IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto

Share Capital Euros 36.000.000

Commercial Registry: Oporto under number 501669477

Fiscal number: 501669477

Consolidated Report & Accounts
1st Half 2021

- **Consolidated Turnover of 134.9 million Euros**
  Increase of 0,9 % over 1st half of 2020

- **Consolidated EBITDA reached 24.9 million Euros**
  Ebitda increased 64.6% over 1st half of 2020

- **Consolidated net profit of -22.9 million Euros**
  Increase of 31% when compared to the 1st half of 2020

Consolidated Management Report

COVID-19

The first half of 2021- contrary to what was expected - was the period in which the restaurants operated with more restrictions since the beginning of the pandemic outbreak of Covid-19. Actually, in 2020, the confinement period in Portugal lasted 45 days, with the restaurants operating normally for about 75 days.

In turn, in 2021, not only did the period of confinement last 94 days (from 15 January to 19 April) but, shortly after its expiry, new restrictions were introduced in June that extended beyond the semester.

As of April 19th, Ibersol began to gradually reopen the restaurants, although with limitations and restrictions on their operation.

However, in June, there was an aggravation of the pandemic situation in Portugal due to the dissemination of the Delta variant and the difficulty of balancing the opening of the economy with the variation in the number of infected, with new conditions having been enacted at regional level, depending on the degrees of incidence and transmission of the disease, which conditioned the pace of activity recovery.

Despite this environment, the activity of 2021 – when compared with 2020 – evolved in a much more favorable way, which is not indifferent to the greater knowledge of how to address the effects of successive changes to the legal framework that were approved by the Government.

During this period, the Group's activity remained conditioned by:

i. closure of restaurants;
ii. curfew;
iii. limitation of restaurant opening hours;
iv. limitation of opening hours of retail stores at shopping centers on weekends;
v. restrictions on personal mobility and closure of borders;
vi. absence of public at football stadiums and events with limited capacity.

In Portugal, within the scope of support for employment protection, the group adhered in the semester to the simplified lay-off, Support for Progressive Recovery and the New Incentive for the Normalization of Business Activity, while in Spain, it remained with around 35% of employees in ERTE (equivalent to lay off), which resulted in support worth 13 million Euros in both countries.

At the same time, contract renegotiations continued, namely lease contracts seeking to rebalance them, which resulted in discounts in the amount of 3 million Euros, many of which as a result of the application of the legal regulations in force in Portugal.

With regard to rents at airports in Spain, in this second quarter there was no evolution of the suit against AENA, in which it is requested the court to rebalance the leases, in line with reductions in passengers traffic at the airports. For this reason, liabilities continue to reflect the amount of the minimum 2020 rents defined contractually and which were not paid by the Ibersol Group, as well as the proportional for the year 2021.

In Spain, the operating limitations were different from region to region, with Madrid applying tighter restrictions as opposed to what happened in Barcelona.

In this context, the Group, as far as possible, proceeded during the second quarter with the gradual reopening of the restaurants, seeking to adjust the operating costs to the income and, in close articulation with financial institutions, to carry out negotiation of the extension of the available financing lines and new financing.

Consequently, until June, we took advantage of the extension of the grace periods and State guaranteed funding deadlines:

i. Covid-19 economic support funding in Portugal, with 9 further months of grace period and maturity dates, which translates into 4.1 million Euros less expense in the short-term
ii. ICO line of 20 million Euros in Spain; 1-year increase in grace period and extension of maturity by 3 more years (2025 to 2028), translating into 5 million Euros less expense in the short-term
iii. Other ICO Funding in Spain, with a 1-year increase in grace period and maturity, translating into 0.8 million Euros less expense in the short-term
iv. ICO lines, also in Spain, in the amount of 15 million Euros extended by another year.

Additionally, we entered into financing contracts in the amount of 11.5 million euros under the Covid-19 Economy Support Line – Medium and Large Tourism Companies.

Activity

To allow comparison with other companies in the sector and previous financial periods, the Group uses operational performance indicators, as mentioned throughout this section, the definition and explanation of which can be consulted in the glossary.

In a more unfavorable context, consolidated turnover in the first half of 2021 amounted to EUR 134.9 million, compared to EUR 133.6 million in the same period of the previous year, which represents a slight increase of 0.9%.

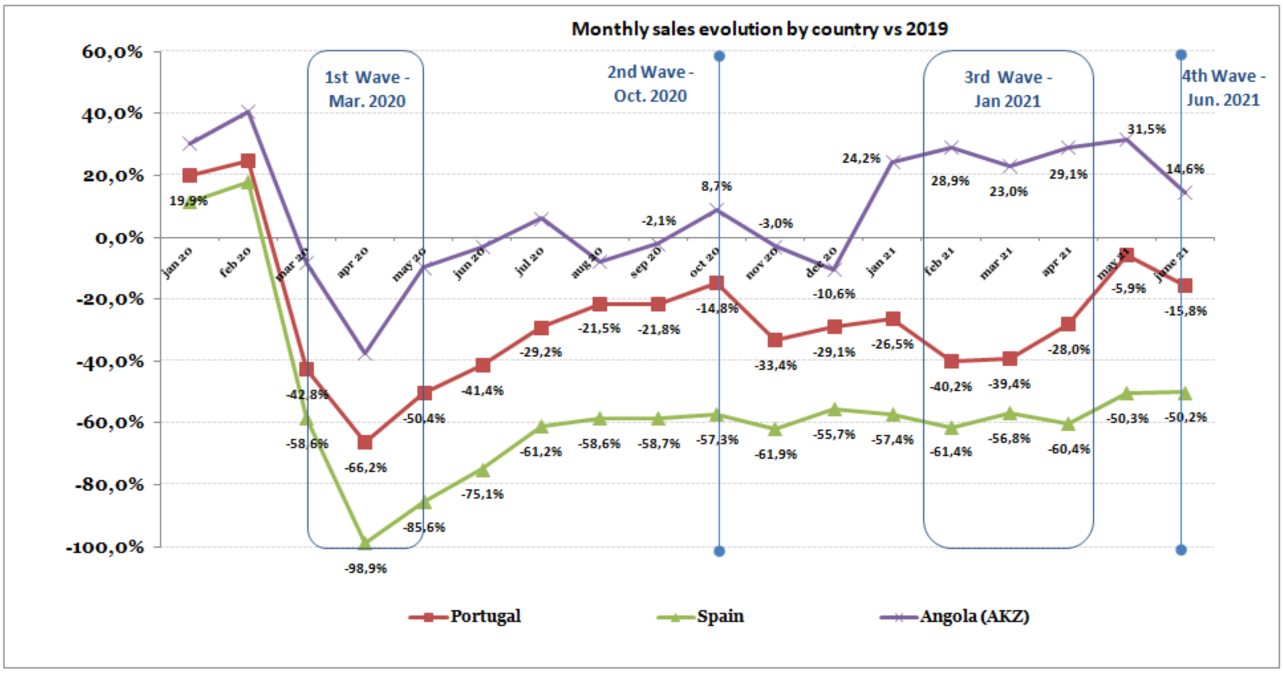
Turnover (euro million)	**1H 2021**	**1H 2020**	Var. 21/20	**1H 2019**	Var 21/19
Sales of Restaurants	131,97	130,49	1,1%	213,06	-38,1%
Sales of Merchandise	2,28	2,55	-10,5%	6,54	-65,1%
Services Rendered	0,61	0,60	1,9%	1,74	-64,8%
Turnover	134,86	133,64	0,9%	221,34	-39,1%

With the gradual reopening of the restaurants throughout this second quarter and the lifting of the limitations of hours, sales channels and product range, the evolution of restaurants open to the public is shown in the table below. As a result, only 8% of the total restaurants operated by Ibersol remained closed on 30 June.

% Operating own stores				
Month	**Portugal**	**Spain**	**Angola**	**Total**
January 21	76%	62%	100%	**72%**
February 21	74%	65%	100%	**72%**
March 21	75%	72%	100%	**75%**
April 21	94%	71%	100%	**88%**
May 21	96%	75%	100%	**90%**
June 21	97%	79%	100%	**92%**

After a second lock-down in the first quarter in Portugal, the recovery trend that had been seen in this second quarter was interrupted by a 4th wave, as a result of the widespread dissemination of the new Delta variant and the difficulty of controlling the number of infected, which determined the application of new restrictions, which resulted in recovery paces with different behaviors, depending on the geography and weight of the segments operated in each one of them.

After a year of pandemic, companies have improved their ability to deal with the restrictions imposed by the government and to take the most appropriate measures.



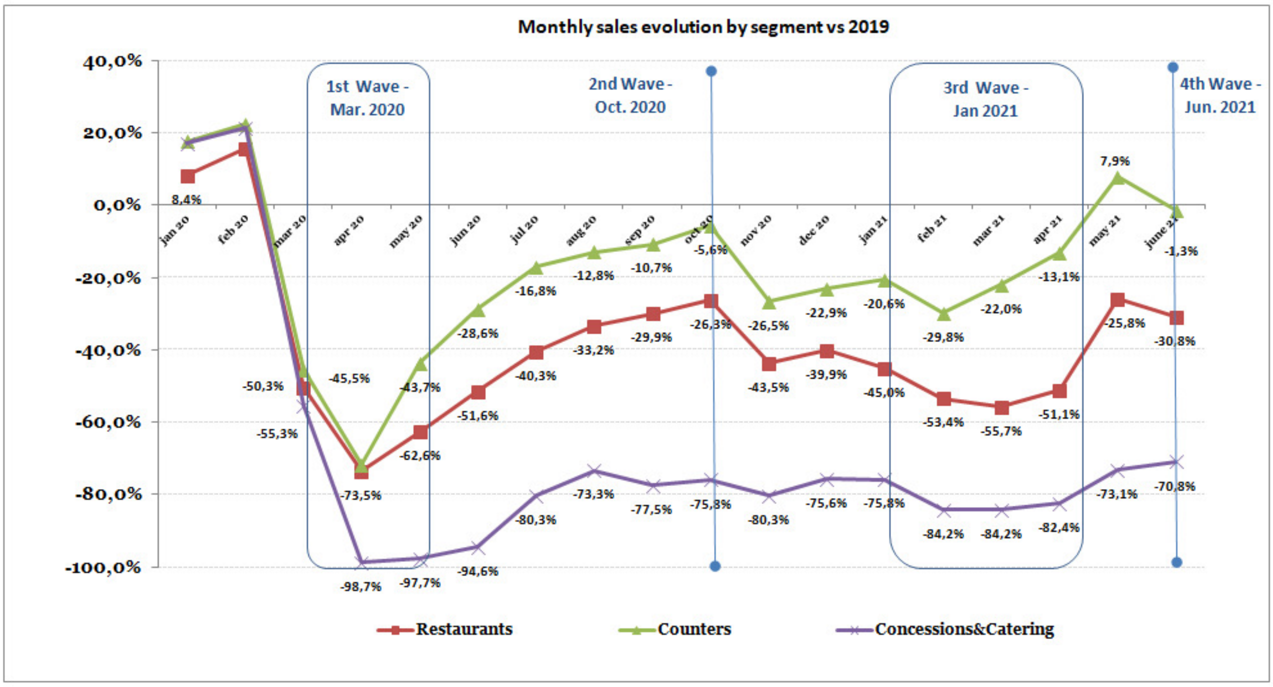
The sales loss curves for the year 2019 show the effect of the restrictions that have been in place since 2020, in different countries.

In Portugal, as mentioned, the effects of the 4th wave in June translated into a slowdown in the pace of recovery, after having registered the best performance in May since the beginning of the pandemic.

In Spain, due to a smaller number of restaurants with drive service and locations that are more dependent on tourism and city center traffic, there was a slight recovery from April onwards, directly related to the positive evolution of traffic in the airports and the gradual lifting of restrictions in different regions.

Sales of restaurants located in Angola reflect the evolution in local currency, - which does not include the impacts arising from currency conversion – continuing to be the least penalized by the effect of the pandemic, despite the worsening of restrictions on restaurant opening hours since late May.

In this context, the monthly evolution of sales by segment, illustrates the impacts of the different restrictions during the first semester and the respective comparative with the same period of 2019.



The concessions and catering segment continued to present greater difficulties in recovering, due to the restrictions and limitations of air traffic and the consequent reduction in the mobility of people, which penalizes the Travel channel and the limitations imposed on the catering events, with cancellation and postponement of most of them.

Therefore, restaurants located at airports continued to be strongly penalized by the reduction in air traffic.

In Spain, where the group operates restaurants in nine different airports, passenger traffic dropped in the first semester 80%(77% in the 2nd quarter), compared to pre-covid traffic in 2019, with airports located in the Canaries and Balearic Islands suffering less than urban airports.

In Portugal, drops in passenger traffic at airports where the group is present amounted to 81% compared to 2019, behaving identically to Spain.

It should be noted that the passengers traffic recorded a faster recovery towards the end of semester, directly related to the increase in pace of vaccination in European countries and the reduction of limitations imposed on circulation.

SALES IN RESTAURANTS (euro million)	1H 2021	1H 2020	Var. 21/20	1H 2019	Var 21/19
Restaurants	28,01	31,11	-10,0%	49,38	-43,3%
Counters	91,08	77,07	18,2%	105,59	-13,7%
Concessions&Catering	12,87	22,31	-42,3%	58,09	-77,8%
Total Sales	131,97	130,49	1,1%	213,06	-38,1%

Restaurants, with dine-in service, which recorded a very strong recovery in May, were once again penalized by the worsening of measures against the pandemic in June – mainly in Portugal – as a result of the occupation and operating hour's limits at restaurants and other retail located at shopping centers.

The increase in the weight of delivery sales, which represented around 33% of total restaurant sales, allowed to reduce the impact of operating limitations in the restaurant and counter segments, although significantly affecting the profitability of operations, due to higher costs.

The counter segment proved, once again, to be more resilient to the pandemic restrictions, surpassing for the first time in May the pre-pandemic sales volume of 2019 and recording a double-digit growth compared to the 1st half of 2020, to which contributed decisively three factors:

a) the impact of the expansion which occurred in the second half of 2019 and the end of 2020, namely with the Burger King, KFC and Taco Bell brands;
b) the continued operation of restaurants with delivery and take-away services following the declaration of the state of emergency;
c) the positive performance of restaurants with drive-thru services (operated by Burger King and KFC brands) which helped overcome the losses registered in the eat-in services.

