IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto
Share Capital Euros 36.000.000
Commercial Registry: Oporto under number 501669477
Fiscal number: 501669477

Consolidated Report & Accounts
1st Half 2019

- **Consolidated Turnover of 221.3 million euros**
  Increase of 4.7% over 1st half of 2018
- **Consolidated EBITDA (without IFRS16) reached 23.0 million euros**
  Ebitda decreased 13.1% over 1st half of 2018.
- **Consolidated net profit (without IFRS16) of 7.8 million euros**
  Decrease of 28.3% when compared to the 1st half of 2018.

Consolidated Management Report

Activity

As a result of applying the new accounting standard on leases (IFRS16) since 1st of January 2019, the group decided to adopt for the modified retrospective method in the consolidated accounts, according to which there is no restatement of historical data.
For better comparability and once there are no changes in the way Ibersol evaluates the operating performance of its business, the below analysis does not consider the application of IFRS16. The significant impact of this accounting standard on our financial statements, especially in the shortest activity quarters, is presented in a specific section of this report.

Consolidated turnover in the first half of 2019 amounted to EUR 221.3 million, compared to EUR 211.3 million in the same period of the previous year, broken down as follows:

Turnover	1st Half 2019	
	euro million	% Ch. 19/18
Sales of Restaurants	213,1	4,5%
Sales of Merchandise	6,5	31,2%
Services Rendered	1,7	-28,4%
Net Sales & Services	221,3	4,7%

The positive evolution of the demand in the Iberian, coupled with the effects of the openings at the end of 2018, contributed to the increase of restaurant sales during this period and to minimize two relevant negative impacts on the Group's activity:

a) the reduction in turnover in Angola, as a result of the sharp decrease in consumption in parallel with a devaluation of AKZ against the EUR (around 35%);
b) the reduction in the number of operated restaurants at the Barcelona airport since May of 2018, still not compensated by the opening and conversion in the final restaurants of all the spaces in the new concessions.

SALES IN RESTAURANTS	1st Half 2019	
	euro million	% Ch. 19/18
Restaurants	49,4	3,5%
Counters	105,6	9,7%
Concessions&Catering	58,1	-3,1%
Total Sales	213,1	4,5%

At the segment level, restaurants increased 3.5%, whose performance in 2Q19 benefited from the calendar effect with the transfer from Easter to April, which had penalized the performance of this segment in 1Q19.

The counters segment, even including activity in Angola, once again recorded a solid performance, with sales exceeding EUR 105 million, an increase of 9.7%. This growth results from: (i) the performance of Burger King and KFC brands, that have been registering successive market share gains and growth rates influenced by a higher number of units operating (ii) extension of home delivery coverage through aggregators to a larger number of units.

The "Concessions and Catering" segment sales decreased 3.1% compared to the same period of the previous year, due to the changes in the perimeter caused by the closure and opening of restaurants in 4 concessions (Barcelona, Málaga, Gran Canaria and Alicante). Eliminating this effect, the growth of the segment would be 6%.

During the semester the conversion of 12 new restaurants (7 at Barcelona, 4 at Málaga and 1 at Alicante), was completed for the definitive concepts.

In this period, there was a reversal in the growth trend in passenger traffic at Canary Islands airports, with the consequent impact on the performance of the units operating in these locations

Highlight for the performance of the catering business, which benefited from larger events.

During the semester, we closed 8 restaurants in Spain 5 of which franchisee.

Following the strategy of expansion in new concessions, five new units began to be operated, two at Alicante airport and the remaining at Malaga and Gran Canaria airports and AVE Girona, two of which, are still operating on a provisional store. In addition, the opening of six Burger King and a Pans equity restaurant and 2 franchised restaurant of Pans at Spain and Morocco.

At the end of the semester, the total number of restaurants was 646 (524 equity and 122 franchises), as shown below:

Nº of Restaurants	2018 31-Dec	Openings	Transfer	Closures	2019 30/Jun
PORTUGAL	**332**	**5**		**0**	**337**
Equity Restaurants	**331**	**5**		**0**	**336**
Pizza Hut	95				95
Okilo+MIIT+Ribs	4				4
Pans+Roulotte	46				46
Burger King	87	5			92
KFC	27				27
Pasta Caffé	7				7
Quiosques	8				8
Coffee Shops	27				27
Catering	7				7
Concessions & Other	23				23
Franchise Restaurants	**1**				**1**
SPAIN	**292**	**7**		**8**	**291**
Equity Restaurants	**175**	**6**		**3**	**178**
Pizza Móvil	28			3	25
Pizza Hut	5				5
Burger King	35				35
Pans	35	1			36
Ribs	10				10
FrescCo	3				3
Concessions	59	5			64
Franchise Restaurants	**117**	**1**		**5**	**113**
Pizza Móvil	15			1	14
Pans	52	1			53
Ribs	27				27
FrescCo	7			2	5
SantaMaria	16			2	14
ANGOLA	**10**				**10**
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise	**7**	**1**		**0**	**8**
Pans	7	1			8
Total Equity Restaurants	**516**	**11**	**0**	**3**	**524**
Total Franchise Restaurants	**125**	**2**	**0**	**5**	**122**
TOTAL	**641**	**13**	**0**	**8**	**646**

Results

The consolidated net income (without IFRS16) of 1H amounted to Eur 7.8 million euros compared to 10.9 million euros, in the same period of 2018, which represents a decrease of 28.3%.

(Million euros)	H1 19 Excl./IFRS16	H1 18
Operating income		
Sales	219,6	208,9
Rendered services	1,7	2,4
Other operating income	3,9	4,5
Total operating income	**225,3**	**215,8**
Custos Operacionais		
Cost of sales	54,2	51,2
External supplies and services	74,6	70,9
Personnel costs	71,5	66,2
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	13,0	12,4
Other operating costs	2,0	1,0
Total operating costs	**215,2**	**201,7**
Operating Income	**10,0**	**14,1**
EBITDA	**23,0**	**26,5**
Net financing cost	2,1	2,3
Gains (losses) in joint controlled subsidiaries - Equity method	0,1	0,0
Gain (loss) on the net monetary position	0,6	0,9
Profit before tax	**8,7**	**12,3**
Income tax expense	0,9	1,5
Net profit	**7,8**	**10,9**

Gross margin was 75.5% of turnover, 0.3p.p lower than the previous year (1H18: 75.8%). This reduction results from a higher weight of merchandise sales with reduced margins.
Without this effect the gross margin would have been 77.1% of adjusted turnover, 0.2p.p.higher of the previous year (1H18 adjusted: 76.9%)

In terms of the remaining cost structure, it should be noted that there has been some pressure to increase it, resulting in slight increases in the weight of personal costs and external supplies and services.

Including the effect of the increase in the minimum wage**, Staff costs** increased 8.0%, representing 32.3% of the turnover (1H18: 31.3%).

External Supplies and services (without IFRS16): increase of 5.2%, representing 33.7% of turnover, which represents an increase of 0.2p.p. than in 1H 2018. Contributing to this increase is the cost of aggregator commissions, associated with a higher weight of home delivery in total sales.

Other operating income decreased 12.7%, due to the transfer of the merchandise margin sales from this item to the gross margin, since the second quarter of 2018.

Other operating costs increased 1.0 million euros, mainly due to the write-off of assets related to store relocation.

Therefore **EBITDA** (without IFRS16) amounted to 23 million euros, a decrease of 13.1% over 1H18. Activity in Spain was deeply affected by the reduction of share at Barcelona Airport and the opening period of definitive new concessions with an important impact on Ebitda.

Consolidated **EBITDA** margin (without IFRS16) stood at 10.4% of turnover which compares with 12.5% in the same period of the previous year.

Consolidated **EBIT** margin (without IFRS16) was 4.5% of turnover compared to 6.7% in the 1H18.

Consolidated **Financial Results** (without IFRS16) were 2.1 million euros, around 0.2 million euros lower than in the first half of 2018.

Average cost of loans was 2.6%, slightly higher than 1H18(2.2%), due to the greater weight of the debt in Angola in the local currency.

Financial Situation

Total Assets (without IFRS16) amounted to 448 million euros and Equity (without IFRS16) stood at 207 million euros, representing 46% of assets.

CAPEX reached 19.8 million euros. About 14.2 million corresponds to the investment incurred in to complete the expansion plan and the remaining for the refurbishment and modernization of some restaurants.

Net debt at 30th June 2019 (without IFRS16) amounted to 80.1 million euros, 5.5 milion euros higher than at the end of 2018.

