



**IBERSOL – SGPS, SA**

**Publicly Listed Company**

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

Share Capital Euros 46.000.000

Commercial Registry: Oporto under number 501669477

Fiscal number: 501669477

## Consolidated Report & Accounts 3M 2023

(not audited)

- **Continued Operations Turnover of 89.6 million Euros**  
Increase of 45.6% over 3M of 2022
- **Continued Operations EBITDA reached 12.7 million Euros**  
Ebitda increased 75.0% over 3M of 2022
- **Continued Operations net profit of 0.2 million Euros**  
Recovery of 3.1 million euros compared to the same period of 2022

# Consolidated Management Report

## Activity

Following the sale of the Burger King operations in Portugal and Spain at the end of November 2022, the activity of all Burger King restaurants in 2022 and the restaurants not sold in 2023 are reported as “Discontinued Operations” with regards to financial information reporting.

Despite the demanding context affected by the continued acceleration of inflation rates in the food products and service, the group registered a robust growth in continued operations in this first quarter, compared to the same period in 2022, during which the impacts caused by the restrictions imposed due the Omicron variant were still felt until the beginning of the 2<sup>nd</sup> quarter of 2022.

The expected pressure on consumption, arising from the high levels of inflation in parallel with the worsening of interest rates, was mitigated by the effort to maintain volumes and occasional price increases, which allowed achieving a positive performance of the majority of the group’s brand portfolio, with emphasis on those most exposed to tourism.

Despite this demanding context experienced in the first quarter, the comparable performance with the same period in 2022, still affected by restrictions on mobility, resulted in a 46% growth in “Continued Operations”

The “Continued Operations” represent a total turnover in the first three months of 2023 of 89.6 million euros, which compares with 61.5 million euros in the same period of the previous year.

| Turnover (euro million)       | 3M 2023 | 3M 2022 | Var. 23/22 |
|-------------------------------|---------|---------|------------|
| Sales of Restaurants          | 86,8    | 104,4   | -16,9%     |
| Sales of Merchandise          | 4,0     | 1,6     | 151,6%     |
| Services Rendered             | 1,4     | 0,4     | 202,8%     |
| Turnover                      | 92,1    | 106,5   | -13,5%     |
| Discontinued Operations       | -2,5    | -45,0   | -94,4%     |
| Continued Operations Turnover | 89,6    | 61,5    | 45,6%      |

The positive evolution of the demand in the geographies in which we operate, in particular the Iberian market, allowed to achieve a growth in the three segments, with emphasis on concessions and catering.

| SALES IN RESTAURANTS<br>(euro million) | 3M 2023<br>Continued<br>Operations | 3M 2022<br>Continued<br>Operations | Var. 23/22<br>Continued<br>Operations |
|----------------------------------------|------------------------------------|------------------------------------|---------------------------------------|
| Restaurants                            | 24,1                               | 20,2                               | 19,1%                                 |
| Counters                               | 33,2                               | 22,8                               | 45,5%                                 |
| Concessions&Catering                   | 26,9                               | 16,4                               | 64,1%                                 |
| Total Sales                            | 84,2                               | 59,5                               | 41,6%                                 |

This segment heavily penalized by the pandemic and after a faster than expected recovery in 2022, showed once again a sharp growth pace, directly related to the increase in traffic passengers at airports where the group operates restaurants.

In Spain, where the group operates restaurants in seven airports, the first quarter has registered the recovery of the traffic passenger’s levels seen in the same period of 2019, with the exception of Barcelona and Madrid airports, which were still 5% and 1% respectively short of reaching pre-pandemic levels. In Portugal, traffic at airports was 15% higher than in 2019, with emphasis on Madeira and Lisbon, with traffic increases of 44% and 14%, respectively. If this

recovery in traffic continues, supported by strong demand, it is expected that in 2023 all airports will return to pre-pandemic levels.

This resumption of confidence levels and recovery of consumption habits interrupted by the pandemic, led to a sharp growth of 64% in this first quarter, compared to the same period of 2022, eliminating the effect of Burger King restaurants located in concession areas.

Restaurants with dine-in service also registered a strong growth of 19% compared to the same period of 2022.

Counter segment of continued operations maintained its good performance, registering a sharp growth of 46% compared to the same period of 2022, to which the impact of the expansion, namely of the KFC and Taco Bell brands, which occurred at the end of 2022, contributed decisively.

It should be noted that comparisons with the previous year from the second quarter will be more demanding, as the comparison is made with a period without limitations and restrictions resulting from the pandemic.

During the first quarter, 4 franchised restaurants were definitively closed, with the opening of a new KFC restaurant in Spain and a Pans restaurant in Portugal.

Additionally, the new concession contract at Lanzarote airport began, in which the group ensured the maintenance of the operation of the seven restaurants it already operated and an additional restaurant scheduled to open at the end of the 2<sup>nd</sup> quarter.

At the end of the quarter, the total number of restaurants was 485 (423 equity and 62 franchises), as shown below:

| Nº of Restaurants                  | 31.12.2022 | Q1       | Closures | 31.03.2023 |
|------------------------------------|------------|----------|----------|------------|
| <b>PORTUGAL</b>                    | <b>296</b> | <b>1</b> | <b>0</b> | <b>297</b> |
| Equity Restaurants                 | 295        | 1        | 0        | 296        |
| Pizza Hut                          | 105        |          |          | 105        |
| MIIT+Ribs                          | 3          |          |          | 3          |
| Pans                               | 40         | 1        |          | 41         |
| Burger King                        | 9          |          |          | 9          |
| KFC                                | 56         |          |          | 56         |
| Pasta Caffé                        | 1          |          |          | 1          |
| Quiosques                          | 8          |          |          | 8          |
| Taco Bell                          | 16         |          |          | 16         |
| Coffee Shops                       | 25         |          |          | 25         |
| Catering                           | 9          |          |          | 9          |
| Concessions & Other                | 23         |          |          | 23         |
| Franchise Restaurants              | 1          |          |          | 1          |
| <b>SPAIN</b>                       | <b>179</b> | <b>1</b> | <b>4</b> | <b>176</b> |
| Equity Restaurants                 | 116        | 1        | 0        | 117        |
| Pizza Móvil                        | 12         |          |          | 12         |
| Pizza Hut                          | 3          |          |          | 3          |
| Burger King                        | 0          |          |          | 0          |
| Pans                               | 29         |          |          | 29         |
| Ribs                               | 13         |          |          | 13         |
| FrescoCo                           | 2          |          |          | 2          |
| KFC                                | 4          | 1        |          | 5          |
| Concessions                        | 53         |          |          | 53         |
| Franchise Restaurants              | 63         | 0        | 4        | 59         |
| Pizza Móvil                        | 4          |          |          | 4          |
| Pans                               | 36         |          | 1        | 35         |
| Ribs                               | 16         |          | 1        | 15         |
| FrescoCo                           | 3          |          | 1        | 2          |
| SantaMaria                         | 4          |          | 1        | 3          |
| <b>ANGOLA</b>                      | <b>10</b>  | <b>0</b> | <b>0</b> | <b>10</b>  |
| KFC                                | 9          |          |          | 9          |
| Pizza Hut                          | 1          |          |          | 1          |
| <b>Other Locations - Franchise</b> | <b>2</b>   | <b>0</b> | <b>0</b> | <b>2</b>   |
| Pans                               | 2          |          |          | 2          |
| Total Equity Restaurants           | 421        | 2        | 0        | 423        |
| Total Franchise Restaurants        | 66         | 0        | 4        | 62         |
| <b>TOTAL</b>                       | <b>487</b> | <b>2</b> | <b>4</b> | <b>485</b> |

## Consolidated Financial Performance

The high growth in activity during this first quarter allowed to mitigate the pressure on gross margin due to the effects of inflation, guaranteeing a positive operating performance, in a quarter usually penalized by the seasonality of operations.

The continued operations operating income at the end of the first three months amounted to 2 million Euros, which compares with a negative 0.9 million Euros in the same period of 2019 .

| (million euros)                                                                         | 3M 2023<br>Continued<br>Operations |              | 3M 2022<br>Continued<br>Operations |              | var.          |
|-----------------------------------------------------------------------------------------|------------------------------------|--------------|------------------------------------|--------------|---------------|
| <b>Turnover</b>                                                                         | <b>89,6</b>                        |              | <b>61,5</b>                        |              | <b>45,6%</b>  |
| Cost of sales                                                                           | 22,4                               | 25,0%        | 12,9                               | 21,0%        | 73,8%         |
| gross margin %                                                                          | 75,0%                              |              | 79,0%                              |              | -4.0 p.p.     |
| External supplies and services                                                          | 26,8                               | 29,9%        | 20,0                               | 32,5%        | 34,2%         |
| Personnel costs                                                                         | 28,8                               | 32,1%        | 22,2                               | 36,1%        | 29,5%         |
| Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA | 10,7                               | 11,9%        | 8,2                                | 13,3%        | 30,1%         |
| Other income/operating costs                                                            | -1,1                               | -1,2%        | -0,8                               | -1,4%        | 31,8%         |
| <b>Operating Income</b>                                                                 | <b>2,0</b>                         | <b>2,3%</b>  | <b>-0,9</b>                        | <b>-1,5%</b> | <b>314,8%</b> |
| margin                                                                                  | 2,3%                               |              | -1,5%                              |              | +3.8 p.p.     |
| <b>Ebitda</b>                                                                           | <b>12,7</b>                        | <b>14,2%</b> | <b>7,3</b>                         | <b>11,8%</b> | <b>75,0%</b>  |
| margin                                                                                  | 14,2%                              |              | 11,8%                              |              | +2.4 p.p.     |

**Turnover** amounted to 89.6 million Euros, 46% higher than the 61.5 million Euros in the same period of 2022, with more 6% directly operated restaurants.

**Gross margin** was 75% of turnover, 4 p.p. lower than in the first quarter of 2022, evidencing the increased pressure on raw material prices not directly translated into sales prices.

Still during the transition process of the operation of the Burger King restaurants, sold in November 2022, the group ensured the supply of raw materials until mid-January, with a penalty of 0.8 p.p. in the margin for the first quarter.

The recovery of activity, in parallel with strict management of worked hours, allowed to achieve productivity gains and incurring a 30% increase in **Staff costs**, with the weight of this cost representing now 32% of the turnover (3M22: 36%).

**External Supplies and services** costs increased 34%, representing 30% of turnover, which represents a reduction of 2.6 p.p. compared to the same period of 2022. The recovery in traffic and the consequent increase in rents at the concession airports in Spain contributed to this increase, which, with the exception of the airports in Menorca (having reached traffic in 2022) and Lanzarote (start of new contract in January), are not relevant for the purposes of applying IFRS16 until they reach the annual traffics of 2019.

**Other operating income and costs** in the total amount of 1.1 million Euros, represent an increase of 0.3 million Euros compared to the same period of 2022, a difference that mainly results from the increase in revenues related to contracts with suppliers.

**Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA** in the first quarter amounted to 10.7 million Euros, which compares with 8.2 million euros of the same period of 2022, of which 5.9 million correspond to amortization of rights of use.

Therefore **EBITDA** in the first quarter amounted to 12.7 million Euros, an increase of 75% compared to the same period of 2022.

Continued operations **EBITDA** margin stood at 14.2% of turnover, which compares with 11.8% in the same period in 2022.

The **Financial Results** in the first three months of the year were negative by 1.8 million Euros, 0.6 million Euros higher compared to the first quarter of 2022.

| (million euros)                                                        | 3M 2023<br>Continued<br>Operations |             | 3M 2022<br>Continued<br>Operations |             | var.         |
|------------------------------------------------------------------------|------------------------------------|-------------|------------------------------------|-------------|--------------|
| <b>Financial Results</b>                                               | <b>1,8</b>                         | <b>2,0%</b> | <b>1,2</b>                         | <b>2,0%</b> | <b>48,9%</b> |
| Financial expenses and losses                                          | 2,4                                | 2,7%        | 1,6                                | 2,6%        | 49,1%        |
| Financial income and gains                                             | 0,5                                | 0,6%        | 0,4                                | 0,7%        | 26,9%        |
| Gains (losses) in associated and joint controlled sub. - Equity method | 0,1                                | 0,1%        | -0,3                               | -0,5%       | 128,0%       |

Financial expenses and losses totalled 2.4 million Euros, which represents an increase of 0.8 million Euros compared to the first quarter of 2022. A part of these expenses and losses corresponds to interest with leases in the amount of 1.6 million Euros (0.9 million Euros in the first quarter of 2022).

Net interest supported and commissions related to financing reached a total of 0.6 million Euros, which equals an average debt cost of 3.9%.

## Financial Situation

Total Assets amounted to 635 million Euros and Equity stood at 384 million Euros, representing 60% of total assets.

CAPEX amounted to 3.4 million Euros, essentially in the expansion of KFC.

Current liabilities amount to 112.7 million Euros, of which 21 million correspond to liabilities for leases and 18 million Euros to current loans. Regarding to current loans, the Group has 45 million Euros related to commercial paper and unused contracted credit lines.

Consolidated liabilities reached 251 million Euros on March 31, 2023, which represents a reduction of 18 million Euros compared to the final result in 2022.

On March 31, 2023, Equity stood at 384 million Euros, identical to the amount at the end of 2022.

| Consolidated Financial Position<br>(million euros) | 31/03/2023   | 31/12/2022   | Var.         |
|----------------------------------------------------|--------------|--------------|--------------|
| <b>Total Assets</b>                                | <b>635,0</b> | <b>652,6</b> | <b>-17,6</b> |
| <b>Total Equity</b>                                | <b>383,8</b> | <b>383,7</b> | <b>0,1</b>   |
| Loans                                              | 65,4         | 70,1         | -4,7         |
| Liability for leases                               | 104,6        | 90,9         | 13,7         |
| Other liabilities                                  | 81,2         | 108,0        | -26,8        |
| <b>Total Equity and Liabilities</b>                | <b>635,0</b> | <b>652,6</b> | <b>-17,6</b> |

At the end of the first quarter of 2023, net debt was negative by 47 million Euros, 32 million Euros higher than the amount outstanding at the end of 2022 (-79 million Euros), consequently maintaining a negative "Gearing" of 14% (-26% in 2022).

| (million euros)                             | 31/03/2023    | 31/12/2022    | var.        |
|---------------------------------------------|---------------|---------------|-------------|
| Total loans                                 | 65,4          | 70,1          | -4,7        |
| Cash and bank deposits                      | -214,4        | -237,1        | -22,7       |
| Other current and non-current liabilities   | -2,8          | -3,1          | -0,2        |
| <b>Net Bank Debt</b>                        | <b>-151,9</b> | <b>-170,1</b> | <b>18,3</b> |
| Liability for leases                        | 104,6         | 90,9          | 13,7        |
| <b>Net Debt</b>                             | <b>-47,3</b>  | <b>-79,2</b>  | <b>32,0</b> |
| Equity                                      | 383,8         | 383,7         | 0,1         |
| <b>Gearing (Net Debt/Net Debt + Equity)</b> | <b>-14%</b>   | <b>-26%</b>   |             |

## Glossary

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|                                                                         |                                                                                                                                                                           |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Results and Other Interim Income                                        |                                                                                                                                                                           |
| Turnover                                                                | Sales + Services Rendered                                                                                                                                                 |
| Sales                                                                   | Sales of Restaurants + Sales of Merchandise                                                                                                                               |
| Sales of Restaurants                                                    | Sales of directly operated restaurants                                                                                                                                    |
| Retail Sales                                                            | Sales of restaurants - Concessions and Catering Sales                                                                                                                     |
| Sales of Merchandise                                                    | Sales of goods to third parties and franchisees                                                                                                                           |
| Gross Margin                                                            | Sales + Services Rendered - Cost of Sales                                                                                                                                 |
| EBIT Margin                                                             | EBIT / Turnover                                                                                                                                                           |
| EBITDA Margin                                                           | EBITDA / Turnover                                                                                                                                                         |
| EBIT (Earnings before Interest and Taxes)                               | Operacional Results for continuing operations                                                                                                                             |
| EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) | Operating results for continuing operations less amortization, depreciation and impairment losses of tangible fixed assets, Rights of Use, Goodwill and Intangible Assets |
|                                                                         |                                                                                                                                                                           |
| Financial Position                                                      |                                                                                                                                                                           |
| Capex                                                                   | Tangible and intangible assets additions                                                                                                                                  |
| Net Financing Costs                                                     | Interest + commissions                                                                                                                                                    |
| Interest Coverage                                                       | EBITDA / Financing Costs                                                                                                                                                  |
| Net Bank Debt                                                           | Bonds + bank loans + other loans + financial leases - cash, bank deposits, other non-current financial assets and other current financial assets                          |
| Net Debt                                                                | Net Bank Debt + Liability for Leases                                                                                                                                      |
| Gearing                                                                 | Net Debt / (Net debt + Equity Capital)                                                                                                                                    |
| Financial Autonomy ratio                                                | Equity/Total Assets                                                                                                                                                       |

## Outlook

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The outlook released at the end of April remains essentially updated, despite the European Commission's upward revision of the Portuguese economy's growth projections for 2023, largely supported by the tourism sector.