During the semester, 15 restaurants were definitively closed, ten of which were franchised and the opening of two new Burger King and one Pizza Hut restaurants in Portugal and the conversion of two Pasta Caffé restaurants into Taco Bell.

The closure of the five equity restaurants resulted from the option of not renewing three lease contracts (two Pans restaurants and one Pizza Hut) and the end of the concession contracts of two restaurants at the airports of Madrid and Bilbao.

At the end of the semester, the total number of restaurants was 610 (528 equity and 82 franchises), as shown below:

Nº of Restaurants	2020 31-Dec	2021 Openings	2021 Transfer	2021 Closures	2021 30/Jun
PORTUGAL	**362**	**2**	**0**	**1**	**363**
Equity Restaurants	**361**	**2**	**0**	**1**	**362**
Pizza Hut	97	1		1	97
Okilo+MIIT+Ribs	4				4
Pans+Roulotte	42				42
Burger King	107	1			108
KFC	35				35
Pasta Caffé	4		-2		2
Quiosques	8				8
Taco Bell	4		2		6
Coffee Shops	27				27
Catering	10				10
Concessions & Other	23				23
Franchise Restaurants	**1**				**1**
SPAIN	**248**	**0**	**0**	**14**	**234**
Equity Restaurants	**160**	**0**	**0**	**4**	**156**
Pizza Móvil	14				14
Pizza Hut	3				3
Burger King	38				38
Pans	30			2	28
Ribs	13				13
FrescCo	2				2
KFC	2				2
Concessions	58			2	56
Franchise Restaurants	**88**	**0**	**0**	**10**	**78**
Pizza Móvil	8			3	5
Pans	48			4	44
Ribs	20			1	19
FrescCo	5			1	4
SantaMaria	7			1	6
ANGOLA	**10**	**0**	**0**	**0**	**10**
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise	**3**	**0**	**0**	**0**	**3**
Pans	3				3
Total Equity Restaurants	**531**	**2**	**0**	**5**	**528**
Total Franchise Restaurants	**92**	**0**	**0**	**10**	**82**
TOTAL	**623**	**2**	**0**	**15**	**610**

Consolidated Financial Performance

The consolidated operating income of 1H amounted to (17.7) million Euros compared to (31.8) million Euros, in the same period of 2020.

The new lock-down that determined the closure of the restaurants until mid-April and the limited operation in the second quarter, penalized again the operational performance of the group. The ability to adapt to this new reality and the support recognized under the employment protection plans and the incentive to the normalization of business activity, allowed to achieve a significant recovery in operating income compared to the same period of 2020 of +44.3%, showing a better ability to react against a lock-down period.

It should be noted that, in accordance with IFRS16, since 1st January 2019, the right of use of the restaurants subject to lease agreements with AENA was recognized, recorded in the company's assets against the liability, corresponding to all rents payable during the contractual period (in update values). Therefore, the costs related to the lease at airports in Spain are fully recognized due to lack of agreement with AENA for its readjustment. If the request for rebalancing the rents that we made is accepted in court, the operating income would improve by 15 million Euros, as a result of the application of the principles referred to in the following paragraph.

(million euros)	1H 2021	%	1H 2020	%	var.
Turnover	**134,86**	100,0%	**133,64**	100,0%	**0,9%**
Sales	134,25	99,5%	133,04	99,6%	0,9%
Rendered services	0,61	0,5%	0,60	0,4%	1,9%
Operating Costs					
Cost of sales	34,28	25,4%	33,71	25,2%	1,7%
gross margin %	74,6%		74,8%		-0.2p.p.
External supplies and services	33,92	25,1%	34,25	25,6%	-1,0%
Personnel costs	49,50	36,7%	52,76	39,5%	-6,2%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	42,64	31,6%	46,95	35,1%	-9,2%
Other income/operating costs	-7,78	-5,8%	-2,23	-1,7%	248,9%
Total operating costs	**152,56**	**113,1%**	**165,44**	**123,8%**	**-7,8%**
Operating Income	**-17,70**	**-13,1%**	**-31,80**	**-23,8%**	**44,3%**
margin	-13,1%		-23,8%		+10.7p.p.
Ebitda	**24,94**	**18,5%**	**15,15**	**11,3%**	**64,6%**
margin	18,5%		11,3%		+7.2p.p.

For comparative purposes, in the 1H 2020 of the previous table, the amount of 2.5 million Euros of rent concession for 2020 was reclassified from other income to external supplies and services, under the "Amendment to IFRS 16". At 30th June, this amount totals 3.1 million Euros and is recognized as less external supplies and services expenses.

Turnover amounted to 134.9 million Euros, which represents a slight increase of 1.2 million Euros compared to the same period of 2020, due to the better performance in Portugal in the amount of

4.6 million Euros which allowed to minimize losses incurred in Spain due to greater exposure in the Travel segment.

Gross margin was 74.6% of turnover, 0.2 p.p lower than the previous year (1H20: 74.8%).

Staff costs decreased 6.2% with the weight of this representing 36.7% of the turnover (1H20: 39.5%).

During the first semester and in order to protect jobs, the companies of the group joined ERTE and simplified Lay Off in Spain and Portugal and the Progressive Recovery Support program, under which support resulted in a reduction of personal costs amounting to 6.8 million Euros.

On the other hand, and due to the consequences of the impact of pandemic on the group's activity in Spain, an ERE (Regulation of Employment Procedure) was carried out within the scope of the rationalizations plan for the business support structure, which resulted in an increase in costs associated with workers' dismissal of 1 million Euros.

Despite the significant increase of delivery sales, which resulted in an increase in commissions paid to aggregators, costs with **External Supplies and services** decreased 1%, representing 25.1% of turnover, which represents an increase of 0.5 p.p compared to the same period (1H 2020: 25.6%), in result of the increase in commissions paid to aggregators.

In the first half of the year, the group kept the negotiations on service contracts, which helped to mitigate part of the losses resulting from the second lockdown. However, the increase in the weight of sales through delivery prevented a further reduction in the weight of this item.

On the other hand, as a result of the application of the "Amendment to IFRS 16" for dealing with benefits to previously agreed leases, 3 million Euros of rent discounts for the year 2021 are reflected, agreed by the lessors until June 30 and the suspension of minimum rents in shopping centres as a result of the application of Law 4-A/2021 in the period from January to June 2021.

As of June 30, however, negotiations on units located at airports in Spain were not concluded, as mentioned.

Other operating income and costs in the total amount of 7.8 million Euros represent an increase of 5.5 million Euros compared to the same period in 2020, a difference that mainly results by the recognized government support within the scope of the Covid-19 pandemic in the period:

- Extraordinary Incentive for the Normalization of Business Activity and compensation for drop in sales under the "Apoiar" program, which totalized 7.5 million Euros in the first half of the year;
- reduction in Angola of income from favourable exchange rate differences of 2.0 million Euros;

Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA in the first half amounted to 42.6 million Euros, of which 28.6 million correspond to amortization of rights of use.

The reduction of around 4.4 million Euros compared to the same period of 2020, results mainly from impairment losses recognized in the first half of the previous year, in the amount of 4.2 million Euros.

Therefore **EBITDA** amounted to 24.9 million Euros, an increase of 64.6% compared to the same period of the previous year.

Consolidated **EBITDA** margin stood at 18.5% of the turnover, which compares with 11.3% in the same period of the previous year.

Consolidated **Financial Results** were negative by 9.5 million Euros, 0.7 million Euros less than 1H20.

(million euros)	1H 2021	%	1H 2020	%	var.
Financial Results	**9,54**	**7,1%**	**10,26**	**7,7%**	**-7,0%**
Financial expenses and losses	9,85	7,3%	10,97	8,2%	-10,2%
Financial income and gains	0,31	0,2%	0,71	0,5%	-56,4%

Financial expenses and losses totalled 9.9 million Euros, which represents a reduction of 1.1 million Euros compared to the first half of 2020. A part of these expenses and losses corresponds to interest with leases in the amount of 7.7 million Euros (8.5 million Euros in the 1st half of 2020).

Net interest supported and commissions related to financing reached a total of 1.6 million Euros, which equals an average debt cost of 1.9%.

Financial Situation

Total Assets amounted to 714.5 million Euros and Equity stood at 133.6 million Euros, representing 18.7% of assets.

CAPEX in tangible fixed assets and intangible assets amounted to 4.4 million Euros of which, 2.4 million Euros incurred in completing the expansion program and the remainder in the remodelling and modernization of a number of restaurants.

(million euros)	1H 2021	2020	var.
Fixed assets additions	3,7	24,9	-21,2
Intangible assets additions	0,7	3,4	-2,7
Capex	4,4	28,3	-23,9

Current liabilities amount to 176.3 million Euros, of which 85 million correspond to liabilities for leases and 22.2 million Euros to current loans. Lease liabilities include the amount of 39 million Euros related to the income from airports at Spain (AENA), that we understand as not due, 24 million Euros referring to the 2020 financial year and 15 million Euros for the first half of 2021.

Regarding to current loans, the Group has 31 million Euros in contracted credit lines that are unused, of which 6 million Euros with maturities over 1 year.

Consolidated liabilities reached 580.8 million Euros at 30 June 2021, which represents an increase of 8.5 million Euros compared to the final result in 2020.

As at 30 june 2021, Equity stood at 133.6 million Euros, 22.8 million Euros reduction compared to the end of 2020.

Consolidated Financial Position (million euros)	30/06/2021	31/12/2020	Var.
Total Assets	714,5	728,7	-14,3
Total Equity	133,6	156,4	-22,8
Loans	177,6	165,1	12,6
Liability for leases	329,7	329,0	0,7
Other liabilities	73,5	78,2	-4,8
Total Equity and Liabilities	714,5	728,7	-14,3

Net debt at 30th June 2021 amounted to 446.0 million Euros, 4.9 million Euros higher than at the end of 2020 (441.1 million Euros), with an increase in the "Gearing" to 77% (74% in 2020).

In the semester, the total Net Bank Debt increased 4.2 million euros, standing at 116.3 million euros at the end of the period.

(million euros)	30/06/2021	31/12/2020	var.
Total loans	177,6	165,1	12,6
Cash and bank deposits	-59,7	-50,6	9,1
Other current and non-current liabilities	-1,7	-2,4	-0,8
Net Bank Debt	**116,3**	**112,1**	**4,2**
Liability for leases	329,7	329,0	0,7
Net Debt	**446,0**	**441,1**	**4,9**
Equity	133,6	156,4	-22,8
Gearing (Net Debt/Net Debt + Equity)	**77%**	**74%**	

Glossary

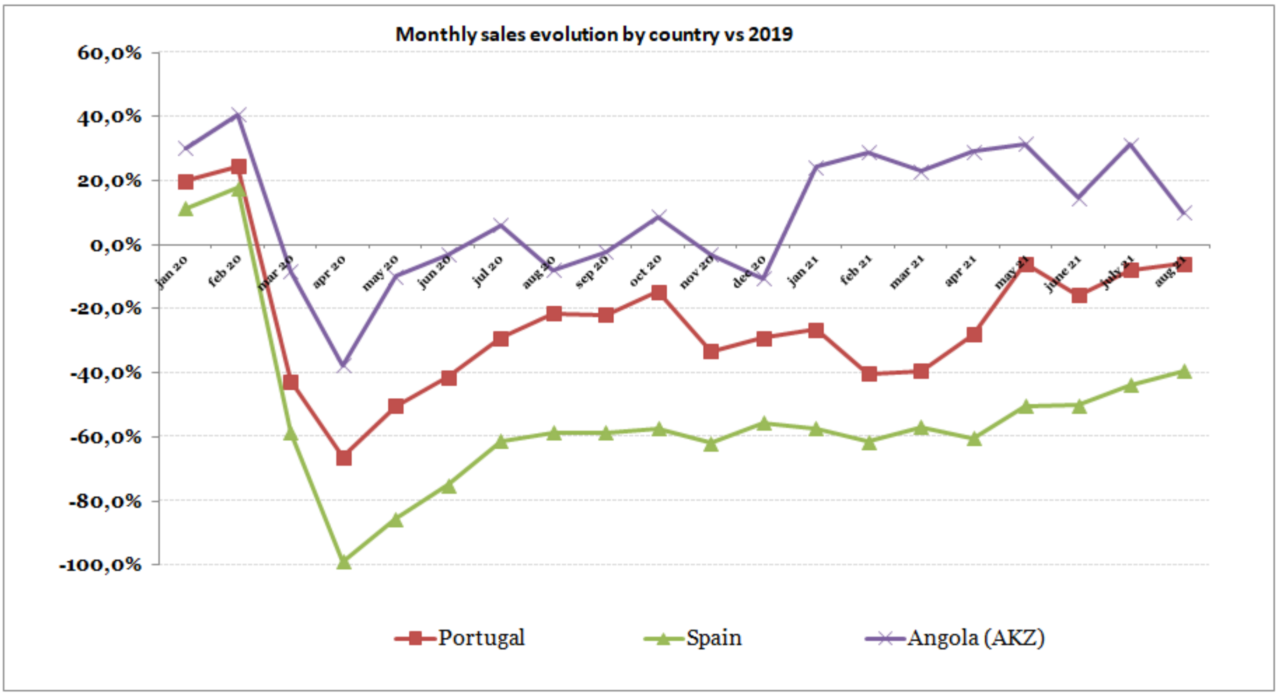
Results and Other Interim Income	
Turnover	Sales + Services Rendered
Sales	Sales of Restaurants + Sales of Merchandise
Sales of Restaurants	Sales of directly operated restaurants
Sales of Merchandise	Sales of goods to third parties
Gross Margin	Sales + Services Rendered - Cost of Sales
EBIT Margin	EBIT / Turnover
EBITDA Margin	EBITDA / Turnover
EBIT	Operacional Results
EBITDA	Operating results less amortisation, depreciation and impairment losses of fixed assets, Rights of Use, Goodwill and Intangible Assets
Financial Position	
Capex	Tangible and intangible assets additions
Net Financing Costs	Interest + commissions - income from debtd related investments
Interest Coverage	EBITDA / Net Financing Costs
Net Bank Debt	Bonds + bank loans + other loans + financial leases - cash, bank deposits, current investments, and other long-term financial applications
Net Debt	Net Bank Debt + Liability for Leases
Gearing	Net Debt / (Net debt + Equity Capital)
Financial Autonomy ratio	Equity/Total Assets

Outlook

Recent IMF forecasts for 2021 point to a 3.9% growth of GDP in Portugal and 6.2% in Spain, which indicates a slow and insufficient recovery, namely in business areas that depend on traffic and movement of people, such as airports and shopping centers.

