

MANAGEMENT REPORT AND ACCOUNTS

1st SEMESTER 2022



ESTORIL SOL SGPS SA

ESTORIL-SOL, SGPS, S.A.

Capital social integralmente realizado 59.968.420 Euros

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



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BOARD OF THE ANNUAL GENERAL MEETING

Chairman	- Pedro Canastra de Azevedo Maia
Deputy Chairman	- Tiago Antunes da Cunha Ferreira de Lemos
Secretary	- Marta Horta e Costa Leitão Pinto Barbosa

REMUNERATION COMMITTEE

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

BOARD OF DIRECTORS

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

AUDIT BOARD

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

COMPANY SECRETARY

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

STATUTORY AUDITOR

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



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Ínterim Management Report

1st Semester 2022

1. THE COMPANY

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

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

The Company held indirectly through subsidiaries interests in the tourism sector, in particular, in gaming activities at casinos. The Company owns the Game Concessions of Estoril (Casino do Estoril and Casino Lisboa) and Póvoa de Varzim (Casino da Póvoa). The Company has been present since 2016 through one of its subsidiaries in the online gambling business, holding two licenses, one license for online casino games and another for online sports betting.

During the course of the semester we regularly monitored in detail the current management of the subsidiary companies, giving particular attention to the evolution of gaming revenues and their recovery in this period, which coincided with the end of the limitations imposed on the normal operation of territorial-based activities within the scope of of the measures to contain the Covid-19 pandemic, and that negatively affected the years 2020 and 2021. We also followed with increased attention and expectation the intentions of Turismo de Portugal with regard to the launch of public tenders for the current game concessions in Portugal that expire in December 2022, namely, Estoril and Figueira da Foz.

2. SHARE CAPITAL, SHARES AND DIVIDENDS

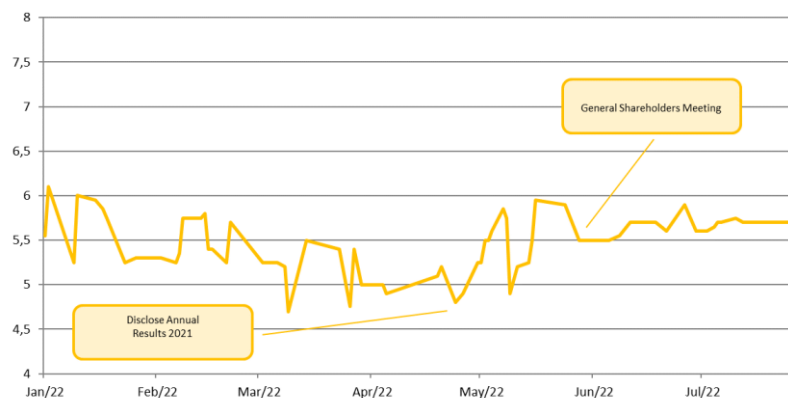
At 30th June 2022, the share capital of ESTORIL-SOL, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five).

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

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

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986. (Euronext Lisbon: ISIN PTESO0AM0000).

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

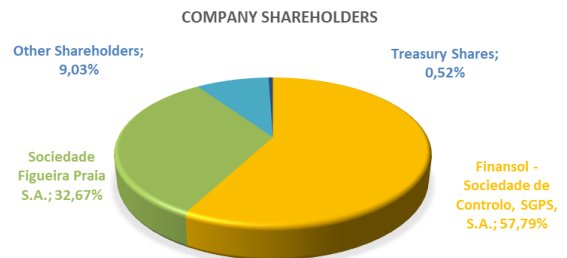


The 2021 Annual Report and Accounts was approved at the General Shareholders' Meeting on May 31st, 2022, which did not provide for the distribution of dividends related to the 2021 financial year.

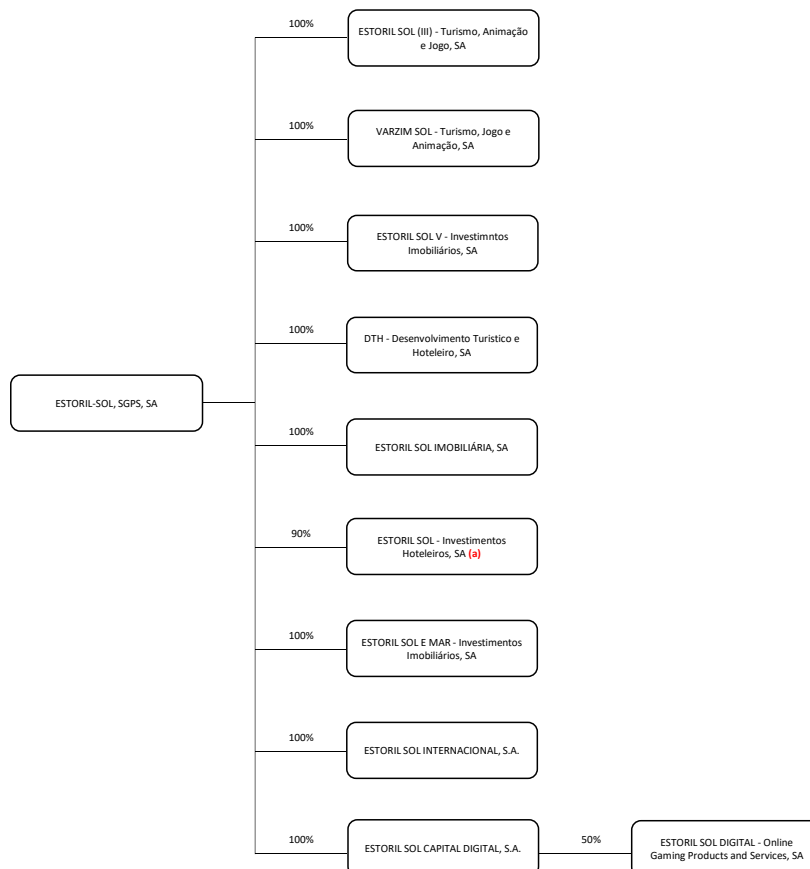
The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the first semester of 2022 were according table below:

Disclosure	Date	Qty	Price (Euros)			
			Open	High	Low	Close
Annual results for 2021	29/04/2022	87	4,76	4,90	4,76	4,90
Annual Shareholders Meeting	31/05/2022	130	5,50	5,50	5,50	5,50

As at June 30th, 2022 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics to the right.



