IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso, 105/159, 9th floor, Porto
Share Capital Euros 46.000.000
Commercial Registry: Oporto under number 501669477
Fiscal number: 501669477

Consolidated Report & Accounts
9M 2021
(not audited)

- **Consolidated Turnover of 241.7 million Euros**
  Increase of 13% over 9M of 2020
- **Consolidated EBITDA reached 54.0 million Euros**
  Ebitda increased 50.5% over 9M of 2020
- **Consolidated net profit of -20.2 million Euros**
  Increase of 45.3% when compared to the 9M of 2020

Consolidated Management Report

COVID-19

The end of the first half of 2021 was affected by a worsening of the pandemic outbreak in Portugal, due to the spread of the Delta variant. However, during the third quarter there was a substantial improvement in the control of the outbreak, as a result of the acceleration of the pace of vaccination in the Iberia.

During this period, we witnessed an easing of restrictions imposed on people's mobility and limitations of retail opening hours, which allowed the summer holidays to have taken place in an environment of greater normality for residents - although with a substantial loss of tourists – and that there had been an increase in the levels of consumer confidence, which allowed a recovery in activity at a higher pace.

The recovery seen in August and September, which benefited from the beginning of the recovery in tourism, registered a favourable evolution in the following months – a trend that will continue unless new restrictions occur – even though activity at airports shows a slower evolution

At the end of the third quarter, the group remained in Spain with around 16% of employees in ERTE (equivalent to lay off), mainly due to the reduced activity at airports, while in Portugal all the subsidiaries had already left the job protection mechanisms.

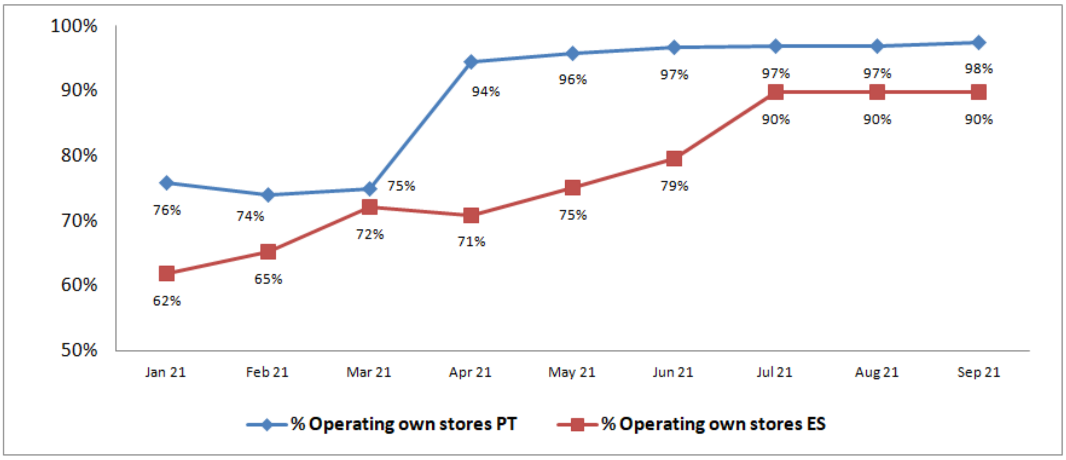
Activity

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

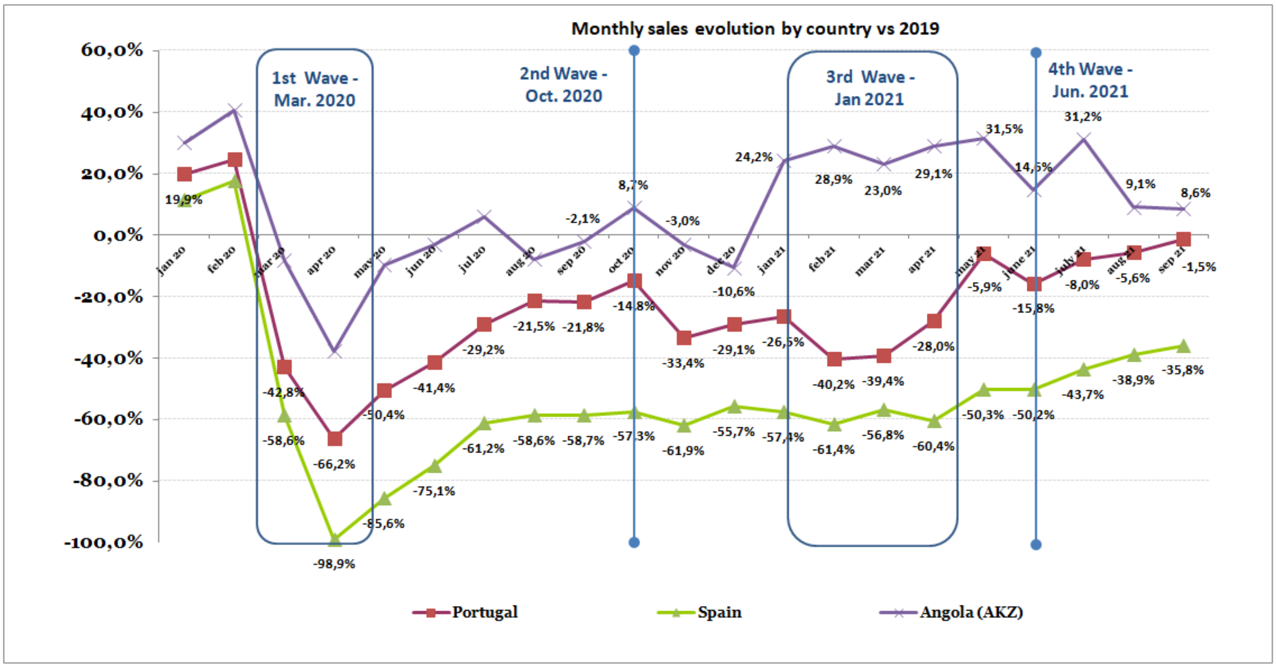
With the gradual reduction in mobility restrictions during the summer months, due to the increase in the coverage of vaccinated population, the consolidated turnover for the nine months of 2021 amounted to EUR 241.7 million, compared to EUR 213.9 million in the same period of the previous year, which represents a growth of 13%.

Turnover (euro million)	9M 2021	9M 2020	Var. 21/20	9M 2019	Var 21/19
Sales of Restaurants	235,5	208,6	12,9%	343,1	-31,4%
Sales of Merchandise	5,0	4,3	17,0%	10,4	-51,5%
Services Rendered	1,1	1,0	16,7%	2,7	-57,8%
Turnover	241,7	213,9	13,0%	356,2	-32,1%

The gradual reopening of most restaurants throughout this third quarter – although with some limitations – allowed Ibersol to have 95% of its equity restaurants in operation at the end of September, with closed restaurants mostly located in airports and service stations.



The sales evolution compared to 2019 shows the effect of the restrictions that have been implemented since 2020 in the different countries, as well as the periods in which they were reduced, and it is clear that the activity improved as a result of a better demand behavior and greater adaption of the businesses to the current challenges.

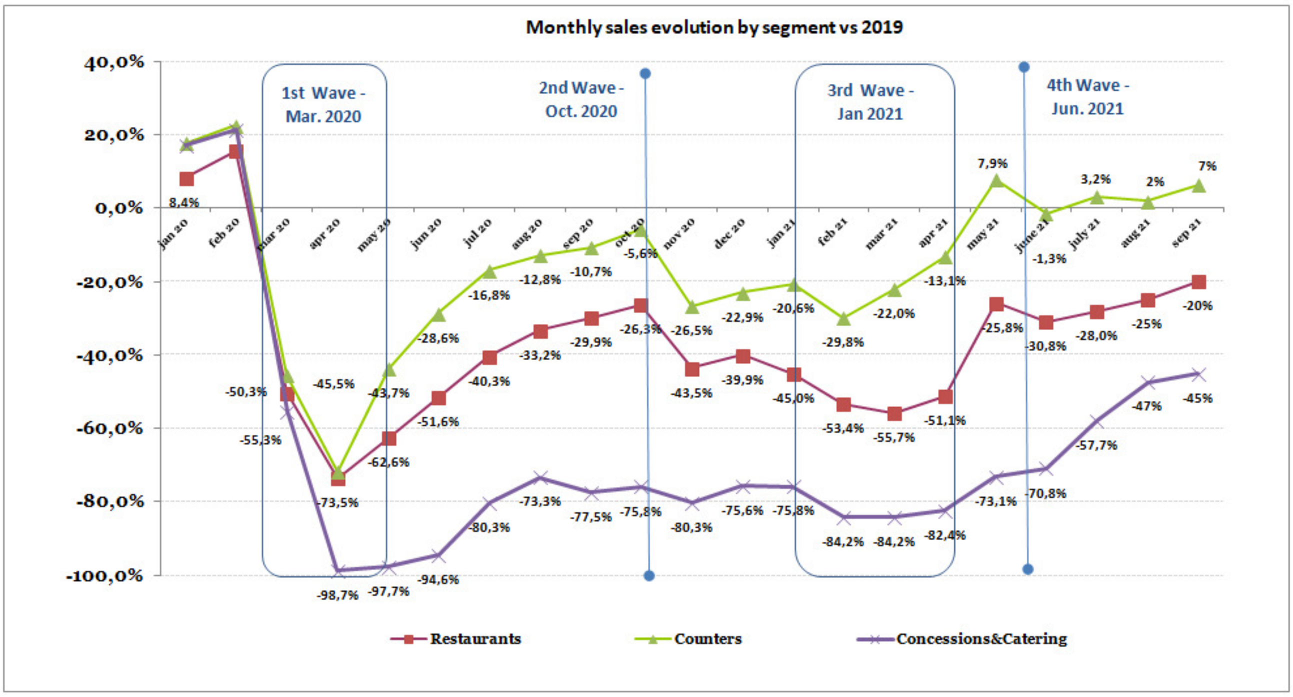


In Portugal, despite the effects of the 4th wave in June, which lasted until the beginning of summer, Ibersol achieved the best performance since the beginning of the pandemic, with activity in September recording a loss of only 1.5% compared to the same period of 2019, although access to restaurants was limited in July and August to holders of vaccination certificates.