At the date of publication of this report, we have witnessed a easing of restrictions imposed on people's mobility and limitations on retail opening hours, although it is mandatory to present the European digital certificate proving vaccination or negative test to COVID-19 in the weekend at the restaurants, which negatively influences the recovery in these periods, while the vast majority of the active population is not vaccinated.

After the months of June and July, when due to the spread of the Delta variant, the pace of recovery slowed down, the month of August shows signs of significant recovery in Portugal and Spain, benefiting in part from the recovery of tourism.



If the Portuguese government's guidelines are complied with, when 85% of the population has been vaccinated with two doses, most of the restrictive measures will be lifted, and it is expected that this could occur in mid-September. From that moment on, Ibersol's activity will depend on the evolution of demand that will result from the evolution of consumer confidence levels, which we hope to evolve favorably over the months until it reaches a equivalent level to the Pre-Covid sales, namely in regions with a high weight of tourist activities.

In this context, although it is premature to extrapolate this recovery to the last four months 2021, it is expected that the turnover in subsequent months will approach the levels that occurred in 2019, if there are no anomalous factors.

Ibersol Group keeps the prevention/contingency plans in place and will resort, whenever possible, to labour protection mechanisms available, that allow for the minimisation of negative impacts for the group and its employees, despite everything indicating that we will enter in a more positive phase were there will be a greater control off the effects of the pandemic outbreak.

In addition to the 4 openings carried out in semester, we will continue with plans to expand brands and formats, which have shown greater resilience in this period, with the opening of around two dozen restaurants.

In order to guarantee a financial structure that will support the recovery and investments, we will continue to evaluate the most appropriate ways to strengthen medium and long-term capital.

Porto, 10th September 2021

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António Alberto Guerra Leal Teixeira

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António Carlos Vaz Pinto de Sousa

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Maria do Carmo Guedes Antunes de Oliveira

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Juan Carlos Vázquez-Dodero de Bonifaz

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Maria Deolinda Fidalgo do Couto

Declaration of Conformity

In compliance with paragraph c) of section 1 of Article 246 of the Securities Market Code each member of the board identified below declares that to the best of their knowledge:

(i) the consolidated financial statements of Ibersol SGPS SA, referring to the first semester of 2021 were drawn up in compliance with applicable accounting rules and provide a true and suitable picture of the assets and liabilities, financial situation and results of Ibersol SGPS, SA and the companies included in consolidation perimeter;

(ii) the interim management report includes a fair review of the important events that have occurred in the period, the evolution of business performance and the position of all the companies included in consolidation.

António Alberto Guerra Leal Teixeira	Chairman of the Boards of Director
António Carlos Vaz Pinto Sousa	Member of the Board of Directors
Maria do Carmo Guedes Antunes de Oliveira	Member of the Board of Directors
Juan Carlos Vázquez-Dodero	Member of the Board of Directors
Maria Deolinda Fidalgo do Couto	Member of the Board of Directors

Own Shares

Under the terms defined in caption d) of no. 5 of article 66º of the Commercial Companies Code, we hereby declare that, during the first half of 2021, the company did not proceed with any transaction over own shares. Therefore, as at June 30, 2021, Ibersol SGPS, SA hold 3,599,981 own shares representing 9.9999% of its share capital, detailed as follows:

2021	Quantity	Amount (€)	Average price (€)
1 January	3,599,981	11,180,516	3.11
30 June	3,599,981	11,180,516	3.11

Qualified Shareholdings

Complying with article 9 nº1 of the CMVM Regulation nº 05/2008

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	16 597 058	46,10%
ANUTA - Serviços e Gestão SA	3 170 000	8,81%
António Alberto Guerra Leal Teixeira	2 520	0,01%
António Carlos Vaz Pinto Sousa	2 520	0,01%
Total attributable	**19 772 098**	**54,92%**
Magallanes Iberian Equity FI		
Total attributable	**1 484 168**	**4,12%**
Bestinver Gestion GGIIC		
Total attributable	**3 720 260**	**10,33%**
Fidelity Managemment & Research Company LLC		
Directly	**1 105 146**	**3,07%**
MCWIN S.R.O		
Total attributable	**1 062 581**	**2,95%**

(*)*The voting rights attributable to the ATPS are also attributable to António Pinto Sousa and Alberto Teixeira under subparagraph b) of paragraph 1 of Article 20 and Article 21 paragraph 1, both of the Securities Code, by virtue of the latter are holding the domain of that company, in which participate indirectly in equal parts by, respectively, of CALUM – SERVIÇOS E GESTÃO, SA. with the NIPC 513799486 and DUNBAR – SERVIÇOS E GESTÃO, SA with the NIPC 513799257, which together hold the majority of the capital of ATPS.*

Corporate Governing Bodies Information

Complying with article 9 nº1 of the CMVM Regulation nº 05/2008, we inform the transactions and the number of stocks issued by the company or companies in a controlling relationship hel by the members of the Board for the 1st semester:

Board of Directors	Date	Acquisictions/Increases (a)		Sales		Balance at
		shares	avg price	shares	avg price	30.06.2021
António Alberto Guerra Leal Teixeira						
DUNBAR- SERVIÇOS E GESTÃO SA (1)						9 996
Ibersol SGPS, SA						2 520
António Carlos Vaz Pinto Sousa						
CALUM- SERVIÇOS E GESTÃO SA (2)						9 996
Ibersol SGPS, SA						2 520
Maria Deolinda Fidalgo Couto						
Ibersol SGPS, SA						5 220
(1) DUNBAR- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2 840
(2) CALUM- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2 840
(3) ATPS- S.G.P.S ., SA						
ANUTA - Serviços e Gestão, SA (4)						50 000
Ibersol SGPS, SA	09/06/2021			3 170 000	6,10	16 597 058
(4) ANUTA - Serviços e Gestão, SA						
Ibersol SGPS, SA	09/06/2021	3 170 000	6,10			3 170 000

Transactions made by persons discharging managerial responsabilities

Complying with article 14 nº7 of the CMVM Regulation nº 05/2008

No transactions were reported by persons discharging managerial responsabilities and people closely connected with them during the first half of 2021.

Ibersol S.G.P.S., S.A.

Condensed Interim Consolidated Financial Statements

30 June 2021

IBERSOL S.G.P.S., S.A.
CONDENSED STATEMENT OF INTERIM CONSOLIDATED FINANCIAL POSITION
ON JUNE 30, 2021
(values in euros)

ASSETS	Notes	30/06/2021	31/12/2020
Non-current			
Property, plant and equipment	8	204 667 534	213 304 027
Rights of use	7	264 911 930	281 632 588
Goodwill	9	80 509 642	80 509 642
Intangible assets	9	35 586 759	36 849 594
Financial investments - joint controlled subsidiaries and associated	6	3 293 942	2 699 661
Non-current financial assets	6	477 327	574 737
Other financial assets	10	1 662 842	823 927
Other non-current assets	11	8 468 135	7 743 025
Deferred tax	6 and 17	19 328 514	14 914 797
Total non-current assets	6	**618 906 625**	**639 051 998**
Current			
Inventories		11 469 069	11 602 015
Income tax receivable	6 and 17	194 103	169 241
Other financial assets	10	25 847	1 618 259
Other current assets	13	24 187 851	25 745 207
Cash and cash equivalents	12	59 679 054	50 550 293
Total current assets		**95 555 924**	**89 685 015**
Total Assets		**714 462 549**	**728 737 013**

EQUITY AND LIABILITIES	Notes	30/06/2021	31/12/2020
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		36 000 000	36 000 000
Own shares		-11 180 516	-11 180 516
Share premium		469 937	469 937
Legal reserves		1 751 081	1 629 598
Translation reserve		-12 655 053	-12 821 109
Other Reserves & Retained Earnings		142 053 271	197 372 003
Net profit for the period		-22 902 318	-55 197 249
		133 536 402	**156 272 664**
Non-controlling interests		86 174	133 241
Total Equity		**133 622 576**	**156 405 905**
LIABILITIES			
Non-current			
Loans	14	155 430 502	145 494 956
Lease liabilities	14	244 694 885	254 632 020
Deferred tax	6 and 17	3 630 326	3 896 164
Provisions	6	778 023	33 257
Derivative financial instrument	6	44 319	63 078
Other non-current liabilities		6 026	6 026
Total non-current liabilities		**404 584 081**	**404 125 501**
Current			
Loans	14	22 212 152	19 573 625
Lease liabilities	14	85 044 608	74 382 513
Accounts payable to suppliers and accrued costs	15	54 378 362	61 958 343
Income tax payable	17	264 542	15 329
Other current liabilities	16	14 356 228	12 275 797
Total current liabilities		**176 255 892**	**168 205 607**
Total Liabilities		**580 839 973**	**572 331 108**
Total Equity and Liabilities		**714 462 549**	**728 737 013**

Porto, 10 September 2021

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONDENSED STATEMENT OF RESULTS AND OTHER INTERIM CONSOLIDATED COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2021 AND 2020
(values in euros)

	Notes	6 months ended 30/06/2021	6 months ended 30/06/2020
Sales	6	134 247 085	133 041 159
Rendered services	6	612 080	600 615
Cost of sales		-34 281 007	-33 707 405
External supplies and services		-33 916 991	-36 726 602
Personnel costs		-49 501 777	-52 756 667
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	7, 8 and 9	-42 641 876	-46 954 410
Other operating gains (losses)	18	7 777 888	4 700 665
Operating Income		-17 704 598	-31 802 645
Financial expenses and losses	19	-9 854 318	-10 968 404
Financial income and gains	19	309 320	709 689
Gains (losses) in associated and joint controlled sub. - Equity method		-105 719	-82 201
Profit before tax		**-27 355 315**	**-42 143 561**
Income tax	20	4 405 931	8 781 473
Net profit		**-22 949 384**	**-33 362 088**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		166 056	-1 227 676
TOTAL COMPREHENSIVE INCOME		**-22 783 328**	**-34 589 764**
Net profit attributable to:			
Owners of the parent		-22 902 318	-33 331 342
Non-controlling interest		-47 067	-30 746
		-22 949 385	-33 362 088
Total comprehensive income attributable to:			
Owners of the parent		-22 736 262	-34 559 018
Non-controlling interest		-47 067	-30 746
		-22 783 329	-34 589 764
Earnings per share:	21		
Basic		**-0,71**	**-1,03**
Diluted		**-0,71**	**-1,03**

Porto, 10 September 2021

The Board of Directors,

IBERSOL S.G.P.S., S.A.

CONDENSED STATEMENT OF RESULTS AND OTHER INTERIM CONSOLIDATED COMPREHENSIVE INCOME FOR THE SECOND TRIMESTER OF THE YEARS 2021 AND 2020

(values in euros)

		2nd TRIMESTER (unaudited)	
	Notes	**3 months ended 30/06/2021**	**3 months ended 30/06/2020**
Sales		78 797 850	38 607 000
Rendered services		402 743	8 480
Cost of sales		-19 852 513	-9 792 816
External supplies and services		-18 482 492	-15 495 368
Personnel costs		-28 426 559	-15 946 693
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA		-21 329 008	-25 617 701
Other operating gains (losses)		5 275 544	2 875 096
Operating Income		-3 614 435	-25 362 002
Financial expenses and losses		-4 929 551	-5 533 855
Financial income and gains		63 571	363 060
Gains (losses) in associated and joint controlled sub. - Equity method		92 905	-67 753
Profit before tax		**-8 387 510**	**-30 600 550**
Income tax		1 177 075	6 243 291
Net profit		**-7 210 435**	**-24 357 259**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		-335 621	-876 856
TOTAL COMPREHENSIVE INCOME		**-7 546 056**	**-25 234 115**
Net profit attributable to:			
Owners of the parent		-7 175 714	-24 345 639
Non-controlling interest		-34 722	-11 620
		-7 210 436	-24 357 259
Total comprehensive income attributable to:			
Owners of the parent		-7 511 335	-25 222 495
Non-controlling interest		-34 722	-11 620
		-7 546 057	-25 234 115
Earnings per share:			
Basic		**-0,22**	**-0,75**
Diluted		**-0,22**	**-0,75**

Porto, 10 September 2021

The Board of Directors,

IBERSOL S.G.P.S., S.A.
CONDENSED STATEMENT OF CHANGES IN INTERIM CONSOLIDATED EQUITY
for the six months period ended 30 June, 2021 and 2020
(value in euros)

	Note	Assigned to shareholders									
		Share Capital	**Own Shares**	**Share Premium**	**Legal Reserves**	**Translation Reserve**	**Other Reserves & Retained Earnings**	**Net Profit**	**Total parent equity**	**Non-controlling interests**	**Total Equity**
Balance on 1 January 2020		36 000 000	-11 180 516	469 937	1 075 511	-10 355 553	180 376 862	17 549 228	213 935 469	293 007	214 228 476
Changes in the period:											
Application of the consolidated profit from 2019:											
Transfer to reserves and retained results							17 549 228	-17 549 228	-		-
Conversion reserves - Angola						-1 227 676			-1 227 676		-1 227 676
Net consolidated income for the six months ended on 30 June, 2020								-33 331 342	-33 331 342	-30 746	-33 362 088
Total changes in the period		-	-	-	-	-1 227 676	17 549 228	-50 880 570	-34 559 018	-30 746	-34 589 764
Net profit								**-33 331 342**	**-33 331 342**	**-30 746**	**-33 362 088**
Total comprehensive income									-34 559 018	-30 746	-34 589 764
Transactions with capital owners in the period											
Application of the consolidated profit from 2019:											
Paid dividends									-	-49 806	-49 806
		-	-		-	-	-	-	-	-49 806	-49 806
Balance on 30 June 2020		**36 000 000**	**-11 180 516**	**469 937**	**1 075 511**	**-11 583 229**	**197 926 090**	**-33 331 342**	**179 376 451**	**212 455**	**179 588 906**
Balance on 1 January 2021		36 000 000	-11 180 516	469 937	1 629 598	-12 821 109	197 372 003	-55 197 249	156 272 664	133 241	156 405 905
Changes in the period:											
Application of the consolidated profit from 2020:											
Transfer to reserves and retained results					121 483		-55 318 732	55 197 249	-		-
Conversion reserves - Angola						166 056			166 056		166 056
Net consolidated income for the sixmonths ended on 30 June, 2021								-22 902 318	-22 902 318	-47 067	-22 949 385
Total changes in the period		-	-	-	121 483	166 056	-55 318 732	32 294 931	-22 736 262	-47 067	-22 783 329
Net profit								**-22 902 318**	**-22 902 318**	**-47 067**	**-22 949 385**
Total comprehensive income									-22 736 262	-47 067	-22 783 329
Transactions with capital owners in the period											
Application of the consolidated profit from 2020:											
Paid dividends									-		-
		-	-	-	-	-	-	-	-	-	-
Balance on 30 June 2021		**36 000 000**	**-11 180 516**	**469 937**	**1 751 081**	**-12 655 053**	**142 053 271**	**-22 902 318**	**133 536 402**	**86 174**	**133 622 576**