The most recent IMF forecasts for 2023 point to a GDP growth of 1.0% in Portugal and 1.5% in Spain, with inflation rates at around of 5%, and further aggravation of interest rates expected throughout the year.

At the moment, we are still facing a context of uncertainties, with an apparent change in the consumption behaviour of families, who have come to value leisure time more after pandemic, which could minimize the impact of maintaining inflation and high interest rates on private consumption.

This uncertainty will translate into a difficulty in fully reflecting the increase in the price of raw materials, with consequent impact on margins, so that once again a challenging period is approaching for our teams and portfolio brands, in terms of maintaining volumes and market shares.

In terms of expansion of our operations, we will continue with the expansion plans for the Pizza Hut, KFC and Taco Bell brands, as well as the start of Pret A Manger operations, namely during the course of the new airport concessions in Madrid and Tenerife.

## Subsequent Events

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Within the scope of tenders for new concession contracts for restaurants, located at the Malaga airport, Ibersol group, through its subsidiary Pansfood, S.A., won during the month of May, the concession of two new restaurants with maturities of three and six years.

Porto, 25<sup>th</sup> May 2023

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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

# Consolidated Financial Statements

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

31 March 2023

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# Consolidated Statement of Income and Other Comprehensive Income

For the three-months periods ending 31 March 2023 and 2022

|                                                                                         |        | for the three months<br>period ended 31 March<br>2022 |                   |
|-----------------------------------------------------------------------------------------|--------|-------------------------------------------------------|-------------------|
|                                                                                         | Notes  | 2023                                                  | Restated          |
| Sales                                                                                   | 4.1.   | 88 234 485                                            | 61 066 533        |
| Rendered services                                                                       | 4.1.   | 1 356 823                                             | 448 163           |
| Cost of sales                                                                           |        | -22 430 840                                           | -12 908 678       |
| External supplies and services                                                          |        | -26 820 761                                           | -19 992 678       |
| Payroll costs                                                                           |        | -28 757 891                                           | -22 201 699       |
| Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA | 6.5.   | -10 668 035                                           | -8 199 687        |
| Other operating gains (losses)                                                          | 4.3.   | 1 113 113                                             | 844 470           |
| <b>Operating Income</b>                                                                 |        | <b>2 026 894</b>                                      | <b>-943 576</b>   |
| Financial expenses and losses                                                           | 7.6.   | -2 424 010                                            | -1 625 908        |
| Financial income and gains                                                              | 7.6.   | 518 276                                               | 408 554           |
| Gains (losses) in associated and joint controlled sub. - Equity method                  |        | 92 894                                                | -331 873          |
| <b>Profit before tax from continuing operations</b>                                     |        | <b>214 054</b>                                        | <b>-2 492 803</b> |
| Income tax                                                                              | 8.1.1. | -12 057                                               | -425 480          |
| <b>Net profit from continuing operations</b>                                            |        | <b>201 997</b>                                        | <b>-2 918 283</b> |
| Discontinued operation                                                                  |        |                                                       |                   |
| Profit (loss) from discontinued operations, net of tax                                  |        | 222 836                                               | 1 220 408         |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                                       |        | <b>424 833</b>                                        | <b>-1 697 875</b> |
| Another integral result                                                                 |        |                                                       |                   |
| Net exchange differences                                                                |        | -167 617                                              | 2 308 161         |
| <b>CONSOLIDATED COMPREHENSIVE INCOME</b>                                                |        | <b>257 216</b>                                        | <b>610 286</b>    |
| <b>Consolidated net profit attributable to:</b>                                         |        |                                                       |                   |
| Shareholders of parent company                                                          |        |                                                       |                   |
| Continued operations                                                                    |        | 212 555                                               | -2 918 263        |
| Discontinued operations                                                                 |        | 222 836                                               | 1 220 408         |
| Non-controlling interests                                                               |        |                                                       |                   |
| Continuing operations                                                                   |        | -10 558                                               | -20               |
| Discontinued Operations                                                                 |        | 0                                                     | 0                 |
|                                                                                         |        | <b>424 833</b>                                        | <b>-1 697 875</b> |
| <b>Consolidated comprehensive income attributable to:</b>                               |        |                                                       |                   |
| Shareholders of parent company                                                          |        |                                                       |                   |
| Continued operations                                                                    |        | 44 938                                                | -610 102          |
| Discontinued operations                                                                 |        | 222 836                                               | 1 220 408         |
| Non-controlling interests                                                               |        |                                                       |                   |
| Continuing operations                                                                   |        | -10 558                                               | -20               |
| Discontinued Operations                                                                 |        | 0                                                     | 0                 |
|                                                                                         |        | <b>257 216</b>                                        | <b>610 286</b>    |
| <b>Earnings per share:</b>                                                              | 7.1.1. |                                                       |                   |
| Basic                                                                                   |        |                                                       |                   |
| Continuing Operations                                                                   |        | <b>0,01</b>                                           | <b>-0,07</b>      |
| Discontinued Operations                                                                 |        | <b>0,01</b>                                           | <b>0,03</b>       |
| Diluted                                                                                 |        |                                                       |                   |
| Continuing operations                                                                   |        | <b>0,01</b>                                           | <b>-0,07</b>      |
| Discontinued Operations                                                                 |        | <b>0,01</b>                                           | <b>0,03</b>       |

Porto, 25th May 2023

The Board of Directors,

# Consolidated Statement of Financial Position

At 31 March 2023 and 31 December 2022

| ASSETS                                                                               | Notes  | 31/ 03/ 2023       | 31/ 12/ 2022       |
|--------------------------------------------------------------------------------------|--------|--------------------|--------------------|
| <b>Non-current</b>                                                                   |        |                    |                    |
| Goodwill                                                                             |        | 54 391 775         | 54 391 775         |
| Intangible Assets                                                                    | 6.2.   | 26 658 511         | 26 862 783         |
| Property, plant and equipment                                                        | 6.3.   | 124 579 161        | 130 540 302        |
| Assets under rights of use                                                           | 6.4.   | 103 420 547        | 89 927 682         |
| Investment property                                                                  | 6.6.   | 12 716 455         | 8 470 400          |
| Investments in Associates and Joint Ventures                                         |        | 3 180 814          | 3 087 921          |
| Debt instruments at amortised cost                                                   | 7.4.   | 1 605 648          | 2 477 133          |
| Non-current Receivables                                                              | 5.1.   | 14 792 735         | 14 727 489         |
| Deferred Tax Assets                                                                  | 9.2.1. | 10 831 196         | 9 989 258          |
| <b>Total non-current assets</b>                                                      |        | <b>352 176 842</b> | <b>340 474 744</b> |
| <b>Current Assets</b>                                                                |        |                    |                    |
| Inventories                                                                          |        | 12 964 123         | 13 084 136         |
| Income tax recoverable                                                               | 8.1.2. | 22 718             | 109 587            |
| Debt instruments at amortised cost                                                   | 7.4.   | 1 236 810          | 591 725            |
| Current receivables                                                                  | 5.1.   | 48 761 556         | 55 820 271         |
| Cash and bank deposits                                                               | 7.5.   | 214 427 718        | 237 132 629        |
| <b>Total current assets</b>                                                          |        | <b>277 412 925</b> | <b>306 738 348</b> |
| Group of assets classified as held for sale                                          |        | 5 428 897          | 5 428 897          |
| <b>Total Assets</b>                                                                  |        | <b>635 018 664</b> | <b>652 641 989</b> |
| <b>EQUITY</b>                                                                        |        |                    |                    |
| <b>Share capital</b>                                                                 |        |                    |                    |
| Share capital                                                                        |        | 46 000 000         | 46 000 000         |
| Own shares                                                                           |        | -11 410 227        | -11 410 227        |
| Share premium                                                                        |        | 29 900 789         | 29 900 789         |
| Currency translation reserve                                                         |        | -10 256 068        | -10 088 451        |
| Legal reserve                                                                        |        | 1 976 081          | 1 976 081          |
| Retained earnings and other reserves                                                 |        | 327 038 875        | 167 521 938        |
| Net profit for the year                                                              |        | 435 391            | 159 875 149        |
| <b>Equity attributable to shareholders of Ibersol</b>                                |        | <b>383 684 841</b> | <b>383 775 279</b> |
| Non-controlling Interests                                                            |        | 140 498            | -81 719            |
| <b>Total Equity</b>                                                                  |        | <b>383 825 339</b> | <b>383 693 560</b> |
| <b>LIABILITIES</b>                                                                   |        |                    |                    |
| <b>Non-current liabilities</b>                                                       |        |                    |                    |
| Borrowings                                                                           | 7.2.   | 46 935 364         | 46 234 860         |
| Lease liabilities                                                                    | 7.3.   | 83 261 358         | 70 113 338         |
| Deferred tax liabilities                                                             | 8.2.2. | 3 864 501          | 4 303 563          |
| Other provisions                                                                     |        | 2 530 869          | 2 530 869          |
| Non-current payables                                                                 | 5.2.   | 43 149             | 43 149             |
| <b>Total non-current liabilities</b>                                                 |        | <b>136 635 241</b> | <b>123 225 779</b> |
| <b>Current Liabilities</b>                                                           |        |                    |                    |
| Borrowings                                                                           | 7.2.   | 18 472 881         | 23 847 026         |
| Lease liabilities                                                                    | 7.3.   | 21 331 335         | 20 760 371         |
| Current payables                                                                     | 5.2.   | 71 649 699         | 98 821 242         |
| Income tax payable                                                                   | 8.1.2. | 1 224 023          | 413 865            |
| <b>Total current liabilities</b>                                                     |        | <b>112 677 938</b> | <b>143 842 504</b> |
| Liabilities directly associated with the group of assets classified as held for sale |        | 1 880 146          | 1 880 146          |
| <b>Total Liabilities</b>                                                             |        | <b>251 193 325</b> | <b>268 948 429</b> |
| <b>Total Equity and Liabilities</b>                                                  |        | <b>635 018 664</b> | <b>652 641 989</b> |

Porto, 25th May 2023

The Board of Directors,

## Consolidated Statement of Cash Flows

For the three-months periods ending 31 March 2023 and 2022

|                                                              | Note | 2023               | 2022               |
|--------------------------------------------------------------|------|--------------------|--------------------|
| <b>Cash Flows from Operating Activities</b>                  |      |                    |                    |
| Receipts from clients                                        |      | 101 760 819        | 106 239 325        |
| Payments to suppliers                                        |      | 63 264 299         | 61 347 647         |
| Staff payments                                               |      | 28 139 107         | 33 514 159         |
| Flows generated by operations                                |      | 10 357 413         | 11 377 519         |
| Payments/receipt of income tax                               |      | -8 480             | -51 448            |
| Other paym./receipts related with operating activities       |      | -9 864 468         | -4 856 778         |
| <b>Flows from operating activities (1)</b>                   |      | <b>501 425</b>     | <b>6 572 189</b>   |
| <b>Cash Flows from Investment Activities</b>                 |      |                    |                    |
| Receipts from:                                               |      |                    |                    |
| Financial investments                                        |      | 20 213             | 55 929             |
| Tangible fixed assets                                        |      | 10 830             | -                  |
| Interest received                                            |      | 594 579            | 461 114            |
| Other financial assets                                       | 7.4. | 168 260            | 44 782             |
| Payments for:                                                |      |                    |                    |
| Financial investments                                        |      | 108 342            | 244 344            |
| Other financial assets                                       |      | -                  | -                  |
| Tangible fixed assets                                        |      | 9 562 710          | 11 259 911         |
| Intangible assets                                            |      | 1 382 819          | 1 766 841          |
| <b>Flows from investment activities (2)</b>                  |      | <b>-10 259 989</b> | <b>-12 709 271</b> |
| <b>Cash flows from financing activities</b>                  |      |                    |                    |
| Receipts from:                                               |      |                    |                    |
| Loans obtained                                               | 7.6. | 3 000 000          | 4 213 103          |
| Payments for:                                                |      |                    |                    |
| Loans obtained                                               | 7.6. | 7 856 833          | 20 691 505         |
| Rental debt                                                  | 7.3. | 5 671 765          | 5 115 463          |
| Interest from loans and similar costs                        |      | 833 542            | 2 832 817          |
| Interest from lease contracts                                | 7.3. | 1 584 207          | 1 804 006          |
| <b>Flows from financing activities (3)</b>                   |      | <b>-12 946 347</b> | <b>-26 230 688</b> |
| <b>Change in cash &amp; cash equivalents (4)=(1)+(2)+(3)</b> |      | <b>-22 704 911</b> | <b>-32 367 770</b> |
| Effect of variation in perimeter                             |      | -                  | -324 186           |
| Cash & cash equivalents at the start of the period           |      | 237 132 629        | 96 968 003         |
| <b>Cash &amp; cash equivalents at end of the period</b>      | 7.5. | <b>214 427 718</b> | <b>64 276 047</b>  |

The Board of Directors,

# Consolidated Statement of Changes in Equity

For the three-months periods ending 31 March 2023 and 2022

| Attributable to equity holders                                           |      |               |             |               |                |                     |                                    |              |             |                           |              |
|--------------------------------------------------------------------------|------|---------------|-------------|---------------|----------------|---------------------|------------------------------------|--------------|-------------|---------------------------|--------------|
|                                                                          | Note | Share Capital | Own Shares  | Share Premium | Legal Reserves | Translation Reserve | Other Reserves & Retained Earnings | Net Profit   | Total       | Non-controlling interests | Total Equity |
| Balance as at 1 January 2022                                             |      | 46 000 000    | -11 180 516 | 29 900 789    | 1 751 081      | -11 331 432         | 142 053 271                        | 31 379 907   | 228 573 100 | 90 482                    | 228 663 582  |
| Changes for the period:                                                  |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Application of the 2021 consolidated result:                             |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Transfer to reserves and retained earnings                               |      |               |             |               |                |                     | 31 379 907                         | -31 379 907  | -           |                           | -            |
| Liquidation of subsidiaries                                              |      |               |             |               |                |                     | 170 245                            |              | 170 245     | -170 245                  | -            |
| Conversion reserves - Angola                                             |      |               |             |               |                | 2 308 161           |                                    |              | 2 308 161   |                           | 2 308 161    |
| Consolidated net profit for the three months period ending 31 March 2022 |      |               |             |               |                |                     |                                    | -1 697 855   | -1 697 855  | -20                       | -1 697 875   |
| Total changes for the period                                             |      | -             | -           | -             | -              | 2 308 161           | 31 550 152                         | -33 077 762  | 780 551     | -170 265                  | 610 286      |
| Consolidated net profit                                                  |      |               |             |               |                |                     |                                    | -1 697 855   | -1 697 855  | -20                       | -1 697 875   |
| Consolidated comprehensive income                                        |      |               |             |               |                |                     |                                    |              | 610 306     | -20                       | 610 286      |
| Transactions with equity holders in the period                           |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Application of consolidated net profit for 2021:                         |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Dividends distributed                                                    |      |               |             |               |                |                     |                                    |              | -           |                           | -            |
| Balance on 31 March 2022                                                 |      | 46 000 000    | -11 180 516 | 29 900 789    | 1 751 081      | -9 023 271          | 173 603 423                        | -1 697 855   | 229 353 652 | -79 783                   | 229 273 869  |
| Balance as at 1 January 2023                                             |      | 46 000 000    | -11 410 227 | 29 900 789    | 1 976 081      | -10 088 451         | 167 521 938                        | 159 875 149  | 383 775 279 | -81 719                   | 383 693 560  |
| Changes in the period:                                                   |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Application of consolidated result 2021:                                 |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Transfer to reserves and retained earnings                               |      |               |             |               |                |                     | 159 875 149                        | -159 875 149 | -           |                           | -            |
| Conversion reserves - Angola                                             |      |               |             |               |                | -167 617            |                                    |              | -167 617    |                           | -167 617     |
| Recognition of minority interest subsidiaries                            |      |               |             |               |                |                     | -358 212                           |              | -358 212    | 232 775                   | -125 437     |
| Consolidated net profit for the three months period ending 31 March 2023 |      |               |             |               |                |                     |                                    | 435 391      | 435 391     | -10 558                   | 424 833      |
| Total changes for the period                                             |      | -             | -           | -             | -              | -167 617            | 159 516 937                        | -159 439 758 | -90 438     | 222 217                   | 131 779      |
| Consolidated net profit                                                  |      |               |             |               |                |                     |                                    | 435 391      | 435 391     | -10 558                   | 424 833      |
| Consolidated comprehensive income                                        |      |               |             |               |                |                     |                                    |              | 267 774     | -10 558                   | 257 216      |
| Transactions with equity holders in the period                           |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Application of consolidated net profit for 2022:                         |      |               |             |               |                |                     |                                    |              |             |                           |              |
| Dividends distributed                                                    |      |               |             |               |                |                     |                                    |              | -           |                           | -            |
| Balance on 31 March 2023                                                 |      | 46 000 000    | -11 410 227 | 29 900 789    | 1 976 081      | -10 256 068         | 327 038 875                        | 435 391      | 383 684 841 | 140 498                   | 383 825 339  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. Presentation and Structure of the Group