In Spain, with a smaller number of restaurants with drive-thru service and locations more dependent on tourism and city center traffic, there is a more significant recovery from the month of July, directly related to the positive evolution of traffic at airports, resulting from the gradual lifting of restrictions in the main European markets (United Kingdom, Germany, France and Italy), even though they remain at a lower level than in Portugal.

Sales of restaurants located in Angola reflect the evolution in local currency, - which does not include the impacts arising from currency conversion – continuing to be the least penalized by the effect of the pandemic.

In this context, the monthly sales evolution by segment, illustrates the different impacts of the restrictions that have been in place until September 2021 and the respective comparative with the same period of 2019.



The concessions and catering segment - despite continuing to be the most penalized - showed a significant pace of recovery in this quarter due to the lifting of restrictions and limitations on air traffic, as well as the pace of vaccination that accelerated the increase in consumer confidence.

In Spain, where the group operates restaurants at nine airports, passenger traffic dropped in the 3rd quarter 46% (77% in the second quarter), compared to 2019, with airports located in the Canary and Balearic Islands being less penalized than the urban ones.

In Portugal, drops in passenger's traffic where the group is present amounted to 45% compared to 2019, behaving identically to Spain.

It should be noted that the seasonality of the months of July and August did not reach the usual values, although it continued into the following months, which reflects a sign of recovery in passenger confidence levels and the intention to recover habits and consumption patterns interrupted by pandemic.

SALES IN RESTAURANTS (euro million)	9M 2021	9M 2020	Var. 21/20	9M 2019	Var 21/19
Restaurants	49,3	49,3	0,0%	77,3	-36,2%
Counters	152,1	127,3	19,4%	164,8	-7,8%
Concessions&Catering	34,2	32,0	6,8%	101,0	-66,1%
Total Sales	235,5	208,6	12,9%	343,1	-31,4%

The pace of activity recovery in restaurants, with dine-in service, was conditioned by the worsening of measures against the Delta variant, which translated into limitations in the occupation and operating hours of restaurants and of the remaining retail located in shopping centers, depending on the incidence rate by region.

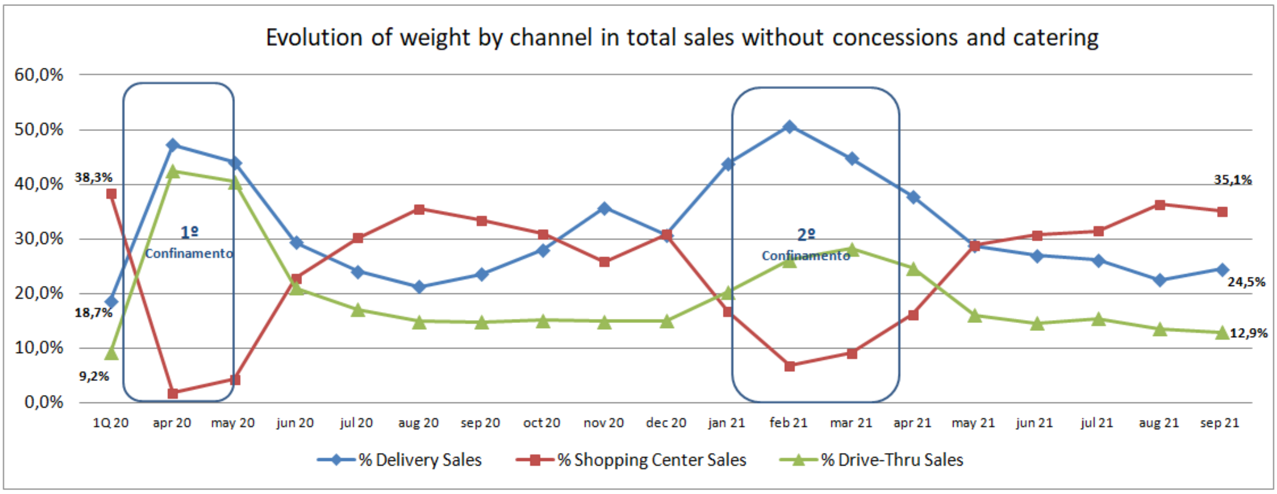
Despite all the constraints, this segment showed a gradual recovery, having recorded in September - the last month of restrictions - the best relative performance since the beginning of the pandemic, with an activity level of 80% when compared to the same month of 2019.

The counter segment proved, once again, to be more resilient to the pandemic restrictions, having consecutively surpassed, during the three months of the third quarter, the sales volume of the same period of 2019, with a growth of 19.4% compared to the first nine months of 2020, to which contributed decisively three factors:

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

Delivery sales, which partially offset the impact of the operation's limitations in the restaurant and counter segments in the lockdown period, with the gradual return to normality tends to reduce its weight, representing, however, in September 24.5% of sales - excluding sales in the concessions and catering segment - around 6 p.p. higher than in the first quarter of 2020, the previously period to the impact of the pandemic.

The drive-thru channel, similarly to the delivery channel, registered an increase in demand during lockdown periods, becoming part of our customer’s consumption habits, which translated into an increase in the relative weight of this channel, which in September represented 13% of retail sales, compared to 9% in the first quarter of 2020.



During the first nine months, 17 restaurants were definitively closed, 12 of which were franchised and the opening of four new Pizza Hut and Burger King restaurants in Portugal and the conversion of two Pasta Caffé restaurants into Taco Bell.

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

At the end of september, the total number of restaurants was 610 (530 equity and 80 franchises), as shown below:

Nº of Restaurants	2020	2021			2021
	31-Dec	Openings	Transfer	Closures	30/Sep
PORTUGAL	**362**	**4**	**0**	**1**	**365**
Equity Restaurants	**361**	**4**	**0**	**1**	**364**
Pizza Hut	97	3		1	99
Okilo+MIIT+Ribs	4				4
Pans+Roulotte	42				42
Burger King	107	1			108
KFC	35				35
Pasta Caffé	4		-2		2
Quiosques	8				8
Taco Bell	4		2		6
Coffee Shops	27				27
Catering	10				10
Concessions & Other	23				23
Franchise Restaurants	**1**				**1**
SPAIN	**248**	**0**	**0**	**16**	**232**
Equity Restaurants	**160**	**0**	**0**	**4**	**156**
Pizza Móvil	14				14
Pizza Hut	3				3
Burger King	38				38
Pans	30			2	28
Ribs	13				13
FrescCo	2				2
KFC	2				2
Concessions	58			2	56
Franchise Restaurants	**88**	**0**	**0**	**12**	**76**
Pizza Móvil	8			3	5
Pans	48			6	42
Ribs	20			1	19
FrescCo	5			1	4
SantaMaria	7			1	6
ANGOLA	**10**	**0**	**0**	**0**	**10**
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise	**3**	**0**	**0**	**0**	**3**
Pans	3				3
Total Equity Restaurants	**531**	**4**	**0**	**5**	**530**
Total Franchise Restaurants	**92**	**0**	**0**	**12**	**80**
TOTAL	**623**	**4**	**0**	**17**	**610**

Consolidated Financial Performance

Consolidated operating income at the end of the first nine months amounted to (9.8) million Euros compared to (31.6) million Euros, in the same period of 2020.

The lock-down that determined the closure of the restaurants until mid-April and the limited operation in the second and third quarters penalized again the operational performance of the group. The ability to adapt to this new reality and the support recognized under the employment protection plans and the incentive to the normalization of business activity, allowed to achieve a significant recovery in operating income compared to the same period of 2020 of +69.1%, showing a better ability to react and adapt to the pandemic crisis.

It should be noted that, in accordance with IFRS16, since 1st January 2019, the right of use of the restaurants subject to lease agreements with AENA was recognized, recorded in the company's assets against the liability, corresponding to all rents payable during the contractual period (in update values). Therefore, the costs related to the lease at airports in Spain are fully recognized due to lack of agreement with AENA for its readjustment.

(million euros)	9M 2021	%	9M 2020	%	var.
Turnover	**241,7**	100,0%	**213,9**	100,0%	**13,0%**
Sales	240,6	99,5%	212,9	99,6%	13,0%
Rendered services	1,1	0,5%	1,0	0,4%	16,7%
Operating Costs					
Cost of sales	60,2	24,9%	54,0	25,2%	11,5%
gross margin %	75,1%		74,8%		+0.3p.p.
External supplies and services	57,0	23,6%	49,8	23,3%	14,3%
Personnel costs	79,4	32,9%	78,6	36,7%	1,1%
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	63,7	26,4%	67,4	31,5%	-5,5%
Other income/operating costs	-8,9	-3,7%	-4,3	-2,0%	104,0%
Total operating costs	**251,5**	**104,0%**	**245,4**	**114,8%**	**2,4%**
Operating Income	**-9,8**	**-4,0%**	**-31,6**	**-14,8%**	**69,1%**
margin	-4,0%		-14,8%		+10.8p.p.
Ebitda	**54,0**	**22,3%**	**35,9**	**16,8%**	**50,5%**
margin	22,3%		16,8%		+5.5p.p.

Turnover amounted to 241.7 million Euros, which represents an increase of 27.8 million Euros compared to the same period of 2020, due to the better performance in Portugal of 18.5 million Euros and 9.0 million Euros in Spain.

Gross margin was 75.1% of turnover, 0.3 p.p. higher than the previous year (9M20: 74.8%).

Staff costs increased 1.1%, with the weight of this cost representing 32.9% of the turnover (9M20: 36.7%).

During this period, and in order to reconcile the reduction in activity and the protection of jobs, the companies of the group joined ERTE and simplified Lay Off in Spain and Portugal and the Progressive Recovery Support program, under which support resulted in a reduction of personal costs amounting to 8.5 million Euros.

