

MANAGEMENT REPORT AND ACCOUNTS



HOLDING

ESTORIL-SOL, S.G.P.S., S.A.

3RD QUARTER 2017



INDEX



07	<i>Governing Bodies</i>
09	<i>Management Report</i>
21	<i>Annex to the Management Report</i>
23	<i>Holders of Qualified Shareholdings</i>
24	<i>Consolidated Financial Statements</i>
29	<i>Notes to the Accounts</i>



GOVERNING BODIES



BOARD OF THE ANNUAL GENERAL MEETING

Chairman

Pedro Canastra de Azevedo Maia

Deputy Chairman

Tiago Antunes da Cunha Ferreira de Lemos

Secretary

Marta Horta e Costa Leitão Pinto Barbosa

ADVISORY BOARD

Chairman

Rui José da Cunha

REMUNERATION COMMITTEE

Pansy Catilina Chiu King Ho

Jorge Armindo de Carvalho Teixeira

Calvin Ka Wing Chann

BOARD OF DIRECTORS

Chairman

Stanley Hung Sun Ho

Deputy Chairmen

Mário Alberto Neves Assis Ferreira

Patrick Wing Ming Huen

Members

Pansy Catilina Chiu King Ho

Ambrose Shu Fai So

Man Hin Choi

António José de Melo Vieira Coelho

Vasco Esteves Fraga

Jorge Armindo de Carvalho Teixeira

Calvin Ka Wing Chann

Miguel António Dias Urbano de Magalhães Queiroz

AUDIT BOARD

Chairman

Manuel Maria Reis Boto

Deputy Chairmen

Vitor Pratas Sevilhano Ribeiro

Paulo Ferreira Alves

Alternate

Lisete Sofia Pinto Cardoso

COMPANY SECRETARY

Secretary

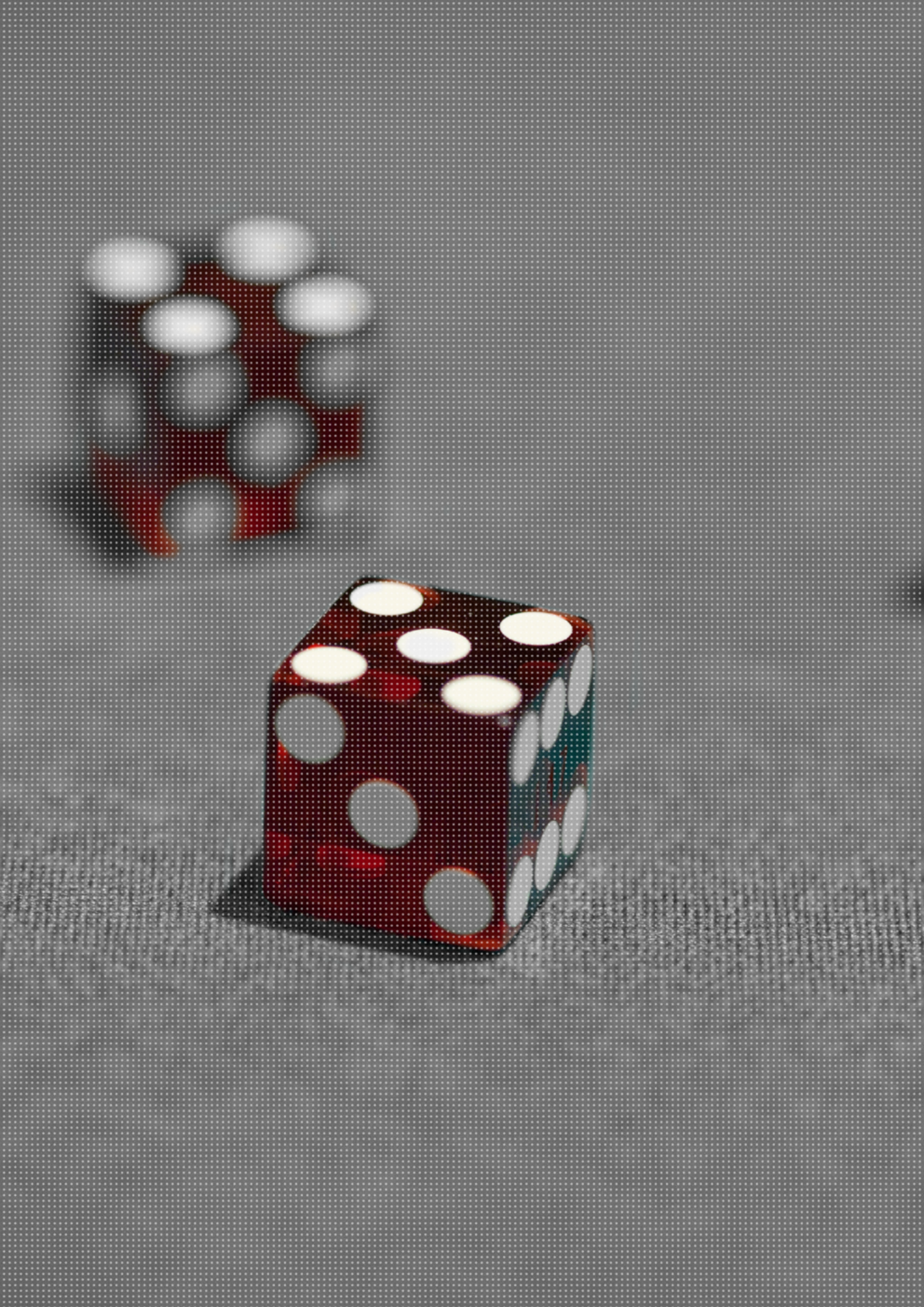
Carlos Alberto Francisco Farinha

Alternate

Artur Alexandre Conde de Magalhães Mateus

STATUTORY AUDITOR

Deloitte & Associados, S.R.O.C., S.A. - represented
by Pedro Miguel Argente de Freitas e Matos Gomes



INTERIM MANAGEMENT REPORT



1. THE COMPANY

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

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

The Company held indirectly through subsidiaries interests in the tourism sector, in particular, in gaming activities at casinos. The Company owns the Game Concessions of Estoril (Casino do Estoril and Casino Lisboa) and Póvoa de Varzim. Since July 2016 the Company also began exploring the online gambling activity and sports betting through one of its subsidiaries.

During the first nine months of the year we monitor regularly and in detail the current management of the subsidiaries, giving particular attention to the evolution of gaming revenues and support to streamline and optimize processes.

2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 30th September 2017, the share capital of ESTORIL-SOL, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five) Euros, of which 6.116.779 were registered shares and 5.876.905 bearer shares.

At the time this report was prepared, ESTORIL-SOL, S.G.P.S., S.A. held 62.565 treasury shares, with no trading taking place during the financial year. During the first nine months of 2017, the Company, did not sold or acquired own shares.

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986 — **2.A.**

In June 2017 the Company paid a dividend of € 0,335 per share related to the year 2016. The price and trading volume of Estoril-Sol, S.G.P.S., S.A. securities, on the dates of reporting to the market during the year 2017 were according table below — **2.B.**

As at September 30th, 2017 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics **2.C.**

3. ESTORIL-SOL GROUP

On September 30th, 2017, ESTORIL-SOL, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A.

Incorporated on 26 July 2001, headquartered in Estoril, the social object of which is the operation of games of chance in areas where this is permitted by law and, in addition, may also operate in the tourism, hotel, restaurant and entertainment industries, as well as providing consultancy services in those areas of activity. This company operates the Estoril and Lisbon Casinos. Its share capital of EUR 34,000,000 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.

ESTORIL-SOL DIGITAL ONLINE GAMING PRODUCTS AND SERVICES, S.A.

With a Share Capital of EUR 500.000 is 50% held by ESTORIL-SOL (III) –TURISMO, ANIMAÇÃO E JOGO, S.A. The Company was founded in September 2015 in order to apply for an online gaming license. The license was issue during July 2016 and the Company immediately started exploring the online gambling activity.

2.A Estoril-Sol, S.G.P.S., S.A. shares price - Evolution

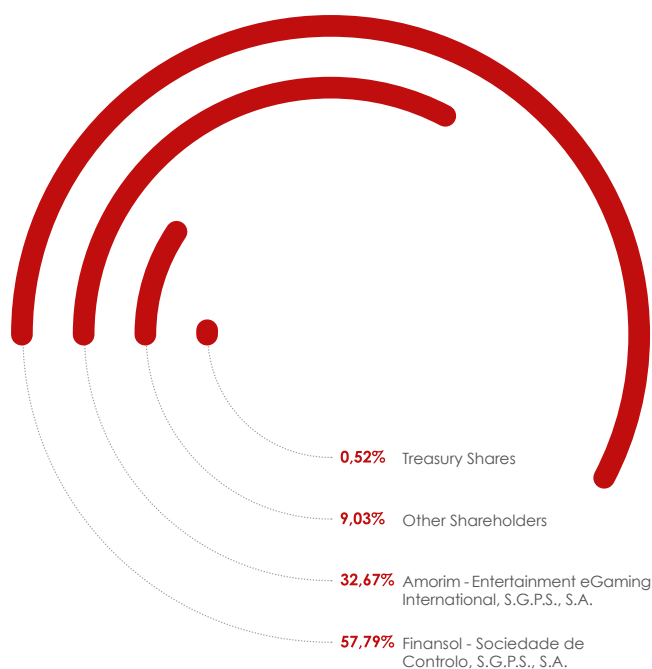


2.B Date for disclosing Estoril-Sol, S.G.P.S., S.A. information

(Estoril-Sol Security - Price in Euros)

DISCLOSURE	DATE	QTD	PRICE	
Annual results for 2016	28/04/17	42	3,30 Open	3,30 High
			1,35 Close	3,30 Low
Dislose Results 1 st Quarter 2017	29/05/17	19	4,10 Open	4,10 High
			4,10 Close	4,10 Low
Dividends payment	21/06/17	210	5,54 Open	5,54 High
			5,54 Close	5,54 Low
Dislose Results 1 st Semester 2017	24/08/17	5349	8,80 Open	8,95 High
			8,95 Close	8,80 Low

2.C Company Shareholders





* Holds 10% of its Share Capital

During the course of 2017, in August, the company also obtained a license for online sports betting, activity that began on August 6th, 2017.