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 485 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, Fresco, SantaMaría, Kentucky Fried Chicken, Burger King, Pans Café, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering and Palace Catering, Goto Café and others. The group has 423 units which it operates and 62 units under a franchise contract. Of this universe, 297 are based in Portugal, of which 296 are owned and 1 franchised, and 176 are based in Spain, spread over 117 own establishments and 59 franchisees, and 10 in Angola and 2 in other locations.

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

Company: IBERSOL, SGPS, S.A.

Head Office: Edifício Península Praça do Bom Sucesso, n.º 105 a 159, 9º, Porto, Portugal

Legal Nature: Public Limited Company

Share Capital: €46.000.000

L.E.I.: 501 669 477

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

## 1.1. Ibersol Group Subsidiaries

For the periods ended 31 March 2023 and 31 December 2022, the Group companies, their head offices and their main developed business included in the consolidation by the full consolidation method and the respective proportion of equity is as follows:

| Company                                                 | Head Office         | % Shareholding |        |
|---------------------------------------------------------|---------------------|----------------|--------|
|                                                         |                     | mar/23         | Dec/22 |
| <u>Subsidiary companies</u>                             |                     |                |        |
| 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%   |
| 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%   |
| Firmoven Restauração, S.A.                              | Porto               | 100%           | 100%   |
| IBR - Sociedade Imobiliária, S.A.                       | Porto               | 100%           | 100%   |
| Anatir SGPS, S.A.                                       | Porto               | 100%           | 100%   |
| Sugestões e Opções-Actividades Turísticas, S.A          | Porto               | 100%           | 100%   |
| José Silva Carvalho Catering, S.A.                      | Porto               | 100%           | 100%   |
| Iberusa Central de Compras para Restauração ACE         | Porto               | 100%           | 100%   |
| PANS, FOOD, VIDISCO Y LURCA UTE                         | 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%   |
| 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%   |
| Food Orchestrator, S.A.                                 | Braga               | 84%            | 84%    |
| IBERESPANA Central de Compras, A.I.E                    | Vigo - Espanha      | 100%           | 100%   |

## 1.2. Ibersol Group's joint ventures and associates

For the periods ended 31 March 2023 and 31 December 2022, the Group's companies, their respective head offices and their main developed business included in the consolidation by the equity method and the respective proportion of equity is as follows:

| Company                                       | Head Office | % Shareholding |        |
|-----------------------------------------------|-------------|----------------|--------|
|                                               |             | mar/23         | Dec/22 |
| <b>Associated companies</b>                   |             |                |        |
| Ziaicos - Serviços e gestão, Lda              | Porto       | 40%            | 40%    |
| <b>Companies controlled jointly</b>           |             |                |        |
| UQ Consult - Serviços de Apoio à Gestão, S.A. | Porto       | 50%            | 50%    |

## 1.3. Changes in the consolidation perimeter

### Acquisition of new companies

In the three months period ended 31 March 2023 there were no acquisitions of subsidiaries

In the year ended 31 December 2022 the subsidiary Food Orchestrator was acquired, by subscription of 83.7% of its share capital.

### Disposals

In the three months period ended 31 March 2023 there were no disposals of subsidiaries

As communicated on 1 December, regarding the signing of the purchase and sale agreement of Burger King restaurants, in 2022 the Group sold the subsidiaries Iberking, Restauração S.A. and Lurca S.A.U, as per introductory note and note 6.7.

### Other changes in the consolidation perimeter

#### Liquidation of subsidiary

With reference to 13 January 2022, the subsidiary Cortsfood, SL was liquidated.

#### Merge of subsidiaries

With reference to 1 August 2022, the subsidiaries Ibersol Hotelaria e Turismo, Asurebi and Eggon were merged into the subsidiary Ibersol Restauração, S.A..

#### Incorporation of subsidiaries

With reference to 30 December 2022, the subsidiary IBERESPANA CENTRAL DE COMPRAS A.I.E., a purchasing center in Spain, was constituted, which will replace PANSFOOD, FOODSTATION, VIDISCO Y LURCA UTE, extinguished on 31 December 2022.

## 2. Basis of preparation of the financial information

### Introduction

Following the sale of the Burger King operation in Portugal and Spain at the end of November 2022, the activity of the subsidiaries Iberking Restauração S.A. and Lurca S.A.U is reported as "Discontinued Operation" in terms of financial information reporting.

The amounts related to the Burger King operation, concerning both the restaurants already sold and the restaurants to be transferred under this operation ("carve ins") are presented in the consolidated statement of income and other comprehensive income as "discontinued operations". The comparatives for the year 2022 have also been restated to include the Burger King activity as discontinued operations.

## 2.1. Bases of presentation

### 2.1.1. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 25 May 2023.

The shareholders have the right not to approve the accounts authorized for issue by the Board of Directors and to propose their amendment.

### 2.1.2. Accounting standards

These interim condensed consolidated financial statements were prepared in accordance with International Standard 34 - Interim Financial Reporting in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the previous Standards Interpretation Committee (SIC), as adopted and effective in the European Union on 1 January 2023. In the case of Group companies using different accounting standards, conversion adjustments were made to the IFRS.

### 2.1.3. Measurement basis

The consolidated financial statements were prepared on a going concern basis (note 7), under the historical cost convention, changed to fair value in the case of derivative financial instruments.

The preparation of the financial statements requires estimates and management judgments.

### 2.1.4. Comparability

The consolidated financial statements are comparable in all material respects with the prior year, considering the effects of the restatement arising from what was referred to in the Introductory Note.

### 2.1.5. Consolidation Bases

#### 2.1.5.1. Subsidiaries

Under IFRS10 - Consolidated Financial Statements, investments in companies in which the Group is exposed, or has rights, to variable returns from its involvement in those companies and has the ability to influence those returns through its power over those companies (definition of control used by the Group), were included in these consolidated financial statements using the full consolidation method. The equity and net income of these companies, corresponding to third party participation in them, are presented separately in the consolidated statement of financial position and statement of comprehensive income, under the heading non-controlling interests. The companies included in the financial statements are listed in Note 1.1.

The assets and liabilities of each Group company are identified at their fair value at the acquisition date as prescribed by IFRS 3. Any excess of cost over the fair value of the net assets and liabilities acquired is recognized as goodwill. If the difference between the acquisition cost and the fair value of the net assets and liabilities acquired is negative, it is recognized as income for the year.

Transaction costs directly attributable to business combinations are immediately recognized in profit or loss.

Non-controlling interests include the third parties' proportion of the fair value of the identifiable assets and liabilities at the date of acquisition of the subsidiaries.

Subsequent transactions of disposal or acquisition of interests to non-controlling interests, which do not imply a change in control, do not result in the recognition of gains, losses or goodwill, being any difference between the transaction value and the book value of the traded interest, recognized in equity, in other equity instruments.

Balances and gains arising from transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction reveals evidence of impairment of a transferred asset.

The accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.1.5.2. Associates and joint ventures

The Group's interests in entities where it exercises joint control with other partners are measured using the equity method, by applying IFRS 11, from the date when joint control is acquired. The Group integrates its share of the assets and liabilities in one line in the Consolidated Statement of Financial Position and the expenses and income of the joint venture in one line in the Consolidated Statements of Income and Other Comprehensive Income. Balances and transactions between Group companies and entities where the Group exercises control jointly with other partners are not eliminated to the extent of the control attributable to the Group. The excess of cost over the fair value of identifiable assets and liabilities of the entity where the group exercises control jointly with other partners, on the acquisition date, is recognized as a financial investment.

The entities where the group exercises control jointly with other partners are detailed in note 1.2.

The existence of significant influence by the Group is normally demonstrated in one or more of the following ways:

- Representation on the Executive Board of Directors or equivalent governing body;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Existence of material transactions between the Group and the investee;
- Exchange of management personnel; and
- Providing essential technical information.

#### 2.1.5.3. Business activities concentration

Assets and liabilities are valued at their book value, with no impact on results when recording concentration transactions with entities under the Group's control

### 2.1.6. Presentation currency and transactions in foreign currency

#### 2.1.6.1. Presentation currency

The Financial Statements of each of the Group's entities are prepared using the currency of the economic environment in which the entity operates ("functional currency"). The consolidated Financial Statements are presented in Euros, which is the Ibersol Group's functional and presentation currency.

The foreign currency exchange rates used to convert transactions and balances expressed in Kwanzas at 31 March 2023 and 31 December 2022, were respectively:

mar/23

| Euro exchange rates<br>(x foreign currency per 1 Euro)                                                     | Rate on March, 31<br>2023 | Average interest<br>rate March 2023 |
|------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------|
|  Kwanza de Angola (AOA) | 547,046                   | 552,792                             |

Dec/22

| Euro exchange rates<br>(x foreign currency per 1 Euro)                                                     | Rate on December, 31<br>2022 | Average interest<br>rate year 2022 |
|------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------------|
|  Kwanza de Angola (AOA) | 537,634                      | 484,262                            |

#### 2.1.6.2. Foreign currency transactions

Exchange differences arising on the settlement of monetary items or on the translation of monetary items at rates different from those at which they were translated on initial recognition or in previous financial statements are recognized in profit or loss for the year, unless they arise on monetary items that form part of the net investment in a foreign operation. In this case, exchange differences are initially recognized in other comprehensive income and are reclassified from equity to consolidated net income for the year on the disposal of all or part of that operation.

Exchange differences related to financing (financial) transactions are recorded as finance costs or income. Exchange differences related to operating activities are recorded under "Other operating income / (expenses)".

Assets and liabilities in the financial statements of foreign entities are translated into euros using the exchange rates at the balance sheet date and costs and income as well as cash flows are translated into euros using the average exchange rate for the period. The resulting exchange difference is recorded in the equity caption "Translation reserve".

Goodwill and fair value adjustments arising from the acquisition of foreign entities are treated as assets and liabilities of that entity and translated to Euro at the balance sheet date exchange rate.

Whenever a foreign entity is sold, the accumulated exchange rate difference is recognized in the income statement as a gain or loss on the disposal.

## 2.2. New standards, amendment and interpretation

| Standards                                                                                                                             | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Date of application |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Standards and amendments endorsed by the European Union and mandatory for financial years beginning on or after 1 January 2022</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |
| Reference to the Conceptual Framework (Amendments to IFRS 3)                                                                          | <p>In May 2020 the IASB issued Reference to the Conceptual Framework, which made amendments to IFRS 3 Business Combinations.</p> <p>The amendments updated IFRS 3 by replacing a reference to an old version of the Board's Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018.</p> <p>The Amendments shall be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.</p> | 1 January 2022      |
| Property, Plant and Equipment – Proceeds before Intended Use, Amendments to IAS 16 Property, Plant and Equipment                      | <p>In May 2020, the IASB issued Property, Plant and Equipment—Proceeds before Intended Use, which made amendments to IAS 16 Property, Plant and Equipment.</p> <p>The Amendments would prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in a manner intended by management. Instead, an entity would recognise those sales proceeds in profit or loss.</p> <p>The Amendments shall be applied retrospectively for annual periods beginning on or after 1 January 2022, with earlier application permitted.</p>                                                                                     | 1 January 2022      |
| Onerous Contracts - Cost of Fulfilling a Contract                                                                                     | <p>In May 2020, the IASB issued Onerous Contracts—Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.</p> <p>The objective of the Amendments is to clarify the requirements of IAS 37 on onerous contracts regarding the assessment of whether, in a contract, the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.</p> <p>The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.</p>                                                                                                                                                              | 1 January 2022      |
| Annual Improvements to IFRS Standards 2018 – 2020                                                                                     | <p>On 14 May 2020, the IASB issued Annual Improvements to IFRS Standards 2018–2020 containing the following amendments to IFRSs:</p> <p>(a) permit an entity that is a subsidiary, associate or joint venture, who becomes a first-time adopter later than its</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 1 January 2022      |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <p>parent and elects to apply paragraph D16(a) of IFRS 1 First-time Adoption of International Financial Reporting Standards, to measure the cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs;</p> <p>(b) clarify that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf;</p> <p>(c) remove the potential confusion regarding the treatment of lease incentives applying IFRS 16 Leases as was illustrated in Illustrative Example 13 accompanying IFRS 16; and</p> <p>(d) remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41.</p> <p>The Amendments shall be applied for annual periods beginning on or after 1 January 2022, with earlier application permitted.</p> |  |
|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|

| Standards                                                                                                                 | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Date of application |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Standards and amendments endorsed by the European Union that the group opted out of early application</b>              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                     |
| Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies | <p>Following feedback that more guidance was needed to help companies decide what accounting policy information should be disclosed, the Board has today issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements.</p> <p>The key amendments to IAS 1 include: i) requiring companies to disclose their material accounting policies rather than their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.</p> <p>The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".</p> <p>The amendments are effective from 1 January 2023 but may be applied earlier.</p> | 1 January 2023      |
| Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates   | <p>The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.</p> <p>The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.</p> <p>The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.</p> <p>The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.</p>                                                                                                                                                                                                                                                            | 1 January 2023      |

| Standards                                                                                              | Change                                                                                                                                                                                                                                                                                                                                                                                                                 | Date of application |
|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction | <p>The IASB ('the Board') issued amendments to IAS 12 - 'Income Taxes', on 7 May 2021.</p> <p>The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.</p> <p>In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities</p> | 1 January 2023      |

|                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |
|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
|                                                                                                                  | <p>for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.</p>                                                                                                                                                                                                                                                                                                                                                                                          |                |
| IFRS 17 – Insurance Contracts                                                                                    | <p>The IASB issued on 18 May 2017 a standard that superseded IFRS 4 and completely reformed the treatment of insurance contracts. The standard introduces significant changes to the way in which the performance of insurance contracts is measured and presented with various impacts also at the level of the financial position. The standard expected to be effective for annual periods beginning on or after 1 January 2023.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1 January 2023 |
| Amendments to IFRS 17 - Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information | <p>The International Accounting Standards Board (IASB) has issued a narrow-scope amendment to the transition requirements in IFRS 17 - Insurance Contracts, providing insurers with an option aimed at improving the usefulness of information to investors on initial application of the new Standard.</p> <p>The amendment does not affect any other requirements in IFRS 17.</p> <p>IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time.</p> <p>The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors.</p> <p>IFRS 17, including this amendment, is effective for annual reporting periods starting on or after 1 January 2023.</p> | 1 January 2023 |

| Standards                                                                                                                                     | Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Date of application |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Standards and amendments not yet endorsed by the European Union</b>                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                     |
| Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements) | <p>IASB issued on 23 January 2020 narrow-scope amendments to IAS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.</p> <p>The amendments clarify an IAS 1 criteria for classifying a liability as non-current: the requirement for an entity to have the right to defer the liability's settlement at least 12 months after the reporting period.</p> <p>The amendments aim to:</p> <ol style="list-style-type: none"> <li>specify that an entity's right to defer settlement must exist at the end of the reporting period and have substance;</li> <li>clarify that covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at the reporting date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date; and</li> <li>clarify the requirements to classify the liabilities that an entity will settle, or may settle, by issuing its own equity instruments (e.g. convertible debt).</li> </ol> <p>This amendment is effective for periods starting on 1 January 2024.</p>                                                                             | 1 January 2024      |
| Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases)                                                                      | <p>The IASB issued amendments to IFRS 16 – Leases in September 2022 that introduce a new accounting model for variable payments in a sale and leaseback transaction.</p> <p>The amendments confirm the following:</p> <ul style="list-style-type: none"> <li>On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.</li> <li>After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.</li> </ul> <p>A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted.</p> <p>Under IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.</p> | 1 January 2024      |

The adoption of the standards and amendments endorsed by the European Union and of mandatory application for annual periods beginning on or after 1 January 2022 did not result in significant impacts on the consolidated financial statements.