3. ESTORIL-SOL GROUP



(a) - Holds 10% of its Share Capital

On June 30th, 2022, ESTORIL-SOL, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

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

Its share capital of EUR 34.000.000 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.

ESTORIL-SOL DIGITAL – ONLINE GAMING PRODUCTS AND SERVICES, S.A. – with a Share Capital of EUR 500.000 is 50% held by ESTORIL-SOL (III) –TURISMO, ANIMAÇÃO E JOGO, S.A.

The Company was founded in September 2015 in order to apply for an online gaming license. The license was issued during July 2016 and the Company immediately started exploring the online gambling activity. During the course of 2017, in August, the company also obtained a license for online sports betting, activity that began on August 6th, 2017.

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

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

ESTORIL SOL (V) - Investimentos Imobiliários, S.A. - Its share capital of EUR 50.000 is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.. The Company is now idle, but owns a site located on maritime land in the parish of Ericeira.

DTH - DESENVOLVIMENTO TURÍSTICO E HOTELEIRO, 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 - INVESTIMENTOS HOTELEIROS, S.A. - With a share capital of EUR 10.835.000 is 90% held by ESTORIL SOL, S.G.P.S., S.A., with the remaining 10% being held by the company itself.

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

ESTORIL SOL INTERNACIONAL, S.A. - With a share capital of EUR 50.000, it is 100% owned by ESTORIL-SOL, SGPS, S.A, the area of operation will be the management of international projects / operations of the Estoril Sol Group.

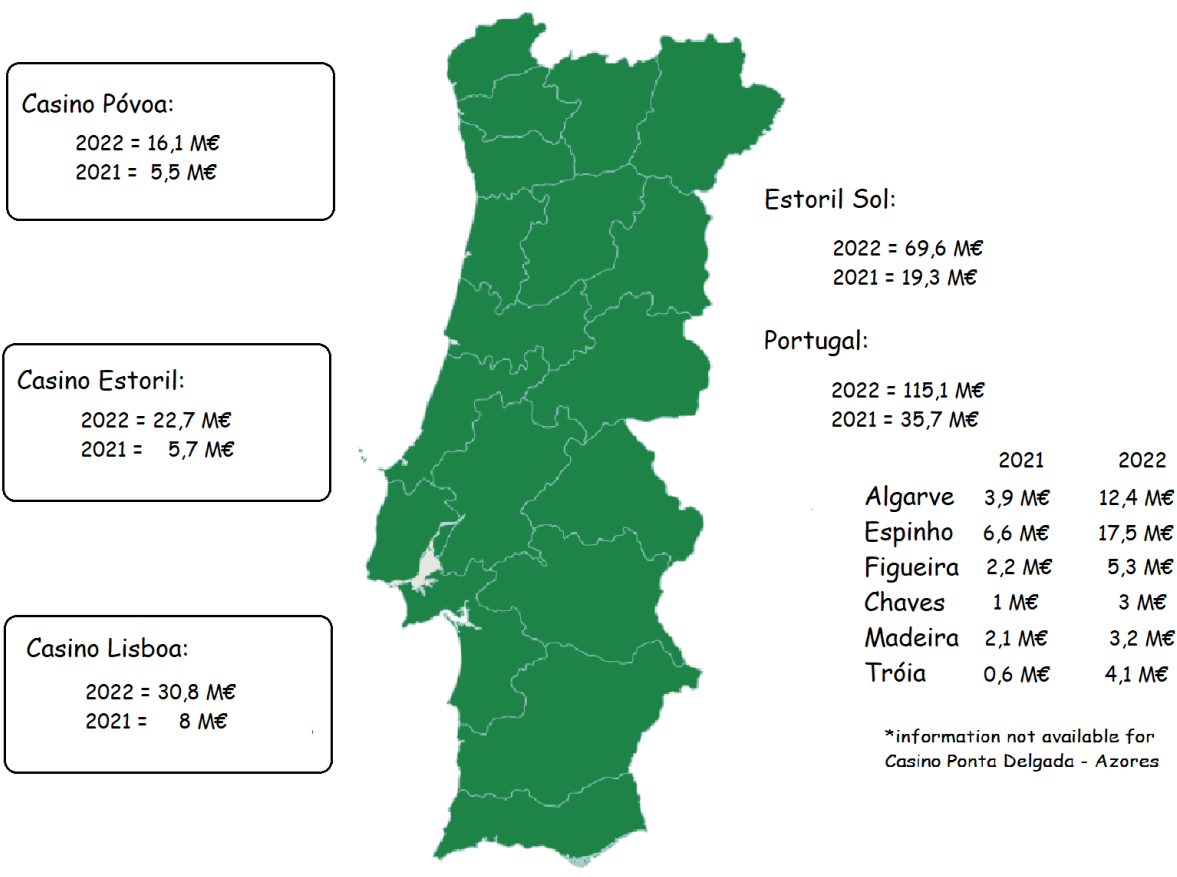
ESTORIL SOL CAPITAL DIGITAL, S.A. – With a share capital of EUR 2.000.000, it is 100% owned by ESTORIL-SOL, SGPS, SA, its area of operation is the management of the online operations of the Estoril Sol Group. In October 2020, the 50% financial stake held by the Estoril Sol Group in Estoril Sol Online, company that operates the online casino, was hosted at Estoril Sol Capital Digital, S.A..