Within the online gaming activities, which is carried out through Estoril Sol Digital, Online Gaming Products and Services, S.A., a subsidiary company of Estoril Sol (III) – Turismo, Animação e Jogo, S.A., a company owned by the issuer (Estoril-Sol, S.G.P.S., S.A.), signed with Vision Gaming Holding Limited, a company based in Malta, an association agreement, through which it holds a minority interest, corresponding to 49.9998% of the share capital of Estoril Sol Digital, keeping the Estoril Sol (III) S.A. most of the capital and votes in that company (Estoril-Sol Digital, Online Gaming Products and Services, S.A.).

VARZIM SOL - ANIMAÇÃO, TURISMO E JOGO, S.A.

Headquartered in Póvoa de Varzim, has the social object, in particular, of operating the gambling concession of Póvoa de Varzim. This company operates the Póvoa de Varzim Casino. It has a share capital of EUR 33.650.000, 100% held by ESTORIL SOL, S.G.P.S., S.A..

ESTORIL SOL (V)

Investimentos Imobiliários, S.A.

Its share capital of EUR 50,000 is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.. The Company is now idle, but owns a site located on maritime land in the parish of Ericeira.

DTH - DESENVOLVIMENTO TURÍSTICO E HOTELEIRO, S.A.

With a share capital of EUR 2,429,146 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.. It owns a plot of land in Monte Estoril, where the former Miramar Hotel stood.

ESTORIL-SOL IMOBILIÁRIA, S.A.

With a share capital of EUR 7,232,570, it is 100% owned by

ESTORIL-SOL, S.G.P.S., S.A..

Its social object is the construction, promotion, management and sale of tourist complexes and real estate.

ESTORIL SOL - INVESTIMENTOS HOTELEIROS, S.A.

With a share capital of EUR 10,835,000 is 90% held by ESTORIL-SOL, S.G.P.S., S.A., with the remaining 10% being held by the company itself.

ESTORIL SOL E MAR -

Investimentos Imobiliários, S.A.

With a share capital of EUR 1.286.000, is fully paid up by ESTORIL-SOL, S.G.P.S., S.A..

4. ESTORIL-SOL FINANCIAL ANALYSIS SUMMARY (Jan – Sep)

GAME REVENUES

The growth cycle of gaming revenues remained during the first nine months of 2017. The total gross game revenue of the Estoril Sol Group (territorial and online) amounted to 155,8 million Euros, with an overall growth of 12,4% (4,8% territorial game), to which significantly contributed the online gaming revenues (game revenues detailed by casino in the graphics **4.A** and **4.B**).

GROUP CONSOLIDATED RESULTS

In the first nine months of 2017 the Group's Consolidated EBITDA increased by 27% and amounted to Euro 31,2 million Euros.

As at 30th September 2017 the Group reported positive consolidated net results of 15,6 million Euros — **4.C**.

PERFORMANCE BY SEGMENT/CASINO

All the casinos in the Group improved their performances in the first nine months of 2017 compared to last year.

During the first nine months of 2017, only Casino da Póvoa recorded net negative results. To be remarked the fact that all casinos, without exception, achieved a positive EBITDA (operational results).

Casino Online started its activity in July 2016, and for this same reason shows high growth rates during 2017 — **4.D**.

CAPEX

Pursuing a very careful selection of the investments, the Group made investments (CAPEX) during the first nine months of 2017 in the total amount of approximately 5,8 million Euros.

The increase in investment in the nine months of 2017 compared to previous years refers to the anticipation for the first half of the year of investment for the renovation of gaming equipment — infographic **4.E**.

FINANCIAL DEBT

In a concerted effort to financial stability and less dependence on third parties, the Group has consistently reduced its bank debt, this reduction resulted in a significant decrease in financial costs incurred by the Group.

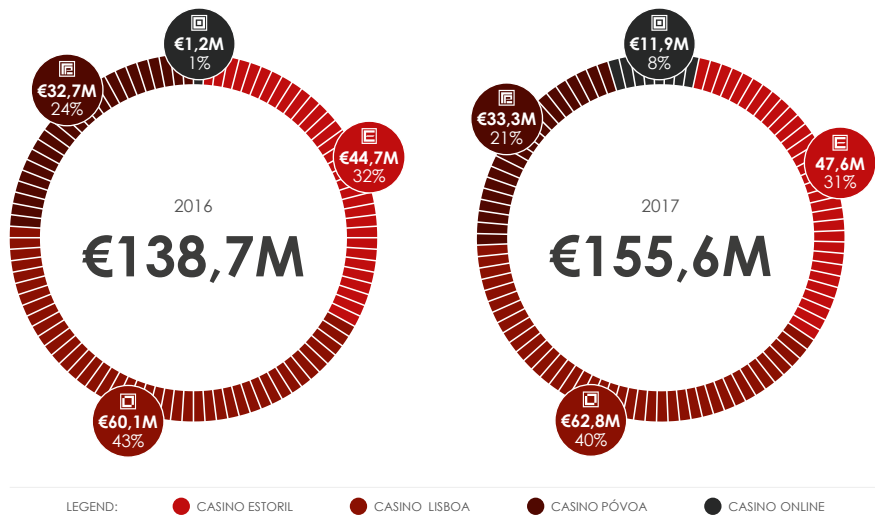
By the end of September 2017 the Group bank debt was 16,6 million Euros — **4.F**.

4.A Game Revenues (Jan - Sep)

(Million Euros)

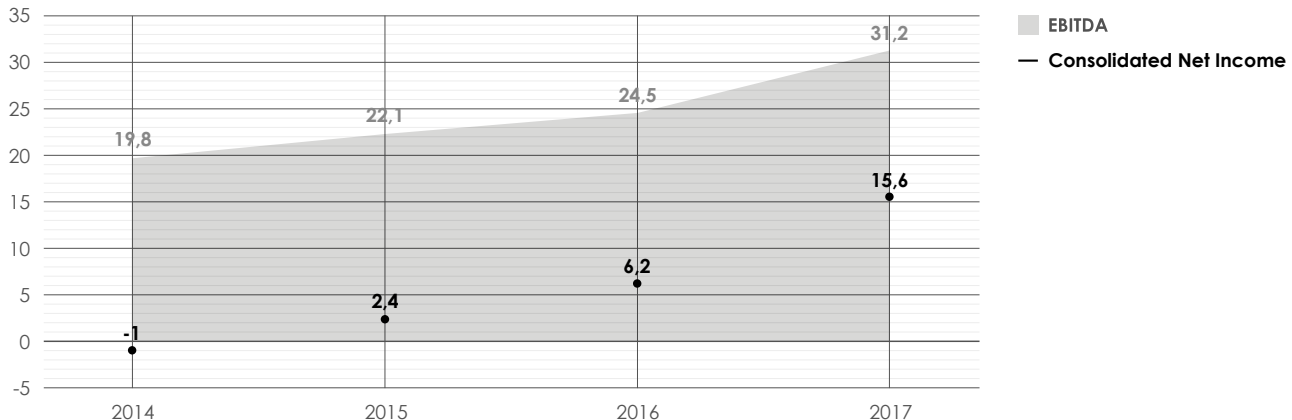


4.B Game Revenues per Casino (Jan - Sep 2016 and 2017)



4.C EBITDA/Consolidated Net Income

(Million Euros)



5. FINANCIAL ANALYSIS CONSOLIDATED ACCOUNTS

TERRITORIAL

In Portugal, the gambling activity in land based casinos is developed by five business groups that exploit, under a public concession, the twelve casinos existing in the national territory. In March 2017 the Casino of Ponta Delgada in the Azores started its activity. To

this date there's no information available related to game revenues due to the youth of this operation.

The Estoril-Sol Group, through its subsidiaries, operates three of the four biggest casinos in Portugal, accounting for 62% of net income generated by the activity in Portugal. Revenues from gambling in Portugal during the first nine months of 2017 amounted to approximately 233,1 million

Euros, a growth of 4,5% compared last year first semester.