Outlook

In Portugal, is expected a slight slowing down in pace of sales growth in line with recent months, while growth in Spain will be more moderate.

The uncertainty of Brexit impact on the European economy and the reduction in traffic passenger, is one of the main risks to the performance of concessions, namely at the airports located at touristic destinations.

In Spain, we expect to complete all the restaurants won in 2018 at the Barcelona, Gran Canaria, Malaga and Alicante airports, with the definitive concepts.

In Angola it is estimated that the decline in consumption will continue, with the inherent drop in transactions. The inability to increase prices at the pace of devaluation, will also lead to a decline in the profitability of our operations.

As far as expansion is concerned, we will try to remain the openings pace of the last years in Portugal, and in Spain selective openings of Pans and Ribs.

Porto, 4th September 2019

____

António Carlos Vaz Pinto de Sousa

____

António Alberto Guerra Leal Teixeira

____

Juan Carlos Vázquez-Dodero

Appendix - IFRS16 impact on the Financial Statements

The applying of the new standard on leases - IFRS16 - from 1st January 2019, has a relevant impact on the results for the first quarter of the year.

Taking in consider that the Group's operation is carried out mainly in leased restaurants, under lease or concession agreements with maturities over 12 months, is recognized the value of Assets ("Rights of Use") and Liabilities ("Lease Liability") in the Balance Sheet and consequent amortization and financial expenses in the Income Statement.

Income Statement

From the application of IFRS16, on 30 June, EBITDA amounted to EUR 48.9 million (EUR 23.0 million without IFRS 16) and a Net Result of EUR 0.6 million (EUR 7.8 million excluding IFRS16).

(Million euros)	H1 19 IFRS 16	H1 19 Excl./IFRS16	H1 18
Operating income			
Sales	219,6	219,6	208,9
Rendered services	1,7	1,7	2,4
Other operating income	3,9	3,9	4,5
Total operating income	**225,3**	**225,3**	**215,8**
Custos Operacionais			
Cost of sales	54,2	54,2	51,2
External supplies and services	48,7	74,6	70,9
Personnel costs	71,5	71,5	66,2
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	39,6	13,0	12,4
Other operating costs	2,0	2,0	1,0
Total operating costs	**216,0**	**215,2**	**201,7**
Operating Income	**9,2**	**10,0**	**14,1**
EBITDA	**48,9**	**23,0**	**26,5**
Net financing cost	10,9	2,1	2,3
Gains (losses) in joint controlled subsidiaries - Equity method	0,1	0,1	0,0
Gain (loss) on the net monetary position	0,6	0,6	0,9
Profit before tax	**-0,9**	**8,7**	**12,3**
Income tax expense	-1,5	0,9	1,5
Net profit	**0,6**	**7,8**	**10,9**

With the application of the standard, the variability of rents according to turnover is largely replaced by the registration of fixed costs, whereby the impact on profit before taxes is much higher in periods of lower activity. This impact will be attenuated in quarters with higher sales volume and with the normal sales seasonality, it is estimated that in the next semester the impact will be half that of the first one.
In addition, the annual effect on the 2019 results is amplified by the fact that most of the concession contracts in Spanish airports are in initial stages, with terms that are lower than the average of the Group's lease contracts.

Balance Sheet

On 30 June, the new IFRS16 standard implies the recognition of the Right of Use (RoU) in the Assets with an impact of 328 million euros and the corresponding recognition of finance leases in the Liabilities, with a total impact of 340 million euros.

Balance Sheet (million euros)	30/06/2019	30-06-2019 Excl./IFRS16	31/12/2018
Non-current			
Net Fixed Assets	198,4	206,8	201,3
Rights of Use (RoU)	328,3	0,0	
Total non-current assets	**684,2**	**364,2**	**359,6**
Current			
Other current assets	24,6	25,4	27,6
Total current assets	**82,9**	**83,6**	**84,6**
Total Assets	**767,1**	**447,7**	**444,2**
EQUITY AND LIABILITIES			
EQUITY			
Net profit in the year	0,6	7,8	25,0
Total Equity	**199,7**	**207,0**	**203,2**
Non-current			
Loans	66,8	74,0	79,2
Liability for rentals	291,2		
Deferred tax	8,3	10,5	10,6
Total non-current liabilities	**369,9**	**88,1**	**93,3**
Current			
Liability for rentals	48,8		
Accounts payable to suppliers and accrued costs	72,3	75,2	81,4
Total current liabilities	**197,5**	**152,7**	**147,8**
Total Liabilities	**567,4**	**240,8**	**241,1**
Total Equity and Liabilities	**767,1**	**447,7**	**444,2**

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

Consolidated Interim Financial Statements

30th June 2019

IBERSOL S.G.P.S., S.A.
INTERIM STATEMENT OF CONSOLIDATED FINANCIAL POSITION ON 30th June 2019 AND 31st DECEMBER 2018
(values in euros)

ASSETS	Notes	30/06/2019	31/12/2018
Non-current			
Tangible fixed assets	8	198 426 307	201 310 291
Rights of use	3.1 e 9	328 345 965	-
Goodwill	9	90 846 327	90 846 327
Intangible assets	9	36 500 993	36 146 157
Financial investments - joint controlled subsidiaries		2 592 185	2 459 842
Non-current financial assets		252 189	211 430
Other financial assets	19	15 098 929	15 753 485
Other non-current assets	16	12 125 349	12 921 343
Total non-current assets		**684 188 245**	**359 648 875**
Current			
Inventories		12 211 612	11 622 326
Cash and bank deposits		38 782 548	37 931 124
Income tax receivable		4 366 921	3 574 662
Other financial assets	19	3 027 375	3 855 375
Other current assets	16	24 560 289	27 617 179
Total current assets		**82 948 745**	**84 600 666**
Total Assets		**767 136 990**	**444 249 541**

EQUITY AND LIABILITIES	Notes	30/06/2019	31/12/2018
EQUITY			
Capital and reserves attributable to shareholders			
Share capital	10	36 000 000	36 000 000
Own shares		-11 180 516	-11 180 516
Share prize		469 937	469 937
Legal reserves		1 075 511	755 581
Conversion Reserves		-7 768 858	-7 140 907
Other Reserves & Retained Results		180 376 863	158 974 733
Net profit in the year		565 142	24 962 061
		199 538 079	**202 840 889**
Interests that do not control		205 265	329 204
Total Equity		**199 743 344**	**203 170 093**
LIABILITIES			
Non-current			
Loans		66 796 998	79 182 324
Liability for leases	3.1	291 230 344	-
Deferred tax liabilities		8 315 227	10 556 031
Provisions		3 244 724	3 244 724
Derivative financial instrument		177 590	177 570
Other non-current liabilities		125 479	150 344
Total non-current liabilities		**369 890 362**	**93 310 993**
Current			
Loans		62 045 129	52 961 448
Liability for leases	3.1	48 754 156	-
Accounts payable to suppliers and accrued costs		72 294 158	81 387 772
Income tax payable		1 513 841	162 901
Other current liabilities	16	12 896 000	13 256 334
Total current liabilities		**197 503 284**	**147 768 455**
Total Liabilities		**567 393 646**	**241 079 448**
Total Equity and Liabilities		**767 136 990**	**444 249 541**

Porto, 04th September 2019

The Board of Directors,

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

INTERIM CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE, 2019 AND 2018

(values in euros)

	Notes	30/06/2019	30/06/2018
Operating Income			
Sales	6	219 598 464	208 895 636
Rendered services	6	1 738 397	2 429 104
Other operating income		3 924 199	4 494 747
Total operating income		225 261 060	215 819 487
Operating Costs			
Cost of sales		54 179 091	51 228 537
External supplies and services		48 727 214	70 852 960
Personnel costs		71 487 268	66 184 686
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	8 e 9	39 639 681	12 417 699
Other operating costs		2 006 664	1 047 640
Total operating costs		216 039 917	201 731 522
Operating Income		9 221 143	14 087 965
Net financing cost	17	10 866 218	2 272 471
Gains (losses) in joint controlled subsidiaries - Equity method		132 343	23 566
Gains (losses) in financial investments		-	-370 000
Gains (losses) on Net monetary position	8 e 9	583 621	880 835
Profit before tax		**-929 111**	**12 349 895**
Income tax expense	18	-1 497 093	1 483 567
Net profit		**567 982**	**10 866 328**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		-627 951	-3 762 267
TOTAL COMPREHENSIVE INCOME		**-59 969**	**7 104 061**
Net profit attributable to:			
Owners of the parent		565 142	10 740 667
Non-controlling interest		2 840	125 661
		567 982	10 866 328
Total comprehensive income attributable to:			
Owners of the parent		-62 809	6 978 400
Non-controlling interest		2 840	125 661
		-59 969	7 104 061
Earnings per share:	10		
Basic		**0,02**	**0,33**
Diluted		**0,02**	**0,33**