4. GAME REVENUES

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

GROSS GAME REVENUES (excluding b3nus given)

1st Semester 2022 and 2021



Important note:

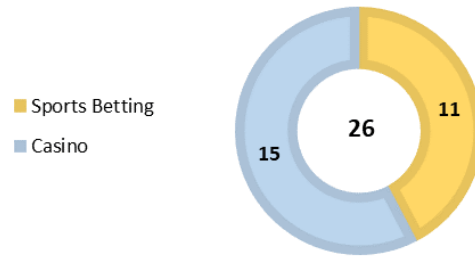
Remember for comparative purposes that during the first half of 2021, and through the implementation of exceptional and temporary measures regarding the epidemiological situation of the Covid-19 Pandemic, physical casinos closed on January 14th, reopened in May 2021 (all) to close again during the 2nd half of June 2021 (Estoril and Lisbon).

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

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

As of June 30, 2022, 15 entities were authorized to engage in online gambling and betting activities in Portugal. Taken as a whole, those entities hold 26 licenses, 11 licenses for sports betting and 15 licenses for online casino.

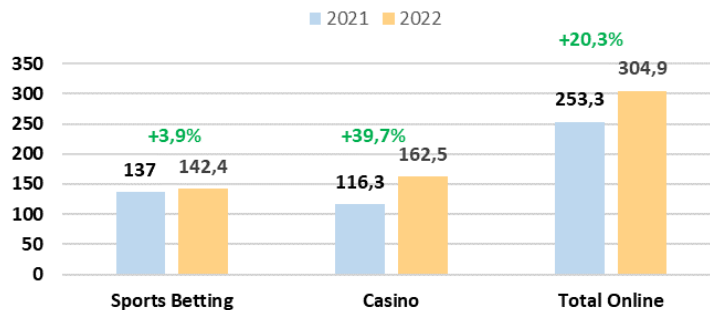
ONLINE LICENSES



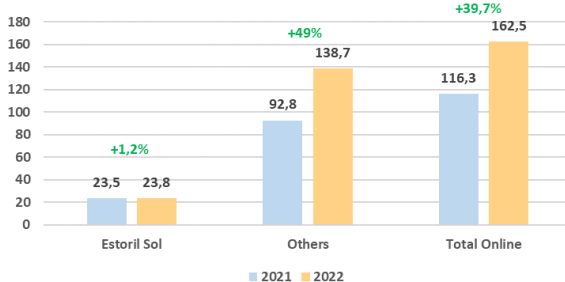
With reference to June 30th, 2022, Estoril-Sol Digital holds the following licenses:

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

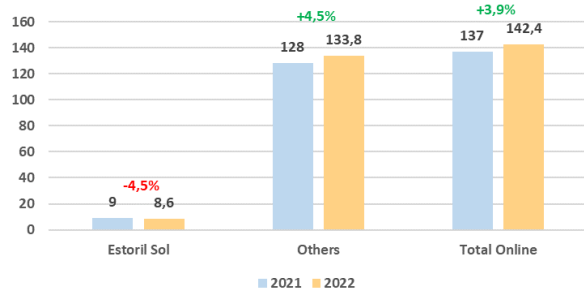
Online Gross Game Revenues
(million Euros)



Online Gross Game Revenues - Casino
(million Euros)

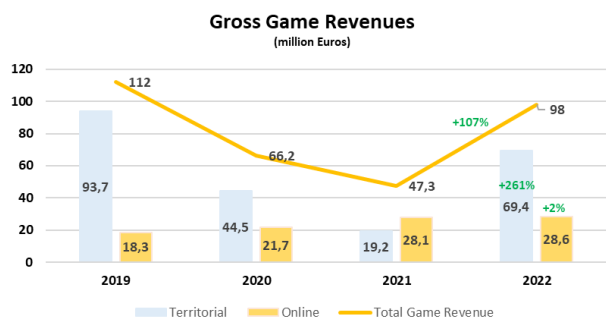


Online Gross Game Revenues - Sports Betting
(million Euros)



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

♣ Gross Game Revenues (deducted from bonus given)



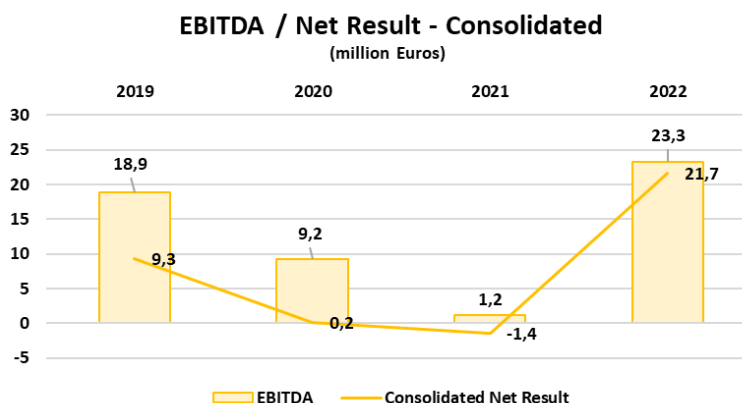
	jun/21		jun/22
Estoril	5,7	296%	22,6
Lisboa	8	284%	30,7
Póvoa	5,5	193%	16,1
Sub-Total Territorial	19,2	261%	69,4
Casino	20,7	2%	21,1
Sports Betting	7,4	1%	7,5
Sub-Total Online	28,1	2%	28,6
Estoril Sol	47,3	107%	98

million Euros

In the first half of 2022, the Group's total game revenues (territorial and online) amounted to 98 million Euros, having recorded an overall growth of 107%. The evolution of gaming revenues was significantly affected by the effects caused by the Covid-19 pandemic. It is important to emphasize here, and for comparative purposes, remember that during the first half of 2021, and through the implementation of exceptional and temporary measures regarding the epidemiological situation of the Covid-19 Pandemic, physical casinos closed on January 14th, reopened in May 2021 (all) to close again during the 2nd half of June 2021 (Estoril and Lisbon). When compared to 2019, the pre-pandemic period, global gaming revenues are still at a level 12% lower than recorded in that year, and if we have territorial-based revenues as a reference, these are 25% below those recorded in 2019, i.e. 69.4 million Euros recorded in June 2022 compared to 93.7 million Euros reached in June 2019. In the opposite direction, the Estoril Sol Group's online game revenues show positive growth rates in all years of the four-year period under analysis, but in 2022 the growth was marginal, 2%.

