IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto
Share Capital Euros 42.359.577
Commercial Registry: Oporto under number 501669477
Fiscal number: 501669477

Consolidated Report & Accounts 9M 2023

(not audited)

- Continued Operations Turnover of 310.1 million Euros
  Increase of 21.9% over 9M of 2022

- Continued Operations EBITDA reached 55.7 million Euros
  Ebitda increased 37.9% over 9M of 2022

- Continued Operations net profit of 9.5 million Euros
  Recovery of 2.2 million Euros compared to the same period of 2022

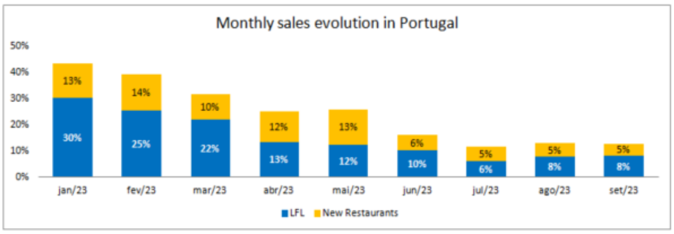
Consolidated Management Report

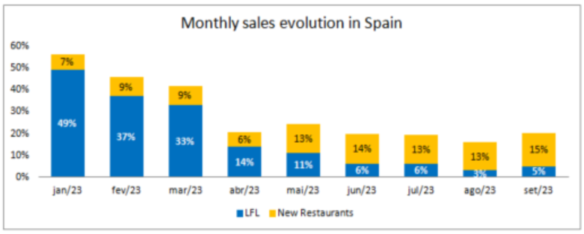
Activity

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 yet sold in 2023 are reported as “Discontinued Operations” with regards to financial information reporting.

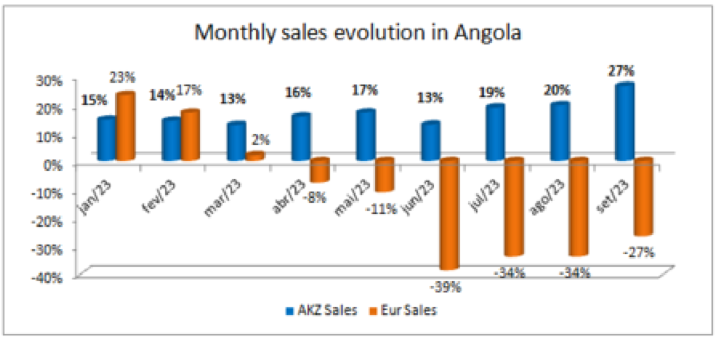
In the third quarter of 2023 and despite the demanding economic context, namely the pressure on purchasing power resulting from high levels of inflation in parallel with the rise of interest rates in the markets in which we operate, the group recorded a growth of 11% compared with the same period of the previous year.

The monthly evolution of performance in the different geographies reflects the comparability since April with more demanding periods without restrictions in 2022 and the impact of expansion, with the opening of new restaurants in Portugal and Spain, registering a gradual slowdown in the pace of growth, with greater incidence in the summer season, traditionally with greater increase in sales.





In Angola, and despite the good performance in local currency, activity was marked by the sharp devaluation of the AKZ against the EUR, (more than 50%), with an impact since June, causing a reduction in activity in Euros.



The evolution of demand forced an effort to absorb the impact on margins, in order to maintain volumes with occasional price increases. Investments in opening new restaurants also contributed to ensuring a growth in "Continuing Operations" of around 22%, in the first nine months of the year, reaching a total turnover of 310.1 million Euros, which compares with 254.4 million Euros in the same period of the previous year.

Turnover (euro million)	9M 2023	9M 2022	Var. 23/22
Sales of Restaurants	307,2	390,1	-21,2%
Sales of Merchandise	8,9	7,0	26,9%
Services Rendered	2,7	1,5	83,1%
Turnover	318,9	398,6	-20,0%
Discontinued Operations	-8,8	-144,2	-93,9%
Continued Operations Turnover	310,1	254,4	21,9%

Despite the slowdown in the growth of the restaurant market in the geographies in which we operate, the group recorded a growth in all segments, particularly the "Counters" and "Concessions and Catering", with a relative performance exceeding 25% and 28%, respectively compared to the same period in the previous year.

SALES IN RESTAURANTS (euro million)	9M 2023 Continued Operations	9M 2022 Continued Operations	Var. 23/22 Continued Operations
Restaurants	77,0	71,6	7,6%
Counters	106,9	85,1	25,6%
Concessions&Catering	114,5	89,2	28,3%
Total Sales	298,4	245,9	21,4%

The “Concessions and Catering” 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 third quarter of the year has registered a slowdown in the pace of the recovery of the traffic passenger’s levels seen in the same period of 2019, with emphasis on Barcelona airport, still 9% below the pre-pandemic levels in this period.

In Portugal, traffic at airports was 14% higher than in 2019, with emphasis on Madeira and Lisbon, with traffic increases of 41% and 10%, respectively.

During the month of May, the operation of the nine concession restaurants at Madrid airport began on a provisional basis, until the conversion to restaurants in the definitive brands and formats are completed, which is expected to begin by the end of this year.

The resumption in traffic and the beginning of operations in new concessions, led to a sharp growth in the first nine months of 28,3%, compared to the same period of 2022, eliminating the effect of Burger King restaurants located in concession areas.

Counter segment of continued operations maintained its good performance, registering a growth of 25.6% 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.

Restaurants, which reflect the performance of higher ticket concepts and with a greater component of internal delivery service, more exposed to greater competition from aggregators, registered the highest slowdown in growth rates in the quarter, with a growth of 7.6% compared to the same period of 2022.

In Spain, during the first nine months of the year, 7 restaurants were definitively closed (6 of which were franchised), with the opening of eleven restaurants in Spain (nine in a provisional format at Madrid airport and two new restaurants of KFC and Pans). In Portugal, 3 new restaurants, from Pans, Pizza Hut and KFC brands were opened.

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 beginning of next year.

At the end of the September, the total number of restaurants was 494 (434 equity and 60 franchises), as shown below:

Nº of Restaurants	31.12.2022	Q1	Q2	Q3	Closures	30.09.2023
PORTUGAL	**296**	**1**	**1**	**1**	**0**	**299**
Equity Restaurants	**295**	**1**	**1**	**1**	**0**	**298**
Pizza Hut	105		1			106
MIIT+Ribs	3					3
Pans	40	1				41
Burger King	9					9
KFC	56			1		57
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**
SPAIN	**179**	**1**	**9**	**1**	**7**	**183**
Equity Restaurants	**116**	**1**	**9**	**1**	**1**	**126**
Pizza Móvil	12					12
Pizza Hut	3					3
Burger King	0					0
Pans	29			1		30
Ribs	13					13
FrescCo	2				1	1
KFC	4	1				5
Concessions	53		9			62
Franchise Restaurants	**63**	**0**	**0**	**0**	**6**	**57**
Pizza Móvil	4					4
Pans	36				2	34
Ribs	16				2	14
FrescCo	3				1	2
SantaMaria	4				1	3
ANGOLA	**10**		**0**	**0**	**0**	**10**
KFC	9					9
Pizza Hut	1					1
Other Locations - Franchise	**2**	**0**	**0**	**0**	**0**	**2**
Pans	2					2
Total Equity Restaurants	**421**	**2**	**10**	**2**	**1**	**434**
Total Franchise Restaurants	**66**	**0**	**0**	**0**	**6**	**60**
TOTAL	**487**	**2**	**10**	**2**	**7**	**494**

Consolidated Financial Performance

The robust growth in activity made it possible to mitigate the impact of three important factors on the cost structure:

i. Food inflation;
ii. Increased consumer price sensitivity to price;
iii. Impact of the operation, in temporary formats, of restaurants operated under new concessions contracts at airports in Spain.