Porto, 04th September 2019

The Board of Directors,

IBERSOL S.G.P.S., S.A.
INTERIM CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND TRIMESTER OF 2019 AND 2018
(values in euros)

	Notes	2nd TRIMESTER (unaudited) 2019	2018
Operating Income			
Sales		117 659 359	110 058 235
Rendered services		896 946	980 728
Other operating income		2 074 278	2 374 546
Total operating income		120 630 583	113 413 509
Operating Costs			
Cost of sales		29 280 154	28 395 489
External supplies and services		25 101 762	37 183 416
Personnel costs		37 155 466	32 901 835
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA		20 960 082	6 128 866
Other operating costs		750 815	-483 466
Total operating costs		113 248 278	104 126 140
Operating Income		7 382 305	9 287 369
Net financing cost		5 938 609	1 433 509
Gains (losses) in joint controlled subsidiaries - Equity method		49 830	32 505
Gains (losses) in financial investments		-	-370 000
Gains (losses) on Net monetary position		222 742	305 176
Profit before tax		**1 716 268**	**7 821 541**
Income tax expense		-842 699	448 853
Net profit		**2 558 967**	**7 372 688**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		-576 841	-716 198
TOTAL COMPREHENSIVE INCOME		**1 982 126**	**6 656 490**
Net profit attributable to:			
Owners of the parent		2 535 896	7 262 852
Non-controlling interest		23 071	109 836
		2 558 967	7 372 688
Total comprehensive income attributable to:			
Owners of the parent		1 959 055	6 546 654
Non-controlling interest		23 071	109 836
		1 982 126	6 656 490
Earnings per share:			
Basic		**0,08**	**0,20**
Diluted		**0,08**	**0,20**

Porto, 04th September 2019

The Board of Directors,

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

Interim Statement of Alterations to the Consolidated Equity

for the six months period ended 30th June, 2019 and 2018 (unaudited)

(value in euros)

	Note	Assigned to shareholders								Interests that do not control	Total Equity
		Share Capital	Own Shares	Share Prize	Legal Reserves	Conversion Reserves	Other Reserves & Retained Results	Net Profit	Total parent equity		
Balance on 1 January 2018		30 000 000	-11 179 969	469 937	263 001	-2 012 886	139 507 205	30 849 460	187 896 747	723 445	188 620 192
IFRS 9 Impact							-702 358		-702 358		-702 358
IFRS 15 Impact							-		-		-
Changes in the period:											
Application of the consolidated profit from 2017:											
Transfer to reserves and retained results					492 580		30 356 880	-30 849 460	-		-
Share Capital increase		6 000 000					-6 000 000		-		-
Conversion reserves - Angola						-3 762 267			-3 762 267		-3 762 267
Net consolidated income for the six months period ended on 30 June, 2018								10 740 667	10 740 667	125 661	10 866 328
Total changes in the period		6 000 000	-	-	492 580	-3 762 267	24 356 880	-20 108 793	6 978 400	125 661	7 104 061
Net profit								**10 740 667**	**10 740 667**	**125 661**	**10 866 328**
Total comprehensive income									6 978 400	125 661	7 104 061
Transactions with capital owners in the period											
Application of the consolidated profit from 2017:											
Paid dividends							-2 700 006		-2 700 006	-444 647	-3 144 653
		-	-		-	-	-2 700 006	-	-2 700 006	-444 647	-3 144 653
Balance on 30 June 2018		**36 000 000**	**-11 179 969**	**469 937**	**755 581**	**-5 775 153**	**160 461 720**	**10 740 666**	**191 472 782**	**404 458**	**191 877 241**
Balance on 1 January 2019		36 000 000	-11 180 516	469 937	755 581	-7 140 907	158 974 733	24 962 061	202 840 889	329 204	203 170 093
Changes in the period:											
Application of the consolidated profit from 2018:											
Transfer to reserves and retained results					319 930		24 642 131	-24 962 061	-		-
Conversion reserves - Angola						-627 951			-627 951		-627 951
Net consolidated income for the six months period ended on 30 June, 2019								565 142	565 142	2 840	567 982
Total changes in the period		-	-	-	319 930	-627 951	24 642 131	-24 396 919	-62 809	2 840	-59 969
Net profit								**565 142**	**565 142**	**2 840**	**567 982**
Total comprehensive income									-62 809	2 840	-59 969
Transactions with capital owners in the period											
Application of the consolidated profit from 2018:											
Paid dividends							-3 240 000		-3 240 000	-126 779	-3 366 779
		-	-	-	-	-	-3 240 000	-	-3 240 000	-126 779	-3 366 779
Balance on 30 June 2019		**36 000 000**	**-11 180 516**	**469 937**	**1 075 511**	**-7 768 858**	**180 376 863**	**565 142**	**199 538 079**	**205 265**	**199 743 344**

Porto, 04th September 2019

The Board of Directors,

IBERSOL S.G.P.S., S.A.
Interim Consolidated Cash Flow Statements
for the six months period ended 30 June, 2019 and 2018
(value in euros)

	Note	Six months period ending on June 30 (unaudited)	
		2019	**2018**
Cash Flows from Operating Activities			
Receipts from clients		221 243 140	209 265 542
Payments to supliers		-92 892 884	-110 652 995
Staff payments		-67 445 769	-65 735 201
Flows generated by operations		60 904 487	32 877 346
Payments/receipt of income tax		-150 797	1 507 330
Other paym./receipts related with operating activities		-7 401 772	-14 123 221
Flows from operating activities (1)		**53 351 918**	**20 261 455**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		61 139	112 737
Tangible fixed assets		21 348	34 161
Investment benefits			
Interest received		799 476	849 779
Other financial assets		3 471 601	3 341 650
Payments for:			
Financial Investments		101 899	1 004 955
Other financial assets		0	2 269 365
Tangible fixed assets		22 170 371	9 317 266
Intangible assests		1 747 863	1 320 791
Other investments			4 000 000
Flows from investment activities (2)		-19 666 569	-13 574 050
Cash flows from financing activities			
Receipts from:			
Loans obtained		7 740 349	7 381 210
Payments for:			
Loans obtained		7 082 498	6 282 097
Amortisation and interest of liability for leases		26 480 558	
Interest and similar costs		2 620 891	2 324 848
Dividends paid		3 241 321	3 144 647
Flows from financing activities (3)		-31 684 919	-4 370 382
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**2 000 430**	**2 317 023**
Cash & cash equivalents at the start of the period		32 048 560	34 882 539
Cash & cash equivalents at end of the period	20	**34 048 990**	**37 199 562**

Porto, 04th September 2019

The Board of Directors,

IBERSOL SGPS, S.A.

ANNEX TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2019

(Values in euros)

1. INTRODUCTION

IBERSOL, SGPS, SA ("Company" or "Ibersol") has its 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 646 units in the restaurant segment through the brands Pizza Hut, Pasta Caffé, Pans & Company, Ribs, FresCo, SantaMaria, Kentucky Fried Chicken, Burger King, O' Kilo, Roulotte, Quiosques, Pizza Móvil, Miit, Sol, Sugestões e Opções, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 524 units which it operates and 122 units under a franchise contract. Of this universe, 291 are headquartered in Spain, of which 178 are own establishments and 113 are franchised establishments, and 10 in Angola.

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

Ibersol SGPS parent company is ATPS - SGPS, S.A ..

2. MAIN ACCOUNTING POLICIES

The main accounting policies applied in preparing these consolidated financial statements are described below.

2.1 Presentation basis

These consolidated interim financial statements were prepared according to the international standard nº. 34 – Interim Financial Report, and therefore do not include all the information required by the annual financial statements, and should be read together with the company's financial statements for the period ended 31 December 2018.

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

The accounting policies applied on 30 June 2019 are identical to those applied for preparing the financial statements of 30 June and 31 December 2018, except for the exchange currency differences included in other income / other operating costs and excluded from net financing cost.

3. CHANGE OF ACCOUNTING POLICIES, ERRORS AND ESTIMATES

3.1. New standards, amendments and interpretations adopted by the Group

The Group adopted for the first time the new standard IFRS 16 Leases, and there was no restatement of the comparative Financial Statements. As required by IAS 34, the nature and effects of these changes are as follows:

IFRS 16 Locations

The new IFRS 16 eliminated the classification of leases between operating or financial leases for tenant entities as provided for in IAS 17. Instead, it introduced a single accounting model, very similar to the treatment of leases in renters.