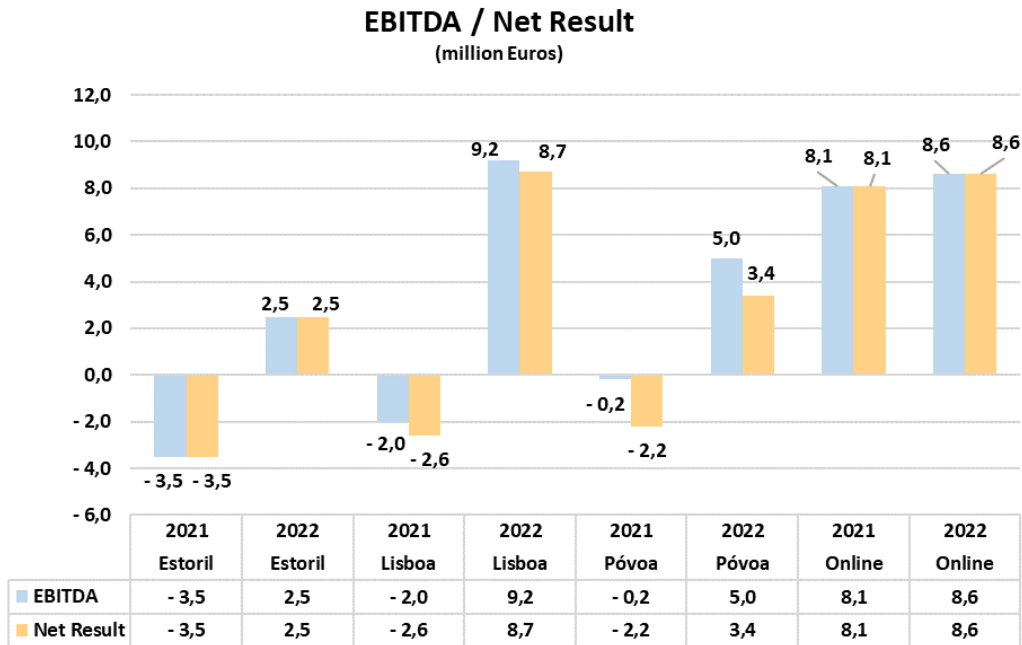
◆ Group Consolidated Results

In the first half of 2022, the Group's EBITDA increased by an impressive 1771% compared to the same period of the previous year and amounted to 23.3 million Euros. This improvement was mainly due to the absence of activity limitations in 2022, limitations that had strongly conditioned the previous year's activity.



As at 30th June 2022 the Group reported positive consolidated net results of 21.7 million Euros, which compares to losses of 1.4 million Euros in the same period from last year.

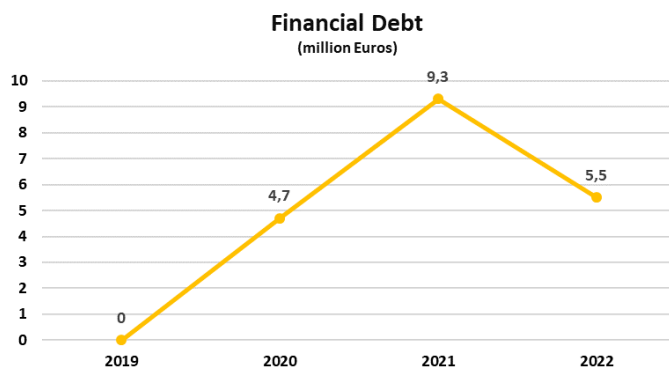
♥ Performance by Segment/Casino



All the Group's casinos improved their results in the first half of 2022 compared to the same period of the previous year, and all of them recorded gains as a result of their operations.

♠ Financial Debt

The results achieved during the first half of 2022 allowed the Group to reduce its bank liabilities. The Group's banking liabilities, in the current situation, arose from the limitations of activity that occurred during the years 2020 and 2021 resulting from the adoption of measures to control the Covid-19 pandemic.



6. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

	Jun - 2022	Jun - 2021	Var %
Gross Game Revenue	101 956 466	51 752 476	97%
Bonus and other fair value adjustments	-3 960 934	-4 470 293	-11%
Game Taxes	-36 595 181	-21 557 436	70%
Net Game Revenue	61 400 350	25 724 747	139%
Government Grant - Lay-Off	2 133	3 216 249	-100%
Other revenue (F&B / Entertainment)	2 395 817	770 764	211%
Operating costs	-40 505 587	-28 466 595	42%
EBITDA	23 292 713	1 245 165	1771%
Amortization and Depreciation	-1 516 782	-2 528 914	-40%
Financial Costs	-79 664	-130 909	-39%
Corporate Income Tax (IRC)	-	-	
Consolidated net result - 1st Semester	21 696 267	-1 414 659	-1634%
Equity holders of the Parent Company	17 418 121	-5 527 908	-415%
Non-Controlling interests	4 278 146	4 113 249	4%
	21 696 267	-1 414 659	

During the first half of 2022, the Group recorded combined gross game revenues, territorial and online, in the total amount of 101.9 million Euros, having registered an overall growth of 97% compared to the same period of the previous year. After deducting the Game Taxes, the Group's total game revenues amounted to 61.4 million euros, an increase of 139% compared to the 25.7 million euros achieved during the same period of the previous year.