The continued operations operating income at the end of the first nine months amounted to 19.2 million Euros, which compares with 14.5 million Euros in the same period of 2022.

(million euros)	9M 2023 Continued Operations		9M 2022 Continued Operations		var.
Turnover	**310,1**		**254,4**		**21,9%**
Cost of sales	73,9	23,8%	61,7	24,3%	19,7%
gross margin %	76,2%		75,7%		0.4 p.p.
External supplies and services	90,9	29,3%	82,0	32,2%	10,8%
Personnel costs	93,5	30,2%	75,7	29,8%	23,5%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	36,5	11,8%	25,9	10,2%	41,0%
Other income/operating costs	-3,9	-1,3%	-5,4	-2,1%	-27,9%
Total de custos operacionais	**290,9**	**93,8%**	**239,9**	**94,3%**	**21,2%**
Operating Income	**19,2**	**6,2%**	**14,5**	**5,7%**	**32,4%**
margin	6,2%		5,7%		+0.5 p.p.
Ebitda	**55,7**	**18,0%**	**40,4**	**15,9%**	**37,9%**
margin	18,0%		15,9%		+2.1 p.p.
Financial Results	**-7,1**	**-2,3%**	**-4,9**	**-1,9%**	**46,3%**
Profi before tax	**12,1**	**3,9%**	**9,6**	**3,8%**	**25,3%**
Income tax	-2,6	-0,8%	-2,3	-0,9%	12,0%
Net profit	**9,5**	**3,0%**	**7,3**	**2,9%**	**29,6%**

Turnover amounted to 310.1 million Euros, 21.9% higher than the 254.4 million Euros in the same period of 2022, with more 8% directly operated restaurants.

Gross margin was 76.2% of turnover, 0.4 p.p. higher than 2022, evidencing the stabilization of raw material prices after the impact of inflation on food products, with a more pronounced impact in the third quarter of 2022.

The increase in salary costs and the beginning of operation of new concessions with lower productivity due to operating in temporary formats, led to a 23.5% increase in Staff costs, with the weight of this cost representing now 30.2% of the turnover (9M22: 29.8%).

External Supplies and services costs increased 10.8%, representing 29.3% of turnover, which represents a reduction in the weight of this item by 2.9 p.p. compared to the same period of 2022. This reduction, results mainly from the application of IFRS16, through the reversal of rents in Menorca (having reached 2019 traffic in 2022) and the new concession contracts of Lanzarote, Madrid and Tenerife (starting in January, May and July respectively).

Other operating income and costs in the total amount of 3.9 million Euros, represent a reduction of 1.5 million Euros compared to the same period of 2022, a difference that is mainly explained by:

- increase in revenues related to contracts with suppliers in the amount of 2.8 million Euros;
- increase in the net cost related with exchange rate differences in the amount of 1.3 million Euros, mainly due to the exchange rate devaluation that occurred from May 2023 in Angola;
- non-recurring compensation, occurring in the same period of 2022, in the amount of 2.6 million Euros.

Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA in the first nine months amounted to 36.5 million Euros, which compares with 25.9 million Euros of the same period of 2022, of which 22.8 million correspond to amortization of rights of use, compared to 14.1 million in the same period of the previous year.

Therefore EBITDA in the first nine months amounted to 55.7 million Euros, an increase of 37.9% compared to the same period of 2022.

Continued operations EBITDA margin stood at 18% of turnover, which compares with 15.9% in the same period 2022.

The new contracts in Lanzarote Madrid and Tenerife airports in 2023 contributed to EBITDA with an amount of 6.0 million Euros, which mainly results from the application of IFRS16 to these new lease agreements. Eliminating this effect would result in a 16.0% EBITDA margin, similar to same period in 2022.

The Financial Results in the first nine months of the year were negative by 7.1 million Euros, 2.3 million Euros higher compared to the same period of 2022.

(million euros)	9M 2023 Continued Operations		9M 2022 Continued Operations		var.
Financial Results	**-7,1**	**-2,3%**	**-4,9**	**-1,9%**	**46,3%**
Financial expenses and losses	-10,0	-3,2%	-5,7	-2,3%	74,9%
Financial income and gains	2,8	0,9%	0,8	0,3%	236,9%
Gains (losses) in associated and joint controlled sub. - Equity	0,1	0,0%	0,0	0,0%	220,2%

Financial expenses and losses totalled 10 million Euros, which represents an increase of 4.3 million Euros compared to the same period in 2022. A part of these expenses and losses corresponds to interest with leases in the amount of 7.0 million Euros (3.1 million Euros in the 9M of 2022), of which 3.3 million Euros correspond to leases interest on new contracts at airports.

Net interest supported and commissions related to financing reached a total of 2.1 million Euros, which equals an average debt cost of 4.7%, reflecting the increase in reference rates and fixed commissions inherent to the lines unused.

Profit before taxes in the amount of 12.1 million Euros was penalized by the start of new concession agreements, to operate on a provisional basis at Lanzarote and Madrid airports, which represent a negative impact in the amount of 3.5 million Euros.

Financial Situation

Total Assets amounted to 673.8 million Euros and Equity stood at 358.6 million Euros, representing 53% of total assets.

CAPEX amounted to 14.3 million Euros. 11 million Euros incurred in the implementation of the expansion program and the remaining were incurred in the remodelling and modernization of restaurants.

A financial investment was made in a capital increase of the Spanish company Medfood, which indirectly operates 31 KFC restaurants in Spain, for an amount of 3 million Euros, with the option of acquiring the entire capital or exiting for the amount invested with monetary correction, a decision that should be taken until the end of this year.

Current liabilities amount to 134.8 million Euros, of which 25.3 million correspond to liabilities for leases and 16.1 million Euros to current loans. Regarding to current loans, the Group has 50 million Euros related to commercial paper and unused contracted credit lines.

Consolidated liabilities reached 315.2 million Euros on September 30, 2023, which represents an increase of 46 million Euros compared to the final result in 2022.

On September 30, 2023, Equity stood at 358.6 million Euros, 25 million Euros lower than at the amount at the end of 2022, reflecting the dividend payment for the financial year of 2022.
The share capital was reduced by the extinction of own shares, from 46.000.000 Euros to the amount of 42.359.577 Euros.