This unique model establishes, for the lessee, the recognition of: i. assets and liabilities for all leases with a term greater than 12 months (low value assets may be excluded, regardless of the term of the lease) in the Balance Sheet; and ii. depreciation of leased assets and interest separately in the Income Statement.

The Group adopted this new standard as from 1 January 2019, applying the modified retrospective method, with assets equal to liabilities, in the consolidated accounts, and therefore did not restate the comparative accounts for the year 2018, and there was no impact in the Group's equity at the time of transition.

The Group's operating leases relate mainly to leases of stores and warehouses. With respect to previous commitments with operating leases, in the transition, the Group recognized in its Consolidated Balance Sheet as of January 1, 2019, rights to use in the amount of 291.085.260 euros, lease liabilities of 293.970.178 euros and an adjustment in additions and deferrals of 4.987.328 euros.

As regards previous commitments with financial leases, at the time of transition, the book values of assets and liabilities per lease at 31 December 2018 (€ 4.282.410 and € 2.180.000, respectively) were assumed as rental rights and lease liabilities in accordance with IFRS 16 to 1 January 2019.

In measuring leasing liabilities, the Group discounted lease payments using its incremental financing rate on 1 January 2019. The weighted average rate applied is in the range of 3.5% - 6%, taking into account the characteristics contracts (underlying assets and guarantees, currency and term). In applying IFRS 16 for the first time, the Group used the following practice records permitted by the standard:

i) the use of only a discount rate for a portfolio of leases with fairly similar characteristics;

(ii) exemption from recognition of operating leases with a maturity of less than 12 months on the date of transition and non-recognition of leases in which the underlying asset has little value;

iii) exclusion of initial direct costs in the measurement of the right-of-use asset at the date of initial application;

iv) the use of retrospective analysis in determining the term of the lease when the contract includes options for extension or termination of the lease;

(v) The Group has applied this standard to contracts that were previously identified as leases under IAS 17 - Leases and IFRIC 4 - Determine whether an Agreement contains a Lease and has not applied this rule to contracts that were not previously identified as containing a lease under those rules.

The impact of the adoption of the new IFRS 16 standard on opening balances at 1 January 2019 was as follows:

	31/12/2018	Trans.Adjustments IFRS 16	01/01/2019
Assets			
Tangible fixed assets	201 310 291	-4 282 410	197 027 881
Rights of use	-	291 085 260	291 085 260
Goodwill	90 846 327	-	90 846 327
Intangible assets	36 146 157	-	36 146 157
Financial investments - joint controlled subsidiaries	2 459 842	-	2 459 842
Non-current financial assets	211 430	-	211 430
Other financial assets	15 753 485	-	15 753 485
Other non-current assets	12 921 343	-	12 921 343
Total non-current assets	**359 648 875**	**286 802 850**	**646 451 725**
Stocks	11 622 326	-	11 622 326
Cash and bank deposits	37 931 124	-	37 931 124
Income tax receivable	3 574 662	-	3 574 662
Other financial assets	3 855 375	-	3 855 375
Other current assets	27 617 179	-872 860	26 744 319
Total current assets	**84 600 666**	**-872 860**	**83 727 806**
Capital and reserves attributable to shareholders			
Share capital	36 000 000	-	36 000 000
Own shares	-11 180 516	-	-11 180 516
Share prize	469 937	-	469 937
Legal reserves	755 581	-	755 581
Conversion Reserves	-7 140 907	-	-7 140 907
Other Reserves & Retained Results	158 974 733	-	158 974 733
Net profit in the year	24 962 061	-	24 962 061
	202 840 889	-	**202 840 889**
Interests that do not control	329 204	-	329 204
Total Equity	**203 170 093**		**203 170 093**
Loans	79 182 324	-2 180 000	77 002 324
Liability for leases	-	260 041 533	260 041 533
Deferred tax liabilities	10 556 031	-	10 556 031
Provisions	3 244 724	-	3 244 724
Derivative financial instrument	177 570	-	177 570
Other non-current liabilities	150 344	-	150 344
Total non-current liabilities	**93 310 993**	**257 861 533**	**351 172 526**
Loans	52 961 448	-	52 961 448
Liability for leases	-	33 928 645	33 928 645
Accounts payable to suppliers and accrued costs	81 387 772	-5 860 188	75 527 584
Income tax payable	162 901	-	162 901
Other current liabilities	13 256 334	-	13 256 334
Total current liabilities	**147 768 455**	**28 068 457**	**175 836 912**
Total Equity and Liabilities	**444 249 541**	**285 929 990**	**730 179 531**

The impact of the adoption of the new standard IFRS16 in the consolidated interim financial statement, in the consolidated interim statement of income and other comprehensive income and in interim consolidated cash flow statements in 30th June 2019 is as follows:

	30/06/2019 (s/ IFRS 16)	IFRS 16	30/06/2019
Assets			
Tangible fixed assets	206 754 202	-8 327 895	198 426 307
Rights of use	-	328 345 965	328 345 965
Income tax receivable	4 172 534	194 387	4 366 921
Other current assets	25 360 289	-800 000	24 560 289
Liabilities			
Non-current loans	73 985 419	-7 188 421	66 796 998
Non-current liability for leases	-	291 230 344	291 230 344
Deferred tax	10 531 804	-2 216 577	8 315 227
Current loans	63 071 548	-1 026 419	62 045 129
Current liability for leases	-	48 754 156	48 754 156
Accounts payable to suppliers and accrued costs	75 211 158	-2 917 000	72 294 158

	30/06/2019 (s/ IFRS 16)	IFRS 16	30/06/2019
External supplies and services	74 553 119	-25 825 905	48 727 214
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	12 995 156	26 644 525	39 639 681
Net financing cost	2 050 248	8 815 970	10 866 218
Profit before tax	8 705 478	-9 634 589	-929 111
Income tax expense	913 871	-2 410 964	-1 497 093

	30/06/2019 (s/ IFRS 16)	IFRS 16	30/06/2019
Cash Flows from Operating Activities	27 526 013	25 825 905	53 351 918
Cash Flows from Investment Activities	-19 666 569	-	-19 666 569
Cash flows from financing activities	-5 859 014	-25 825 905	-31 684 919
Change in cash & cash equivalents	2 000 430	-	2 000 430

3.2. New standards, amendments and interpretations adopted by the EU but without effective application for years beginning on 1 January 2019 and not applied in advance

In the first six months of 2019, the EU did not publish any Regulation on the adoption of new standards, amendments or interpretations that have not yet been implemented by the Group.

3.3. New standards, amendments and interpretations issued by the IASB and IFRIC but not yet adopted by the EU

In the first six months of 2019, the IASB / IFRIC has not issued any new standards, changes or interpretations.

4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGMENTS

There where no substantial differences between accounting estimates and judgments applied on 31 December 2018 and the accounting values considered in the six months period ended on the 30 June 2019.

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

5.1. The following group companies were included in the consolidation on 30th June 2019 and 30th June and 31 December 2018:

Company	Head Office	% Shareholding		
		Jun/19	Dec/18	Jun/18
Parent company				
Ibersol SGPS, S.A.	Porto	parent	parent	parent
Subsidiary companies				
Iberusa Hotelaria e Restauração, S.A.	Porto	100%	100%	100%
Ibersol Restauração, S.A.	Porto	100%	100%	100%
Ibersande Restauração, S.A.	Porto	100%	100%	100%
Ibersol Madeira e Açores Restauração, S.A.	Funchal	100%	100%	100%
Ibersol - Hotelaria e Turismo, S.A.	Porto	100%	100%	100%
Iberking Restauração, S.A.	Porto	100%	100%	100%
Iberaki Restauração, S.A.	Porto	100%	100%	100%
Restmon Portugal, Lda	Porto	61%	61%	61%
Vidisco, S.L.	Vigo - Espanha	100%	100%	100%
Inverpeninsular, S.L.	Vigo - Espanha	100%	100%	100%
(d) Ferro & Ferro, Lda.	Porto	-	-	100%
Asurebi SGPS, S.A.	Porto	100%	100%	100%
Charlotte Develops, SL	Vigo - Espanha	100%	100%	100%
Firmoven Restauração, S.A.	Porto	100%	100%	100%
IBR - Sociedade Imobiliária, S.A.	Porto	100%	100%	100%
Eggon SGPS, S.A.	Porto	100%	100%	100%
Anatir SGPS, S.A.	Porto	100%	100%	100%
Lurca, SA	Madrid-Espanha	100%	100%	100%
Sugestões e Opções-Actividades Turísticas, S.A	Porto	100%	100%	100%
(e) Resboavista- Restauração Internacional, Lda	Porto	-	-	100%
José Silva Carvalho Catering, S.A	Porto	100%	100%	100%
(a) Iberusa Central de Compras para Restauração ACE	Porto	100%	100%	100%
(b) Vidisco, Pasta Café Union Temporal de Empresas	Vigo - Espanha	100%	100%	100%
Maestro - Serviços de Gestão Hoteleira, S.A.	Porto	100%	100%	100%
SEC - Eventos e Catering, S.A.	Porto	100%	100%	100%
IBERSOL - Angola, S.A.	Luanda - Angola	100%	100%	100%
HCI - Imobiliária, S.A.	Luanda - Angola	100%	100%	100%
Ibergourmet Produtos Alimentares (ex-Gravos 2012, S.A.)	Porto	100%	100%	100%
Lusinver Restauracion, S.A.	Vigo - Espanha	100%	100%	100%
The Eat Out Group S.L.U.	Barcelona - Espanha	100%	100%	100%
Pansfood, S.A.U.	Barcelona - Espanha	100%	100%	100%
Foodstation, S.L.U	Barcelona - Espanha	100%	100%	100%
(c) Dehesa de Santa Maria Franquicias, S.L.	Barcelona - Espanha	100%	100%	50%
(c) Cortsfood, S.L.	Barcelona - Espanha	50%	50%	-
Companies controlled jointly				
UQ Consult - Serviços de Apoio à Gestão, S.A.	Porto		50%	50%

(a) Company consortium agreement that acts as the Purchasing and Logistics Centre and provides the respective restaurants with raw materials and maintenance services.
(b) Union Temporal de Empresas which was founded in 2005 and that during the year functioned as the Purchasing Centre in Spain by providing raw materials to the respective restaurants.
(c) Participation acquired to interests that do not control (50%), with constitution by splitt of the subsidiary Cortsfood in the year 2018. Although the parent company holds 50% of the voting rights, there is control of the subsidiary Cortsfood.
(d) merge of the subsidiary Ferro & Ferrro into Iberusa Hotelaria e Restauração, S.A.
(e) merge of the subsidiary Resboavista into José Silva Carvalho Catering, S.A..

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

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

5.2. Alterations to the consolidation perimeter

5.2.1. Acquisition of new companies

In the six months period ended on 30 June 2019 there was no acquisition of subsidiaries.

5.2.2. Disposals

In the six months period ended on 30 June 2019 there was no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

Ibersol Administration monitors the business based on the following segmentation:

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

The results per segment in the six months period ended 30 June 2019 and 2018 were as follows:

30 June 2019	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Total Group**
Turnover	**53 817 103**	**108 806 329**	**58 532 707**	**180 723**	**221 336 861**
Royalties	2 050 493	4 296 097	394 493	-	6 741 083
Rents and Condominium	2 315 941	3 508 359	2 192 562	-	8 016 861
Coste of sales	12 561 663	30 968 643	10 648 784	-	54 179 091
Operating income net of Amortization, deprec. and impairment losses	**9 246 802**	**20 235 812**	**19 378 209**	-	**48 860 823**
Amortization, depreciation and impairment losses	5 806 716	13 588 772	19 659 126	585 066	39 639 681
Operating income	**3 440 086**	**6 647 040**	**-280 917**	**-585 066**	**9 221 142**

30 June 2018	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Total Group**
Turnover	**52 014 634**	**98 779 488**	**60 268 583**	**262 036**	**211 324 740**
Royalties	1 908 505	3 906 592	699 929	-	6 515 026
Rents and Condominium	5 476 164	9 791 709	18 238 431	-	33 506 304
Coste of sales	11 920 187	27 952 297	11 356 053	-	51 228 537
Operating income net of Amortization, deprec. and impairment losses	**6 612 526**	**13 446 258**	**6 446 879**	**-**	**26 505 664**
Amortization, depreciation and impairment losses	3 030 377	6 922 082	1 902 615	562 626	12 417 699
Operating income	**3 582 149**	**6 524 176**	**4 544 265**	**-562 626**	**14 087 965**

On June 30, 2019 and 2018 income and non-current assets by geography is presented as follows:

30 JUNE 2019	Portugal	Angola	Spain	Grupo
Restaurants	118 547 528	6 577 864	87 934 686	213 060 078
Merchandise	374 294	-	6 164 092	6 538 386
Rendered services	158 809	-	1 579 588	1 738 397
Total sales and services	**119 080 631**	**6 577 864**	**95 678 366**	**221 336 861**
Tangible fixed and intangible assets	150 936 909	25 493 046	58 497 345	234 927 300
Rights of use	67 900 618	2 770 396	257 674 951	328 345 965
Goodwill	7 605 482	-	83 240 845	90 846 327
Financial investments - joint controlled subsidiaries	2 592 185	-	-	2 592 185
Non-current financial assets	252 189	-	-	252 189
Other financial assets	-	15 098 929	-	15 098 929
Other non-current assets	-	-	12 125 349	12 125 349
Total non-current assets	**229 287 383**	**43 362 371**	**411 538 490**	**684 188 244**

30 JUNE 2018	Portugal	Angola	Spain	Grupo
Restaurants	102 262 292	9 664 950	91 983 038	203 910 280
Merchandise	3 531 935	-	1 453 421	4 985 356
Rendered services	1 036 130	-	1 392 974	2 429 104
Total sales and services	**106 830 357**	**9 664 950**	**94 829 433**	**211 324 740**
Tangible fixed and intangible assets	143 207 877	27 062 301	57 918 180	228 188 358
Goodwill	7 605 482	-	85 257 304	92 862 786
Financial investments - joint controlled subsidiaries	2 443 951	-	-	2 443 951
Non-current financial assets	179 708	-	-	179 708
Other financial assets	-	17 073 980	-	17 073 980
Other non-current assets	-	-	13 753 645	13 753 645
Total non-current assets	**153 437 018**	**44 136 281**	**156 929 129**	**354 502 428**

7. UNUSUAL AND NON-RECURRING FACTS AND SEASON ACTIVITY

No unusual facts took place during the six months period ended 30 June 2019.

8. TANGIBLE FIXED ASSETS

In the six months period ended 30 June 2019 and in the year ending on 31 December 2018, entries in the value of tangible fixed assets, depreciation and accumulated impairment losses were as follows:

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress	Total
1 January 2018						
Cost	15 551 381	243 311 373	127 906 062	25 621 216	1 675 874	414 065 908
Accumulated depreciation	226 667	92 908 055	95 172 615	16 877 084	-	205 184 420
Accumulated impairment	-	9 837 119	1 013 238	58 914	-	10 909 271
Net amount	**15 324 714**	**140 566 200**	**31 720 210**	**8 685 219**	**1 675 874**	**197 972 217**
1 January 2018						
Initial net amount	15 324 714	140 566 200	31 720 210	8 685 219	1 675 874	197 972 217
Hyperinflationary Economies (IAS 29) (1)	636 821	866 426	204 363	39 617	-48 172	1 699 055
Currency conversion	-1 451 675	-3 487 482	-1 732 828	-381 881	-35 010	-7 088 876
Additions	-	22 459 004	9 916 886	2 755 073	560 641	35 691 604
Decreases	-	599 668	38 421	24 260	538 056	1 200 405
Transfers	-	47 057	487 068	84 340	-618 465	-
Depreciation in the year	18 973	15 774 618	7 088 709	1 605 514	-	24 487 815
Impairment	-	1 385 106	-	-	-	1 385 106
Impairment reversion	-	-109 615	-	-	-	-109 615
Final net amount	**14 490 886**	**142 801 429**	**33 468 569**	**9 552 595**	**996 812**	**201 310 291**
31 December 2018						
Cost	14 731 098	260 017 140	134 098 549	27 727 867	996 812	437 571 466
Accumulated depreciation	240 212	106 579 970	99 691 547	18 116 824	-	224 628 553
Accumulated impairment	-	10 635 741	938 433	58 448	-	11 632 622
Net amount	**14 490 886**	**142 801 429**	**33 468 569**	**9 552 595**	**996 812**	**201 310 291**