Porto, 10 September 2021

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Condensed Statement of Interim Consolidated Cash Flows
for the six months period ended 30 June, 2021 and 2020
(value in euros)

	Note	6 months ended 30/06/2021	6 months ended 30/06/2020
Cash Flows from Operating Activities			
Receipts from clients		135 072 051	136 239 130
Payments to supliers		-59 704 255	-77 453 851
Staff payments		-38 134 650	-44 365 345
Flows generated by operations		37 233 145	14 419 934
Payments/receipt of income tax		-49 297	-114 058
Other paym./receipts related with operating activities		-10 560 456	-11 167 608
Flows from operating activities (1)		**26 623 391**	**3 138 268**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		75 859	55 195
Tangible fixed assets			1 412
Interest received		236 184	601 044
Other financial assets		1 651 646	1 509 173
Payments for:			
Financial Investments		678 450	128 025
Other financial assets		950 071	
Tangible fixed assets		10 993 491	17 248 416
Intangible assests		1 664 916	1 706 480
Flows from investment activities (2)		-12 323 239	-16 916 097
Cash flows from financing activities			
Receipts from:			
Loans obtained		23 333 144	62 286 425
Payments for:			
Loans obtained		10 511 852	1 633 794
Leases agreements		12 300 435	16 854 863
Interest on loans and similar costs		2 111 468	2 271 161
Interest on leases agreements		3 659 565	6 456 018
Flows from financing activities (3)		-5 250 176	35 070 589
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**9 049 976**	**21 292 760**
Effects of exchange rate differences		-16 747	-182 251
Cash & cash equivalents at the start of the period		50 549 377	34 684 804
Cash & cash equivalents at end of the period	12	**59 582 606**	**55 795 313**

Porto, 10 September 2021

The Board of Directors,

IBERSOL SGPS, S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2021

(Values in euros)

1. INTRODUCTION

IBERSOL, SGPS, SA (Group or Ibersol) with head office at Praça do Bom Sucesso, Edifício Península n.º 105 a 159 – 9º, 4150-146 Porto, Portugal. Ibersol's subsidiaries (jointly called "the Group"), operate a network of 610 units in the restaurant segment through the brands Pizza Hut, Pans & Company, Ribs, FresCo, SantaMaria, Kentucky Fried Chicken, Burger King, Quiosques, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 528 units which it operates and 82 units under a franchise contract. Of this universe, 363 are based in Portugal, of which 362 are owned and 1 franchised, and 234 are based in Spain, spread over 156 own establishments and 78 franchisees, and 10 in Angola and 3 in other locations.

Ibersol is a public limited company listed on the Euronext of Lisbon.

Ibersol SGPS parent company and ultimate parent entity is ATPS - SGPS, S.A..

COVID-19

The first half of 2021 – contrary to what was expected – was the period in which the Restoration business operated with more restrictions since the beginning of the Pandemic. In fact, in 2020, the confinement lasted 45 days, with the business operating normally for about 75 days.

In turn, in 2021, not only did the period of confinement last 94 days (from 15 January to 19 April) but, soon after its termination, new restrictions were introduced in June that extended beyond the semester.

As at 19 April, Ibersol began to gradually reopen the restaurants, albeit with limitations and restrictions on their operation.

However, in June, there was an aggravation of the pandemic situation in Portugal due to the dissemination of the Delta variant and the difficulty of calibrating the opening of the economy with the variation in the number of infected, with new conditions having been enacted at the regional level, depending on the degrees of incidence and transmission of the disease, which conditioned the pace of activity recovery.

Despite this environment, the activity of 2021 - when compared with that of 2020 - evolved in a much more favourable way, which is not indifferent to the greater knowledge of how to address the effects of successive changes to the legal framework that were approved by the Government.

During this period, the Group's activity remained conditioned by:

i) closure of restaurants;
ii) mandatory curfew;
iii) limitation of restaurant opening hours;
iv) limitation of opening hours of other stores on weekends in shopping centers
v) restrictions on the mobility of people and closure of borders;
vi) lack of public in football stadiums and events with limited capacity;

In Portugal, within the scope of support for employment protection, the group adhered in the semester to the simplified lay-off, Support for Progressive Recovery and the New Incentive for the Standardization of Business Activity, while in Spain, it remained with around 35% of employees in ERTE (equivalent to lay off), which resulted in support in the amount of 13 million euros in both countries, 6.8 million euros deducted in personnel costs and 6.3 million euros recognized in other income and costs operational (note 18). The Group opted, in accordance with the provisions of IAS 20 – Accounting for Government Subsidies and disclosure of Government Support, to present this support to be deducted from the expenses related to it (personnel costs).

On the other hand, and due to the consequences of the impact of the pandemic on the group's activity in Spain, an "ERE" (Regulation of Employment Procedure) was concluded, in execution of the plan to rationalize the business support structure, which resulted in a increase in costs with indemnities in the amount of 1 million euros.

At the same time, the renegotiations of contracts continued, namely lease contracts aimed at rebalancing them, which resulted in discounts in the amount of 3.0 million euros, many of which as a result of the application of the legal regulations in force in Portugal, deducted from expenses with External supplies and services, considering that they meet the criteria defined in the amendment to IFRS16.

As mentioned in the financial statements of 31 December 2020, within the scope of the negotiation of concession contracts for airports in Spain, the Ibersol Group initiated, during the first quarter of 2021, a legal proceeding against AENA in order to obtain economic balance -financial of the respective concession contracts.

To date, there has been no progress in the action brought by the Ibersol Group, so we continue to record the value of the minimum rents contained in the respective contracts.

Thus, with regard to the rent negotiation process, the Board of Directors' strong expectation, supported also by its legal advisors, that the outcome of the same is favourable to it, which will result in a guaranteed minimum rent amount payable to AENA lower than initially projected in the original contracts by around 95 million euros, of which 24 million euros refer to 2020 and another 24 million euros to 2021, with the remaining 47 million euros referring to periods after 1 January 2022.

It should be noted that the amount included in the lease liability recognized in Ibersol's consolidated accounts as at 30 June 2021, and in accordance with IFRS 16, does not include any change to the original amount provided for in the contracts. In preparing these financial statements, the Board of Directors took into account this situation and the Management's best estimates as to its outcome, evaluating its possible impact and the uncertainties that may be associated with it. This expectation is reflected in the recoverability analyzes of non-active assets, namely tangible fixed assets, intangible assets, goodwill, right of use and deferred tax assets.

In Spain, the limitations on functioning were different from region to region, with Madrid applying more tenuous restrictions, contrary to what happened in Barcelona. Considering the uncertainties that remain regarding the lifting of current restrictions and limitations, and in particular those affecting mobility between countries, as well as the resumption of consumer confidence levels, it is not possible to clearly define the moment when the recovery will take place. Pre-Covid sales levels, namely in regions with a high share of tourist activities. In this context, the Group, as far as possible, proceeded during the second quarter with the gradual reopening of the restaurants, seeking to adjust the operating costs to the income and, in close coordination with the financial institutions, to carry out the negotiation of the extension of the available financing lines and entry of new financing.

Considering the prospects of a possible non-compliance on 31 December 2021, of some of the existing covenants, the Ibersol Group is working with the respective financial institutions to waive the fulfilment of these covenants, similarly to what happened with reference to the 31st of December 2020

Consequently, until June, we took advantage of the extension of the grace periods and State guaranteed funding deadlines:

i. Covid-19 economic support funding in Portugal, with 9 further months of grace period and maturity dates, which translates into 4.1 million Euros less expense in the short-term
ii. ICO line of 20 million Euros in Spain; 1-year increase in grace period and extension of maturity by 3 more years (2025 to 2028), translating into 5 million Euros less expense in the short-term
iii. Other ICO Funding in Spain, with a 1-year increase in grace period and maturity, translating into 0.8million euros less expense in the short-term
iv. Current account ICO lines totalling 15 million euros extended by 1 year.

In addition, we subscribed financing agreements in the amount of 11.5 million euros under the Line Support Economy Covid-19 - Medium and Large Business Tourism.

2. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of these consolidated financial statements are described below. These policies have been applied consistently in comparative periods.

2.1 Presentation and consolidation basis, and main accounting policies

These consolidated interim financial statements were prepared according to the international standard nº. 34 – Interim Financial Report, and therefore do not include all the information required by the annual financial statements, and should be read together with the company's financial statements for the period ended 31 December 2020.

The consolidated interim financial statements have been prepared in accordance with the historical cost principle, changed to fair value in the case of derivative financial instruments.

The accounting policies applied on 30 June 2021 are identical to those applied for preparing the financial statements of 30 June and 31 December 2020, except for the exchange currency differences included in other income / other operating costs and excluded from net financing cost.

These financial statements were approved by the Board of Directors and authorised for emission on 10 September 2021.

Change in headings presented in the Consolidated Cash Flow Statement

As at 30 June 2021, Ibersol Group individualized the effect of the payment of interest and financial debt associated with the lease contracts, having started to present the interest component in the "Interest and similar costs" line. The Ibersol Group also decided to autonomize the effect of exchange rate differences.

For purposes of comparability, these changes were also made in the previous period.

2.2. New rules, changes and interpretations

2.2.1 The following standards, interpretations, amendments and revisions have been approved ("endorsed") by the European Union and are mandatory for fiscal years beginning on or after 1 January 2021:

a) Covid 19 – Income concessions Amendment to IFRS 16
In May 2020, the IASB issued "Covid-19 – Renting concessions", which amended IFRS 16 Leases. If certain conditions are met, the amendment allows lessees, as a practical expedient, not to assess whether certain Covid-19-related rent concessions are lease modifications. Instead, lessees who apply the practical expedient must account for these rent grants as if they were not lease modifications, so that, for example, the amount of rent forgiven on or before 30 June 2021 is recognized in income in the same year the concession is granted, instead of being
assigned throughout the duration of the contract, as would be the case if the practical expedient were not allowed.

The change has been applied for annual periods beginning on or after 1 June 2020.

b) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2These amendments finalize the Board's response to the current reform of the interbank rates offered (IBOR) and other references of interest rates. These amendments complement the amendments issued in 2019 and emphasize the effects on the financial statements when a company replaces the old interest rate reference with an alternative reference rate as a result of the reform.

The adoption of this standard had no impact on the group's financial statements.

2.2.2 The Group has decided to opt for the early application of the following standards and/or interpretations, adopted by the European Union:

a) Covid 19 – Lease concessions Amendment to IFRS 16 – In March 2021, the IASB issued an amendment to IFRS 16 Leases relating to rental concessions related to Covid-19 after 30 June 2021.

On 31 March 2021, the IASB published the document "Concessions related to COVID-19 at the level of rents beyond 30 June 2021 (amendment to IFRS 16).

The amendment to International Financial Reporting Standard (IFRS) 16 Leases extends the optional and temporary operational relief related to COVID-19 to lessees, applicable to payments originally due before or on 30 June 2021 under lease agreements payment-free, to payments originally due on or before 30 June 2022 under these same payment-free leases.

Companies apply the changes from 1 April 2021 for financial years beginning on or after 1 January 2021 at the latest.

The Group opted for early application, since from a management perspective it results in an improvement in the reading of the financial statements, and the application of this practical expedient had an impact on the Group's results.

2.2.3 The following standards, interpretations, amendments and revisions have been approved (endorsed) by the European Union and are only of mandatory application in future financial years:

a) Amendments to IFRS 3, IAS 16, IAS 37 and Improvements to International Financial Reporting Standards (2018-2020 cycle) (effective for annual periods beginning on or after 1 January 2022). These amendments are intended to clarify or correct minor conflicts between the requirements of the Standards. The amendments to IFRS 3 update a reference to the Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments to IAS 16 prohibit an enterprise from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the enterprise prepares the asset for its intended use. Instead, a company will recognize sales results and related costs in the results. The amendments to IAS 37 specify what costs an enterprise includes in assessing whether a contract will be harmful. The annual improvements to International Financial Reporting Standards make minor changes to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture and also presents illustrative examples of IFRS 16 leases The future adoption of these amendments is not expected to have a significant impact on Ibersol's consolidated financial statements.

2.3 Standards and interpretations, amended or revised, not approved by the European Union

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were not, until the date of approval of these financial statements, adopted ("endorsed") by the European Union:

a) IFRS 17 – Insurance Contracts. IFRS 17 replaces IFRS 4 - "Insurance Contracts", is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics, should become effective for the years beginning in 1 January 2023;

b) Amendment to IAS 1 – Presentation of Financial Statements: classification of liabilities as current or non-current. This amendment seeks to promote consistency in the application of requirements, helping entities to determine whether, in the statement of financial position, debts and other liabilities with an uncertain settlement date should be classified as current or non-current. It also aims to clarify the debt classification requirements, in which an entity can settle it by converting it into equity. It should become effective for fiscal years beginning 1 January 2023;

c) Amendments to IAS1 and IFRS 2 – Disclosure of accounting policies. These amendments aim to change the requirements of IAS1 with regard to the disclosure of accounting policies. An entity should disclose material accounting policies, rather than significant accounting policies, so examples and explanations of how to identify a material accounting policy are identified. The materiality concept is described in IFRS2 through the 4-step materiality concept. It should become effective for fiscal years beginning 1 January 2023;

d) Amendments to IAS 8 – Accounting policies, changes in estimates and errors: Definition of accounting estimates. These amendments aim to clarify the definition of accounting estimates. Under the new definition, accounting estimates are "monetary values in the financial statements that are subject to measurement uncertainty". Entities develop accounting estimates where accounting policies require items in the financial statements to be measured in a way that involves measurement uncertainty. It should become effective for fiscal years beginning 1 January 2023;

e) Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction. The main change in these amendments is the waiver of initial recognition. Therefore, it does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. It should become effective for fiscal years beginning 1 January 2023.