Consolidated Financial Position (million euros)	30/09/2023	31/12/2022	Var.
Total Assets	**673,8**	**652,6**	**21,2**
Total Equity	**358,6**	**383,7**	-25,1
Loans	30,0	70,1	-40,1
Liability for leases	183,1	90,9	92,2
Other liabilities	102,1	108,0	-5,8
Total Equity and Liabilities	**673,8**	**652,6**	**21,2**

At the end of the third quarter of 2023, net debt (including liability for leases) amounted to 39.8 million Euros, 119.1 million Euros higher than the negative amount outstanding at the end of 2022 (-79 million Euros), of which 101.5 million correspond to lease liabilities for new agreements at airports. Consequently, there is a “Gearing” of 10% (-26% in 2022).

(million euros)	30/09/2023	31/12/2022	var.
Total loans	30,0	70,1	-40,1
Cash and bank deposits	-171,5	-237,1	-65,6
Other current and non-current liabilities	-1,7	-3,1	-1,4
Net Bank Debt	**-143,2**	**-170,1**	**26,9**
Liability for leases	183,1	90,9	92,2
Net Debt	**39,8**	**-79,2**	**119,1**
Equity	358,6	383,7	-25,1
Gearing (Net Debt/Net Debt + Equity)	**10%**	**-26%**	

Outlook

As expected, there was a slowdown in growth caused by the effects of inflation and the increase in interest rates that took place over the last year to halt the rise in inflation.

The IMF forecasts for 2023 point to a GDP growth of 2.3% in Portugal and 2.5% in Spain, with inflation rates at around of 5%, with a downward trend that is expected to continue in the coming months.

In a context of fragility in household disposable income, in parallel with the increase of tension in the Middle East and the continuation of the conflict in Ukraine, a reduction in the level of consumer confidence and a consequent impact on private consumption is expected. The IMF's most recent forecasts for next year present a growth of around 1.5% of GDP and a scenario of cost inflation.

This trend places increased challenging on our teams and brand portfolio, in order to guarantee the maintenance of volumes and market shares, as well as efforts to minimize the impact caused by the beginning of the conversion of new concession restaurants at Lanzarote, Madrid and Tenerife airports, which will represent increased pressure on profitability, until the conversion of all restaurants into definitive formats and concepts is concluded.

In terms of expansion of our operations, we will continue with the expansion plans for the Pizza Hut, KFC and Taco Bell brands, with the opening of more than ten new restaurants by the end of the year, as well as the start of Pret A Manger operations at three airports in Spain

Subsequent Events

Disposal of Burger King Operation

Under the terms of the SPA, the amount of the final net debt was released in November, without significant changes to the management estimates, reflected in the 2023 and 2022 financial statements.

Own Shares

Within the scope of the share buyback program, in accordance with resolutions approved at the General Meeting on May 26, 2023 Ibersol SGPS, SA held 296.413 own shares, acquired at an average price of 6.84 Euros and representing 0.70% of the share capital.

On November 16, 2023 the company held 391.825 own shares for the amount of 2.672.253 Euros, representing 0.93% of the share capital.

Porto, 27th November 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

Glossary

Results and Other Interim Income	
Turnover	Sales + Services Rendered
Sales	Sales of Restaurants + Sales of Merchandise
Sales of Restaurants	Sales of directly operated restaurants
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

Consolidated Financial Statements
Ibersol S.G.P.S., S.A.
30 September 2023

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Condensed Statement of Interim Consolidated Income and Other Comprehensive Income

For the nine-months periods ending 30 September 2023 and 2022

	Notes	for the nine months period ended 30 2023	2022 Restated
Sales	4.1.	307 341 652	252 939 330
Rendered services	4.1.	2 737 987	1 495 621
Cost of sales		-73 888 107	-61 705 776
External supplies and services		-90 903 056	-82 049 287
Payrolll costs		-93 510 297	-75 723 867
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	6.5.	-36 479 028	-25 867 638
Other operating gains (losses)	4.3.	3 914 871	5 428 222
Operating Income		19 214 022	14 516 605
Financial expenses and losses	7.6.	-10 038 658	-5 739 581
Financial income and gains	7.6.	2 845 672	844 590
Gains (losses) in associated and joint controlled sub. - Equity method		57 679	18 012
Profit before tax from continuing operations		**12 078 715**	**9 639 626**
Income tax	8.1.1.	-2 624 648	-2 343 439
Net profit from continuing operations		**9 454 067**	**7 296 187**
Discontinued operation			
Profit (loss) from discontinued operations, net of tax		1 169 780	7 266 870
TOTAL COMPREHENSIVE INCOME		**10 623 847**	**14 563 057**
Another integral result			
Net exchange differences		-4 126 917	4 219 440
CONSOLIDATED COMPREHENSIVE INCOME		**6 496 930**	**18 782 497**
Consolidated net profit attributable to:			
Shareholders of parent company			
Continued operations		9 513 158	7 296 279
Discontinued operations		1 169 780	7 266 870
Non-controlling interests			
Continuing operations		-59 091	-92
Discontinued Operations		0	0
		10 623 847	14 563 057
Consolidated comprehensive income attributable to:			
Shareholders of parent company			
Continued operations		5 386 241	11 515 719
Discontinued operations		1 169 780	7 266 870
Non-controlling interests			
Continuing operations		-59 091	-92
Discontinued Operations		0	0
		6 496 930	18 782 497
Earnings per share:	7.1.1.		
Basic			
Continuing Operations		**0,22**	**0,17**
Discontinued Operations		**0,03**	**0,17**
Diluted			
Continued operations		**0,22**	**0,17**
Discontinued Operations		**0,03**	**0,17**

Porto, 27th November 2023

The Board of Directors,

Condensed Statement of Interim Consolidated Financial Position

At 30 September 2023 and 31 December 2022

ASSETS	Notes	30/09/2023	31/12/2022
Non-current			
Goodwill	6.1.	54 391 775	54 391 775
Intangible Assets	6.2.	26 590 223	26 862 783
Property, plant and equipment	6.3.	126 862 209	130 540 302
Assets under rights of use	6.4.	178 253 827	89 927 682
Investment property	6.6.	12 914 890	8 470 400
Investments in Associates and Joint Ventures	1.2.	6 145 599	3 087 921
Debt instruments at amortised cost	7.4.	624 333	2 477 133
Non-current Receivables	5.1.	16 514 134	14 727 489
Deferred Tax Assets	8.2.1.	11 977 278	9 989 258
Total non-current assets		**434 274 268**	**340 474 744**
Current Assets			
Inventories		13 536 739	13 084 136
Income tax recoverable	8.1.2.	29 039	109 587
Debt instruments at amortised cost	7.4.	1 056 698	591 725
Current receivables	5.1.	47 503 877	55 820 271
Cash and bank deposits	7.5.	171 514 703	237 132 629
Total current assets		**233 641 056**	**306 738 348**
Group of assets classified as held for sale		5 876 692	5 428 897
Total Assets		**673 792 016**	**652 641 989**
EQUITY			
Share capital			
Share capital	7.1.1.	42 359 577	46 000 000
Own shares	7.1.2.	-2 027 845	-11 410 227
Share premium		29 900 789	29 900 789
Currency translation reserve		-14 215 368	-10 088 451
Legal reserve		4 236 428	1 976 081
Retained earnings and other reserves		287 580 812	167 521 938
Net profit for the year		10 682 938	159 875 149
Equity attributable to shareholders of Ibersol		**358 517 331**	**383 775 279**
Non-controlling Interests		91 965	-81 719
Total Equity		**358 609 296**	**383 693 560**
LIABILITIES			
Non-current liabilities			
Borrowings	7.2.	13 822 795	46 234 860
Lease liabilities	7.3.	157 746 784	70 113 338
Deferred tax liabilities	8.2.2.	4 302 416	4 303 563
Other provisions		2 530 868	2 530 869
Non-current payables	5.2.	3 704	43 149
Total non-current liabilities		**178 406 567**	**123 225 779**
Current Liabilities			
Borrowings	7.2.	16 146 339	23 847 026
Lease liabilities	7.3.	25 323 430	20 760 371
Current payables	5.2.	90 735 804	98 821 242
Income tax payable	8.1.2.	2 627 455	413 865
Total current liabilities		**134 833 028**	**143 842 504**
Liabilities directly associated with the group of assets classified as held for sale		1 943 125	1 880 146
Total Liabilities		**315 182 720**	**268 948 429**
Total Equity and Liabilities		**673 792 016**	**652 641 989**