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

External Supplies and services costs increased 14.3%, representing 23.6% of turnover, which represents an increase of 0.3 p.p compared to the same period of the previous year (9M 2020: 23.3%).
During the first nine months of the year, the group concluded some negotiations for service contracts, with a more fixed nature, which allowed to mitigate part of the losses caused by the second closure of the restaurants. In the third quarter, fixed costs tended to return to normality and the high weight of delivery sales, led to an increase in the weight of this item.

On the other hand, as a result of the application of the "Amendment to IFRS 16" for dealing with benefits to previously agreed leases, 3.6 million Euros of lease discounts for the year 2021 are reflected, agreed by the lessors until 30 September and from reduction of minimum rents in shopping centres in Portugal as a result of the application of Law 4-A/2021 in the period from January to June 2021.

Other operating income and costs in the total amount of 8.9 million Euros represent an increase of 4.6 million Euros compared to the same period in 2020, a difference that mainly results by the recognized government support within the scope of the Covid-19 pandemic in the period:

- Extraordinary Incentive for the Normalization of Business Activity and compensation for drop in sales under the "Apoiar" program, which totalized 7.5 million Euros in the first nine months of the year, compared to the 1.8 million Euros allocated in the same period of 2020;
- reduction in Angola of income from favourable exchange rate differences of 2.2 million Euros;

Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA in the first half amounted to 63.7 million Euros, of which 42.5 million correspond to amortization of rights of use.
The reduction of around 3.7 million Euros compared to the same period of 2020, results mainly from impairment losses recognized in the previous year, in the amount of 4.2 million Euros.

Therefore **EBITDA** amounted to 54.0 million Euros, an increase of 50.5% compared to the same period of the previous year.

Consolidated **EBITDA** margin stood at 22.3% of the turnover, which compares with 16.8% in the same period of the previous year.

Consolidated **Financial Results** were negative by 14.3 million Euros, 1.1 million Euros less than 9M20.

(million euros)	9M 2021	%	9M 2020	%	var.
Financial Results	**14,3**	**5,9%**	**15,4**	**7,2%**	**-6,7%**
Financial expenses and losses	14,8	6,1%	16,3	7,6%	-9,3%
Financial income and gains	0,4	0,2%	0,9	0,4%	-52,8%

Financial expenses and losses totalled 14.8 million Euros, which represents a reduction of 1.5 million Euros compared to the same period of 2020. A part of these expenses and losses corresponds to interest with leases in the amount of 11.6 million Euros (12.6 million Euros in the nine months of 2020).

Net interest supported and commissions related to financing reached a total of 2.1 million Euros, which equals an average debt cost of 1.8%.

The third quarter registered more than half of the accumulated Ebitda in the nine months. The gradual recovery of activity allowed the net result in the third quarter to have been positive despite the rigidity of leasing costs at airports in Spain.

(million euros)	1Q 2021	2Q 2021	3Q 2021	3Q 2020	VAR 3Q %
Turnover					
Sales	55,4	78,8	106,3	79,9	33,1%
Rendered services	0,2	0,4	0,5	0,4	41,3%
Total operating income	**55,7**	**79,2**	**106,8**	**80,2**	**33,1%**
Operating costs					
Cost of sales	14,4	19,9	25,9	20,3	27,7%
External supplies and services	15,4	18,5	23,0	13,1	75,9%
Personnel costs	21,1	28,4	29,9	25,8	16,0%
Amortisation, depreciation and impairment losses of	21,3	21,3	21,1	20,5	3,0%
Other income/operating costs	-2,5	-5,3	-1,1	0,4	396,6%
Total operating costs	**69,7**	**82,8**	**98,9**	**80,0**	**23,6%**
Operating Income	**-14,1**	**-3,6**	**7,9**	**0,2**	**3132,2%**
EBITDA	**7,2**	**17,7**	**29,0**	**20,7**	**40,1%**
Finantial expenses and losses	4,9	4,9	4,9	5,3	-7,6%
Finantial income and gains	0,2	0,1	0,1	0,2	-41,4%
Gains (losses) in associated and joint controlled sub.	-0,2	0,1	0,1	-0,2	-132,3%
Profit before tax	**-19,0**	**-8,4**	**3,2**	**-5,1**	**163,4%**
Income tax	-3,2	-1,2	0,4	-1,5	129,1%
Net profit	**-15,7**	**-7,2**	**2,8**	**-3,5**	**178,5%**

Third quarter sales grew 33%, when compared to the same period of the previous year, while operating costs increased by 23.6%, with most items evolving below the increase in sales, despite the significant increase in external supplies and services that in 2020 benefited from important lease rent reduction benefits.

As a result, Ebitda registered an increase of 40% and reached 29 million Euros (8 million Euros more than in 3rd quarter of 2020), with the net result being positive at 2.8 million euros.

Financial Situation

Total Assets amounted to 722.7 million Euros and Equity stood at 137.1 million Euros, representing 19% of total assets.

CAPEX in tangible fixed and intangible assets amounted to 14.1 million Euros. 11.2 million Euros incurred in completing the expansion program, 7.4 million of which in restaurants to open in the coming months. The remaining 2.9 million Euros were incurred in the remodelling and modernization of restaurants.

(million euros)	9M 2021	2020	var.
Fixed assets additions	12,9	24,9	-12,0
Intangible assets additions	1,2	3,4	-2,2
Capex	14,1	28,3	-14,2

Current liabilities amount to 192.7 million Euros, of which 90.4 million correspond to liabilities for leases and 22.9 million Euros to current loans. Lease liabilities include the amount of 41.7 million Euros related to the income from airports at Spain (AENA) that we understand as not due, 24 million Euros referring to the 2020 financial year and 17.7 million Euros for the first nine months of 2021.

Regarding to current loans, the Group has 35 million Euros in contracted credit lines that are unused, of which 9 million Euros with maturities over 1 year.

Consolidated liabilities reached 585.6 million Euros on September 30th, 2021, which represents an increase of 13.3 million Euros compared to the final result in 2020, with the rents claimed to AENA amounting to 17.7 million Euros.

On September 30, 2021, Equity stood at 137.1 million Euros, 19.3 million Euros reduction compared to the end of 2020.

Consolidated Financial Position (million euros)	30/09/2021	31/12/2020	Var.
Total Assets	**722,7**	**728,7**	-6,1
Total Equity	**137,1**	**156,4**	-19,3
Loans	175,0	165,1	9,9
Liability for leases	326,8	329,0	-2,2
Other liabilities	83,8	78,2	5,5
Total Equity and Liabilities	**722,7**	**728,7**	-6,1

At the end of the first nine months of 2021, net debt amounted to 428.1 million Euros, 13 million Euros less than the amount outstanding at the end of 2020 (441.1 million Euros), with an increase in the “Gearing” to 76% (74% in 2020).

On September 30, 2021, the total Net Bank Debt reduced by 10.8 million Euros, standing at 101.2 million Euros at the end of the period.

(million euros)	30/09/2021	31/12/2020	var.
Total loans	175,0	165,1	9,9
Cash and bank deposits	-72,0	-50,6	21,4
Other current and non-current liabilities	-1,8	-2,4	-0,6
Net Bank Debt	**101,2**	**112,1**	**-10,8**
Liability for leases	326,8	329,0	-2,2
Net Debt	**428,1**	**441,1**	**-13,0**
Equity	137,1	156,4	-19,3
Gearing (Net Debt/Net Debt + Equity)	**76%**	**74%**	

Glossary

Results and Other Interim Income	
Turnover	Sales + Services Rendered
Sales	Sales of Restaurants + Sales of Merchandise
Sales of Restaurants	Sales of directly operated restaurants
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
EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization)	Operating results less amortisation, depreciation and impairment losses of fixed assets, Rights of Use, Goodwill and Intangible Assets

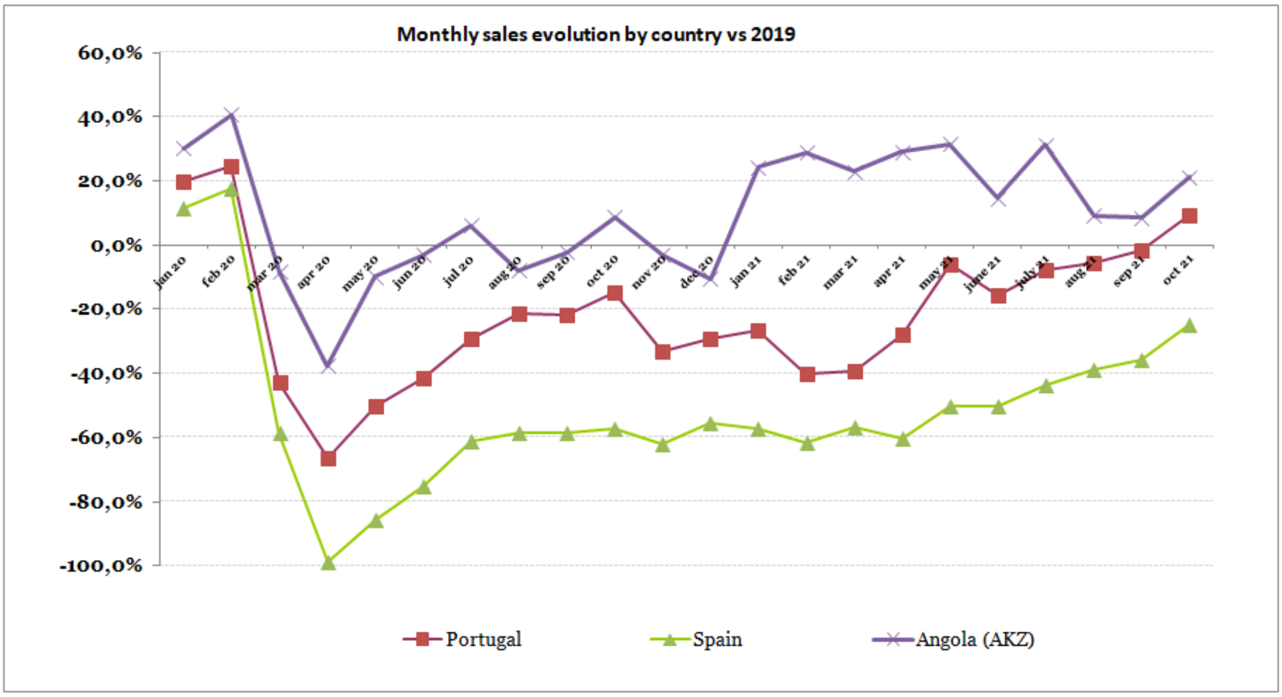
Financial Position	
Capex	Tangible and intangible assets additions
Interest Coverage	EBITDA / Net Financing Costs
Net Bank Debt	Bonds + bank loans + other loans + financial leases - cash, bank deposits, current investments, and other long-term financial applications
Net Debt	Net Bank Debt + Liability for Leases
Gearing	Net Debt / (Net debt + Equity Capital)
Financial Autonomy ratio	Equity/Total Assets

Outlook

Recent IMF forecasts for 2021 point to a 4.8% growth of GDP in Portugal and 6.2% in Spain, which indicates a slow and insufficient recovery, namely in business areas that depend on traffic and movement of people, such as airports and shopping centers.