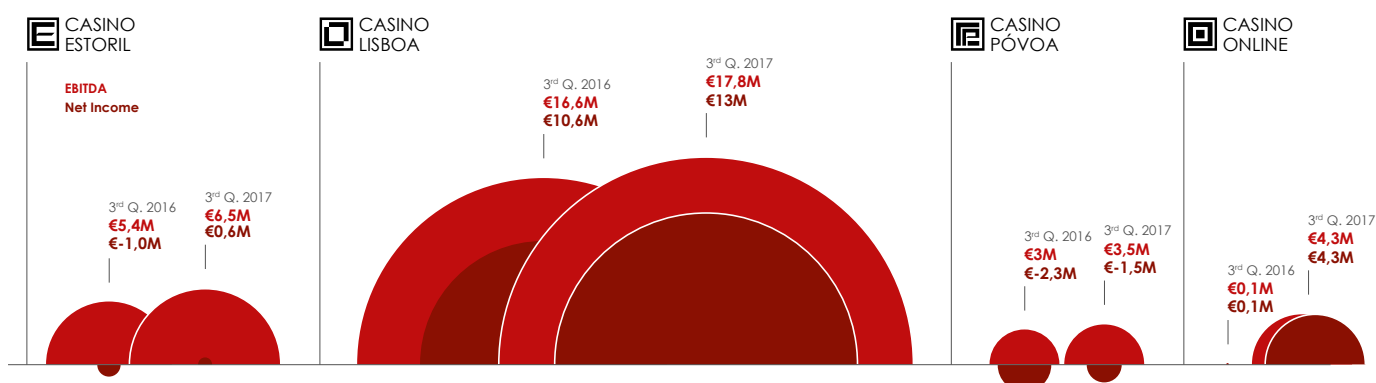
In the same period the Group territorial game revenues achieved 144,4 million Euros, an increase of 4,8%. — **5.A.**

ONLINE GAMES AND BETTING

On the 28th June 2015 the online gambling regulation approved by

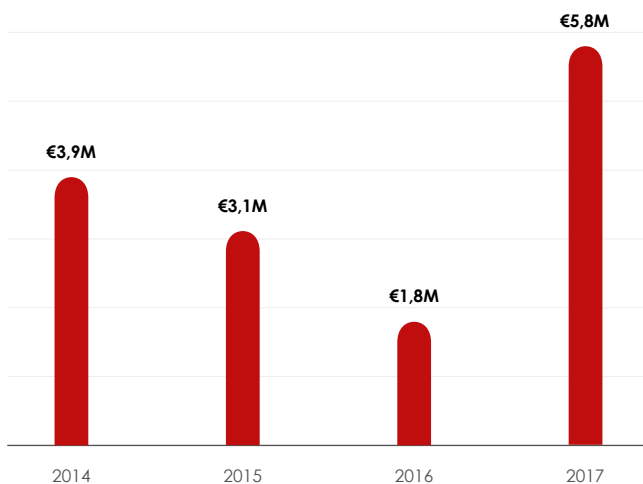
4.D EBITDA/Net Income

(Million Euros)



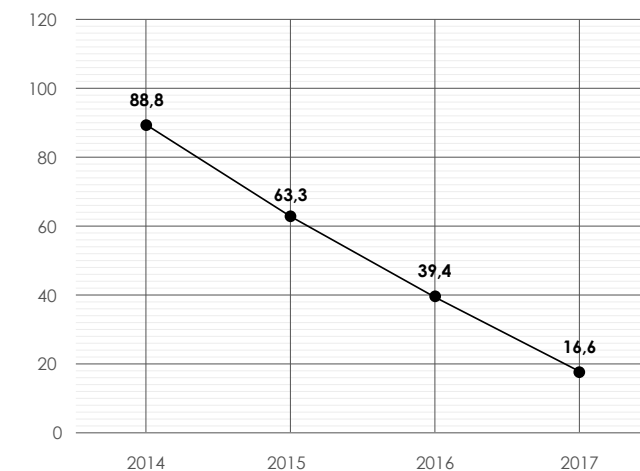
4.E Capex

(Million Euros)



4.F Bank Debt - September

(Million Euros)



decree-law 66/2015 entered into force.

The issue of the first license occurred one year later, in May 2016, it was a sports betting license. The second license issued by the Turismo de Portugal took place in July 2016 and also for sports betting.

In July 2016 the first online casino license (slot machines, roulette and blackjack) was issued. This license was granted to the Estoril-Sol Group on July 25th, 2016, and the Group started operations on the same day. Since then five more licenses have been issued, totaling to

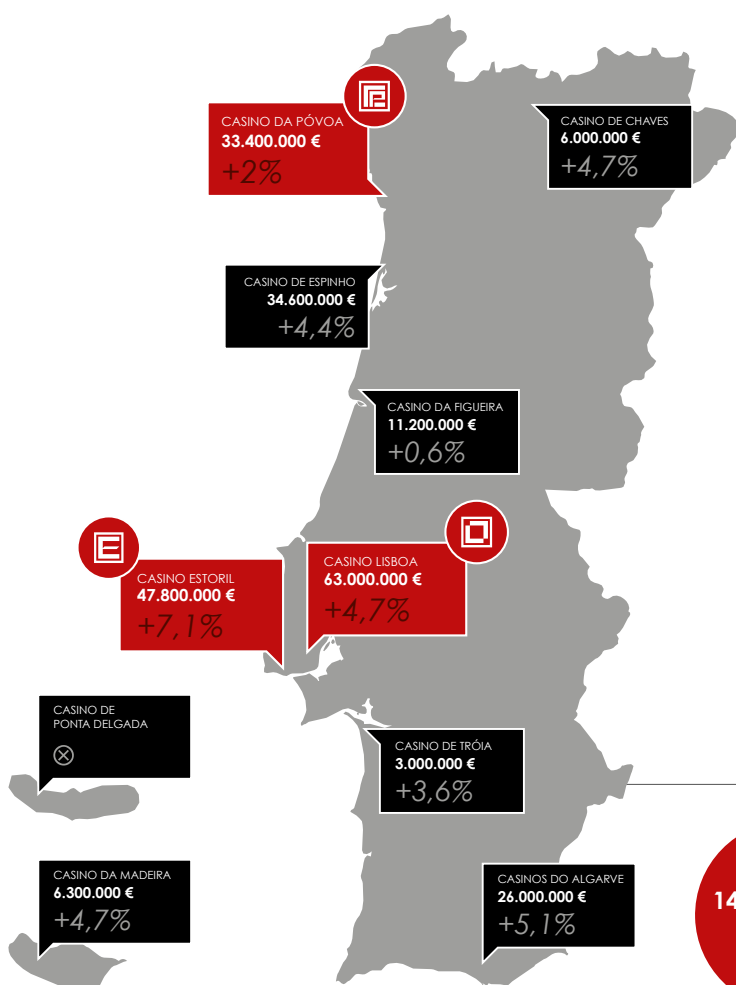
this date six online casino licenses allotted. In August 2017 the Estoril-Sol Group obtained a license to operate online sports betting, and immediately started the operation. As of September 30th, 2017 there are four operators to explore online sports betting licenses.

During the first nine months of 2017, online gambling in Portugal generated gross revenues (amount of bets after deducting the premiums paid) in the overall amount of 86 million Euros. The sports betting segment accounts for 55% of the market value and generated gross revenues of 47,6

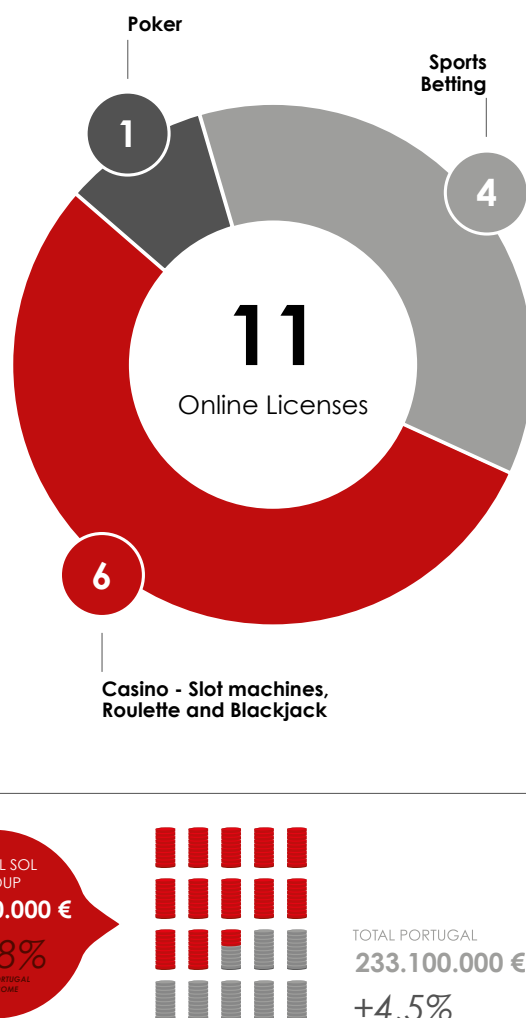
million Euros. Casino Games, including slot machines, roulette and blackjack, represent 31% of the market and generated gross revenues of 27 million Euros. Poker generated revenues of 11,4 million Euros corresponding to 14% of all online bets — **5.C.**

The Estoril-Sol Group on September 30th, 2017 holds two valid licenses, a license to operate online casino games, namely, slot machines, roulette and blackjack, and a second license that allows to operate the sports betting segment. During the first nine months of 2017 Estoril-Sol recorded online gaming revenues

5.A Game Revenues (territorial)



5.B Online Licenses



of 14,6 million Euros, from which 13,4 million Euros relating to online casino games and 1,2 million Euros relating to online sports betting. — **5.D** e **5.E**.

TOTAL REVENUES

During the first nine months of 2017, the Group recorded combined gross game revenues, territorial and online, of 155,8 million Euros, with an overall growth of 12,4% (4,8% territorial), to which significantly contributed the online gaming revenues. Net from gaming taxes, the Group's

total game revenues amounted to 76,6 million Euros, an increase of 14,7% over the 66,8 million Euros achieved in the first nine months of the previous year.