Porto, 27th November 2023

The Board of Directors,

Condensed Statement of Interim Consolidated Cash Flows

For the nine-months periods ending 30 September 2023 and 2022

	Note	2023	2022
Cash Flows from Operating Activities			
Receipts from clients		330 178 385	398 112 871
Payments to supliers		-156 896 578	-191 535 570
Staff payments		-91 193 577	-109 362 672
Flows generated by operations		82 088 230	97 214 629
Payments/receipt of income tax		-2 563 764	-1 699 261
Other paym./receipts related with operating activities		-23 171 486	-6 023 499
Flows from operating activities (1)		**56 352 981**	**89 491 868**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		739 193	305 940
Tangible fixed assets		5 051	-
Interest received		2 821 833	1 420 933
Other financial assets		231 499	454 619
Payments for:			
Financial investments		-383 834	-147 620
Other financial assets		-	-717 901
Tangible fixed assets		-20 343 305	-28 200 757
Intangible assests		-3 081 290	-3 006 464
Flows from investment activities (2)		**-20 010 854**	**-29 891 250**
Cash flows from financing activities			
Receipts from:			
Loans obtained	7.2.	328 041	3 304 795
Payments for:			
Loans obtained	7.2.	-40 755 649	-42 750 491
Rental debt	7.3.	-19 152 216	-17 293 280
Interest from loans and similar costs		-3 060 858	-4 079 972
Interest from lease contracts	7.3.	-6 988 441	-5 991 278
Dividends paid		-29 651 704	-5 724 002
Acquisition of own shares		-2 027 844	-
Flows from financing activities (3)		**-101 308 671**	**-72 534 228**
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**-64 966 544**	**-12 933 610**
Effects of exchange rate differences		-651 382	1 272 869
Cash & cash equivalents at the start of the period		237 132 629	96 968 003
Cash & cash equivalents at end of the period	7.5.	**171 514 703**	**85 307 262**

Porto, 27th November 2023

The Board of Directors,

Condensed Statement of Interim Consolidated Changes in Equity

For the six-months periods ending 30 June 2023 and 2022

	Note	Attributable to equity holders									
		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					225 000		31 154 907	-31 379 907	-		-
Liquidation of subsidiaries							108 183		108 183	-170 245	-62 062
Conversion reserves - Angola						4 219 440			4 219 440		4 219 440
Consolidated net profit for the nine months period ending 30 September 2022								14 563 149	14 563 149	-92	14 563 057
Total changes for the period		-	-	-	225 000	4 219 440	31 263 090	-16 816 758	18 890 772	-170 337	18 720 435
Consolidated net profit								**14 563 149**	**14 563 149**	**-92**	14 563 057
Consolidated comprehensive income									18 782 589	-92	18 782 497
Transactions with equity holders in the period											
Application of consolidated net profit for 2021:											
Dividends distributed	7.1.3.						-5 724 002		-5 724 002		-5 724 002
Balance on 30 September 2022		**46 000 000**	**-11 180 516**	**29 900 789**	**1 976 081**	**-7 111 992**	**167 592 359**	**14 563 149**	**241 739 870**	**-79 855**	**241 660 015**
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					2 260 347		157 614 802	-159 875 149	-		-
Capital reduction	7.1.1.	-3 640 423	11 410 227				-7 769 804		-		-
Own shares acquisition	7.1.2.		-2 027 845						-2 027 845		-2 027 845
Conversion reserves - Angola						-4 126 917			-4 126 917		-4 126 917
Recognition of minority interest subsidiaries							-134 421		-134 421	232 775	98 354
Consolidated net profit for the nine months period ending 30 September 2023								10 682 938	10 682 938	-59 091	10 623 847
Total changes for the period		-3 640 423	9 382 382	-	2 260 347	-4 126 917	149 710 577	-149 192 211	4 393 755	173 684	4 567 439
Consolidated net profit								**10 682 938**	**10 682 938**	**-59 091**	10 623 847
Consolidated comprehensive income									6 556 021	-59 091	6 496 930
Transactions with equity holders in the period											
Application of consolidated net profit for 2022:											
Dividends distributed	7.1.3.						-29 651 704		-29 651 704		-29 651 704
Balance on 30 September 2023		**42 359 577**	**-2 027 845**	**29 900 789**	**4 236 428**	**-14 215 368**	**287 580 812**	**10 682 938**	**358 517 330**	**91 965**	**358 609 295**

Porto, 27th November 2023

O Conselho de Administração,

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 494 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FrescCo, 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 434 units which it operates and 60 units under a franchise contract. Of this universe, 299 are based in Portugal, of which 298 are owned and 1 franchised, and 183 are based in Spain, spread over 126 own establishments and 57 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, nº 105 a 159, 9º, Porto, Portugal
Legal Nature: Public Limited Company
Share Capital: €42.359.577
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 30 September 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	
		set/23	Dec/22
Subsidiary companies			
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%
Ibersande Restauração, S.A.	Porto	100%	100%
Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%
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%
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	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%
Eat Tasty, S.L.	Madrid	84%	84%

1.2. Ibersol Group's joint ventures and associates

For the periods ended 30 September 2023 and 31 December 2022 the Group owns the associated company Ziaicos - Serviços e Gestão, Lda and the joint venture UQ Consult - Serviços de Apoio à Gestão, S.A., both based in Porto, and included in the consolidation using the equity method, whose proportion of the share capital is 40% and 50% respectively.

In June, a financial investment of 3 million euros was made in a capital increase of the Spanish company Medfood, which indirectly operates 31 KFC restaurants in Spain. It was decided that, subject to certain conditions and the completion of due diligence processes, Ibersol could make an offer to acquire the remaining share capital or opt to exit for the amount invested with monetary correction. This decision should be made by the end of the year.
At 30 September 2023, this investment is measured using the equity method.