These standards, not yet adopted by the European Union, were not applied by the Group in the six-month period ended 30 June 2021.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The group's activities are exposed to a number of financial risk factors: market risk (including currency exchange risk, fair value risk associated to the interest rate and price risk), credit risk, liquidity risk and cash flow risks associated to the interest rate. The group maintains a risk management program that focuses its analysis on financial markets to minimise the potential adverse effects of those risks on the group's financial performance.

Financial risk management is headed by the Financial Department based on the policies approved by the Board of Directors. The treasury identifies, evaluates and employs financial risk hedging measures in close cooperation with the group's operating units. The Board provides principles for managing the risk as a whole and policies that cover specific areas, such as the currency exchange risk, the interest rate risk, the credit risk and the investment of surplus liquidity.

a) Market risk

i) Currency exchange risk
With regard to exchange rate risk, the Group follows a natural hedge policy using financing in local currency. Since the Group is mainly present in the Iberian market, bank loans are mainly denominated in euros and the volume of purchases outside the Euro zone are of irrelevant proportions.

The Group's main source of exposure comes from investment outside the Euro zone, namely from the operation it is being developed in Angola, which is still small and losing importance in the group's activity. The imbalances of the Angolan economy lead to a shortage of foreign currency in Angola, so the devaluation of the Kwanza is a risk to be considered. Financing contracted by Angolan subsidiaries is denominated in the local currency, the same currency in which income is generated. Given the limitations on payments abroad, the group adopted a policy of monthly monitoring of credit balances in foreign currency and its full coverage with the acquisition of Treasury Bonds of the Republic of Angola, indexed to the USD.

Currency exchange rate used for conversion of the transactions and balances denominated in Kwanzas, were respectively:

Jun/21

Euro exchange rates foreign currency per 1 Euro)	(x	Rate on June, 30 2021	Average interest 1st Semester 2021
Kwanza de Angola (AOA)		774,593	771,605

Dec/20

Euro exchange rates foreign currency per 1 Euro)	(x	Rate on December, 31 2020	Average interest rate year 2020
Kwanza de Angola (AOA)		796,813	703,730

ii) Price risk
The Group is not greatly exposed to price risk.

iii) Interest rate risk (cash flow and fair value)
With the exception of the Angola Treasury Bonds, the Group has no significant interest-bearing assets. Therefore, profit and cash flows from investment activities are substantially independent of changes in market interest rate. Regarding the Angolan State treasury bonds, interest is fixed, so there is also no risk.

The Group’s interest rate risk follows its liabilities, in particular long-term loans. Loans issued with variable rates expose the group to the cash flow risk associated to interest rates. Loans with fixed rates expose the group to the risk of the fair value associated to interest rates. At the current interest rates, in financing of longer maturity periods the group has a policy of fixing interest rates of at least 30% of the outstanding amount.

Unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. Interest rate swap contracts to hedge the interest rate risk of part of the loans (commercial paper) of 9.6 million Euros are subject to interest maturities and repayment plans identical to the terms of the loans. A loan of 20 million Euros with fixed rate debt is contracted.

Based on simulations performed on 30 June 2021, an increase of 100 basis points in the interest rate index, maintaining other factors constant, would have a negative impact in the net profit of 254,000 Euros (610,000 Euros in December 2020).

b) Credit risk

The main activity of the Group is performed with sales paid in cash, or debit or credit card, so the Group has no significant credit risk concentrations. Regarding customers, the risk is limited to the Catering business and sales of merchandise to franchisees representing less than 2.8% of the consolidated turnover. The Group has policies to ensure that credit sales are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit that customers have access to.

The Group's cash and cash equivalents include mainly deposits resulting from cash provided by sales and its deposits in current accounts. Excluding these amounts, the amount of financial investments at 30 June 2021, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 1.2 million Euros, subject to country risk.

Deposits and other financial investments are spread over several credit institutions; therefore there is not a concentration of these financial assets.

c) Liquidity risk

Liquidity risk management implies maintaining a sufficient amount of cash and bank deposits, the feasibility of consolidating the floating debt through a suitable amount of credit facilities and the capacity to liquidate market positions. Treasury needs are managed based on the annual plan that is reviewed every quarter and adjusted daily. Related with the dynamics of the underlying business operations, the group’s treasury strives to maintain the floating debt flexible by maintaining credit lines available.

For this purpose, short-term bank loans are considered to expire on the renewal date and that commercial paper contracts expire on the termination dates, although renewal is usual.

At 30 June 2021, current liabilities reached 176 million Euros, compared with 95.6 million Euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, it is due to some Commercial Paper programs, with termination clauses, in which reimbursement on the termination date is considered regardless of the terms for which they are contracted and still circumstantially the option for issuance under contracts of lesser maturity at the expense of other programs of greater maturity that are left unused and consequently with amounts available for coverage. Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for a period of more than one year and it is the intention of the Group's Board of Directors to use this funding source for a period of more than one year. Considering, the expected operating cash flows and, if necessary, the commercial paper and the contracted credit lines, the amounts of which have not yet been used, are sufficient to settle almost all current liabilities.

Even with reduced use of the group has contracted a significant amount of short-term lines. On 30 June 2021, the short term liquidity cash flow under guarantee accounts amounted to 13.4 million Euros and were not used. Investments in term deposits and other application of 59 million Euros, match 33% of liabilities paid.

The following table shows the Group financial liabilities (relevant items), considering contractual cash-flows:

	until June 2022	from June 2022 to 2039
Bank loans and overdrafts	22 212 152	155 430 502
Lease liabilities	85 044 608	244 694 885
Other non-current liabilities	-	6 026
Accounts payable to suppliers and accrued costs (*)	43 291 647	-
Other current liabilities (**)	6 449 246	-
Total	156 997 653	400 131 413

(*) net amount of remunerations to be paid (note 15).
(**) net amount of balances with the state and deferred income (note 16).

3.2 Capital risk

a) Gearing ratio
The company aims to maintain an equity level suitable to the characteristics of its main business (cash sales and account payable) and to ensure continuity and expansion. The capital structure balance is monitored based on the gearing ratio (defined as: (net remunerated debt / net remunerated debt + equity)) in order to place the ratio within a 50%-75% range.

As at 30 June 2021 and 31 December 2020 the gearing ratio was of 77% and 74%, respectively, as follows:

	jun/21	Dec-20
Lease liabilities	329 739 493	329 014 533
Bank loans	177 642 654	165 068 581
Other financial assets	-1 688 689	-2 442 186
Cash and bank deposits	-59 679 054	-50 550 293
Net indebtedness	446 014 404	441 090 634
Equity	133 622 576	156 405 905
Total capital	579 636 980	597 496 539
Gearing ratio	77%	74%

b) Risk of franchise agreements
In restaurants where it operates with international brands, the group enters into long-term franchise agreements: 20 years for Burger King and 10 years for Pizza Hut, Taco Bell and KFC, which are renewable for another 10 years at the franchise's option, provided certain obligations have been fulfilled.

It has become practical for these contracts to be renewed. However, nothing obliges the franchisees to do so, so the risk of non-renewal may be verified.

In these contracts it is normal to contract the payment of an "Initial Fee" at the beginning of each contract and a "Renewall Fee" at the end of the initial period, in addition to a royalty of marketing operations on the sales made.

Periodically, development contracts are negotiated which guarantee the right to open new restaurants.

Readjustments to development programs are made in exceptional circumstances, such as the current pandemic crisis.

3.3 Estimated fair value

The fair value of financial instruments commercialised in active markets (such as publicly negotiated derivatives, securities for negotiation and available for sale) is determined based on the listed market prices on the consolidated statement of financial position date. The market price used for the group's financial assets is the price received by the shareholders in the current market. The market price for financial liabilities is the price to be paid in the current market.

4. MAIN ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continuously evaluated and are based on past experience and on other factors, including expectations regarding future events that are believed to be reasonably probable within the respective circumstances.

Generally, accounting based on estimates rarely corresponds to the real reported results. Estimates and premises that present a significant risk of leading to a material adjustment in the accounting value of the assets and liabilities in the following year are described below:

a) Goodwill impairment analysis, financial investments in associated and jointly controlled companies, rights of use, property, plant and equipment and intangible assets.

Impairment analyses require the determination of the fair value and / or the use value of these assets (or of some CGU). This process requires a high number of judgments, namely the estimation of future cash flows associated with the assets or the respective CGU and the determination of an appropriate discount rate for calculating the present value of said cash flows. In this regard, the Group has, once again, established the requirement to use the maximum possible amount of observable market data. It also established mechanisms for monitoring calculations based on the critical challenge of the reasonableness of the assumptions used, their coherence and consistency (in similar situations).

Information on the most relevant assumptions used in the impairment analysis, as well as the sensitivity of the results obtained in the face of certain changes in assumptions, is disclosed in Notes 8 and 9.

b) Measurement and recognition of deferred taxes

Deferred tax assets are recognized only when there are reasonable expectations of sufficient future taxable income or taxable temporary differences related to the same tax authority to use these deferred tax assets. At the end of each year, a review of the deferred taxes recorded is made, as well as of the unrecognized taxes, which are reduced whenever their future use is no longer probable or recorded, provided that, and to the extent that, it becomes probable the generation of taxable profits in the future that allow their recovery.

c) Lease term and financing rate increases

In order to determine the estimated impacts of adopting IFRS 16, the Group makes estimates on lease terms and their incremental financing rates, when there is no information on the implicit interest rate, which incorporate specific market and entities own risks that require the Group to make relevant judgments and estimates, such as the lease term until Ibersol's unilateral Break Clauses, as well as any estimates and judgments.

5. INFORMATION ABOUT THE COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER AND OTHER COMPANIES

5.1. The following Group companies were included in the consolidation perimeter as at 30 June 2021 and 31 December 2020:

	Company	Head Office	% Shareholding jun/21	% Shareholding Dec/20
Parent company				
	Ibersol SGPS, S.A.	Porto	parent	parent
Subsidiary companies				
	Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
	Ibersol Restauração, S.A.	Porto	100%	100%
	Ibersande Restauração, S.A.	Porto	100%	100%
	Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
	Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%
	Iberking Restauração, S.A.	Porto	100%	100%
	Iberaki Restauração, S.A.	Porto	100%	100%
	Restmon Portugal, Lda	Porto	61%	61%
	Vidisco, S.L.	Vigo - Espanha	100%	100%
	Inverpeninsular, S.L.	Vigo - Espanha	100%	100%
	Asurebi SGPS, S.A.	Porto	100%	100%
	Firmoven Restauração, S.A.	Porto	100%	100%
	IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%
	Eggon SGPS, S.A.	Porto	100%	100%
	Anatir SGPS, S.A.	Porto	100%	100%
	Lurca, SA	Madrid-Espanha	100%	100%
	Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%
	José Silva Carvalho Catering, S.A	Porto	100%	100%
(a)	Iberusa Central de Compras para Restauração ACE	Porto	100%	100%
(b)	Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Espanha	100%	100%
	Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%
	SEC - Eventos e Catering, S.A.	Porto	100%	100%
	IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%
	HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%
	Ibergourmet Produtos Alimentares (ex-Gravos 2012, S.A.)	Porto	100%	100%
	Lusinver Restauracion, S.A.	Vigo - Espanha	100%	100%
	The Eat Out Group S.L.U.	Barcelona - Espanha	100%	100%
	Pansfood, S.A.U.	Barcelona - Espanha	100%	100%
	Foodstation, S.L.U	Barcelona - Espanha	100%	100%
	Dehesa de Santa Maria Franquicias, S.L.	Barcelona - Espanha	100%	100%
	Cortsfood, S.L.	Barcelona - Espanha	50%	50%
	Volrest Aldaia, S.L	Vigo - Espanha	100%	100%
	Volrest Alcala, S.L	Vigo - Espanha	100%	100%
	Volrest Alfafar, S.L.	Vigo - Espanha	100%	100%
	Volrest Rivas, S.L.	Vigo - Espanha	100%	100%
	Voesmu Restauracion, SL	Vigo - Espanha	100%	100%
Associated companies				
	Ziaicos - Serviços e gestão, Lda	Porto	40%	40%
Companies controlled jointly				
	UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto	50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.

Head-office is the business development location of each listed entity.

The subsidiary companies were included in the consolidation by the full consolidation method. UQ Consult, the jointly controlled entity and the associated Ziaicos, was subject to the equity method according to the group's shareholding in this company.

The shareholding percentages in the indicated companies imply an identical percentage in voting rights.

5.2. Changes to the consolidation perimeter

5.2.1. Acquisition of new companies

In the six months period ended on 30 June 2021 there were no acquisitions of subsidiaries.