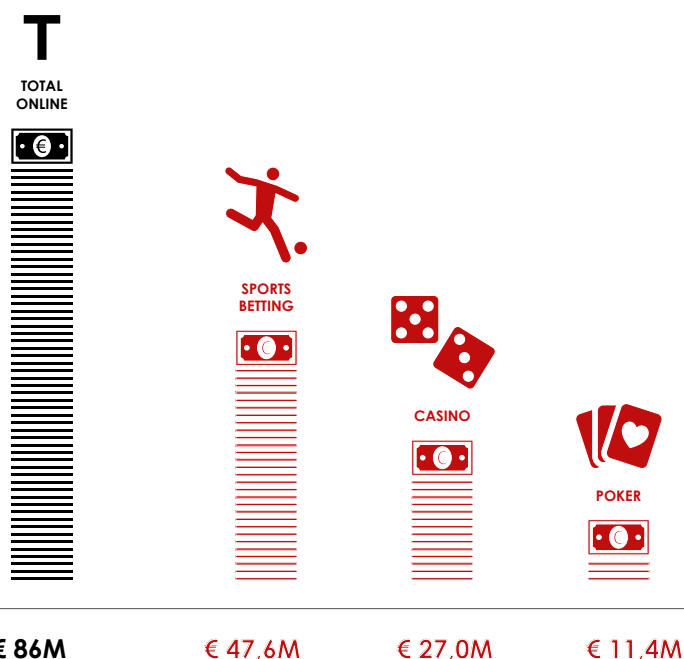
The effective tax rate borne by the Group during 2017 was 51% compared to 52% in 2016, and this was offset by the fact that online gaming revenues are taxed at a rate ranging from 15% to 30% depending on the volume of the revenues achieved.

The other operating revenues of Estoril-Sol, restaurant and entertainment, increased by 1,6%

to 6,5 million Euros. The Group's 5,7% increase in operating costs reflects the Group's investment in streamlining and increasing the entertainment, leisure and restaurant offer in the casinos, but mainly reflects the strong investment in marketing and advertising carried out by the Group in the first nine months of 2017 related with the online casino operation. The Group's strong commitment and investment during 2017 and second half of 2016, proved to be essential to obtain the good results of this new operation, the online casino — **5.F**.

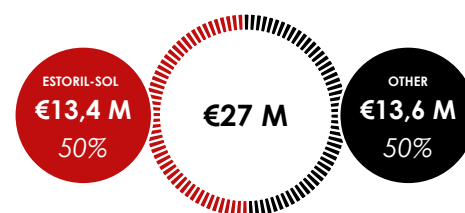
5.C Online games and betting - Gross revenues, Jan - Sep 2017

(Million Euros)



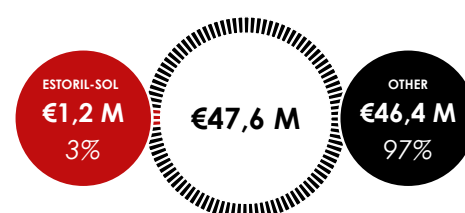
5.D Online casino games

(Million Euros/Market share)



5.E Online sports betting

(Million Euros/Market share)



5.F Consolidated income statements

	Sep 2017	Sep 2016	Var. %
Gaming Revenue	155 885 791	138 748 669	12,4%
Special Gaming Tax	-79 241 337	-71 921 473	a)
Effective Tax Rate	51%	52%	
Game Revenue - Net	76 644 454	66 827 196	14,7%
Other revenue (F&B/Entertainment)	6 538 052	6 438 025	1,6%
Operating costs	-51 866 852	-49 059 678	5,7%
EBITDA	31 315 654	24 205 543	29,4%
Amortization and Depreciation	-14 484 716	-15 616 254	-7,2%
Financial Costs	-1 145 990	-2 266 068	-49%
Income tax (IRC)	-58 614	-52 500	12%
Consolidated Net Result	15 626 333	6 270 721	149%
Equity holders of the Parent Company	13 456 421	6 223 785	
Non-controlling interests	2 169 912	46 936	
	15 626 333	6 270 721	

a) Includes the amounts recorded in "Gaming Taxes" as "Special Gaming Tax (Current)" and "Annual Gaming Tax (Difference to minimum grant)"

5.G EBITDA per Casino

	Estoril Casino	Lisboa Casino	Póvoa Casino	Online Casino
Gaming Revenue	47 685 108	62 898 800	33 397 318	11 904 565
Game Taxes	-23 934 537	-31 541 167	-19 661 250	-4 104 382
Effective Tax Rate	50%	50%	59%	34%
Net Revenue	23 750 571	31 357 633	13 736 068	7 800 183
EBITDA	6 580 919	17 829 811	3 525 006	4 361 319
EBITDA Margin	14%	28%	11%	37%

Estoril-Sol Group improve its operating results in almost 29%, and reached for the first nine months of 2017 a positive EBITDA of 31,3 million Euros. Casino Lisboa achieved a positive EBITDA of 17,8 million Euros, Estoril and Online an EBITDA of 6,5 and 4,3 million Euros, respectively, and the Casino da Póvoa registered in the first nine months of 2017 a positive EBITDA of 3,5 million Euros — **5.G.**

In a concerted effort to financial stability and less dependence on third parties, the Group has been successively reducing its bank debt. This reduction resulted in a significant decrease in financial costs incurred by the Group Estoril-Sol, a decrease of 49% over the first nine months of 2017 compared to same period last year. Estoril-Sol supported almost 1,7 million Euros with loan interests during the first nine months of 2017.

The Consolidated Net Profit in the first nine months of 2017 was positive by 15,6 million Euros compared with earnings of 6,2 million Euros in the previous year. Of these 15,6 million Euros, 13,4 million Euros belong to the shareholders of Estoril-Sol, S.G.P.S., S.A., and the remainder held by minority and non-controlling interests.

6. RELEVANT FACTS

- During the first quarter of 2013, after a unanimous vote taken at the headquarters of the Portuguese Association of Casinos as well as within the Board of Estoril-Sol, the operating companies from the Group Estoril-Sol, have filed lawsuits against the State in which they

seek to be restored the financial balance of Gaming Concessions. Such a claim is founded, among other reasons, because the State, through its actions and omissions has given rise to changes in circumstances that were the basis for the negotiation of the gaming concessions. Of them highlights the fact that it was assumed for tax basis a continuing and significant increase of gaming revenue throughout the concession period. Despite not having checked this proposition due to the economic climate and as a result of the State attitude in relation to online gambling and illegal gambling, among others, it continued to require them to pay very high taxes, calculated on revenue that the Concessionaires did not obtain.

Thus, remained no alternative to the Concessionaires that was not to challenge with the competent Administrative and Fiscal Courts the settlements of tax to which they were presented, and for that purpose submit the necessary judicial guarantees. However by the time of approval of this report, and despite the fact that all tax settlements were contested by the Group, all taxes are without exception, or paid or its payment was legally postponed under Decree-Law 1/2015, and for this reason the Group Estoril-Sol does not have any overdue debt related with game taxes. (note 16 and 18 to the consolidated accounts).

- The Board of Directors of Turismo de Portugal, IP, at a meeting held on 04th August 2017, decided under the Legal Framework for Games and Online Betting (RJO), approved by Decree-Law No. 66/2015 of 29 April, assign to Estoril Sol Digital, Online Gaming Products and Services, S.A., a license for online

sports betting, which will operate under the internet domain www.estorilsolcasinos.pt. This license shall be valid for an initial period of three years from the date of issue, expiring on August 03rd, 2020, if not renewed, under the terms and conditions set out in RJO.

7. SUBSEQUENT FACTS

Between the 30th of September 2017 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, S.G.P.S., S.A. and the other Companies of the Group, in addition to the reported below:

- Estoril-Sol, S.G.P.S., S.A., an issuer of securities (“shares”) admitted to trading on a regulated market), now has a share capital of € 59,968,420 (fifty nine million, nine hundred and sixty eight thousand, four hundred and twenty euros), represented by 11,993,684 book-entry shares, of which: 5,876,905 are bearer, (ISINPTESO0AE0000 Code) and; 6,116,779 are registered (ISIN Code PTESO0AM0000), with a unit par value of five Euros each.

Pursuant to Articles 1, 1 and 2 of Law 15/2017, of 3 May, of Article 3 of Decree-Law 123/2017 of 25 September and of Instruction No. 1/2017 of Interbolsa, at its meeting on October 25, 2017, the Board of Directors of Estoril Sol resolved to convert these 5,876,905 “bearer” shares into “nominative” shares, with the total capital stock of the Company being represented by registered shares.



CASINO

APOSTAS DESPORTIVAS

PROMOÇÕES

APOIO AO CLIENTE

FAÇA A SUA
1ª APOSTA DE
10€ E RECEBA JÁ
30€ FREEBETS!

SAIBA MAIS!

Slots

Roleta Francesa

Jogos mais populares

NEW

BURNING HOT

5 LINES

NEW

20 SUPER HOT

20 LINES

NEW

40 SUPER HOT

40 LINES

KASSIUS
INVICTUS

BLACKJACK

LUCKY MISS
THE SLOT GAME

BOOST
RACERS

BOOM
ZANG

NEW

7
EXTREMELY HOT

5 LINES

NEW

NEWS

10:32 - Nat1958 acabou de ganhar 100.00 € no

ATÉ 250€ GRÁTIS

100% de bônus - Duplica o seu
primeiro depósito.

CRIAR A MINHA CONTA

Deposite dinheiro facilmente na sua conta

100%
seguro



8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n°1 of article 246 of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

- The information contained in the interim management report is a

faithful statement of the evolution of the business, of the performance and of the position of Estoril-Sol, S.G.P.S., S.A., and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face;

- The information contained in the consolidated financial statements,

as well as their annexes, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation and the results of Estoril-Sol, S.G.P.S., S.A. and the companies included in the consolidation perimeter.

Estoril, 25th October, 2017

THE BOARD OF DIRECTORS

Chairman

Stanley Hung Sun Ho

Vice-Chairmen

Mário Alberto Neves Assis Ferreira

Patrick Wing Ming Huen

Directors

Pansy Catilina Chiu King Ho

Ambrose Shu Fai So

Man Hin Choi

António José de Melo Vieira Coelho

Vasco Esteves Fraga

Jorge Armindo de Carvalho Teixeira

Calvin Ka Wing Chann

Miguel António Dias Urbano de Magalhães Queiroz



ANNEX TO THE MANAGEMENT REPORT



Information regarding the securities issued by ESTORIL-SOL, S.G.P.S., S.A., and by companies with which the Company is in controlling or group relationship, which are owned by the members of the Corporate Offices of the Company on 30th September 2017.