1.3. Changes in the consolidation perimeter

Acquisition of new companies
In the nine months period ended 30 September 2023, in addition to the above, 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 nine months period ended 30 September 2023 there were no disposals s of subsidiaries

On 30 November 2022, the Group sold the subsidiaries Iberking, Restauração S.A. and Lurca S.A.U.

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

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 27 November 2023.

2.1.2. Accounting standards

These condensed consolidated interim financial statements were prepared in accordance with International Standard 34 - Interim Financial Reporting, and therefore do not include all the information required by the annual financial statements, and should be read in conjunction with the company's financial statements for the period ending 31 December 2022.

The interim consolidated financial statements have been prepared in accordance with the historical cost principle.

The Group's Consolidated Financial Statements have been prepared in accordance with the same accounting principles and policies adopted by the Group in the preparation of the annual financial statements, except for the adoption of new standards, amendments and interpretations with mandatory application from 1 January 2023, and essentially including an explanation of the events and changes relevant to an understanding of the variations in the Group's financial position and performance since the date of the annual report. Accordingly, the accounting policies and part of the notes contained in the 2022 financial statements have been omitted, either because they have not changed or because they are not materially relevant to understanding these interim financial statements.

2.1.3. Measurement basis

The consolidated financial statements were prepared on a going concern basis, 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. Presentation currency and transactions in foreign currency

2.1.5.1. 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 30 September 2023 and 31 December 2022, were respectively:

Sep/23

Euro exchange rates (x foreign currency per 1 Euro)	Rate on 30 September 2023	rate September 2023
Kwanza de Angola (AOA)	879,507	688,231

Dec/22

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

2.2. New standards, amendment and interpretation

Standards	Change	Date of application
Recently issued pronouncements already adopted by the Group in the preparation of the financial statements are the following		
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	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. 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. 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".	1 January 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	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. 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. 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. 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.	1 January 2023
Amendments to IAS 12: deferred tax related to assets and liabilities arising from a single transaction	The IASB (' the Board') issued amendments to IAS 12 - 'Income Taxes', on 7 May 2021. 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. In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities 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.	1 January 2023

IFRS 17 – Insurance Contracts	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	1 January 2023
Amendments to IFRS 17 - Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	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. The amendment does not affect any other requirements in IFRS 17. 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. The amendment helps insurers to avoid these temporary accounting mismatches and, therefore, improve the usefulness of comparative information for investors.	1 January 2023

Standards	Change	Date of application
Recently Issued pronouncements that are not yet effective for the Group		
Clarification requirements for classifying liabilities as current or non-current (amendments to IAS 1 – Presentation of Financial Statements	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. 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. The amendments aim to: a. specify that an entity's right to defer settlement must exist at the end of the reporting period and have substance; b. 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 c. 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).	1 January 2024
Lease liability in a sale-and-leaseback (amendments to IFRS 16 – Leases	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. The amendments confirm the following: - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. - 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. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. 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.	1 January 2024

Standards	Change	Date of application
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	On 25 May 2023, the International Accounting Standards Board (IASB) published Supplier Finance Arrangements with amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures. The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.	1 January 2024

	The new requirements supplement those already included in IFRS standards and include disclosures about: - Terms and conditions of supplier financing arrangements; - The amounts of the liabilities that are the subject of such agreements, for which part of them the suppliers have already received payments from the financiers and under which item these liabilities are shown in the balance sheet; - The ranges of due dates; and - Information on liquidity risk.	
Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules	On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 to clarify the application of IAS 12 Income Taxes to income taxes arising from tax law enacted or substantively enacted to implement the OECD Pillar Two model rules. The amendments introduce: - A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. - The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.	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 2023 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 2024, 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 and up to 12 years in the case of Prêt A Manger, 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

The revenue from contracts with customers is presented as follows:

	2023	2022
Catering sales	**307 210 855**	**390 083 086**
Restaurant sales	290 289 862	376 543 186
Event catering sales	12 258 080	9 541 659
Concession catering sales	4 662 913	3 998 241
Merchandise sales to franchisees	**8 930 873**	**7 037 478**
Total sales	**316 141 728**	**397 120 564**
Services Rendered	**2 737 987**	**1 495 621**
Franchise royalties	1 412 012	1 354 465
Other	1 325 975	141 156
Turnover Continuing Operations	**318 879 715**	**398 616 185**
Turnover Discontinued Operations (note 6.7)	**-8 800 076**	**-144 181 234**
Turnover	**310 079 639**	**254 434 951**

After a start to the first half of the year with robust growth in continuing operations, still due to the impact of the Omnicrom variant in the first quarter of 2022, in the second quarter of 2023, despite the challenging economic context, the group recorded a positive performance across the portfolio of brands and geographies in which it operates.

4.2. Segment reporting

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

SEGMENT		
Restaurants	**Counters**	**Concessions, Travel and Catering**
Brands		
Pizza Hut Pasta Caffe Pizza Móvil FresCo Ribs Sta Maria	KFC Taco Bell Miit Pans & Co. Pans Café Goto Café	SOL (AS) Concessions Catering Convenience stores Travel

DETAILED INFORMATION REGARDING OPERATING SEGMENTS

	Restaurants		Counters		Concessions, Travel and Catering		Others, eliminations and adjustments		Total Group	
	Sep/23	Sep/22	Sep/23	Sep/22	Sep/23	Sep/22	Sep/23	Sep/22	**Sep/23**	**Sep/22**
Turnover	**81 282 387**	**75 900 646**	**110 337 145**	**84 229 556**	**115 070 217**	**94 069 911**	**3 389 890**	**234 839**	**310 079 639**	**254 434 951**
Operating profit minus amortisation, deprec. and impairment losses	**13 309 780**	**14 591 663**	**21 869 584**	**13 320 580**	**20 093 689**	**12 568 056**	**419 998**	**-96 056**	**55 693 050**	**40 384 243**
Amortisation, depreciation and impairment losses	-7 566 964	-8 151 450	-13 901 150	-11 300 939	-13 762 027	-5 258 167	-1 248 888	-1 157 082	-36 479 028	-25 867 638
Operating profit	**5 742 816**	**6 440 213**	**7 968 435**	**2 019 641**	**6 331 662**	**7 309 889**	**-828 890**	**-1 253 138**	**19 214 022**	**14 516 605**
Financial profit (loss)									-7 192 986	-4 894 991
Other non-operating gains (losses)									57 679	18 012
Income tax for the period									-2 624 648	-2 343 439
Consolidated net profit									**9 454 067**	**7 296 187**
	Sep/23	**Dec/22**	**Sep/23**	**Dec/22**	**Sep/23**	**Dec/22**	**Sep/23**	**Dec/22**	**Sep/23**	**Dec/22**
Total allocated assets	90 161 726	91 896 930	177 480 712	183 447 497	175 790 226	83 279 920	5 885 287	7 153 239	449 317 951	365 777 586
Total allocated liabilities	48 516 892	54 157 982	101 020 497	111 840 362	127 081 367	26 414 682	1 664 960	1 736 089	278 283 715	194 149 115