At the date of publication of this report, we have witnessed the emergence of a new wave, in Central Europe, with greater incidence in countries with lower levels of vaccination coverage, in which new restrictions are being imposed that could affect the mobility of people and consequently compromise the pace of recovery seen in recent months.

However, it is expected that, in Iberia, given the high rate of vaccination of the active population in Portugal and Spain, there will not be restrictions identical to those that led to lockdown periods.



Ibersol's activity will continue to depend on the evolution of demand that will result from the evolution of consumer confidence levels, which we expect to evolve favourably over the next few months until reaching a equivalent level to the Pre-Covid sales, with more difficulty in regions with a high weight of tourist activities if new restrictions on mobility arise.

Ibersol Group keeps the prevention/contingency plans in place and will resort, whenever possible, to labour protection mechanisms available, that allow for the minimisation of negative impacts for the group and its employees.

In addition to the 14 openings carried out to date, we will continue with plans to expand brands and formats, which have shown greater resilience in this period, with the expected opening of ten new restaurants until the end of the year.

Subsequent Events

1 - Ley 13/2021

On 2 October 2021, Ley 13/2021 was published, which provides for new rules applicable to the lease contracts of commercial establishments for catering and retail activities located in airports managed by AENA.

Under the approved rules, the minimum guaranteed annual rent provided for in these contracts for the period between 15 March 2020 and 20 June 2020, both included, will be eliminated and its payment will not be enforceable by AENA, as from 21 June 2020, the minimum guaranteed annual rent established in these contracts will be automatically reduced in direct proportion to the reduction in the volume of passengers at the airport where the commercial establishment concerned is located compared to the volume of passengers reached at the same airport in 2019, and this reduction will apply in 2020 and in all subsequent years until the annual volume of passengers at the airport reaches that verified in 2019.

Based on Ibersol interpretation of the terms of this law and on revised traffic estimates according to Eurocontrol's latest publications, we estimate a guaranteed minimum rents payable amount that is approximately 80 million Euros lower than initially stipulated in the contracts in case of the referred traffic estimates actually materialize.

For the period from 15 March 2020 to 30 September 2021, corresponds a rent differential of 41.7 million Euros, which would immediately translate into a reduction in the same portion of current liabilities.

The accounting effects of the application of this law will only be reflected in the annual financial statements for 2021. However, considering that the lease liabilities reflects the lease commitments under the original terms of the agreements, the application of the law will necessarily result in a significant decrease in lease liabilities and also in rights of use, since the lease contributions associated with these agreements will be recognized as rents and leases.

Ibersol is also analyzing potential impacts on the recovery of non-current assets, given that the referred law results in estimated amounts of rents payable higher than those claimed in the litigation against AENA, as well as a positive impact on the Group's shareholders' equity in 2021, although it is difficult to quantify its total impact on the Group's financial statements as at the date of this disclosure.

2 – Capital Increase

Additionally, on 19 October, the Board of Directors, has resolved to proceed with a share capital increase, through a public offering for subscription of 10.000.000 (ten million) shares at a price of 4 Euros per share, to be subscribed by Ibersol’s shareholders.

This offer aimed to ensure the necessary means to implement its strategic guidelines and, in particular, to resume the normal rate of expansion investments and modernisation of its restaurants, in order to maintain and expand the market shares of the businesses in which the Company operates and which proved to be more resilient in the context of the crisis caused by the Covid-19 pandemic.

At the end of the subscription period, the total demand registered, represented around 146% of the offer, which means that the capital increase was fully subscribed and carried out, resulting in a gross financial inflow of 40 million Euros. The capital increase is registered at the Commercial Registry Office, so the new shares will be have listed tomorrow.

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Porto, 18th November 2021

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António Alberto Guerra Leal Teixeira

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António Carlos Vaz Pinto de Sousa

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Maria do Carmo Guedes Antunes de Oliveira

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Juan Carlos Vázquez-Dodero de Bonifaz

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Maria Deolinda Fidalgo do Couto

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

Condensed Interim Consolidated Financial Statements

30 September 2021

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

ASSETS	Notes	30/09/2021	31/12/2020
Non-current			
Property, plant and equipment	8	207 730 920	213 304 027
Rights of use	7	255 379 587	281 632 588
Goodwill	9	80 509 642	80 509 642
Intangible assets	9	35 161 851	36 849 594
Financial investments - joint controlled subsidiaries and associated	6	3 361 411	2 699 661
Non-current financial assets	6	555 705	574 737
Other financial assets	10	744 100	823 927
Other non-current assets	11	8 342 632	7 743 025
Deferred tax	6 and 17	18 814 473	14 914 797
Total non-current assets	6	**610 600 321**	**639 051 998**
Current			
Inventories		13 543 141	11 602 015
Income tax receivable	6 and 17	300 301	169 241
Other financial assets	10	1 061 402	1 618 259
Other current assets	13	25 209 123	25 745 207
Cash and cash equivalents	12	71 969 290	50 550 293
Total current assets		**112 083 256**	**89 685 015**
Total Assets		**722 683 577**	**728 737 013**

EQUITY AND LIABILITIES	Notes	30/09/2021	31/12/2020
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		36 000 000	36 000 000
Own shares		-11 180 516	-11 180 516
Share premium		469 937	469 937
Legal reserves		1 751 081	1 629 598
Translation reserve		-11 961 405	-12 821 109
Other Reserves & Retained Earnings		142 053 271	197 372 003
Net profit for the period		-20 136 759	-55 197 249
		136 995 609	**156 272 664**
Non-controlling interests		85 882	133 241
Total Equity		**137 081 491**	**156 405 905**
LIABILITIES			
Non-current			
Loans	14	152 127 468	145 494 956
Lease liabilities	14	236 414 703	254 632 020
Deferred tax	6 and 17	3 488 293	3 896 164
Provisions	6	778 023	33 257
Derivative financial instrument	6	44 319	63 078
Other non-current liabilities		4 176	6 026
Total non-current liabilities		**392 856 982**	**404 125 501**
Current			
Loans	14	22 874 410	19 573 625
Lease liabilities	14	90 408 629	74 382 513
Accounts payable to suppliers and accrued costs	15	65 759 309	61 958 343
Income tax payable	17	491 266	15 329
Other current liabilities	16	13 211 491	12 275 797
Total current liabilities		**192 745 105**	**168 205 607**
Total Liabilities		**585 602 086**	**572 331 108**
Total Equity and Liabilities		**722 683 577**	**728 737 013**

Porto, 18 November 2021

The Board of Directors,

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

CONDENSED STATEMENT OF RESULTS AND OTHER INTERIM CONSOLIDATED COMPREHENSIVE INCOME

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER, 2021 AND 2020

(values in euros)

	Notes	9 months ended 30/09/2021	9 months ended 30/09/2020
Sales	6	240 571 036	212 929 663
Rendered services	6	1 120 522	960 355
Cost of sales		-60 162 877	-53 968 928
External supplies and services		-56 962 806	-49 829 086
Personnel costs		-79 438 939	-78 554 674
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA	7, 8 and 9	-63 739 555	-67 433 414
Other operating gains (losses)	18	8 850 072	4 339 155
Operating Income		-9 762 547	-31 556 929
Financial expenses and losses	19	-14 782 001	-16 298 609
Financial income and gains	19	441 442	935 099
Gains (losses) in associated and joint controlled sub. - Equity method		-38 249	-291 381
Profit before tax		**-24 141 355**	**-47 211 820**
Income tax	20	3 957 237	10 325 496
Net profit		**-20 184 118**	**-36 886 324**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		859 704	-1 928 394
TOTAL COMPREHENSIVE INCOME		**-19 324 414**	**-38 814 718**
Net profit attributable to:			
Owners of the parent		-20 136 759	-36 840 904
Non-controlling interest		-47 359	-45 420
		-20 184 118	-36 886 324
Total comprehensive income attributable to:			
Owners of the parent		-19 277 055	-38 769 298
Non-controlling interest		-47 359	-45 420
		-19 324 414	-38 814 718
Earnings per share:	21		
Basic		**-0,62**	**-1,14**
Diluted		**-0,62**	**-1,14**

Porto, 18 November 2021

The Board of Directors,

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

CONDENSED STATEMENT OF RESULTS AND OTHER INTERIM CONSOLIDATED COMPREHENSIVE INCOME

FOR THE THIRD TRIMESTER OF THE YEARS 2021 AND 2020

(values in euros)