The adoption of the new standards and interpretations already endorsed by the EU and of mandatory application on 1 January 2023, as well as of the new standards and interpretations not yet endorsed by the EU is not expected to have a material impact on the Group's consolidated financial statements.

## 3. Operational Risk Management

### 3.1. Risks of the global context

The Ibersol Group attaches particular importance to the global geopolitical context, namely, changes in the global supply chains of food products, which have consequences on the operations and profitability of the business.

The upward trend in energy and fossil fuel prices, which induce food prices increases, also affect the profitability of business in the restaurant sector.

### 3.2. Risks of development and franchise agreements

In previous years, the Group signed development contracts with Taco Bell and KFC (for Portugal and Spain). During 2022 a new development contract was signed with the Pret a Manger brand.

These development contracts guarantee the right and obligation to open new restaurants (in exceptional circumstances, such as the pandemic crisis, readjustments to the development programs were agreed upon). In case of non-fulfillment of the opening plans foreseen in these contracts the franchisors may terminate the respective development contracts.

In addition, the development agreements provide for requirements and conditions to be met prior to the sale of the controlling interest of the subsidiary that operates the agreement, the issuance of capital instruments and/or change of control in those subsidiaries, as well as the sale of the business or restaurants owned by said subsidiaries, which include, among others: the prior agreement of the franchisors, information obligations and several transfer procedures, possible payment of charges or fees, as well as the right of first refusal in favor of the franchisors. The franchise contracts in relation to some international brands foresee the possibility of termination in case of change of control of Ibersol SGPS, S.A. without the franchisor's prior agreement.

In the restaurants where it operates with international brands, the group enters into long-term franchise contracts: 10 years in the case of Pizza Hut, Taco Bell and KFC, renewable for another 10 years at the franchisee's option, as long as certain obligations are met.

It has been the practice for these contracts to be renewed upon expiration. However, nothing obliges franchisors to do so, so there may be the risk of non-renewal.

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

### 3.3. Quality and food safety risks

Ibersol Group's quality department is responsible for identifying and ensuring control of food quality and safety risks. Thus, various prevention and control measures are implemented for different areas of the Group's business. In this context, some measures stand out, such as: ensuring the implemented Traceability System and the control of the Production Process in the units, through the HACCP (Hazard Analysis & Critical Control Points) System.

### 3.4. Price Risk

Significant changes in commodity prices are largely reflected in the selling prices of products and monitored by the market. However, when commodity price increases are much higher than general inflation, these changes are gradually impacted in selling prices, and in the short term there may be a degradation of the gross margin.

## 4. Operational Performance

### 4.1. Revenue

#### Accounting policies

Revenue is measured at the amount the entity expects to be entitled to receive under the contract with the customer.

#### Recognition

The revenue recognition model is based on five analytical steps, in order to determine when revenue should be recognized and the amount to recognize:

- 1) Identify the contract with the customer;
- 2) Identify the performance obligations;
- 3) Determine the transaction price;
- 4) Allocating the transaction price; and
- 5) Revenue recognition.

Revenue is recognized only when the performance obligation is satisfied, which depends on whether the performance obligations are satisfied over time or whether control over the good or service is transferred to the customer at a point in time.

Revenue is recognized as follows:

#### Sale

In Group's sales of goods, there is only one performance obligation and therefore revenue is recognized immediately upon delivery of the goods to the customer. A performance obligation corresponds to a commitment to deliver goods or services to customers that are distinct from each other.

Contracts with customers in which a third entity is involved, namely at the level of deliverers (home delivery), the Group assesses its relationship between agent and principal, having concluded that, with respect to the performance obligation of delivery of goods, it acts as agent, since this performance obligation is of the respective aggregators, and with respect to the performance obligation of sale of goods, Ibersol acts as principal and the aggregators as agent, since it is Ibersol's responsibility for their production, confection, packaging and dispatch.

#### Services Rendered

Provision of services income is recognized in results with reference to the finishing stage of the transaction at the balance sheet date.

The services provided by the Group essentially relate to royalties charged to franchisees based on sales or use, whereby revenue is recognized when the sale occurs and the performance obligation to which the royalties were assigned is satisfied.

The revenue from contracts with customers is presented as follows:

|                                                    | 2023              | 2022               |
|----------------------------------------------------|-------------------|--------------------|
| <b>Catering sales</b>                              | <b>76 030 523</b> | <b>104 449 720</b> |
| Restaurant sales                                   | 66 829 995        | 101 170 011        |
| Event catering sales                               | 3 380 109         | 1 852 301          |
| Concession catering sales                          | 5 820 419         | 1 427 407          |
| <b>Merchandise sales to franchisees</b>            | <b>14 715 432</b> | <b>1 586 653</b>   |
| <b>Total sales</b>                                 | <b>90 745 955</b> | <b>106 036 373</b> |
| <b>Services Rendered</b>                           | <b>1 356 823</b>  | <b>448 163</b>     |
| Franchise royalties                                | 480 236           | 417 207            |
| Other                                              | 876 587           | 30 956             |
| <b>Turnover Continuing Operations</b>              | <b>92 102 778</b> | <b>106 484 536</b> |
| <b>Turnover Discontinued Operations (note 6.7)</b> | <b>-2 511 470</b> | <b>-44 969 840</b> |
| <b>Turnover</b>                                    | <b>89 591 309</b> | <b>61 514 696</b>  |

## 4.2. Segment reporting

### Accounting policies

The Group presents operating segments based on management information produced internally.

In accordance with IFRS 8, an operating segment is a component of the Group:

- (i) that engages in business activities from which it may earn revenues and incur expenses;
- (ii) whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about allocating resources to the segment and assess its performance; and
- (iii) for which separate financial information is available.

The group operates in three major segments of activity:

**Restaurants**, which comprises the units with table service and home delivery restaurant offerings;

**Counters**, which comprises the units with over-the-counter sales;

**Concessions and catering**, which includes all the other businesses, namely the catering activity and the units located in concession areas.

The assets of the segments include mainly property, plant and equipment, intangible assets, inventories, accounts receivable and cash and cash equivalents. Deferred taxes, financial investments and derivatives held for trading or designated as loan hedges are excluded.

Segment liabilities are operating liabilities. They exclude items such as income taxes (current and deferred), loans and related hedging derivatives.

Unallocated assets and liabilities are not included in the measurement of segment assets and liabilities analyzed by the chief operating decision maker and are analyzed from a centralized group perspective.

Investments include additions to property, plant and equipment (Note 6.3.) and intangible assets (Note 6.2.).

Investments are allocated, in terms of segments, according to this type of business.

Thus, from the standpoint of segment reporting, in addition to the segments mentioned above, the Group classifies as "Other, eliminations and adjustments" the remainder of entities associated with holding companies, consolidation adjustments and elimination of movements between related parties.

Ibersol's Management monitors the business based on the following segments:

| SEGMENT                                                             |                                                                  |                                                                        |
|---------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------|
| Restaurantes                                                        | Counters                                                         | Concessions,<br>Travel and<br>Catering                                 |
| Brands                                                              |                                                                  |                                                                        |
| Pizza Hut<br>Pasta Caffè<br>Pizza Móvil<br>FresCo<br>Ribs Sta Maria | KFC<br>Taco Bell<br>Miit<br>Pans & Co.<br>Pans Café<br>Goto Café | SOL (AS)<br>Concessions<br>Catering<br>Convenience<br>stores<br>Travel |

## DETAILED INFORMATION REGARDING OPERATING SEGMENTS

|                                                                       | Restaurants |            | Counters   |            | Concessions, Travel and<br>Catering |            | Others, eliminations<br>and adjustments |          | Total Group |            |
|-----------------------------------------------------------------------|-------------|------------|------------|------------|-------------------------------------|------------|-----------------------------------------|----------|-------------|------------|
|                                                                       | mar/23      | mar/22     | mar/23     | mar/22     | mar/23                              | mar/22     | mar/23                                  | mar/22   | mar/23      | mar/22     |
| Turnover                                                              | 25 438 259  | 21 302 989 | 34 278 754 | 23 658 775 | 27 024 551                          | 16 486 144 | 2 849 744                               | 66 788   | 89 591 308  | 61 514 696 |
| Operating profit minus amortisation, deprec.<br>and impairment losses | 3 300 458   | 3 021 945  | 6 347 556  | 4 129 984  | 2 738 392                           | 126 269    | 308 524                                 | -22 087  | 12 694 929  | 7 256 111  |
| Amortisation, depreciation and impairment<br>losses                   | -2 800 242  | -2 559 666 | -4 831 635 | -3 144 051 | -2 732 131                          | -1 720 036 | -304 027                                | -775 934 | -10 668 035 | -8 199 687 |
| Operating profit                                                      | 500 216     | 462 279    | 1 515 920  | 985 933    | 6 260                               | -1 593 767 | 4 498                                   | -798 021 | 2 026 894   | -943 576   |
| Financial profit (loss)                                               |             |            |            |            |                                     |            |                                         |          | -1 905 734  | -1 217 354 |
| Other non-operating gains (losses)                                    |             |            |            |            |                                     |            |                                         |          | 92 894      | -331 873   |
| Income tax for the period                                             |             |            |            |            |                                     |            |                                         |          | -12 057     | -425 480   |
| Consolidated net profit                                               |             |            |            |            |                                     |            |                                         |          | 201 997     | -2 918 283 |

The unallocated assets and liabilities resulting from investment, financing and tax activities managed on a centralized and consolidated basis, are as follows:

| Assets and liabilities of the unallocated<br>segments | mar/23             |                   | Dec/22             |                   |
|-------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|
|                                                       | Assets             | Liabilities       | Assets             | Liabilities       |
| Deferred Taxes                                        | 10 831 196         | 3 864 501         | 9 989 258          | 4 303 563         |
| Income tax                                            | 22 718             | 1 224 023         | 109 587            | 413 865           |
| Net Financing                                         | 214 427 718        | 65 408 245        | 237 132 629        | 70 081 886        |
| BK sale receivable amount                             | 32 974 762         | -                 | 32 974 762         | -                 |
| Non-current accounts receivable                       | 585 258            | -                 | 501 388            | -                 |
| Investments in associates and joint ventures          | 3 180 814          | -                 | 3 087 921          | -                 |
| Debt instruments at amortised cost                    | 2 842 458          | -                 | 3 068 858          | -                 |
| Others                                                | -                  | -                 | -                  | -                 |
| <b>Total</b>                                          | <b>264 864 924</b> | <b>70 496 769</b> | <b>286 864 403</b> | <b>74 799 314</b> |

|                      | mar/23             |                    | dez/22             |                    |
|----------------------|--------------------|--------------------|--------------------|--------------------|
|                      | Assets             | Liabilities        | Assets             | Liabilities        |
| Allocated by segment | 370 153 740        | 180 696 556        | 365 777 585        | 194 149 115        |
| Not allocated        | 264 864 924        | 70 496 769         | 286 864 403        | 74 799 314         |
| <b>Total Balance</b> | <b>635 018 664</b> | <b>251 193 325</b> | <b>652 641 989</b> | <b>268 948 429</b> |

## INFORMATION BY GEOGRAPHY

As at 31 March 2023 the breakdown of revenues and non-current assets by geography is as follows:

| 31 March 2023                            | Portugal           | Angola            | Espanha            | Grupo              |
|------------------------------------------|--------------------|-------------------|--------------------|--------------------|
| Turnover                                 | 53 538 794         | 3 313 574         | 32 738 940         | 89 591 308         |
| Tangible and intangible fixed assets     | 107 372 944        | 14 794 134        | 29 070 595         | 151 237 672        |
| Right-of-Use Assets                      | 46 280 120         | 466 144           | 56 674 284         | 103 420 548        |
| Investment property                      | 12 716 455         | -                 | -                  | 12 716 455         |
| Goodwill                                 | 6 604 503          | 130 714           | 47 656 558         | 54 391 775         |
| Deferred tax assets                      | -                  | -                 | 10 831 196         | 10 831 196         |
| Investments in assoc. and joint ventures | 3 180 814          | -                 | -                  | 3 180 814          |
| Non-current accounts receivable          | 7 585 258          | -                 | 7 207 477          | 14 792 735         |
| Debt instruments at amortised cost       | -                  | 1 605 648         | -                  | 1 605 648          |
| <b>Total non-current assets</b>          | <b>183 740 094</b> | <b>16 996 640</b> | <b>151 440 109</b> | <b>352 176 843</b> |

## 4.3. Operating income and expenses

### Accounting policies

#### Employee benefits

Short-term employee benefits, such as salaries, wages and social security contributions, are recorded under personnel expenses. The liabilities are recorded in the period in which all the employees, including the members of the Board of Directors, acquire the respective right, irrespective of the date of payment, with the balance outstanding at the date of the statement of financial position being shown under current payables.

#### Expenses to be recognized and accrued income

Expenses and income are recorded in the period to which they refer regardless of when paid or received, in accordance with the accrual accounting principle.

The differences between the amounts received and paid and the corresponding income and expenses are registered under "Accounts receivable" or "Accounts payable" depending on whether they are receivable or payable amounts.

#### Government grants

Government grants are government aid in the form of transfer of resources to an entity in exchange for past or future compliance with certain conditions related to the entity's operating activities.

Government grants for financing staff training activities are recognized as income in the consolidated income statement over the period of time during which the Group incurred the related training expenses.

Government grants are recognized as income or loss on a systematic basis over the periods in which the entity recognizes the related costs as expenses.

Government grants for financing investments in tangible and intangible assets are deferred and recorded as liabilities. Investment subsidies are recognized in the consolidated statement of income during the estimated useful life of the subsidized assets under "Other operating income / (expenses)".