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 segments	**Sep/23**		**Dec/22**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Deferred Taxes	11 977 278	4 302 416	9 989 258	4 303 563
Income tax	29 039	2 627 455	109 587	413 865
Net Financing	171 514 703	29 969 134	237 132 629	70 081 886
BK sale receivable amount	32 374 762	-	32 974 762	-
Non-current accounts receivable	751 653	-	501 388	-
Investments in associates and joint ventures	6 145 599	-	3 087 921	-
Debt instruments at amortised cost	1 681 031	-	3 068 858	-
Total	224 474 065	36 899 005	286 864 403	74 799 314

	Sep/23		Dec/22	
	Assets	Liabilities	Assets	Liabilities
Allocated by segment	449 317 951	278 283 715	365 777 585	194 149 115
Not allocated	224 474 065	36 899 005	286 864 403	74 799 314
Total Balance	673 792 016	315 182 720	652 641 989	268 948 429

INFORMATION BY GEOGRAPHY

At 30 September 2023 the breakdown of revenues and non-current assets by geography is as follows:

30 September 2023	Portugal	Angola	Spain	Group
Turnover	**174 236 411**	**9 163 167**	**126 680 061**	**310 079 639**
Tangible and intangible fixed assets	109 286 212	14 336 147	29 830 072	153 452 432
Right-of-Use Assets	44 562 042	217 661	133 474 125	178 253 827
Investment property	12 914 890	-	-	12 914 890
Goodwill	6 604 503	130 714	47 656 558	54 391 775
Deferred tax assets	-	-	11 977 278	11 977 278
Investments in assoc. and joint ventures	6 145 599	-	-	6 145 599
Non-current accounts receivable	7 751 653	-	8 762 481	16 514 134
Debt instruments at amortised cost	-	624 333	-	624 333
Total non-current assets	**187 264 899**	**15 308 855**	**231 700 514**	**434 274 268**

4.3. Operating income and expenses

4.3.1. Other operating income/(expenses)

Other expenses and other operating income breakdown in 30 September 2023 and 2022 are presented as follows:

	2023	2023
Other operating expenses		
Direct/indirect taxes not affecting the operating activity	615 617	518 506
Losses on tangible fixed assets	10 707	100 050
Exchange differences	1 282 840	771 045
Stock losses	30 778	5 842
Membership fees, donations and gifts and inventory samples	118 854	83 641
Impairment adjustments (of receivables)	64 974	189 116
Other operating expenses	236 529	119 583
	2 360 299	**1 787 783**
Other operating income		
Operating subsidies	108 579	53 801
Supplementary income	5 551 677	3 270 728
Exchange differences	240 095	1 095 653
Compensation	-	2 618 320
Impairment (reversal) of accounts receivable	107 020	60 700
Gains on tangible fixed assets	4 648	19 718
Investment subsidies	10 995	24 581
Other operating income	252 156	72 504
	6 275 170	**7 216 005**
Other operating income / (expenses)	**3 914 871**	**5 428 222**

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

Due to the devaluation of the Angolan currency as of May 2023, net charges for exchange rate differences increased by 1.3 million euros compared to the same period in 2022.

A indemnity was received in the amount of 618,320 euros relating to the fire at the Alicante airport (amounts recorded under compensation), and that resulting from the compensation agreement associated with the purchase of the EatOut group in Spain, in the amount of 2 million euros.

5. Working Capital

5.1. Accounts receivable

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.

At 30 September 2023 and 31 December 2022, the accounts receivable item breaks down as follows:

	Note	Sep/23	Dec/22
Non-current accounts receivable			
Non-current financial assets		751 653	501 388
Other accounts receivable		8 870 301	7 355 485
BK sale receivable amount		7 000 000	7 000 000
Accumulated impairment losses		-107 820	-129 384
		16 514 134	**14 727 489**
Current accounts receivable			
Clients		6 329 401	17 442 675
State and other public entities		3 401 002	3 041 134
Other debtors	**5.1.1.**	7 914 962	6 165 750
BK sale receivable amount		25 374 762	25 974 762
Advances to suppliers c/a		188 483	247 487
Advances to suppliers of fixed assets		2 532 405	296 657
Accrued income		2 670 811	4 012 292
Expenses to be recognised		1 934 721	1 526 337
Accumulated impairment losses		-2 842 670	-2 886 823
		47 503 877	**55 820 271**
Total Accounts receivable		**64 018 011**	**70 547 760**

BK sale receivable amount (current and non-current)
Of the estimated amount receivable from the sale of BK, totaling 32,374,762 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.

Still in the process of concluding the sale of the subsidiaries Iberking, Restauração S.A. and Lurca S.A.U., under the price adjustment mechanism provided for in the purchase and sale agreement signed in November 2022, the values considered in the financial statements for 2022 and 30 September 2023 have been defined, already taking into account the results contained in the independent expert's final report, as described in note12.

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 3,352,898 euros at 30 September 2023 (3,041,087 euros in 2022)

5.1.1. Other debtors

On 30 September 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:

	Sep/23	Dec/22
Meal cards/aggregators	2 826 943	1 866 687
Deposits and bonds	333 519	1 064 483
Marketing and rappel	1 754 322	848 190
Debtors suppliers and others	1 569 630	1 377 361
Advances	132 745	131 447
Staff expenses	173 216	122 876
Credit sales	869 820	660 547
Continente card	254 767	94 160
Total	**7 914 962**	**6 165 750**

Meal card/aggregators
The "Meal card" amounts refer to payments at the establishments, 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 30 September 2023 and 31 December 2022, the accounts payable item breaks down as follows:

	Note	Sep/23	Dec/22
Non-current payables			
Non-current payables		3 704	43 149
		3 704	**43 149**
Current payables			
Suppliers	**5.2.1.**	48 268 570	60 214 442
Accrued expenses	**5.2.2.**	30 045 480	23 469 782
Other creditors		5 346 015	5 977 098
State and other public entities		6 961 267	8 401 652
Income to be recognised		114 472	758 268
		90 735 804	**98 821 242**
Total accounts payable		**90 739 508**	**98 864 391**

State and other public entities
The balance of the item State and other public entities results, essentially, from VAT payable (3,194,446 euros) and Social Security (2,795,136 euros).

5.2.1. Suppliers

The breakdown of suppliers on 30 September 2023 and 31 December 2022, is as follows:

	Sep/23	Dec/22
Suppliers - Incoming invoices	37 856 759	44 166 336
Suppliers - Invoices being received and checked	7 081 683	5 782 983
Suppliers of fixed assets - current account	3 330 128	10 265 123
Total accounts payable to suppliers	48 268 570	60 214 442

5.2.2. Accrued expenses

As at 30 September 2023 and 31 December 2022 the breakdown of accrued expenses, is as follows:

	Sep/23	Dec/22
Insurance payable	129 146	85 737
Accrued payroll	10 259 349	8 256 196
Rents and leases	12 526 435	9 559 234
External services rendered	6 488 499	5 237 673
Others	642 051	330 942
Total accrued expenses	30 045 480	23 469 782

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

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

	Sep/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
Total	**54 391 775**	**54 391 775**

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

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

6.2. Intangible assets

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.