		3rd TRIMESTER (unaudited)	
	Notes	**3 months ended 30/09/2021**	**3 months ended 30/09/2020**
Sales		106 323 951	79 888 504
Rendered services		508 442	359 740
Cost of sales		-25 881 870	-20 261 523
External supplies and services		-23 045 815	-13 102 484
Personnel costs		-29 937 162	-25 798 007
Amortisation, depreciation and impairment losses of TFA, Rights of Use, Goodwill and IA		-21 097 679	-20 479 004
Other operating gains (losses)		1 072 184	-361 510
Operating Income		7 942 051	245 716
Financial expenses and losses		-4 927 683	-5 330 205
Financial income and gains		132 122	225 410
Gains (losses) in associated and joint controlled sub. - Equity method		67 470	-209 180
Profit before tax		**3 213 960**	**-5 068 259**
Income tax		-448 694	1 544 023
Net profit		**2 765 266**	**-3 524 236**
Other comprehensive income:			
Change in currency conversion reserve (net of tax and that can be recycled for results)		693 648	-700 718
TOTAL COMPREHENSIVE INCOME		**3 458 914**	**-4 224 954**
Net profit attributable to:			
Owners of the parent		2 765 559	-3 509 562
Non-controlling interest		-292	-14 674
		2 765 267	-3 524 236
Total comprehensive income attributable to:			
Owners of the parent		3 459 207	-4 210 280
Non-controlling interest		-292	-14 674
		3 458 915	-4 224 954
Earnings per share:			
Basic		**0,09**	**-0,11**
Diluted		**0,09**	**-0,11**

Porto, 18 November 2021

The Board of Directors,

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

	Note	Assigned to shareholders									
		Share Capital	Own Shares	Share Premium	Legal Reserves	Translation Reserve	Other Reserves & Retained Earnings	Net Profit	Total parent equity	Non-controlling interests	Total Equity
Balance on 1 January 2020		36 000 000	-11 180 516	469 937	1 075 511	-10 355 553	180 376 862	17 549 228	213 935 469	293 007	214 228 476
Changes in the period:											
Application of the consolidated profit from 2019:											
Transfer to reserves and retained results					554 087		16 995 141	-17 549 228	-		-
Conversion reserves - Angola						-1 928 394			-1 928 394		-1 928 394
Net consolidated income for the nine months ended on 30 September, 2020								-36 840 904	-36 840 904	-45 420	-36 886 324
Total changes in the period		-	-	-	554 087	-1 928 394	16 995 141	-54 390 132	-38 769 298	-45 420	-38 814 718
Net profit								**-36 840 904**	**-36 840 904**	**-45 420**	**-36 886 324**
Total comprehensive income									-38 769 298	-45 420	-38 814 718
Transactions with capital owners in the period											
Application of the consolidated profit from 2019:											
Paid dividends									-	-49 806	-49 806
		-	-		-	-	-	-	-	-49 806	-49 806
Balance on 30 September 2020		**36 000 000**	**-11 180 516**	**469 937**	**1 629 598**	**-12 283 947**	**197 372 003**	**-36 840 904**	**175 166 171**	**197 781**	**175 363 952**
Balance on 1 January 2021		36 000 000	-11 180 516	469 937	1 629 598	-12 821 109	197 372 003	-55 197 249	156 272 664	133 241	156 405 905
Changes in the period:											
Application of the consolidated profit from 2020:											
Transfer to reserves and retained results					121 483		-55 318 732	55 197 249	-		-
Conversion reserves - Angola						859 704			859 704		859 704
Net consolidated income for the nine months ended on 30 September, 2021								-20 136 759	-20 136 759	-47 359	-20 184 118
Total changes in the period		-	-	-	121 483	859 704	-55 318 732	35 060 490	-19 277 055	-47 359	-19 324 414
Net profit								**-20 136 759**	**-20 136 759**	**-47 359**	**-20 184 118**
Total comprehensive income									-19 277 055	-47 359	-19 324 414
Transactions with capital owners in the period											
Application of the consolidated profit from 2020:											
Paid dividends									-		-
		-	-	-	-	-	-	-	-	-	-
Balance on 30 September 2021		**36 000 000**	**-11 180 516**	**469 937**	**1 751 081**	**-11 961 405**	**142 053 271**	**-20 136 759**	**136 995 609**	**85 882**	**137 081 491**

Porto, 18 November 2021

The Board of Directors,

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

	Note	9 months ended 30/09/2021	9 months ended 30/09/2020
Cash Flows from Operating Activities			
Receipts from clients		240 579 543	217 973 920
Payments to supliers		-100 126 447	-107 147 660
Staff payments		-60 764 516	-65 987 971
Flows generated by operations		79 688 579	44 838 289
Payments/receipt of income tax		61 002	-739 871
Other paym./receipts related with operating activities		-19 932 515	-21 378 227
Flows from operating activities (1)		**59 817 067**	**22 720 191**
Cash Flows from Investment Activities			
Receipts from:			
Financial investments		76 164	81 016
Tangible fixed assets		737	1 412
Interest received		391 413	748 362
Other financial assets		1 832 868	3 742 596
Payments for:			
Financial Investments		747 132	189 167
Other financial assets		1 038 312	
Tangible fixed assets		17 330 873	23 404 873
Intangible assests		1 772 240	1 931 645
Flows from investment activities (2)		-18 587 376	-20 952 299
Cash flows from financing activities			
Receipts from:			
Loans obtained		24 135 784	61 175 156
Payments for:			
Loans obtained		13 930 341	3 248 231
Leases agreements		21 766 776	21 069 957
Interest on loans and similar costs		3 225 410	3 257 049
Interest on leases agreements		5 040 566	12 571 109
Flows from financing activities (3)		-19 827 310	21 028 810
Change in cash & cash equivalents (4)=(1)+(2)+(3)		**21 402 381**	**22 796 702**
Effects of exchange rate differences		-85 589	
Cash & cash equivalents at the start of the period		50 549 377	34 684 804
Cash & cash equivalents at end of the period	12	**71 866 169**	**57 481 506**

Porto, 18 November 2021

The Board of Directors,

IBERSOL SGPS, S.A.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED ON 30 SEPTEMBER 2021

(Values in euros)

1. INTRODUCTION

IBERSOL, SGPS, SA (Group or Ibersol) with head office at Praça do Bom Sucesso, Edifício Península n.º 105 a 159 – 9º, 4150-146 Porto, Portugal. Ibersol's subsidiaries (jointly called "the Group"), operate a network of 610 units in the restaurant segment through the brands Pizza Hut, Pans & Company, Ribs, FresCo, SantaMaria, Kentucky Fried Chicken, Burger King, Quiosques, Pizza Móvil, Miit, Taco Bell, Sol, Silva Carvalho Catering e Palace Catering, coffe counters and other concessions. The group has 530 units which it operates and 80 units under a franchise contract. Of this universe, 365 are based in Portugal, of which 364 are owned and 1 franchised, and 232 are based in Spain, spread over 156 own establishments and 76 franchisees, and 10 in Angola and 3 in other locations.

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

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

COVID-19

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

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

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

The end of the first semester was defined by an increment of the pandemic situation in Portugal due to the circulation of the Delta variant. However, in the third quarter there was a substantial improvement in the control of the pandemic, due to the acceleration of the pace of vaccination in the Península Ibérica.

During this period, we witnessed a easing of restrictions imposed on people's mobility and of retail opening hours, which allowed the summer holidays to have taken place in a more normal environment for residents - though with a substantial loss of tourists - and that there had been an increase in the levels of consumer confidence, which allowed a recovery in activity at a higher pace.

The recovery seen in August and September, which benefited from the beginning of the recovery in tourism, evolved favorably in the following months - a trend that will continue if no new restrictions occur - with the exception of the recovery at airports, which continued at a slower pace.

At the end of the third quarter, the group remained in Spain with around 16% of its employees in ERTE (equivalent to lay off), mainly due to the reduced activity at airports, while in Portugal all the subsidiaries left the employment protection regime.

2. MAIN ACCOUNTING POLICIES

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

2.1 Presentation and consolidation basis, and main accounting policies

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

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

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

These financial statements were approved by the Board of Directors and authorised for emission on 18 November 2021.

Change in headings presented in the Consolidated Cash Flow Statement

As at 30 September 2021, Ibersol Group decided to separate payment of interest and financial debt associated with the lease contracts, presenting the interest component in the "Interest on leases agreements" line. For purposes of comparability, these changes were also made in the previous period.

The Ibersol Group also decided to autonomize the effect of exchange rate differences in 30 September 2021.

2.2. New rules, changes and interpretations

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

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

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

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

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

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

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

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

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

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

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

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

a) Amendments to IFRS 3, IAS 16, IAS 37 and Improvements to International Financial Reporting Standards (2018-2020 cycle) (effective for annual periods beginning on or after 1 January 2022). These amendments are intended to clarify or correct minor conflicts between the requirements of the Standards. The amendments to IFRS 3 update a reference to the Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendments to IAS 16 prohibit an enterprise from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the enterprise prepares the asset for its intended use. Instead, a company will recognize gains and related costs in the results. The amendments to IAS 37 specify what costs an enterprise includes in assessing whether a contract will be harmful. The annual improvements to International Financial Reporting Standards make minor changes to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 9 - Financial Instruments, IAS 41 - Agriculture and also presents illustrative examples of IFRS 16 leases.

The future adoption of these amendments is not expected to have a significant impact on Ibersol's consolidated financial statements.

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

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

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

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

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

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

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

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

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

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

a) Market risk

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

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

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

Sep/21

Euro exchange rates (x foreign currency per 1 Euro)	Rate on September, 30 2021	Average interest 3rd Trimester 2021
Kwanza de Angola (AOA)	694,927	750,188

Dec/20

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

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

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

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

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

Based on simulations performed on 30 September 2021, an increase of 100 basis points in the interest rate index, maintaining other factors constant, would have a negative impact in the net profit of 386,000 Euros (610,000 Euros in December 2020).

b) Credit risk

The main activity of the Group is performed with sales paid in cash, or debit or credit card, so the Group has no significant credit risk concentrations. Regarding customers, the risk is limited to the Catering business and sales of merchandise to franchisees representing less than 3.5% of the consolidated turnover. The Group has policies to ensure that credit sales are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit that customers have access to.

The Group's cash and cash equivalents include mainly deposits resulting from cash provided by sales and its deposits in current accounts. Excluding these amounts, the amount of financial investments at 30 September 2021, is not significant, with the exception of the above mentioned Treasury Bonds of the Republic of Angola in the amount of 1.8 million Euros, subject to country risk.