The evolution of game revenues was significantly affected by the effects caused by the Covid-19 pandemic. It is important to emphasize here, and for comparative purposes, remember that during the first half of 2021, and through the implementation of exceptional and temporary measures regarding the epidemiological situation of the Covid-19 Pandemic, physical casinos closed on January 14th, reopened in May 2021 (all) to close again during the 2nd half of June 2021 (Estoril and Lisbon). When compared to 2019, the pre-pandemic period, global game revenues are still at a level 12% lower than the values recorded in that year, and if we have territorial-based revenues as a reference, these are 25% below the values achieved in 2019.

In 2021, the Group had received 3.2 million euros in state support resulting mainly from the use of the simplified "Lay-Off" mechanism. The Group's operating costs increased by 42% compared to 2021 arising mainly from the normal resumption of activity. The Group's operating results (EBITDA) improved by 1771% and reached 23.3 million Euros. This improvement was mainly due to the absence of activity limitations in 2022, limitations that had strongly conditioned the activity of the previous year.

The Consolidated Net Profit in the first semester of 2022 was positive by 21.7 million Euros compared with losses of 1.4 million Euros in the same period from the previous year. Of these 21.7 million Euros, 17.4

million Euros belong to the shareholders of Estoril-Sol, SGPS, S.A, and earnings of 4.3 million Euros to minority and non-controlling interests.

As of the date of this report, the terms and conditions of the specifications relating to the public tender for the award of the new game concessions in Estoril and Figueira da Foz are not yet known. The Company is available to analyze the proposals that the Government intends to formulate.

7. SUBSEQUENT EVENTS

Between the 30th of June 2022 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, SGPS,S.A. and the other Companies of the Group.

8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n^o1 of article 246 of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

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

Estoril, 27th July, 2022

The Board of Directors:

- Chairman: Pansy Catilina Chiu King Ho

- Vice-Chairman: Mário Alberto Neves Assis Ferreira

- Directors: António José de Melo Vieira Coelho

Calvin Ka Wing Chann

Daisy Chiu Fung Ho

Jorge Armindo de Carvalho Teixeira

Maisy Chiu Ha Ho

Miguel António Dias Urbano de Magalhães Queiroz

Vasco Esteves Fraga



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Information regarding the securities issued by ESTORIL-SOL, SGPS, S.A., and by companies with which the Company is in controlling or group relationship, which are owned by the members of the Corporate Offices of the Company on 30th June 2022

	Nr shares 31.12.21	Date	Value (€/share)	Nr shares purchased	Nr shares sold	Nr shares 30.06.22
Board of Directors						
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Maisy Chiu Ha Ho	0	-	-	-	-	0
Daisy Chiu Fung Ho	0	-	-	-	-	0
António José de Melo Vieira Coelho	0	-	-	-	-	0
Vasco Esteves Fraga	608	-	-	-	-	608
Jorge Armindo de Carvalho Teixeira	0	-	-	-	-	0
Calvin Ka Wing Chann	1 000	-	-	-	-	1 000
Miguel António Dias Urbano de Magalhães Queiroz	0	-	-	-	-	0
Audit Board						
Manuel Maria Reis Boto	0	-	-	-	-	0
Vitor Prata Sevilhano Ribeiro	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
Statutory Auditor						
Pedro Miguel Argente de Freitas e Matos Gomes	0	-	-	-	-	0



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

On 30th June 2022, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, SGPS, S.A., on 30 June 2022, held 6.930.604 shares of ESTORIL-SOL, SGPS, S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 2,209 shares of ESTORIL-SOL, SGPS, S.A., corresponding to 0,02% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of FINANSOL in the capital of ESTORIL-SOL is 57,81%, and 58,11% to the voting rights.

SOCIEDADE FIGUEIRA PRAIA, S.A.

On 30th June 2022, ESTORIL-SOL, SGPS, S.A. held 62.565 treasury shares, and, as SOCIEDADE FIGUEIRA PRAIA, S.A. held 3.917.793 shares, this company was a direct holder of 32,67% of the share capital and 32,84% of the voting rights of ESTORIL SOL, SGPS, S.A..



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CONSOLIDATED FINANCIAL STATEMENTS
AND
NOTES TO THE ACCOUNTS

ESTORIL SOL SGPS S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON JUNE 30th, 2022 And DECEMBER 31st, 2021

(Amounts in Euros)

ASSETS	Notes	Jun - 22	Dec - 21
NON-CURRENT ASSETS:			
Tangible fixed assets			
Reversible to the State	-	4 861 927	5 751 930
Not reversible to the State	-	47 977 696	48 627 970
Tax deductions on investments	-	<u>(2 056 522)</u>	<u>(2 422 739)</u>
Total non-current assets		50 783 101	51 957 161
Intangible assets	9	2 342 907	2 682 578
Right-of-use assets	-	345 500	345 500
Investment properties	-	168 263	171 039
Other non current assets	-	<u>115 959</u>	<u>103 854</u>
		<u>53 755 730</u>	<u>55 260 129</u>
CURRENT ASSETS:			
Inventories	-	6 913 543	6 905 362
Accounts receivable - trade	-	620 319	432 790
Other current assets	-	1 423 952	1 695 151
Cash and cash equivalents	10	<u>83 433 366</u>	<u>68 687 884</u>
Total current assets		<u>92 391 180</u>	<u>77 721 187</u>
Total assets		<u>146 146 910</u>	<u>132 981 316</u>
EQUITY and LIABILITIES			
EQUITY:			
Capital	-	59 968 420	59 968 420
Treasury shares	-	(708 306)	(708 306)
Share issue premiums	-	960 009	960 009
Legal Reserves	-	9 429 425	8 871 314
Other Reserves and Retained earnings	11	18 699 845	8 095 733
Consolidated net profit	-	<u>17 418 121</u>	<u>11 162 223</u>
Equity attributable to the holders of the Parent Company		105 767 514	88 349 393
Equity attributable to non-controlling interests	12	<u>7 357 212</u>	<u>6 079 066</u>
Total equity		<u>113 124 726</u>	<u>94 428 459</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Lease liabilities	-	134 058	134 058
Provisions	-	<u>2 688 938</u>	<u>2 874 742</u>
Total non-current liabilities		<u>2 822 996</u>	<u>3 008 800</u>
CURRENT LIABILITIES:			
Lease liabilities	-	241 497	241 497
Bank liabilities	-	5 460 374	8 884 000
Current tax liabilities	-	-	106 013
Other current liabilities	13	<u>24 497 315</u>	<u>26 312 547</u>
Total current liabilities		<u>30 199 186</u>	<u>35 544 057</u>
Total liabilities		<u>33 022 183</u>	<u>38 552 857</u>
Total equity and liabilities		<u>146 146 910</u>	<u>132 981 316</u>