	No. shares 31 Dec 2016	Date	Value (€/share)	No. shares purchased	No. shares sold	No. shares 30 Sep 2017
Board of Directors						
Stanley Hung Sun Ho	135 662	-	-	-	-	135 662
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Patrick Wing Ming Huen	55 000	-	-	-	-	55 000
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Ambrose Shu Fai So	50 000	-	-	-	-	50 000
Man Hin Choi	527	-	-	-	-	527
António José de Melo Vieira Coelho	0	-	-	-	-	0
Vasco Esteves Fraga	608	-	-	-	-	608
Jorge Armindo de Carvalho Teixeira	0	-	-	-	-	0
Calvin Ka Wing Chann	1 000	-	-	-	-	1 000
Miguel António Dias Urbano de Magalhães Queiroz	0	-	-	-	-	0
Advisory Board						
Rui José da Cunha	12 300	-	-	-	-	12 300
Audit Board						
Manuel Maria Reis Boto	0	-	-	-	-	0
Vitor Prata Sevilhano Ribeiro	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
Statutory Auditor						
Pedro Miguel Argente de Freitas e Matos Gomes	0	-	-	-	-	0



HOLDERS OF QUALIFIED SHAREHOLDINGS



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

On 30th September 2017, ESTORIL SOL, S.G.P.S., S.A. held 62.565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, S.G.P.S., S.A., on 30th September 2017, held 6.930.604 shares of ESTORIL-SOL, S.G.P.S., S.A., it was a direct holder of 57,79% of the share capital and 58,09% of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 255,698 shares of ESTORIL-SOL, S.G.P.S., S.A., corresponding to 2,1% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of FINANSOL in the capital of ESTORIL-SOL is 57,79%, and 60,23% to the voting rights.

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

On 30th September 2017, ESTORIL-SOL, S.G.P.S., S.A. held 62.565 treasury shares, and, as AMORIM – ENTERTAINMENT E GAMING INTERNATIONAL, S.G.P.S., S.A. held 3.917.793 shares, this company was a direct holder of 32,67% of the share capital and 32,84% of the voting rights of ESTORIL SOL, S.G.P.S., S.A..

Mr. José Américo Amorim Coelho, held 34,915 shares of ESTORIL-SOL, S.G.P.S., S.A., corresponding to 0,29% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of AMORIM - ENTERTAINMENT E GAMING INTERNATIONAL, S.G.P.S., S.A. in the share capital of ESTORIL-SOL, S.G.P.S., S.A. was, on 30th September 2017, 32,67% and 33,13% of the voting rights.

CONSOLIDATED FINANCIAL STATEMENTS

ESTORIL-SOL, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON SEPTEMBER 30TH, 2017 AND DECEMBER 31ST, 2016

(Amounts in Euros)

	Notes	Sep 2017	Dec 2016
ASSETS			
NON-CURRENT ASSETS			
Tangible fixed assets:			
Reversible to the State	10	40 765 434	42 654 547
Not reversible to the State	10	54 542 878	55 839 165
Tax deductions on investments		(13 443 474)	(15 399 000)
		81 864 839	83 094 712
Intangible assets:			
	11	47 027 000	55 639 395
Investment properties		194 632	198 795
Other non current assets		49 236	41 907
TOTAL NON-CURRENT ASSETS		129 135 705	138 974 809
CURRENT ASSETS			
Inventories		6 779 751	6 775 646
Accounts receivable - trade		360 370	327 017
Other accounts receivable		1 645 863	1 500 547
Cash and cash equivalents	12	23 837 266	13 573 389
TOTAL CURRENT ASSETS		32 623 251	22 176 599
TOTAL ASSETS		161 758 956	161 151 407
EQUITY AND LIABILITIES			
EQUITY			
Capital	13	59 968 420	59 968 420
Treasury shares	13	(708 306)	(708 306)
Share issue premiums	13	960 009	960 009
Legal reserves		7 154 428	6 821 678
Other reserves and retained earnings		5 217 044	2 987 819
Consolidated net profit		13 456 421	6 554 939
Equity attributable to the holders of the Parent Company		86 048 017	76 584 558
Equity attributable to non-controlling interests	14	3 318 082	1 148 165
TOTAL EQUITY		89 366 099	77 732 723
LIABILITIES			
Non-current liabilities:			
Financial debt	15	-	1 250 000
Other accounts payable	16	4 310 638	4 310 638
Provisions	17	8 238 030	8 851 972
Total non-current liabilities		12 548 668	14 412 610
Current liabilities:			
Financial debt	15	16 697 756	29 100 739
Other accounts payable	16	43 146 432	39 905 336
Total current liabilities		59 844 189	69 006 074
TOTAL LIABILITIES		72 392 857	83 418 684
TOTAL EQUITY AND LIABILITIES		161 758 956	161 151 407

The notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT OF THE PERIODS ENDED ON 30TH SEPTEMBER, 2017 AND 2016

(Amounts in Euros)

	Notes	30th September		3 rd Quarter	
		2017	2016	2017	2016
REVENUE					
Gaming revenues	6	155 885 791	138 748 669	55 197 384	47 847 865
Gaming taxes	6	(79 241 337)	(71 921 473)	(28 420 223)	(24 051 313)
		76 644 453	66 827 196	26 777 161	23 796 552
Other operating revenue	6	6 538 052	6 438 025	2 181 251	2 190 191
		83 182 505	73 265 221	28 958 412	25 986 743
OPERATING EXPENSES					
Cost of sales		(2 122 007)	(2 045 867)	(727 536)	(725 030)
Supplies and external services	7	(23 854 256)	(21 763 552)	(8 285 716)	(7 622 452)
Wages and salaries	8	(24 259 698)	(23 296 148)	(8 383 287)	(7 811 593)
Depreciation and amortization		(14 927 141)	(15 616 254)	(4 988 741)	(5 034 915)
Impairments - accounts receivable ((increases) / reversals)		600	1 200	450	300
Provisions ((increases)/reversals)	17	442 425	(2 488)	-	-
Impairment of non-depreciable/amortizable investments		26 165	(4 067)	23 408	2 666
Other operating expenses		(1 657 656)	(1 948 756)	(400 853)	(382 984)
Total operating expenses		(66 351 568)	(64 675 932)	(22 762 275)	(21 574 007)
Income before financial results and taxes		16 830 938	8 589 289	6 196 138	4 412 736
FINANCIAL (LOSSES) AND GAINS					
Financial losses	9	(1 179 020)	(2 290 095)	(380 305)	(660 542)
Financial gains	9	33 029	24 027	10 610	8 526
		(1 145 990)	(2 266 068)	(369 694)	(652 016)
Income before taxes		15 684 947	6 323 221	5 826 443	3 760 720
Income taxes		(58 614)	(52 500)	-	(45 500)
Consolidated net income	5	15 626 333	6 270 721	5 826 443	3 715 220
Attributable to:					
Equity holders of the parent company		13 456 421	6 223 785	5 593 629	3 668 283
Non-controlling interests	14	2 169 912	46 936	232 814	46 936
		15 626 333	6 270 721	5 826 443	3 715 220
Net result per share	19	1,13	0,52	0,47	0,31

The notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30TH SEPTEMBER 2017 AND 2016

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other reserves and retained earnings	Consolidated net result of the year	Total	Non-controlling interests (Note 14)	Total equity
Balance at 01st January 2016	59 968 420	(708 306)	7 820 769	6 614 782	(7 271 176)	4 196 063	70 620 552	-	70 620 552
Coverage of previous years losses	-	-	-6 860 760	-	6 860 760	-	-	-	-
Application of the consolidated net profit of the year ended 31 st Dec 2015	-	-	-	206 896	1 467 887	(4 196 063)	(2 521 280)	-	(2 521 280)
Acquisition of subsidiaries	-	-	-	-	-	-	-	241 310	241 310
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th Sep 2016	-	-	-	-	-	6 223 785	6 223 785	46 936	6 270 721
Balance at 30th September 2016	59 968 420	(708 306)	960 009	6 821 678	1 057 471	6 223 785	74 323 057	288 246	74 611 303
Balance at 01st January 2017	59 968 420	(708 306)	960 009	6 821 678	2 987 819	6 554 939	76 584 558	1 148 165	77 732 723
Application of the consolidated net profit of the year ended 31 st Dec 2016	-	-	-	332 750	2 229 226	(6 554 939)	(3 992 963)	-	(3 992 963)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th Sep 2017	-	-	-	-	-	13 456 421	13 456 421	2 169 912	15 626 333
Balance at 30th Sep 2017	59 968 420	(708 306)	960 009	7 154 428	5 217 044	13 456 421	86 048 017	3 318 082	89 366 099

The notes form an
integral part of these
financial statements.