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

c) Liquidity risk

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

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

At 30 September 2021, current liabilities reached 193 million Euros, compared with 112 million Euros in current assets. This disequilibrium is, on one hand, a financial characteristic of this business and, on the other hand, it is due to some Commercial Paper programs, with termination clauses, in which reimbursement on the termination date is considered regardless of the terms for which they are contracted and still circumstantially the option for issuance under contracts of lesser maturity at the expense of other programs of greater maturity that are left unused and consequently with amounts available for coverage. Loans in the form of commercial paper issues are classified as non-current liabilities when they are guaranteed to be placed for a period of more than one year and it is the intention of the Group's Board of Directors to use this funding source for a period of more than one year. Considering, the expected operating cash flows and, if necessary, the commercial paper and the contracted credit lines, the amounts of which have not yet been used, are sufficient to settle almost all current liabilities deducted from the lease liability AENA pass rents object of claim and with injunction.

Even with reduced use of the group has contracted a significant amount of treasury support short-term lines in secured accounts. On 30 September 2021, the short term liquidity cash flow under guarantee accounts amounted to 14 million Euros and were not used. Total unused credit lines amounted to 35.6 million euros. Investments in term deposits and other application of 68 million Euros, match 39% of liabilities paid.

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

	until September 2022	from September 2022 to 2039
Bank loans and overdrafts	22 874 410	152 127 468
Lease liabilities	90 408 629	236 414 703
Other non-current liabilities	-	4 176
Accounts payable to suppliers and accrued costs (*)	53 759 650	-
Other current liabilities (**)	5 549 930	-
Total	172 592 619	388 546 347

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

3.2 Capital risk

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

As at 30 September 2021 and 31 December 2020 the gearing ratio was of 76% and 74%, respectively, as follows:

	set/21	Dec-20
Lease liabilities	326 823 332	329 014 533
Bank loans	175 001 878	165 068 581
Other financial assets	-1 805 502	-2 442 186
Cash and bank deposits	-71 969 290	-50 550 293
Net indebtedness	428 050 418	441 090 634
Equity	137 081 491	156 405 905
Total capital	565 131 909	597 496 539
Gearing ratio	76%	74%

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

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

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

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

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

3.3 Estimated fair value

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

4. MAIN ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

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

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

b) Measurement and recognition of deferred taxes

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

c) Lease term and financing rate increases

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

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

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

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

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

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

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

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

5.2. Changes to the consolidation perimeter

5.2.1. Acquisition of new companies

In the nine months period ended on 30 September 2021 there were no acquisitions of subsidiaries.

5.2.2. Disposals

In the nine months period ended 30 September 2021 there were no disposals of subsidiaries.

6. INFORMATION PER SEGMENT

Ibersol Administration monitors the business based on the following segmentation:

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

DETAILED INFORMATION CONCERNING THE OPERATING SEGMENTS

	Restaurants		Counters		Concessions and Catering		Other, write off and adjustments		Total Group	
	Sep/21	Sep/20	Sep/21	Sep/20	Sep/21	Sep/20	Sep/21	Sep/20	Sep/21	Sep/20
Turnover	**52 490 473**	**52 256 980**	**154 611 950**	**129 311 563**	**34 417 287**	**32 206 438**	**171 848**	**115 037**	**241 691 558**	**213 890 018**
Operating income net of Amortization, deprec. and impairment losses	**10 633 011**	**4 875 734**	**33 381 216**	**25 966 794**	**9 748 705**	**4 657 162**	**214 077**	376 795	**53 977 008**	**35 876 485**
Amortization, depreciation and impairment losses	-8 927 388	-13 113 942	-24 250 337	-23 690 150	-29 638 627	-29 781 441	-923 202	-847 881	-63 739 555	-67 433 414
Operating income	**1 705 622**	**-8 238 208**	**9 130 879**	**2 276 643**	**-19 889 923**	**-25 124 279**	**-709 126**	**-471 086**	**-9 762 547**	**-31 556 929**
Financial gains (losses)									-14 340 559	-15 363 510
Financial gains (losses)									-38 249	-291 381
Income tax									3 957 237	10 325 496
Net profit									**-20 184 118**	**-36 886 324**

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

30 SEPTEMBER 2021	**Restaurants**	**Counters**	**Concessions and Catering**	**Other, write off and adjustments**	**Group**
Assets	**113 511 875**	**299 977 273**	**273 831 392**	**10 525 646**	**697 846 186**
Liabilities	**35 635 592**	**134 328 830**	**236 214 828**	**397 079**	**406 576 331**
Net investment in Intangible Assets and Property, Plant and Equipment (Notes 8 and 9)	**2 134 509**	**11 387 603**	**-85 551**	**275 273**	**13 711 834**

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

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

	Sep/21		Dec/20	
	Assets	Liabilities	Assets	Liabilities
Deferred taxes	18 814 473	3 488 293	14 914 797	3 896 164
Current taxes	300 301	491 266	169 241	15 329
Current bank loans	-	22 874 410	-	18 780 133
Non current bank loans	-	152 127 468	-	146 288 448
Derivative financial instrument	-	44 319	-	63 078
Non-current financial assets	555 705	-	574 737	-
Financial investments - joint controlled subsidiaries	3 361 411	-	2 699 661	-
Other financial assets	1 805 502	-	2 442 186	-
Total	24 837 392	179 025 756	20 800 622	169 043 152

	Sep/21		Dec/20	
	Assets	Liabilities	Assets	Liabilities
Allocated by segment	697 846 186	406 576 331	707 936 391	403 287 955
Not allocated	24 837 392	179 025 756	20 800 622	169 043 152
	722 683 577	585 602 086	728 737 013	572 331 108

INFORMATION BY GEOGRAPHY

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

30 SEPTEMBER 2021	Portugal	Angola	Spain	Group
Turnover	**157 461 543**	**5 961 879**	**78 268 136**	**241 691 558**
Property, plant and equipment and intangible assets	171 881 598	17 230 087	53 781 086	242 892 771
Rights of use	67 497 996	527 241	187 354 350	255 379 587
Goodwill	7 474 768	130 714	72 904 160	80 509 642
Deferred tax asset	134 327	-	18 680 146	18 814 473
Financial investments - joint controlled subsidiaries and associated	2 961 411	-	400 000	3 361 411
Non-current financial assets	555 705	-	-	555 705
Other financial assets	-	744 100	-	744 100
Other non-current assets	-	-	8 342 632	8 342 632
Total non-current assets	**250 505 805**	**18 632 142**	**341 462 374**	**610 600 321**

30 SEPTEMBER 2020	Portugal	Angola	Spain	Group
Turnover	**138 908 464**	**5 654 886**	**69 326 668**	**213 890 018**
31 DECEMBER 2020				
Property, plant and equipment and intangible assets	173 275 139	18 646 847	58 231 635	250 153 621
Rights of use	72 429 261	608 036	208 595 291	281 632 588
Goodwill	7 474 768	130 714	72 904 160	80 509 642
Deferred tax asset	1 379 018	-	13 535 779	14 914 797
Financial investments - joint controlled subsidiaries and associated	2 699 661	-	-	2 699 661
Non-current financial assets	424 737	-	150 000	574 737
Other financial assets	-	823 927	-	823 927
Other non-current assets	-	-	7 743 025	7 743 025
Total non-current assets	**257 682 584**	**20 209 524**	**361 159 890**	**639 051 998**

7. RIGHTS OF USE

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

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

	Rights of use
1 January 2021	
Initial net amount	281 632 588
Currency conversion	89 146
Increases	16 399 567
Decreases	-158 169
Transfers	-89 996
Depreciation in the year	-42 493 549
Final net amount	**255 379 587**

The value of the increases corresponds mainly to the opening of 6 new restaurants, 22 renewals of restaurant contracts and support facilities, and also rent updates based on the Consumer Price Index.

8. PROPERTY, PLANT AND EQUIPMENT

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

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

	Land	Buildings	Equipment	Other property, plant and equipment	Property, plant and equipment in progress	Total
1 January 2021						
Initial net amount	14 737 524	151 566 194	35 218 881	10 358 548	1 422 880	213 304 027
Currency conversion	97 479	102 989	15 903	-10	27 296	243 657
Charge-off	3 626 167	3 368 620	1 668 738	414 516	3 892 241	12 970 282
Decreases	-	-126 649	-18 497	-33 275	-	-178 421
Transfers	-	375 703	488 037	58 055	-821 103	100 692
Depreciation in the year	-35 055	-10 467 643	-6 443 849	-1 762 773	-	-18 709 320
Final net amount	**18 426 114**	**144 819 214**	**30 929 215**	**9 035 060**	**4 521 315**	**207 730 920**
30 September 2021						
Cost	18 735 425	275 795 289	141 959 297	31 952 822	4 521 315	472 964 148
Accumulated depreciation	-309 311	-123 566 190	-110 864 729	-22 904 871	-	-257 645 101
Accumulated impairment	-	-7 409 885	-165 353	-12 891	-	-7 588 129
Net amount	**18 426 114**	**144 819 214**	**30 929 215**	**9 035 060**	**4 521 315**	**207 730 920**

In 2021 investment refers mainly to the opening of two Taco Bell, three Pizza Hut, one Burger King and to the land acquisition for 5 restaurants to be installed. The investment of approximately 25 million Euros in 2020 essentially refers to the opening of six KFC's, six Burger King's, two Taco Bell's and a Ribs restaurant.

Impairment tests on cash-generating units (CGU)

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

The assumptions for impairment analysis of Tangible Fixed Assets used in the preparation of 31 December 2020 financial statements remain valid and there have been no changes to the facts and circumstances underlying them. In the first nine months of 2021 there is no need for recognition of additional impairment related to property, plant and equipment assets.

