sociedade de Controlo, SGPS, S.A.	171 251	-	171 251	-
- Vision Gaming Holding Limited	-	-	-	-
- ICE Elite Limited	-	407 941	2 921	822 012
- Gaming One Limited	-	380 882	-	555 307
	<u>171 251</u>	<u>788 823</u>	<u>174 172</u>	<u>1 377 319</u>

As of December 31, 2023 and 2022, the balances and transactions with related entities ICE Elite, Ltd. and GAMING ONE, Limited essentially refer to expenses incurred with the maintenance of the online gaming platform and commissions (Note 8).

Related Parties	External supplies and service (Note 8)	
	2023	2022
- ICE Elite Limited (a)	4 025 062	4 171 696
- Gaming One Limited (a)	2 247 903	2 429 188
- Guinchotel - Actividades Hoteleiras, Lda.	26 162	6 199
	<u>6 299 127</u>	<u>6 607 083</u>

(a) - 23% VAT included

35. STATUTORY AUDITOR'S FEES

The statutory auditor's fees in 2023 and 2022 were 167.000 Euros and 160.500 Euros, respectively, plus VAT at the current rate, and are exclusively related to legal review and auditing of the Company's separate and consolidated financial statements.

36. 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.

## STATUTORY AUDITOR'S REPORT AND AUDITOR'S REPORT

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

### **REPORT ON THE AUDIT OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the accompanying separate and consolidated financial statements of Estoril-Sol, SGPS, S.A. (“the Entity”) and its subsidiaries (“the Group”), which comprise the separate and consolidated statements of the financial position as of December 31, 2023 (showing a total of Euro 140,471,448 and Euro 344,619,993, respectively and total equity attributable to the shareholders of the parent company of Euro 127,100,193, including a net profit of Euro 5,653,829), the separate and consolidated profit and loss and other comprehensive income statements, the separate and consolidated statements of changes in equity and the separate and consolidated cash flow statements for the year then ended, and the accompanying notes to the separate and consolidated financial statements, which include a summary of the significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view, in all material respects, of the separate and consolidated financial position of Estoril-Sol, SGPS, S.A. as of December 31, 2023 and of its financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are described in the “Auditor’s responsibilities for the audit of the separate and consolidated financial statements” section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the most significant assessed risks of material misstatement
<p data-bbox="180 645 794 683">Estoril Gambling Zone Concession</p> <p data-bbox="180 694 794 996">As mentioned in Notes 1, 3 and 16 of the consolidated financial statements (Notes 1 and 2 of the separate financial statements), following the result of the international public tender, on January 30, 2023, was celebrated between the Portuguese State and the subsidiary Estoril-Sol (III) - Turismo, Animação e Jogo, S.A. ("Estoril-Sol III") a concession contract for the exclusive exploration of Estoril gambling zone, which will be effective until December 31 2037.</p> <p data-bbox="180 1008 794 1355">The referred contract establishes fixed annual financial compensation and variable annual compensation depending on each year gross gambling revenue, on the contractual minimums and on the evolution of the consumer price index. As a result of the referred contract, the Group recognized an intangible asset in the amount of, approximately, 201,6 million Euros correspondent to the right to operate games of chance in the Estoril gambling zone and the correspondent responsibility for the fixed financial compensation payable during the concession period.</p> <p data-bbox="180 1366 794 1713">Considering the level of gambling revenue verified and the estimated effect of the contracted financial compensation, the Group prepared an impairment analysis on the assets related to the concession. The materialization of the assumptions considered in the referred analysis, namely the growth of the physical gambling projected revenues, will be decisive for the future success of the operations and for the recovery amount of the assets and compensations assumed within the scope of the referred contract.</p> <p data-bbox="180 1724 794 2067">Considering the level of judgment involved in the initial recognition of the referred right to operate games of chance in the Estoril gambling zone, as well as the subjectivity of the judgments necessary to define the assumptions used in determining the recoverable amount of those assets, taking into account the compensations assumed, and the disclosures to be made, we consider this to be a relevant matter for the audit.</p>	<p data-bbox="794 645 1474 683">Our procedures included, among other:</p> <ul data-bbox="794 694 1474 1713" style="list-style-type: none"> <li data-bbox="794 694 1474 739">▪ Obtaining and analyzing the concession contract;</li> <li data-bbox="794 750 1474 884">▪ Assessment of relevant controls, implemented in the Group, related to the initial recognition analyzes and measurement of the concession contract, as well as the impairment analyzes carried out;</li> <li data-bbox="794 896 1474 1030">▪ Assessment of the assumptions used in the initial recognition of the intangible asset and correspondent liability with reference to the applicable accounting standards;</li> <li data-bbox="794 1041 1474 1131">▪ Analysis of the reasonableness of the method adopted by management to determine the recoverable amount used in the impairment analysis prepared;</li> <li data-bbox="794 1142 1474 1243">▪ Assessment of the reliability of the estimates made by management, by reference to historical information, namely expected revenue growth;</li> <li data-bbox="794 1254 1474 1355">▪ Analysis of the reasonableness of the financial projections of discounted cash flows used by management and evaluation of the base information considered;</li> <li data-bbox="794 1366 1474 1467">▪ Comparison of relevant information considered in financial projections of discounted cash flows with available budgets;</li> <li data-bbox="794 1478 1474 1579">▪ Discuss with the management the existing plans for the new concession that support the assumptions considered;</li> <li data-bbox="794 1590 1474 1713">▪ Assessment of the reasonableness and sufficiency of the disclosures included in the separate and consolidated financial statements.</li> </ul>