CONSOLIDATED CASH FLOW STATEMENTS FOR PERIODS ENDED 30TH SEPTEMBER 2017 AND 2016

(Amounts in Euros)

	Notes	30th September		3 rd Quarter	
		2017	2016	2017	2016
OPERATING ACTIVITIES					
Receipts from clients		161 071 520	142 937 506	57 558 106	49 672 488
Payments to suppliers		(27 502 497)	(25 476 231)	(8 968 617)	(8 321 654)
Payments to staff		(20 765 567)	(20 027 215)	(6 753 545)	(6 205 402)
Cash flow generated by operations		112 803 457	97 434 061	41 835 944	35 145 432
Payment of income tax		(118 163)	(104 834)	(304)	(2 901)
Payment of Special Gaming tax		(73 801 185)	(70 092 030)	(19 877 615)	(19 490 196)
Other payments relating to the operating activity		(4 323 187)	(4 274 426)	(1 863 999)	(1 123 885)
Cash flow from operating activities (1)		34 560 921	22 962 771	20 094 026	14 528 450
INVESTING ACTIVITIES					
Receipts from:					
Interest and similar income		32 173	24 027	10 194	8 526
		32 173	24 027	10 194	8 526
Payments in respect of:					
Tangible fixed assets		(5 389 000)	(1 349 441)	(1 698 230)	(626 929)
Intangible assets		(14 000)	(36 000)	(14 000)	(12 000)
		(5 403 000)	(1 385 441)	(1 712 230)	(638 929)
Cash flow from investment activities (2)		(5 370 827)	(1 361 414)	(1 702 036)	(630 403)
FINANCING ACTIVITIES					
Receipts from:					
Bank loans obtained		362 573 355	254 364 061	180 770 763	61 332 184
		362 573 355	254 364 061	180 770 763	61 332 184
Payments in respect of:					
Bank loans repaid		(376 375 503)	(270 702 715)	(194 184 527)	(71 694 861)
Interest and similar costs		(1 135 257)	(2 524 907)	(377 505)	(587 162)
Dividens		(3 988 812)	(2 512 356)	-	-
		(381 499 572)	(275 739 979)	(194 562 033)	(72 282 023)
Cash flow from financing activities (3)		(18 926 217)	(21 375 918)	(13 791 270)	(10 949 839)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		10 263 877	225 439	4 600 720	2 948 208
Cash and cash equivalents at the start of the period	12	13 573 389	10 839 350	19 236 546	8 116 580
Cash and cash equivalents at the end of the period	12	23 837 266	11 064 787	23 837 266	11 064 787

The notes form an integral part of these financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1. INTRODUCTION

The Estoril Sol Group, through its subsidiary and associated companies (Note 4), conducts business in gaming, the restaurant sector, entertainment and also real estate.

Estoril Sol, S.G.P.S, S.A. is the Holding Company of the Estoril Sol Group (“Group”) and the shares representing its share capital are admitted for trading on a regulated market — the Euronext — as such, on 1 January 2005 it was obliged to prepare Consolidated Accounts pursuant to article 3 of Regulation (EC) no. 1606/2002, of the European Parliament and of the Council, of 19 July, following the Portuguese government’s publication of Decree Law no. 35/2005, article 11.

2. MAIN ACCOUNTING POLICIES

2.1 Bases of presentation

The attached financial statements were prepared on the assumption of the continuity of operations, based on the books and accounting records of the companies included in the consolidation (Note 4), adjusted to comply with the provisions of the IAS 34 as adopted in the European Union and should be read together with the consolidated financial statements for the year ended 31st December 2016. The interim financial information now disclose was not subjected to an external audit or limited review.

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

During the period ended on 30th September 2017, there were no changes in accounting policies in relation to those used in the preparation and presentation of the financial statements of the year ended on 31st December 2016, nor were any material errors recognised relating to previous periods.

4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

4.1 Companies included in the consolidation

The companies included in the consolidation, their registered offices, the method of consolidation adopted and the proportion of the capital effectively held on 30th September 2017 and 31st December 2016 are the following:

Name	Head Office	Method of consolidation	Effective percentage of the capital held	
			Sep 2017	Dec 2016
Estoril-Sol, S.G.P.S., S.A.	Estoril	Integral	Holding Co.	Holding Co.
Estoril-Sol (III) - Turismo, Animação e Jogo, S.A.	Estoril	Integral	100	100
Varzim Sol - Turismo, Jogo e Animação, S.A.	Póvoa de Varzim	Integral	100	100
Estoril-Sol V - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	Estoril	Integral	100	100
Estoril-Sol Imobiliária, S.A.	Estoril	Integral	100	100
Estoril-Sol - Investimentos Hoteleiros, S.A.	Estoril	Integral	100	100
Estoril-Sol e Mar - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	Estoril	Integral	50	50

Within the online gaming activities, which is carried out through Estoril Sol Digital, Online Gaming Products and Services, S.A, a subsidiary company of Estoril Sol (III) – Turismo, Animação e Jogo, S.A., a company owned by the issuer (Estoril-Sol, S.G.P.S., S.A.), signed with Vision Gaming Holding Limited, a company based in Malta, an association agreement, through which it holds a minority interest, corresponding to 49.9998% of the share capital of Estoril Sol Digital, keeping the Estoril Sol (III) S.A. most of the capital and votes in that company (Estoril Sol Digital, Online Gaming Products and Services, S.A.).

4.2 Associate companies

Estoril-Sol, S.G.P.S., S.A. indirectly held on the 01st January 2016, 33.33% of the company Parques do Tamariz, S.A., through Estoril Sol Imobiliária, S.A.

These holdings are presented at the value resulting from the equity pick-up method. Using this method, the financial statements include the part attributable to the Estoril Sol Group of the results recognised from the date on which the significant influence starts up to the date on which it effectively ends. Associate companies are entities in which the Estoril Sol Group has between 20% and 50% of the voting rights, or in which the Group has significant influence.

During the first quarter of 2016 the subsidiary company Parques do Tamariz, was dissolved, as it had no longer any assets and did not engage any economic activity. No additional losses resulted from this operation to the Group Estoril-Sol.

5. REPORTING BY SEGMENTS

The segments reportable by the Group are based on the identification of segments in line with the financial information that is reported internally to the Board of Directors and which supports the Board in its evaluation of the performance of the businesses and in taking decisions with regard to the allocation of the resources to be used. The segments identified by the Group for reporting by segments, are therefore consistent with the way in which the Board of Directors analyses its business, corresponding to:

- the Estoril Gaming Concession the Estoril Casino and Lisbon Casino;
- the Póvoa de Varzim Gaming Concession the Póvoa Casino;
- the Online gambling license to Casino Online and Sports Betting;
- and “Others”, essentially including the effect of the holding companies and of the other operating activities of the Group.

On 30th September 2017 and 2016, the information by business segment, is as follows:

30th September 2017

Rubrica	Estoril Game Concession		Sub-Total	Póvoa Casino	Online Casino	Other	Total
	Estoril Casino	Lisboa Casino					
Net assets	29 619 879	78 197 515	107 817 394	38 840 265	11 428 937	3 672 360	161 758 956
Net liabilities	13 052 114	21 006 691	34 058 806	28 086 617	4 792 757	5 454 677	72 392 857
Result of the segment	630 232	13 036 816	13 667 047	(1 561 452)	4 339 841	(819 103)	15 626 333
Investment assets:							
Tangible fixed	1 539 554	2 620 046	4 159 600	1 692 973	23 842	-	5 876 415
Intangible	-	-	-	-	14 000	-	14 000

30th September 2016

Rubrica	Estoril Game Concession		Sub-Total	Póvoa Casino	Online Casino	Other	Total
	Estoril Casino	Lisboa Casino					
Net assets	34 604 334	78 033 193	112 637 527	40 938 942	1 562 812	7 518 186	162 657 467
Net liabilities	21 404 350	30 010 920	51 415 270	29 737 888	986 318	5 333 194	87 472 670
Result of the segment	(1 001 006)	10 630 334	9 629 328	(2 380 082)	93 873	(1 072 398)	6 270 722
Investment assets:							
Tangible fixed	514 435	120 755	635 189	1 125 065	23 095	-	1 783 349
Intangible	-	-	-	-	36 000	-	36 000

6. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th September 2017 and 2016, is split in the following manner:

September 2017

Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Online Casino	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
Slot Machines	36 651 660	50 500 673	87 152 333	28 036 079	10 761 921	125 950 333
Table based gaming	11 217 414	12 581 661	23 799 075	5 425 155	2 679 508	31 903 738
Sports betting	-	-	-	-	1 283 304	1 283 304
Bonuses and other fair value adjustments	(183 966)	(183 534)	(367 500)	(63 916)	(2 820 168)	(3 251 584)
	47 685 108	62 898 800	110 583 908	33 397 318	11 904 565	155 885 791
Gaming taxes:						
Special Gaming Tax (current)	(23 934 537)	(31 541 167)	(55 475 705)	(16 730 617)	(4 104 382)	(76 310 704)
Annual Gaming Tax (difference to minimum grant)	-	-	-	(2 930 633)	-	(2 930 633)
	(23 934 537)	(31 541 167)	(55 475 705)	(19 661 250)	(4 104 382)	(79 241 337)
Other operating revenues:						
F&B and Entertainment	3 069 123	491 289	3 560 412	737 632	-	4 298 044
Tax deductions - Entertainment	861 191	630 823	1 492 014	499 105	-	1 991 119
Supplementary income	169 303	27 053	196 357	48 948	-	245 305
Other	0	0	0	3 584	-	3 584
	4 099 617	1 149 166	5 248 783	1 289 269	-	6 538 052
	27 850 188	32 506 799	60 356 986	15 025 337	7 800 183	83 182 505