	Land	Buildings	Equipment	Other tangible fixed Assets	Tangible Assets in progress	Total
1 January 2019						
Initial net amount	14 490 886	142 801 429	33 468 569	9 552 595	996 812	201 310 291
Change in accounting policy (IFRS 16)	-	-3 335 985	-899 062	-47 363	-	-4 282 410
Hyperinflationary Economies (IAS 29) (1)	275 381	258 577	-2 440	-6 861	3 740	528 394
Currency conversion	-132 864	-296 025	-132 331	-28 739	-4 761	-594 720
Additions	-	7 063 388	2 782 935	962 682	2 703 268	13 512 273
Decreases	-	579 338	246 690	12 993	18 160	857 181
Transfers	-	40 305	263 393	34 644	-481 397	-143 055
Depreciation in the year	8 089	6 308 097	3 819 453	911 656	-	11 047 295
Impairment in the year	-	-	-	-	-	-
Impairment reversion	-	-	-	-	-	-
Final net amount	**14 625 313**	**139 644 256**	**31 414 926**	**9 542 309**	**3 199 503**	**198 426 307**
30 June 2019						
Cost	14 892 964	254 359 720	132 400 466	28 516 612	3 199 503	433 369 265
Accumulated depreciation	267 651	104 216 182	100 047 107	18 915 855	-	223 446 795
Accumulated impairment	-	10 499 282	938 433	58 448	-	11 496 163
Net amount	**14 625 313**	**139 644 256**	**31 414 926**	**9 542 309**	**3 199 503**	**198 426 307**

(1) Changes resulting from the application of IAS 29, hyperinflationary economy, on tangible fixed assets of the subsidiaries in Angola are presented as follows

Restatement of Tangible Fixed Assets (TFA) 31/12/2018	1 699 055
Restatement of TFA in the six months period ended on 30/06/2019:	
Cost	1 674 578
Accumulated depreciation	-1 146 181
	528 397

Although there are indicators that Angola economy will no longer be considered a hyperinflationary economy, Ibersol has opted to continue to apply IAS29 in its 2019 half-year accounts and this matter will be revaluated at the end of the 2019 financial year.

In 2019, an investment of approximately 9 million euros was made in the travel segment in Spain. The remaining investment mainly concerns the opening of 5 Burger King and the improvement of KFC Norteshoping ans Pans Modivas Norte.

The 2018 investments of approximately 35 million euros in tangible fixed assets, relate to the opening of of 41 new units, mainly 10 Burger King in Portugal and 12 concessions in Spain.

Depreciation, amortization and impairment losses of tangible fixed assets and intangible assets, are as follows:

	Tangible fixed assets	Intangible assets and Goodwill	TOTAL
Depreciation in the year	11 047 295	28 564 643	39 611 938
Impairment in the year	-	-	-
Others	27 743	-	27 743
			39 639 681

9. INTANGIBLE ASSETS, GOODWILL AND RIGHTS OF USE

Goodwill, rights of use and intangible assets are broken down as follows:

	Jun/19	Jan/19	Dec/18
Rigths of use	328 345 965	291 085 260	-
Goodwill	90 846 327	90 846 327	90 846 327
Intangible assets	36 500 993	36 146 157	36 146 157
	455 693 285	**418 077 744**	**126 992 484**

In the six months period ended 30 June 2019 and in the year ending on 31 December 2018, entries in the value of intangible assets, amortization and accumulated impairment losses were as follows:

	Rights of use	Goodwill	Brands	Industrial property	Other intangible Assets	Intangible Assets in progress	Total
1 January 2018							
Cost	-	92 862 786	22 000 000	40 254 584	13 873 100	1 312 455	170 302 925
Accumulated amortization	-	-	1 283 333	25 197 741	12 135 892	-	38 616 967
Accumulated impairment	-	-	-	3 665 332	41 875	-	3 707 206
Net amount	-	**92 862 786**	**20 716 667**	**11 391 511**	**1 695 333**	**1 312 455**	**127 978 752**
1 January 2018							
Initial net amount	-	92 862 786	20 716 667	11 391 511	1 695 333	1 312 455	127 978 752
Hyperinflationary Economies (IAS 29) (1)	-	-	-	43 435	-	89 612	133 047
Currency conversion	-	-	-	-226 244	-	-266 369	-492 613
Additions	-	-	-	1 854 935	217 503	1 244 006	3 316 444
Decreases	-	-	-	54 932	-	3 670	58 602
Transfers	-	-	-	5 552	-	-5 552	-
Amortization in the year	-	-	1 100 000	547 555	204 805	-	1 852 361
Impairment in the year	-	2 016 459	-	15 723	-	-	2 032 182
Final net amount	-	**90 846 327**	**19 616 667**	**12 450 980**	**1 708 028**	**2 370 483**	**126 992 484**
31 December 2018							
Cost	-	92 862 786	22 000 000	42 232 722	12 960 943	2 370 483	172 426 934
Accumulated amortization	-	-	2 383 333	26 100 687	11 211 040	-	39 695 060
Accumulated impairment	-	2 016 459	-	3 681 055	41 875	-	5 739 389
Net amount	-	**90 846 327**	**19 616 667**	**12 450 980**	**1 708 028**	**2 370 483**	**126 992 484**

	Rights of use	Goodwill	Brands	Industrial property	Other intangible Assets	Assets in progress	Total
1 January 2019							
Initial net amount	-	90 846 327	19 616 667	12 450 980	1 708 028	2 370 483	126 992 484
Change in accounting policy (IFRS 16)	291 085 260	-	-	-	-	-	291 085 260
Hyperinflationary Economies (IAS 29) (1)	-	-	-	10 942	-	44 285	55 227
Currency conversion	-	-	-	-18 218	-	-24 650	-42 868
Additions	64 208 792	-	-	1 541 410	-	445 333	66 195 535
Decreases	-	-	-	27 711	-	-	27 711
Transfers	-	-	-	262 613	600 000	-862 613	-
Amortization in the year	26 948 087	-	550 000	807 606	258 950	-	28 564 643
Impairment in the year	-	-	-	-	-	-	-
Final net amount	**328 345 965**	**90 846 327**	**19 066 667**	**13 412 412**	**2 049 078**	**1 972 838**	**455 693 285**
30 June 2019							
Cost	355 294 052	92 862 786	22 000 000	43 987 061	13 477 087	1 972 838	529 593 824
Accumulated amortization	26 948 087	-	2 933 333	26 893 594	11 386 134	-	68 161 148
Accumulated impairment	-	2 016 459	-	3 681 055	41 875	-	5 739 389
Net amount	**328 345 965**	**90 846 327**	**19 066 667**	**13 412 412**	**2 049 078**	**1 972 838**	**455 693 285**

(1) changes resulting from the application of IAS 29, the hyperinflationary economy, on intangible assets of the subsidiaries in Angola are as follows:

Restatement of Intangible Assets (IA) 31/12/2018		133 047
Restatement of IA in the six months period ended on 30/06/2019:		
Cost		136 893
Accumulated depreciation		-81 666
	sub-total	55 227

Total rights of use of 328 million euros can be broken down between EUR 320 million allocated to buildings and spaces and EUR 8.3 million in equipment and other assets.

The distribution of goodwill allocated to segments is presented as follows:

	Jun/19	**Dec/18**
Restaurants	14 618 931	14 618 931
Counters	37 199 991	37 199 991
Concessions and Catering	38 847 684	38 847 684
Other, write off and adjustments	179 721	179 721
	90 846 327	**90 846 327**

10. INCOME PER SHARE

Income per share in the six months period ended 30 June 2019 and 2018 was calculated as follows:

	Jun/19	**Jun/18**
Profit payable to shareholders	565 142	10 740 667
Mean weighted number of ordinary shares issued (1)	36 000 000	36 000 000
Mean weighted number of own shares	-3 599 981	-3 599 926
	32 400 019	32 400 074
Basic earnings per share (€ per share)	0,02	0,33
Earnings diluted per share (€ per share)	0,02	0,33
Number of own shares at the end of the year	3 599 981	3 599 926

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

11. DIVIDENDS

At the General Meeting of 8th May 2019, the group decided to pay a gross dividend of 0,10 euro per share (0,10 euro in 2018), representing a total value of 3.240.002 euros for outstanding shares (2.700.006 euro in 2018), settled on June 4, 2019.

12. CONTINGENT ASSETS AND LIABILITIES

The group has contingent liabilities regarding bank and other guarantees and other contingencies related with its business operations (as licensing, advertising fees, food hygiene and safety and employees, and the rate of success of these processes is historically high in Ibersol). No significant liabilities are expected to arise from the said contingent liabilities.