5.2.2. Disposals

In the six months period ended 30 June 2021 there were no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

Ibersol Administration monitors the business based on the following segmentation:

SEGMENT	BRANDS						
Restaurants	Pizza Hut	Pasta Caffe	Pizza Movil	FresCo	Ribs	StaMaria	
Counters	KFC	O'Kilo	Miit	Burger King	Pans & C.ª	Coffee Counters	Taco Bell
Concessions and catering	Sol (SA)	Concessions	Catering	Convenience stores		Travel	

DETAILED INFORMATION CONCERNING THE OPERATING SEGMENTS

	Restaurants		Counters		Concessions and Catering		Other, write off and adjustments		Total Group	
	Jun/21	Jun/20	Jun/21	Jun/20	Jun/21	Jun/20	Jun/21	Jun/20	Jun/21	Jun/20
Turnover	**29 413 321**	**32 879 799**	**92 381 877**	**78 241 170**	**12 982 454**	**22 433 123**	**81 513**	**87 683**	**134 859 165**	**133 641 774**
Operating income net of Amortization, deprec. and impairment losses	**4 547 871**	**1 089 237**	**18 820 405**	**12 711 768**	**1 420 363**	**1 144 651**	**148 639**	206 108	**24 937 278**	**15 151 765**
Amortization, depreciation and impairment losses	-6 264 059	-10 413 553	-15 917 878	-15 762 827	-19 847 884	-20 245 198	-612 056	-532 832	-42 641 876	-46 954 410
Operating income	**-1 716 187**	**-9 324 316**	**2 902 527**	**-3 051 059**	**-18 427 522**	**-19 100 547**	**-463 416**	-326 724	**-17 704 598**	-31 802 645
Financial gains (losses)									-9 544 998	-10 258 715
Financial gains (losses)									-105 719	-82 201
Income tax									4 405 931	8 781 473
Net profit									**-22 949 384**	**-33 362 088**

Total assets allocated, by segment, are presented as follows:

30 JUNE 2021	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Group**
Assets	**112 151 024**	**296 380 959**	**270 548 532**	**10 399 458**	**689 479 974**
Liabilities	**34 994 167**	**131 910 969**	**231 963 063**	**389 932**	**399 258 132**
Net investment in Intangible Assets and Property, Plant and Equipment (Notes 8 and 9)	**1 099 279**	**2 106 825**	**-3 648**	**822 912**	**4 025 368**

30 DECEMBER 2020	Restaurants	Counters	Concessions and Catering	Other, write off and adjustments	Group
Assets	**115 153 151**	**304 314 664**	**277 790 739**	**10 677 837**	**707 936 391**
Liabilities	**35 347 373**	**133 242 383**	**234 304 331**	**393 868**	**403 287 955**
Net investment in Intangible Assets and Property, Plant and Equipment (Notes 8 and 9)	**1 491 820**	**22 062 749**	**2 935 422**	**862 086**	**27 352 077**

Unallocated assets and liabilities arising from investment, financing and tax activities are presented as follows:

	Jun/21		Dec/20	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Deferred taxes	19 328 514	3 630 326	14 914 797	3 896 164
Current taxes	194 103	264 542	169 241	15 329
Current bank loans	-	22 212 152	-	18 780 133
Non current bank loans	-	155 430 502	-	146 288 448
Derivative financial instrument	-	44 319	-	63 078
Non-current financial assets	477 327	-	574 737	-
Financial investments - joint controlled subsidiaries	3 293 942	-	2 699 661	-
Other financial assets	1 688 689	-	2 442 186	-
Total	24 982 575	181 581 841	20 800 622	169 043 152

	Jun/21		Dec/20	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Allocated by segment	689 479 974	399 258 132	707 936 391	403 287 955
Not allocated	24 982 575	181 581 841	20 800 622	169 043 152
	714 462 549	580 839 973	728 737 013	572 331 108

INFORMATION BY GEOGRAPHY

As at 30 June 2021 and 2020 income and non-current assets by geography is presented as follows:

30 JUNE 2021	Portugal	Angola	Spain	Group
Turnover	**89 447 109**	**3 819 083**	**41 592 973**	**134 859 165**
Property, plant and equipment and intangible assets	167 349 537	17 546 046	55 358 710	240 254 293
Rights of use	69 911 666	574 657	194 425 607	264 911 930
Goodwill	7 474 768	130 714	72 904 160	80 509 642
Deferred tax asset	1 432 936	-	17 895 578	19 328 514
Financial investments - joint controlled subsidiaries and associated	2 893 942	-	400 000	3 293 942
Non-current financial assets	477 327	-	-	477 327
Other financial assets	-	1 662 842	-	1 662 842
Other non-current assets	-	-	8 468 135	8 468 135
Total non-current assets	**249 540 176**	**19 914 259**	**349 452 190**	**618 906 625**

30 JUNE 2020	Portugal	Angola	Spain	Group
Turnover	**84 846 789**	**3 979 488**	**44 815 497**	**133 641 774**
31 DECEMBER 2020				
Property, plant and equipment and intangible assets	173 275 139	18 646 847	58 231 635	250 153 621
Rights of use	72 429 261	608 036	208 595 291	281 632 588
Goodwill	7 474 768	130 714	72 904 160	80 509 642
Deferred tax asset	1 379 018	-	13 535 779	14 914 797
Financial investments - joint controlled subsidiaries and associated	2 699 661	-	-	2 699 661
Non-current financial assets	424 737	-	150 000	574 737
Other financial assets	-	823 927	-	823 927
Other non-current assets	-	-	7 743 025	7 743 025
Total non-current assets	**257 682 584**	**20 209 524**	**361 159 890**	**639 051 998**

7. RIGHTS OF USE

During the six months period ended 30 June 2021 and the period ended 31 December 2020, rights of use, as well as in the respective amortizations, were as follows:

	Rights of use
1 January 2020	
Initial net amount	321 812 178
Currency conversion	-396 773
Increases	21 848 928
Decreases	-3 620 317
Transfers	-750 910
Depreciation in the year	-57 260 518
Final net amount	**281 632 588**

	Rights of use
1 January 2021	
Initial net amount	281 632 588
Currency conversion	17 441
Increases	11 944 388
Decreases	-6 755
Transfers	-89 995
Depreciation in the year	-28 585 737
Final net amount	**264 911 930**

The value of the increases corresponds mainly to the opening of 4 new restaurants, 23 renewals of restaurant contracts and support facilities, and also rent updates based on the Consumer Price Index.

8. PROPERTY, PLANT AND EQUIPMENT

During the six month period ended 30 June 2021 and the period ended 31 December 2020, property, plant and equipment, as well as in the respective depreciation and accumulated impairment losses, were as follows:

	Land	Buildings	Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
1 January 2020						
Cost	14 163 037	267 021 639	138 067 977	30 839 024	3 574 147	453 665 824
Accumulated depreciation	-243 567	-105 564 602	-100 649 863	-19 662 947	-	-226 120 979
Accumulated impairment	-	-10 207 629	-730 304	-43 212	-	-10 981 144
Net amount	**13 919 470**	**151 249 408**	**36 687 810**	**11 132 865**	**3 574 147**	**216 563 700**
1 January 2020						
Initial net amount	13 919 470	151 249 408	36 687 810	11 132 865	3 574 147	216 563 700
Currency conversion	-332 567	-564 470	-202 939	-37 783	-81 974	-1 219 733
Charge-off	1 196 215	15 147 596	6 335 317	1 475 756	750 260	24 905 144
Decreases	-	-633 235	-201 798	-31 548	-20 440	-887 021
Transfers	-	1 621 180	1 170 107	110 079	-2 799 112	102 254
Depreciation in the year	-45 594	-14 422 726	-8 569 615	-2 290 821	-	-25 328 756
Impairment in the year	-	-831 559	-	-	-	-831 559
Final net amount	**14 737 524**	**151 566 194**	**35 218 881**	**10 358 548**	**1 422 880**	**213 304 027**
31 December 2020						
Cost	15 001 280	276 253 056	141 016 913	31 686 781	1 422 880	465 380 910
Accumulated depreciation	-263 756	-116 144 593	-105 430 174	-21 309 796	-	-243 148 319
Accumulated impairment	-	-8 542 269	-367 858	-18 437	-	-8 928 564
Net amount	**14 737 524**	**151 566 194**	**35 218 881**	**10 358 548**	**1 422 880**	**213 304 027**

	Land	Buildings	Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
1 January 2021						
Initial net amount	14 737 524	151 566 194	35 218 881	10 358 548	1 422 880	213 304 027
Currency conversion	19 072	20 150	3 111	-2	5 341	47 672
Charge-off	-	2 238 074	655 739	159 064	635 644	3 688 521
Decreases	-	-124 489	-3 991	-10 029	-1 062	-139 571
Transfers	-	198 092	446 615	54 272	-600 159	98 820
Depreciation in the year	-22 909	-6 871 729	-4 265 639	-1 171 659	-	-12 331 936
Final net amount	**14 733 687**	**147 026 289**	**32 054 718**	**9 390 194**	**1 462 645**	**204 667 533**
30 June 2021						
Cost	15 022 406	275 468 091	141 432 050	31 774 033	1 462 645	465 159 225
Accumulated depreciation	-288 719	-121 031 448	-109 166 966	-22 370 948	-	-252 858 081
Accumulated impairment	-	-7 410 354	-210 366	-12 891	-	-7 633 611
Net amount	**14 733 687**	**147 026 289**	**32 054 718**	**9 390 194**	**1 462 645**	**204 667 533**

In 2021 investment refers mainly to the opening of two Taco Bell (for conversion to other existing units) a Pizza Hut and Burger King. The investment of approximately 25 million Euros in 2020 essentially refers to the opening of six KFC's, six Burger King's, two Taco Bell's and a Ribs restaurant.

Impairment tests on cash-generating units (CGU)

The assessment of the existence of signs of impairment at CGU and the respective tests, if necessary, were performed out on each reporting date. Each store / restaurant is considered a CGU, and in the case of airports each airport it's a CGU.

Methods and assumptions

The assumptions for impairment analysis of Tangible Fixed Assets used in the preparation of 31 December 2020 financial statements remain valid and there have been no changes to the facts and circumstances underlying them.

As at 30 June 2021 and 31 December 2020, the methods and main assumptions used in the preparation of impairment tests on the Group's main property, plant and equipment that showed signs of impairment were as follows:.

	2021		2020	
	Portugal	**Spain**	**Portugal**	**Spain**
Method used	Use Value		Use Value	
Base used*	Projections with perpetuity	Projections with perpetuity	Projections with perpetuity	Projections with perpetuity
Used Period (years)	5	5	5	5
Discount rate for the period (WACC)	7,3%/7,6%	6,6%/6,9%/8,5%	7,3%/7,6%	6,6%/6,9%/8,5%

* The discount rate presented was calculated based on the methodology WACC (Weighted Average Cost of Capital).
** According to the business segment, Quick service (Burger King, Pans and KFC), Restaurants and Travel, respectively.

The growth rate in perpetuity used in cash flow projections is 2%.

Results of impairment tests

The tests performed on Ibersol Group restaurants with signs of impairment resulted in the need to record impairment in the amount of 831,559 Euros in 2020, and in the six months period ended 30 June 2021 there was no need to recognize more additional impairment losses relating to property, plant and equipment.

Sensitivity analysis

The sensitivity analysis performed, with an increase of 0.5% or 1% in the discount rate used for each of the segments, did not lead to signs of additional impairments.

In addition, we have not identified any additional risks arising from greater volatility in terms of projections of business developments in the medium term, with the exception of the travel business in Spain, as described in Note 9.

9. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	Jun/21	Dec/20
Goodwill	80 509 642	80 509 642
Intangible assets	35 586 759	36 849 594
	116 096 401	**117 359 236**

Goodwill is allocated to each segment as follows:

	Jun/21	Dec/20
Restaurants	8 624 542	8 624 542
Counters	37 199 991	37 199 991
Concessions and Catering	34 505 388	34 505 388
Others	179 721	179 721
	80 509 642	**80 509 642**

Regarding the above segments, the following groups of homogeneous cash-generating units were identified:

CFU	Jun/21	Dec/20
Restaurants		
Ribs	5 175 479	5 175 479
Frescco	1 476 821	1 476 821
Pizza Hut	1 972 242	1 972 242
Sub-total	8 624 542	8 624 542
Counters		
Pans & C.º	11 850 160	11 850 160
Burguer King	24 641 046	24 641 046
KFC	708 785	708 785
Sub-total	37 199 991	37 199 991
Concessions and Catering		
Concessões e travel	31 481 023	31 481 023
Catering	3 024 365	3 024 365
Sub-total	34 505 388	34 505 388
Others	179 721	179 721
TOTAL	80 509 642	80 509 642

During the six months period ended 30 June 2021 and during the period ended 31 December 2020, intangible assets and goodwill, amortization and accumulated impairment losses were as follows:

	Goodwill	Brands	Industrial property	Other intangible Assets	Intangible Assets in progress	Total
1 January 2020						
Cost	87 968 225	22 000 000	45 735 432	13 793 294	1 415 225	170 912 176
Accumulated amortization	-	-3 483 333	-27 637 453	-11 659 270	-	-42 780 055
Accumulated impairment	-	-	-3 681 055	-41 875	-	-3 722 930
Net amount	**87 968 225**	**18 516 667**	**14 416 924**	**2 092 155**	**1 415 225**	**124 409 189**
1 January 2020						
Initial net amount	87 968 225	18 516 667	14 416 923	2 092 155	1 415 225	124 409 189
Changes in the perimeter	-	-	-	-	-	-
Currency conversion	-	-	-33 119	-	-50 589	-83 708
Charge-off	-	-	2 454 032	106 500	823 252	3 383 784
Decreases	-	-	-27 023	-	-22 807	-49 830
Transfers	-	-	1 129 291	22 500	-509 569	642 222
Amortization in the year	-	-1 100 000	-1 914 481	-469 356	-	-3 483 837
Impairment in the year	-7 458 583	-	-	-	-	-7 458 583
Final net amount	**80 509 642**	**17 416 667**	**16 025 623**	**1 751 799**	**1 655 511**	**117 359 236**
31 December 2020						
Cost	80 509 642	22 000 000	49 137 541	12 867 206	1 655 511	166 169 900
Accumulated amortization	-	-4 583 333	-29 430 863	-11 075 698	-	-45 089 894
Accumulated impairment	-	-	-3 681 055	-39 711	-	-3 720 766
Net amount	**80 509 642**	**17 416 667**	**16 025 623**	**1 751 799**	**1 655 511**	**117 359 236**

	Goodwill	Brands	Industrial property	Other intangible Assets	Assets in progress	Total
1 January 2021						
Initial net amount	80 509 642	17 416 667	16 025 623	1 751 799	1 655 511	117 359 236
Currency conversion	-	-	1 144	-	2 986	4 130
Charge-off	-	-	402 554	-	303 368	705 922
Decreases	-	-	-23 670	-	-205 834	-229 504
Transfers	-	-	113 146	-	-134 237	-21 091
Amortization in the year	-	-550 000	-998 202	-174 090	-	-1 722 292
Final net amount	**80 509 642**	**16 866 667**	**15 520 595**	**1 577 709**	**1 621 794**	**116 096 401**
30 JUNE 2021						
Cost	80 509 642	22 000 000	49 566 384	12 242 133	1 621 794	165 939 953
Accumulated amortization	-	-5 133 333	-30 368 964	-10 624 714	-	-46 127 011
Accumulated impairment	-	-	-3 676 826	-39 711	-	-3 716 537
Net amount	**80 509 642**	**16 866 667**	**15 520 595**	**1 577 709**	**1 621 794**	**116 096 401**

Goodwill – Impairment tests

Goodwill is not amortized. The Group performs impairment tests on goodwill annually, or whenever there are signs of impairment.

For the purpose of impairment tests, the recoverable amount is the highest between the fair value of an asset less expenses incurred in its sale and its value in use. The recoverable value of the CGU derives from assumptions related to the activity, namely, sales volumes, operating costs, planned investments, namely the opening, remodelling and closing of units, the impact of other market players, internal management projections and historical performance.