ESTORIL-SOL, SGPS, S.A.
CONSOLIDATED INCOME STATEMENT
OF THE PERIODS ENDED ON 30th JUNE, 2022 AND 2021

(Amounts in Euros)

	Notes	Jun - 2022	Jun - 2021
REVENUE:			
Gaming revenues	5	97 995 532	47 282 183
Gaming taxes	5	<u>(36 595 181)</u>	<u>(21 557 436)</u>
		61 400 351	25 724 747
Government Grant - Lay-Off	5	2 133	3 216 249
Other operating revenue	5	<u>2 395 817</u>	<u>770 764</u>
		<u>63 798 302</u>	<u>29 711 761</u>
OPERATING EXPENSES:			
Cost of sales	-	(850 386)	(212 333)
Supplies and external services	6	(22 802 200)	(13 866 856)
Wages and salaries	7	(16 056 301)	(13 980 928)
Depreciation and amortization	-	(1 537 282)	(2 454 740)
Provisions (increases) / reversals)	-	20 500	(74 174)
Other operating expenses	-	<u>(796 703)</u>	<u>(406 481)</u>
Total operating expenses		<u>(42 022 370)</u>	<u>(30 995 511)</u>
Income before financial results and taxes		<u>21 775 932</u>	<u>(1 283 750)</u>
FINANCIAL (LOSSES) AND GAINS:			
Financial losses	8	(148 050)	(171 422)
Financial gains	8	<u>68 385</u>	<u>40 513</u>
		<u>(79 664)</u>	<u>(130 909)</u>
Income before taxes		<u>21 696 267</u>	<u>(1 414 659)</u>
Income taxes	-	-	-
Consolidated net income		<u>21 696 267</u>	<u>(1 414 659)</u>
Attributable to:			
Equity holders of the Parent Company	15	17 418 121	(5 527 908)
Non-controlling interests	12	<u>4 278 146</u>	<u>4 113 249</u>
		<u>21 696 267</u>	<u>(1 414 659)</u>
Net result per share			
Basic and diluted		<u>1,46</u>	<u>(0,46)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL SOL SGPS, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30th JUNE 2022 AND 2021

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other Reserves and Retained Earnings	Consolidated net result of the year	Total	Non-controlling interests (Note 12)	Total Equity
Balance at 01 st January 2021	59 968 420	(708 306)	960 009	8 871 314	28 047 841	(20 328 108)	76 811 170	7 794 907	84 606 077
Application of the consolidated net profit of the year ended 31 st December 2020	-	-	-	-	(20 328 108)	20 328 108	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	-	-
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th June 2021	-	-	-	-	-	(5 527 908)	(5 527 908)	4 113 249	(1 414 659)
Balance at 30 th June 2021	59 968 420	(708 306)	960 009	8 871 314	7 719 732	(5 527 908)	71 283 262	11 908 156	83 191 418
Balance at 01 st 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 st December 2021	-	-	-	558 111	10 604 112	(11 162 223)	-	-	-
Dividends paid to Non-controlling interests	-	-	-	-	-	-	-	(3 000 000)	(3 000 000)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th June 2022	-	-	-	-	-	17 418 121	17 418 121	4 278 146	21 696 267
Balance at 30 th June 2022	59 968 420	(708 306)	960 009	9 429 425	18 699 845	17 418 121	105 767 514	7 357 212	113 124 726

ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIODS ENDED 30th JUNE 2022 AND 2021

(Amounts in Euros)

	<u>Notes</u>	<u>30-Jun-2022</u>	<u>30-Jun-2021</u>
<u>OPERATING ACTIVITIES:</u>			
Receipts from clients		99 969 214	47 886 131
Payments to suppliers		(24 837 358)	(16 094 709)
Payments to staff		(14 517 725)	(10 106 376)
Cash flow generated by operations		60 614 131	21 685 047
Payment of income tax		(117 174)	(68 261)
Payment of Special Gaming tax		(36 497 130)	(23 832 355)
Other payments relating to the operating activity		(2 411 516)	(367 481)
Cash flow from operating activities (1)		<u>21 588 311</u>	<u>(2 583 051)</u>
<u>INVESTING ACTIVITIES:</u>			
Receipts from:			
Interest and similar income		67 656	40 513
		<u>67 656</u>	<u>40 513</u>
Payments in respect of:			
Tangible fixed assets		(54 630)	(100 994)
Intangible assets		-	(8 000)
		<u>(54 630)</u>	<u>(108 994)</u>
Cash flow from investment activities (2)		<u>13 027</u>	<u>(68 481)</u>
<u>FINANCING ACTIVITIES:</u>			
Receipts from:			
Bank loans obtained		18 194 570	58 742 657
		<u>18 194 570</u>	<u>58 742 657</u>
Payments in respect of:			
Bank loans repaid		(21 686 871)	(55 983 457)
Interest and similar costs		(160 827)	(174 612)
Dividends		(3 000 000)	-
Amortization of lease liabilities		(202 728)	(208 277)
		<u>(25 050 426)</u>	<u>(56 366 346)</u>
Cash flow from financing activities (3)		<u>(6 855 856)</u>	<u>2 376 312</u>
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		14 745 482	(275 220)
Cash and cash equivalents at the start of the period	10	68 687 884	58 698 826
Cash and cash equivalents at the end of the period	10	83 433 366	58 423 606