On 30th June 2019 and 31st December 2018, responsibilities not recorded by the companies and included in the consolidation consist mainly of bank guarantees given on their behalf, as shown below:

	Jun/19	**Dec/18**
Bank guarantees	27 755 352	33 568 604

13. COMMITMENTS

On June 30th, 2019 there are no significant commitments for contracted investments not included in these financial statements.

14. IMPAIRMENT

Changes during the six months period ended on 30 June 2019 and in the year 2018, under the heading of asset impairment losses were as follows:

	Jun/19						
	Starting balance	**Perimeter variation**	**Cancellation and reclassif.**	**Impairment assets disposals**	**Impairment in the year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	11 632 624	-	-	- 136 462	-	-	11 496 162
Goodwill	2 016 459	-	-	-	-	-	2 016 459
Intangible assets	3 722 929	-	-	-	-	-	3 722 929
Stocks	74 981	-	-	-	-	-	74 981
Other current assets	2 931 131	-2 674	-123 672	-	318 000	-	3 122 785
Other financial assets (current and non-current)	940 762	-	-	-	-	-71 128	869 634
	21 318 886	-2 674	-123 672	- 136 462	318 000	-71 128	21 302 950

	Dec/18						
	Starting balance	**Perimeter variation**	**Cancellation**	**Impairment assets disposals**	**Impairment in the year**	**Impairment reversion**	**Closing balance**
Tangible fixed assets	10 909 271	-	-	-552 138	1 385 106	-109 615	11 632 624
Goodwill	-	-	-	-	2 016 459	-	2 016 459
Intangible assets	3 707 206	-	-	-	15 723	-	3 722 929
Stocks	74 981	-	-	-	-	-	74 981
Other current assets	2 159 669	-28 899	141 347	-	843 800	-184 787	2 931 131
Other financial assets (current and non-current)	-	-	-	-	940 762	-	940 762
	16 851 128	-28 899	141 347	-552 138	5 201 850	-294 402	21 318 886

15. FINANCIAL RISK MANAGEMENT

15.1 Financial risk factors

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

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

a) Market risk

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

The main source of the Group's exposure arises from the investment outside the euro area of operation that develops in Angola, although it is still small is growing and consequently to gain weight in the group activity. The reduction of oil prices is to lead to a shortage of foreign currency in Angola by the devaluation of the kwanza is a risk to consider. The financing of the Angolan subsidiary in foreign currency in the amount of $ 250.000, does not have large exposure due to the reduced amount. The remaining financing concerning Angolan subsidiaries are denominated in the local currency, the same in which the income is generated. Given the recent limitations of payments abroad, the group adopted a monthly monitoring policy of credit balances in foreign currency and its full coverage with treasury bonds of the Republic of Angola, indexed to USD.

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

Jun/19

Euro exchange rates (x foreign currency per 1 Euro)	Rate on June, 30 2019	Average interest 1st Semester 2019
Kwanza de Angola (AOA)	385,208	362,450

Dec/18

Euro exchange rates (x foreign currency per 1 Euro)	Rate on December, 31 2018	Average interest rate year 2018
Kwanza de Angola (AOA)	352,983	305,810

ii) Price risk
The group is not greatly exposed to the merchandise price risk.

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

The group's interest rate risk follows its liabilities, in particular long-term loans. Loans issued with variable rates expose the group to the cash flow risk associated to interest rates. Loans with fixed rates expose the group to the risk of the fair value associated to interest rates. At the current interest rates, in financing of longer maturity periods the group has a policy of fixing interest rates of at least 50% of the outstanding amount.

The unpaid debt bears variable interest rate, part of which has been the object of an interest rate swap. Interest rate swap contracts to hedge the interest rate risk of part of the loans (commercial paper) of EUR 22,4 million are subject to interest maturities and repayment plans identical to the terms of the loans.

Based on simulations performed on 30 June 2019, an increase of 100 basis points in the interest rate, maintaining other factors constant, would have a negative impact in the net profit of 392.000 euros (730.000 euros in December 2018).

b) Credit risk
The main activity of the Group is carried out with sales paid in cash, or debit or credit card, so the Group has no significant credit risk concentrations. Regarding the customers, the risk is limited to the Catering business and sales of merchandise to franchisees representing less than 6% of the consolidated turnover. The Group has policies to ensure that credit sales are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit that customers have access to.

The Group's cash and cash equivalents include mainly deposits resulting from cash provided by sales and its deposits in current accounts. These amounts excluded, the value of financial investments at June 30, 2019, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 18 million euro, subject to country risk.

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

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

The Group considers that the short-term bank loans are due on the renewal date and that the commercial paper programmes matured on the dates of denunciation.

At the end of the period, current liabilities, net of liability for rentals, reached 149 million euros, compared with 83 million euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, due to the use of commercial paper programmes in witch the Group considers the maturity possible date as the renewal date, regardless of its initial stated periods. In order to ensure liquidity of the short term debt it is expected in the year 2019 the renewal of part of the commercial paper programmes (21.250.000 euros). However, the expected operating cash flows and, if necessary, contracted credit lines, on the amounts of which have not yet been used, are sufficient to settle current liabilities.

Even with reduced use of the group has contracted a significant amount of short-term lines. On June 30, 2019, the use of short term liquidity cash flow support was about 26%. Investments in term deposits and other application of 45 million euros, match 33% of liabilities paid.

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

	to June 2020	from June 2020 to 2028
Bank loans and overdrafts	62 045 129	66 796 998
Liability for leases	48 754 156	291 230 344
Other non-current liabilities	-	125 479
Accounts payable to suppliers and accrued costs	59 342 124	-
Other current liabilities	5 099 171	-
Total	175 240 580	358 152 821

15.2 Capital risk

a) Gearing ratio

The company aims to maintain an equity level suitable to the characteristics of its main business (cash sales and credit from suppliers) and to ensure continuity and expansion.

The capital structure balance is monitored based on the gearing ratio (defined as: net remunerated debt / net remunerated debt + equity) in order to place the ratio within a 35%-70% interval.

	jun/19	Dec-18
Liability for leases	339 984 500	-
Bank loans	128 842 127	132 143 772
Other financial assets	-18 126 304	-19 608 860
Cash and bank deposits	-38 782 548	-37 931 124
Net indebtedness	411 917 775	74 603 788
Equity	199 743 344	203 170 093
Total capital	611 661 118	277 773 881

b) Risk of franchise agreements

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

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

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

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

At the moment a contract has been signed for the implementation of 80 KFC restaurants in the period between May 2017 and May 2022.

15.3 Estimated fair value

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

The nominal value of accounts receivable (minus impairment adjustments) and accounts payable is assumed to be as approximate to its fair value. The fair value of financial liabilities is estimated by updating future cash flows contracted at the current market interest rate that is available for similar financial instruments.

16. OTHER ASSETS AND LIABILITIES

16.1 Other current assets and liabilities

Other current assets and liabilities on 30th June 2019 and 31st December 2018 are broken down as follows:

	Jun/19	Dec/18
Clients	9 486 975	9 546 044
State and other public entities	2 595 869	4 364 242
Other debtors	7 729 798	6 721 003
Advances to suplliers	872 849	425 158
Advances to fixed suppliers	679 500	-
Accruals and income	4 369 011	6 929 484
Deferred costs	1 949 062	2 562 368
Other current assets	**27 683 064**	**30 548 299**
Accumulated impairment losses	3 122 775	2 931 120
	24 560 289	**27 617 179**

	Jun/19	Dec/18
Other creditors	5 099 171	4 696 932
State and other public entities	7 339 790	8 025 248
Deferred income	457 039	534 154
	12 896 000	13 256 334

16.2 Other non-current assets and liabilities

The breakdown of other non-current assets as at 30 June 2019 and 31 December 2018 is presented as follows:

	Jun/19	Dec/18
Other non-current assets (1)	7 933 808	8 781 933
Credits granted to third parties	4 435 677	4 479 410
Impairment balances	-244 136	-340 000
	12 125 349	**12 921 343**

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

A discount rate of 2% was applied, recognizing the current deferral in the amount of € 206.593 (€ 151.372 in 2018) and noncurrent in the amount of € 783.512 (€ 972.263 in 2018).

Impairment on a balance receivable from a Vidisco franchise of 244.136 euros (340.000 euros in 2018) was maintained. In the semester, the amount of 95.864 euros was reclassified from other non-current assets to other current assets, according to the nature of the respective balance debt.