### 4.3.1. Other operating income/(expenses)

Other expenses and other operating income breakdown in 31 March 2023 and 2022 is presented as follows:

|                                                            | 2023             | 2023             |
|------------------------------------------------------------|------------------|------------------|
| <b>Other operating expenses</b>                            |                  |                  |
| Direct/indirect taxes not affecting the operating activity | 176 566          | 155 447          |
| Losses on tangible fixed assets                            | -                | 32 877           |
| Exchange differences                                       | 49 013           | 317 623          |
| Stock losses                                               | -                | 127 015          |
| Membership fees, donations and gifts and inventory samples | 59 307           | 41 294           |
| Impairment adjustments (of receivables)                    | 30 447           | 58 526           |
| Other operating expenses                                   | 51 830           | 15 304           |
|                                                            | <b>367 163</b>   | <b>748 086</b>   |
| <b>Other operating income</b>                              |                  |                  |
| Operating subsidies                                        | 5 223            | 693              |
| Supplementary income                                       | 1 350 089        | 482 720          |
| Exchange differences                                       | 22 241           | 469 526          |
| Compensation                                               | -                | 618 320          |
| Impairment (reversal) of accounts receivable               | 6 000            | -                |
| Investment subsidies                                       | 4 194            | 13 516           |
| Other operating income                                     | 92 529           | 7 780            |
|                                                            | <b>1 480 276</b> | <b>1 592 556</b> |
| <b>Other operating income / (expenses)</b>                 | <b>1 113 113</b> | <b>844 470</b>   |

Supplementary income essentially derives from revenues related to contracts with suppliers and franchisees (Eat Out group).

A compensation was received in the amount of 618,320 euros relating to the fire at the Alicante airport (amounts recorded under compensation).

## 5. Working Capital

### 5.1. Accounts receivable

#### Accounting policies

##### Recognition and measurement

###### Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less impairment adjustment.

##### Assets measured at amortised cost

A financial asset is measured at amortized cost if the objective inherent to the business model is achieved by collecting the related contractual cash flows and if the underlying contractual cash flows represent only payments of principal and interest. Assets in this category are initially recognized at fair value and subsequently measured at amortized cost.

Loans and receivables are generally held for the purpose of collecting contractual cash flows and it is expected that the underlying contractual cash flows represent only payments of principal and interest and therefore meet the requirements for measurement at amortized cost under IFRS 9.

##### Recognition and derecognition

Acquisitions and disposals of financial assets are recognized on the trade date, i.e. the date on which the Group commits to acquire or dispose of those financial assets.

Financial assets are derecognized when the Group's contractual rights to receive their future cash flows expire, when the Group has transferred substantially all risks and rewards of ownership or when, despite retaining some but not substantially all of the risks and rewards of ownership, the Group has transferred control over the assets.

#### **Other receivables and financial assets**

For other receivables and financial assets carried at amortized cost, the Group prepares its analyses based on the general model, assessing at each date whether there has been a significant increase in credit risk since the date of initial recognition of such asset. If there has not been an increase in credit risk, an impairment corresponding to the amount equivalent to the expected losses over a 12-month period is calculated. If there has been an increase in credit risk, the calculation of impairment considers the expected losses for all contractual cash flows up to the maturity of the asset.

A significant increase in credit risk (and the determination of impairment for all contractual cash flows of the asset to maturity) is assumed if the debtor's external rating is materially downgraded or if a debtor is more than 90 days past due from the contractual payment date.

The Group makes estimates based on default risk and loss rates, which require judgment. Inputs used to assess the risk for loss on these financial assets include:

- credit ratings (to the extent they are available) obtained from information made available by rating agencies such as Standard and Poor's and Moody's;
- significant changes in the expected performance and behavior of the obligor; and
- data extracted from the market, notably on probabilities of default.

#### **Impairment of clients and other debtors**

IFRS 9 establishes an impairment model based on "expected losses", which replaces the previous model based on "incurred losses" under IAS 39. In this sense, the Group recognizes impairment losses before there is objective evidence of loss of value arising from a past event. This model is the basis for the recognition of impairment losses on financial instruments held whose measurement is at amortized cost or fair value through other comprehensive income.

The impairment model depends on whether there has been a significant increase in credit risk since initial recognition. If the credit risk of a financial instrument has not increased significantly since initial recognition, the Group recognizes a cumulative impairment equal to the expected loss estimated to occur within the next 12 months. If the credit risk has increased significantly, the Group recognizes a cumulative impairment equal to the estimated loss expected to occur until the respective maturity of the asset.

Once the loss event has been verified under the terms of IFRS 9 ("objective proof of impairment", in accordance with the terminology of IAS 39), the accumulated impairment is directly imputed to the instrument in question, and its accounting treatment from this moment onwards is similar to that provided for in IAS 39, including treatment of the respective interest. The carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement. If, in a subsequent period, the amount of impairment decreases, the amount of impairment losses previously recognized is also reversed in the income statement if the decrease in impairment is objectively related to the event occurring after initial recognition.

The Group's main activity is the operation of restaurants of various own brands and franchises, and the preferred mode of payment of its sales is cash, debit card or other type of card, for example, meal card. With the emergence of sales platforms for home delivery, sales collected through the intermediary are gaining expression. The largest volume of credit results from delivery activity through Aggregators, catering sales, although the model of payment in advance is implemented for most customers, as well as the supply of goods and debit of royalties to franchisees.

As at 31 March 2023 and 31 December 2022, the accounts receivable item breaks down as follows:

|                                        | Note   | mar/23            | Dec/22            |
|----------------------------------------|--------|-------------------|-------------------|
| <b>Non-current accounts receivable</b> |        |                   |                   |
| Non-current financial assets           |        | 585 258           | 501 388           |
| Other accounts receivable              |        | 7 336 861         | 7 355 485         |
| BK sale receivable amount              |        | 7 000 000         | 7 000 000         |
| Accumulated impairment losses          |        | -129 384          | -129 384          |
|                                        |        | <b>14 792 735</b> | <b>14 727 489</b> |
| <b>Current accounts receivable</b>     |        |                   |                   |
| Clients                                |        | 8 276 858         | 17 442 675        |
| State and other public entities        |        | 4 253 580         | 3 041 134         |
| Other debtors                          | 5.1.1. | 7 739 723         | 6 165 750         |
| BK sale receivable amount              |        | 25 974 762        | 25 974 762        |
| Advances to suppliers c/a              |        | 292 142           | 247 487           |
| Advances to suppliers of fixed assets  |        | 296 657           | 296 657           |
| Accrued income                         |        | 3 069 735         | 4 012 292         |
| Expenses to be recognised              |        | 1 753 001         | 1 526 337         |
| Accumulated impairment losses          |        | -2 894 902        | -2 886 823        |
|                                        |        | <b>48 761 556</b> | <b>55 820 271</b> |
| <b>Total Accounts receivable</b>       |        | <b>63 554 291</b> | <b>70 547 760</b> |

#### **BK sale receivable amount (current and non-current)**

Of the estimated amount receivable from the sale of BK, totaling 32,974,762 euros, 7,000,000 euros relate to the earn-out to be received for compliance with a program to extend certain contracts, to be completed in 2024, and are therefore presented as non-current.

#### **Non-current financial assets**

The balance relates essentially to the Labor Compensation Fund.

#### **State and other public entities**

The balance relates essentially to VAT recoverable in the amount of 4,237,017 euros at 31 March 2023 (3,041,087 euros in 2022)

### **5.1.1. Other debtors**

On 31 March 2023 and 31 December 2022 the balance under Other debtors includes aggregators, other suppliers' debts, debits to suppliers for the recovery of charges for marketing and rappel contributions, meal vouchers (delivered by customers), short-term guarantees and miscellaneous advances, as follows:

|                              | mar/23           | Dec/22           |
|------------------------------|------------------|------------------|
| Meal cards/aggregators       | 2 248 974        | 1 866 687        |
| Deposits and bonds           | 1 008 170        | 1 064 483        |
| Marketing and rappel         | 1 970 631        | 848 190          |
| Debtors suppliers and others | 1 521 332        | 1 377 361        |
| Advances                     | 175 745          | 131 447          |
| Staff expenses               | 238 826          | 122 876          |
| Credit sales                 | 525 137          | 660 547          |
| Continente card              | 50 909           | 94 160           |
| <b>Total</b>                 | <b>7 739 723</b> | <b>6 165 750</b> |

### Meal card/aggregators

The "Meal card" amounts refer to payments at the establishments and that are charged to the card issuers electronically after 15 days of processing or when by physical delivery after picking, checking and deposit. The aggregators transfer payments made on behalf of the restaurants within an average period of 15 days.

### Marketing and rappel

The Marketing and rappel item corresponds to amounts invoiced to Suppliers at the end of the year.

## 5.2. Accounts payable

In the periods ended 31 March 2023 and 31 December 2022, the accounts payable item breaks down as follows:

|                                 | Note   | mar/ 23           | Dec/ 22           |
|---------------------------------|--------|-------------------|-------------------|
| <b>Non-current payables</b>     |        |                   |                   |
| Non-current payables            |        | 43 149            | 43 149            |
|                                 |        | <b>43 149</b>     | <b>43 149</b>     |
| <b>Current payables</b>         |        |                   |                   |
| Suppliers                       | 5.2.1. | 38 599 723        | 60 214 442        |
| Accrued expenses                | 5.2.2. | 22 680 879        | 23 469 782        |
| Other creditors                 |        | 4 834 935         | 5 977 098         |
| State and other public entities |        | 5 274 091         | 8 401 652         |
| Income to be recognised         |        | 260 071           | 758 268           |
|                                 |        | <b>71 649 699</b> | <b>98 821 242</b> |
| <b>Total accounts payable</b>   |        | <b>71 692 848</b> | <b>98 864 391</b> |

### State and other public entities

The balance of the item State and other public entities results, essentially, from VAT payable (2,263,093 euros) and Social Security (2,271,919 euros).

### 5.2.1. Suppliers

The breakdown of suppliers on 31 March 2023 and 31 December 2022, is as follows:

|                                                 | mar/ 23           | Dec/ 22           |
|-------------------------------------------------|-------------------|-------------------|
| Suppliers - Incoming invoices                   | 30 751 554        | 44 166 336        |
| Suppliers - Invoices being received and checked | 5 099 532         | 5 782 983         |
| Suppliers of fixed assets - current account     | 2 748 636         | 10 265 123        |
| <b>Total accounts payable to suppliers</b>      | <b>38 599 722</b> | <b>60 214 442</b> |

### 5.2.2. Accrued expenses

As at 31 March 2023 and 31 December 2022 the breakdown of accrued expenses, is as follows:

|                               | mar/ 23           | Dec/ 22           |
|-------------------------------|-------------------|-------------------|
| Insurance payable             | 104 503           | 85 737            |
| Accrued payroll               | 9 840 322         | 8 256 196         |
| Rents and leases              | 4 467 217         | 9 559 234         |
| External services rendered    | 7 398 427         | 5 237 673         |
| Others                        | 870 410           | 330 942           |
| <b>Total accrued expenses</b> | <b>22 680 879</b> | <b>23 469 782</b> |

The accrued expenses - rents and leases include the amount related to AENA rents from airports in Spain that are not relevant for lease liabilities.

## 6. Investments

### 6.1. Goodwill

#### Accounting policies

##### Recognition

Goodwill represents the excess of acquisition cost over the fair value of identifiable assets and liabilities attributable to the Group at the date of acquisition or first consolidation. If the acquisition cost is lower than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in profit or loss for the year.

Goodwill is allocated to the Group's cash generating units (or group of units), identified in each business segment.

##### Impairment

The Group performs impairment tests on Goodwill on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. The recognized amount of Goodwill is compared with the recoverable amount, which is the higher of value in use and fair value less costs to sell.

The value in use is determined based on cash flow projections based on financial budgets approved by managers, covering at least a period of 5 years.

The Board of Directors determines the budgeted gross margin based on past performance and its expectations for market development. The weighted average growth rate used is consistent with forecasts included in sector reports. Discount rates are applied after tax and reflect specific risks related to the assets.

Whenever the book value of Goodwill exceeds its recoverable amount, the impairment is immediately recognized as an expense and is not subsequently reversed.

Goodwill is allocated to each of the reportable segments as follows:

|                          | mar/23            | Dec/22            |
|--------------------------|-------------------|-------------------|
| Restaurants              | 7 147 721         | 7 147 721         |
| Counters                 | 12 558 945        | 12 558 945        |
| Concessions and Catering | 34 505 388        | 34 505 388        |
| Others                   | 179 721           | 179 721           |
| <b>Total</b>             | <b>54 391 775</b> | <b>54 391 775</b> |

Goodwill is in turn allocated to the following groups of homogeneous cash generating units:

|                                 | mar/23            | Dec/22            |
|---------------------------------|-------------------|-------------------|
| <b>Restaurants</b>              | <b>7 147 721</b>  | <b>7 147 721</b>  |
| Ribs                            | 5 175 479         | 5 175 479         |
| Pizza Hut                       | 1 972 242         | 1 972 242         |
| <b>Counters</b>                 | <b>12 558 945</b> | <b>12 558 945</b> |
| Pans & C.º                      | 11 850 160        | 11 850 160        |
| KFC                             | 708 785           | 708 785           |
| <b>Concessions and Catering</b> | <b>34 505 388</b> | <b>34 505 388</b> |
| Concessions & travel (ES)       | 30 630 919        | 30 630 919        |
| Concessions & travel (PT)       | 850 104           | 850 104           |
| Catering                        | 3 024 365         | 3 024 365         |
| <b>Others</b>                   | <b>179 721</b>    | <b>179 721</b>    |
| <b>Total</b>                    | <b>54 391 775</b> | <b>54 391 775</b> |

## 6.2. Intangible assets

### Accounting policies

#### Initial recognition and measurement

##### - Concessions and operating rights

Concessions and operating rights are stated at historical cost. Concessions and exploration rights have a finite useful life associated with the contractual periods and are stated at cost minus amortization and accumulated impairment losses. These intangibles are allocable to CGU's.

##### - Software

The cost of acquiring software licenses is capitalized and comprises all expenses incurred in acquiring and making the software available for use. These expenses are amortized over their estimated useful life (which will not exceed 5 years).

Costs associated with developing or maintaining software are recognized as expenses when incurred. Costs directly associated with the production of identifiable and unique software controlled by the Group and which will likely generate future economic benefits greater than the costs, beyond one year, are recognized as intangible assets. Direct costs include personnel costs in software development and the share of relevant general expenses.

Software development costs recognized as assets are amortized over their estimated useful lives (which will not exceed 5 years).

##### - Brands

Brands acquired in business combinations are reflected at fair value on the date of the combination (Eat Out group). The determination of the useful life of the brands was carried out considering the sector's benchmark for brands of this size, which in general point to a useful life period of 20 years.

##### - Industrial property

Industrial property includes: rights to exploit spaces (rights of entry or surface rights), rights to exploit Trademarks and concession rights. These intangibles are allocable to CGU's.

##### - Assets in progress

Assets in progress are recorded at acquisition cost minus any impairment losses. These assets are amortized from the moment the underlying assets are available for use.

#### Depreciations

Intangible assets are amortized using the straight-line method over a period of three to six years, except those related to concession rights, which are considered in accordance with the contracts.

Depreciation for the year of intangible assets is recorded in the income statement under the caption "Depreciation, amortization and impairment losses on non-financial assets".

#### Impairment

Assets subject to amortization are reassessed to determine any impairment, to be constituted or reverted, whenever events or changes in circumstances occur that cause the amount at which they are recorded to be recoverable or not. An impairment loss is recognized in the consolidated statement of income and other comprehensive income for the excess amount of the asset's carrying amount over its recoverable amount. The recoverable amount is the higher of an asset's fair value minus expenses incurred in selling it and its value in use. In order to carry out impairment tests, assets are grouped at the lowest level at which cash flows can be identified separately (cash generating units).

The assessment of the existence of signs of impairment of the CGU and the carrying out of the respective tests, if necessary, occurs on an annual basis. Each restaurant is considered a cash generating unit (CGU), and in the case of airports each airport is a CGU.

Each CGU comprises all the assets and liabilities attributable to each restaurant, namely: tangible fixed assets, intangible assets, rights of use and respective leasing liabilities.

#### Trademark recoverability

In the case of brands, valuations were carried out based on the use value calculated based on the Discounted Cash Flow (DCF) method and in accordance with the Royalty Relief methodology, that depending on the type of asset, support the recoverability of its values.

The assessments carried out are supported by historical performance, market development expectations and the strategic development plans of each business.

The group's main operating rights refer to the franchise rights paid to international brands when opening restaurants operating under the brand: 10 years in the case of Pizza Hut, Taco Bell and KFC, these renewable for another 10 years at the option of the franchised.