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### Gambling revenue recognition

On December 31, 2023, the Group's recognized physical slot machine and table gambling revenue amounts to, approximately 157,945,000 Euros (Note 6 of the consolidated financial statements), which results from the daily calculation made in each casino of a significant volume of transactions.

Additionally, the Group's recognized online gambling and sports betting revenue amounting to, approximately, Euro 64,901,000 (Note 6 of the consolidated financial statements), results from the manual integration of the calculation performed on the online gambling and sports betting supporting platform, of a significant volume of transactions.

Although this calculation is carried out with the daily supervision of the Gambling Regulation and Inspection Service, as a result of the volume of transactions mentioned, the referred manual integration and although the revenue recognition does not require significant judgments in its calculation, we considered the integral revenue recognition is a key audit matter.

Our procedures to mitigate this risk included, among others:

- Evaluation of the adopted gambling revenue recognition policy by reference to the applicable accounting standards;
- Obtaining an understanding of the process of calculating the gambling revenue and its relevant controls;
- Tests on implemented controls considered relevant related to the recognition of gambling revenue;
- Assessment of the proper integration of the online gambling and sports betting revenue;
- Substantive analytical review tests based on the gambling tax/ annual consideration calculated by the Gambling Regulation and Inspection Service;
- Analysis of the daily evolution of gambling revenue and tests of detail of a sample of the computed daily revenue;
- Test of bank reconciliations carried out by the Group and reported as of December 31, 2023;
- Verification of the annual process of physical inventory of fixed cash funds.
- Analysis of the adequacy of disclosures made in Notes 2.14 and 6 of the consolidated financial statements.

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### Litigation processes

Management periodically evaluates any liabilities arising from past events, the probability of which implies the recognition of a provision and/or disclosure in the financial statements.

In this context, it should be noted that, as mentioned in Note 2 and Notes 2 and 27 of the separate and consolidated financial statements, respectively, the decision of the Jury of the international public tender related to the exclusive exploration of games of chance in Estoril gambling zone, which involved the exclusion of a competing proposal, was challenged in court by the other entity that entered the public tender, being in progress, as of this date, legal actions that pretend, essentially, the annulment of that decision and the suspension of the execution of the referred concession contract, which did not have immediate suspensive effects, with the referred concession being currently operated by the Group.