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1. INTRODUCTION

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

The main business sector in which the Group operates consists of the operation of physical casinos for games of chance, an activity regulated by Turismo de Portugal through the Gaming Regulation and Inspection Service, under the concession contracts of Póvoa game concession (until 2025), which includes the exploration of the Póvoa de Varzim Casino, and the Estoril game concession, which includes the Casino do Estoril and the Casino de Lisboa. In addition, in 2016 one of the subsidiaries began its activity of exploring online games through the ESC Online site and started subsequently the activity related to sports betting, under the assigned licenses, valid for 3 years and renewable.

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

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

2. MAIN ACCOUNTING POLICIES

2.1. Bases of presentation

The attached financial statements were prepared on the assumption of the continuity of operations, based on the books and accounting records of the companies included in the consolidation (Note 4), adjusted to comply with the provisions of the IAS 34 as adopted in the European Union and should be read together with the consolidated financial statements for the year ended 31st December 2021.

The interim financial information now disclose was not subjected to an external audit or limited review.

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

During the period ended on 30th June 2022, there were no changes in accounting policies in relation to those used in the preparation and presentation of the financial statements of the year ended on 31st December 2021, nor were any material errors recognised relating to previous periods.

4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

4.1 Companies included in the consolidation

The companies included in the consolidation, their registered offices, the method of consolidation adopted and the proportion of the capital effectively held on 30th June 2021 and 31st December 2020 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Jun-22	Dec-21
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.	Estoril	Integral	50	50
Estoril-Sol Internacional, S.A.	Estoril	Integral	100	100
Estoril-Sol Capital Digital, S.A.	Estoril	Integral	100	100

5. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th June 2022 and 2021, is detailed as follows:

Nature	June - 2022					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	15 086 629	24 821 292	39 907 921	13 756 803	21 806 518	75 471 243
- Table based gaming	7 651 322	5 968 656	13 619 978	2 330 390	1 949 792	17 900 160
- Sports betting	-	-	-	-	8 585 063	8 585 063
- Bonuses and other fair value adjustments	(89 610)	(110 461)	(200 071)	5 722	(3 766 585)	(3 960 934)
	22 648 341	30 679 487	53 327 828	16 092 915	28 574 788	97 995 532
Gaming taxes:						
- Special Gaming Tax (current)	(8 633 591)	(11 290 274)	(19 923 865)	(5 900 658)	(10 770 658)	(36 595 181)
Operating grants/benefits:						
- Government grants - Lay-Off	847	1 002	1 849	284	-	2 133
Other operating revenues:						
- F&B and Entertainment	1 823 722	242 182	2 065 904	208 405	-	2 274 309
- Tax deductions - Entertainment	-	-	-	-	-	-
- Supplementary income	63 183	13 434	76 617	4 879	-	81 496
- Other	28 149	11 534	39 684	329	-	40 013
	1 915 054	267 150	2 182 204	213 613	-	2 395 817
	15 930 651	19 657 365	35 588 016	10 406 154	17 804 130	63 798 302

Nature	June - 2021					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
- Slot Machines	4 662 741	6 628 704	11 291 445	4 869 762	20 601 085	36 762 292
- Table based gaming	1 068 745	1 403 682	2 472 427	646 597	2 820 890	5 939 914
- Sports betting	-	-	-	-	9 050 270	9 050 270
- Bonuses and other fair value adjustments	(24 860)	(37 542)	(62 402)	4 599	(4 412 490)	(4 470 293)
	5 706 626	7 994 844	13 701 470	5 520 958	28 059 755	47 282 183
Gaming taxes:						
- Special Gaming Tax (current)	(2 865 743)	(4 016 193)	(6 881 936)	(2 758 180)	(11 917 320)	(21 557 436)
Operating grants/benefits:						
- Government grants - Lay-Off	1 254 121	1 094 472	2 348 593	867 656	-	3 216 249
Other operating revenues:						
- F&B and Entertainment	353 577	96 431	450 008	65 341	-	515 349
- Tax deductions - Entertainment	245 024	-	245 024	-	-	245 024
- Supplementary income	2 426	5 348	7 774	2 350	-	10 124
- Other	190	-	190	77	-	267
	601 218	101 778	702 996	67 768	-	770 764
	4 696 222	5 174 901	9 871 123	3 698 203	16 142 435	29 711 761

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

6. SUPPLIES AND EXTERNAL SERVICES

In the periods ended on 30th June 2022 and 2021, "Supplies and external services" were as follows:

	Jun - 2022	Jun - 2021
Advertising	4 456 876	3 558 082
Fees	3 567 480	2 781 949
Gifts to customers	2 565 250	660 012
Energy and other fluids	2 093 190	666 310
Subcontracts	1 579 782	618 052
Cleaning and laundry	1 457 396	789 340
Financial services (comissions)	1 374 600	1 256 074
Conservation and repairs	1 326 402	705 693
Royalties	1 114 767	595 417
Surveillance and security	904 259	514 272
Specialized work	801 010	657 360
Rents	554 951	483 788
Communication	230 693	132 250
Insurance	198 645	209 085
Travel and hotels	76 913	24 195
Other	499 988	214 976
	22 802 200	13 866 856

7. STAFF COSTS

In the periods ended on 30th June 2022 and 2021, staff costs were as follows:

	Jun - 2022	Jun - 2021
Remuneration of governing bodies	1 182 527	1 230 168
Remuneration of staff	11 121 308	10 544 175
Indemnities	100 743	2 977
Charges on remuneration	2 789 125	1 620 477
Insurance	126 070	78 391
Social charges	629 501	486 001
Other	107 027	18 739
	<u>16 056 301</u>	<u>13 980 928</u>