As at 31 March 2023, the concessions, included under the industrial property heading, and the respective associated useful life, are presented as follows:

| Concession Rights                           | No. Years | Limit year for use |
|---------------------------------------------|-----------|--------------------|
| Lusoponte Service Area                      | 33        | 2032               |
| 2ª Circular Service Area                    | 10        | 2027               |
| Portimão Marina                             | 60        | 2061               |
| Pizza Hut Cais Gaia                         | 20        | 2024               |
| Modivas Service Area                        | 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 Area | 24        | 2030               |
| Talhada (Vouzela) Service Areas             | 25        | 2031               |
| Viseu Service Areas                         | 25        | 2031               |
| Matosinhos Service Areas                    | 24        | 2030               |
| Maia Service Areas                          | 26        | 2032               |

### Changes in Intangible assets

During the three months period ending in 31 March 2023 and in the year ending 31 December 2022, the movement in the value of intangible assets, as well as in the respective amortization and accumulated impairment losses, was as follows:

|                                                       | Brands            | Industrial property | Other intangible assets | Intangible assets in progress | Total             |
|-------------------------------------------------------|-------------------|---------------------|-------------------------|-------------------------------|-------------------|
| <b>01 January 2022</b>                                | <b>16 316 667</b> | <b>16 912 143</b>   | <b>1 411 650</b>        | <b>1 230 242</b>              | <b>35 870 696</b> |
| Changes to the consolidation perimeter                | -                 | 447 026             | -                       | -                             | 447 026           |
| Currency translation                                  | -                 | 2 649               | -                       | 18 885                        | 21 534            |
| Additions                                             | -                 | 2 413 845           | 714 714                 | 554 367                       | 3 682 926         |
| Decreases                                             | -                 | -8 738 366          | -152 760                | -540 976                      | -9 432 102        |
| Transfers                                             | -                 | 208 008             | -5 000                  | -98 546                       | 104 462           |
| Amortization of the year from discontinued operations | -                 | -561 444            | -1 866                  | -                             | -563 310          |
| Amortization for the year                             | -1 100 000        | -1 519 886          | -312 405                | -                             | -2 932 291        |
| Reversal of impairment                                | -                 | 17 339              | -                       | -                             | 17 339            |
| Transfer discontinued operations                      | -                 | -353 497            | -                       | -                             | -353 497          |
| <b>31 December 2022</b>                               | <b>15 216 667</b> | <b>8 827 817</b>    | <b>1 654 333</b>        | <b>1 163 972</b>              | <b>26 862 783</b> |
| Currency translation                                  | -                 | -538                | -                       | -2 106                        | -2 644            |
| Additions                                             | -                 | 560 517             | -                       | 303 305                       | 863 822           |
| Decreases                                             | -                 | -267 837            | -30 000                 | -                             | -297 837          |
| Transfers                                             | -                 | 10 948              | -                       | -2 000                        | 8 948             |
| Amortization for the year                             | -275 000          | -450 983            | -50 578                 | -                             | -776 561          |
| <b>31 March 2023</b>                                  | <b>14 941 667</b> | <b>8 679 924</b>    | <b>1 573 755</b>        | <b>1 463 171</b>              | <b>26 658 511</b> |

Decreases in 2022 refer essentially to the effect of the sale of the Burger King business, in the amount of 9,386,910 euros.

Intangible assets in progress mostly relate to territorial rights to open units, which are paid in advance to the brands at the time when joint agreements are signed between Ibersol and the franchisors to open units.

## 6.3. Property, plant and equipment

### Accounting policies

#### Initial recognition and measurement

Buildings and other constructions comprise properties dedicated to the restoration activity, as well as expenses with works on third-party property, namely resulting from the installation of restoration shops.

Tangible fixed assets are measured at acquisition cost, net of the respective depreciation and accumulated impairment losses.

Acquisition cost includes all expenditure directly attributable to the acquisition of the assets.

Borrowing costs incurred and borrowing costs for the construction of tangible assets are recognized as part of the construction cost of the asset.

#### Depreciations

Depreciation of assets is calculated using the straight-line method, in order to allocate their cost to their residual value, based on their estimated useful life, as follows:

|                                   | Years    |
|-----------------------------------|----------|
| Buildings and other constructions | 10-35(*) |
| Equipment                         | 10       |
| Tools and utensils                | 4        |
| Vehicles                          | 5        |
| Office equipment                  | 10       |
| Other tangible fixed assets       | 5        |

(\*)Two buildings owned by the Group have an estimated useful life of up to 50 and 40 years.

Assets' depreciable amounts, useful lives and depreciation method are reviewed and adjusted, if necessary, on the date of the consolidated statement of financial position. Changes to useful lives are treated as a change in accounting estimate and are applied prospectively.

If the carrying amount is greater than the recoverable value of the asset, it is immediately readjusted to the estimated recoverable value.

In determining the useful life of non-transferable assets, the group considers, among other aspects, the lease term. Cases in which this useful life exceeds the lease term relate to situations in which the Group estimates, based on the history, that a new contractual period will be agreed for that location.

In general terms, there are no material inconsistencies between the lease term of the contracts and the useful life of the respective underlying non-transferable assets.

#### Subsequent costs

Subsequent costs are added to the amounts at which the asset is carried or recognized as separate assets, as appropriate, only when it is probable that inherent economic benefits will flow to the company and the cost can be reliably measured. Other expenses with repairs and maintenance are recognized as an expense in the period in which they are incurred.

#### Reduce and disposals

Gains or losses from reduction or disposal are determined by the difference between receipts from disposals and the carrying amount of the asset and are recognized as other operating income or other operating costs in the income statement.

#### Property, plant and equipment in progress

Assets in progress are recorded at acquisition cost minus any impairment losses. These assets are depreciated from the moment the underlying assets are available for use.

#### Impairment

Assets are reassessed to determine any impairment, to be constituted or reversed, whenever events occur or changes in circumstances that cause the amount at which they are recorded to be recoverable or not. An impairment loss is recognized in the consolidated statement of income and other comprehensive income for the excess amount of the asset's carrying amount over its recoverable amount. The recoverable amount is the higher of an asset's fair value minus expenses

incurred in selling it and its value in use. In order to carry out impairment tests, assets are grouped at the lowest level at which cash flows can be identified separately (cash generating units).

The assessment of the existence of signs of impairment of the CGU and the carrying out of the respective tests, if necessary, occurs on an annual basis. Each restaurant is considered a cash generating unit (CGU), and in the case of airports each airport is a CGU.

Each CGU comprises all the assets and liabilities attributable to each restaurant, namely: tangible fixed assets, intangible assets, rights of use and respective leasing liabilities.

## Changes in property, plant and equipment

During the three months period ending in 31 March 2023 and in the year ending 31 December 2022, the movement in the value of tangible fixed assets, as well as in the respective amortization and accumulated impairment losses, was as follows:

|                                                             | Land              | Buildings and other constructions | Equipment         | Other tangible fixed assets | Other tangible fixed assets | Total              |
|-------------------------------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------|-----------------------------|--------------------|
| <b>01 January 2022</b>                                      | <b>19 497 339</b> | <b>153 238 101</b>                | <b>31 204 592</b> | <b>9 664 958</b>            | <b>768 719</b>              | <b>214 373 712</b> |
| Currency translation                                        | 147 622           | 94 102                            | -28 478           | -15 456                     | 506                         | 198 296            |
| Additions                                                   | 3 103             | 25 557 781                        | 9 805 617         | 3 419 615                   | 1 650 695                   | 40 436 811         |
| Decreases                                                   | -1 308 187        | -67 356 069                       | -13 986 649       | -5 900 966                  | -706 538                    | -89 258 409        |
| Transfers                                                   | -3 661 214        | -4 818 523                        | 79 403            | 3 849                       | -306 942                    | -8 703 426         |
| Depreciation charge for the year on discontinued operations | -                 | -3 707 595                        | -2 390 155        | -834 229                    | -                           | -6 931 979         |
| Depreciation for the year                                   | -97 127           | -8 832 192                        | -4 742 138        | -1 113 791                  | -                           | -14 785 248        |
| Impairment for the year                                     | -                 | -2 410 175                        | -                 | -                           | -                           | -2 410 175         |
| Reversal of impairment                                      | -                 | 992 976                           | -                 | -                           | -                           | 992 976            |
| Transfer discontinued operations                            | -                 | -2 295 260                        | -732 862          | -344 133                    | -                           | -3 372 255         |
| <b>31 December 2022</b>                                     | <b>14 581 536</b> | <b>90 463 145</b>                 | <b>19 209 331</b> | <b>4 879 846</b>            | <b>1 406 440</b>            | <b>130 540 303</b> |
| Currency translation                                        | -15 966           | 314                               | 5 480             | 3 277                       | -524                        | -7 419             |
| Additions                                                   | -                 | 1 268 244                         | 881 315           | 110 219                     | 320 868                     | 2 580 646          |
| Decreases                                                   | -                 | -185 455                          | -36 491           | -31 939                     | -2 745                      | -256 629           |
| Transfers                                                   | -4 246 055        | 411 637                           | 161 774           | 92 612                      | -674 971                    | -4 255 003         |
| Depreciation for the year                                   | -15 764           | -2 320 359                        | -1 376 140        | -310 474                    | -                           | -4 022 737         |
| <b>31 March 2023</b>                                        | <b>10 303 751</b> | <b>89 637 527</b>                 | <b>18 845 269</b> | <b>4 743 541</b>            | <b>1 049 068</b>            | <b>124 579 160</b> |

The value of 2022 decreases essentially corresponds to the effect of the sale of Burger King, in the amount of 88,941,949 euros. The transfer to discontinued operations respects Burger King restaurants located in concessions, essentially Service Areas, whose sale will be completed by 30 November 2023.

## 6.4. Right of use assets

### Accounting policies

#### Initial recognition and measurement

A lease is defined as a contract or part of a contract that conveys the right to use an asset for a certain period of time in exchange for consideration.

The Group's leases respect, fundamentally, lease agreements for stores and commercial spaces and for the equipment used in these spaces. The Group is also a lessee in contracts for the leasing of vehicles and other equipment. More than 90% of leasing contracts refer to the leasing of spaces whose characteristics differ according to the space in which they are located and which, in general, can be summarized:

- Leases in Shopping Centers: are, as a rule, for a period of 6 years, with a fixed monthly income or an income based on monthly sales, if this is greater than the fixed income
- Leases in street locations: these are normally for longer periods of 10 to 20 years with a fixed monthly income, with the tenant having the option of terminating the lease for a shorter period. There are other contracts that are concluded for shorter terms and there is the lessee's right to successive renewals up to a maximum term, which is generally 20 years.
- Leases in concession spaces: for the contractual period with a variable income depending on annual sales subject to a guaranteed minimum annual value.

There are lease agreements that provide for variable rents. In the case of Airports in Spain, pursuant

to Law 13/2021, the minimum annual rents depend on the traffic of the Airports until the traffic for the year 2019 is reached, whereby variable rent contracts are considered until such traffic is reached.

With the adoption of IFRS 16, the distinction between operating leases (off balance sheet) and finance leases (included in the balance sheet) was eliminated at the lessee level, having been replaced by a model in which an asset identified with a right is accounted for of use and a corresponding liability for all lease agreements.

The right of use is initially measured at cost and subsequently at cost net of depreciation and impairment, adjusted by remeasuring the lease liability.

The right of use is constituted by the initial value of the lease liabilities and by initial direct costs and payments made to the lessor before the effective date of the lease, minus any lease incentives received.

The Group applies the recognition exemption provided for in paragraph 6 of IFRS 16 to short-term leases and leases where the underlying asset has a low value.

### **Amortization**

The right of use is depreciated on a straight-line basis over the term of the lease, comprising the non-cancellable period during which the lessee has the right to use an underlying asset and (i) the periods covered by an option to extend the lease, if the lessee has a reasonable certainty to exercise that option; (ii) the periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

Alternatively, in cases where the Group intends to exercise any existing call options for the underlying asset, the right of use is depreciated over the estimated useful life of the underlying asset.

### **Impairment**

The rights of use subject to amortization are reassessed to determine any impairment, to be constituted or to be reversed, whenever events occur or changes in circumstances that cause the value at which they are recorded to be recoverable or not. An impairment loss is recognized in the consolidated statement of income and other comprehensive income for the excess amount of the asset's carrying amount over its recoverable amount. The recoverable amount is the higher of an asset's fair value minus expenses incurred in selling it and its value in use. In order to carry out impairment tests, assets are grouped at the lowest level at which cash flows can be identified separately (cash generating units).

The assessment of the existence of signs of impairment of the CGU and the carrying out of the respective tests, if necessary, occurs on an annual basis. Each restaurant is considered a cash generating unit (CGU), and in the case of airports each airport is a CGU.

Each CGU comprises all the assets and liabilities attributable to each restaurant, namely: tangible fixed assets, intangible assets, rights of use and respective leasing liabilities.

## Changes in right of use assets

During the three months period ending in 31 March 2023 and in the year ending 31 December 2022, the movement in the value of the rights of use, as well as in the respective amortization and accumulated impairment losses, is presented as follows:

|                                                       | Shops and<br>Commercial<br>Spaces | Buildings        | Equipment        | Other assets   | Total              |
|-------------------------------------------------------|-----------------------------------|------------------|------------------|----------------|--------------------|
| <b>01 January 2022</b>                                | <b>128 125 587</b>                | <b>5 881 809</b> | <b>4 496 619</b> | <b>367 138</b> | <b>138 871 153</b> |
| Currency translation                                  | 93 857                            | -                | -                | -              | 93 857             |
| Increases                                             | 41 567 014                        | 10 423           | 997 765          | 62 218         | 42 637 420         |
| Decreases                                             | -64 078 803                       | -35 172          | -1 552 617       | -159 620       | -65 826 212        |
| Transfers                                             | -                                 | 92 801           | 20 112           | 400            | 113 313            |
| Depreciation of the year from discontinued operations | -4 196 869                        | -3 999           | -258 495         | -21 527        | -4 480 890         |
| Depreciation for the year                             | -17 793 551                       | -1 253 051       | -690 927         | -40 286        | -19 777 815        |
| Transfers from discontinued operations                | -1 703 145                        | -                | -                | -              | -1 703 145         |
| <b>31 December 2022</b>                               | <b>82 014 090</b>                 | <b>4 692 812</b> | <b>3 012 457</b> | <b>208 323</b> | <b>89 927 682</b>  |
| Currency translation                                  | -9 235                            | -                | -                | -              | -9 235             |
| Increases                                             | 19 374 489                        | -                | -                | -              | 19 374 489         |
| Decreases                                             | -                                 | -                | -                | -              | -                  |
| Transfers                                             | -                                 | -                | -                | -              | -                  |
| Depreciation for the year                             | -5 374 626                        | -311 464         | -175 920         | -10 379        | -5 872 389         |
| <b>31 March 2023</b>                                  | <b>96 004 718</b>                 | <b>4 381 348</b> | <b>2 836 537</b> | <b>197 944</b> | <b>103 420 547</b> |

The value of the increases corresponds, fundamentally, to Lanzarote Airport in Spain new lease contract from January 2023 and also the effect of remeasurement of contracts by rent updates by the Consumer Price Index and other changes in expected lease payments (for example in cases of revaluation of the lease term).

The value of 2022 decreases refers essentially to the effect of the sale of Burger King, in the amount of 65,725,852 euros.