September 2016

Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Online Casino	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
Slot Machines	34 262 306	49 052 907	83 315 213	27 113 888	1 234 485	111 663 586
Table based gaming	10 398 319	11 183 448	21 581 767	5 689 373	677 284	27 948 424
Bonuses and other fair value adjustments	11 894	(135 170)	(123 276)	(47 768)	(692 297)	(863 341)
	44 672 519	60 101 185	104 773 704	32 755 493	1 219 472	138 748 669
Gaming taxes:						
Special Gaming Tax (current)	(22 330 313)	(30 118 178)	(52 448 490)	(16 401 631)	(287 982)	(69 138 102)
Annual Gaming Tax (difference to minimum grant)	-	-	-	(2 783 370)	-	(2 783 370)
	(22 330 313)	(30 118 178)	(52 448 490)	(19 185 001)	(287 982)	(71 921 473)
Other operating revenues:						
F&B and Entertainment	2 947 693	487 073	3 434 766	700 939	-	4 135 705
Tax deductions - Entertainment	829 106	602 364	1 431 470	567 977	-	1 999 447
Supplementary income	221 863	27 554	249 418	46 258	-	295 676
Other	5 675	27	5 702	1 496	-	7 198
	4 004 338	1 117 018	5 121 355	1 316 670	-	6 438 025
	26 346 544	31 100 025	57 446 570	14 887 163	931 490	73 265 221

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

7. EXTERNAL SUPPLIES AND SERVICES

In the periods ended on 30th September 2017 and 2016, external supplies and services were as follows:

	Sep 2017	Sep 2016
Advertising	3 415 845	1 962 158
Gifts to customers	3 292 716	3 280 505
Subcontracts	2 773 979	2 527 232
Energy and other fluids	2 172 943	2 157 924
Cleaning and laundry	1 841 057	1 786 059
Conservation and repairs	1 769 061	2 013 259
Specialized work	1 564 947	1 737 002
Royalties	1 519 478	1 560 741
Surveillance and security	1 270 376	1 214 453
Fees	977 915	406 099
Rents	856 885	924 651
Financial services (comissions)	850 005	365 906
Insurance	484 745	485 895
Communication	400 350	351 219
Travel and hotels	194 169	175 519
Other	469 785	814 930
	23 854 256	21 763 552

8. STAFF COSTS

In the periods ended on 30th September 2017 and 2016, staff costs were as follows:

	Sep 2017	Sep 2016
Remuneration of governing bodies	2 192 320	2 217 608
Remuneration of staff	16 467 814	15 669 622
Indemnities	66 888	62 904
Charges on remuneration	4 233 060	4 064 134
Insurance	150 988	133 840
Social charges	870 682	826 830
Other	277 947	321 210
	24 259 698	23 296 148

9. NET FINANCIAL COSTS

Financial costs and income for the periods ended on 30th September 2017 and 2016 is broken down as follows:

	Sep 2017	Sep 2016
FINANCIAL COSTS		
Juros suportados:		
Financing from banks	(585 123)	(1 461 083)
Finance and operating leasing	(123 453)	(51 875)
	(708 576)	(1 512 958)
Other financing costs:		
Comissions and similar charges	(470 444)	(777 137)
	(1 179 020)	(2 290 095)
FINANCIAL INCOME		
Exchange gains	13 920	16 941
Other	19 109	7 086
	33 029	24 027
NET FINANCIAL COSTS	(1 145 990)	(2 266 068)

10. TANGIBLE FIXED ASSETS

During the periods ended on 30th September 2017 and 2016, the movement in tangible assets, as well as in the respective depreciation and accumulated impairment losses, was as follows:

January to September 2017

	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance	16 513 836	197 483 576	120 255 229	66 744	4 386 179	82 292	1 780 940	340 568 796
Acquisitions	-	664	1 740 179	-	22 260	-	4 113 312	5 876 415
Adjustments / Transfers	-	-	26 225	-	-	-	-	26 225
Write-off	-	-	(1 716 670)	(46 000)	(35 627)	-	-	(1 798 297)
Closing balance	16 513 836	197 484 240	120 304 963	20 744	4 372 812	82 292	5 894 252	344 673 139
Depreciation and accumulated impairment losses:								
Opening balance	-	136 741 249	101 349 388	54 615	3 874 707	81 359	-	242 101 318
Depreciation of the year	-	5 135 757	3 783 406	1 473	130 259	-	-	9 050 895
Write-off	-	-	(1 716 407)	(35 344)	(35 635)	-	-	(1 787 386)
Closing balance	-	141 877 006	103 416 387	20 744	3 969 331	81 359	-	249 364 827
Net amount	16 513 836	55 607 234	16 888 576	-	403 481	933	5 894 252	95 308 312

January to September 2016

	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance	16 513 836	197 253 396	119 447 590	66 744	4 330 748	82 292	131 617	337 826 223
Acquisitions	-	163 152	1 543 986	-	54 575	-	21 636	1 783 349
Adjustments / Transfers	-	59 627	-	-	-	-	-	(60 938)
Write-off	-	-	(225 302)	-	(2 704)	-	(120 565)	(228 006)
Closing balance	16 513 836	197 476 175	120 766 274	66 744	4 382 619	82 292	32 688	339 320 628
Depreciation and accumulated impairment losses:								
Opening balance	-	129 470 334	97 760 983	45 412	3 682 050	80 995	-	231 039 774
Depreciation of the year	-	5 547 046	4 322 801	6 994	157 064	361	-	10 034 266
Write-off	-	-	(211 823)	-	(2 712)	-	-	(214 535)
Closing balance	-	135 017 380	101 871 961	52 406	3 836 402	81 356	-	240 859 505
Net amount	16 513 836	62 458 795	18 894 313	14 338	546 217	936	32 688	98 461 125

11. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th September 2017 and 31st December 2016 is as follows:

Gaming Concession	Sep 2017		
	Gross assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
Estoril Casino	153 576 455	(134 415 516)	19 160 939
Lisboa Casino	30 000 000	(23 184 235)	6 815 765
Póvoa Gaming Concession - Póvoa Casino	77 034 109	(56 018 875)	21 015 234
	260 610 564	(213 618 626)	46 991 938
Intangible assets - Online gaming license (a)	36 000	(14 200)	21 800
Intangible assets - Online sports betting (b)	14 000	(738)	13 262
	260 660 564	(213 633 564)	47 027 000

Gaming Concession	Dec 2016		
	Gross assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
Estoril Casino	153 576 455	(129 776 774)	23 799 681
Lisboa Casino	30 000 000	(21 641 378)	8 358 622
Póvoa Gaming Concession - Póvoa Casino	77 034 109	(53 583 817)	23 450 292
	260 610 564	(205 001 969)	55 608 595
Intangible assets - Online gaming license (a)	36 000	(5 200)	30 800
	260 646 564	(205 007 169)	55 639 395

(a) The Board of Directors of Turismo de Portugal, IP, at a meeting held on 25 July 2016, decided under the Legal Framework for Games and Online Betting (RJO), approved by Decree-Law No. 66/2015 of 29 April, assign to Estoril Sol Digital, Online Gaming Products and Services, S.A., a license for online gambling exploration, which will operate under the internet domain www.estorilsolcasinos.pt/. This license shall be valid for an initial period of three years from the date of issue, expiring on July 24th, 2019, if not renewed, under the terms and conditions set out in RJO. Estoril Sol Digital, began exploring the online gambling activity in the web site mentioned above on the same day the license was issued, ie 25th July 2016.

(b) The Board of Directors of Turismo de Portugal, IP, at a meeting held on 4 August 2017, decided under the Legal Framework for Games and Online Betting (RJO), approved by Decree-Law No. 66/2015 of 29 April, assign to Estoril Sol Digital, Online Gaming Products and Services, S.A., a license for online sports betting, which will operate under the internet domain www.estorilsolcasinos.pt. This license shall be valid for an initial period of three years from the date of issue, expiring on August 03rd, 2020, if not renewed, under the terms and conditions set out in RJO. Estoril Sol Digital, began exploring the online sports betting activity in the web site mentioned above on the 06th August 2017.

12. CASH AND CASH EQUIVALENTS

On 30th September 2017 and 31st December 2016, this caption was broken down as follows:

	Sep 2017	Dec 2016
CASH	8 510 056	8 696 631
Bank Deposits:		
Immediately available bank deposits	7 327 210	3 657 733
Long term deposits (a)	8 000 000	1 200 000
Other treasury applications	-	19 025
Cash and bank deposits	23 837 266	13 573 389
Bank overdrafts	-	-
Cash and cash equivalents	23 837 266	13 573 389

13. CAPITAL

On 30th September 2017 and 31st December 2016, the share capital of the Company is represented by 11.993.684 shares, of which 6.116.779 are registered shares and 5.876.905 bearer shares, of a nominal unit value of 5 Euros, which confer the right to a dividend.

The share capital issued by the Company on 30th September 2017 and on 31st December 2016 is broken down as follows:

	Sep 2017	Dec 2016
Share capital	59 968 420	59 968 420
Treasury shares	(708 306)	(708 306)
Issue premiums	960 009	960 009
	60 220 123	60 220 123

The share capital is represented by the following categories of shares:

Date	Nominal value	No. of shares
30th of September 2017		
Registered	5€	6 116 779
Bearer	5€	5 876 905
		11 993 684
31st of December 2016		
Registered	5€	6 116 779
Bearer	5€	5 876 905
		11 993 684

Treasury shares were acquired by the Company as follows:

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

Legal persons with more than a 20% holding in the share capital:

- Finansol, Sociedade de Controlo, S.G.P.S, S.A., with 60.2%
- Amorim – Entertainment e Gaming International, S.G.P.S., S.A., with 35.87%.

14. NON-CONTROLLING INTERESTS

On 30th September 2017 and 31st December 2016, this caption was broken down as follows:

Company	Sep 2017			
	Equity	Profit/(Loss) of the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	6 636 180	4 339 841	3 318 082	2 169 912

Company	Dec 2016			
	Equity	Profit/(Loss) of the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	2 296 340	1 813 718	1 148 165	906 859

Within the online gaming activities, which is carried out through Estoril Sol Digital, Online Gaming Products and Services, S.A, a subsidiary company of Estoril Sol (III) – Turismo, Animação e Jogo, S.A., a company owned by the issuer (Estoril-Sol, S.G.P.S., S.A.), signed with Vision Gaming Holding Limited, a company based in Malta, an association agreement, through which it holds a minority interest, corresponding to 49.9998% of the share capital of Estoril Sol Digital, keeping the Estoril Sol (III) S.A. most of the capital and votes in that company (Estoril Sol Digital, Online Gaming Products and Services, S.A.).