These projections result from the budgets for the following period and the estimated cash flows for a subsequent period of four years reflected in the medium and long-term plans approved by the Board of Directors.

Given the current context of the Covid-19 pandemic, the Group chose to reflect in its projections, more defensive growth expectations in December 2020 tests, incorporating the impact of a new wave of the pandemic in the first half of 2021.

Methods and assumptions:

Asset impairment analysis of goodwill and intangible assumptions used in preparing the financial statements of 31 December 2020 remains valid with no changes to the underlying facts and circumstances.

As at 30 June 22021 and 31 December 2020, the methods and main assumptions used in preparing the impairment tests for the Group's goodwill were as follows:

Year 2020	WACC	Growth rate for residual value
Portugal - Counter	7,3%	2,0%
Portugal - Restaurantes e Catering	7,6%	2,0%
Espanha - Countet	6,6%	2,0%
Espanha - Restaurantes	6,9%	2,0%
Espanha - Travel	8,5%	2,0%

The discount rate presented was calculated based on the WACC methodology (Weighted Average Cost of Capital).

In 2020, given the impacts of Covid-19 in the catering sectors, impairment tests were performed on Goodwill, with the assumptions for the evolution of the different segments, the most recent market inputs and the evolution of the operation, of the performance in the gradual reopening of the restaurants, as well as local and international entities that operate in the air transport and tourism market, with decisive relevance for the Travel segment, Management assumptions and perspectives on 31 December 2020 remain valid to the current date.

The discount rates adopted correspond to the estimated weighted average cost of capital (WACC) estimated for each of the segments operated in Portugal and Spain with the highest risk in those segments that have a tendency of greater resistance to the recovery from the pandemic crisis.

Results of impairment tests:

In 31 December 2020, the tests performed resulted in the need to record an impairment in the amount of 7,458,583 Euros in goodwill. As mentioned above, management believes that the assumptions remain valid to the current date, so it does not consider the need to recognize additional impairments in the first six months of 2021.

Given the expectations of recovery of air traffic in Europe, which have been aggravated by the delay in vaccination processes against Covid-19, the group adjusted Travel projections to the new forecasts of airspace regulators, considering a scenario more delayed in the recovery of traffic at airports, following the successive projections that have been disseminated by specialist entities in the aviation sector. In addition, given the uncertainty regarding the final outcome of the negotiations with the airport concessionaire in Spain, the group also considered an additional risk for this business, with the consequent worsening of the discount rate, which led to the recognition of the aforementioned impairment, in the € 4,342,296 to Travel's goodwill.

As at 30 June 2021 there is no need to recognized more additional impairment losses.

Sensitivity analysis:

In the current climate of uncertainty, the assumptions used are sensitive to changes in macroeconomic indicators and to the business assumptions used by management.

Considering the uncertainties regarding the goodwill recovery value due to the fact that they are based on the best information available at the date, changes in the assumptions could result in impacts in determining the level of impairment and, consequently, in the results.

From the sensitivity analysis performed, with an increase of 0.5% in the discount rate used for each of the segments, it would lead to an additional impairment to be recognized at the level of goodwill of travel in Spain of approximately 2.8 million Euros. The conclusion does not change in terms of the recoverability of the remaining goodwill value.

The analysis of impairment of goodwill associated with the travel operation in Spain took into account Management's best estimates regarding the outcome of the process with AENA, which means, the variability of minimum annual rents due to the recovery of traffic, and introduced the discount rate to uncertainty that may be associated with it.

Simulating a hypothetical scenario of the rents payable being those of the original contracts, that is, without any modification of the rents due to the profound changes in traffic, the amount of the impairment to be recognized on the goodwill associated with the travel operation in Spain would be a total loss, as well as an impairment on tangible and intangible non-transferable fixed assets could have to be recognized, which amount to approximately 9 million Euros at 30 June 2021. It should also be noted that on 31 December 2020 the value of the right of use recognized in the consolidated balance sheet associated with these contracts is 136 million Euros and the lease liability is 196 million Euros.

In addition, we have not identified any additional risks arising from greater volatility in the medium term projections of business evolution with the exception of the travel business in Spain, as described above.

Other Assets - Brands, Industrial Property and Other Intangible Assets – Impairment test

In the remaining intangible assets, with a defined useful life, the impairment tests performed revealed that the recoverable amount is higher.

Valuations were made based on the value in use calculated based on the Discounted Cash Flow (DCF) method and according to the Royalty Relief methodology, depending on the type of asset supporting the recoverability of its values.

The values reached are sustained by historical performance, expectations of market development and strategic development plans for each business.

On 30 June 2021, the group's concessions, included under industrial property, and related life cycle are shown below:

Concession Rights	**No of years**	**Termination Date**
Lusoponte Service Areas	33	2032
2ª Circular (KFC) Service Areas	10	2027
Marina de Portimão	60	2061
A8 Torres Vedras Service Areas	20	2021
Aeroport Service Areas	20	2021
Pizza Hut Cais Gaia	20	2024
Modivas Service Areas	28	2031
Barcelos Service Areas	30	2036
Alvão Service Areas	30	2036
Lousada (Felgueiras) Service Areas	24	2030
Vagos Service Areas	24	2030
Aveiro Service Areas	24	2030
Ovar Service Areas	24	2030
Gulpilhares (Vilar do Paraíso) Service Ar	24	2030
Talhada (Vouzela) Service Areas	25	2031
Viseu Service Areas	25	2031
Matosinhos Service Areas	24	2030
Maia Service Areas	26	2032

10. OTHER FINANCIAL ASSETS

The amount of financial assets refers to investments in Angola Treasury Bonds (TB's). Separation by maturity is as follows:

	Jun/21			Dec/20		
	Current	Non current	Total	Current	Non current	Total
Treasury bonds	26 761	1 895 233	1 921 994	1 655 983	949 956	2 605 939
Sub-total	26 761	1 895 233	1 921 994	1 655 983	949 956	2 605 939
Accumulated impairment losses	914	232 391	233 305	37 724	126 029	163 753
TOTAL	25 847	1 662 842	1 688 689	1 618 259	823 927	2 442 186

Indices used for Probability of Default and Loss Given Default are in accordance with the publication of Moodys and S&P, varying between 7.9% and 27.4%, considering the rating of the Republic of Angola and the maturity of the bonds, and 59%, respectively.

10.1. Non-current

	Jun/21	Dec/20
Angola Treasury bonds	1 895 233	949 956
	1 895 233	**949 956**
Accumulated impairment losses	232 391	126 029
	1 662 842	**823 927**

Non-current				
Issue date	16/09/2015	29/09/2017	26/10/2017	28/02/2019
Acquisition date	22/01/2016	16/03/2021	07/04/2021	05/05/2021
Due date	16/09/2022	29/09/2022	26/10/2022	28/02/2023
BNA exchange rate	154,84	n/a	n/a	n/a
Amount	975	250	600	1 000
Amount as at 30/06/2021	971 517	28 702	68 521	119 405
Gross annual return	5%	12%	12%	16,5%

Non-current			
Issue date	31/08/2017	16/04/2021	08/07/2020
Acquisition date	06/05/2021	25/05/2021	25/05/2021
Due date	31/08/2024	16/10/2022	08/07/2023
BNA exchange rate	645	n/a	n/a
Amount	250	2 000	1 350
Amount as at 30/06/2021	300 617	247 872	158 599
Gross annual return	7%	15,75%	16,25%

10.2. Current

	Jun/21	Dec/20
Angola Treasury bonds	26 761	1 655 983
	26 761	**1 655 983**
Accumulated impairment losses	914	37 724
	25 847	**1 618 259**

Current	
Issue date	04/10/2019
Acquisition date	16/03/2021
Due date	04/10/2021
BNA exchange rate	n/a
Amount	210
Amount as at 31/12/2020	26 761
Gross annual return	16%

11. OTHER NON-CURRENT ASSETS

Other non-current assets breakdown is presented as follows:

	Jun/21	Dec/20
Other non-current assets	8 468 135	7 743 025
	8 468 135	**7 743 025**

Balance of other non-current debtors is mainly comprised of deposits and securities in Spain resulting from lease agreements. Trade accounts receivable from other debtors are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method, less impairment.

In the impossibility of reaching an agreement with AENA, we were forced to take precautionary measures to prevent it from executing the bank guarantees that were provided to ensure compliance with the obligations arising from the signed lease contracts. Securities related to contracts with AENA, under precautionary measures amounts to 4,911,625 Euros. In addition it was made a deposit of 847,735 euros in the Juzgado in Barcelona regarding this process.

12. CASH AND CASH EQUIVALENTS

As at 30 June 2021 and 31 December 2020, Cash and cash equivalents were as follows:

	Jun/21	Dec/20
Cash	1 013 217	903 884
Bank deposits	58 665 337	49 645 909
Treasury applications	500	500
Cash and bank deposits in the balance sheet	59 679 054	50 550 293
Bank overdrafts	-96 448	-916
Cash and cash equivalents in the cash flow statement	59 582 606	50 549 377

13. OTHER CURRENT ASSETS

As at 30 June 2021 and 31 December 2020, Other current assets were as follows:

	Jun/21	Dec/20
Clients	4 675 671	4 896 323
State and other public entities	3 928 750	5 660 701
Other debtors (1)	12 840 459	11 239 465
Advances to suplliers	294 655	124 317
Advances to fixed suppliers	289 971	408 264
Accruals and income	3 192 780	4 243 357
Deferred costs	1 712 639	1 757 482
Other current assets	**26 934 925**	**28 329 909**
Accumulated impairment losses	2 747 074	2 584 702
	24 187 851	**25 745 207**

(1) As at 30 June the balance in Other debtors includes the balances receivable from aggregators and other debit balances mainly for meal vouchers (delivered by customers), advances and balances suppliers, debts to suppliers, recovery of costs and the marketing contributions and rappel debt.

In the course of a lawsuit brought by employees of a subcontracted service provider of the subsidiary Pansfood, an unfavorable decision was issued condemning Pansfood to the payment of an indemnity of 744,000 Euros.

The Group appealed the decision and a guarantee was set up in the amount of 744,000 euros, which is recognized in Other debtors. Likewise, Ibersol Group set up a provision in the amount of 744,000 euros with reference to June 30, 2021, having recognized the corresponding expense in the year.

14. LOANS AND LEASE LIABILITIES

14.1 Loans

As at 30 June 2021 and 31 December 2020, current and non-current loans were as follows:

Non-current	**Jun/21**	**Dec/20**
Bank loans	82 706 518	65 496 857
Commercial paper programmes	72 723 984	79 998 099
	155 430 502	**145 494 956**

Current	**Jun/21**	**Dec/20**
Bank overdrafts	96 448	916
Bank loans	10 615 704	17 972 709
Commercial paper programmes	11 500 000	1 600 000
	22 212 152	**19 573 625**
Total loans	**177 642 654**	**165 068 581**

There are no significant differences between the balance sheet amounts and fair value of current and non-current loans.

Movements in the period in current and non-current loans, except financial leases and bank overdrafts, are as follows:

1 January 2021	165 068 581
Loan receipts obtained	23 333 144
Financial debt payments	-10 511 852
Variation effect of bank overdrafts	95 532
Financing assembly costs	-342 751
30 June 2021	177 642 654

A portion of financing with long maturities in the amount of 49 million euros includes clauses with the following financial covenants:

Financial Covenants	**SPAIN** (EOG Consolidated)	**PORTUGAL** (Consolidated)
Debt/EBITDA a)	**2,5x to 1,5x** *from 2017 to 2021* *with reductions of 0.25 per year*	**3,25x**
Debt/EBITDAR*		**4,25x**
EBITDA/Financial Cost	**5x**	-
Equity/Assets	-	**30%**

* Ebitda without rents

a) Debt / EBITDA without effects from the application of IFRS 16 (frozen gaap).

For 2020 ratios the Group obtained a waiver of compliance and is monitoring, together with the financial institutions, the evolution of compliance with the financing covenants, taking into account the assessment to be carried out on them at the end of the year 2021. In the perspective of a possible non-compliance with some of the aforementioned covenants, the Ibersol Group is working with the respective financial institutions to waive the fulfilment of these covenants, similarly to what happened with reference to December 31, 2020.

14.2 Lease liabilities

As at 30 June 2021 and 31 December 2020, the company has commitments made to third parties, arising from lease contracts, namely real estate contracts. The breakdown of future payments of lease payments, given their maturity, can be analyzed as follows:

	jun/21			Dec/20		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Leases	85 044 608	244 694 885	329 739 493	74 382 513	254 632 020	329 014 533
TOTAL	85 044 608	244 694 885	329 739 493	74 382 513	254 632 020	329 014 533

During March 2021, and as described in Note 1, the Group filed a lawsuit against AENA concerning the values of the minimum guaranteed rents of space rental contracts in airports in Spain. As a result, the Group intends for the contract to be modified which, if verified, will result in the reduction of the minimum lease payments that are, as at 30 June 2021, included in the Group's consolidated balance sheet as a current lease liability in the approximate amount of 55 million Euros (24 million Euros in 2020 and 2021 and 7 million Euros in 2022) and non-current amount of 40 million Euros.

The periods movements in leasing responsibilities are presented as follows:

1 January 2021	329 014 533
Lease agreement payments (1)	-15 960 000
Interest for the period by the update of the responsibilities with leases	7 712 286
Lease contract increases	11 944 388
Contract terminations / store closings	-51 673
Income concessions resulting from the COVID-19 pandemic	-3 055 998
Others	135 958
30 June 2021	329 739 494

(1) lease payments include 12,300,435 euros of capital and 3,659,565 euros of interest.

During the six months period ended on 30 June 2021 and in 2020, the Group obtained discounts on rent payments, which resulted in the respective decrease in liabilities without an outflow of funds.

15. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

As at 30 June 2021 and 31 December 2020, accounts payable to suppliers and accrued costs were broken down as follows:

	Jun/21	**Dec/20**
Suppliers c/ a	26 709 110	26 475 002
Suppliers - invoices pending approval	1 762 837	2 760 018
Suppliers of fixed assets c/ a	6 904 497	15 406 934
Total accounts payable to suppliers	35 376 444	44 641 954

	Jun/21	**Dec/20**
Accrued costs - Payable insurance	162 694	124 828
Accrued costs - Payable remunerations	11 086 715	9 242 973
Accrued costs - Rent and lease (1)	914 281	480 010
Accrued costs - External services	5 059 563	5 591 633
Accrued costs - Other	1 778 665	1 876 945
Total acrrued costs	19 001 918	17 316 389
Total accounts payable to suppl.and accrued costs	54 378 362	61 958 343

(1) With the adoption of IFRS 16, accrued costs- rents and lease include only the amount related to variable rents and additions to contracts that are not relevant for the adoption of this standard.