At 30 September 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 nine months period ending in 30 September 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
01 January 2022	**16 316 667**	**16 912 143**	**1 411 650**	**1 230 242**	**35 870 696**
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
31 December 2022	**15 216 667**	**8 827 817**	**1 654 333**	**1 163 972**	**26 862 783**
Currency translation	-	-12 160	-	-47 573	-59 733
Additions	-	1 316 513	135 325	963 486	2 415 324
Decreases	-	-25 254	-30 000	-128 725	-183 979
Transfers	-	10 948	-	-2 000	8 948
Amortization for the year	-825 000	-1 480 727	-147 393	-	-2 453 120
30 September 2023	**14 391 667**	**8 637 137**	**1 612 265**	**1 949 160**	**26 590 223**

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

Changes in property, plant and equipment

During the nine months period ending in 30 September 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
01 January 2022	**19 497 339**	**153 238 101**	**31 204 592**	**9 664 958**	**768 719**	**214 373 712**
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	-	-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
31 December 2022	**14 581 536**	**90 463 145**	**19 209 331**	**4 879 846**	**1 406 440**	**130 540 302**
Currency translation	-360 739	7 110	123 809	74 032	-11 847	-167 635
Additions	-	4 159 118	3 218 957	539 987	3 936 014	11 854 076
Decreases	-	-8 556	-160 017	-6 193	-14 615	-189 381
Transfers	-3 484 496	-150 555	214 437	47 139	-681 323	-4 054 798
Depreciation for the year	-35 517	-6 745 288	-3 301 392	-924 375	-	-11 006 572
Transfer discontinued operations	-	-99 308	-11 052	-3 423	-	-113 783
30 September 2023	**10 700 784**	**87 625 666**	**19 294 073**	**4 607 013**	**4 634 669**	**126 862 209**

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 the end of 2023.

The value of tangible assets in progress in the amount of €3.9M refers to investments incurred for future openings.

6.4. Right of use assets

Changes in right of use assets

During the nine months period ending in 30 September 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 Commercial Spaces	Buildings	Equipment	Other assets	Total
01 January 2022	**128 125 587**	**5 881 809**	**4 496 619**	**367 138**	**138 871 153**
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
31 December 2022	**82 014 090**	**4 692 812**	**3 012 457**	**208 323**	**89 927 682**
Currency translation	-208 654	-	-	-	-208 654
Increases	113 880 622	-	-	-	113 880 622
Decreases	-1 769 224	-	-	-	-1 769 224
Transfers	-	-395 402	-3 239	-	-398 641
Depreciation for the year	-21 364 899	-934 392	-513 515	-31 138	-22 843 944
Transfers from discontinued operations	-334 012	-	-	-	-334 012
30 September 2023	**172 217 923**	**3 363 017**	**2 495 703**	**177 185**	**178 253 827**

The value of the increases essentially corresponds to the new lease contracts at Madrid, Lanzarote, Tenerife and Malaga Airports, for which the incremental rate updated with current market conditions was used. And also the effect of remeasurement of contracts by rent updates by the Consumer Price Index and other changes in expected lease payments.

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

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 of CGU's 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.

The assumptions for analyzing impairment of tangible fixed assets, intangible assets, rights of use and goodwill used in the preparation of the financial statements as of December 31, 2022, remain valid and there have been no changes to the underlying facts and circumstances. No relevant signs were identified that would indicate the need to carry out new impairment tests in the first six months of 2023.

Expenses with depreciation, amortization and impairment losses on non-financial assets in the nine months period ending in 30 September 2023 and in the year ending 31 December 2022, were as follows:

		2023			2022		
Nature	**Note**	**Depreciation and amortisation**	**Impairment losses**	**Total**	**Depreciation and amortisation**	**Impairment losses**	**Total**
Goodwill	6.1.	-	-	-	-	-	-
Intangible assets	6.2.	-2 453 120	-	-2 453 120	-2 148 014	-	-2 148 014
Property, plant and equipment	6.3.	-11 006 569	-	-11 006 569	-9 740 853	-	-9 740 853
Right-of-use assets	6.4.	-22 843 944	-	-22 843 944	-14 099 111	-	-14 099 111
Currency translation		-175 395	-	-175 395	120 340	-	120 340
Total		**-36 479 028**	-	**-36 479 028**	**-25 867 638**	-	**-25 867 638**

6.6. Investment Property

The investment properties, which at 30 September 2023 and 31 December 2022 which total 12,914,819 euros and 8,470,400 euros, respectively, relate to real estate assets where 9 Burger King restaurants operate. These assets were subject to a lease agreement with Burger King Portugal.

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 13.4 million euros.

7. Financing

7.1. Equity

7.1.1. Share capital

As decided at the Annual General Meeting of May 26, 2023, in June 2023 the company reduced the share capital from 46,000,000 euros to 42,359,577 euros, by extinguishing 3,640,423 own shares, to release excess capital.

At 31 December 2022, Ibersol's share capital was fully subscribed and paid up, represented by 46,000,000 registered shares with a nominal value of 1 euro each.

7.1.2. Own shares

In 2023, the Group extinguished 3,640,423 own shares acquired for 11,410,227 euros, as per note 7.1.1, and acquired 296,413 own shares for 2,027,844 euros, starting the Buyback Program approved at the last General Meeting.

At the end of the period, the company held 296,413 own shares acquired for 2,027,844 euros.

7.1.3. Dividends

At the Annual General Meeting of May 26, 2023, it was decided to grant gross dividends of 0.70 euros per share (0.135 euros in 2022), corresponding to a value of 29,651,704 euros (5,724,002 euros in 2022) for the outstanding shares, payment for which was made on June 20, 2023.

7.1.4. Earnings per share

At 30 September 2023 and 2022, basic and diluted earnings per share were calculated as follows:

	2023	2022
Profit attributable to equity holders		
Continuing operations	9 513 158	7 296 279
Discontinued operations	1 169 780	7 266 870
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	42 359 577	46 000 000
Weighted average number of ordinary shares issued (i)	44 306 470	44 306 470
Weighted average number of treasury shares (ii)	1 947 534	1 947 534
Weighted average number of shares outstanding (i-ii)	42 358 936	42 358 936
Basic earnings per share (euros per share)		
Continued operations	0,22	0,17
Discontinued operations	0,03	0
Diluted earnings per share (€ per share)		
Continued operations	0,22	0,17
Discontinued operations	0,03	0
Number of treasury shares at the end of the period	296 413	3 599 981

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

7.2. Bank Debt

At 30 September 2023 and 31 December 2022 current and non-current borrowings had the following detail:

	Sep/23	Dec/22
Non-current		
Bank loans	9 022 795	29 834 860
Commercial paper	4 800 000	16 400 000
	13 822 795	**46 234 860**
Current		
Bank overdrafts	-	-
Bank loans	4 536 212	12 274 609
Commercial paper	11 610 127	11 572 417
	16 146 339	**23 847 026**
Total borrowings	**29 969 134**	**70 081 886**

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.

Some of the bank loans include Financial Covenants, which are being complied with.

The interest rate in force on 30 September 2023 for PPC and borrowings was on average around 4.2% (2.55% on 31 December 2022). Borrowings indexed at variable rates are indexed to Euribor.

The Group had 50 million euros relating to commercial paper and unused contracted credit lines.