## 6.5. Depreciation, amortization and impairment losses on non-financial assets

Expenses with depreciation, amortization and impairment losses on non-financial assets in the three months period ending in 31 March 2023 and in the year ending 31 December 2022, were as follows:

| Nature                        | Note | 2023                                |                      |                    | 2022                                |                        |                      |                    |
|-------------------------------|------|-------------------------------------|----------------------|--------------------|-------------------------------------|------------------------|----------------------|--------------------|
|                               |      | Depreciation<br>and<br>amortisation | Impairment<br>losses | Total              | Depreciation<br>and<br>amortisation | Impairment<br>reversal | Impairment<br>losses | Total              |
| Goodwill                      | 6.1. | -                                   | -                    | -                  | -                                   | -                      | -                    | -                  |
| Intangible assets             | 6.2. | -776 561                            | -                    | -776 561           | -2 932 291                          | 17 339                 | -                    | -2 914 952         |
| Property, plant and equipment | 6.3. | -4 022 737                          | -                    | -4 022 737         | -14 785 248                         | 992 976                | -2 410 175           | -16 202 447        |
| Right-of-use assets           | 6.4. | -5 872 389                          | -                    | -5 872 389         | -19 777 815                         | -                      | -                    | -19 777 815        |
| Currency translation          |      | 3 652                               | -                    | 3 652              | -166 618                            | -                      | -                    | -166 618           |
| <b>Total</b>                  |      | <b>-10 668 035</b>                  | <b>-</b>             | <b>-10 668 035</b> | <b>-37 661 972</b>                  | <b>1 010 315</b>       | <b>-2 410 175</b>    | <b>-39 061 832</b> |

### Judgments and estimates

The complexity and level of judgment inherent to the model adopted for the calculation of impairment and the identification and aggregation of cash generating units (CGU's) implies considering this topic as a significant accounting estimate.

For the purposes of impairment tests, the recoverable amount is the higher of the fair value of an asset less costs inherent in its sale and its value in use. The recoverable amount derives from assumptions related to the activity, namely, sales volumes, operating expenses, planned investments, refurbishment and closure of units, impact of other market players, internal Management projections and historical performance.

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

Sensitivity analyzes were also performed on the main assumptions used in the base calculation, as

shown below.

Restaurants with signs of impairment are tested, considering operating results less amortization, depreciation and impairment losses of tangible fixed assets, intangible assets and goodwill, as well as other cash-generating units whenever circumstances determine or unusual facts occur.

The negative profitability of the stores is an indication of impairment, and the subsequent impairment analysis considers the projected cash flows of each store. In cases of recent openings, such initial negative profitability may not be representative of the expected profitability pattern for that store and may not constitute an indication of impairment if such behavior was expected for that period.

When an asset has an operating performance that exceeds the projections that previously supported the recording of an impairment loss, such loss is reversed to the extent that the value in use based on the updated projections exceeds the carrying amount.

## 6.6. Investment Property

### Accounting policies

The Group classifies as investment properties in the consolidated financial statements properties held with the aim of capital appreciation and/or obtaining income from third parties.

An investment property is initially measured at its acquisition or production cost, including transaction costs that are directly attributable to it. After initial recognition, investment properties are measured at cost less amortization and accumulated impairment losses.

Subsequent costs with investment properties are only added to the cost of the asset if it is likely that they will result in future economic benefits in addition to those considered at initial recognition.

The investment properties, which at 31 March 2023 and 31 December 2022 which total 12,716,455 euros and 8,470,400 euros, respectively, relate to real estate assets where 5 Burger King restaurants operate. These assets were subject to a lease agreement with Iberking Portugal, S.A..

Based on the terms of negotiation for the sale of Burger King, the Group estimates that the fair value of these assets amounts to approximately 12.7 million euros.

## 7. Financing

### 7.1. Equity

#### 7.1.1. Earnings per share

### Accounting policies

Earnings per share can be expressed in terms of "basic earnings" or "diluted earnings".

#### Basic

Basic earnings per share is calculated by dividing earnings attributable to shareholders by the weighted average number of common shares issued during the period, excluding common shares acquired by the company and held as treasury stock.

#### Diluted

Diluted earnings per share is calculated by dividing earnings attributable to shareholders, adjusted for dividends on convertible preferred stock, interest on convertible debt and gains and expenses resulting from the conversion, by the weighted average number of common shares issued during the period plus the average number of common shares issuable on the conversion of dilutive potential common shares

As at 31 March 2023 and 2022, basic and diluted earnings per share were calculated as follows:

|                                                       | 2023       | 2022       |
|-------------------------------------------------------|------------|------------|
| Profit attributable to equity holders                 |            |            |
| Continuing operations                                 | 212 555    | -2 918 263 |
| Discontinued operations                               | 222 836    | 1 220 408  |
| Number of shares issued at the beginning of the year  | 46 000 000 | 46 000 000 |
| Number of shares issued at the end of the year        | 46 000 000 | 46 000 000 |
| Weighted average number of ordinary shares issued (i) | 46 000 000 | 46 000 000 |
| Weighted average number of treasury shares (ii)       | 3 640 423  | 3 599 981  |
| Weighted average number of shares outstanding (i-ii)  | 42 359 577 | 42 400 019 |
| Basic earnings per share (euros per share)            |            |            |
| Continued operations                                  | 0,01       | -0,07      |
| Discontinued operations                               | 0,01       | 0          |
| Diluted earnings per share (€ per share)              |            |            |
| Continued operations                                  | 0,01       | -0,07      |
| Discontinued operations                               | 0,01       | 0          |
| Number of treasury shares at the end of the period    | 3 640 423  | 3 599 981  |

As there are no preferred voting rights, basic earnings per share equals diluted earnings per share.

## 7.2. Bank Debt

### Accounting policies

Borrowings are recorded under liabilities at the nominal value received, net of issue costs, which corresponds to their respective fair value on that date. Subsequently, they are measured using the amortized cost method, with the corresponding financial charges calculated in accordance with the effective interest rate.

The effective interest rate is the rate that discounts future payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

As at 31 March 2023 and 31 December 2022 current and non-current borrowings had the following detail:

|                         | mar/23            | Dec/22            |
|-------------------------|-------------------|-------------------|
| <b>Non-current</b>      |                   |                   |
| Bank loans              | 30 535 364        | 29 834 860        |
| Commercial paper        | 16 400 000        | 16 400 000        |
|                         | <b>46 935 364</b> | <b>46 234 860</b> |
| <b>Current</b>          |                   |                   |
| Bank overdrafts         | -                 | -                 |
| Bank loans              | 12 733 855        | 12 274 609        |
| Commercial paper        | 5 739 026         | 11 572 417        |
|                         | <b>18 472 881</b> | <b>23 847 026</b> |
| <b>Total borrowings</b> | <b>65 408 245</b> | <b>70 081 886</b> |

For Commercial Paper Programs, when there is a termination date, we consider maturity on that date, regardless of the terms for which they are contracted.

There are commercial paper financing agreements that include cross default clauses. Such clauses refer to contractual non-compliance in other contracts or tax non-compliance, in which case it does not occur.

The interest rate in force on 31 March 2023 for PPC and borrowings was on average around 3.9% (2.55% on 31 December 2022). Borrowings indexed at variable rates are indexed to Euribor.

## Changes in bank debt

Movements in the three months period ending in 31 March 2023 and in the year ending 31 December 2022 under current and non-current loans, except for finance leases and bank overdrafts, are presented as follows:

|                                                      | 2023              | 2022               |
|------------------------------------------------------|-------------------|--------------------|
| <b>1 January</b>                                     | <b>70 081 886</b> | <b>167 032 350</b> |
| <u>Variations with impact in cash flows:</u>         |                   |                    |
| Proceeds from borrowings obtained                    | 3 000 000         | 3 000 000          |
| Financial debt repayments                            | -7 856 833        | -83 427 754        |
| <u>Variations without impact on cash flows:</u>      |                   |                    |
| Financing associated with Burger King sale operation | -                 | -16 676 137        |
| Effect of changes in bank overdrafts (note 8.6.)     | -                 | -                  |
| Financing set-up costs                               | -                 | -                  |
| Capitalised interest and other                       | 183 193           | 153 428            |
| <b>as at 31 March</b>                                | <b>65 408 246</b> | <b>70 081 886</b>  |

## 7.3. Lease liabilities

### Accounting policies

Liabilities with leases are initially measured based on the present value of the lease liabilities at that date. Subsequently, the lease liability is adjusted for the effect of interest and lease payments, as well as possible modifications and remeasurements of the lease agreements. Lease payments include payments made to a lessor for the right to use an underlying asset during the lease term (excluding variable lease payments) and also include the exercise price of a call option, if there is an expectation reasonable for the Group to exercise it, and the amount of penalties for termination of contracts, if it is reasonably certain that the Group will trigger the possibility of termination.

To calculate the present value of lease payments, in cases where it is not possible to obtain the implicit interest rate, the Group uses the incremental financing rate, which represents the interest rate that the Group would have to pay to borrow for a similar period, and with a similar guarantee, the funds necessary to obtain an asset of equivalent value to the asset under right of use in a similar economic context.

The Group determines the lease term as the non-cancellable period of the lease, taking into account the periods covered by an option to extend the contract, if it is reasonable for the Group to exercise it, or any periods covered by an option to terminate the contract, if it is reasonably certain that the Group will not exercise it. The lease term is thus comprised between the minimum corresponding to the non-cancellable period of the contracts and the maximum corresponding to the period during which the contract is enforceable (period after which lessor and lessee have the right to end the lease with no more than a negligible penalty considering the broader economic circumstances).

There are no residual value guarantees in the contracts. The main value judgments relating to the future and other sources of uncertainty essentially concern the future profitability prospects of the stores which, as stated above, influence the lease term in cases where there are renewal and/or termination options.

Payments related to variable contract components are not considered as lease payments, being recognized as an expense in the year in which they occur. These rents are determined by a percentage of the sales of each space and are incremental compared to the contracted minimum rents.

After the start date of the contracts, the Group reassesses the term of the leases if there is a significant event or change in circumstances that are within its control and that affect its ability to exercise or not to exercise the option to renew or terminate (for example, local changes in the consumer market and/or carrying out significant improvements or customization in the lease asset).

Interest on leases is shown in the consolidated statement of cash flows, in payments relating to cash flows arising from financing activities.

The amendment to IFRS 16 in the context of Covid-19, allowed the use of a practical expedient for lessees, which exempts from the assessment of bonuses attributed by lessors if modifications to leases qualify. The Group opted for the application of this exemption, accounting for the change in rent payments, as variable lease rents in the periods in which the event or condition that led to the payment reduction occurs.

The practical expedient is only applicable when the following conditions are cumulatively verified:

- a) the change in lease payments results in a revised fee for the lease that is substantially equal to, or less than, the fee immediately preceding the change;
- b) any reduction in lease payments only affects payments due on or before 30 June 2022; It is
- c) there are no substantive changes to other terms and conditions of the lease.

## Judgments and estimates

### Lease term and incremental financing rate

The Group estimates lease terms and the incremental financing rate.

The Group determines the lease term as the non-cancellable period of the lease, taking into account the periods covered by an option to extend the contract, if it is reasonable for the Group to exercise it, or any periods covered by an option to terminate. the contract, if it is reasonably certain that the Group will not exercise it.

When determining the lease term, the Group therefore makes a judgment about the relevant factors that create an economic incentive to exercise the renewal or termination (in cases where such options are of the lessee and the lessor, the Group exercises judgment about the lessor and lessee economic incentives). Among other aspects, the Group takes into account:

- the value of the non-transferable investments made in each commercial space and the estimate of the period for recovery and use of such investments;
- if the renewal/termination option takes place in a shorter or more distant time horizon (the shorter the non-cancelable period of the contract, the greater the probability that the Group will exercise the renewal option, the opposite being true in the case of contracts with long non-cancellable periods)
- conditions for contract renewal – for example with regard to the renewal period or rent conditions
- termination penalties
- location of assets and existence of viable alternatives for other commercial spaces.

In most leases, the Group is not able to readily determine the interest rate implicit in the contracts, so it considers its incremental financing rate to measure lease liabilities. The incremental financing rate is the interest rate that the Group would have to pay to obtain loans with similar terms and guarantees, to acquire an asset identical to the lease asset in a similar economic environment. In this way, the incremental financing rate reflects what the Group would have to pay, which requires an estimate when there are no observable rates available (such as, for example, in subsidiaries that do not carry out financing operations) or when they need to be adjusted to reflect the terms and conditions of the lease (for example when contracts are not in the Group's functional currency). The Group estimates the incremental funding rate using observable information (such as market interest rates) when available, making it necessary to make some specific estimates based on consultations with funding institutions such as banks and investment funds.

As at 31 March 2023 and 31 December 2022, the company has commitments to third parties arising from lease contracts, namely real estate contracts. As at 31 March 2023 and 31 December 2022 current and non-current leases are as follows:

|        |       | mar/23     |             |             | dez/22     |             |            |
|--------|-------|------------|-------------|-------------|------------|-------------|------------|
|        |       | Current    | Non-current | Total       | Current    | Non-current | Total      |
| Leases |       | 21 331 335 | 83 261 358  | 104 592 693 | 20 760 371 | 70 113 338  | 90 873 709 |
|        | TOTAL | 21 331 335 | 83 261 358  | 104 592 693 | 20 760 371 | 70 113 338  | 90 873 709 |

## Changes in lease liabilities

Changes in the three months period ending in 31 March 2023 and in the year ending 31 December 2022 are presented as follows:

|                                                                                                          | 2023               | 2022               |
|----------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>1 January</b>                                                                                         | <b>90 873 709</b>  | <b>143 068 335</b> |
| <u>Variations with impact in cash flows:</u>                                                             |                    |                    |
| Lease payments                                                                                           | -7 255 972         | -32 399 561        |
| <u>Variations with no impact in cash flows:</u>                                                          |                    |                    |
| Leases associated with Burger King sale operation                                                        | -                  | -67 281 693        |
| Interest for the period from updating lease liabilities                                                  | 1 584 207          | 4 481 130          |
| Interest for the period from updating lease liabilities of discontinued operations                       | -                  | 3 601 415          |
| Lease increases                                                                                          | 19 374 489         | 42 637 420         |
| Contracts terminations / shop closings                                                                   | -                  | -100 360           |
| Reclassification to liabilities directly associated with the group of assets classified as held for sale | -                  | -1 880 146         |
| Rent concessions arising from the COVID-19 pandemic                                                      | -                  | -830 996           |
| Others                                                                                                   | 16 260             | -421 835           |
| <b>31 March</b>                                                                                          | <b>104 592 693</b> | <b>143 068 335</b> |

Lease payments include 5,671,765 euros (24,317,016 euros in 2022) of principal and 1,584,207 euros (8,082,545 euros in 2022) of interest.

## 7.4. Treasury Bonds

### Accounting policies

#### Debt instruments at amortized cost

Debt instruments are measured at amortized cost if the following criteria are met:

- The asset is held to receive its contractual cash flows; It is
- The contractual cash flows from the asset represent payments of principal and interest only.

Financial assets included in this category are initially recognized at fair value and subsequently measured at amortized cost..

Ibersol Angola operates with a large component of imports that generate liabilities in foreign currency. In order to reduce the exchange rate risk and face Kwana variations, the company adopted the policy of holding assets indexed to the USD in an amount, at least, of the same order of magnitude as the liabilities.

In addition to holding USD-indexed Treasury Bonds, the company acquired non-adjustable Treasury Bonds (denominated in AKZ) for the financial application of surpluses.

The amount of financial assets refers to investments in Treasury Bonds of the Angolan State. The separation by maturity is as follows:

|                               | mar/ 23          |                  |                  | Dec/ 22        |                  |                  |
|-------------------------------|------------------|------------------|------------------|----------------|------------------|------------------|
|                               | Current          | Non current      | Total            | Current        | Non current      | Total            |
| Angolan Treasury Bonds        | 1 333 922        | 1 819 080        | 3 153 003        | 607 662        | 2 771 741        | 3 379 403        |
| Accumulated impairment losses | -97 112          | -213 433         | -310 545         | -15 937        | -294 608         | -310 545         |
| <b>TOTAL</b>                  | <b>1 236 810</b> | <b>1 605 647</b> | <b>2 842 458</b> | <b>591 725</b> | <b>2 477 133</b> | <b>3 068 858</b> |

As there has been no significant increase in credit risk since the initial recognition of Treasury Bonds, expected losses within a period of 12 months were considered.

The indices used for Probability of Default and Loss Given Default of Angolan Treasury Bonds are in accordance with Moodys and S&P publications, the probability of default considered was 7.9% and the loss given default considered to be 59%.