Our procedures included:

- Evaluation of the adopted policy and methodology for recognition of provisions and contingent liabilities disclosure with litigation and, by reference to the applicable accounting standards;
  - Evaluation of the implemented controls considered relevant;
  - Obtaining confirmations from legal and tax consultants regarding the processes they are monitoring, as well as their evolution and status;
  - Discuss with management and its legal advisors the assumptions and arguments that support the assessment made by management of the prospective outcome of the referred litigation;
  - Evaluation of the reasonableness and sufficiency of the disclosures included in the financial statements.
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Considering the evaluation performed by the Management, as mentioned in Note 27 of the consolidated financial statements, on December 31, 2023, the Entity recognized provisions to meet estimated liabilities with existing litigation in the referred financial statements in the amount of, approximately, Euro 1,970,000.

In view of the high degree of judgment involved in the assessment and determination of the provisions to be recognized, as well as the disclosures to be made, we considered that this is a key audit matter.

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

Management is responsible for:

- the preparation of separate and consolidated financial statements that give a true and fair view of the Entity and the group of companies included in the consolidation financial position, their separate and consolidated financial performance and separate and consolidated cash flows in accordance with International Financial Reporting Standards as adopted in the European Union (IFRS);
- the preparation of a management report, the corporate governance report, the consolidated non-financial statement and the remunerations report, in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or to error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity and Group’s ability to continue as a going concern, disclosing, as applicable, the matters that may cast significant doubt about the ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity’s financial reporting process.

### **Auditor’s responsibilities for the audit of the separate and consolidated financial statements**

Our responsibility is to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatements, whether due to fraud or to error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, separately or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or to error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity and the Group’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the separate and consolidated financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451.º of the Portuguese Companies’ Code on corporate governance matters, as well as the verification that the consolidated non-financial statement and the remunerations report were presented.

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

### **European Single Electronic Format (ESEF)**

The Group’s separate and consolidated financial statements as of 31 December 2023 must comply with the requirements established in the Delegated Regulation (UE) 2019/815 of the Commission, of 17 December 2018 (“ESEF Regulation”). Management is responsible for the preparation and disclosure of the annual report in conformity with the ESEF Regulation.

Our responsibility consists in obtaining reasonable assurance whether the separate and consolidated financial statements, included in the annual report, are presented in conformity with the requirements established in the ESEF Regulation. Our procedures considered the Guia de Aplicação Técnica da Ordem dos Revisores Oficiais de Contas (OROC) on the Reporting under ESEF and included, among others:

- obtaining an understanding of the financial Reporting process, including the presentation of the annual report in the valid XHTML format, and
- identification and evaluation of the risks of material misstatement associated to the tagging of the information of the consolidated financial statements in XBRL format, using the iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated the financial statements included in the annual report are presented, in all material aspects, in conformity with the requirements established in the ESEF Regulation.

#### **On the management report**

Pursuant to article 451.º, number 3, al. e) of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited separate and consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As referred in article 451º, number 7, of Código das Sociedades Comerciais, this opinion does not apply to the consolidated non-financial statement included in the management report.

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

Pursuant to article 451.º, number 4, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29.º-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of number 1 of that article.

#### **On the consolidated non-financial information**

In compliance with article 451.º, number 6, of the Portuguese Company's Code ("Código das Sociedades Comerciais"), we inform that the Entity included in its management report the consolidated non-financial statement, as stated in article 508.º-G of the Código das Sociedades Comerciais.

#### **On the remunerations report**

In compliance with article 26.º - G, number 6, of the Portuguese Securities Code ("Código dos Valores Mobiliários"), we inform that the Entity included in an autonomous chapter, in its corporate governance report, the information predicted in the number 2 of the referred article.