9. INTANGIBLE ASSETS AND GOODWILL

Goodwill and intangible assets are broken down as follows:

	Sep/21	Dec/20
Goodwill	80 509 642	80 509 642
Intangible assets	35 161 851	36 849 594
	115 671 493	**117 359 236**

Goodwill is allocated to each segment as follows:

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

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

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

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

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

	Goodwill	Brands	Industrial property	Other intangible Assets	Assets in progress	Total
1 January 2021						
Initial net amount	80 509 642	17 416 667	16 025 623	1 751 799	1 655 511	117 359 236
Currency conversion	-	-	5 845	-	15 260	21 105
Charge-off	-	-	826 183	-	370 015	1 196 198
Decreases	-	-	-23 754	-	-252 471	-276 225
Transfers	-	-	113 146	-	-137 800	-24 654
Amortization in the year	-	-825 000	-1 518 032	-261 134	-	-2 604 166
Final net amount	**80 509 642**	**16 591 667**	**15 429 011**	**1 490 665**	**1 650 515**	**115 671 493**
30 SEPTEMBER 2021						
Cost	80 509 642	22 000 000	50 009 304	12 242 223	1 650 515	166 411 684
Accumulated amortization	-	-5 408 333	-30 903 467	-10 714 306	-	-47 026 106
Accumulated impairment	-	-	-3 676 826	-37 254	-	-3 714 080
Net amount	**80 509 642**	**16 591 667**	**15 429 011**	**1 490 665**	**1 650 515**	**115 671 493**

Goodwill – Impairment tests

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

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

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

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

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

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

As mentioned in the report on June 30, 2021, given the expectations of recovery of air traffic in Europe, which have been aggravated by the delay in vaccination processes against Covid-19, the group adjusted Travel projections to the new forecasts of airspace regulators, considering a scenario more delayed in the recovery of traffic at airports, following the successive projections that have been disseminated by specialist entities in the aviation sector. In addition, given the uncertainty regarding the final outcome of the negotiations with the airport concessionaire in Spain, the group also considered an additional risk for this business, with the consequent worsening of the discount rate, which led to the recognition of the aforementioned impairment, in the € 4,342,296 to Travel's goodwill.

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

With the publication on 2 October of Ley13/2021, which establishes new rules to be applied to rent leases at Spain Airports by AENA, the Group will review its estimates and the impact of these new rules on the value of goodwill recovery of the Travel business in Spain.

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

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

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

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

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

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

10. OTHER FINANCIAL ASSETS

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

	Sep/21			Dec/20		
	Current	Non current	Total	Current	Non current	Total
Treasury bonds	1 062 316	976 491	2 038 807	1 655 983	949 956	2 605 939
Sub-total	1 062 316	976 491	2 038 807	1 655 983	949 956	2 605 939
Accumulated impairment losses	914	232 391	233 305	37 724	126 029	163 753
TOTAL	1 061 402	744 100	1 805 502	1 618 259	823 927	2 442 186

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

10.1. Non-current

	Sep/21	**Dec/20**
Angola Treasury bonds	976 491	949 956
	976 491	**949 956**
Accumulated impairment losses	232 391	126 029
	744 100	**823 927**

Non-current		
Issue date	26/10/2017	28/02/2019
Acquisition date	07/04/2021	05/05/2021
Due date	26/10/2022	28/02/2023
BNA exchange rate	n/a	n/a
Amount	600	1 000
Amount as at 30/09/2021	76 376	133 093
Gross annual return	12%	16,5%

Non-current			
Issue date	31/08/2017	16/04/2021	08/07/2020
Acquisition date	06/05/2021	25/05/2021	25/05/2021
Due date	31/08/2024	16/10/2022	08/07/2023
BNA exchange rate	645	n/a	n/a
Amount	250	2 000	1 350
Amount as at 30/09/2021	313 952	276 288	176 781
Gross annual return	7%	15,75%	16,25%

10.2. Current

	Sep/21	Dec/20
Angola Treasury bonds	1 062 316	1 655 983
	1 062 316	**1 655 983**
Accumulated impairment losses	914	37 724
	1 061 402	**1 618 259**

Current		
Issue date	04/10/2019	
Acquisition date	16/03/2021	
Due date	04/10/2021	
BNA exchange rate	n/a	
Amount	210	
Amount as at 30/09/2021	29 829	
Gross annual return	16%	

Current		
Issue date	16/09/2015	29/09/2017
Acquisition date	22/01/2016	16/03/2021
Due date	16/09/2022	29/09/2022
BNA exchange rate	154,84	n/a
Amount	975	250
Amount as at 30/09/2021	1 000 494	31 993
Gross annual return	5%	12%

11. OTHER NON-CURRENT ASSETS

Other non-current assets breakdown is presented as follows:

	Sep/21	Dec/20
Other non-current assets	8 342 632	7 743 025
	8 342 632	**7 743 025**

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

In the impossibility of reaching an agreement with AENA, we were forced to take precautionary measures to prevent it from executing the bank guarantees that were provided to ensure compliance with the obligations arising from the signed lease contracts. Securities related to contracts with AENA, under precautionary measures amounts to 4,902,831 Euros. In addition it was made a deposit of 847,735 euros in the Juzgado in Barcelona regarding this process.

12. CASH AND CASH EQUIVALENTS

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

	Sep/21	Dec/20
Cash	996 722	903 884
Bank deposits	70 972 068	49 645 909
Treasury applications	500	500
Cash and bank deposits in the balance sheet	71 969 290	50 550 293
Bank overdrafts	-103 121	-916
Cash and cash equivalents in the cash flow statement	71 866 169	50 549 377

13. OTHER CURRENT ASSETS

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

	Sep/21	Dec/20
Clients	5 682 306	4 896 323
State and other public entities	3 661 190	5 660 701
Other debtors (1)	13 529 769	11 239 465
Advances to suplliers	330 075	124 317
Advances to fixed suppliers	403 969	408 264
Accruals and income	2 767 040	4 243 357
Deferred costs	1 673 200	1 757 482
Other current assets	**28 047 550**	**28 329 909**
Accumulated impairment losses	2 838 427	2 584 702
	25 209 123	**25 745 207**

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

In the course of a lawsuit brought by employees of a subcontracted service provider of the subsidiary Pansfood, an unfavorable decision was issued condemning Pansfood to the payment of an indemnity of 744,766 Euros.

The Group appealed the decision and a guarantee was set up in the amount of 744,766 euros, which is recognized in Other debtors. Likewise, Ibersol Group set up a provision in the amount of 744,766 euros with reference to September 30, 2021, having recognized the corresponding expense in the year.

14. LOANS AND LEASE LIABILITIES

14.1 Loans

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

Non-current	Sep/21	Dec/20
Bank loans	82 347 779	65 496 857
Commercial paper programmes	69 779 689	79 998 099
	152 127 468	**145 494 956**

Current	**Sep/21**	**Dec/20**
Bank overdrafts	103 121	916
Bank loans	8 771 289	17 972 709
Commercial paper programmes	14 000 000	1 600 000
	22 874 410	**19 573 625**
Total loans	**175 001 878**	**165 068 581**

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

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

1 January 2021	165 068 581
Loan receipts obtained	24 135 784
Financial debt payments	-13 930 341
Variation effect of bank overdrafts	102 205
Financing assembly costs	-374 352
30 September 2021	175 001 878

A portion of financing with maturities over 1 year in the amount of 49 million euros includes clauses with the following financial covenants:

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

* Ebitda without rents

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

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

14.2 Lease liabilities

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

	set/21			Dec/20		
	Current	Non-current	Total	Current	Non-current	Total
Leases	90 408 629	236 414 703	326 823 332	74 382 513	254 632 020	329 014 533
TOTAL	90 408 629	236 414 703	326 823 332	74 382 513	254 632 020	329 014 533

During March 2021, and as described in Note 1, the Group filed a lawsuit against AENA concerning the values of the minimum guaranteed rents of space rental contracts in airports in Spain. As a result, the Group intends for the contract to be modified which, if verified, will result in the reduction of the minimum lease payments that are, as at 30 September 2021, included in the Group's consolidated balance sheet as a current lease liability in the approximate amount of 61 million Euros (24 million Euros in 2020 and 2021 and 13 million Euros in 2022) and non-current amount of 34 million Euros.

Based on Ibersol's interpretation of the terms of Law 13/2021 published on October 2, 2021 and on revised traffic estimates according to the latest Eurocontrol publications, Ibersol estimates a value of guaranteed minimum rents payable lower by around 80 million of euros compared to what was initially stipulated in the contracts (of which 41 million refer to the period until September 2021 and the remaining 39 million refer to the period after 1 September 2021 and until the end of the contracts), if the referred traffic estimates apply effectively to materialize. The accounting effects of the application of the aforementioned law will only be reflected in the annual financial statements for the year 2021, as in note 25.

Movements in the period in leasing responsibilities are presented as follows:

1 January 2021	329 014 533
Lease agreement payments (1)	-26 807 342
Interest for the period by the update of the responsibilities with leases	11 593 952
Lease contract increases	16 399 554
Contract terminations / store closings	32 312
Income concessions resulting from the COVID-19 pandemic	-3 622 496
Others	212 819
30 September 2021	326 823 332

(1) lease payments include 21,766,776 euros of capital and 5,040,566 euros of interest.

During the nine months period ended on 30 September 2021 and in 2020, the Group obtained discounts on rent payments in the amount of 3,622,496 euros, which resulted in the respective decrease in liabilities without an outflow of funds.