## 7.5. Cash and Bank deposits

### Accounting policies

#### Cash and cash equivalents

Cash and cash equivalents include amounts recorded in the statement of financial position with a maturity of less than three months from the balance sheet date, which include cash and available funds at credit institutions. It also includes other short-term, highly liquid investments, with an insignificant risk of change in value and convertible into cash, as well as mandatory demand deposits with the Bank of Portugal in order to satisfy the legal requirements for minimum cash reserves.

#### Statement of cash flows

The consolidated statement of cash flows is prepared using the direct method, through which cash receipts and payments from operating, investing and financing activities are disclosed.

Operating activities include receipts from customers, payments to suppliers, payments to staff and others related to operating activity, namely income tax.

Investment activities include, namely, acquisitions and disposals of investments in affiliated companies, payments and receipts arising from the purchase and sale of assets and receipts of interest and dividends. Financing activities include payments and receipts relating to loans obtained, lease agreements, interest paid and dividend payments.

As at 31 March 2023 and 31 December 2022, the breakdown of cash and cash equivalents was as follows:

|                                                             | mar/22             | Dec/22             |
|-------------------------------------------------------------|--------------------|--------------------|
| Cash                                                        | 498 752            | 474 011            |
| Bank deposits                                               | 213 928 966        | 236 658 618        |
| <b>Cash and bank deposits in the balance sheet</b>          | <b>214 427 718</b> | <b>237 132 629</b> |
|                                                             |                    |                    |
| <b>Cash and cash equivalents on the cash flow statement</b> | <b>214 427 718</b> | <b>237 132 629</b> |

## 7.6. Financial activity result

### Accounting policies

Financial charges associated with loans obtained (interest, premiums, ancillary costs and interest on finance leases) are recognized as an expense in the income statement for the period in which they are incurred, in accordance with the accruals principle.

If they relate to qualifying assets, financial charges are duly capitalized as defined in the applicable IFRS.

Financial expenses and losses in March 2023 and 2022 are presented as follows:

| Financial expenses                       | 2023      | 2022      |
|------------------------------------------|-----------|-----------|
| Interest from lease liabilities (IFRS16) | 1 584 207 | 894 873   |
| Interest expenses with financing         | 592 540   | 525 440   |
| Other financial expenses                 | 247 263   | 205 595   |
|                                          | 2 424 010 | 1 625 908 |

Income and financial gains in March 2023 and 2022 are presented as follows:

| Financial income and gains | 2023    | 2022    |
|----------------------------|---------|---------|
| Interest income            | 502 044 | 124 936 |
| Other financial income     | 16 232  | 283 618 |
|                            | 518 276 | 408 554 |

## 8. Current and Deferred Taxes

### 8.1. Current income tax

#### Accounting policies

Current income tax is calculated based on the taxable income of the companies included in the consolidation, in accordance with the tax rules in force in the location of the head office of each company included in the consolidation perimeter. In Portugal, the tax estimate (IRC) was calculated under the Special Regime for Taxation of Groups of Companies (RETGS). In Spain, current tax on subsidiaries based in Vigo, Madrid and Barcelona (except Cortsfood and Dehesa) was calculated under the special tax regime for economic groups. The remaining subsidiaries, headquartered in Luanda - Angola, calculate their current tax individually, in light of the regulations in force in the country of their registered office.

#### Uncertain tax positions

The amount of estimated assets and liabilities recorded associated with tax proceedings results from an assessment by the Group with reference to the date of the statement of financial position regarding potential differences of understanding with the Tax Administration.

With regard to the measurement of uncertain tax positions, the Group takes into account the provisions of IFRIC 23 - "Uncertainty regarding income taxes", namely in the measurement of risks and uncertainties in defining the best estimate of the expenditure required to settle the obligation, by weighing all possible controlled outcomes and associated probabilities.

#### 8.1.1. Current tax recognized in the income statements

Income taxes recognized in the three months period ended 31 March 2023 and 2022 are detailed as follows:

|              | mar/23   | mar/22   |
|--------------|----------|----------|
| Current tax  | 964 130  | 586 740  |
| Deferred tax | -952 073 | -161 260 |
|              | 12 057   | 425 480  |

As at 31 March 2023 the effective tax rate is -6%.

#### 8.1.2. Current tax recognized in the statement of financial position

##### 8.1.2.1. Income tax recoverable

As at 31 March 2023, the amount of tax on income to be recovered amounts to EUR 22,718 (EUR 109,587 in 2022), as follows:

|          | mar/23 | Dec/22  |
|----------|--------|---------|
| Spain    | 22 718 | 31 557  |
| Portugal | -      | 78 030  |
|          | 22 718 | 109 587 |

##### 8.1.2.2. Income tax payable

As at 31 March 2023 and 31 December 2022, the amount of tax payable breaks down as follows:

|          | mar/23    | Dec/22  |
|----------|-----------|---------|
| Portugal | 618 440   | -       |
| Angola   | 598 448   | 406 730 |
| Others   | 7 135     | 7 135   |
|          | 1 224 023 | 413 865 |

## 8.2. Deferred taxes

### Accounting policies

#### Initial recognition and measurement

Deferred taxes are recognized as a whole using the liability method and calculated on temporary differences arising from the difference between the tax base of assets and liabilities and their amounts in the consolidated financial statements. However, if deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination or that, at the date of the transaction, does not affect either the accounting result or the tax result, this is not accounted for. Deferred taxes are determined by the tax (and legal) rates enacted or substantively enacted on the date of the consolidated statement of financial position and which are expected to be applicable in the period of realization of the deferred tax asset or settlement of the deferred tax liability.

The nominal tax base rates of the jurisdictions in which the Group is present are:

|          |     |
|----------|-----|
| Portugal | 21% |
| Spain    | 25% |
| Angola   | 25% |

The Group offsets deferred tax assets and deferred tax liabilities if, and only if:

- (a) has a enforceable right to offset current tax assets against current tax liabilities; It is
- b) deferred tax assets and deferred tax liabilities relate to income taxes assessed by the same tax authority on either:
  - i) the same taxable entity, or
  - ii) different taxable entities that intend to either settle current tax liabilities and assets on a net basis, or realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are only recognized when it is probable that there will be sufficient taxable income or taxable temporary differences related to the same tax authority to use those same deferred tax assets.

### Judgments and estimates

At the end of each year the recorded and unrecorded deferred tax assets are revised and they are reduced whenever their future use ceases to be probable, or increased if, and to the extent that, it is probable that future taxable profits will be generated/reversal of taxable temporary differences allows their recovery.

In the analysis of the recoverability of deferred tax assets, the Group took into consideration the best estimates of projections of future taxable profits and the existence of taxable temporary differences against which the tax losses, tax credits and deductible temporary differences can be used.

In the recoverability analysis of deferred tax assets in Spain, business plans were prepared which, considering the Spanish taxation rules and the specificities of the group of companies, constituted the basis for the recoverability assessment.

The business plans associated with the travel segment, namely airports in Spain, were made based on the effects of the application of Law 13/2021, as well as the latest traffic estimates from Eurocontrol.

The business plans have been approved by management and are based on projections from external entities, such as Eurocontrol in the case of traffic, as well as being consistent with the business plans that served as the basis for the impairment analyses of the Group's assets.

### 8.2.1. Deferred tax assets

As at 31 March 2023 and 31 December 2022 the detail of deferred tax assets, according to the jurisdiction, is as follows:

|                                                                       | mar/23     | Dec/22     |
|-----------------------------------------------------------------------|------------|------------|
| Deferred tax assets                                                   | Spain      | Spain      |
| Tax losses carried forward                                            | 11 469 541 | 10 621 807 |
| Ded. temporary differences (IFRS16)                                   | 645 933    | 576 596    |
| Taxable temporary differences                                         | -645 937   | -645 937   |
| Homogenization of property, plant and equipment and intangible assets | -1 215 512 | -1 140 379 |
| Other temporary differences                                           | 577 171    | 577 171    |
|                                                                       | 10 831 196 | 9 989 258  |

#### Deductible temporary differences (IFRS 16)

Deferred taxes resulting from a temporary difference by applying IFRS16 in the Group's consolidated accounts, not applicable in the statutory accounts of the subsidiaries in Spain and Angola.

#### Homogenization of tangible fixed assets and intangible assets

Deferred taxes corresponding to the difference between the net value of fixed assets considered in the individual financial statements of the subsidiaries and the net value they contribute in the consolidated.

#### Tax losses carried forward

In the analysis of the recoverability of deferred tax assets, the Group took into consideration the best estimates of future taxable income projections and the existence of taxable temporary differences against which tax losses, tax credits and deductible temporary differences can be utilized.

Business plans were prepared which, considering the Spanish taxation rules and the specificities of the group of companies, formed the basis for the recoverability assessment. The business plans were approved by management and are based on projections from external entities, such as Eurocontrol in the case of traffic, as well as being consistent with the business plans that served as the basis for the impairment analyses of the Group's assets.

### 8.2.2. Deferred tax liabilities

The detail of deferred tax liabilities at 31 March 2023 and 31 December 2022, according to the jurisdiction and temporary differences that generated them, is as follows:

|                                                                       | mar/23     |           |            | Dec/22     |           |            |
|-----------------------------------------------------------------------|------------|-----------|------------|------------|-----------|------------|
| Deferred tax liabilities                                              | Portugal   | Angola    | TOTAL      | Portugal   | Angola    | TOTAL      |
| Homogenization of property, plant and equipment and intangible assets | 4 544 406  | -743 115  | 3 801 290  | 4 543 332  | -711 518  | 3 831 813  |
| Hyperinflationary Economies (IAS 29)                                  | -          | 3 589 317 | 3 589 317  | -          | 3 658 913 | 3 658 913  |
| Deductible temporary differences (IFRS16)                             | -          | -47 029   | -47 029    | -          | -50 116   | -50 116    |
| Other temporary differences                                           | -3 401 440 | -77 637   | -3 479 077 | -3 059 410 | -77 637   | -3 137 047 |
|                                                                       | 1 142 966  | 2 721 535 | 3 864 501  | 1 483 922  | 2 819 641 | 4 303 563  |

#### Homogenization of tangible and intangible fixed assets

Deferred taxes that correspond to the difference between the net value of tangible and intangible fixed assets considered in the individual financial statements of the subsidiaries and the net value they contribute in the consolidated.

#### Other temporary differences

The amount of other temporary differences refers, essentially, to unused tax benefits. As of 31 December 2022 there are 117,600 of tax benefits associated with the capital increase and 2,975,669 of tax benefits not deducted, to be used in following years. 2,676,201 of RFAI of the year 2022 and 299,468 of CFEI II (165,283 deductible until 2025 and 134,185 until 2026, inclusive). It should be noted that these credits have a reporting period of 10 tax periods, a period whose counting was suspended during the 2020 tax period and during the following tax period, under Law 21/2021, of April 21.

## 9. Other Provisions and Contingencies

### 9.1. Contingent assets and liabilities

#### Accounting policies

Contingent liabilities are defined by the Company as (i) possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or (ii) present obligations that arise from past events but that are not recognized because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the Company's financial statements, being disclosed in the Notes to the Financial Statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

Contingent assets are possible assets arising from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognized in the Company's financial statements, but are disclosed in the Notes to the Financial Statements when future economic benefits are probable

The Group has contingent liabilities related to its business (relating to licensing, advertising fees, hygiene and food safety and employees), and Ibersol's success rate in these processes is historically high. It is not estimated that these contingent liabilities will represent any relevant liabilities for Ibersol.

A lawsuit was filed against a subsidiary of the Eat Out Group in Spain for alleged breach of non-competition agreements in the amount of approximately 11.7 million euros. The Board of Directors, supported by the position of the lawyers that are following the process, considers that this situation represents a contingent liability. In addition, it should be noted that the lawsuit concerns facts that occurred before the acquisition of this subsidiary by the Ibersol Group, and is therefore covered by the clauses of responsibility and guarantees provided for in the agreement for the purchase and sale of shares of the Eat Out Group, with a right of return. There is already a decision in favor of Ibersol, and we are awaiting a definitive outcome.

The agreement for the sale of the Burger King operation includes indemnity clauses in the event of the verification of certain conditions attributable to the sold entities and on events prior to the sale date (30 November 2022).

## 10. Commitments not included in the consolidated statement of financial position

Commitments undertaken and not included in the consolidated statement of financial position include bank guarantees given to third parties and contractual commitments for the acquisition of fixed tangible assets.

### 10.1. Guarantees

As of 31 March 2023 and 31 December 2022, the liabilities not reflected in the balance sheet by the companies included in the consolidation are comprised mainly of bank guarantees provided on their behalf, as follows:

|                 | mar/23     | Dec/22     |
|-----------------|------------|------------|
| Bank Guarantees | 33 997 601 | 38 674 924 |

As at 31 March 2023 the bank guarantees are detailed, by type of coverage, as follows:

| Concessions and rents | Other supply contracts | Fiscal and legal proceedings | Other     | Other legal claims |
|-----------------------|------------------------|------------------------------|-----------|--------------------|
| 27 487 655            | 20 683                 | 60 532                       | 6 408 000 | 20 731             |

The bank guarantees arise mainly from the concessions and rents of the Group's stores and commercial spaces, and may be executed in the event of non-compliance with lease contracts, namely for non-payment of rents.

The relevant amount derives from the guarantees required by the owners of spaces under concession (ANA Airports and AENA Airports, in Spain) or leased (some malls and other locations) in concessions and rents, of which 22,829,000 euros with AENA Airports.

In other guarantees, and following the sale of the Burger King units, the Group provided a bank guarantee of 6.4 M to BK Portugal, S.A., to cover the asset relating to existing receivables at IberKing and unused at the date of the transaction, regarding CFEI II and RFAL, for a period of 5 years with decreasing annual values.

## 11. Transactions with related parties

### Accounting policies

A related party is a person or entity that is related to the Group, including those that own or are subject to influence or control by the Group.

In the consolidation procedures the transactions between the companies included in the consolidation by the full consolidation method are eliminated, since the consolidated financial statements present the owner and its subsidiaries' information as one single company, and therefore they are not disclosed in this note.

The balances and transactions with related parties in 31 March 2023 and 31 December 2022 can be presented as follows:

|                                    | March 2023     |                            |                    |                | Year 2022      |                            |                    |                |
|------------------------------------|----------------|----------------------------|--------------------|----------------|----------------|----------------------------|--------------------|----------------|
|                                    | Parent entitie | Jointly controlled entitie | Associated entitie | Other Entities | Parent entitie | Jointly controlled entitie | Associated entitie | Other Entities |
| Supply of services                 | 269 502        | 1 043 354                  | -                  | -              | 1 000 000      | 4 731 672                  | -                  | -              |
| Rental income from lease contracts | -              | -                          | -                  | 46 166         | -              | -                          | -                  | 2 035 463      |
| Accounts payable                   | -              | 1 122 057                  | -                  | -              | -              | 1 713 701                  | -                  | -              |
| Other current assets               | -              | -                          | -                  | -              | -              | -                          | -                  | -              |
| Financial investments              | -              | -                          | 300 000            | -              | -              | -                          | 300 000            | -              |

The parent company of Ibersol SGPS S.A. is ATPS - SGPS, SA, direct and indirect holder of 26,004,023 shares.

António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira each hold 3,495 and 3,314 shares of Ibersol SGPS, S.A. respectively. The voting rights attributable to ATPS are also attributable to António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira under the terms of subparagraph b) of no. 1 of article 20 and no. 1 of article 21, both of the Securities Code. <sup>9</sup>, both of the Portuguese Securities Code, by virtue of the fact that they hold control of the referred company, in which they participate indirectly, in equal parts, through, respectively, the companies CALUM - SERVIÇOS E GESTÃO, S.A. with Tax ID No. 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A. with Tax ID No. 513799257, which together 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.

## 12. Subsequent Events

### **Accounting policies**

Events occurring between the date of the consolidated statement of financial position and the date of issue of the consolidated financial statements and consolidated financial position ("adjusting events") are reflected in the consolidated financial statements. Events that occur between the statement of financial position date and the issue date of the consolidated financial statements that provide information on conditions that occurring after the date of the consolidated statement of financial position ("non-adjusting events"), if material, are disclosed in these Notes.

There are no significant events up to the date of this report which are not reflected in the financial statements.