#### **On the additional matters provided in article 10 of Regulation (UE) 537/2014**

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of April 16, 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed auditors of the Entity for the first time at the general meeting of shareholders held in May 26, 2017 for a mandate from 2017 to 2020. We were appointed at the general shareholders' meeting held on June 28, 2021 for a second term between 2021 and 2024.

- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatements in the separate and consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the separate and consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body as of April 30, 2024.
- We declare that we have not provided any prohibited services as described in the article 5, number 1, of the European Union Regulation No 537/2014 and we have remained independent from the Entity and the Group in conducting the audit.

Lisbon, April 30, 2024

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Deloitte & Associados, SROC S.A.

Represented by Pedro Miguel Argente de Freitas e Matos Gomes, ROC

Registration in OROC n.º 1172

Registration in CMVM n.º 20160784

**REPORT AND OPINION OF THE STATUTORY AUDIT BOARD**  
(FREE TRANSLATION FROM THE PORTUGUESE ORIGINAL –  
IN ANY DISCREPANCY THE PORTUGUESE VERSION PREVAILS)

**To the Shareholders of  
Estoril-Sol SGPS, SA**

In accordance with the legislation in force and the mandate entrusted to us, we hereby submit to your analysis our Report and Opinion that embraces the activity we performed and the financial statements ,separate and consolidated, of **Estoril-Sol SGPS, SA ("SGPS")** and subsidiaries ("**Estoril-Sol Group**") for the year ended December 31, 2023, which are the responsibility of the Board of Directors.

**I. Report**

I.1. Monitoring the activity

During the year 2023 and in conformity with the nº 1 of the article 420 of the Portuguese Company's Code, this Statutory Audit Board regularly monitored the activity of the **SGPS** and of the **Estoril-Sol Group**, with the frequency and extension we deemed appropriate, as well as the regularity of its accounting records and compliance with the law and articles of association.

Within the scope of our functions:

- (i) We examined the financial statements, separate and consolidated, that comprise the financial position as of December 31<sup>st</sup>, 2023, the statements, separate and consolidated of the profit and loss and comprehensive income, of the changes in equity and the cash flows for the year ended on that date and the notes attached to the financial statements.
- (ii) we performed the verifications we deemed necessary to the process and operations of consolidation of the financial statements.
- (iii) we observed the appropriateness of the accounting principles adopted, namely the preparation of these financial statements, separate and consolidated, in accordance with the International Financial Reporting Standards (IAS / IFRS), as adopted by the European Union.
- (iv) We analyzed the Annual Management Report prepared by the Board of Directors and the proposal for profit distribution included therein.

Considering our legal and statutory obligations, we held regular meetings both with the Board of Directors and with the various departments of the **Estoril-Sol Group**, namely the accounting and financial, legal and "Compliance" areas, from whom we obtained all the information and clarifications we requested.

I.2. Relevant facts during 2023 financial year

The main relevant facts for the 2023 financial year relate to the gaming concessions in the Estoril and Póvoa do Varzim areas:

*(i) Award of the Estoril Gaming Zone concession*

Following the international public tender, published in August 2022, for the concession of the Estoril Gaming Zone for 15 years, it was awarded to Estoril-Sol (III) - Turismo, Animação e Jogo, S.A., a subsidiary of **SGPS**.

Thus, on 30 January 2023, the concession contract for the exclusive exploitation of games of fortune and chance in the Estoril gaming area was signed between the Portuguese state and Estoril-Sol (III), and the new concession began on that date and will end on 31 December 2037.

As described exhaustively in the Management Report, the financial considerations under the contract included a fixed annual payment, a variable payment, and a one-off payment for the start of operations at the Casino de Lisboa, which amounts are properly disclosed. Given the extent of the financial consideration, we believe it is important to note that the implementation of the assumptions made by the Board of Directors under the aforementioned tender and the impairment analysis carried out on the

operating right resulting from the contract signed by Estoril Sol (III), namely the projected growth of gaming revenues in land-based casinos, will be decisive for the future success of the operations and for the assets recovery value and of the consideration assumed under the aforementioned contract. On 31 December 2023 and as mentioned in Note 16 to the consolidated financial statements, an impairment analysis was carried out on the respective non-current assets and based on 2023 revenues, no value was recorded.