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

8. FINANCIAL LOSSES AND FINANCIAL GAINS

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

Financial Costs	Jun - 2022	Jun - 2022
Interest borne:		
Financing from banks	(118 262)	(129 340)
Finance and operating leasing	(29 788)	(42 082)
	<u>(148 050)</u>	<u>(171 422)</u>
Financial Income	Jun - 2022	Jun - 2022
Interests from bank deposits	46 715	35 486
Exchange gains	5 100	701
Other	16 570	4 326
	<u>68 385</u>	<u>40 513</u>
Net financial costs	<u>(79 664)</u>	<u>(130 909)</u>

9. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th June 2022 and 31st December 2021 is as follows:

Gaming Concession	Jun - 2022		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153 576 455	(153 576 455)	-
- Casino Lisboa	30 000 000	(30 000 000)	-
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(74 696 080)	2 338 029
	260 610 564	(258 272 535)	2 338 029
Intangible assets - Online gaming license	22 000	(21 489)	511
Intangible assets - Online sports betting	12 000	(7 633)	4 367
	260 644 564	(258 301 657)	2 342 907

Gaming Concession	Dec - 2021		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153 576 455	(153 576 455)	-
- Casino Lisboa	30 000 000	(30 000 000)	-
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(74 362 076)	2 672 033
	260 610 564	(257 938 531)	2 672 033
Intangible assets - Online gaming license	22 000	(17 822)	4 178
Intangible assets - Online sports betting	12 000	(5 633)	6 367
	260 638 564	(257 961 986)	2 682 578

10. CASH AND CASH EQUIVALENTS

On 30th June 2022 and 31st December 2021, this caption was broken down as follows:

	Jun- 2022	Dec - 2021
Cash	7 431 925	7 810 517
Bank Deposits:		
Immediately available bank deposits	63 001 441	47 877 367
Long term deposits (a)	13 000 000	13 000 000
Cash and cash equivalents	83 433 366	68 687 884

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

11. OTHER RESERVES AND RETAINED EARNINGS

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

At the General Shareholders' Meetings held on May 31st, 2022, the application of the results for the year 2021 was approved as follows:

	2 021
Legal reserve	558 111
Other reserves and retained earnings	10 604 112
Dividends	-
	11 162 223

12. NON-CONTROLLING INTERESTS

On 30th June 2022 and 31st December 2021, the caption "Non-controlling interests" was broken down as follows:

Company	Jun - 2022				Dec - 2021			
	Opening Balance	Profit / (Loss) of the period	Dividends	Closing Balance	Opening Balance	Profit / (Loss) of the period	Dividends	Closing Balance
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	6 079 066	4 278 146	(3 000 000)	7 357 212	7 794 907	7 984 159	(9 700 000)	6 079 066

13. OTHER CURRENT AND NON-CURRENT LIABILITIES

On 30th June 2022 and 31st December 2021, this caption was broken down as follows:

	Jun - 2022	Dec - 2021
Other accounts payable - current		
Current suppliers	5 517 654	6 784 098
Suppliers of investments	25 291	31 628
State and Public Sector		
Special Gaming Tax (to be paid next month)	5 673 989	6 077 179
Social Security contribuitons	884 515	974 374
Other in favour of the State	1 114 487	843 756
Clients advance payments (a)	1 895 083	2 135 038
Charges with holidays payable	4 350 675	4 225 064
Responsibilities for accumulated gaming premiums (b)	2 300 521	2 261 629
Other	2 735 100	2 979 781
	24 497 315	26 312 547

(a) Customer advances respect to the online business, and correspond to the balance available for play or withdrawal on June 30th, 2022.

(b) This caption relates to liabilities for accrued gambling bonuses, resulting from the accrued bonuses announced in the various casinos explored by the Group.

14. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

Contingent liabilities

In the normal course of its business, the Group is involved in several legal proceedings. In result of their nature and provisions and according to the opinion of legal advisors, the expectation is that, from the respective outcome, there will be no material effects that are not yet recognized in the financial statements as of June 30, 2022 and December 31, 2021. The most relevant processes are as follows:

- Differences of understanding between the Group and the Tax Administration, regarding the taxation of Corporate Income Tax (IRC), relating to 2007, 2008, 2009 and 2010, in the light of non-taxation of documented expenses incurred in the course of gambling activity by its subsidiaries, in the total amount of 5.629.000 Euros. Bank guarantees were provided in favour of the Cascais Finance Department in the amount of 7.197.635 Euros. The Group's Board of Directors, based on the above, and based on the opinion of its legal and tax advisors, considers only to be possible and unfavourable outcome for the Group although not probable, and therefore no provision was recorded in the financial statements for the year.

Contingent assets

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 re-store 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 im-pacts arising from the pandemic caused by the Covid-19 disease, the aforementioned facts do not, in any way, include the issues to be addressed by the arbitral tribunal.

Guarantees provided

On 30th June 2022 and 31st December 2021 the guarantees provided by the Group were as follows:

	Jun - 2022	Dec - 2021
Obligations related with the Special Gaming Tax	9 311 703	9 234 703
Tax lawsuits in hand / litigation	8 902 368	8 902 368
Current suppliers	39 250	39 250
	<u>18 253 321</u>	<u>18 176 321</u>

15. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the periods ended on 30th June 2022 and 2021 was determined as follows:

	Jun - 2022	Jun - 2021
<u>Results:</u>		
Net profit of the Equity holders of the Parent Company	17 418 121	(5 527 908)
<u>Number of shares:</u>		
Average weighted number of shares in circulation	11 931 119	11 931 119
Result per basic share, basic and diluted	<u>1,46</u>	<u>(0,46)</u>

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

16. NOTE ADDED FOR TRANSLATION

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