17. NET FINANCING COST

Net financing cost on 30th June 2019 and 2018 are broken down as follows:

	2019	2018
Interest on rentals liabilities (IFRS16)	8 815 970	-
Interest paid	2 100 294	1 515 169
Interest earned (1)	-698 590	-855 782
Currency exchange differences	-	-12 918
Other financial costs and income	648 544	1 626 002
	10 866 218	2 272 471

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

The detail of other financial costs and income, is presented as follows:

	2019	2018
Financial instruments - cash flow hedge	20	-44 239
Commercial paper programmes charges	271 497	174 567
Discounted value	326	903 988
Impairment reversal TB's (IFRS9)	-71 128	-
Other commissions	79 454	8 748
Other financial cost and gains	368 375	582 938
	648 544	1 626 002

18. INCOME TAX

Income taxes recognized as of June 30, 2019 and 2018 are detailed as follows:

	Jun/19	Jun/18
Current taxes	456 835	2 996 128
Insufficiency (excess) of income tax	300 811	-32 560
Deferred taxes	-2 254 739	-1 480 001
	-1 497 093	1 483 567

The effective tax rate on profits was 10% on June 30, 2019 and 12% in the same period of 2018, as follows:

	Jun/19	Jun/18
Profit before tax (without IFRS 16)*	8 705 478	12 349 895
Income tax expense (without IFRS 16)*	913 871	1 483 567
Effective tax rate	10%	12%

* with the adoption of the new IFRS16 standard, pre-tax profit for the period is -929.111 euros, and income tax is -1.497.093 euros (note 3.1.).

The estimated effective tax rate in the period was lower than the nominal rate, mainly due to the tax benefits obtained under the terms of the Investment Tax Code (CFI), as in the “Decreto –Lei” no. 162/2014, of 31st October.

19. OTHER FINANCIAL ASSETS

The amount of financial assets refers to the acquisition of Angola treasury bonds, resettable in accordance with the variation of the National Bank of Angola (BNA) exchange rate for the purchase of United States dollars, with rates interest coupon of default by maturity, as follows:

	jun/19			dez/18		
	Current	**Non current**	**Total**	**Current**	**Non current**	**Total**
Treasury bonds	3 172 617	15 823 321	18 995 938	4 040 342	16 509 280	20 549 622
Sub-total	3 172 617	15 823 321	18 995 938	4 040 342	16 509 280	20 549 622
Accumulated impairment losses (1)	145 242	724 392	869 634	184 967	755 795	940 762
TOTAL	3 027 375	15 098 929	18 126 304	3 855 375	15 753 485	19 608 860

(1) As a result of the implementation of mandatory IFRS 9 as of January 1, 2018 (Note 3), considering the type of TB's that Ibersol holds, and since they are indexed to the USD, impairment was calculated, as follows:

Impact on the consolidated statement of comprehensive income:

Net financing cost	-71 128
Income tax	21 338

The Probability of Default and Loss Given Default indices are in line with the publication of Moody's and S & P.

20. CASH AND CASH EQUIVALENTS

On 30th June 2019 and 31st December 2018, cash and cash equivalents are broken as follows:

	Jun/19	**Dec/18**
Cash	1 291 834	1 082 754
Bank deposits	37 490 214	36 847 870
Treasury applications	500	500
Cash and bank deposits in the balance sheet	38 782 548	37 931 124
Bank overdrafts	-4 733 558	-5 882 564
Cash and cash equivalents in the cash flow statement (1)	34 048 990	32 048 560

21. TRANSACTIONS WITH RELATED PARTIES

The related parties of Ibersol group are:

- António Carlos Vaz Pinto de Sousa – 2.520 shares (*)
- António Alberto Guerra Leal Teixeira – 2.520 shares (*)
- ATPS, SGPS, SA – 19.767.058 shares

(*) ATPS voting rights are also attributable to Antonio Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira under subparagraph b) of paragraph 1 of article 20 and paragraph 1 Article 21, both of the Portuguese Market Code, by holding the domain of ATPS, in which they participate indirectly in equal parts by their companies, respectively, CALUM - SERVIÇOS E GESTÃO, S.A. with the NIPC 513799486 and DUNBAR - SERVIÇOS E GESTÃO, S.A with the NIPC 513799257, which together hold the majority of the capital of ATPS.

- Joint controlled entities – UQ Consult

With respect to the balances and transactions with related entities, the overall value of the balances and transactions of the Group with the joint controlled UQ Consult relates mainly to support services and management information systems, and was, respectively, 1.225.943 and 1.932.505 euros.

- Administrators

The company shareholder ATPS-S.G.P.S., S.A., which signed a service-rendering contract with the subsidiary Ibersol Restauração, SA, provided services of administration and management to the group. ATPS-S.G.P.S., S.A. under contract with Ibersol Restauração, S.A. has the obligation to ensure that its administrators, António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, manage the group without incur in any additional charge. The company does not pay directly to its administrators any remuneration.

22. SUBSEQUENT EVENTS

There are no subsequent events to 30th June 2019 that may have a material impact on the financial statements presented.

23. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for emission on 04th September 2019.

Declaration of Conformity

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

(i) the consolidated financial statements of Ibersol SGPS SA, referring to the first semester of 2019 were drawn up in compliance with applicable accounting rules and provide a true and suitable picture of the assets and liabilities, financial situation and results of Ibersol SGPS, SA and the companies included in consolidation perimeter, and

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

António Carlos Vaz Pinto Sousa	Chairman of the Boards of Director
António Alberto Guerra Leal Teixeira	Member of the Board of Directors
Juan Carlos Vázquez-Dodero	Member of the Board of Directors

Own Shares

Under the terms defined in caption d) of no. 5 of article 66º of the Commercial Companies Code, we hereby declare that, during the first half of 2019, the company did not proceed with any transaction over own shares. Therefore, as at June 30, 2019, Ibersol SGPS, SA hold 3,599,981 own shares representing 9.9999% of its share capital, detailed as follows

2019	Quantity	Amount (€)	Average price (€)
1 January	3,599,981	11,180,516	3.11
30 June	3,599,981	11,180,516	3.11

Qualified Shareholdings

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

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	19.767.058	54,91%
António Alberto Guerra Leal Teixeira	2.520	0,01%
António Carlos Vaz Pinto Sousa	2.520	0,01%
Total attributable	**19.772.098**	**54,92%**
Magallanes Iberian Equity FI		
Total attributable	**1.197.471**	**3,33%**
Bestinver Gestion GGIIC		
Total attributable	**3.845.161**	**10,68%**
River and Mercantile Asset Management LLP		
Total attributable	**870.648**	**2,42%**
Norges Bank		
Directly	**913.582**	2,54%
FMR LLC		
Fidelity Managemment & Research Company	**1.098.000**	3,05%

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

Corporate Governing Bodies Information

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

Board of Directors	Date	Acquisictions shares	Acquisictions av pr	Sales shares	Sales av pr	Balance at 30.06.2019
António Alberto Guerra Leal Teixeira						
DUNBAR- SERVIÇOS E GESTÃO SA (1)						9.996
Ibersol SGPS, SA						2.520
António Carlos Vaz Pinto Sousa						
CALUM- SERVIÇOS E GESTÃO SA (2)						9.996
Ibersol SGPS, SA						2.520
(1) DUNBAR- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2.840
(2) CALUM- SERVIÇOS E GESTÃO SA						
ATPS- S.G.P.S., SA (3)						2.840
(3) ATPS- S.G.P.S ., SA						
Ibersol SGPS, SA						19.767.058

Transactions made by persons discharging managerial responsabilities

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

No transactions were reported by persons discharging managerial responsabilities and people closely connected with them during the first half of 2019.

KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.
Edifício Burgo - Avenida da Boavista, 1837, 16º Andar
4100-133 Porto – Portugal
+351 22 010 23 00 | www.kpmg.pt

LIMITED REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

Introduction

We have performed a limited review of the accompanying interim consolidated financial statements of **Ibersol SGPS, S.A.**, **(the Entity)**, which comprise the interim consolidated statement of financial position as of 30 June 2019 (that presents a total of 767,136,990 euros and total equity attributable to the shareholders of 199,538,079 euros, including a consolidated net profit attributable to the shareholders of 565,142 euros), the interim consolidated statements of income and other comprehensive income, changes in equity and cash flows for the six month period then ended, and the accompanying condensed explanatory notes to these interim consolidated financial statements.

Management' responsibilities

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

Auditor's responsibilities

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

KPMG

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

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the interim accompanying consolidated financial statements of **Ibersol SGPS, S.A.**, on 30 June 2019, are not prepared, in all material respects, in accordance with the IAS 34 – Interim Financial Reporting as adopted by the European Union.

Porto, 4 September 2019

SIGNED ON THE ORIGINAL

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