15. FINANCIAL DEBT

On 30th September 2017 and 31st December 2016, this caption was broken down as follows:

Nature of the financing	Sep 2017		Dec 2016	
	Nominal value	Balance sheet value	Nominal value	Balance sheet value
Non-current financing:				
Bank loans	-	-	1 250 000	1 250 000
	-	-	1 250 000	1 250 000
Current financing:				
Bank loans	-	-	7 688 648	7 710 499
Commercial paper	4 500 000	4 630 956	2 500 000	2 449 228
Current accounts	12 066 800	12 066 800	18 930 300	18 930 300
Financial leasing	-	-	10 712	10 712
	16 566 800	16 697 756	29 129 660	29 100 739
	16 566 800	16 697 756	30 379 660	30 350 739

The average interest rates for financing, borne by the Group, including commissions and other charges, come within an interval of between 2% and 4,1%.

Some of the financing operations, mainly bank loans, include commitments to maintain certain financial ratios based on contractually negotiated limits (financial covenants).

These ratios are:

- NetDebt/Ebitda;
- Financial autonomy.

On the 30th September 2017 and 31st December 2016, these ratios were according the contractually negotiated limits.

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

The amount included in the column “Nominal value” corresponds to the contracted value that is still owing. The column “Balance sheet value” is added to the nominal value of financial charges already incurred but still not due, less interest and or commissions paid in advance.

16. OTHER ACCOUNTS PAYABLE

On 30th September 2017 and 31st December 2016, this caption was broken down as follows:

	Sep 2017	Dec 2016
OTHER ACCOUNTS PAYABLE - NON-CURRENT		
Annual payment - Difference to minimum grant		
Installments payment schedule - approved for 2014	3 734 424	3 734 424
Installments payment schedule - approved for 2015	576 214	576 214
	4 310 638	4 310 638
OTHER ACCOUNTS PAYABLE - CURRENT		
Current suppliers	4 633 132	5 382 419
Suppliers of investments	1 149 289	1 100 635
State and Public Sector		
Annual gaming payment	13 652 384	11 606 867
Annual payment - Difference to minimum grant		
Decree 1/2015 - 10% over 50% rate of the annual gaming payment	2 930 632	3 241 292
Installments payment schedule - approved for 2015	576 215	576 215
Special Gaming Tax (to be paid next month)	6 646 475	6 541 148
Social Security contributions	621 328	611 667
Other in favour of the State	830 800	1 112 534
Clients advance payments	1 233 846	338 736
Charges with holidays payable	4 820 158	4 540 311
Responsibilities for accumulated gaming premiums	2 019 626	1 872 791
Other	4 032 547	2 980 721
	43 146 432	39 905 336

Clients advance payments:

The value of “Clients advance payments” relate entirely to the online casino and refer to the balance of the internet website of the online casino, available for playing or withdraw at 23:59; 30th September 2017 and 31st December 2016.

Annual Gaming Tax (difference to minimum grant):

The Decree Law n ° 29/88 of 3 August, down in paragraph 1 of Article 3, the concessionaire is obliged to pay an annual payment amounting to 50% of the gross gaming revenues. This payment cannot be, under any circumstances, lower than the values in the table attached to that Decree Law.

The minimum annual contributions were established (prices of the year 2000) by Decree-Law No. 275/2001 of 14th December 2001, by the time the Concessions Contracts were extended by fifteen years more.

At the beginning of the year 2015 the Regulatory-Decree n°1/2015 of 21st January came to approve the split payment in instalments of the annual minimum contributions calculated based on Decree-Law 275/2001, subject to prior approval from “Turismo de Portugal” of the payments schedule proposed by the Game Concessionaire Companies.

The Regulatory-Decree n°1/2015 was applied for the first the time to the amounts related to the year ended December 2014, which initially payment deadline was on January 31st, 2015.

The value 4.310.638 Euros registered in the caption “Other accounts payable – non-current”, as “Annual payment – difference to minimum grant” is related to the following instalment payment schedules in accordance with a prior authorization from Turismo de Portugal:

- Instalments payment schedule - approved for 2014, that will be paid in three equal annual instalments of 1.244.808 Euros, on December 31st, 2019, 2020 and 2021.
- Instalments payment schedule - approved for 2015, that will be paid in three equal annual instalments of 576.215 Euros, on December 31st, 2016, 2017 and 2018. The instalment due in 2017 is recorded as “Other accounts payable – current”.

17. PROVISIONS

The movement in the provisions accounts in the periods ended on 30th September 2017 and 2016 is as follows:

January to September 2017

	Opening Balance	Increases	Reversals	Write-off	Closing Balance
Provisions for pensions	2 899 650	-	-	(37 411)	2 862 239
Legal proceedings in hand	5 383 224	123 719	(566 144)	(134 106)	4 806 693
Other risks and charges	569 098	-	-	-	569 098
	5 952 322	123 719	(566 144)	(134 106)	5 375 791
	8 851 972	123 719	(566 144)	(171 517)	8 238 030

The reversals of provisions that occurred during the first nine months of 2017 mostly relate to civil lawsuits related to claims for compensation of players with requests for self-exclusion, and where court judgments have come to co-account the player in a percentage greater than that originally provided by the Group.

January to September 2016

	Opening Balance	Increases	Reversals	Write-off	Closing Balance
Provisions for pensions	3 522 023	-	-	(37 410)	3 484 613
Legal proceedings in hand	4 193 142	2 488	-	(260 273)	3 935 357
Other risks and charges	569 098	-	-	-	569 098
	4 762 240	2 488	-	(260 273)	4 504 455
	8 284 263	2 488	-	(297 683)	7 989 068

18. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

Contingent liabilities

In the normal course of its activity, the Group is involved in diverse legal proceedings. Given the nature of these and the provisions set up, in accordance with studies and opinions of legal consultants, the current expectation is that the respective outcome will not lead to any material effects in terms of the activity undertaken, the asset position and the result of the operations.

The main situations are the following:

- Differences in understanding between the Group and the Tax Authorities over Corporation Tax (IRC), relating to the years 2007, 2008, 2009 and 2010, with regard to the taxation of undocumented expenses in-curred in the course of the gaming activity of subsidiaries that form part of the Group and which operate games of fortune as their main activity. During the year 2013 occurred the 1st instance verdict contrary to the allegations and convictions of the Group relating to the process for the years 2007 to 2009. It is the Company's belief, grounded in favourable opinions from legal advisers, that a final decision should be favourable, which is why the Group appealed to higher courts. On the date of these financial statements there are also previous legal decisions that are in the Group's favour, as well as judicial jurisprudence which is favourable to the Group on this matter. Even so, on this date the Group has bank guarantees provided in favour of the Finance Office of Cascais amounting to 7.197.635 Euros.
- One of the subsidiaries of the Group made a collective dismissal in 2010 within the terms established in the Law, which affected 112 employees. Some of these contested this procedure and filed a lawsuit in Court trying to have this overturned and for their reintegration as Company staff. The Company and the legal consultants responsible for the case consider that there is a high probability of the Company winning and, therefore, it has set up a provision corresponding only to the legal obligations allowed for in labour legislation in cases of collective dismissal which it will have to pay to the former employees by way of indemnity even if it wins the case. As at 30th September 2017 there are 24 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 692.264 Euros.
- One of the subsidiaries of the Group made a collective dismissal in 2013 within the terms established in the Law, which affected 21 employees. Some of these contested this procedure and filed a lawsuit in Court trying to have this overturned and for their reintegration as Company staff. The Company and the legal consultants responsible for the case consider that there is a high probability of the Company winning and, therefore, it has set up a provision corresponding only to the legal obligations allowed for in labour legislation in cases of collective dismissal which it will have to pay to the former employees by way of indemnity even if it wins the case. As at 30th September 2017 there are 13 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 344.500 Euros.

The Group also sets up diverse technical provisions related with the normal functioning of its main activity, the operation of games of fortune. Among the more significant ones we should highlight:

- The existence of an account payable for a total amount of 2.019.626 Euros in respect of liabilities for accumulated gaming premiums. These liabilities are revised on a monthly basis, according to the accumulated premiums announced in the diverse gaming rooms of the Casinos run by the Group (Note 16).

Guarantees provided

On 30th September 2017 and 31st December 2016 the guarantees provided by the Group were as follows:

	Sep 2017	Dec 2016
Obligations related with the Special Gaming Tax	7 850 000	24 494 052
Tax lawsuits in hand / litigation	7 414 888	7 414 888
Current suppliers	39 250	39 250
	15 304 138	31 948 190

During the first quarter of 2017 the Group saw its responsibilities with bank guarantees reduced by 17,2 million Euros, as they were related with the Special Game Tax from the year ended 31st December 2016 paid during January 2017 (Note 16).

19. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the years ended on 30th September 2017 and 2016 was determined as follows:

	Sep 2017	Sep 2016
Net profit of the Equity holders of the Parent Company	13 456 421	6 223 785
Average weighted number of shares in circulation	11 931 119	11 931 119
Result per basic share	1,13	0,52

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





ESTORIL-SOL, S.G.P.S., S.A.

Capital social integralmente realizado 59.968.420 Euros
Sociedade Anónima com sede na Av. Dr. Stanley Ho
Edifício do Casino Estoril, 2765-190 Estoril - Cascais