In addition, and still within the scope of this Tender, the jury's decision to exclude a competing bid has been successively challenged from a legal point of view by that bidder through injunctions, the last of which aimed to suspend the enforcement of the concession contract, and by a lawsuit seeking to annul the jury's decision, above all by claiming the exclusion of its bid.

However, this legal action does not have any suspensive effect on the current concession contract entered into between the Portuguese State and Estoril-Sol (III), and it should also be noted that the Board of Directors of SGPS believes that the arguments presented by the **Estoril-Sol Group** are solid and will ensure that the decision to award the Estoril Gaming Zone concession to Estoril-Sol (III) is upheld, so it continues to develop its business plans under the new concession.

*(ii) Arbitration agreement relating to the lawsuits pending before the Administrative and Tax Courts, in which the gaming concessionaires have brought against the Portuguese State with a view to restoring the economic and financial balance of the gaming concessions.*

As mentioned in the Management Report, within the scope of the arbitration process between the subsidiary Varzim Sol, S.A. and the Portuguese State, in order to restore the economic and financial balance of the concession contract for the operation of games of fortune and chance in the permanent gaming area of Póvoa de Varzim, an arbitration decision was issued on 3 October 2023, by an unanimous vote of the arbitrators who make up the Arbitration Court, which has not yet become final, and ordered the Portuguese state to pay Varzim Sol a compensation to mitigate the losses it suffered as a result of the 2011 economic crisis, corresponding to the refund of the value of the differences between the annual considerations and the minimum amount guaranteed paid in 2012, 2013 and 2014 (totaling €14.2 million), updated to the date of the decision.

The Portuguese State filed an appeal against the above-mentioned arbitration decision.

### I.3. About the activity

The 2023 financial year presents a consolidated net profit of Eur. 13.4 million, of which Eur. 5.7 million is allocated to the shareholders of the parent company. Due to its relevance, we would like to highlight the following:

- During 2023, the **Estoril-Sol Group** recorded combined gross gaming revenues, both land-based and online, totaling Eur. 214.8 million. If we take out all gaming taxes, totaling Eur. 93.7 million, total net gaming revenues will amount to Eur. 121.1 million.
- Gross gaming revenues from the **Estoril-Sol Group's** land-based casinos activity in Portugal totaled Eur. 157.5 million, continuing the recovery from the effects of the Covid-19 pandemic, although still around 18% lower than in 2019.
- The **Estoril-Sol Group's** land-based casino gaming market share remained roughly stable compared to the previous financial year - 58.5% in 2023 compared to 58.9% in 2022.
- During 2023, Estoril Sol Digital (50% owned by the **Estoril-Sol Group**) achieved online gross gaming revenues totaling Eur. 57.3 million, of which Eur. 46.6 million related to casino and Eur. 10.7 million from sports betting.
- With regard to the online gaming activity, the strong growth of gambling in Portugal continues, with a national increase of 29% compared to 2022; ES Digital holds a 10% share in casino games and 4% in sports betting;
- Regarding bank debt, the **Estoril-Sol Group** ended the 2023 financial year with no debt, as it did in 2022;



#### I.4. Collaboration received from the external auditors

In compliance with n° 1 of article 452 of the Portuguese Company's Code, we have held regular meetings with the external auditors Deloitte & Associados, SROC, S.A. ("Deloitte"), who, in the fulfilment of their duties, had audited these financial statements, separate and consolidated, for 2023, issuing the corresponding "Statutory Auditor's Report and Auditor's Report" on 30 April 2024, without qualifications.

Due to the relevance of the document, this Statutory Audit Board adds that it received an "Additional Report to the Statutory Audit Board " from Deloitte, which included, in a very detailed manner, the analysis on the key audit matters and for all the other relevant areas for the audit of the 2023 financial statements, separate and consolidated, as well as the conclusions reached on the audit carried out and a set of internal control recommendations.