Changes in bank debt

Movements in the nine months period ending in 30 September 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
1 January	**70 081 886**	**167 032 350**
Variations with impact in cash flows:		
Proceeds from borrowings obtained	328 041	3 000 000
Financial debt repayments	-40 755 649	-83 427 754
Variations without impact on cash flows:		
Financing associated with Burger King sale operation	-	-16 676 137
Financing set-up costs	359 857	-
Capitalised interest and other	-44 999	153 428
as at 30 September	**29 969 134**	**70 081 886**

7.3. Lease liabilities

At 30 September2023 and 31 December 2022, the company has commitments to third parties arising from lease contracts, namely real estate contracts. At 30 September 2023 and 31 December 2022 current and non-current leases are as follows:

	Sep/23			dez/22		
	Current	Non-current	Total	Current	Non-current	Total
Leases	25 323 430	157 746 784	183 070 214	20 760 371	70 113 338	90 873 709
TOTAL	25 323 430	157 746 784	183 070 214	20 760 371	70 113 338	90 873 709

Changes in lease liabilities

Changes in the nine months period ending in 30 September 2023 and in the year ending 31 December 2022 are presented as follows:

	2023	2022
1 January	**90 873 709**	**143 068 335**
Variations with impact in cash flows:		
Lease payments	-26 140 657	-32 399 561
Variations with no impact in cash flows:		
Leases associated with Burger King sale operation	-384 620	-67 281 693
Interest for the period from updating lease liabilities	6 989 445	4 481 130
Interest for the period from updating lease liabilities of discontinued operations	-	3 601 415
Lease increases	113 869 492	42 637 420
Contracts terminations / shop closings	-1 769 223	-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	-367 933	-421 835
30 September	**183 070 214**	**90 873 709**

Lease payments include 19,152,216 euros (24,317,016 euros in 2022) of principal and 6,988,441 euros (8,082,545 euros in 2022) of interest.

7.4. Treasury Bonds

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 Kwanza 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:

	Sep/23			Dec/22		
	Current	Non current	Total	Current	Non current	Total
Angolan Treasury Bonds	1 128 942	705 355	1 834 297	607 662	2 771 741	3 379 403
Accumulated impairment losses	-72 244	-81 022	-153 266	-15 937	-294 608	-310 545
TOTAL	1 056 698	624 333	1 681 031	591 725	2 477 133	3 068 858

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

At 30 September 2023 and 31 December 2022, the breakdown of cash and cash equivalents was as follows:

	Sep/22	Dec/22
Cash	515 982	474 011
Bank deposits	170 998 721	236 658 618
Cash and bank deposits in the balance sheet	**171 514 703**	**237 132 629**
Cash and cash equivalents on the cash flow statement	**171 514 703**	**237 132 629**

7.6. Financial activity result

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

Financial expenses	**2023**	**2022**
Interest from lease liabilities (IFRS16)	6 988 441	3 127 835
Interest expenses with financing	1 887 256	1 639 607
Other financial expenses	1 162 961	972 139
	10 038 658	5 739 581

The change in interest on lease liabilities relates mainly to the new lease contracts for Madrid and Lanzarote Airports, for a total of 3 million euros.

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

Financial income and gains	**2023**	**2022**
Interest income	2 625 219	542 891
Other financial income	220 453	301 699
	2 845 672	844 590

8. Current and Deferred Taxes

8.1. Current income tax

8.1.1. Current tax recognized in the income statements

Income taxes recognized in the nine months period ended 30 September 2023 and 2022 are detailed as follows:

	Sep/23	Sep/22
Current tax	4 929 604	2 548 494
Deferred tax	-2 304 956	-205 055
	2 624 648	2 343 439

At 30 September 2023 the effective tax rate is 22%.

8.1.2. Current tax recognized in the statement of financial position

8.1.2.1. Income tax recoverable

At 30 September 2023, the amount of tax on income to be recovered amounts to EUR 29,039 (EUR 109,587 in 2022), as follows:

	Sep/23	Dec/22
Spain	29 039	31 557
Portugal	-	78 030
	29 039	109 587

8.1.2.2. Income tax payable

At 30 September 2023 and 31 December 2022, the amount of tax payable breaks down as follows:

	Sep/23	Dec/22
Portugal	2 457 437	-
Angola	170 018	406 730
Others	-	7 135
	2 627 455	413 865

8.2. Deferred taxes

8.2.1. Deferred tax assets

At 30 September 2023 and 31 December 2022 the detail of deferred tax assets, according to the jurisdiction, is as follows:

	Sep/23	Dec/22
Deferred tax assets	**Spain**	**Spain**
Tax losses carried forward	11 907 092	10 621 807
Ded. temporary differences (IFRS16)	1 476 047	576 596
Taxable temporary differences	-645 937	-645 937
Homogenization of property, plant and equipment and intangible assets	-1 317 175	-1 140 379
Other temporary differences	557 251	577 171
	11 977 278	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 30 September 2023 and 31 December 2022, according to the jurisdiction and temporary differences that generated them, is as follows:

	set/23			Dec/22		
Deferred tax liabilities	**Portugal**	**Angola**	**TOTAL**	**Portugal**	**Angola**	**TOTAL**
Homogenization of property, plant and equipment and intangible assets	4 420 167	-491 387	3 928 780	4 543 332	-711 518	3 831 813
Hyperinflationary Economies (IAS 29)	-	3 496 574	3 496 574	-	3 658 913	3 658 913
Deductible temporary differences (IFRS16)	-	-25 211	-25 211	-	-50 116	-50 116
Other temporary differences	-3 059 410	-38 317	-3 097 727	-3 059 410	-77 637	-3 137 047
	1 360 757	2 941 660	4 302 416	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

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

At 30 September 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:

	set/23	Dec/22
Bank Guarantees	37 508 037	38 674 924

At 30 September 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
30 996 941	20 683	61 682	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 26,936,000 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 RFAI, for a period of 5 years with decreasing annual values.

11. Transactions with related parties

The balances and transactions with related parties in 30 September 2023 and 31 December 2022 can be presented as follows:

	September 2023				Year 2022			
	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities	Parent entitie	Jointly controlled entitie	Associated entitie	Other Entities
Fupply of services	808 506	2 196 210	-	-	1 000 000	4 731 672	-	-
Rental income from lease contracts	-	-	-	139 066	-	-	-	2 035 463
Accounts payable	-	1 274 398	-	-	-	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 21,452,754 shares.

António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira each hold 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 sub-paragraph b) of no. 1 of article 20 and no. 1 of article 21, both of the Securities Code. º, 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 amounts shown under rents and lease contracts relate to the rents paid during the year and, as a result of IFRS16, do not correspond to the amount of lease expenses reflected in the financial statements. The estimated rental payment commitments over the term of the respective contracts amount to around 712,701 euros at 30 September 2023.

12. Subsequent Events

Burger King business sale

Under the terms of the SPA, and during the conclusion of the sale process of the subsidiaries Iberking, Restauração S.A. and Lurca S.A.U, the amounts expected under the price adjustment mechanism were received at the beginning of November, after the final Net Debt was calculated.