15. ACCOUNTS PAYABLE TO SUPPLIERS AND ACCRUED COSTS

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

	Sep/21	Dec/20
Suppliers c/ a	33 427 835	26 475 002
Suppliers - invoices pending approval	2 076 870	2 760 018
Suppliers of fixed assets c/ a	9 944 663	15 406 934
Total accounts payable to suppliers	45 449 368	44 641 954

	Sep/21	Dec/20
Accrued costs - Payable insurance	188 229	124 828
Accrued costs - Payable remunerations	11 999 659	9 242 973
Accrued costs - Rent and lease (1)	1 827 010	480 010
Accrued costs - External services	4 587 684	5 591 633
Accrued costs - Other	1 707 358	1 876 945
Total acrrued costs	20 309 941	17 316 389
Total accounts payable to suppl.and accrued costs	65 759 309	61 958 343

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

16. OTHER CURRENT LIABILITIES

As at 30 September 2021 and 31 December 2020, "Other current liabilities" may be broken down as follows:

	Sep/21	Dec/20
Other creditors	5 549 930	5 632 840
State and other public entities	6 631 667	4 857 655
Deferred income	1 029 894	1 785 302
	13 211 491	12 275 797

17. INCOMES TAXES AND DEFERRED TAXES

17.1. Income tax

17.1.1. Income tax receivable

As at 30 September 2021, income tax receivable amounts to 300,301 Euros (2020: 169,241 Euros), presented as follows:

	Sep/21	Dec/20
Inverpeninsular Group (1)	33 984	20 403
RETGS (2)	157 766	121 615
Ibersol Angola	84 810	-
Cortsfood	15 483	15 483
Others	8 258	11 740
	300 301	169 241

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

17.1.2. Income tax payable

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

	Sep/21	Dec/20
Ibersol Angola	-	5 473
RETGS (1)	469 223	-
Others	22 043	9 856
	491 266	15 329

(1) amount of tax resulting from the estimate at 30 September 2021 of the tax group of subsidiaries in Portugal (RETGS).

17.2. Deferred tax

Changes in deferred taxes in the period are:

Deferred taxes	30.09.2021	31.12.2020	Movement in the period (1)
Assets	18 814 473	14 914 797	3 899 676
Liabilities	-3 488 293	-3 896 164	407 871
Total	**15 326 180**	**11 018 633**	**4 307 547**

(1) income tax with the amount of 4,259,005 euros (note 20) and 48,542 euros of currency conversion in reserves.

Portugal	21%
Spain	25%
Angola	25%

17.2.1 Deferred tax assets

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

	Sep/21			Dec/20		
Deferred tax assets	**Portugal**	**Spain**	**Total**	**Portugal**	**Spain**	**Total**
Tax losses carried forward (1)	-	4 168 792	4 168 792	1 378 625	4 153 688	5 532 313
Ded.temporary differences (IFRS16)	-	16 361 688	16 361 688	-	11 158 906	11 158 906
Taxable temporary differences	-33 859	-1 220 171	-1 254 029	-33 859	-1 220 171	-1 254 030
Homogenization of property, plant and equipment and intangible assets (2)	-5 468 081	-1 234 501	-6 702 582	-5 606 236	-1 161 182	-6 767 418
Other temporary differences (3)	5 636 267	604 338	6 240 605	5 640 488	604 538	6 245 026
	134 327	18 680 146	18 814 473	1 379 018	13 535 779	14 914 797

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

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

Regarding the reportable tax losses of Spain, detailed above, the Group is not recognizing deferred tax assets on reportable tax losses generated in Spain in the amount of 30,167,504 Euros (corresponding to 7,541,876 Euros in deferred taxes).

17.2.2 Deferred tax liabilities

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

Deferred tax liabilities	Sep/21 Angola	Dec/20 Angola
Homogenization of property, plant and equipment and intangible assets	-244 341	-131 783
Hyperinflationary Economies (IAS 29)	3 975 163	4 210 251
Ded.temporary differences (IFRS16)	-42 023	-34 217
Other temporary differences	-200 505	-148 087
	3 488 293	3 896 164

18. OTHER OPERATING INCOME AND COSTS

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

Other operating costs	2021	2020
Direct/indirect taxes not assigned to operating activities	657 427	735 210
Currency exchange differences	602 657	698 512
Losses in fixed assets	407 805	1 277 846
Membership fees, donations samples and inventory offers	88 211	67 680
Impairment adjustments (debts receivable)	271 536	818 915
Other operating costs	143 914	8 085
	2 171 550	3 606 248

Other operating income	2021	2020
Supplementary income (1)	2 727 745	2 354 721
Currency exchange differences	312 542	3 589 359
Compensations	260 000	-
Gains in fixed assets	10 772	17 123
Operating grants (2)	7 568 662	1 869 078
Impairment adjustments reversion (debts receivable)	19 173	-
Investment grants	35 808	44 237
Other operating gains	86 920	70 885
	11 021 622	7 945 403
Other operating income / (costs)	8 850 072	4 339 155

(1) result mainly from revenues from franchise agreements (Eat Out Group) and suppliers.
(2) increase is due to the recognition of government support under Covid-19 in the amount of 6,289,595 euros (IENAE).

19. EXPENSES AND LOSSES AND INCOME AND FINANCIAL GAINS

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

Financial expenses and costs	**2021**	**2020**
Interest on rentals liabilities (IFRS16)	11 593 951	12 571 109
Interest paid	2 064 833	2 512 220
Other financial expenses and costs	1 123 217	1 215 280
	14 782 001	16 298 609

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

Financial income and gains	**2021**	**2020**
Interest earned (1)	357 196	794 991
Other financial income and gains	84 246	140 108
	441 442	935 099

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

20. INCOME TAX

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

	set/21	**set/20**
Current taxes	526 195	361 369
Insufficiency (excess) of income tax	-224 427	-17 293
Deferred taxes	-4 259 005	-10 669 572
	-3 957 237	-10 325 496

The effective tax rate on profits was 16% and 22%, respectively, on September 30, 2021 and 2020, as follows:

	set/21	**set/20**
Profit before tax	-24 141 355	-47 211 820
Income tax expense	-3 957 237	-10 325 496
Effective tax rate	16%	22%

21. INCOME PER SHARE

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

	Sep/21	Sep/20
Profit payable to shareholders	-20 136 759	-36 840 904
Average weighted number of ordinary shares issued	36 000 000	36 000 000
Average weighted number of own shares	-3 599 981	-3 599 981
	32 400 019	32 400 019
Basic earnings per share (€ per share)	-0,62	-1,14
Earnings diluted per share (€ per share)	-0,62	-1,14
Number of own shares at the end of the year	3 599 981	3 599 981

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

22. CONTINGENT ASSETS AND LIABILITIES

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

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

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

23. OTHER COMMITMENTS ASSUMED

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

	Sep/21	Dec/20
Bank guarantees	25 389 605	25 211 435

Bank guarantees by hedge type are as follows:

Leases and rents	Other supply contracts	Fiscal and legal proceedings	Other	Other legal claims
24 999 997	23 327	301 550	52 731	12 000

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

Regarding the precautionary measures requested, aiming at preventing AENA from executing the guarantees and deposits (see Note 11), which has a 24.7 million Euros benefit. On 26 March 2021, the Court ruled in favour of the precautionary measure.

24. TRANSACTIONS WITH RELATED PARTIES

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

	Parent entitie		Jointly controlled entitie		Associated entitie		Other entities	
	3 T 2021	2020	3 T 2021	2020	3 T 2021	2020	3 T 2021	2020
Supplies and services	620 592	1 000 000	2 799 568	3 667 953	-	-	-	-
Rental lease	-	-	-	-	-	-	1 650 834	1 373 755
Accounts Payable	-	-	1 254 217	1 215 575	-	-	-	-
Other current assets	-	-	-	-	-	300 000	-	-
Financial investments	-	-	-	-	300 000	-	400 000	-

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

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

The other entities refer to entities controlled by other holders of significant influence in the parent company of Ibersol Group. The amounts presented refer to rents paid in the year, which, as a result of the adoption of IFRS16, do not correspond to the amount of lease expenses reflected in the financial statements. The present value of payment commitments estimated over the term of the respective contracts amounted, as at 30 June 2021, to approximately 18.2 million euros (18.4 million euros as at 31 December 2020).

25. SUBSEQUENT EVENTS

After September 30, 2021 and to date, the following events have taken place:

1. Publication of Law 13/2021

On October 2, 2021, Law 13/2021 was published, which provides for new rules applicable to leasing contracts for commercial establishments for restaurant and retail activities located at airports managed by AENA.

According to the approved rules, the minimum guaranteed annual income provided for in these contracts, for the period between March 15, 2020 and June 20, 2020, both included, will be eliminated and its payment will not be required by AENA and from 21st of June 2020, the minimum guaranteed annual income established in said contracts will be automatically reduced in direct proportion to the reduction in the volume of passengers at the airport where the commercial establishment in question is located in relation to the volume of passengers reached at the same airport in 2019, and this reduction will apply in 2020, as well as in all subsequent years until the annual volume of passengers at the airport reaches that verified in 2019.

Based on Ibersol's interpretation of the terms of this diploma and on revised traffic estimates in accordance with Eurocontrol's latest traffic forecasts, Ibersol estimates a value of guaranteed minimum rents to be paid around 80 million euros lower than initially stipulated in the contracts, if the referred traffic estimates actually materialize.

For the period from March 15, 2020 to September 30, 2021, there corresponds a rent differential of 41.7 million euros, which would immediately translate into a reduction in the same value of current liabilities.

The accounting effects of the application of the aforementioned law are being analyzed and will be reflected in the annual financial statements for the year 2021. However, considering that the lease liability reflects the lease commitments under the original terms of the contracts, the application of the law it will necessarily result in a relevant decrease in the lease liability and also in the rights of use, since the lease contributions associated with these contracts should be recognized as rents and leases.

Ibersol is also analyzing potential impacts on the recovery of non-current assets, given that the aforementioned law results in estimated amounts of rents to be paid higher than those claimed in the litigation against AENA, as well as a positive impact on the Group's equity in 2021, being difficult to fully quantify in the group's financial statements at the date of this disclosure.

2. Capital increase

Additionally, on 19 October, capital increase was deliberated by Ibersol Board of Directors, carried out through a public offer for subscription of ten million shares at a price of €4 (four euros) per share, aimed at the company's shareholders.

This offer aims to ensure the necessary means to implement the strategic guidelines and, in particular, to resume the normal pace of expansion investments, in order to maintain and expand market shares of the businesses and formats that demonstrate greater resilience in the context of crisis caused by the Covid-19 pandemic.

At the end of the subscription period, the total demand registered represented around 146% of the amount of the offer, which is why the capital increase was fully subscribed and carried out, resulting in a gross financial income of 40 million euros.