Furthermore, this Statutory Audit Board notes that, in the opinion of Deloitte, the financial statements, separate and consolidated, of the SGPS for the year 2023 are presented, in all material respects, in accordance with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation").

This Statutory Audit Board also obtained confirmation from Deloitte of the independence requirements to the **Estoril-Sol Group** and that no forbidden services were provided under the terms of n° 1 of the article 5 of EU Regulation 537/2014 of 16 April.

Therefore, following the meetings held with Deloitte and based on the above-mentioned document and all the clarifications obtained, we hereby express our agreement with the mentioned "Statutory Auditor's Report and Auditor's Report", which is hereby reproduced in full.

#### I.5. Other matters

Within the scope of its duties, this Statutory Audit Board has given particular attention during 2023 to the following matters:

- Fulfilment of the "Compliance" program, based on a duly approved Code of Conduct, which includes, among other activities, the fight against money laundering and terrorist financing and the prevention of other undue practices, as well as a Code of Ethics and Professional Conduct aimed at standards of professional behavior, both internally and with external entities, mechanisms for preventing infractions and prohibited conduct, as well as mechanisms for monitoring and controlling these matters;
- Detailed monitoring of all the relevant legal cases in which the **Estoril-Sol Group** is involved, through regular meetings with the Legal Department, which are described in the notes to the financial statements, separate and consolidated;
- Through regular meetings with representatives of the Board of Directors and services of the **Estoril-Sol Group**, was monitored the Risk Management mentioned in Chapter 11 of the Management Report, which covers business, contractual, physical, cybernetic, and financial risks, .
- Monitoring the entire process of receiving and dealing with irregularities through the "Whistleblowing Channel", available on the SGPS website and accessible to all shareholders, employees and interested third parties;
- The preparation of the Corporate Governance Report, prepared under the terms of n° 5 of the art° 420 of the Portuguese Company's Code, and verification that it contains both the requirements of article 29-H of the Portuguese Securities Code and the information on remuneration required by article 26-G.2. of the Portuguese Securities Code.
- The inclusion in the Management Report of the statement of consolidated non-financial information provided for in article 508-G of the Portuguese Company's Code.
- The need for the **SGPS's** financial statements, separate and consolidated, for the 2023 financial year to comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 ("ESEF Regulation"), with the Board of Directors being responsible for their preparation and disclosure.

## II. Opinion

In view of the above, considering the information received from the Board of Directors and the departments as well as the content of the Statutory Auditor's Report and Auditor's Report issued by Deloitte and because the following documents comply with the legal and statutory requirements, we are of the opinion that they should be approved at the General Meeting of **Estoril-Sol SGPS, SA**:

- i) the separate financial statements of **Estoril-Sol SGPS** and the consolidated financial statements of the **Estoril-Sol Group** for the year ended 31 December 2023;
- ii) the 2023 Management Report;
- iii) the proposal for the profit's distribution included in the Management Report.

## III. Declaration

The Statutory Audit Board hereby declares that, to the best of their knowledge, under the terms and for the purposes of c) of no.1 of article 29º-G of the Portuguese Securities Code, the information contained in the financial statements, separate and consolidated, for the financial year 2023 was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union, presenting a true and fair view of the financial position, the profit and loss, the changes in equity and cash flows of **Estoril-Sol** and the **Estoril-Sol Group**, and that the Management and Corporate Governance reports faithfully demonstrates the progress of the business, the performance and financial position of the company and contain a description of the main risks and uncertainties they face.

We would also like to express our appreciation to the Board of Directors and to the internal departments of the **Estoril-Sol Group** for their cooperation.

Estoril, 30 April 2024

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Manuel Maria Reis Boto

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Paulo Ferreira Alves

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Lisete Sofia Pinto Cardoso