16. OTHER CURRENT LIABILITIES

As at 30 June 2021 and 31 December 2020, “Other current liabilities” may be broken down as follows:

	Jun/21	**Dec/20**
Other creditors	6 449 246	5 632 840
State and other public entities	6 500 312	4 857 655
Deferred income	1 406 670	1 785 302
	14 356 228	12 275 797

17. INCOMES TAXES AND DEFERRED TAXES

17.1. Income tax

17.1.1. Income tax receivable

As at 30 June 2021, income tax receivable amounts to 194.103 Euros (2020: 169.241 Euros), presented as follows:

	Jun/21	Dec/20
Inverpeninsular Group (1)	26 876	20 403
RETGS (2)	121 472	121 615
Ibersol Angola	22 013	-
Cortsfood	15 483	15 483
Others	8 259	11 740
	194 103	169 241

(1) tax amount resulting from the tax group of subsidiaries in Spain..
(2) income tax resulting from 2020 tax group of subsidiaries in Portugal (RETGS.

17.1.2. Income tax payable

Income tax payable in the periods ended 30 June 2021 and 31 December 2020 is broken down as follows:

	Jun/21	Dec/20
Ibersol Angola	-	5 473
RETGS (1)	254 686	-
Others (2)	9 856	9 856
	264 542	15 329

(1) amount of tax resulting from the estimate at 30 June 2021 of the tax group of subsidiaries in Portugal (RETGS).
(2) excluded from RETGS, income tax to be paid by subsidiary Iberusa ACE.

17.2. Deferred tax

Changes in deferred taxes in the period are:

Deferred taxes	**30.06.2021**	**31.12.2020**	**Movement in the period (1)**
Assets	19 328 514	14 914 797	4 413 717
Liabilities	-3 630 326	-3 896 164	265 838
Total	**15 698 188**	**11 018 633**	**4 679 555**

(1) income tax with the amount of 4,671,963 euros (note 20) and 7,592 euros of currency conversion in reserves.

Portugal	21%
Spain	25%
Angola	25%

17.2.1 Deferred tax assets

As at 30 June 2021 and 31 December 2020 deferred tax assets on, according to jurisdiction and the temporary differences that generate them, are broken down as follows:

Deferred tax assets	Jun/21 Portugal	Spain	Total	Dec/20 Portugal	Spain	Total
Tax losses carried forward (1)	1 378 625	4 153 688	5 532 312	1 378 625	4 153 688	5 532 313
Ded.temporary differences (IFRS16)	-	15 565 233	15 565 233	-	11 158 906	11 158 906
Taxable temporary differences	-33 859	-1 220 171	-1 254 029	-33 859	-1 220 171	-1 254 030
Homogenization of property, plant and equipment and intangible assets (2)	-5 548 097	-1 211 931	-6 760 028	-5 606 236	-1 161 182	-6 767 418
Other temporary differences (3)	5 640 488	604 538	6 245 026	5 640 488	604 538	6 245 026
	1 437 157	17 891 357	19 328 514	1 379 018	13 535 779	14 914 797

(1) In Portugal, the result of the RETGS for the first six months of 2021 is positive and it is expected that with reference to December 31, 2021, a part of the tax losses recorded in the previous year and tax credits, recognized in previous periods will already be consumed as deferred tax assets.
(2) deferred taxes that correspond to the difference in the net amount considered in the individual financial statements of the subsidiaries and the net amount to which they contribute in the consolidated financial statements.
(3) amount referring, essentially, in 2020 to tax benefits and in 2019 the impairment of accounts receivable, leasing, pension plan and tax benefits. As at 31 December 2020 there are 5,626,294.99 Euros of tax benefits not deducted, to be used in subsequent periods, 1,942,829.89 Euros of RFAI for 2019, 2,528,198.58 Euros of RFAI for 2020 and 1,156,266.52 Euros of CFEI II for 2020 (deductible up to and including 2025). It should be noted that these credits have a reporting period of 10 tax periods, a period whose count was suspended during 2020 and during the following tax period, according to Law No. 21/2021, of 21 of April.

In analyzing the recoverability of deferred tax assets, the Group considered the best estimates of projections of future taxable profits and taxable temporary differences against which tax losses, tax credits and deductible temporary differences can be used. It is noted that the projections used in the analysis carried out in the preparation of the financial statements of December 31, 2020 remain valid as of this date, considering that there were no relevant changes to the facts and circumstances that existed at that date.

Regarding the reportable tax losses of Spain, detailed above, the Group is not recognizing deferred tax assets on reportable tax losses generated in Spain in the amount of 29,582,233 Euros (corresponding to 7,413,502 Euros in deferred taxes).

17.2.2 Deferred tax liabilities

As at 30 June 2021 and 31 December 2020, Deferred tax liabilities, according to jurisdiction and the temporary differences that generated them, are broken down as follows:

Deferred tax liabilities	jun/21 Angola	Dec/20 Angola
Homogenization of property, plant and equipment and intangible assets	-193 737	-131 783
Hyperinflationary Economies (IAS 29)	4 033 082	4 210 251
Ded.temporary differences (IFRS16)	-36 694	-34 217
Other temporary differences	-172 325	-148 087
	3 630 326	3 896 164

18. OTHER OPERATING INCOME AND COSTS

Other operating and income costs in the periods ended 30 June 2021 and 2020 are broken down as follows:

Other operating costs	**2021**	**2020**
Direct/indirect taxes not assigned to operating activities	447 583	500 525
Currency exchange differences	205 604	949 308
Losses in fixed assets	457 155	196 194
Membership fees, donations samples and inventory offers	60 484	32 725
Impairment adjustments (debts receivable)	165 063	657 900
Other operating costs	34 862	7 292
	1 370 751	2 343 944

Other operating income	**2021**	**2020**
Supplementary income (1)	1 263 199	1 504 932
Currency exchange differences	124 436	2 940 732
Compensations	60 000	2 471 618
Gains in fixed assets	86 796	17 123
Operating grants (2)	7 563 558	39 573
Impairment adjustments reversion (debts receivable)	2 000	-
Investment grants	29 228	29 491
Other operating gains	19 422	41 139
	9 148 639	7 044 609
Other operating income / (costs)	7 777 888	4 700 665

(1) result mainly from revenues from franchise agreements (Eat Out Group) and suppliers.
(2) increase is due to the recognition of government support in the amount of 6,289,595 euros (IENAE) and 1,240,983 euros (Converte e Apoiar).

19. EXPENSES AND LOSSES AND INCOME AND FINANCIAL GAINS

Financial expenses and losses in the six months periods ended 30 June 2021 and 2020 are broken down as follows:

Financial expenses and costs	**2021**	**2020**
Interest on rentals liabilities (IFRS16)	7 712 286	8 462 662
Interest paid	1 360 545	1 619 855
Other financial expenses and costs	781 487	885 887
	9 854 318	10 968 404

Financial income and gains in the six months periods ended 30 June 2021 and 2020 are broken down as follows:

Financial income and gains	**2021**	**2020**
Interest earned (1)	228 188	582 803
Other financial income and gains	81 132	126 886
	309 320	709 689

(1) essentially interest on treasury bonds and term deposits.

20. INCOME TAX

Income tax recognised in the six month periods ended in 30 June 2021 and 2020 are broken down as follows:

	jun/21	jun/20
Current taxes	266 032	400 534
Insufficiency (excess) of income tax	-	12 000
Deferred taxes	-4 671 963	-9 194 007
	-4 405 931	-8 781 473

The effective tax rate on profits was 16% and 21%, respectively, on June 30, 2021 and 2020, as follows:

	jun/21	jun/20
Profit before tax	-27 355 315	-42 143 561
Income tax expense	-4 405 931	-8 781 473
Effective tax rate	16%	21%

21. INCOME PER SHARE

Income per share in the periods ended 30 June 2021 and 2020 was calculated as follows:

	Jun/21	Jun/20
Profit payable to shareholders	-22 902 318	-33 331 342
Average weighted number of ordinary shares issued	36 000 000	36 000 000
Average weighted number of own shares	-3 599 981	-3 599 981
	32 400 019	32 400 019
Basic earnings per share (€ per share)	-0,71	-1,03
Earnings diluted per share (€ per share)	-0,71	-1,03
Number of own shares at the end of the year	3 599 981	3 599 981

Since there are no potential voting rights, the basic earnings per share is equal to earnings diluted per share.

22. CONTINGENT ASSETS AND LIABILITIES

The Group has contingent liabilities related to its business (related to licensing, advertising fees, hygiene and food safety and employees, the success rate of Ibersol in these processes being historically high). It is not expected that there will be significant liabilities arising from contingent liabilities.

An indemnity proceeding was brought against a subsidiary of the Eat Out Group in Spain for alleged non-compliance with non-compete agreements in the amount of approximately 11.7 million Euros. The Board of Directors, supported by the position of the lawyers who accompany the process, considers that this situation represents a contingent liability. Additionally, it should be noted that the process concerns facts that occurred before the acquisition of this subsidiary by the Ibersol Group, and is therefore, under the liability and guarantees clauses provided for in the share purchase and sale agreement of the Eat Out Group, there is a right of return.

In addition, the Group currently has one legal proceeding underway with one subcontracted service provider (for a maximum total amount of approximately 1.2 million Euros) for which it considers that there is no risk of any additional liabilities to be recognized in the consolidated financial statements, supported by in the opinion of its legal advisors.

23. OTHER COMMITMENTS ASSUMED

As at 30 June 2021 and 31 December 2020, liabilities not recorded by Ibersol's subsidiaries are mainly made up of bank guarantees provided on their account, as follows:

	Jun/21	**Dec/20**
Bank guarantees	25 361 605	25 211 435

Bank guarantees by hedge type are as follows:

Leases and rents	Other supply contracts	Fiscal and legal proceedings	Other	Other legal claims
24 971 997	23 327	301 550	52 731	12 000

The relevant amount comes from the guarantees required by the owners of spaces concession (ANA Airports and AENA Airports in Spain) or leased (shopping centres and other places) under concessions and rents, which amounts to 19,713,000 Euros with AENA Aeroportos.

Regarding the precautionary measures requested, aiming at preventing AENA from executing the guarantees and deposits (see Note 11), which has a 25 million Euros benefit. On 26 March 2021, the Court ruled in favour of the precautionary measure.

24. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions with related parties as at 30 June 2021 and 31 December 2020 can be presented as follows:

	Parent entitie		Jointly controlled entitie		Associated entitie		Other entities	
	1 S 2021	2020	1 S 2021	2020	1 S 2021	2020	1 S 2021	2020
Supplies and services	241 184	1 000 000	1 263 763	3 667 953	-	-	-	-
Rental lease	-	-	-	-	-	-	1 100 556	1 373 755
Accounts Payable	-	-	1 841 739	1 215 575	-	-	-	-
Other current assets	-	-	-	-	-	300 000	-	-
Financial investments	-	-	-	-	300 000	-	400 000	-

The parent company of Ibersol SGPS S.A. is ATPS - SGPS, SA, holder of 19.767.058 shares. The shareholder company provides management services for the group, under a service provision agreement with the subsidiary Ibersol, Restauração, SA. company directors, Dr. António Carlos Vaz Pinto de Sousa and Dr. António Alberto Guerra Leal Teixeira, exercise their positions without the same company having to incur any additional charges. The company does not pay any remuneration directly to these directors.

Dr. António Carlos Vaz Pinto de Sousa and Dr. António Alberto Guerra Leal Teixeira each hold 2.520 shares of Ibersol SGPS, SA The voting rights attributable to ATPS are also attributable to António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira according to paragraph 1.b) Article 20, and paragraph 1 Article 21, both of the Portuguese Securities Market Code, by holding the domain of ATPS, in which they participate indirectly in equal parts by their companies, respectively, the companies CALUM - SERVIÇOS E GESTÃO, S.A. with NIPC 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A. with NIPC 513799257, which, jointly, hold the majority of the share capital of ATPS.

The other entities refer to entities controlled by other holders of significant influence in the parent company of Ibersol Group. The amounts presented refer to rents paid in the year, which, as a result of the adoption of IFRS16, do not correspond to the amount of lease expenses reflected in the financial statements. The present value of payment commitments estimated over the term of the respective contracts amounted, as at 30 June 2021, to approximately 18.5 million euros (18.4 million euros as at 31 December 2020.

25. SUBSEQUENT EVENTS

As at 30 June 2021 and to the present date, no relevant subsequent event has occurred that could have a material impact on the interim consolidated condensed financial statements, which has not been disclosed in the notes to the financial statements.

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LIMITED REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(This report is a free translation to English from the original Portuguese version.
In case of doubt or misinterpretation the Portuguese version will prevail.)

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements of **Ibersol SGPS, S.A.** (the Group), which comprise the consolidated interim statement of financial position as of 30 June 2021 (that presents a total of Euro 714,462,549 and total equity attributable to the shareholders of Euro 133,536,402, including a consolidated net loss attributable to the shareholders of Euro 22,902,318 euros), the condensed consolidated interim statements of income and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and the accompanying explanatory notes to these condensed consolidated interim financial statements.

Management's responsibilities

Management is responsible for the preparation of this condensed consolidated financial statements in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union, and for the implementation and maintenance of an appropriate internal control system to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. Our work was performed in accordance with the international standards on review engagements and further technical and ethical standards and guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). These standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

A limited review of condensed consolidated financial statements is a limited assurance engagement. The procedures that we have performed consist mainly of making inquiries and applying analytical procedures and subsequent assessment of the evidence obtained. The procedures performed in a limited review are substantially less that those performed in an audit conducted in accordance with International Standards on Auditing (ISA). Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of **Ibersol S.G.P.S., S.A.**, on 30 June 2021, are not prepared, in all material respects, in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

10 September 2021

SIGNED IN THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A.
(registered at CMVM under the nr. 20161489 and at OROC under nr. 189)
represented by
Pedro Manuel Bouça de Morais Alves da Costa (ROC nr 1466)